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**FINANCIAL SECURITY OF THE COMPETITIVENESS OF BUSINESS SUBJECTS
IN THE AGRO-FOOD SPHERE**
**ФІНАНСОВЕ ЗАБЕЗПЕЧЕННЯ КОНКУРЕНТОСПРОМОЖНОСТІ БІЗНЕС-СУБ'ЄКТІВ
АГРОПРОДОВОЛЬЧОЇ СФЕРИ**

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конкурентоспроможності бізнес-суб'єктів
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The aggravation of the global problem of hunger in the world significantly actualizes the task of guaranteeing national food security and expanding Ukraine's participation in the global agro-food chain. The inclusion of value in European and global agro-food chains is currently a priority with the strategic task of developing the agrarian sector, which requires increasing the competitiveness of domestic agricultural raw materials and their food processing products. It is necessary to outline the mission vision of long-term goals and objectives of sustainable development of the agricultural sector and search for effective mechanisms to ensure the achievement of the set goals and objectives of agricultural management to find strategic mechanisms for managing competitive agricultural production at the initial stage. The importance and priority of the agricultural sector for achieving global and national goals of sustainable development led to the realization of the need to find practical tools and mechanisms for strategic management of the competitiveness of agricultural production. Effective development of the agricultural sector and rural areas in the future is possible only based on sustainability and inclusiveness, which requires an integrated approach to management decision-making. The effectiveness of the strategic management of agriculture will be expressed in how quickly and adequately the management system will respond to new requirements, opportunities, challenges, and threats created by the competitive environment. Inclusive provision of business entities of the agro-food sector with financial resources becomes an essential condition for further developing its industries and solving the strategic task of increasing the level of competitiveness. The central core of the mechanism of inclusive provision of agriculture is the investment factor, which forms the prerequisite for the activation of innovative processes both in production and in the further development of rural areas.

Keywords: mechanism, competitiveness, agricultural sector, leasing, financing.

Загострення глобальної проблеми голоду у світі значно актуалізує завдання гарантування національної продовольчої безпеки та розширення участі України у світовому агропродовольчому ланцюгу. Включення у європейські та світові агропродовольчі ланцюги вартості на сьогодні постає пріоритетним с стратегічним завданням розвитку аграрного сектору, вирішення якого потребує підвищення рівня конкурентоспроможності вітчизняної сільськогосподарської сировини та продуктів її харчового перероблення. Для пошуку стратегічних механізмів управління конкурентоспроможним агровиробництвом на початковому етапі необхідним є окреслення місії, бачення довгострокових цілей і завдань сталого розвитку агросектору, пошук ефективних механізмів, спроможних забезпечити досягнення поставлених цілей і завдань агроменеджменту. Важливість і пріоритетне значення аграрного сектору для досягнення глобальних і національних цілей сталого розвитку призвели до усвідомлення необхідності пошуку дієвих інструментів і механізмів стратегічного управління конкурентоспроможністю сільськогосподарського виробництва. Ефективний розвиток агросфери та сільських територій у перспективі можливі лише на засадах сталості та інклюзивності, що об'єктивно вимагає застосування інтегрованого підходу до прийняття управлінських рішень. Результативність стратегічного управління сільським господарством виражатиметься у тому, наскільки оперативна та адекватна система управління зможе реагувати на нові вимоги, можливості, виклики і загрози, які формує конкурентне середовище. Інклюзивне забезпечення бізнес-суб'єктів агропродовольчого сектору фінансовими ресурсами постає важливою умовою подальшого розвитку його галузей і вирішення стратегічного завдання підвищення рівня конкурентоспроможності. Центральним ядром механізму інклюзивного забезпечення сільського господарства є інвестиційний фактор, який формує передумови активізації інноваційних процесів як у виробництві, так і у подальшому розвитку сільських територій.

Ключові слова: механізм, конкурентоспроможність, аграрний сектор, лізинг, фінансування.

Statement of the problem

Under the conditions of a prolonged military conflict in Ukraine, the agricultural sector remains the only type of economic activity showing signs of stability, profitability, and sustainable development, maintaining the multiplier effect for the national economy. At the same time, global and European trends generate the need to increase the competitiveness of domestic products in the agri-food sector, the potential of which will be caused by the state of financial support of industries.

The agrarian sphere is one of the most specific types of economic activity, the development and performance indicators of which, in addition to a set of factors of financial, resource, and managerial nature, are influenced by factors of natural and biological origin. Under the structural transformation of the Ukrainian economy and the formation of a free market for agricultural land, the importance and complexity of land capital management have increased. The current challenges of the global concept of sustainable development, which Ukraine has joined within its strategic partnership with the E.U., also actualize the environmental factors of ensuring competitiveness and considering the principles of protection of the biological world. Traditionally, an essential component of agricultural production factors for rural areas is determined by the level of provision and quality of labor resources. The problems of creating and mutually beneficial for all participants in filling the infrastructural support system of agricultural production with commodity flows still need to be solved. At the same time, the combination of all these factors and ways to solve existing problems related to their management and use are mediated by the level of investment and financial support and fair and full access of agricultural producers to financial capital markets.

