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## State And Development Trends Of Associated Forms Of Agrarian Business In The Context Of Russia's Membership In The WTO (On The Example Of The Stavropol Territory).

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### ABSTRACT

The article considers the need to develop associated forms of entrepreneurship in the agrarian sector as the main way to minimize the negative externalities from Russia's membership in the WTO.

**Keywords:** agrarian business, agriculture, agro-industrial integration, World Trade Organization.

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## INTRODUCTION

In August 2012, at a conference in Geneva, Russia became a full member of the World Trade Organization. One of the four main blocks of negotiations in the context of Russia's accession to the WTO was the signing of an agreement on agriculture, which resulted in a reduction in subsidizing the agrarian sector of the economy from 9 billion dollars to 4.4 billion dollars by 2018, reducing customs tariffs from 15, 6 to 11, 3% for most foodstuffs, the termination of the practice of export subsidies for all developed WTO member countries from 2013.

According to experts, the abolition of subsidies for fuel and lubricants, the establishment of free pricing for mineral fertilizers and the abolition of subsidies for domestic agricultural machinery led to an increase in the costs of production of agricultural enterprises, a decrease in their profitability and profitability, and as a result, the growth in agricultural production fell from 21% to 14% [11-17].

In 2014, due to political disagreements, the European Union adopted a series of economic sanctions against the Russian Federation. In response, in accordance with Presidential Decree No. 560 of August 6, 2014 "On the application of certain special economic measures to ensure the security of the Russian Federation," restrictions were imposed on the import of a number of agricultural commodities, raw materials and food products from the countries of Western Europe and the United States [1]. As a result, confrontation between Russia, the European Union and the United States intensified, and the question arose of the expediency of Russia's further membership in the WTO. Experts on this subject have different opinions. However, the main one is the opinion that the Russian Federation still remains a full member of the WTO and will defend its interests in accordance with the rules of this organization. As part of the signed agreements, Russia will continue to reduce customs duties and expand food exports from Chile, Uruguay, Ecuador, Brazil, Argentina and India.

Therefore, the question of the readiness of enterprises and organizations of the agrarian sector of the economy to inflow of cheaper imported food products remains urgent, because the process of intensifying agriculture in Russia is very slow. The material and technical base of agricultural organizations has deteriorated significantly in a short period of time: the entire fleet of tractors and agricultural machinery is needed, since 80% of it is outside the depreciation period. In crop production, more than 50% of agricultural commodity producers produce products by extensive technologies, use low-quality seeds, mineral fertilizers bring in insufficient volumes, i.e. the magnitude of the yield they learn depends more on the natural fertility of the soil and the prevailing weather conditions. Even lower level of technical and technological equipment in livestock, in consequence of its low investment attractiveness. The main reason for the poor perception of innovation by agricultural enterprises is their low profitability.

## MATERIALS AND METHODS

Currently, many Russian scientists are working on the problem of increasing the efficiency and competitiveness of agricultural enterprises, proposing measures to implement the modernization of the economy of the agrarian sector in the framework of the fifth and sixth technological order, changing organizational behavior, creating conditions for business, consolidating enterprises on the basis of agro-industrial cooperation and integration, etc. [2, 5].

Two years of work in WTO conditions have shown that as a result of trade liberalization, activation of integration processes, the problem of strengthening the competitiveness of domestic products in the domestic market acquires special significance. Expansion of integration processes, creation of new entrepreneurial structures on the basis of concentration and centralization of capital of agricultural and processing enterprises is a regular stage in the development of the agricultural sector of the economy and a response to changes in the external environment of the functioning of enterprises. In addition, the integration processes taking place in the agricultural sector of the country make it possible to increase the productivity of agricultural producers by [3, 7, and 8]:

- lowering the influence of climatic conditions;
- Rapid modernization of the production process with the introduction of new advanced technologies;
- Uniform use of production assets during the year;

- More complete use of raw materials and waste products received as a result of processing;
- provision of a single reproductive process throughout the entire production cycle;
- Reduction of transaction costs (costs for business transactions, negotiation, conclusion of contracts, ensuring their implementation);
- more effective use of labor;
- increasing the image of agricultural enterprises in the eyes of credit institutions in order to simplify the procedure for obtaining borrowed funds;
- the best satisfaction not only of production, financial and economic, but also of the social needs of the villagers, etc.

Thus, within the framework of the integration process, it is ensured the creation of real mechanisms of self-financing and the growth of investment resources on the basis of combining the economic, organizational, technological, labor and intellectual potential of its participants. At the same time, the introduction of unified principles and methods of conducting business activities allows increasing production volumes, cutting costs, improving the quality of products, which will positively affect the performance of enterprises of the agrarian sector.

