

COMPETITIVENESS OF AGRICULTURAL ENTERPRISES IN MARKET CONDITIONS AND WAYS OF ITS INCREASE

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Abstract. *The purpose* of the article is to study the modern trends in the development of agricultural enterprises and the factors influencing the increase of competitiveness of their activities in modern economic conditions. *Methodology.* One of the main elements of the methodology of conducting researches on competitiveness of business entities are evaluation methods. The work also used such research methods as: comparison, balance, graphic, economic-mathematical and other methods of economic reasoning, as well as systematization and generalization (to develop recommendations and proposals for the formation of an organizational and economic mechanism in the conditions of a turbulent environment), economic-statistical, structural-logical and analytical (to develop methods and indicators for ensuring the competitiveness of enterprises), graphic (to present the dynamics of indicators and also for the best perception of information on sustainable development). The *results* of the work show that the paradigm of competitiveness management of enterprises is currently being formed around the issue of competition for the future, the impact of globalization trends and ensuring successful functioning in the strategic perspective in accordance with the established goals, which requires the formation of new strategic thinking in the management system at the macro and micro levels. *Practical implications.* Development of any strategy requires justification of goals and objectives, application of acquired knowledge, skills and abilities in making strategic management decisions. Therefore, the formation of a strategy for the development of an agricultural enterprise should begin with an analysis of the external and internal environment. Determining the strategic prospects for the development of an agricultural enterprise should be based on an analysis of changes occurring in the external environment, an assessment of the strategic positions of the enterprise, its strengths and weaknesses. *Value/originality.* Based on the specifics of their operating environment, it is advisable for agricultural enterprises to focus on achieving competitive advantages associated with lower costs. Such a competitive strategy includes cost optimization at the level necessary to fully meet production needs and continuous cost control. In addition, production cooperation plays an important role in managing the competitiveness of agricultural enterprises.

Key words: competitiveness, agricultural market, competitive advantages, strategy, sustainable development, agriculture, transformational processes, resources, analysis.

JEL Classification: Q01, Q13, M11, D04

1. Introduction

Development of agriculture is one of the key vectors of ensuring food security of the country, formation of its export potential, a source of filling the budget and strengthening the economy of the state as a whole. Competition is the main tool for regulating the market economy and an important part of the market environment of enterprises. The result of competition is, on the one hand, the deterioration of relations between production and the market,

and, on the other hand, it increases the efficiency of economic activity and accelerates scientific and technical progress. Competition refers to uncontrollable factors that affect the activity of the enterprise and cannot be controlled by the organization. The competitive market mechanism is very important for entrepreneurial activity, which determines the inevitable systematic importance of competitive conditions to confirm business ethics.

The purpose of the article is to show ways of increasing competitiveness of agricultural

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enterprises in market conditions. In order to achieve the goal the following tasks have been solved: the content of the concept "competitiveness of agricultural enterprises" has been developed; the determinants of competitiveness of agricultural enterprises have been determined; the order of formation of competitive advantages of agricultural enterprises has been substantiated; the procedure of substantiation of the strategy of increasing the competitiveness of agricultural enterprises has been developed; ecological perspectives in the implementation of the concept of competitiveness of agricultural enterprises under the conditions of sustainability have been substantiated.

In the research process the following methods were used: monographic (when studying the experience of managing the competitiveness of agricultural enterprises), the method of analysis and synthesis (when identifying the structural-dynamic trends of changes in the level of competitiveness of products, the economic efficiency of the activities of manufacturing enterprises);

– abstract-logical (in determining the architecture of mechanisms for managing competitors' opportunities and implementing corresponding goals);

– theoretical generalization and verification (in the process of developing the conceptual and categorical framework of the research);

– cluster analysis (to determine the level of competitiveness of the studied agricultural enterprises and their grouping according to the value of the components of the studied characteristic).

This is a study of the most important aspects of the effectiveness of managing the competitiveness of agricultural enterprises, based on the principles of sustainability and integration with other economic entities, especially with industrial enterprises, which allows determining the importance of basic competitive strategies and the main competitive advantages of agricultural enterprises.

2. Characteristics of competition as a component of market relations

Competition as an economic category is a struggle between producers for the most favorable conditions for production and sale of goods and services and for distribution of the

maximum profit. At the same time, it acts as a certain regulator of the volume of production, influences the rate of growth of the offer on the market, encourages manufacturers to develop on the basis of introducing innovations, increasing labor productivity, improving technologies, work organization, etc. (Vorotin, 2016) Competition is an integral part of market relations, it develops, the essence of the concept and methods of its implementation are improved. That is, the concept of "competition" always requires additional study and analysis.

Competitiveness of an enterprise is a highly dynamic characteristic: it depends not only on the state of this enterprise, but also on the relevant parameters of other competing enterprises; it is related to changes in the external and internal environment of the enterprise's functioning; it is formed within the framework of the existing arrangement of forces on the market and changes as a result of the appearance of a new enterprise on the market.

To assess the competitiveness of the industry, the five competitive forces model of M. Porter will be used (Table 1). The value of the five competitive forces model is that it helps define the structure of these forces. The collective action of these forces determines the nature of competition in that market. As a general rule, the stronger the competition, the lower the collective profitability of competing firms. (Porter, 1990) When these five forces create challenging market conditions, the fiercest competition ensues, resulting in long-term profitability or even losses for most firms.

Based on the comparison and careful evaluation of all five forces, their values and determinants, the advantages and disadvantages of the current competitive situation are analyzed and possible compensatory measures are suggested (Table 2).

A list of key issues and problems of the current market situation that need to be addressed in order to solve them is compiled (Table 3).

The practice of modern business development proves that without an effective competitiveness management system it is impossible to ensure the success of the enterprise in its struggle for survival, to achieve leading market positions, to ensure long-term effective functioning in a dynamic competitive environment. (Bogomolova, 2019) This determines the urgency of the problem of mastering and creative use by future

Table 1

Competitive analysis using the 5 Forces Model

Nº	Determinant	Rating (0-6)
1. Determinants of supplier market power		4,1
1	Differentiation	6,0
2	Availability of substitute resources	4,0
3	Costs of changing suppliers to companies in the industry	3,0
4	Level of supplier concentration	4,0
5	Importance of orders for suppliers	4,0
6	The purchase price in relation to the total costs	4,5
7	The threat of direct and reverse integration of enterprises in the industry	4,0
8	The impact of the price of the resource on the cost of the product or its differentiation	3,0
2. Determinants of the threat level of substitutes		3,8
1	Relative price of substitutes	3,5
2	Switching costs	3,5
3	Buyers' propensity to substitute	4,0
4	The ability to meet customer needs in a different way	4,0
3. Determinants of buyer market power		4,2
1	Concentration of buyers compared to concentration of enterprises	5,0
2	The volume of purchases by buyers (from enterprises)	4,5
3	Buyer switching costs versus supplier switching costs	3,0
4	Buyer awareness	5,5
5	Ability to integrate down the technological chain	3,5
6	Substitute goods	4,0
7	The ratio "price / total volume of purchases"	5,0
8	Product differences / product appearance	3,0
9	Impact on the quality / appearance of the product	3,5
10	Buyer benefits	5,0
11	Incentives of decision makers	4,5
4. Determinants of rivalry (relations with competitors)		3,7
1	Growth of the industry	4,5
2	Fixed (or warehouse) costs / added value	5,0
3	Differences in products	4,5
4	Recognition among consumers	3,0
5	Consumer switching costs	3,5
6	Concentration and balance of market power	4,0
7	Information complexity	3,0
8	Types of competitors	2,5
9	Corporate shares	3,0
10	Barriers to exit	4,0
5. Determinants of entry barriers		4,1
1	Economies of scale	4,5
2	Recognition among consumers	3,5
3	Switching costs	3,5
4	Capital requirements	5,0
5	Access to distribution channels	5,0
6	Access to necessary resources	5,0
7	Own model, characterized by low costs	4,5
8	Government policy	3,5

