

JEL CLASSIFICATION: Q14, Q18

FINANCING AGRICULTURAL PRODUCTION AS A GUARANTEE FOOD SECURITY

Natalia M. TRETIAK

Candidate of Science in Economics, Associate Professor, Cherkasy Institute of banking UB NBU (Kyiv)

Summary. The problem of food security in the country and the ways for its resolution and the role of

financing agricultural production as a guarantee of food security in the future.

Key words: *food security, financing, investment, share, bank loans.*

Solving the problem of food security in the 21st century is of strategic importance because in the world in 2050 will need to feed 9 billion people.

Problems of food safety are important for Ukraine, despite its fertile soils, favorable climate and adequate development of the productive forces. As a result of irresponsible agriculture reform the state can not use its natural resources and huge production, economic and financial capacity for the benefit of its citizens. Reduction of cash income led to deregulation of the domestic market, to a catastrophic decline in consumer demand and the impoverishment of the population. According to recent statistics, 39 million Ukrainian consumes less than normal milk, 35 million – meat and vegetables; 26 million – fish and sugar; 16 million – 43 million and bread – vegetables.

Ensuring food security requires the development of a long-term strategy that involves both an increase in agricultural production and increase access to nutritious food for low-income segments of the population worldwide.

Food security is guaranteed by the measures which should be carried out on the macro and micro levels, namely at the level of individual states and agricultural enterprises.

The main source of agricultural production is its adequate and timely funding, because the financial resources are necessary to cover the costs of production and circulation, timely fulfillment of financial

obligations to the state, banks and other entities, of income and profits.

Agriculture of Ukraine guarantee food security increasing constantly volume of agricultural production, but nevertheless has a number of problems for the timely provision of own financial resources and modern agricultural machinery.

For the development and efficient operation of agricultural enterprises, improving their funding is necessary to carry out a number of measures, including:

To remove intersectoral imbalances in the economy, consequently eliminating disparity in prices for resources and agricultural products and lack of compensation for reduced public investment in agricultural production influence other market mechanisms;

the government should promote equivalent exchange between agriculture and other sectors of the economy, through the mechanisms of distribution relationships to receive the same profitability in different industries and agribusiness complexes;

to improve the structure and direction of investment and financial security;

to direct investment funds for the acquisition and application of new technologies and techniques, which ultimately will improve the results of management of agricultural enterprises.

References

1. Biuleten Natsionalnoho banku Ukrainy [Bulletin of the National Bank of Ukraine]. 2014, 10. Retrieved from <http://www.bank.gov.ua/doccatalog>

2. Ofitsiyniyi sait Derzhavnoi sluzhby statystyky Ukrainy [The official website of the State Statistics Service of Ukraine]. Retrieved from <http://www.ukrstat.gov.ua/>.

3. Ofitsiyni sait Ministerstva ahrarnoi polityky ta prodovolstva Ukrainy [The official site of the Ministry of Agrarian Policy and Food of Ukraine]. Retrieved from <http://minagro.gov.ua/>.

4. Reznikova O. S. (2010) Udoskonalennia mekhanizmu zabezpechennia prodovolchoi bezpeky v Ukraini [The mechanism of food security in Ukraine] *Ekonomika APK*, 5, 35–38.

5. Pro zatverdzhennia Derzhavnoi tsilovoi prohramy rozvytku ukrainskoho sela na period do 2015 roku: Postanova Kabinetu Ministriv Ukrainy vid 19 veresnia 2007 r. № 1158 [Resolution of the Cabinet of Ministers of Ukraine dated September 19, 2007 p. №1158 on approval of the State Target Program of Ukrainian village until 2015]. Retrieved from <http://www.minagro.kiev.ua./page/3800>.

6. Sabluk P. T., Bilous O. H. (2009) Prodovolcha bezpeka Ukrainy [Food security Ukraine]. *Ekonomika APK*. 10, 3–7.

7. Sabluk P. T., Kaletnyk H. M. (2011) Natsionalna doktryna prodovolchoi bezpeky Ukrainy [National food security doctrine Ukraine]. *Ekonomika APK*. 8, 3–10.

8. Smovzhenko T. S., Kravchenko I. S., Bahratian H. A. (2010) 85 krokiv reformuvannia ekonomiky Ukrainy (reformy tretioho pokolinnia) [85 Steps to reform the economy Ukraine (reforms third generation)]. *Ekonomichni nauky. Seriiia «Oblik i finansy»*. 7 (25). Ch. 5, 64–71.

9. Khudaverliyeva V. A. (2011) Problemy prodovolchoi bezpeky v Ukraini [The problems of food security in Ukraine]. *Ekonomika APK*, 3, 23–27.