

Possibilities of the development of agricultural cooperation in the Volgograd region

Ekaterina A. Shkarupa
Volgograd State University
Economics and Finance Institute
Volgograd, Russia
shkarupaea@volsu.ru

Pavel P. Perehodov
Volgograd State University
Economics and Finance Institute
Volgograd, Russia
perehodovPP@volsu.ru

Abstract— High debt overburden and insufficiency of own funds of small and medium businesses in agriculture is a disincentive condition for attracting new financial resources and implementing the necessary investment projects.

Association in agricultural cooperatives gives additional opportunities for business development, increase of profitability of production, creation of new jobs, and enhancement of life in rural areas. Combining efforts, farmers can much easier get access to modern agricultural machinery; to arrange the processing of products and their storage; to ensure the guaranteed sale of goods; to solve organizational and legal issues.

In recent years, agricultural cooperation has been supported by the state at both the Federal and regional levels.

The article is concerned with the main aspects of the development of agricultural cooperation of the Volgograd region. Special attention is paid to such innovation as the implementation of the Federal project "Support system for farmers and development of rural cooperation" in the framework of the national project "Small and medium enterprises and support for individual entrepreneurship». Competence Center in the field of development of agricultural cooperation recently established in the region, has been identified as a key guide on the arrangement and carrying out of the cooperative activities, obtaining existing measures of state support.

The paper studies the matters of possible course of development of agricultural cooperation of the region.

Keywords — grant assistance, preferential loans, assignment of subsidies, food security, federal project, agricultural cooperation

I. INTRODUCTION

Agriculture of the Volgograd region has been actively developing in recent years. Average annual production has increased by one third.

The small agribusiness sector makes a significant contribution to the regional agro-industrial complex. The share of peasant farms and private farms accounts for about 60% of the total agricultural production.

The system state support of the agro-industrial complex of the Volgograd region, which becomes a strategic priority of the region, helps to achieve such results.

New large-scale plans for the development of agriculture are related to the implementation of national projects developed at the initiative of the President of the Russian Federation.

The key tasks and indicators for the next five years of the considered sphere have been determined in the Volgograd region; the emphasis is made on the need to ensure further development and cooperation of small farms in rural areas in order to increase income and employment of population.

During economic crises, when the transition to the stage of recovery requires consolidated actions of the bulk of market participants, the interest in the cooperative movement becomes particularly acute [1].

Incorporation of agricultural cooperatives by small enterprises allows them to resist in the conditions of constantly changing and unfavorable market environment and to solve problems of effectivization of agricultural production.

However, the approval of the Federal project "Support system for farmers and development of rural cooperation" at the present stage requires in-depth study of the methods and tools of state support in a particular region.

Therefore, the development of agricultural cooperation is advisable due to its relevance and necessity in connection with innovations.

Theoretical aspects of the development of cooperation in agriculture are presented in the works of such scientists as A.V. Tkach [2], M.I. Tugan-Baranovsky [3], A.V. Chayanov [4], et al. The following authors made a significant contribution to the study of agricultural cooperation: I.N. Buadalov [5], I.V. Palatkin [6], V.M. Pakhomov [7], I.A. Petrenko [8], A.V. Petrikov [9], R.G. Yanbykh [10] et al.

The contribution of scientists is the basis for further research in the development of state support for agricultural cooperation.

The goal of this research is to develop and scientifically substantiate recommended practices for the development of agricultural cooperation from the perspective of expanding the methods and tools of state support.

The achievement of this goal determined the solution of the following tasks: 1) to consider the features of the development of agricultural cooperation in the Volgograd region; 2) to propose possible directions of state support for agricultural cooperation.

II. MATERIALS AND METHODS (MODEL)

The documents of normative and legal regulation of the agricultural cooperative system were used for the regulatory basis of the research.

Official statistical materials of the Ministry of agriculture of the Russian Federation, the Committee of agriculture of the Volgograd region, the official website of the Association of peasant farms and agricultural cooperatives of Russia (AKKOR) of the Federal Agency for state support of the agro-industrial complex; analytical, review developments of researchers published in the periodicals and on the Internet provided the framework for the information and empirical base of the research.

