

MODERN TRENDS IN THE ACTIVITY OF AGRICULTURAL HOLDING COMPANIES IN UKRAINE

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Today, modern agricultural holding formations make a significant contribution to ensuring the food security of the state and the growth of the export potential of the agricultural sector and are the most competitive form of agro-industrial production organization in Ukraine. Due to the synergy effect, they achieve better performance indicators and at the same time receive additional advantages on the market.

The emergence of agricultural holdings is connected with the need to strengthen the position of commodity producers in the market, increase the areas of raw material zones for own production, increase the level of competitiveness due to the creation of a closed business cycle and joint logistics and coordinated management of the entire technological chain of production.

Note that in the modern sense, an agricultural holding is a powerful business project created to increase the capital of its founders, while the parent company, owning a controlling stake in subsidiaries, manages and controls their activities and, thanks to this, unites them into one monolithic an organizational structure with the corresponding goals, mission, vision, which ensures the coordination of the activities of all structural units of the agricultural holding while preserving the integrity and controllability of the entire structure [1].

Agrarian holding companies in agriculture and the agrarian market appeared as a result of globalization, since today in Ukraine they are mostly founded and operate with the use of foreign capital. The legal status, procedure for creation, registration and activity of agricultural holding companies are set out in the Law of Ukraine "On Holding Companies in Ukraine" [2], "On Joint Stock Companies" [3], the Commercial and Civil Codes of Ukraine [4; 5].

The main advantage of agrarian holding companies is to increase the competitiveness of technologically interconnected enterprises due to the concentration and mobilization of resources in the necessary areas, optimization of the use of capital for all enterprises. Rationally using internal resources and market opportunities, mobilized by issuing various securities, attracting long-term loans, etc., agricultural holdings increase significant volumes of production [6].

It was established that the ranking of agricultural holdings-leaders in the production of agricultural products in Ukraine and by the volume of the land fund changes every year. Research by Agricultural Consulting for 2021–2022 shows that before the start of the war, 52 agricultural holdings operated in Ukraine, which used land plots for commercial agricultural production located throughout Ukraine. The five largest agricultural holdings in Ukraine by the size of the land bank, i.e. the amount of land

cultivated and used as pastures, included the following companies: KERNEL – 558 thousand ha, Myronivskiyi Khliboprodukt (MHP) – 368 thousand ha, NCH (Agroprosperis) – 360 thousand ha, UkrLandFarming – 358 thousand ha and Astarta – 209 thousand ha [7].

It should be noted that agricultural holdings currently play a significant role in the development of the agricultural sector of Ukraine and occupy a significant place in the structure of international trade. According to the research of the online agrarian publication Mizez, the ranking of the largest agricultural holding companies by the size of revenue as of 2021 is as follows: agricultural holding "Kernel" - revenue is 2,329.5 million dollars; agricultural holding Nibulon – 1,946.4 million dollars; Myronivskiyi Hliboprodukt (MHP) – \$1,183.3 million; UkrLandFarming – 937.5 million dollars; Astarta company – 347.5 million dollars [8].

Currently, the majority of agricultural holdings take a course towards monoculture production and seek to obtain maximum profit at the expense of the production of highly profitable agricultural products. They have a clearly defined production specialization, around which production, service, commercial and other economic structures are being built up.

The main areas of activity of the largest agricultural holding companies are the following. Agroholding "Kernel" is the largest producer and exporter of sunflower oil in Ukraine. Agroholding Nibulon is one of the largest exporters of agricultural products. His specialty is grade 1-2 wheat. The main specialization of Myronivskiyi Hliboprodukt (MHP) is meat processing, crop production, and poultry production. The UkrLandFarming company specializes in the production of egg products, eggs, and grain crops. Astarta Agroholding works in the fields of agriculture, animal husbandry, sugar production, soybean processing and bioenergy [8].

Therefore, the results of the conducted research indicate that agricultural holding formations mostly specialize in the production of the most high-tech and highly profitable types of crop production. The production of products of animal origin is the main type of activity of the holdings, which mainly specialize in the production of dairy products for export, milk, milk and meat products for the needs of the domestic market. Two-thirds of agricultural holdings specialize in grain farming in combination with oil and fat or sugar production. Supply to foreign markets and own processing enterprises of the oil and fat industry, which are influential players in the markets, are defined as the main channels of product sales. Agricultural enterprises under control, specializing in grain farming and sugar beet production, provide processing enterprises with raw materials [9].

It is worth noting that today agricultural holding companies are an effective tool for attracting domestic or foreign investments in the modernization and development of agriculture. Domestic agricultural holdings are trying to make their business more efficient and competitive: they are expanding the land bank, investing in the material and technical base, and implementing innovative environmental innovations. Among the leaders in these directions are Kernel, MHP, Agroprosperis (AP Group).

However, attracting foreign investment has certain negative consequences, in particular: accumulation of profits and placement of funds outside the state using

foreign investment schemes; transfer of operating Ukrainian enterprises to the ownership of foreign capital during investment activities; abuse of tax benefits provided by the joint venture; using the status of enterprises with foreign investments to import and sell goods on the territory of Ukraine without payment of excise and customs payments; passing the simplified quality and compliance certification procedure. In such case, when establishing control over a Ukrainian enterprise, foreign partners often implement a policy aimed at liquidating the domestic producer or adjust production in order to obtain one-sided profit.

Therefore, the creation of agricultural holdings, on the one hand, is a completely natural consequence of the desire of business to increase its own efficiency due to the concentration of resources in the conditions of a globalized agricultural market, but, on the other hand, their activity causes an increase in the risk of market monopolization and restriction of economic competition, which will have the consequences of loss production efficiency and the growth of public costs for the payment of monopoly land rent.

In our opinion, the further development of the agricultural sector of Ukraine in the conditions of globalization will depend on powerful agricultural holding companies. That is why an important aspect of the activity of agricultural holdings is their ability to ensure the food independence of the state, the transition to European and world quality standards of agricultural and food products. In our opinion, the activities of agricultural holdings in the conditions of European integration of the development of the agricultural sector of the Ukrainian economy should be clearly regulated by the state and aimed at ensuring food security, creating economic conditions for the existence of the rural population, reproducing the peasantry, maintaining ecological balance, preserving biodiversity, etc. State agrarian policy regarding the creation and functioning of agricultural holding companies should be formed, first of all, in the direction of ensuring the sustainable development of agriculture and rural areas. For this, there is a need to strengthen control over compliance by agricultural holding companies with environmentally safe use of land resources and ensure compliance with European national social and legal standards in this area.

We believe that the introduction and implementation of these measures will ensure that the interests of peasants, founders of agricultural holding companies, Ukrainian society and the state in general are taken into account and will enable agricultural holding companies to ensure a positive ecological, economic and social effect on the sustainable development of the agricultural sector and guarantee the food security of the state in the conditions of modern global changes.

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