The place of the mechanism for ensuring the enterprise's competitiveness and its products in the structure of the economic mechanism is determined in the work of Partuta T.O. and Fesenko T.V. [1]. The principles of building a mechanism for managing the competitiveness of enterprises, as well as strategies for financial support of enterprises, are considered in the works of T.M. Halimon [2, 3] and O.E. Gudz [4]. In turn, the study of the theoretical foundations of action, the organizational and economic mechanism for managing the enterprise's competitiveness, was dealt with by Surzhenko N.V. and Ageeva I.V. [5].

Even though the study of theoretical and methodological issues of financial ensuring competitiveness is devoted to the work of many domestic scientists, attention needs to be paid to the search for effective ways to implement the financial and economic mechanisms for ensuring competitiveness.

The purpose of the research

To substantiate the scientific foundations of financing the process of ensuring the competitiveness of enterprises in the agricultural sector.

Presentation of the main research material

Transformational shifts, which are inherent in the agrarian sector of the economy at the present development period and, shortly, require the improvement of existing and the search for new tools for attracting financial resources to the industry. Financial resources should ensure the renewal and modernization of the material and technical base of production and infrastructure to support the agri-food market and create a long-term potential for agricultural competitiveness. The requirements and trends of sustainable, inclusive development of the agricultural sector and rural areas are radically changing the perception and standards of quality and safety of agricultural products and food products. The E.U. food market is focused on safe organic products and has a powerful arsenal of tools that protect national agricultural producers. In this regard, recruiting the relevant segment in the European market requires Ukrainian agricultural producers to increase the level of competitiveness of products, first, based on their quality characteristics. This requires structural changes in the production process's material and technical support, investments in improving the agricultural management system focused on quality, safety, and organic agricultural production, and creating an appropriate system of control, certification, and promotion of such products to the market.

In our opinion, one of the ways to solve the problems of financial and credit support for the agri-food sector is to overcome the decline in production through new sources of attracting funds, the most promising of which are profit, stock resources, leasing, and cheap long-term loans. When using such an alternative source of financing as the stock market, business entities in the agri-food sector can raise funds by issuing shares and bonds. First, to develop an effective stock market, creating a robust infrastructure, which should be competitive stock and commodity exchanges, in addition to the clearing house and depositories, is necessary. Introducing such a source of investment will help business entities increase their profits through direct sales. To date, as mentioned earlier, the source of funding needs to be given equally insufficient attention both at the state level and in the regions.

It is expedient to create an exchange trade in each administrative district center, through which to carry out trades for the sale of products competitive in the domestic and foreign markets. Funds received from exchange sales and when collecting customs duties for importing imported products, which are analogous to domestic ones, should be directed to subventions to resident industries (enterprises). At the same time, the creation of stock and commodity exchanges or their branches on the

ground will complete the process of structuring the market for goods produced by enterprises, and the state will be able to influence the price situation in the consumer market effectively.

Leasing remains a promising method of the financial mechanism of business entities in the agri-food sector. Despite the long-term practice of implementing this tool in producing producers' material and technical equipment, particularly in the agricultural sector, improving leasing operations' organizational and economic foundations still needs to be addressed. Leasing, as a form of financial and material support, has a low number of characteristic features, among which the most important are flexibility, reducing the degree of risk of moral and physical wear of equipment for the lessee; the possibility not to account for leasing assets on the balance sheet, the availability of depreciation benefits and convenient credit and financial conditions of contractual relations.

From the beginning of 2022, the number of agricultural machineries received by agricultural producers based on leasing had a constant upward trend in 2021. The number of units of equipment rented was 5874 units (with an increase of 22%). The leading banking institutions that provided financial support to farmers were OTP Leasing, Kredo-Bank, Alfa-Leasing, and ULF Finance, Credit Agricole [6]. The most popular agricultural machinery that became the object of leasing agreements were tractors, combines, and tillage equipment.

To improve the organizational and economic foundations of leasing operations as a tool for the financial mechanism for increasing the competitiveness of business entities in the agri-food sector, we consider it expedient to supplement them as part of the option of prolonged options for the purchase of equipment (Fig. 1).