The present research is based on the study and generalization of theoretical and factual materials on the development of agricultural cooperation using various methods: system, comparative, as well as tabular and graphical methods of data processing and presentation.

III. RESULTS AND DISCUSSION

In 2018 the Volgograd region ranked 10th among the subjects of the Russian Federation for bringing the Federal budget to agricultural producers, which indicates a high level of credibility in the region.

Careful study of the justifications and the subsequent conclusion of nine agreements with the Ministry of agriculture of Russia contributed to the fact that in 2018 the total volume of state support for agriculture in the region increased by 1.37 billion rubles compared to 2017.

In 2018, the region continued the work started in 2014 on the development of grant support for small businesses and the establishment of production and marketing cooperatives on their basis (see table 1) [11].

TABLE I. DATA ON THE NUMBER OF GRANT RECIPIENTS

Event title	2014	2015	2016	2017	2018	2018 to 2014,%
Support for start-up farmers - total	25	65	45	69	66	by 2,6 times
- where livestock (breeding of cattle for meat and dairy)	9	38	27	61	55	by 6,1 times
Development of family livestock farms	7	26	23	13	20	by 2,8 times
Development of agricultural cooperatives	-	1	3	9	4	-
Total	32	92	71	91	90	by 2,8 times

compiled by the authors based on the research materials

Agricultural cooperation is a set of different agricultural cooperatives and their unions created by agricultural producers in order to meet their economic and other needs [12.]

According to the Committee of agriculture of the Volgograd region, currently there are more than 130 registered agricultural cooperatives in the region [11].

In 2019, three new organizations from Novoanninskiy and Sredneakhtubinsky Districts, as well as in the urban district Mikhailovka were added to this list; several dozens of farms

joined them. The priority is the production and sale of dairy products and poultry products.

In accordance with the Edict of the President of the Russian Federation of 7 May 2018 № 204 "On national goals and strategic objectives of the Russian Federation for the period up to 2024" the Ministry of agriculture of Russia developed a Federal project "Support system for farmers and development of rural cooperation" under the scope of the project "Small and medium entrepreneurship and support for individual business initiative". In the framework of the project implementation the Federal budget provides with other inter-budget transfers to the budgets of the constituent entities of the Russian Federation for the creation of a support system for farmers and development of rural cooperation in the constituent entities of the Russian Federation (table 2).

TABLE II. FINANCIAL SUPPORT OF THE FEDERAL PROJECT ON CREATION OF FARMERS SUPPORT SYSTEM AND DEVELOPMENT OF AGRARIAN COOPERATION IN THE REGIONS OF THE SOUTH FEDERAL DISTRICT OF THE RUSSIAN FEDERATION (MLN.RUB.)

Region of the Russian Federation	2019	2020	2021	2022	2023	2024
Republic of Adygeya	42,38	29,36	51,82	63,91	78,81	57,57
Republic of Kalmykia	47,61	27,21	66,87	87,87	124,79	111,16
Republic of Crimea	54,18	27,67	24,64	31,63	44,2	46,94
Krasnodar Territory	124,48	24,45	78,83	103,93	143,76	131,88
Astrakhan Region	158,89	32,61	92,38	120,19	178	189,05
Volgograd Region	213,04	43,67	119,97	155,92	206,18	237,3
Rostov Region	111,94	32,61	80,38	101,29	147,08	144,16
Sevastopol	21,01	7,57	12,07	16,87	19,12	21,11

compiled by the authors based on the research materials

It should be noted that the Volgograd region is a leading region in the submission of inter-budget transfers in the context of the project.

The Federal project provides for the accomplishment of three areas of state support: grant support for peasant farms for the creation and development of the economy ("Agrostartup" grant), a subsidy for the creation and development of agricultural consumer cooperatives, subsidies for the activities of competence centers in the field of agricultural cooperation and support of farmers.

