

*O.P. KHAIETSKA, candidate of economic sciences,
senior lecturer of Department of foreign activity,
hotel and restaurant business and tourism
Vinnytsia National Agrarian University*

Foundations of intensification of organizational and economic mechanism of sugar beet production

Scientific problem. Sugar beet production is one of the industries, historically formed on the territory of Ukraine. In the first place it's due to the favourable soil and climatic conditions for sugar beet production, as well as economic significance of its products. At present sugar beet industry is of great importance in the state, its level of development determines not only the efficiency of sugar market formation, but also the level of other product sub complexes' functioning, where the enterprises use sugar and sugar beet products in the technological processes of its production. Along with sugar beet cultivation and its processing for sugar, the industry plays considerable social role, providing human employment, filling state and local budget with taxes.

Analysis of recent researches and publications. Theoretical, methodological and practical aspects of sugar beet production functioning were the subject of research for such domestic scientists as: V. Andriichuk [1], P. Borshchevskyi, O. Varchenko [2], P. Haidutskyi, O. Zayetz, M. Kodenska [5,6,9], I. Lukinov, V. Mesel-Veselyak, V. Pyrkin, M. Poyik, S. Stasinevych, A. Fursa [7], O. Shpychak, M. Yarchuk and others. Foreign scientists D. Sparr [11], U. Latacz-Lohmann [14], H. Holzmann [16] paid attention to the questions of the development the theory and practice of sugar beet production as well.

The objective of the article – to determine conceptual foundations of intensification of organizational and economic mechanism of sugar beet production.

Statement of the main results of the study. Sugar beet production as an important sphere of

agrarian and industrial complex has been developing in the system of enterprises, organizations, and institutions of different industrial areas, which influenced its functioning directly or indirectly. It's a special productive-economic system, being formed under the influence of political, economic, organizational and legal, scientific and technical, social and demographic, natural factors [2; 6]. Thus, a systematic approach should be used while studying the functioning of this type of production. Separating sugar beet sub complex as an independent system of AIC may be just nominal and justified in terms of simplifying its activity analysis, as the group of industries manufacturing means of production has no clear boundaries. Technical devices, fertilizers, as well as material and technical supply are provided by the enterprises serving other industries. Besides, seasonal character of production process, storage and processing of sugar beets, leads to the irregular allocation of labour resources and vehicles, their use during the inter-peak period in other spheres of AIC [3].

The development of the industry is determined by the functioning of the organizational and economic mechanism components, formed to provide the efficient fulfillment of industry tasks, thus it is important to realize the methodological basics of formation and increase in the efficiency of the given mechanism operation, including the reconstruction of sugar beet sub complex, the development of its structure, taking into account the peculiarities of production functioning, the influence of competition, evolutionary changes in economics as well as other constituents (Figure 1).

Organizational and economic mechanism in sugar beet production is a system of organizational, economic and ecologic principles, methods, instruments of the effective functioning and

regulation, as well as control of the quantity and quality of sugar beet and products of its processing, which in the interrelation are providing demand at the food market under optimal correlation of productive costs and price for agricultural producers. Herewith, the basis for application of the given mechanism components is the determination of types of business conditions for industry enterprises, considering the peculiarities of economic conditions of production process, the interrelation between enterprises producing and processing sugar beet [10].

The essence of organizational and economic mechanism of effective functioning of sugar beet production is in combination of planning

and organization of labour, pricing, investing, taxation and crediting; it also depends on the efficient system of support from the state, insurance and foreign trade policy. Economic mechanism is functioning through the following key instruments: prices, taxes, subsidies, quotas, dotation, credits, allowances etc. [1, 4]. These tools promote solving key tasks: stimulation in providing country with sugar of domestic production; increase of production efficiency; ensuring the stable relationships between agriculture and industry; support in implementation of scientific and technical progress achievements; return of sugar products to the market of near and far abroad countries.