## RESULTS AND DISCUSSION

Currently, in the Stavropol Territory, 16 organizations with affiliated enterprises, 18 integrated formations with branches and 10 entities that have a share in the authorized capitals of agricultural or processing enterprises in the amount of 30 to 51 refer to integrated structures with obvious signs of integration. %. Their interaction is carried out on a contractual basis or through the investment of large investors in agricultural production [8].

Analysis of the activities of agrarian integrated formations in the Stavropol Territory made it possible to identify the main trends in their development:

1. The predominance of vertically integrated entrepreneurial structures consisting of enterprises producing, processing and selling agricultural products (CJSC Stavropol Broiler, part of the Agroprestpriyatiy Group (GAP) Resource, OOO Agro Irma "Voroshilova Village", etc.) , over horizontally-integrated formations (OJSC "Agrokhleboprodukt").
2. Complication of the integration process, creation of multi-profile combined systems combining vertical and horizontal levels of integration (LLC "Zolotaya Niva").
3. Integration based on diversification. Thus, LLC "Victory" and LLC "Khleborob", in different years joined the Concern "Energomera". As a result, both farms are profitable.

Comparing the indicators of production and economic activity of all integrated enterprises operating in the territory of the region, one can identify their advantages in relation to other agrarian enterprises (Table 1) [9, 10].

The base year for evaluation is 2002, because in this period the first integrated structures are formed, which accounted for 5% of the agricultural lands of the province, 2.6% of the cattle population, 2.1% of the cows, 3.2% of the pigs and 5.7% of the poultry. In addition, 4.6% of grain, 4.0% of potatoes, 3.4% of vegetables, 2.4% of milk, 4.9% of meat and 6.7% of eggs were produced. At the same time, in the volume of gross output, the share of integrated formations was 5.1%, while the share of profit was 5.7% of the marginal indicators.

We have revealed that in the period from 2002 to 2013 there was an increase in the volume of output by integrated structures. So, as a result, in 2013 the area of arable land used by integrated structures increased 2.1 times, grain production increased 2 times, potatoes - 62.8%, vegetables - 28.3%, milk - 3 , 8 times, meat - 2 times and eggs - by 29.9%. The volume of gross output increased from 1361.2 million rubles. in 2002 to 16544.2 million rubles. In 2013, the share of integrated units in public reproduction varies from 5.1% in 2002 to 21.7% in 2013. In the end, the profitability of integrated enterprises increased by 17.9%.

**Table 1: Dynamics of the main economic indicators of agricultural organizations in the Stavropol Territory**

Indicators	2002		2008		2013	
	Agricultural organizations	including integrated structures	Agricultural organizations	including integrated structures	Agricultural organizations	including integrated structures
Area of arable land used, mln. ha.	3992,1	199,6	3994,6	407,4	3957,7	412,3
Livestock in agricultural enterprises, thous.						
Cattle	434,7	11,3	392,6	24,3	124,7	24,6
including cows	205,8	4,3	184,4	10,8	45,9	11,1
pigs	453,4	14,5	459,3	25,7	180,9	25,3
birds	11021,9	628,3	10486,2	1237,3	12308,5	1580,7
Grain, thousand tons	6122,3	281,6	8413,4	563,7	5257,2	565,0
Potatoes, thousand tons	301,7	12,1	258,8	18,1	407,4	19,7
Vegetables, thousand tons	136,7	12,0	187,3	12,7	503,9	15,4
Milk, thousand tons	553,4	13,3	611,1	50,7	114,5	50,1
Meat, thousand l.w.	204,0	10,1	272,3	19,9	189,6	20,3
Egg, million pieces.	903,7	60,5	816,9	78,4	308,4	78,6
Gross production, million rubles	26619,0	1361,2	76414,9	14748,1	76378,0	16544,2
Profit, million rubles	1773,0	101,1	6193,2	1300,5	7200,0	1702,3

The work carried out in the Stavropol Territory, connected with the creation of new integrated structures, allowed to attract free funds of the strong enterprises to agriculture, which contributed to their rapid modernization, improvement of the quality of the products, and on the whole positively affected the efficiency of their activities.

Another important reason for the emergence and development of the integration process in the region is that in large integrated formations the so-called economies of scale are manifested. Indeed, due to the large size, integrated units ensure a guaranteed sale of their products, increase market share, and increase the competitiveness of products. In addition, integrated entities are provided with easier access to credit resources, they more successfully implement investment projects, introduce technological innovations and expand the opportunities for production diversification [8].

### CONCLUSION

Evaluating the activities of the integrated structures of the region, it can be concluded that, despite the differences in the mechanisms of formation and functioning, they ensure the carrying out in a short time of measures for the economic rehabilitation of agricultural enterprises, create conditions for increasing the growth rates of the regional gross product and increase the competitiveness of the national production in an open economy.

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