Besides, within the framework of the Federal project "Creation of support system for farmers and development of rural cooperation", an additional 5.3 billion rubles will be allocated to the regions for the development of peasant (farm) enterprises and agricultural cooperatives, which will allow to create 18,200 new SMEs in 2019 [13].

A new form of support of agricultural cooperatives of the Volgograd region is the grant "Agro-startup" (see fig.1) [14].

Grant support "Agro-startup" - funds transferred from the budget of the subject of the Russian Federation and (or) the local budget to a peasant farm for co-financing of its costs, not reimbursed in other areas of state support in accordance with the regional program, solely for the purpose of creation and development of peasant farms, agricultural cooperation and new permanent jobs in rural areas of the subject of the Russian Federation.

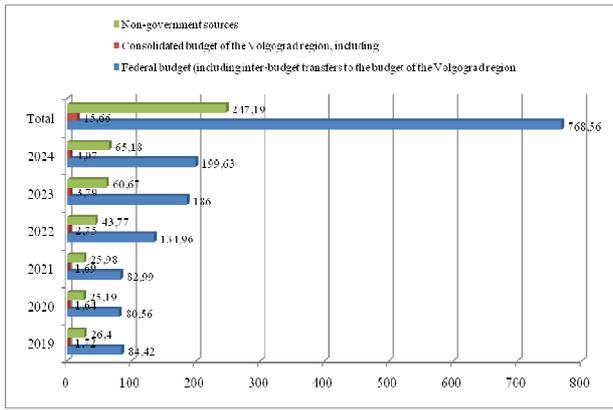


Fig. 1. Sources of financing for the implementation of the regional project "Creation of support system for farmers and development of rural cooperation", million rubles (compiled by the authors based on [11])

The maximum size of the "Agrostartup" grant for the project of breeding of cattle milk or meat production will be three million rubles, for other activities — 1.5 million. The amount of grant funds should not exceed 90% of all costs of the business project. Thereby, the amount of support can be increased to four million rubles for livestock farms and to two million for others, if the farmer intends to send part of the grant to form an indivisible fund of the agricultural consumer cooperative, of which he is a member [14].

It is necessary to create conditions for the development of agricultural cooperation in the region by the state. In order to fulfill the order of the President of the Russian Federation on the development and approval of regional programs for the development of agricultural cooperation in Volgograd on the basis of the state institution "Inter-farm agro-industrial center", a regional competence center in the field of support of agricultural cooperation and support of farmers was created.