Source: (Porter, 1990)

Table 2

Opportunities, Threats, and Compensations in the 5 Forces Model

Opportunities	Threats	Compensation
– Reduction in the price of supplied goods	– Low level of recognition among consumers	– Application of brand management, PR activities
– Improvement of supply conditions	– Lack of stimulation of individuals. That make decisions	– Increasing the individuality of the work of sales managers
– Economies of scale	– A large number of competitors	– Dumping.
– High inertia of the consumer	– Small market share	– Finer positioning
– Greater consumer benefits	– Low consumer loyalty	– Informing the consumer about his benefits
– Expansion of the assortment	– Substitute prices are available	– Customer orientation strategy

Source: (Porter, 1990)

Table 3

Strategic Alternatives in the 5 Forces Model

Problem	Rank	Actions
Unsatisfactory supply conditions with the existing strength of 4.1	3	– Get bigger discounts. – Get better commodity credit terms. – Diversify suppliers. – Obtain medium and short term supply contracts.
Low customer orientation	1	– Increase the number of sales executives. – Directly link sales manager performance to customer satisfaction. – Implement a CRM system.
Lack of identification in the market (low visibility)	4	– Implementation of a brand management system
Buyers' indifference to the company's goods	2	– Informing consumers about real and potential benefits. – Repositioning and modification of products. – Exclusion of substitutes.

Source: (Porter, 1990)

specialists of the economic and management profile of the modern world theory of managing the competitiveness of the enterprise, its organizational and methodological support and practical tools.

Therefore, the paradigm of enterprise competitiveness management is currently formed around the issues of competition for the future, the impact of globalization trends and ensuring successful functioning in the strategic perspective in accordance with the established goals, which requires the formation of new strategic thinking in the management system at the macro and micro levels. At the same time, it is appropriate to consider the criteria for assessing the quality of competitiveness management of the enterprise (Honcharuk, Tomashuk, 2018):

- the company's ability to identify existential threats in a dynamic competitive environment;
- the ability of the company to implement the ideas of anti-crisis management and to be resistant to sudden (including crisis) changes in the market environment;

- capability to identify new opportunities arising in the external environment, including the formation of new needs (markets) based on the formed innovative type of behavior;
- the opportunity to capitalize on identified market opportunities, including the opportunity to review (optimize) a portfolio of activities.

Competition is an integral driver of human development and the formation of world progress.

3. Creation of competitive advantages of agricultural enterprises

The aggravation of competitive relations in the operating environment of agricultural producers forces them to actively defend their interests in the industrial market. They must make considerable efforts to ensure that their products meet the growing demands of consumers. Development of a set of measures aimed at ensuring the competitiveness of manufactured products, obtaining competitive advantages is an important task for any

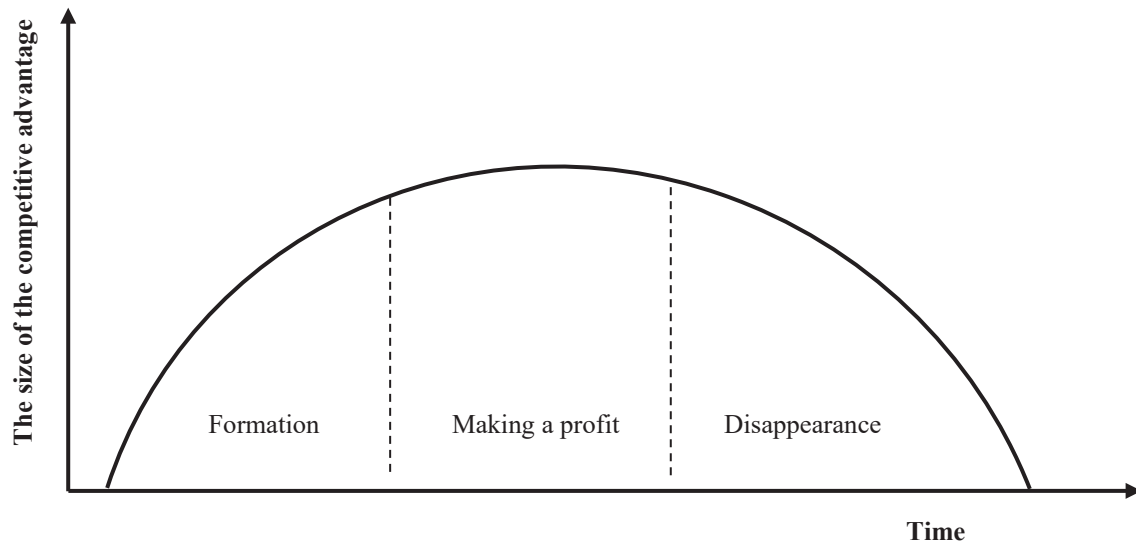


Figure 1. Competitive Advantage Life Cycle

Source: designed based on research

agricultural enterprise. Figure 1 shows the life cycle of a competitive advantage.

Appropriate measures form a certain competitive strategy, which should take into account consumer demands, provide for improvement of technologies and production organization, rational use and strengthening of the material and technical base, etc. Among the most important prerequisites for the formation of competitive advantages of agricultural enterprises, researchers emphasize the competence of management and personnel, management of costs and product quality, ability to ensure the most effective use of resources through optimization of production processes.

Scientists consider methods of formation and sources of competitive advantages of agricultural enterprises, including price, cost and quality of products, scale of production, characteristics of resource potential, enterprise brand. (Granovska, 2018) As indicators of competitive advantages of agricultural enterprises are considered indicators of price, level of profitability of product sales, scale of production, market share.

Some scientists associate the formation of competitive advantages with the implementation of a certain competitive strategy. Diversification of production, innovative activity, optimization of the enterprise management system are among the activators of competitive advantages of agricultural enterprises (Figure 2).

An important aspect of the effectiveness of the management of the competitiveness of

agricultural enterprises is their integration with other economic entities, in particular with industrial enterprises. Taking into account the principles of the system approach, integration can be interpreted as a mechanism of transformation of incoming flows into output. Adapting the provisions of the theory of competition to the peculiarities of competition in agriculture, the following are included in the integrated system of agricultural enterprises: its structural elements (participants of integration); the potentials that the participants bring to the integrated structure; the rules by which integration takes place; tactics (variants of behavior of the participants to gain competitive advantages); the limits of the integration association. (Honcharuk, Branitskyi, Tomashuk, 2017)

Table 4 shows the indicators of business entities in Ukraine in 2010–2021.

