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## PRACTICAL RECOMMENDATIONS FOR IMPROVEMENT OF THE PROCUREMENT BRANCH OF THE UKRAINE'S CONSUMER COOPERATIVE SOCIETY

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In this article are identified practical recommendations for improvement of the procurement branch of the Ukraine's consumer cooperative society and its role in the cooperative sector of the national economy formation, which are based on methodology and analysis of the cooperative authority, state institutions, municipal government documents. The modern stage of the Ukraine's economic development is defined with the internal and outdoor economic subjects' instability, what complicates the using of the progressive market elements for economic development and living improvement. The using of the different market's modifications methods reduced to the problems not only in the economic, but also in social sphere, in vital activity of all population, especially of the agricultural population. The lowering of the living standards by Ukrainian agricultural population defined the necessity in returning to the cooperative organization's forms in the different economic sectors, which formed favorable conditions for the improvement of the social terms. The object of this article consists in development of the practical recommendations in the process of investigation in the Ukraine's consumer cooperative society and also in definition of its place and role in formation of the cooperative sector in national economy. The realization of the practical references according to the improvement of the procurement activity of the Ukraine's consumer cooperative society doesn't mean decision of all problems, but orients to the work without loss, to the financial crisis overcoming, preservation of cooperative property, creating of the great numbers work places, improve of the living standards of the peasant population and restore of the confidence to the consumer cooperative society, as to socially oriented system.

*Keywords:* consumer cooperative society, procurement, sale, storing procurement activity, crediting, marketing, food market, national economy

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## ПРАКТИЧНІ РЕКОМЕНДАЦІЇ ЩОДО УДОСКОНАЛЕННЯ ЗАГОТІВЕЛЬНОЇ ГАЛУЗІ СПОЖИВЧОЇ КООПЕРАЦІЇ УКРАЇНИ Марчишинець О.В., к.е.н.

Полтавський національний технічний університет імені Юрія Кондратюка У даній статті на основі сучасної методології та аналізу документів кооперативних органів, державних установ, органів місцевого самоврядування визначені практичні рекомендації щодо удосконалення заготівельної діяльності

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споживчої кооперації України, її місце та роль у становленні кооперативного сектору національної економіки. Сучасний етап розвитку економіки України характеризується нестабільністю внутрішнього і зовнішнього середовища суб'єктів, функціонування економічних шо ускладнює використання прогресивних елементів ринку для економічного підйому і покращення життя населення. Використання різноманітних методів ринкових перетворень привело до проблем не тільки в економіці, але і в соціальній сфері, умовах життєдіяльності всього населення, особливо сільського. Зниження прожиткового рівня сільського населення України визначило необхідність повернення до кооперативних форм організації в різних секторах економіки, які створюють сприятливі умови для оздоровлення соціальних відносин. Мета статті полягає в тому, щоб у процесі дослідження розвитку споживчої кооперації України зробити практичні рекомендації щодо удосконалення заготівельної галузі та визначити її місце та роль у становленні кооперативного сектору національної економіки. Реалізація практичних рекомендацій щодо удосконалення заготівельної діяльності споживчої кооперації України не означає вирішення всіх проблем, але орієнтує на беззбиткову її роботу, на подолання фінансової кризи, збереження кооперативної власності, створення значної кількості робочих місць, покращення життєвого рівня сільського населення і відновлення довіри до споживчої кооперації, як соціально орієнтованої системи.

*Ключові слова:* споживча кооперація, заготівля, збут, заготівельна діяльність, кредитування, маркетинг, продовольчий ринок, національна економіка

Actuality. The modern stage of the Ukraine's economic development is defined with the internal and outdoor economic subjects' instability, what complicates the using of the progressive market elements for economic development and living improvement. The using of the different market's modifications methods reduced to the problems not only in the economic, but also in social sphere, in vital activity of all population, especially of the agricultural population. The lowering of the living standards by Ukrainian agricultural population defined the necessity in returning to the cooperative organization's forms in the different economic sectors, which formed favorable conditions for the improvement of the social terms.

Analysis of the latest research studies. Recently appeared enough publications that are related to the rating estate of the Ukraine's consumer cooperative society. These are works by V.V. Zinovchuk, Y.V. Timchenko, A.O. Panteleimonenko, T.V. Onipko, M.V. Aliman, M.A. Zhurba, V.I. Marochko, G.P. Sklyar [1, 2, 3, 4, 5, 6, 7, 8]. In the main article statements were considered the studies of these scientists. But the question of

the practical recommendations for the improvement of the procurement branch of the Ukraine's consumer cooperative society stayed not enough investigated in theoretical aspect.

The object of this article consists of the development of the practical recommendations in the process of investigation in the Ukraine's consumer cooperative society and also in definition of its place and role in formation of the cooperative sector in national economy.