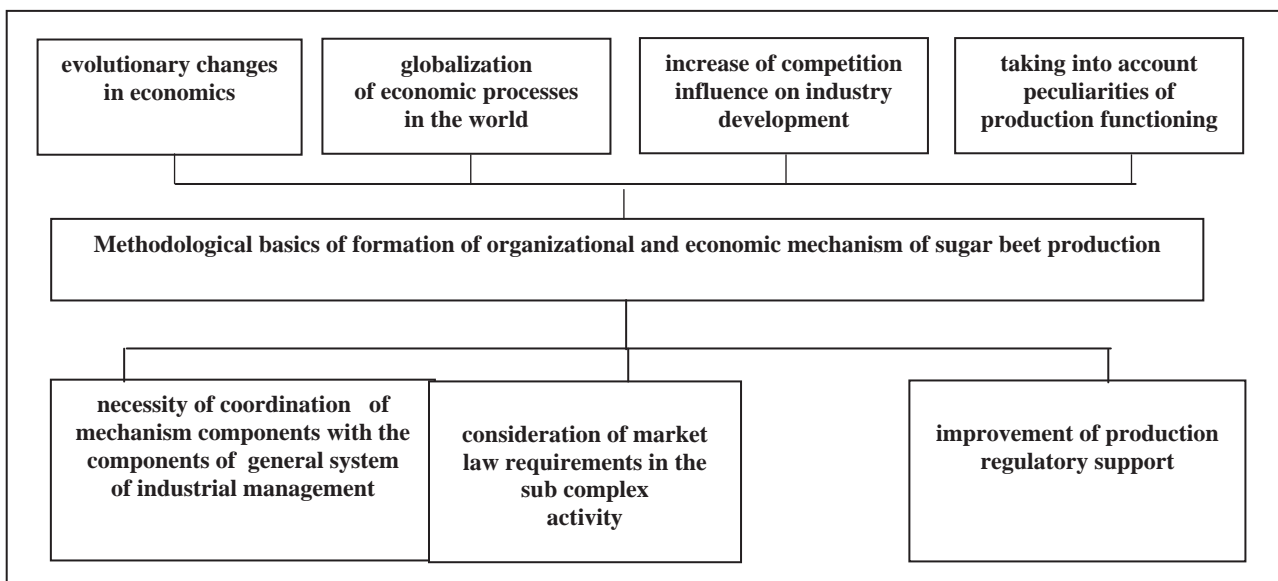


Figure 1. Methodological basics of formation of organizational and economic mechanism of sugar beet production

* Source: authoring.

To ensure the effective operation of organizational and economic mechanism as a system of organizational and economic measures aimed at regulation of sugar beet production development, it is important to clarify the sequence of economic decision-making concerning its development from a macroeconomic point of view, the definition of its role at the state level. It is reflected in the strategy and policy documents of the development of the industry being a component of the agro-industrial production. Defining the strategic priorities of the sector operation should contribute to the provision of efficiency in achieving the established goals. In the context of the above mentioned, the essential is to emphasize the program foundations of organizational and

economic mechanism operation at the micro-economic and industrial level, which requires following the relevant - rules and principles:

- stability of sugar beet production;
- stability of sugar production;
- compliance with the goals of industry development;
- increasing public efficiency;
- increasing competitiveness;
- stimulating innovative renewal;
- increasing investment attractiveness;
- flexibility of response to environmental influences [7, 8].

Thus, system complex introduction of different principles and their interrelations is essential for obtaining general synergetic effect from the efficient influence of organizational and eco-

conomic mechanism on productive processes and business entities of the given industry.

The effectiveness of influence of organizational and economic mechanism components for sugar beet production will appear on condition of counting the peculiarities of its operation at different levels of economic management. For example, at the national level - these are the stages of formation of its functioning mechanism and improvement, at the economic level – adaptation and usage, during which the determination of accordance of operation of organizational and economic levers, elements, instruments and relations for accomplishing the goal [9].

Increasing the mechanism efficiency largely depends on the coordination of its economic

and organizational constituents. In this respect the difference of the impact of the economic mechanism components on sugar beet production should be noted, which in particular can be of supportive and stimulating or preventing and dissuasive action. This substantiates organizational support of implementation of the components of economic mechanism (table 1).

In general, increase of the operation efficiency of organizational and economic mechanism may be achieved due to the rationalization of influence of its separate components on productive processes and business entities of the industry, namely: arrangement of functions, development of diversification, and deepening of specialization.