The prerequisite for the integration process of agricultural enterprises is the definition of the goal of integration and joint investments capable of ensuring the growth of production volumes and the sale of agricultural products, including beyond the customs border. That is, the goal of such integration process is self-sufficiency and self-financing of the merged enterprises. (Honcharuk, Tomashuk, 2022) In the course of integration, enterprises must solve a number of problems related to capacity utilization, sales of manufactured products, increase in the results of production and financial activities by increasing the profitability of production, and

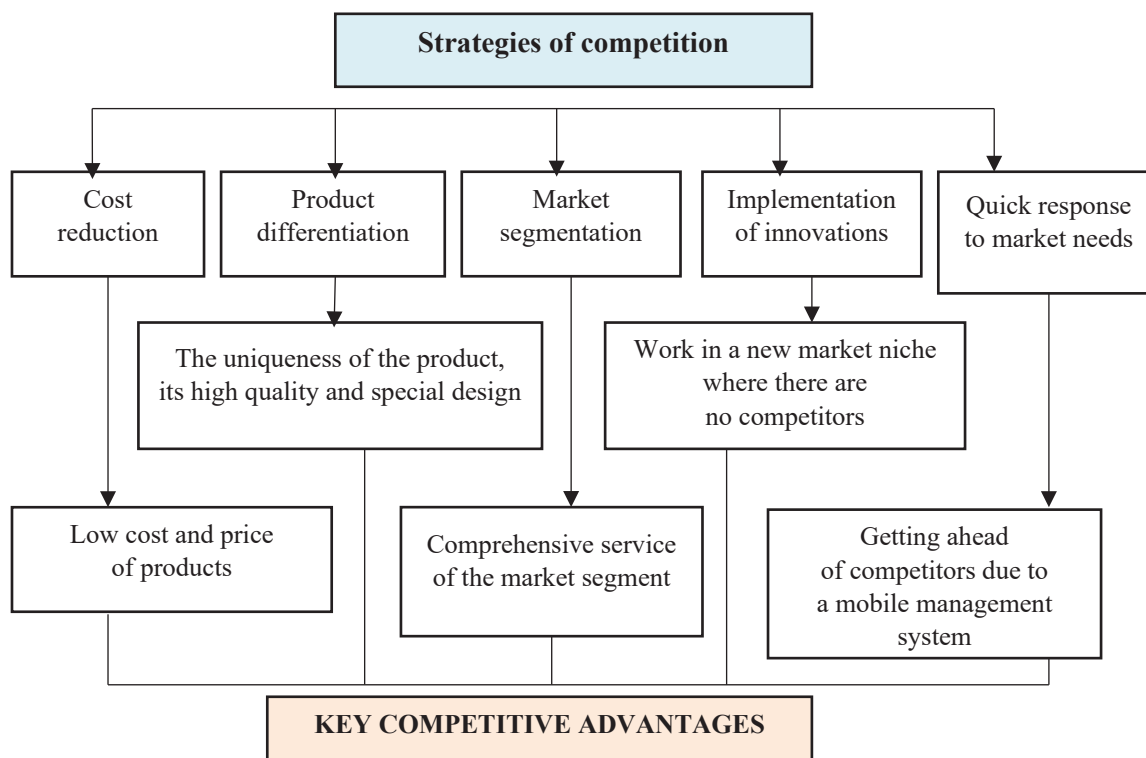


Figure 2. Fundamental competitive strategies and competitive advantages

Source: designed based on research

Table 4

Indicators of business entities in Ukraine in 2010–2021, units

Year	Number of economic entities, units, total	Including		Volume of products sold by business entities (goods, services), mln. UAH
		Enterprises	Individual entrepreneurs	
2010	2183928	378810	1805118	3596646,4
2011	1701620	375695	1325925	4202455,2
2012	1600127	364935	1235192	4459818,8
2013	1722070	393327	1328743	4334453,1
2014	1932161	341001	1591160	4459702,2
2015	1974318	343440	1630878	5556540,4
2016	1865530	306369	1559161	6726739,8
2017	1805059	338256	1466803	8312271,9
2018	1839593	355877	1483716	9966804,5
2019	1941625	380597	1561028	10524112,8
2020	1973577	373822	1599755	11062297,1
2021	1956248	370834	1585414	14989811,9
Deviation 2021 (+/-) 2010				
	-227680	-7976	-219704	11393165,5

Source: (Official website of the State Statistics Service of Ukraine)

also clarify the issue of profit growth. Table 5 shows the pre-tax financial results of Ukrainian enterprises for 2010–2021.

When choosing the direction of strategic development, an agricultural enterprise must

take into account a number of factors, such as the potential of the enterprise, the goals of the enterprise, the production technologies of the products produced and their characteristics, the state of the market, the position of the enterprise

Table 5

Pre-tax financial results of Ukrainian enterprises for 2010–2021, thousand UAH

Year	Total				
	Financial result (balance) before tax, thousand UAH	businesses that made a profit		enterprises that received a loss	
		in % of total number of companies	financial result, thousand UAH	in % to the total number of enterprises	financial result, thousand UAH
2010	54405659,7	59,0	189640762,4	41,0	135235102,7
2011	118605574,4	65,1	255545931,6	34,9	136940357,2
2012	75670252,0	64,5	248035966,0	35,5	172365714,0
2013	11335680,7	65,9	209864472,8	34,1	198528792,1
2014	-564376825,3	66,3	233624717,1	33,7	798001542,4
2015	-348471649,1	73,7	387652306,1	26,3	736123955,2
2016	69887807,3	73,4	443012121,9	26,6	373124314,6
2017	236952071,4	72,8	593168150,9	27,2	356216079,5
2018	369212261,7	74,3	668893496,8	25,7	299681235,1
2019	613044035,5	74,0	869642104,6	26,0	256598069,1
2020	134734313,1	71,4	673978808,6	28,6	539244495,5
2021	1034012763,2	73,3	1266456317,8	26,7	232443554,6
Deviation 2021 (+/-) 2010					
X	979607104	X	1076815555	X	97208451,9

Source: (Official website of the State Statistics Service of Ukraine)

on it, the strategies of competitors, the needs of consumers, the economic and political situation in the country, the level of development of scientific and technical progress, natural and climatic conditions, etc.

Development of any strategy requires justification of goals and objectives, application of acquired knowledge, skills and abilities in making strategic management decisions. Therefore, the formation of a strategy for the development of an agricultural enterprise should begin with the analysis of the external and internal environment. The success of all other actions related to the development and implementation of the strategy depends on how correctly it is carried out (Figure 2). (Granovska, 2016)

Determining the strategic prospects for the development of a company in this industry should be based on the analysis of changes occurring in the external environment, the assessment of the strategic positions of the company, its strengths and weaknesses.

Based on the peculiarities of their operating environment, it is advisable for agricultural enterprises to focus on achieving competitive advantages associated with lower costs. Such a competitive strategy includes cost optimization at the level necessary to fully meet production needs and constant cost control. (Granovska, 2018) For Ukraine, the priority direction of the

competitive strategy is European integration. Measures aimed at deepening cooperation have made it possible to increase the volume of trade with this economic grouping. The establishment of closer cooperation with the EU implies the creation of a legislative framework for the competitive environment in accordance with the European model, based on the principles of protection of competition and consumer interests.

Agricultural enterprises producing agricultural products are the most vulnerable link of the food chain in the agricultural market. Economic pressure is exerted on them both by enterprises of the processing industry, retail trade, and by enterprises supplying the means of production. (Mazur, Tomashuk, 2019) This problem can be partially solved by developing the cooperative movement and improving the methods of state regulation of food markets and subsidy mechanisms. Production cooperation plays an important role in managing the competitiveness of agricultural enterprises.