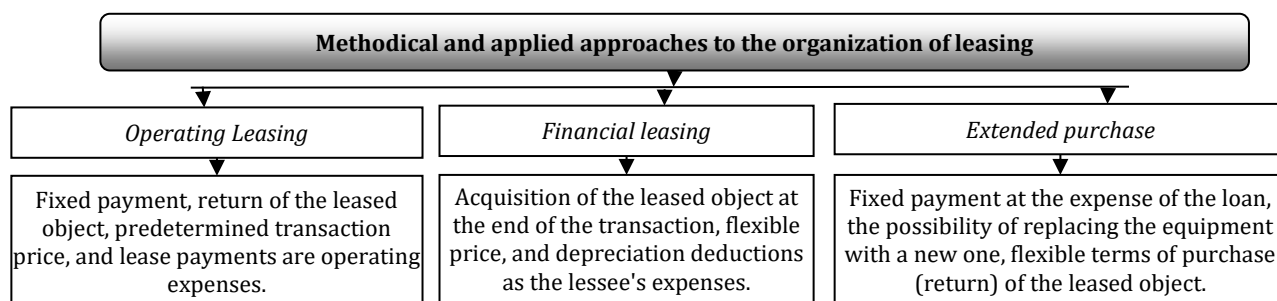


Fig. 1. Methodical approaches to the organization of leasing financial relations in the agri-food sector

Source: author's development

Distinctive features of the prolonged purchase of the leased object are the possibility of its replacement with new, more relevant models during the period of the lease agreement (after a year or season of use), preferential financing of the purchase of equipment at the expense of loans of the leasing company, on which interest is not accrued, minimization of the cost of maintenance and repair of leased equipment, the possibility of extending the term of the agreement. Upon expiry of the lease agreement, the leased object shall be returned to the lessor with the possibility of its redemption by the lessee provided for in the agreement.

Modern leasing mechanisms should be built on sustainability, reliability, and inclusiveness of access to financial and logistical resources for all participants in the agri-food sector. Organizing leasing services for producers within the unified regional agri-food value chains is expedient to solve this problem. In addition to agricultural producers, food industry enterprises, financial and credit institutions, leasing companies, regional credit, and sustainable development departments, which should develop and facilitate the implementation of agri-food leasing programs, should be integrated into such chains. Private lines of capital, public-private partnerships, and cooperation should also be necessary. With the help of such an association, it is possible to achieve a synergistic effect between leasing and financing agri-food value chains. The practice of foreign countries to create structural units specialized in leasing support, which would be integrated into agri-food chains as part of national agricultural banks, may also be effective.

Improving access to financial resources and total financial security of all participants in the agri-food sector can be ensured based on sustainable and inclusive development. The priority is the awareness of the agri-food business of the strategic priorities of sustainability and the implementation of the principles of sustainable development in the management concept to do this. Current trends in global investment are characterized by a clear growth trend in the volume of capital investments by investors in sustainable programs and projects, particularly in the food security and agri-food sectors. Sustainable finance is strategically focused on donor capital investment in those business entities, farms, and food processing enterprises that achieve predetermined sustainability indicators and outcomes.

Promising forms of agri-food sector participants' sustainable financing can include agri-food chain finance, sustainable bonds, sustainable loans, and subsidies (Fig. 2).

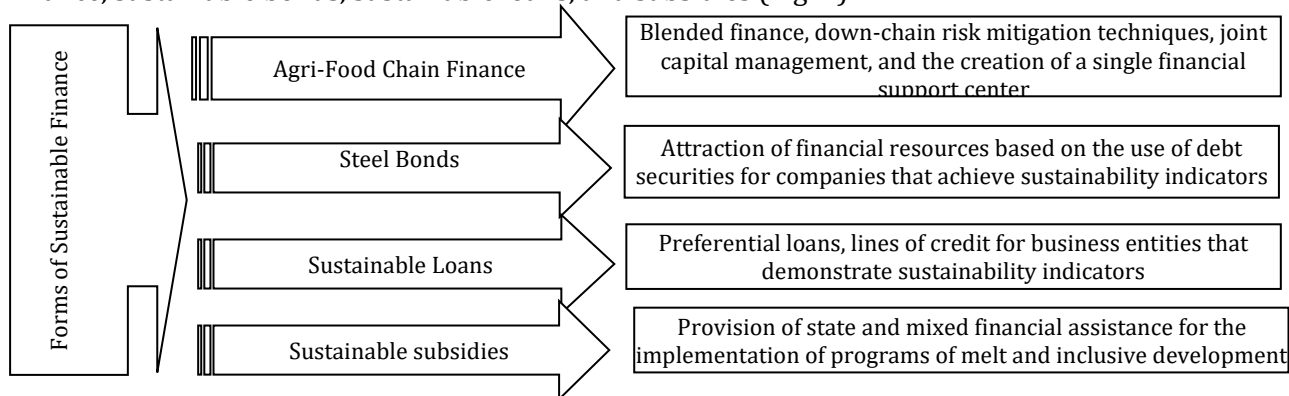


Fig. 2. Forms of sustainable financial support for business entities in the agri-food chain

