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## **CREDIT MANAGEMENT IN UKRAINIAN AGRA-INDUSTRIAL COMPLEX IN MODERN MANAGEMENT CONDITIONS**

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**Introduction.** The problems of the sufficient providing of agricultural enterprises and increase of efficiency of their use financial resources carry deep, scale and all-embracing character. Socio-economic nature of financial resources is characterized high mobility and permanent narrow-mindedness both on mikroekonomichnomu and on macroeconomic, levels. Instability of the financial providing of enterprises of agrarian sphere becomes complicated by influence of modern globalization processes. The outflow of foreign investments, instability of course of world currencies, narrow-mindedness of international credit resources, is created by the difficult terms of adaptation of finances of agrarians to the modern standards of functioning within the framework of the national and world financial system. Forming and use of financial resources of agricultural enterprises is in direct dependence on the features of agricultural production, which influence on organization of these processes, structure of sources, directions of the use, volumes and stability of receipt of financial resources. It is expedient to define such objective signs of rotation of financial resources the most substantial factors of influence in an agrarian sphere, as: seasonal differentiating of periods of realization of charges receipt of profits; protracted production cycle; presence earth property leasings relations; high riskiness functioning and subjective features of administrative influence are on the financial providing of subjects of menage (absence of effective mechanism of the extended recreation of the fixed assets; protracted crisis of non-payments; growth of debtor and creditor debt; unfavorable tax legislation and others like that).

**Literature review.** System transformation transformations of agrarian sector of economy in the conditions of instability and vagueness predetermine the necessity of adaptation of agricultural enterprises to the market environment. One of most sharp there is a problem of the resource providing of enterprises, foremost, financial. The state of material well-being resources (natural, material and immaterial, labour but other) is determined mainly financial possibilities of being in charge subject. The problem of ground of level and efficiency of support of agrarian sector of economy of Ukraine occupies a main place in scientific researches. Ponderable payment in development of methodological and methodical questions of the adopted aspects was done by such research workers, as L. O. Vdovenko [1], In. In. Zinovchuk [2], In. S. Krupskiy [3], In. M. Popov [4], A. V. Somyk [5] but other.

**Raising of task.** The aim of the article is a describing of suggestions in relation to the increase of level of providing of enterprises of agroindustrial complex of Ukraine financial resources by crediting. For achievement of the put purpose the methods of statistical supervisions, comparison, grouping are used, statistical methods of collection and treatment of information and system structural to the analysis. Receptions abstractly logical applied a method for theoretical generalizations and forming of conclusions.

**Basic material and results.** It is known that once upon a time Ukraine was an agrarian country. And for this reason agriculture was and remains one of major sectors of economy of country. So as agriculture is one of basic food industries, the state is interested in its stable development and profitability. From statistical data, diminishing of amount of operating domestic enterprises of agroindustrial complex registers in 2015 year (tabl.1).

Industry is given not enough financial resources, it has lack financing about 80 – 90 %. During last years began to put in an operation the state programs from support of agroindustrial complex of Ukraine which has positive results are certain.

Table 1

## Amount of operating enterprises of agro-industrial complex Ukraini\*

Enterprises of ACE	2012 y.	2013 y.	2014 y.	2015 y.
Business partner-ships	8235	8245	7750	7721
Private enterprises	4220	4095	3772	3627
co-operatives	848	809	674	596
Private farms	34035	34168	33084	32303
State enterprises	296	269	228	241
Enterprises of other types of business	1781	1460	691	891
<b>Total</b>	<b>49415</b>	<b>49046</b>	<b>46199</b>	<b>45379</b>

\*it is made an author from data of sources [6]

One of major constituents of increase of efficiency of agrarian production there is the financial providing of enterprises of agro-industrial complex, including crediting, tax relations, sponsorship of agricultural commodity producers, insurance. Exactly these factors, after confession of international experts, on 80% form a market environment, which the civilized market can not exist without.

The priority of these components of the financial problems are lending, due to the specificity of agricultural production, which definitely affects credit relations and the essence of which is a long production cycle, providing increased loans industry, the need for credit in certain periods of the year and attracting credit resources the relatively long period. It is necessary to mark that agricultural enterprises by comparison to the enterprises of other industries are heavier to get access to the credit resources as a result of low profitability and unstable motion of cash on hand in agriculture, deficit of liquid guarantees, high interest rates, negligible quantity of branches of commercial banks, in rural locality.

For agrarian enterprises traditionally commercial jars, other establishments which allot credit in a money form, and suppliers by which resources are attracted in a financial form, come forward the basic suppliers of the adopted sources of financial resources. Attracting financial resources in the form of a variety of financial instruments (shares, bonds, certificates etc.) in domestic business practices used by agricultural enterprises is extremely rare [4].