To ensure the competitiveness of the agricultural industry it is necessary to increase the production and technological characteristics of the enterprise, namely: increase in production capacity, quality control, increase in labor productivity, ability to develop production, ability to reduce costs, production rhythm, availability of raw materials, the level of technology used, ability to modernize production,

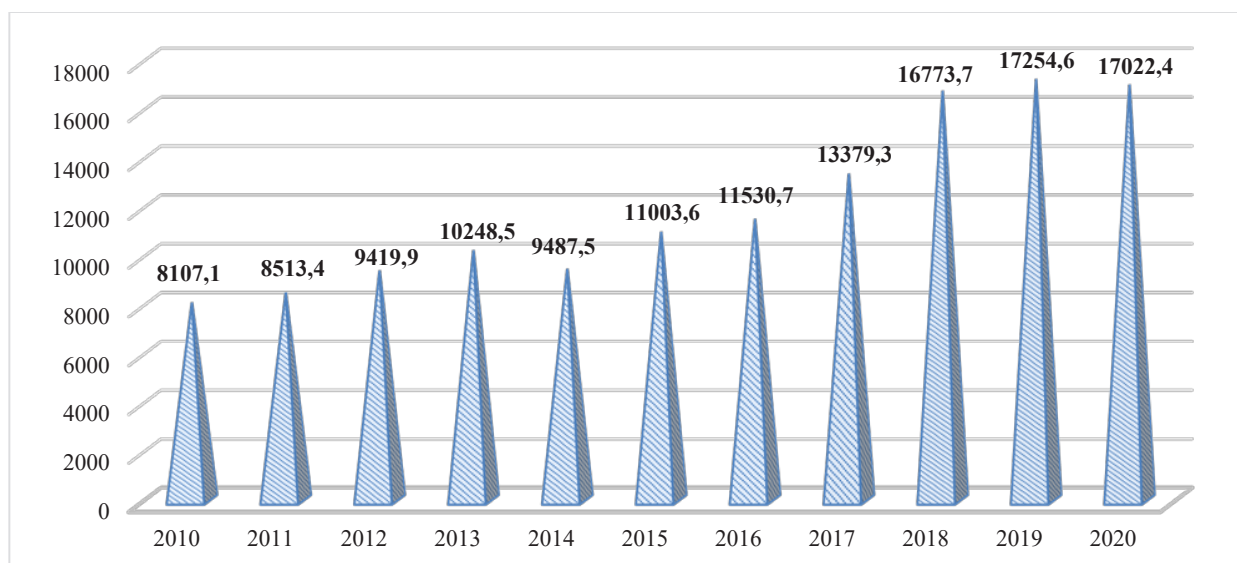


Figure 3. Cost of scientific research and development in Ukraine, 2010–2020, mln. UAH

Source: (Official website of the State Statistics Service of Ukraine)

ability to develop new products, increasing the efficiency of research and development works, etc. In Figure 3 the dynamics of indicators of costs of conducting scientific research and development in Ukraine in 2010–2020 is shown.

Organizational aspects play an important role in ensuring the competitiveness of enterprises (Figure 4). The organization of production must meet the requirements of the current situation, from the point of view of the possible need for integration, differentiation, and diversification of production. The efficiency of the goods distribution system and interaction with the environment are mandatory elements of production organization.

Ukraine's accession to the WTO in 2008, the signing of the Association Agreement with the EU, and the implementation of the Agreement on the Free Trade Zone with the EU from January 1, 2016 open up new opportunities for the Ukrainian agricultural sector to develop European markets. At the same time, however, competition is increasing significantly, which requires an increase in the competitiveness of both products and agricultural enterprises as a whole. The assessment of competitiveness is the main basis for ensuring the adoption of optimal management decisions in the conditions of a dynamic market situation. (Kadyrus, Donskikh, Oliynyk, 2019)

Methods for assessing the competitiveness of farms can be divided into nine groups:

- 1) methods based on the analysis of comparative advantages;
- 2) methods based on the assessment of the financial condition of the enterprise;
- 3) methods based on the theory of effective competition;
- 4) methods based on the theory of product quality;
- 5) matrix methods;
- 6) methods of determining the competitive position from the point of view of the strategic potential of the enterprise;
- 7) integral methods;
- 8) benchmarking methods;
- 9) other methods.

According to the marketing approach, when assessing the competitiveness of an agricultural enterprise, not only consumer requirements for product quality are taken into account, but also a number of factors that determine the effectiveness of the marketing activities of the enterprise as a whole are evaluated. (Kvasko, 2017) Such factors include: the efficiency of the supply system, the organization of service and warranty, the company's reputation, etc. The SWOT analysis method is used to analyze competitive advantages at the enterprise level (Table 6).

With this method the object of economic management is considered from four basic

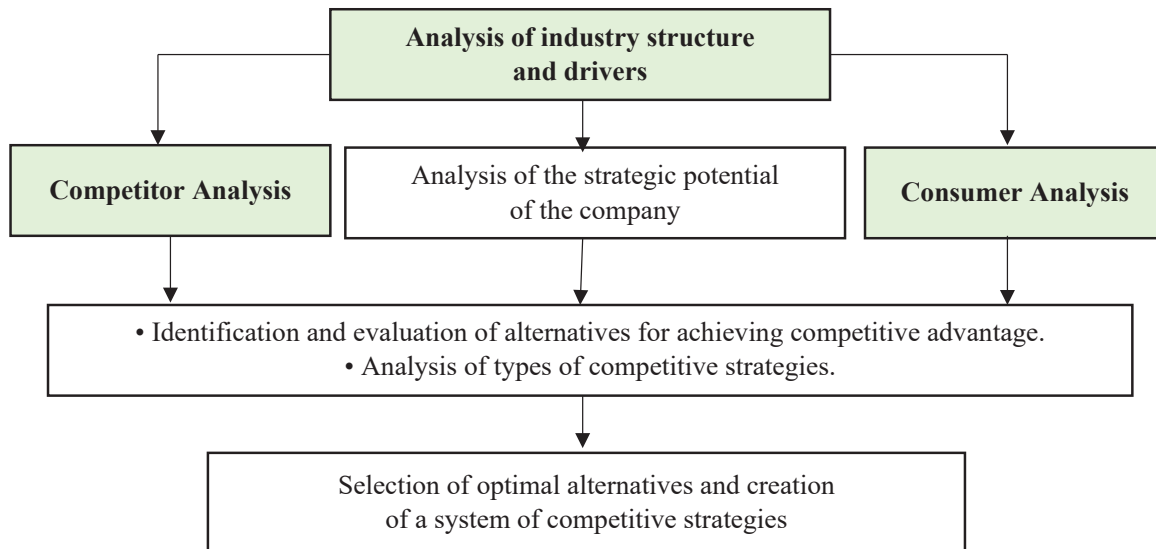


Figure 4. The process of forming the company's competitive strategy

Source: designed based on research

positions: strengths and weaknesses of its activity, opportunities and threats of future development. Such a structural analysis makes it possible to identify reserves in a timely manner, identify potential threats, calculate the optimal trajectory

for the future and, ultimately, significantly increase the competitiveness and efficiency of the enterprise. (Sitkovska, Savenko, Lebedev, 2019)

To date, there is no single generally accepted method for analyzing and evaluating the

