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## THE MARKETINGS MECHANISMS OF FOUNDATION AND FUNCTIONING OF THE WHOLESALE MARKET OF AGRICULTURAL PRODUCTS

**Summary**. The article deals with the problem of marketing activities in cooperation wholesale market of agricultural products with producers and consumers. The problems and prospects for investment in wholesale and retail trade in agricultural products in Ukraine was analyzed. Created marketing strategy for the wholesale market of agricultural products development.

**Key words**: wholesale market, marketing strategy, sales, demand, supply, infrastructure of the market.

Statement of the problem. The most important objective for any distribution channel is to make the product conveniently available for customers who want to buy it. Wholesale marketing systems for agricultural foodstuffs are often inadequate. They neither maximize benefits to producers, nor to consumers. [5] Experience demonstrates that there are substantial benefits to be gained from giving positive encouragement to the development of more professional approaches to the provision of marketing infrastructure where wholesalers can purchase produce from large numbers of assembled farmers, or their agents, and in turn sell their purchases to retailers.

Functioning and maintenance of agricultural market prospects for sustainable food security and increase income of farmers depend on infrastructure conditions. Lack of effective channels of agricultural products is the limiting factor for just redistributing values in the pricing mechanism. Development Institutes wholesale agricultural and food is crucial for food security, but it should start with the establishment of grassroots agricultural hierarchy through the mechanism of cooperation. [3]

Analysis of recent research and publications. Important contribution to the study on the mechanisms of formation and functioning of wholesale markets of agricultural products made scientists: Gritsenko M.P., Voskobiynyk J.P.,

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Korinec R.J., Kopitec N.G., Luzan Y.J., Malik M.Y., Mogilniy A.M., Moldovan L.V., Rozgon A.V., Sabluk P.T., Sabluk R.P., Schmidt R.M., Shpykulyak A.G.. However, the research component of the marketing of agricultural products wholesale markets has not been fully investigated, especially not enough attention is paid to the relationship of fluctuations in market conditions and the activities of agricultural units, and the role of infrastructure elements, the formation mechanism of agricultural products demand.

Formulation of the goal of this article is to design and provide marketing mechanism of functioning wholesale market of agricultural products, which would allow to create effective functioning wholesale distribution channels of agricultural products.

The main materials. The consumption and production of marketed food are spatially separated. Production is generally in rural areas and consumption primarily in urban areas. Marketing is the process that overcomes this separation, allowing produce to be moved from an area of surplus to one of need. The concern of this manual is the planning and design of physical infrastructure that will be required for part of this process, the wholesale marketing of fresh produce, primarily fruits and vegetables.

Marketing activities of wholesale market focused on optimizing feed movement of agricultural products from producers to consumers. The main resistance for selection guidance of agricultural production should be focused on the products from domestic producers. The result of marketing activities in wholesale market cooperation of agricultural products from agricultural producers to increase the share of sales in wholesale lots, the achievement of the maximum level of customer and manufacturers satisfaction. [1]

It should be noted that most of the products offered in retail is implemented without permissive documents with certificates of quality, so consumers can not be absolutely sure that buy high-quality and safe products, and producers can not promote and guarantee the quality of their products to consumers. [4] Keeping the positive dynamics of the wholesale markets need to take measures to increase the

share of regular customers, producers of promotional package of services, informing them of market trends to choose effective sales channels.

Ukraine represents one of the most attractive markets for investment in wholesale and retail trade. Only two countries (India and Russia) were rated higher in the World Development Indicators Retail Global Retail Development Index. [2]

Conclusion this study shows that the leading foreign retailers such as Walmart (USA) may soon join the local network ("Fozzy Group", "Guaranteed Trade", "ATB Market"), Russian networks ("Perecrestok", "Pyaterochka "" Paterson ") and foreign networks, pioneers (Metro Cash and Carry, Eurobilla) in the Ukrainian retail sector. What we are seeing today, joining rapidly raises the level of competition in the sector and rapidly transforms its overall structure. Local produce market and their supply is gone. Gradually, supermarkets and discount chains, make an attempt to increase its share in the products market. As the growth of this fate, supermarkets initially will largely rely on wholesale markets products, but gradually move to their own distribution centers and specialized wholesalers. This will require the wholesale markets of agricultural product logistics integration centers on its territory and the introduction of modern marketing approaches to address this issue.