By the most universal form of bringing in of loan capital money importance of which in the financial providing of industry is confirmed general growth of volumes of crediting (fig.1). It testifies to growth of trust of commercial banks to the agricultural producer as a grant to him iv and introduction of the various credit programs exactly for agrarian the sector of economy. Except for that, positively on growth of volumes of crediting influenced compensations of charges, which are related to payment of percents for using credits.

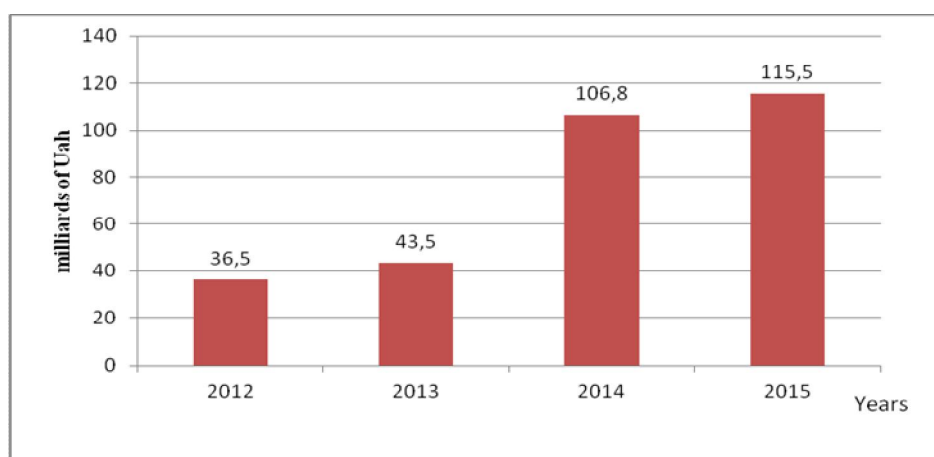


Fig. 1. Credits were given the enterprises of agro-industrial complex for period in 2012-2015 years\*

\*it is made an authors from data of sources [6, 9]

After the estimations of experts, the general requirement of industry in credits makes from 90 to 250 milliards of Uah, from them annual requirement in circulating assets 7 – 8 milliards of Uah, other part of facilities is needed on the update of capital assets. From statistical data of the National bank of Ukraine in 2015 year credits, given the enterprises of agroindustrial complex made about 115,5 milliards of Uah, that on 8,7 milliards of Uah more than in 2014 years. In 2013 years this index was 43, 5 milliards of Uah, that on 7,0

milliards of Uah more level of volume of crediting of 2012 [9]. So in 2014 and in 2015 the considerable increase of volumes of crediting of enterprises of agroindustrial complex, which is caused the states programs that simplify the credit system for an agroindustrial complex took place. Exactly these factors influenced on possibility of receipt of agroindustrial complex of long-term credits, the volume of which in 2015 year made 53,3 milliars of Uah which is 54, enterprises % from a general volume allotted credit. Interest rates under which credits were attracted by the domestic enterprises of agro-industrial complex in 2015 year the 22 – hh 24% annual averaged in national currency.

Thus, the need and the specific role of credit in the agricultural sector due to the specifics of the reproductive process, accelerates cash and material resources and improves the efficiency of financial and economic activity. Exactly through a credit as one of financial instruments of influence on the process of production it is possible to work out the problems of the financial providing of enterprises agrarian the sector of economy. A credit assists development of agricultural production, economy use of financial resources and money receipts, strengthening of economic connections, between all subsections of agro industrial complex, influences on the acceleration of circulating of facilities of enterprise [1]. The bank crediting of agrarian production is carried out state and commercial jars which operate on the basis of law of Ukraine «On jars and bank activity» [7].

Determined that at this stage of the credit relationship farms with commercial banks so their inherent trait as much subjectivity. It is caused participation in the process of crediting of other subjects which destroy these credit relations outside a micro level a «commercial bank is an agricultural enterprise». Such subjects are state structures – Ministry of Agrarian Policy and Provision, Government Treasury Service, Departments of Agriculture and Provision accountable to regional state administrations, Agrarian fund, which by virtue of the plenary powers given them are instrumental in the credit providing of agrarian sector of economy of Ukraine [5].

Development of credit co-operation acquires in the process of optimization of sourcings necessities of agricultural enterprises of important value, namely credit unions. By substantial advantages them among other financial credit establishments there is that they function on co-operative principles and protect financial interests of the members. In accordance with Law of Ukraine «About credit unions», a credit union is unprofitable organization, founded physical persons, trade unions, by their associations on co-operative principles with the purpose of satisfaction of necessities of its members in the mutual crediting and grant of financial services due to the incorporated money payments of members of credit union [8].