**Presentation of the main researches.** The Ukraine's consumer cooperative society operates through the network of its enterprises, which forwards to social revival of agriculture, development of the national trades and also takes part in international cooperative movement. The functioning subsistence of the market economic mechanism in state equally with other important macroeconomic measures requires the development of the national food market [9]. Today 70% of agricultural products are produced in private agricultural factories, which don't have constantly active marketing channels for selling of their productions. The States-Members of EU, The United States of America, Canada and other solved this sale problem with the creating of the storing-sale infrastructure that is based on cooperation and integration with trade, food and processing industry.

In the transition of the Ukraine's economy to the market economy very important role plays the system of the Ukraine's consumer cooperative society (Ukoospylka). Traditionally the procurement branch was one of the main spheres of its activities.

It is necessary to solve the next aims in the procurement branch of the Ukraine's consumer cooperative society together with the Ministry of agrarian politic and food of Ukraine:

- to extend the procurement capacity, at the same time it is solving the issue of guaranteed sales;

- to enlist private subsidiary farms and other agricultural producers into the one planned organized process of agricultural industry and its further sale to the procurement enterprises of the consumer cooperative society;

- to develop the material-technical base of the procurement livestock raising, plant growing and wild growing production, including with the processing production (freezing, drying and etc.). To promote the opening of processing mini-factories for this; to support private subsidiary farms owners in obtaining of the high quality livestock and poultry races, seeds, saplings, cultivated and free growing plants;

- to enlist into the free-growers harvesting and sales work population that is not engaged in this kind of work constantly, including middle school pupils and college students in the period of vacations, pensioners, temporarily unemployed and etc.;

- to enlist the external investments for the production base modernization;

- to provide for the high quality of produce;

- to determinate between production factories by levels depending on the extent of the potential production sale market (regional, republican).

- to work out own progress tactic and strategic depending on level;

- to research the mechanisms of goods order for state needs with intention to provide the guaranteed output sale, including of processing agricultural production that was gotten as result of the purveyor work.

It is necessary to develop cooperatives within the socio-economic, national and regional programs, to join the cooperation tasks with the society problems, to have an active state support of cooperation for intensification of the cooperative sector role. It is necessary a legislative espousal for the optimization of the cooperative procurement. Probably the Ministry of Finance, agricultural politic and food of Ukraine should make them free from taxes and give to the farms more loyal credits, so that such interesting significant benefit would interest peasants in creating of such management forms. The solving of this problem could be an impulse for the further development of the subsidiary farms.

It is important that the functional duty of the consumer societies was generally directed on the contentment of the rural population's requirements. It should be noted that in every specific case success of the consumer cooperative society depends directly on the regional leading. Especially topical is the question about consolidation of the partnership terms between cooperation and executive of the rural district administrations that are the closest to rural population and that don't have always enough funds for solving these problems. This interest was because the consumer cooperation carrying the procurement activity created favorable conditions for the development of the rural markets of goods, service and work, stabilized socio-economical situation in region, created work places at own factories securing rural population employment what could affect on its settled way of life, reduction of migration.

The local governments together with the departments of the Ministry of agrarian politic and food of Ukraine should attract the procurement potential of consumer cooperation more active, providing significant part of local budget; to conduct the district conferences involving of local government representatives also of the consumer society systematically, about program realization of procurement agricultural production in this region. Thereby the consume cooperation society could be one of the stabilizers in modern transition economy, could assist good rural arrangement creating the manufacturing and social infrastructure. Fulfilling immanent to state functions cooperation is such institution that allows to support all balance of all society.

The levels of the procurement state system consume society activity affects on the formation and effective functioning of national food market. Today in the procurement sphere are traced the old system of organization, purveyor and work stimulation, lack of professionalism and training stuff. Because of the procurement activity development priority are required such experts that could combine as well skills in agricultural producing as skills in economic and jurisprudence that have applied branch character.

For the efficiency of the procurement activity of the consumer society and the consumer cooperation regional system it is necessary to lead into the organization such link of the control function, management function and high professional level. We suppose that such link could be the consultative centre (organizing department). The next duties will be included to its tasks as analysis of market conjuncture, development of business plans and strategies of factories development, logistic of economic activity. At regional level such centre will provide coordination of the agricultural and processing factories, trade factories and management authorities of cooperative system, will include into economic activity process the credit cooperatives.

These department experts shall cooperate with all subjects of the system and realize the correction and control activity of all members. This function is similar to the function of the shareholders, but is realized on more high professional level. And considering economic passivity for the substantial work of the consulting centers it will get the main professional management instrument in system.

During two last decades the consumer cooperation had to work in a very strict competition. If before the state gave to it very serious support, today even a little market branch had to be gained independently. Anyway the

consumer cooperation has a great development potential. In the future it could get a very serious competitor in trade network that owns small towns and regional centers very active. The consumer cooperation needs assistance of the Ministry of agriculture politic and food of Ukraine especially in search of new channels if we talk about the procurement agricultural culture and raw stuff; because except the subsistence of own needs the procurement branch has opportunities to form the agricultural stuff resources for the domestic industry and also for the interregional and procurement expert.

The most important target of the consumer cooperative society's governments and consumer cooperative communities and sure leaders of cooperative organizations should be setting up of the continuous mutually beneficial business contacts, application of the different forms and methods of selling.