Table 6

SWOT analysis of competitive advantages of agricultural enterprises

Strengths	Weaknesses
1. Sufficient popularity. 2. Image in the market. 3. Focus on consumers and their needs. 4. High quality control. 5. High profitability. 6. Working capital growth. 7. Competitive pricing. 8. Modern production technologies. 9. Reasonable strategy in the field of activity.	1. A narrow range of products. 2. Failure to meet delivery schedules. 3. Average price level. 4. Imperfect management structure. 5. Underutilization of production facilities. 6. Narrow specialization. 7. Disengagement of personnel from management decisions. 8. Dependence on suppliers of raw materials and components. 9. Obsolete equipment.
Opportunities	Threats
1. Improvement of production technology. 2. Steady demand for products. 3. Reduction of taxes and duties. 4. Decrease in prices of raw materials and supplies. 5. Absence of foreign competition. 6. Incomplete demand for products. 7. Government support for small businesses. 8. Improvement of the population's standard of living. 9. Improvement of management. 10. Destruction and withdrawal of manufacturing enterprises. 11. Increase of the price level. 12. Free market entry. 13. Coverage of new market segments. 14. Organization of the sales department.	1. Increase in taxes and fees. 2. Lower the price level. 3. Rising rates of inflation. 4. Tightening of legislation. 5. Declining standard of living of the population. 6. Change in purchasing preferences. 7. Emergence of substitutes. 8. Instability of exchange rates. 9. Unfavorable economic situation in the state. 10. Increasing competition. 11. Emergence of new producers. 12. Appearance of a fundamentally new product. 13. Failure to meet product delivery schedule. 14. Deterioration of the political situation.

Source: (Ilchenko, 2017)

competitiveness of agricultural enterprises, so there is an opportunity to characterize the activity of the enterprise in different ways, depending on the research objective.

When assessing the level of competitiveness of agricultural enterprises, it is advisable to use such methods that combine the possibility of obtaining numerical indicators based on the use of specific reliable information and expert assessments that take into account the specifics of agricultural production and the level of quality of agricultural products.

4. Determinants of the competitiveness of the agricultural enterprises

Determinants of competitiveness are considered to be significant reasons and circumstances that fully or partially influence the level and nature of competitiveness of the enterprise. It is worth noting that the determinants do not act in isolation, each on its own, but systemically, which increases the effect of each of them.

Competition in international markets has become increasingly dynamic in recent years, requiring companies to devote additional resources to maintain their share in existing markets. The problem is particularly acute in raw materials markets, where producers have limited opportunities to differentiate their products. (Kryuchkova, 2017)

The agricultural sector and agricultural exports have become system-forming for the Ukrainian economy in recent years. Trade in agricultural products with EU countries, the largest and most solvent market in the world, is developing particularly dynamically (Table 7; Figure 5). This state of affairs updates the issue of researching the determinants of export efficiency of enterprises in this market.

According to Ukrstat, in January-April 2022 the export of goods amounted to 16712.4 mln USD or 87.7% compared to January-April 2021, import – 16742.0 mln USD or 82.5%. The negative balance amounted to 29.6 mln USD (in January-April 2021 it was also negative – 1236.7 mln USD). The export-import cover ratio was 1.00 (0.94 in January-April 2021).

Foreign trade transactions were conducted with partners from 215 countries. The reason for the sharp decline in trade activity was not only the fact of the invasion of Russian troops, but also the situation that arose as a result of the invasion: destruction of production facilities, disruption of logistical processes, lack of resources for production, and structural changes in the labor market (internal and external migration of the population). Ukraine's agricultural sector suffered considerable damage. According to the calculations of the Kyiv School of Economics, the direct losses of Ukraine's agricultural sector during the three

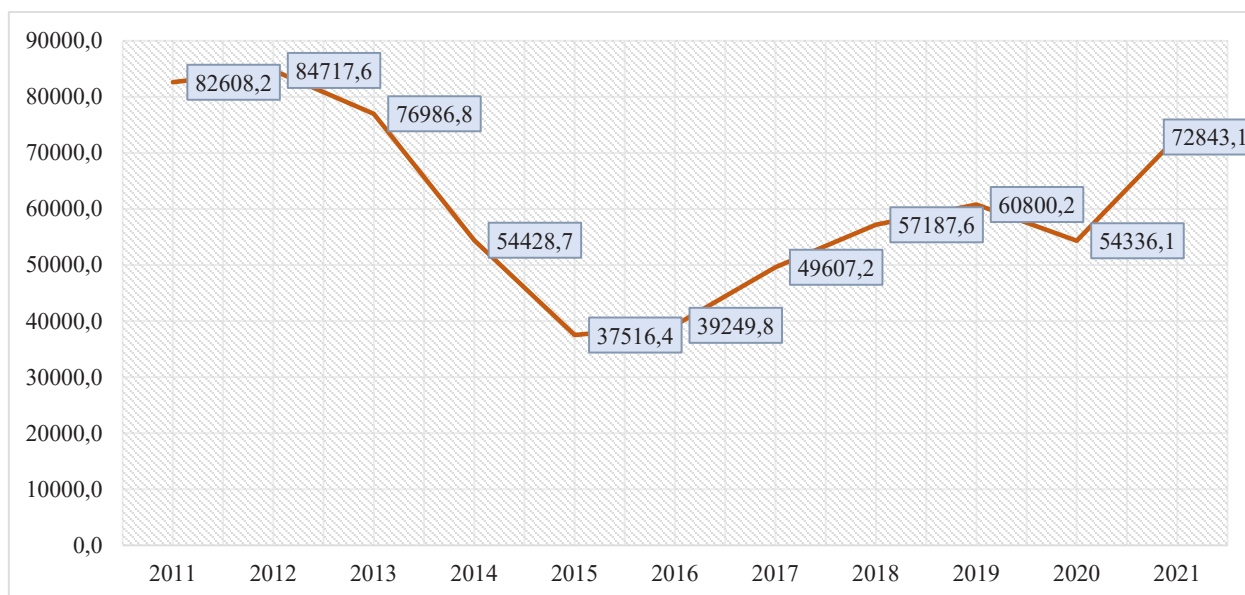


Figure 5. Foreign trade dynamics of Ukraine, 2011–2021, (million USD)

Source: (Official website of the State Statistics Service of Ukraine)

Table 7

Export of goods by economic entities of Ukraine by the number of employees by region in 2019–2021¹