Distribution of credit unions in rural locality will be instrumental in the improvement of terms and quality of life of population, proper level of development of social infrastructure which plays an important role in forming of favourable environment on a village. As basic part of general requirements in the financial resources of producers of agricultural produce has seasonal character, that is why exactly credit unions give them possibility to plan the activity and return credit resources after realization of mine-out products. In this context, it is necessary to accent attention on importance of role of credit unions in financing of necessities of agricultural producers.

In terms of enhanced competition in the capital market promising area of non-bank lending to small and medium agribusiness could be the development of credit cooperation. The uniqueness of this form of association is that farmers serve both owners and users (clients) credit. So credit cooperative manages them, provides financial services exclusively to its members and acts only in their interest. Credit cooperatives activities carried out by the joint accumulation of temporarily free funds (personal savings) to mutual credit based on cooperative principles.

Subsequent development of agricultural credit co-operation will promote:

- to creation organizationally economic and social operating of mechanism of self-finance of small and middle agribusiness conditions;
- to providing of commodity producers and rural population by accessible credit resources;
- to expansion of spectrum of financial services which get rural communities. Activity of credit cooperative stores must be examined as the most adequate institutes form of accumulation of money of physical and legal persons and transformation of them in investment-resource potential for the necessities of agrarian sphere.

Such belong to well-known principles co-operation:

- it is the voluntarily membership opened;
- it is democratic control (one member of cooperative store is one voice);
- a ration capital of cooperative store is created only his cocks, a size of individual share must be limited, as well as dividends on the inlaid capital, if they are paid;

- the income of cooperative store is distributed between his cocks proportionally the volume of work, executed through a cooperative store;
- it is an anxiety about continuous education of members of cooperative store;
- it is honest business with a moderate risk;
- it is political and religious neutrality;
- cash payments;
- use of market prices [2].

**Conclusions.** Thus, harmonious combination of principles of co-operation in credit unions creates strong subsoil for their effective functioning. However, taking into account the modern socio-economic terms of conduct of business, deem it wise to create the necessary institutes providing for financial credit establishments of co-operative type, the important condition of subsequent development of which is: improvement normatively legal bases, where it is necessary expressly to regulate the duties of members of credit unions, and also protect rights and interests of their subjects, especially, producers of agricultural produce.

Consequently, the important aspect of subsequent development of credit unions is integration of them in an association with the purpose of accumulation of credit resources grant of high-quality credit services agricultural enterprises. The presence of the ramified system of credit unions in Ukraine will strengthen their competition with bank institutions which are sure the positive factor of forming of the financial credit system in relation to activation of co-operative motion in Ukraine.

Currently, in our view, requires a gradual shift from lending to agricultural enterprises as single isolated events to providing credit industry. This meant a complete system of interconnected elements providing flow of credit entities at market conditions, taking into account the objective characteristics of the industry. Such a system should have a credit infrastructure for service oriented agricultural enterprises and appropriate mechanisms of credit relationships with commercial banks and out of bank lending.

It is important to form the credit providing of agricultural commodity producers on market principles, but with the elements of government control as an integral system of crediting of agro-industrial production. It must foresee the following.

1. The bank crediting is introduction of mechanisms of stimulation of grant of secondary-I of long-term credits by commercial jars and other financial structures agricultural enterprises with the use of the State budget.

2. The outside banks crediting is expansion of the commercial crediting, stimulation of development of realization of agricultural produce, after forward contracts, use of tender form of maintenance of budgetary credits, development of mechanisms of microcredit.

3. Introduction of the mortgage crediting in security for earth with the really operating mechanism of its exception in the case of failure to return of credits.

4. Credit infrastructure – forming of the Agrarian bank and financially industrial groups with participation of commercial banks, conditioning for forming and functioning of guarantee financial and credit institutions.

5. Creation of credit cooperative stores and cooperative banks, and also development of credit unions, is on a village.

6. Mechanisms of guaranteing of returning of credits – organization of state registration of the real estate, development of evaluation and insurance activity, mortgage of property and, especially, lot lands, insurance of financial risks of commercial banks.

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**Tetyana Bolgar**, D.Sc.(Economics). **Yaroslav Kostirya**, master's degree of speciality «banking». Poltava National Technical Yuri Kondratyuka University. **Credit management in Ukrainian agro-industrial complex in modern management conditions**. In the article the state of crediting of enterprises of agroindustrial complex of Ukraine is analysed after 2012-2015 r.r. Certainly basic problems of crediting and suggestions are grounded in relation to the improvement of the credit providing of agricultural commodity producers.

**Keywords:** bank crediting, credit infrastructure, credit unions, enterprises of agroindustrial complex, favourable crediting, government control.

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**Ключові слова:** банківське кредитування, кредитна інфраструктура, кредитні спілки, підприємства агропромислового комплексу, пільгове кредитування, державне регулювання.

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**Ключевые слова:** банковское кредитование, кредитная инфраструктура, кредитные союзы, предприятия агропромышленного комплекса, льготное кредитование, государственное регулирование.