For effective activity the food market needs the improvement of the forms and methods in the organization of the agricultural production and raw stuff by producers that are used in the system of the consumer cooperation. By conditions of the market relations formation in the traditional form of the agricultural stuff procurement that are oriented on the contentment of all consumer needs on the food Ukraine's market are already not enough. Demonopolization of the goods circulation sphere and development of the competition on the food market is the most important force that causes the need of the forms and methods improvement in the organization of the producing procurement by producers of the procurement-processing complex system in the consumer society. In this complex has to be solved such problem as increasing of the production buying by procurement organizations in the places of their immediate manufacturing, as much as it didn't lose its meaning due to the fact that it allows to increase incoming of the agricultural production to the food market of Ukraine and with better quality by the relative reduction of the total transportation amount, the reduction of the production negative profit on its progress course in procurement-selling links, trade, consumer sphere, removing inequality in relations between the procurers and producers, especially reaching equality in production rating, dispensing of the agricultural factories from production transportation function which are not imminent.

The efficiency of the indicated forms and methods of the agricultural production organization in its procurement system is directly marked by the commodity producers with the next forces:

- socially-economic – kind of the agricultural products or its special qualities, income source; procurement amount; periods and frequency of products incoming; purpose of production (trade during procurement season or between seasons, processing, long-lasting storage etc.);

- organizationally – technological – system of mediators-procure mentors in certain region (who, what and for what buy); state of the materially-technical procurement base, storage, processing and trade of the agricultural products; provision of the transport, first of all of the specialized transport for products that deteriorate very fast; providing of procurement factories with labor resources; providing of the procurement amounts with containers, degree of its progressiveness and economy.

But products acceptance organization is braked in the places of manufacturing because of the low level of the materially- technical base. The materially-technical base improvement of the procurement-processing complex is possible only with the using of the scientifically-technical progress novelties, particularly in agricultural complex, and also with using of the specific features and concrete tasks on modern stage.

In the tasks complex the strengthening of the financial state very important place takes the question of the effective materially – technical base using. Foremost it is going about the final fate decision of the laid-up cooperative objects, big part of which makes 22% in total worth of property. From now on it cannot be permitted that cooperative property in amount of half billion grivnas would stay as dead capital. Land taxes are paid, money is spent on defense, but objects are destroyed and elongated. Cooperators could revive closed or rented manufacturing facilities in meat, milk, sunflower seeds, fruits and vegetables, fish processing factories supported by the Ministry of agrarian politic and food of Ukraine and local authorities. The activation of processing branches of the consumer cooperation society will help in the creation of the new work places as well in cities as in villages.

It is economically feasible to develop on food market the competitive basis, systems of the producers-sellers servicing relatively to agricultural engineering, zoo veterinary and etc. Such form of economic connections can have bright dissemination when cooperative factories with manufacturers by

the processing organization and storage of agricultural products in home conditions by agreement with population by assisting and stimulation of the producers – sellers.

The cooperators should conduct marketing researches of market, increase business connections with the buyers of the agricultural products, provide an appropriate quality of the wholesale products parties and intensify laboratory control. First rated in procurement organization improvement is development of the advertising by producers during sale.

Because of the chain stores reductions especially in rural area the consumer cooperate societies gradually lose sale food market. It needs an optimization of the sale network in every locality, a renovation of the standing shops, sure where it is reasonable. It should return to opening of shops at home, activate trips of the auto shops, organize sale of non-food products on the commission basis. It would be advisable to create the procurement-processing associations based on the cooperative consumer factories in districts that are close to regional centers.

The consumer cooperation is fully capable to take part in the establishment of the agrarian exchanges, auctions of agricultural products, fairs, tendering in agricultural products and food delivering and also products of its processing to the military consumers, budget organization. It will give the possibility to increase the agricultural procurement amount and not to give them for nourishment to shady dealers.

The state has to support consumer cooperative societies in entering to foreign markets. If there are guaranteed sales and advisability for cooperative authorities it can be advisable to increase procurement amount of the competitive conduction for the procurement expert. It makes sense that the state (The Ministry of agrarian politic and food of Ukraine) involves the brighter consumer cooperative society for the export of procurement that today have great demand on the markets of the West (nuts, mushrooms, blueberries, strawberries etc.).

The cooperators have to practice procurement of dried fruits, sunflowers and pumpkin seeds, rabbit skin, raw skin of cattle more active what can bring additional incoming to peasant families.

Also the consumer cooperative society has to cooperate closely with the local government that cares for environment. To solve the ecological problems it is advisable that the executive power authorities help to obtain

license for the cooperators to be engaged in the harvesting recyclables (cullet, wastepaper, household and plastic waste etc.) what will facilitate to clean and safe an environment.

**Conclusion.** The realization of the practical references according to the improvement of the procurement activity of the Ukraine's consumer cooperative society doesn't mean decision of all problems, but orients to the work without loss, to the financial crisis overcoming, preservation of cooperative property, creating of the great numbers work places, improve of the living standards of the peasant population and restore of the confidence to the consumer cooperative society, as to socially oriented system.

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