Name of the region	Total participants FEA ²		Total participants FEA ²		Total participants FEA ²		Total participants FEA ²	
	2019		2020		2021		Deviation (+/-) 2021/2019	
	Number of Units	mln. USD	Number of Units	mln. USD	Number of Units	mln. USD	Number of Units	mln. USD
Total³	22769	50054,6	22175	49191,8	23147	68072,3	378	18017,7
including							0	0
Vinnitsia	781	1455,3	698	1377,8	673	1309,3	-108	-146
Volhynia	696	694,0	670	642,9	644	832,5	-52	138,5
Dnipro	1351	7907,2	1372	7591,6	1394	12163,8	43	4256,6
Donetsk	346	4631,6	325	3935,0	335	7037,6	-11	2406
Zhytomyr	1321	719,0	1162	681,0	1072	771,5	-249	52,5
Zakarpattia	1416	1490,0	1087	1349,5	1090	1684,8	-326	194,8
Zaporizhzhia	723	3080,6	689	2923,4	727	4741,0	4	1660,4
Ivano-Frankivsk	860	911,4	763	757,7	764	1165,2	-96	253,8
Kyiv	1195	1948,4	1204	1967,7	1244	2550,5	49	602,1
Kropyvnytskyi	353	707,0	344	912,7	365	1021,5	12	314,5
Luhansk	80	152,9	74	129,6	80	167,9	0	15
Lviv	1445	2202,1	1415	2322,9	1489	2932,5	44	730,4
Mykolayiv	358	2152,5	373	2248,6	403	3457,1	45	1304,6
Odesa	1044	1384,1	1089	1360,4	1083	1697,8	39	313,7
Poltava	461	2102,4	452	2317,3	471	3189,5	10	1087,1
Rivne	638	440,2	574	469,4	574	703,9	-64	263,7
Sumy	567	883,4	535	974,4	482	1060,9	-85	177,5
Ternopil	349	434,3	323	448,1	320	678,9	-29	244,6
Kharkiv	1594	1415,1	1648	1471,2	1681	1801,3	87	386,2
Kherson	313	268,1	315	280,7	303	412,8	-10	144,7
Khmelnitsk	524	642,3	493	663,4	470	918,1	-54	275,8
Cherkassy	543	863,5	547	810,7	513	884,1	-30	20,6
Chernivtsi	627	213,8	521	168,4	505	207,3	-122	-6,5
Chernihiv	552	807,3	572	890,8	567	1189,7	15	382,4
Kyiv (city)	4484	12491,4	4453	12427,6	4678	15331,0	194	2839,6

¹ Excluding the temporarily occupied territory of the Autonomous Republic of Crimea, the city of Sevastopol and part of the temporarily occupied territories in the Donetsk and Luhansk regions.

² taking into account the participants of the FEA for which there is no information on the number of employees.

³ Taking into account supplies of natural gas not distributed by region.

Source: (Official website of the State Statistics Service of Ukraine)

months of the war amounted to \$4.3 billion, while the indirect losses of the agricultural sector were estimated at \$23.3 billion. (Negrei, Trofimtsseva, 2022)

In order to stabilize the economic situation of Ukrainian agro-industrial complex enterprises, there are two main concepts of ensuring sustainable competitive advantage: 1) the concept of protected positioning on the market and 2) the concept of unique resource base. According to the first concept, competitive

advantage consists in choosing and further maintaining a certain market niche, focusing efforts on a certain highly specialized type of economic activity. (Ilchenko, 2017)

Under the influence of globalization, competitiveness is increasingly based not on price competition, but on differentiation and improvement of production, on the ability to use new knowledge faster than competitors, on the ability to create innovations and to ensure uniqueness.

According to the world methods, the criteria of competitiveness are (Ilchenko, 2017):

- openness of the economy in terms of foreign trade, foreign direct investment, financial flows, and so forth;
- competence of government bodies in matters of state consumption, budget deficit, state savings rates, tax rates, competence of civil servants;
- efficiency of financial intermediaries;
- level of infrastructure development;
- technologies, including the ability of the economy to absorb new technologies, the use of new technologies, computer equipment;
- quality of management;
- efficiency and competitiveness of the workforce;
- development of legal institutions, level of corruption and organized crime.

Competitiveness is one of the most important integral characteristics of a market economy, which is used as a criterion for evaluating the economic activity of economic entities.

World experience proves that reforms, especially in agriculture, should be aimed at solving five main goals: making the agricultural production system competitive in the global context, creating an independent food production system, improving public health, achieving harmony between agriculture and nature, focusing on increasing the population's livelihood. (Polishchuk, 2017)

Clustering of the economic complex can be one of the institutional ways of increasing the competitiveness of the complex. Clusters influence competitiveness in three ways:

- first, by increasing the productivity of companies – its participants;
- second, by increasing the ability to innovate and thus increase productivity;
- third, by stimulating new businesses that support innovation and expand the boundaries of the cluster. (Kalichavy, 2019)

Among the determinants controlled by companies, their size is most often mentioned. This is a consequence of the scale effect, which is capable of increasing the efficiency and, accordingly, the competitiveness of the enterprise. Factors of production and demand conditions, government regulation of agricultural markets, including interventions, government spending on research, farmer education and infrastructure, and the location of enterprises are usually beyond the control of enterprises.

5. Ecological perspectives in the implementation of the concept of competitiveness of agricultural enterprises under the conditions of sustainability

The decrease in the ecological quality of plant and animal products has determined the interest of consumers in ecologically clean and safe products. Therefore, at the current stage of development of the agricultural sector there is a tendency to increase the demand for organic products. The field of organic agriculture is actively developing in Ukraine and in the world.

The advantage of organic agriculture is that it has a high potential for ensuring the livelihood of the rural population and revitalizing the work of small farms. With the growth of the organic sector, employment of the local population will also increase, since organic farming is less mechanized and usually requires more manual labor. As a result, organic production can become an effective tool for preserving the traditional knowledge of agriculture in each region and reducing the migration of the rural population to megacities. (Sitkovska, Savenko, Lebedev, 2019) Also, among the advantages of conducting organic agriculture can be attributed the restoration of natural soil fertility, improvement of the quality of agricultural land, reduction of harmful emissions, reduction of the use of artificial chemicals and consumption of non-renewable energy resources.

Greening is a direction of agricultural development, based on the mastered ecological methods of management, ensures the expanded reproduction of natural and anthropogenic resources due to the formation of sustainable ecological and economic systems, aimed at increasing the volume of production of competitive products through the creation of a sustainable agricultural landscape using ecological methods of management based on the implementation of adaptive landscape farming systems (Polishchuk, 2017), rational involvement in economic turnover and increasing the efficiency of the use of natural, material and labor resources in rural areas.

Greening of agriculture in the conditions of globalization is a component of the basic growth strategies of the countries of the world community. It provides, first of all, satisfaction of the consumers of the world market with environmentally friendly products, reduction

of the negative impact of agricultural production on the environment and preservation of natural resources, introduction of ecological innovations to restore the quality components of the natural environment through the process of self-recovery based on the use of the latest environmentally friendly technologies and innovative developments.

The export of organic products from Ukraine is mainly directed to European countries, to which market 82% of Ukrainian organic exports were directed in 2021.

According to a report of the European Commission, in 2021 Ukraine will rank 5th out of 126 countries in terms of imports of organic products to the EU. Thus, in 2021 the EU will import 2.87 million tons of organic agricultural products, of which 190 thousand tons (6.6%) will come from Ukraine. According to the results of the above-mentioned study of the organic market, in 2021 Ukraine will export organic products to the EU worth about 160 million USD.

In general, according to the results of 2021, Ukraine exported 260,000 tons of organic products worth about \$220 mln. to more than 30 countries of the world. The largest importers of Ukrainian organic products in this period were the Netherlands, USA, Lithuania, Germany, Austria, Poland, Switzerland, Great Britain, Italy, Denmark. Ukrainian organic producers also exported to some Asian countries, in particular to China, Japan and Malaysia, as well as to the United Arab Emirates.

The main organic products exported from Ukraine to international markets were cereals, oilseeds and berries. Sunflower cake, sunflower oil, sunflower meal, apple concentrate, millet, vegetables and fruits were also exported. In general, more than 80 names of organic products were exported from Ukraine in 2021. (Ministry of Agrarian Policy and Food of Ukraine)

Greening of agriculture is a complex, objectively natural process caused by changes in the modern paradigm of development of the global economic complex in the direction of ensuring the sustainable functioning of the global economic system, taking into account environmental challenges and threats. The effectiveness of systemic transformations in this area largely depends on a set of measures of national, regional and international orientation aimed at forming ecologically safe foundations

for the development of each component of the agrarian complex. (Savchenko, 2019) From this point of view, it is expedient for Ukraine to implement resource-saving agricultural technologies, to comply with the requirements of environmental safety in the use of land resources, to develop organic agriculture.