Table 1. The order of intensification of interrelation between organizational and economic mechanism components of sugar beet production

Character of operation	Directions of components' coordination	
	<i>economic mechanism</i>	<i>organizational mechanism</i>
Supportive and stimulating	Minimal price on sugar beet	Determining period of validity
	Minimal price on sugar	
	Amount of quota «A»	Grounding the order of quota distribution
	Privilege state crediting and taxation of sugar and sugar beet producers	Qualification requirements and order of obtaining credit and preferential tax payer registration
Preventive and restrictive	Fine imposition for supplying sugar to the market above the set quota	Organizational measures on control and imposition of fine in case of infringement detection
	Fine imposition for selling sugar at the lower in comparison with the minimal set prices	
	Declaration infringement	

* Source: authoring.

Measures in regard to the deepening of specialization due to the ensuring rational location of sugar beet crops are the part of organizational and economic mechanism. The essence of ensuring the rationality of growing has the relation to any crop, including sugar beets. In modern economic world the basic material and technical resources have limited character. Thus, in the state the most essential is to determine the necessity of their use in all directions of economic activity. It provides a detailed analysis of growing conditions in all areas and regions of the state aiming to determine favorable and unfavorable territorial units for the production of sugar beet. According to this, the essential is a variant calculation of differentiated influence of organizational and economic mechanism components on the industry to create obstacles in sugar beet production on the territories with un-

favourable production conditions and their directions, due to the levers of mechanism, on the territory with favourable conditions [5, 6, 8].

The basic condition of organizational and economic mechanism improvement is realization of its interrelation with functions of management system, which includes in the simplified interpretation: planning, organization, analysis, regulation of production, processing, providing the end product to consumers; justification of combination of influences of organizational and economic mechanism components on the achievement of the planned results of economic activity out of sugar beet production and its industrial processing.

The peculiarity of mechanism manifestation at the planning stage is taking into account all possible variants of manifestation of environment factors' influence. At the stage of organi-

zation of productive processes the peculiarity is in carrying out organizational measures concerning business entities' activity and providing them with the material and technical resources. The emphasis of the mechanism at the stage of analysis is made on carrying out analytical and control functions in relation to the evaluation of the influence of mechanism components on the efficiency of achievement of industry goals. In case the expected results are not obtained, at the stage of regulation, the necessary changes into the system of measures are made and the parameters of their influence on the effectiveness of sub complex functioning are determined. At the stage of stimulation, changes in the mechanism components are reasoned.

The analysis of correlation of management functions and functions of organizational and economic mechanism in sugar beet production manifested its subordination to the achievement of general management goals. Therefore, strengthening the relationship between management functions and industry organizational and economic mechanism indicates the need for their subordination to the functions of industry-wide management [10].

The determinant in the process of the organizational and economic mechanism formation of efficiency increase of sugar beet production is active mastering of flexibility in decision-making at all levels of industry management. Due to the peculiarities of the implementation of industry business processes at the economic, sectorial and national levels of management, the professional level of managers towards their mastering of data processing methods and justification of multivariate decisions considering the possible change of influence of environmental factors should be improved.

Environment changes of the sector functioning, the needs for demand determine the parameters of supply and their correlation. In this connection the order of choosing the optimal value of any production parameter becomes more important.

Producers make an essential emphasis on providing rational correlation between costs and benefits in the process of economic activity. Therefore, agricultural producers should be grouped by certain characteristics and the necessity of incurring by them of certain level of

business expenses should be determined. The basis of the model part on the optimal parameter of sugar beet production is the carried out grouping of agricultural enterprises by labor costs for 1 ha of sugar beet, by the costs for applying fertilizers on 1 hectare of sugar beet crops, by the general costs for 1 ha of crops, by the share of sugar beet. Grouping can be done by indicators of the specific year or average data for several years, according to a separate area, region or the entire industry in the state.

Information concerning justification of sugar beet crops concentration would be useful for producers. It is proved by the dependence of efficiency indicators on the concentration of crops.

Producers should also pay attention to the additional expenses on application of mineral fertilizers, the amount of which has to meet the needs of plants and soil as well as to follow the rational correlation NPK. Along with the economic assessment of justification of their additional application, the ecological impact on the environment should necessarily be taken into account. The analysis of interrelation of the yield capacity level and expenses on fertilizers revealed their direct dependence. But producers should take into account the justification of additional expenses on application of fertilizers, which is proved by the efficiency level indicator.