TABLE III. TYPES OF SUPPORT FOR AGRICULTURAL COOPERATION OF THE VOLGOGRAD REGION

Type of support	Method of support	Characteristics of methods
Financial	grants	grants for the development of material and technical base of agricultural supply and marketing consumer cooperatives, grants for the development of material and technical base of agricultural consumer cooperatives; the "Agro-startup" grant exists since 2019
	providing subsidies	reimbursement of part of the costs to agricultural consumer cooperatives for the purchase of animal husbandry equipment, processing equipment, mini growing houses, planting material of perennial plantings (up to 50%); reimbursement of part of the costs to agricultural consumer cooperatives for the purchase of agricultural machinery and equipment for the processing of agricultural products, the life of which does not exceed three years from the date of production, to provide services to members of agricultural consumer cooperatives (up to 50%); reimbursement of the costs related to the sale of agricultural products obtained from members of agricultural consumer cooperatives (from 10% to 15%); reimbursement of part of the costs for the purchase of mobile shopping facilities, etc.
	preferential loans	credit support is provided by special lending programs for agricultural cooperatives, allowing to receive financial support at comfortable rates for different periods. AO "Rosselkhozbank" and "MSP" Bank are credit institutions that provide such support. Provision of microloans is carried out by the Volgograd region Microfinance Fund for entrepreneurship (microcredit company)
	preferential lease financing	leasing support is represented by preferential leasing programs that allow you to purchase a wide range of processing equipment on favorable terms. Leasing support of agricultural cooperatives is provided by such companies as: Regional leasing company of the Republic of Bashkortostan, Regional leasing company of the Republic of Tatarstan, AO "Rosagroleasing"
Informational and consultational	creation of the Regional competence center in the field of agricultural cooperation and support of farmers of the Volgograd region (Interfarm agro-industrial center).	information and consulting, methodological assistance to cooperatives, their support in the preparation of business plans and feasibility studies, applications for subsidies from the federal and regional budgets, organization and holding of seminars and sessions; consulting on the use of services of the Portal "Business Navigator", developed by AO "MSP Corporation"
	Web portal Business-navigator MSP	providing information support for agricultural cooperatives
Organizational	warranty cover of "MSP Corporation"	guarantee products are provided under the agreements concluded by AO "MSP Corporation" with banks and regional guarantee organizations, and are aimed at increasing the availability of bank lending to SMEs in conditions of insufficient collateral security and warranty collateral from regional guarantee organizations. Support is provided by: AO "Federal Corporation for the development of small and medium enterprises", Association (NP) "Guarantee Fund of the Volgograd region", AO "Russian Bank for support of small and medium enterprises».
	increase of sales	search and analysis of existing sales outlets, food stores and shops of farm and eco-products in 171 cities of Russia, which can become partners in the marketing operations
	search for purchases of the major customers or companies with state participation for the sale of agricultural products	TASS-Business system provides a special algorithm for searching for purchase plans and purchases in accordance with Federal law No. 223-FZ and Federal law No. 44-FZ

compiled by the authors based on the research materials

The center will give the opportunity to systematize work on the development of agricultural cooperation, and also will facilitate expansion in the number of the subjects of small and medium agricultural business who are interested in incorporation of agricultural cooperatives.

Let us systematize the directions of support for agricultural cooperation of the Volgograd region.

The implementation of the concept of state support for agricultural cooperation in the Volgograd region will secure the indicators included in the regional project "Creation of a support system for farmers and development of rural cooperation". This is an increase in the number of created agricultural cooperatives due to the involvement of small and medium-sized businesses, including private farms and peasant (farm) enterprises, in the year of receiving of the state support.

IV. CONCLUSION

Timely provision of state support and increased funding contributed to strengthening the position of the Volgograd region among the leading agricultural regions of Russia.

Switching to innovative development and the implementation of real modernization of the region's economy in the current climate has an impact on the arrangement of conditions for the development of agricultural cooperation in this context.

In some countries, agricultural cooperatives are not seen as small forms of association; they are synonymous with large agricultural companies. We agree that such consolidation can be considered a natural evolutionary result of the development of cooperatives in competitive conditions, taking into account the legal framework of a particular state [16]. The formation of large agricultural consumer cooperatives should be defined as an important task of the development of agriculture in our country.

It is advisable to continue ramping up the potential of financial measures for supporting agricultural cooperation of the Volgograd region.

It is necessary to expand the range of credit products by commercial banks aimed at the development of agricultural cooperation activities related to the introduction of innovations and import substitution policy, as well as the provision of subsidies for these purposes.

It is possible to use public-private partnership as a tool that combines the interests of the state and economic entities.

An important step towards the development of this form of support was the establishment of a list of criteria for different types of agricultural facilities in terms of legislation, compliance with which allows concluding concession agreements and agreements on public-private partnership [15].

In most areas of agriculture where it is possible to implement projects under the PPP scheme there are already current programs of state support for agriculture.

The main problem continues to be the lack of qualified personnel for the work of the cooperative, as well as the necessary competencies of the members of a cooperative society.

The solution of this problem is assigned to the Regional competence center in the field of agricultural cooperation and support of farmers of the Volgograd region.

Thus, the introduction of new methods of state support of agricultural cooperation since 2019 and the establishment of institution providing information, consulting and methodological assistance to cooperatives can be attributed to a new stage of development of the economic entities under consideration. The creation of a regional competence center will be an additional impetus for the development of agricultural cooperation.

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