6. Implementation of tools for the implementation of competitive behavior of agricultural enterprises and development of their competitive potential

Ensuring the competitiveness of the company is one of the strategic goals that is interpreted in all current plans and programs. In order to qualitatively determine development priorities and increase profitability and efficiency, it is necessary to use the toolkit for performance analysis, taking into account factors of internal environment and factors of external influence.

One of the important directions of analytical work in a company specializing in commercial activity is to ensure constant monitoring of activity and, based on it, to form an idea of the achieved final results.

A qualitatively conducted analysis is the basis for determining the strategic vector of the company's development in the industry and developing an appropriate strategy. (Granovska, 2016)

In this context, the priority of using three groups of tools to increase the competitiveness of agricultural enterprises has been proven, namely:

- cost management tools for agribusinesses to create price competitive advantages;
- toolkit of integration interaction of agricultural enterprises;
- tools for implementing innovations to create unique competitive advantages for "niche" types of agricultural products and sustainable advantages of a production and technological nature that significantly affect the price and quality components of competitiveness.

To operate successfully in today's marketplace, organizations must have physical and financial resources (Table 8). The internal capabilities of the organization's unit come to the fore. This determines the presence of the company's potential. (Ilchenko, 2017)

The competitive potential of a company combines three levels of ties and relationships at the same time:

Table 8

Equity capital of Ukrainian enterprises by types of economic activity in 2013–2021, thousand UAH

Year	Equity, total	Including agriculture, forestry and fisheries	Share of agriculture, forestry and fisheries in own capital, total, % (3/4)
1	2	3	4
2013	1950374877,8	156819940,4	0,080405025
2014	1480658001,0	163931680,4	0,11071543
2015	2288741367,5	275303778,8	0,1202861
2016	2445803708,0	369370896,6	0,1510223
2017	2458527641,4	436337648,4	0,17747925
2018	2708576887,7	482978737,3	0,17831458
2019	3092765858,7	522778659,5	0,16903273
2020	3339806058,0	612250895,2	0,1833193
2021	4113338760,4	796549724,4	0,19365041
Deviation 2021 (+/-) 2013			
X	2162963883	2162963883	X

Source: (Official website of the State Statistics Service of Ukraine)

1) competitive potential reflects the past, i.e., a set of characteristics of a given system, accumulated during its formation and ensuring its functioning and further development. In fact, at this level the competitive potential acquires the meaning of "resource";

2) competitive potential partially coincides with the concept of "reserve," as it characterizes the level of existing and potential opportunities, as well as the distinction between realized and unrealized potential resources;

3) the competitive potential is focused on the future development of the enterprise, as it exists as a set of stable and changing states of the business entity's activity. (Kryuchkova, 2017)

According to scientists, in the structure of competitive potential it is appropriate to form six main elementary components, with the help of which the enterprise will be able to strengthen its competitive position and ensure a high competitive status in the long term:

- production;
- administrative;
- marketing;
- innovative;
- resource (covers financial, information and labor (personnel) potential);
- intellectual (creative) potential, which acquires special importance in modern conditions of economic development. The development and competitiveness of the company in the future is possible thanks to the development of intellectual potential. In addition, resources are the main source of competitiveness, their qualitative and

quantitative characteristics are the basis for the assessment of competitive potential.

Today, the competitiveness of agricultural business structures depends largely on integration processes. Ukraine has advantages for successful integration into the world agricultural market system, in particular (Kadyrus, Donskikh, Oliynyk, 2019):

- 1) a relatively high level of scientific development;
- 2) geographical, transport and resource priorities;
- 3) diligence as one of the characteristics of Ukrainian mentality and rather high qualification of production personnel;
- 4) relatively low labor costs;
- 5) favorable natural and climatic potential of the regions and others.

The development of domestic agricultural trade and foreign trade activities has created opportunities for market diversification and reduction of competitive risks for agricultural enterprises. The advantages of exports to the European market are connected with the opening of quotas for the delivery of duty-free products, but the import of products exceeding the quotas to the EU member states is carried out at the exchange rate.

7. Justification of strategies for the improvement of the competitiveness of agricultural enterprises

The peculiarities of modern economic relations make it necessary for enterprises to find tools for activation of development, which provide them with a high level of competitiveness. Strategies

for increasing the competitiveness of enterprises are considered to be one of such tools, since their successful and sustainable functioning is determined by their competitive position on the market.

At present, the main trends in the development of enterprises are as follows:

- stability of economic growth rates;
- the concentration of production capacities of large manufacturers along with the preservation of a significant number of small enterprises;
- increasing dependence on the markets of raw materials, fuel and energy resources;
- growth of physical and moral wear and tear of production facilities;
- the impact of imports on the strengthening of competition for the expansion of spheres of activity in the conditions of global economic relations;
- increasing the importance of innovation and investment activity;
- strengthening of requirements for product quality;
- individualization of consumer demand. (Polishchuk, 2017)

In the modern economy, there is a clear transition from the use of comparative advantages obtained with the help of low labor costs and natural resources to competitive advantages based on a developed innovative environment, new organizational and institutional forms, unique products and technologies, which constantly require the formation of a strategy and development of appropriate tools for ensuring competitiveness (Table 10).

The competitive strategy of agricultural enterprises is primarily aimed at achieving

competitive advantages that can be obtained at the expense of (Table 11):

- focus on the latest technologies (sell to the most demanding buyers and through the most demanding channels, make it a norm to exceed the most stringent regulatory barriers or product quality standards);
- constant analysis of changes (identifying and serving new consumers and intermediaries, whose needs first cover the needs of others, sensing trends in cost changes of the main factors of production, maintaining constant relations with research centers and creative groups, studying all competitors, especially new and unusual ones);
- provision of services in the domestic market for international and multinational customers;
- improvement of mutual exchange with buyers, suppliers, intermediaries. (Granovska, 2016)

Competitive strategies consist of a set of approaches and directions developed by management to achieve the best possible performance in a particular area of activity.

They determine the company's means of competitive struggle in target markets and act as: timely response to changes in the industry, the economy as a whole, in politics and other significant areas; development of competitive measures and actions, market approaches that can provide a strong advantage over competitors; unification of strategic initiatives of functional departments; solving specific strategic problems that are relevant at the moment. (Mazur, Tomashuk, 2019)

Strategy as a tool of a complex model, as a process actually forms principles and rules, and as a result is a certain logic of the company's behavior, which determines the directions of

Table 10

Classification of the company's key success factors

A sign of classification	Types and content of key success factors	Example
Scope of application	General – relevant to various industries.	Product quality and price (for any industry).
	Specific – characteristic only for certain industries.	The company's reputation among grain retailers (for the agricultural sector).
Sources of origin	Market – refers to the perception of the company's products by consumers.	The price of products, the image of the enterprise.
	Resource-based – based on the original combination of enterprise resources.	Special knowledge of personnel, level of technology.
Implementation possibilities	Instrumental – their implementation depends directly on the actions of the company.	Development of the sales network.
	Non-instrumental – are formed objectively, regardless of the company's activities.	Growth of market volumes.