In cooperation with buyers of products worth noting major growth in recent years the share of regular customers. Further work with buyers focused on improving product safety certification through the market system ISO (International Organization for Standardization) systems of standards NAASR, Codex Alimentarius, the introduction of loyalty, reducing the duration of the procurement process, providing documentation of purchase and sale. But to further increase the interest of buyers and sellers in the wholesale market services we have developed a marketing strategy for the wholesale market of agricultural products (Table 1).

 ${\it Table~1}$  Marketing strategy of the wholesale market of agricultural products

Intensive growth		Integration height (vertical integration)		Diversification growth	
Event	Description	Event	Description	Event	Description
Opportunities company under the existing	Limited, with significant credit burden to the	Integration with other elements of the marketing	Large producers, co-operatives, to realize that	Opportunities offered outside the industry	Insignificant due to limited knowledge and
scale of production	company.	industry	products on the market, the joint development of infrastructure sector, transportation, processing	-	experience of the industry that are not related with market activity
Deep market penetration	The growing number of customers market by introducing advanced technology management and additional services to improve	Regressive Integration (obtained have in ownership or put under strict control Suppliers)	Forward transactions with regular customers of certain conditions of supply to the market.	Diversification (replenishment assortment of products)	Expanding the network of regional ag- marketing centers in Ukraine
Expanding the boundaries of the market	Increasing the share of products sold in the market by attracting wholesalers from other regions	Progressive integration (to obtain possession or put under strict control of the distribution system)	Organization network of agricultural products stalls	Horizontal diversification (replenishment assortment of products))	Organization of exhibitions
Improvements of product	Introduction of additional services for buyers and sellers	Horizontal integration	Create a central chain of stores in the market	conglomerate diversification (unification under one management structure of industries in different sectors of the economy)	Construction industry, engineering industry, food processing industry

Depending on their structure, business model, mission and customer base, wholesale markets can have additional benefits, including: increasing access to local foods in underserved communities and schools; providing farmers and agricultural producers with higher prices than they might receive through other wholesalers; developing human capital through producer training and capacity building; and strengthening the ties between producers and consumers in the same community.[1]

The main factors influencing the marketing environment:

- Political and legal - terms of wholesale market of agricultural products in the legal field, the influence of local governments on the activities of the market;

- Economic development opportunities: the availability of credit, favorable tax policies;
  - Demographic possible sales volume;
  - Social culture purchase and consumption of fresh fruits and vegetables;
- Science and technology the use of new technologies to the cultivation, storage and sales;
  - Competition supermarket chains;
  - Suppliers manufacturers and operators;
- Staff experienced in management of wholesale markets and cooperation with suppliers.

Conclusions. Wholesale markets of agricultural products fulfill various roles, including functioning as aggregators, processors, distributors, and marketers of wholesale lots. In all of these roles, food hubs provide a critical supply chain link for rural communities and farmers to reach consumers interested in purchasing quality products. Wholesale trading are also beneficial in creating new marketing opportunities for farmers and agricultural producers, allowing them to expand the scope of their consumer market.

With the purpose reach the target market strategies including intensive growth is desirable to work on deep penetration into the market, which implies an increase in sales volume and market share without changing its commodity - the market position at the expense of existing products in existing markets. Strategy deep market penetration is characterized by low commercial risk and is implemented using tools such as activation of promotional activities, the use of sales promotion, development of distribution network. This strategy is suitable for both new and for existing wholesale markets.

## Literature

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## ПЕРСПЕКТИВИ МІСЬКИХ АГРОПРОМИСЛОВИХ КОМПЛЕКСІВ У ЗАБЕЗПЕЧЕННІ СТІЙКОГО РОЗВИТКУ МІСТА

**Анотація.** Означена стаття присвячена вивченню перспектив міських агропромислових комплексів у забезпеченні стійкого розвитку міста. В статті доведено необхідність впровадження «вертикальних ферм» у зв'язку із зростанням значних темпів урбанізації. Автором розкрито сутність «вертикальної ферми», проаналізовано її переваги та недоліки.

**Ключові слова:** міський агропромисловий комплекс, «вертикальна ферма», стійкий розвиток міста

Постановка проблеми. Згідно даних доповіді «Народонаселення світу у 2011 році» підготовленою Відділом інформації та зовнішніх зв'язків Фонду ООН в галузі народонаселення (ЮНФПА) [1] у 2050 році рівень урбанізації складатиме від мінімальних 62% у Африці до 90% у Північній Америці. Подібний дисбаланс істотно вплине на таку нагальну проблему як забезпечення