The tendencies of scientific and technical progress, which are displayed at different technological industry levels, should also be considered. Therefore, at the level of state government it is advisable to consider the peculiarities of organizational structure of industry and attach its subjects to solving both separate economic and social tasks. Implementation of differential approach to different organizational types of business is rather important. On one hand, contribution to solving problems of food provision of large integrated structures is undisputable. On the other hand – the role of farms and small agricultural producers in relation to employment problems and providing proportionality of rural territory development is indispensable.

Industry competitiveness is formed mainly at the economic level while balancing expenses and amounts of sugar beet production of higher quality, which is largely improves the state of the industry. In the structure of organizational and economic mechanism of sugar beet produc-

tion development the basic mechanism is technic-technological industry renewal, which is to implement both by organizational and economic components of the given mechanism.

One of the important tasks of activation of organizational and economic mechanism functioning is providing innovations. In relation to sugar beet production – it is mastering innovative strategies of producers' business activity, providing innovations and considering the state of market infrastructure when introducing innovations. It should be mentioned that one of the features of the market economy is changeability. This is reflected in tangible fluctuations of supply and demand parameters on industry markets, in particular levels of prices for sugar beet, sugar and material and technical resources. Accordingly, an essential point is forming a differentiated business activity in the industry. In market conditions favorable and unfavorable years for carrying out economic activity are pointed out. As for the introduction of innovative technologies in favorable years it is advisable to focus on high intensity of modern technologies. In contrast to this, in unfavorable years implementing energy saving technologies would be justified.

The analysis of experience and studying the components of technological renewal in other countries, sowing sugar beet, will contribute to the highly effective introduction of innovations. Innovative technologies of sugar beet growing, highly productive systems of machinery and effective systems of plant and soil protection are owned by France, Germany, and Austria. The highest indicators of yield capacity in France – 850–1000 c/ha and in Austria - 700–900 c/ha, which more than twice exceeds indicators of yield capacity in Ukraine. Therefore, it should be mentioned that just copying experience cannot give the effect in conditions of Ukraine. Thus, creative approach to the components of innovative renewal of the industry of these countries is needed with any introduction of innovations being implemented taking into account peculiar characteristics and conditions of domestic production functioning.

The important factor of efficient activity of large sugar beet – sowing farms is creating conditions for raising qualification level of their

directors and professional staff, which gives the opportunity to run business activity on scientific basis. Such businesses have higher level of mechanization and automation of productive processes, which in general contributes to the reduction of labour expenses on unit of production. The main means of production such as land, material and technical, labour resources are used much more effectively there.

In this respect, activation of National Association of Sugar Producers of Ukraine, aiming at initiation of organization of measures on raising qualification level of their directors and professional staff of the industry is quite essential.

Conclusions. Thus, the efficient development of sugar beet production in perspective will be determined by the reasoned strategic directions of the usage of its output: sugar beet, sugar, intermediate products - molasses, pulp; for consumption by people following scientific and physiological standards, which will depend on the level of paying ability; use of sugar as a component or/and conserving agent by food industry enterprises, where in technological processes of food production the advantage should be given to domestic sugar; application of products of sugar beet production as a raw material for obtaining products of technical direction – energetic (bio ethanol, gas) and other products for consumption.

In general, the state should take care of conservation of the industry, which thanks to the favourable soil and climatic conditions and the availability of highly-qualified staff will perform its special social and economic role in providing the development of society.

The effectiveness of organizational and economic mechanism of sugar beet production is determined by its inclusion into the general system of industrial management and the degree of considering peculiarities of domestic industrial; inter industrial, foreign industrial relations. Herewith, raising the effectiveness of functioning of organizational and economic mechanism on productive processes as well as business entities of the industry should be implemented on the basis of arrangement of functions, increase of the innovative level of the industry, strengthening interrelation between economic and organizational component of the mechanism.

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*D.A. SAINSKYI, candidate of economic science,
The head of territorial administration department of
Audit Chamber in Vinnytsia, Zhytomyr, Kirovograd, Khmelnytsky and Chernovtsy
regions (in Vinnytsia)*

Improvement of the organizational and economic development mechanism of hop-growing statement of problem

Scientific problem. Implementation of the state policy of Ukraine concerning regulation of development of hop-growing branch is, first of all, connected with concentration of financial,

material, technical and other resources, production, scientific and technical and innovation potential in order to solve and overcome the main problems of the branch, in particular: providing the brewing industry with modern domestic products of processing of high-quality hop, em-

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