Source: designed based on research

Table 11

Classification of the company's competitive advantages

№	Signs of classification	Type of benefits
1	Relationship to the system (enterprise)	<ul style="list-style-type: none"> • External. • Internal.
2	Sphere of manifestation	<ul style="list-style-type: none"> • Competitive advantages created in the areas of: <ul style="list-style-type: none"> – supply; – R&D; – production; – implementation; – service and operation.
3	Sources of creation and possibility of imitation	<ul style="list-style-type: none"> • "Low-level" competitive advantages. • "High level" competitive advantages. • Competitive advantages of the "highest level".
4	Duration of action	<ul style="list-style-type: none"> • Strategic advantages. • Tactical advantages.
5	Place of formation	<ul style="list-style-type: none"> • Advantages that are formed: <ul style="list-style-type: none"> – at the workplace; – in a separate unit; – in the organization in general.
6	The type of effect that the company receives from the realization of the advantage	<ul style="list-style-type: none"> • Competitive advantages that make it possible to get an effect: <ul style="list-style-type: none"> – scientific and technical; – economic; – social; – ecological.

Source: designed based on research

development on the basis of alternatives. The results of the implementation of strategies should be their attainment of high scientific and technical levels, an increase in the

efficiency of production, and thus of business, qualitatively better levels of resource conservation and environmentalization of activities (Figure 6).

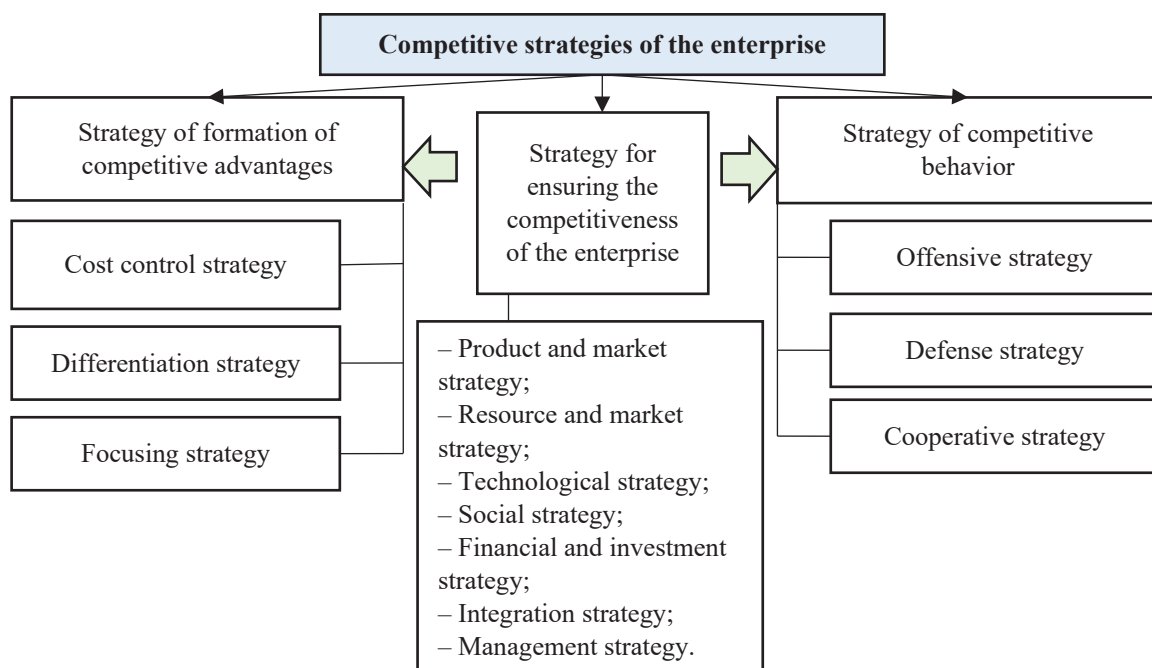


Figure 6. System of competitive strategies of the company

Source: designed based on research

Today, in order to increase the competitiveness of agricultural enterprises, it is necessary to:

1. Investigate consumer behavior trends, realistically assess their expectations. This means that the company must assess consumer demand in a timely, objective and accurate manner and forecast its dynamics in the future.
2. To carry out production, the results of which will satisfy the needs of the target group of consumers while ensuring the usefulness of the product in relation to price and quality.
3. Implement an effective marketing policy in the company.
4. Create conditions for minimizing costs through efficient and rational use of key production factors.
5. Apply, improve, and update production, distribution, and management technologies.
6. Plan and implement an effective manufacturing and marketing strategy through innovation.
7. To fund institutions that provide seed material, research institutions, variety testing stations, etc.

The strategy is developed in the form of a balanced strategic portfolio of strategic alternatives of the company's business behavior aimed at increasing its competitiveness.

8. Findings

Ukraine has significant opportunities to transform the agricultural sector into a highly efficient part of the economy. However, gaining a competitive advantage does not guarantee the competitiveness of an agricultural enterprise. In order to maintain competitive advantages, the following rules must be followed:

1. When offering products that cannot be better in all components, it is necessary to focus on target consumers, taking into account the offers of greatest value to them.
2. Maintain standards for other components that meet the accepted quality.
3. To meet consumer expectations by continuously developing and implementing innovations faster than the competition.
4. To implement a modern, highly organized operating model to provide the highest quality products, which is the main criterion for buyers. (Polishchuk, 2017)

To increase the competitiveness of agricultural enterprises it is necessary to implement a number of measures: to create conditions for stabilization and increase of production;

to establish purchase prices for agricultural products that would not only cover the costs of their production, but also ensure a profit; to introduce state support for agricultural producers of all forms of ownership, especially in areas that contribute to attracting investments, loans and other credits for technical and technological transformation; to reduce the tax pressure on the agricultural sector and to establish benefits for certain types of agricultural products.

Transformational processes taking place in the economy of Ukraine, integration into the economic space of the European Union, a sharp change in the vector of foreign economic activity, low rates of post-crisis recovery of most branches of the country's economic system place strict requirements on ensuring and managing the competitiveness of domestic business entities. (Savchenko, 2019) In these conditions, the importance of studying the competitiveness of domestic enterprises in the context of optimizing the management processes of economic entities in this area of their financial and economic activity is growing significantly. Therefore, it is necessary to improve the quality of assessment of competitiveness of Ukrainian enterprises and to develop appropriate methodological approaches to its implementation, which will be based on a critical rethinking of existing approaches and will take into account modern problems of competitive development of domestic economic entities.

9. Conclusions

Therefore, the competitiveness of an enterprise should be understood as the degree of realization of its potential opportunities to ensure its own dominant advantages over competitors in a given market during a certain period and in the long term. In order to assess the competitiveness of agricultural enterprises, the following factors of the external environment deserve attention and require consideration: domestic agricultural producers have an opportunity to occupy a certain niche in the world food market, namely the niche of production of ecologically clean agricultural products; availability of significant reserves for increasing domestic demand in crisis conditions; economic state support of agriculture of Ukraine within the framework of implementation of a complex of state target programs at various levels.

The effective implementation of measures to increase the competitiveness of agricultural enterprises requires the development of an appropriate mechanism that should ensure the implementation of managerial influence on the main spheres and processes of activity, on the

creation of added value, on the redistribution of resources and the involvement of highly qualified personnel in these processes by subjects using appropriate tools. Ukrainian agrarian sector needs support of the state, international organizations and world leaders.

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