Source: author's development

In recent years, inclusive financial support programs for participants in agri-food value chains based on fair and equal access to sources of financial resources and capital markets have become widespread. Examples of such projects, the experience of which is helpful for Ukraine, are the INCLUSIF (International Fund for Agricultural Development) project, which brings together about 500 thousand beneficiaries: agricultural producers, banking institutions, and the private financial sector. Among the tools that provide inclusive access to financial resources are digital financial products in conservation, microcredit, and insurance. Innovative financial technologies and products, which manufacturers access through digital platforms and services, are already becoming the basis for their use. Such platforms increase the availability and inclusiveness of credit resources, optimize financial transactions, and increase their overall efficiency. The following can become a tool for digital financial support for participants in the agricultural food sector: alternative credit platforms (peer-to-peer lending, crowdfunding, online lending); blockchain technologies and SMART financial contracts; mobile payment platforms and microloans; online insurance and online subsidies.

Supply chain financing in the agri-food sector is a new form of sustainable financial security that is becoming widespread in global practice. This instrument is based on trade finance based on open accounts with the help of letters of credit. This form allows you to ship products to the buyer until the settlement obligations are repaid. At the same time, on behalf of the buyer, the banking institution provides the supplier with a letter of credit by agreement of the parties. Such a mechanism can be used to stimulate and encourage supply chain financing and the creation of sustainable economic ties within the complex through financial innovation and technology.

Prospects in improving the level of provision of business entities in the agri-food sector with financial resources for creating mixed financing mechanisms are the joint use of capital attracted from various sources, mainly based on the organization of public-private partnerships. The mechanism of action of mixed financing is presented in Fig. 3.

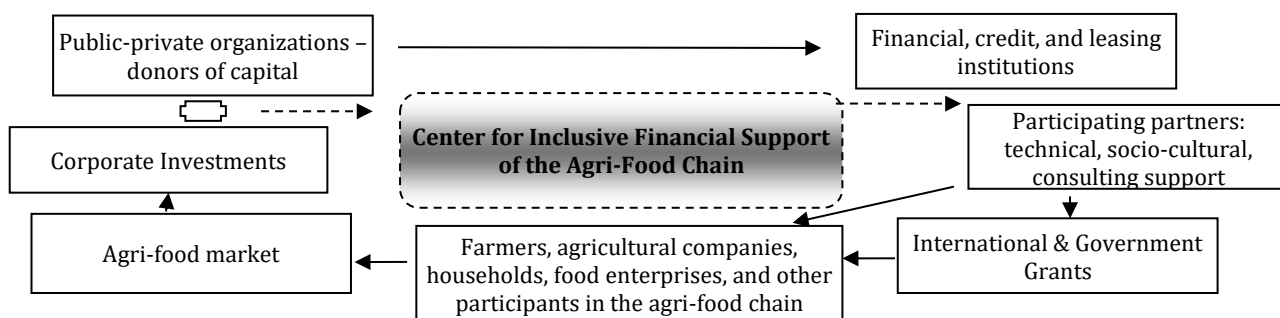


Fig. 3. Algorithm of mixed financial provision of participants in agri-food value chains

Source: author's development

Sustainable financing with environmental priorities and values at the center of strategic solid potential is defined.

A new financial model for providing the agri-food sector is "green" financing. The attraction of additional financial resources for implementing projects related to producing environmentally friendly agricultural raw materials and safe food products is a long-term financial mechanism tool. Recipients of capital are participants in the agri-food sector who maintain the ecological balance and participate in

global and national projects related to environmental conservation. The production of environmentally friendly, high-quality, and safe food products has considerable potential for competitiveness not only in the national but also in the European and world markets. Socially responsible investments today are already becoming a sustainable practice of investment policy and the behavior of capital owners. This approach ensures that financial resources are allocated to environmental sustainability initiatives.

In agriculture, green financing is associated with the transition to organic farming, the development of precision agriculture, the restriction of the use of chemicals, and crop and livestock production. Food industry enterprises can attract "green" financial investments for projects of material and technical modernization of production based on environmental friendliness, renewable energy sources, product quality control systems, waste minimization, and the creation of closed cycles within a single agri-food value chain.

Conclusions and prospects for further investigations

The carried out studies have demonstrated that the proposed integral indicator of the efficiency of the use of resources is an essential and informative indicator that will contribute to a more accurate and analytical assessment of the effectiveness of the competitiveness management policy for business entities in the agri-food sector. A systemic universal nature characterizes the proposed indicator compared to generally accepted economic indicators. The logical connection of the proposed indicator with indicators of financial stability and liquidity forms the necessary methodical and practical principles for its use in monitoring and analysis of the financial and economic plane of managing the competitiveness of subjects of the agro-food sector.

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