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MODERN TRENDS IN THE DEVELOPMENT OF AGRICULTURAL ENTERPRISES IN UKRAINE

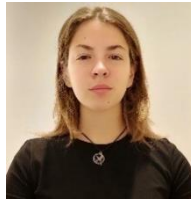
Sofiia Tarasiuk*

Student, ISMA University of Applied Sciences, Latvia

ISMA University of Applied Sciences, Latvia

Cherkasy State Business-College, Ukraine

**Corresponding author's e-mail: sofia05taras.06@gmail.com*



Abstract

Agriculture plays an important role in the national economy as it provides food for the population and is a source of raw materials for the food and light industries. This sector is aimed at meeting the food needs of the population and supplying inputs to a number of production sectors. People's well-being depends on the quantity and quality of agricultural products, and the level of development of the agricultural sector determines the country's food security. The growing demand for agricultural products, especially in urban areas, is driving the active development of agricultural enterprises. Given the rapid economic and political transformations in Ukraine, the agricultural sector needs to adapt quickly to new challenges. Therefore, agricultural enterprises have a key role to play in stabilising the economy, mitigating the negative effects of the crisis and strengthening integration into the European economic area.

Keywords: agriculture, Ukrainian economy, agricultural enterprises, development, agricultural development strategy.

1 Introduction

Agriculture is one of the key sectors of Ukraine's economy, ensuring food security, stable budget revenues and a significant share of exports. In the context of globalisation, digitalisation, martial law and climate change, the agricultural sector is undergoing transformations that affect the management

strategies of agricultural enterprises. The use of the latest technologies, optimisation of production processes and implementation of sustainable approaches at agricultural enterprises are the main vectors of the sector's development.

In the context of the intellectualisation of the economy, agricultural enterprises face a number of challenges, including insufficient investment in innovative technologies, low levels of environmental responsibility and a lack of qualified personnel. The production of organic products requires the introduction of environmentally friendly and resource-saving innovations, but most agricultural enterprises do not have sufficient access to finance, which makes it difficult to adapt to global challenges and limits their competitiveness both in the domestic and foreign markets [1, p. 19-20].

Overview

In the pre-war period, agricultural enterprises needed to develop infrastructure and technology, improve financing and provide small producers with the necessary resources to ensure sustainable development. However, with the start of Russia's full-scale invasion of Ukraine, these issues have become even more urgent and acute, as the war has destroyed infrastructure, reduced access to finance and resources, and exacerbated the problems of small producers. Before Russia's invasion of Ukraine, agriculture was a significant contributor to the country's GDP. According to official data, wholesale and retail trade accounted for 13.8% of the Ukrainian economy, agriculture/forestry/fisheries – 10.6%, and manufacturing – 10.3% [2, p. 25]. The war has had a negative impact on the Ukrainian agricultural sector, leading to a 20% reduction in sown areas, damage to production facilities, rising prices for fertilisers and fuel, and the blockade of Black Sea ports. This significantly reduced the income of farmers and agricultural companies.

Agricultural enterprises are independent business entities established by a competent state or local government body or other entities to meet public and personal needs through systematic production, research, trade and other economic activities in accordance with the current legislation of Ukraine.

The decline in the share of the agricultural sector in GDP and the decline in the efficiency of agricultural enterprises in 2022 were due to a number of reasons. In particular, the main factor was the physical decline in production as a result of the hostilities. In addition, a significant increase in the cost of logistics services led to a decline in purchase prices for agricultural products. An additional factor was the increase in public administration and compulsory social insurance costs, which increased from UAH 336.451 billion in 2021 to UAH 1,097.257 billion in 2022, that is by 226.3% (tab. 1), [3].

These factors have significantly affected the financial stability of agricultural enterprises, forcing many of them to reduce production or suspend operations entirely. Difficulties in accessing foreign markets, lower effective demand in the domestic market, and limited access to credit resources further

exacerbated the situation. Under martial law, the agricultural sector lost some of its labour force, and investments in innovation and the renewal of its technical base decreased. All of this demonstrates the need for government support for the sector through financial incentives, development of logistics infrastructure and introduction of agricultural risk insurance programmes.

Table 1

Growth dynamics of the Ukrainian agricultural sector in 2022-2024.

Indicator	2022	2023	2024
Share of the agricultural sector in GDP, %	8,57	7,4	no data
Share of the agricultural sector in total exports, %	53,3	60,8	64,12

One of the main trends in the development of the agricultural sector is the introduction of innovative technologies. The use of modern digital solutions, such as automated control systems, etc., allows us to optimise production processes, reduce costs and increase yields. The use of precision agriculture contributes to more efficient use of resources, reduced losses and improved product quality.

Another important trend is the greening of agriculture. Consumers are increasingly focusing on organic products, which stimulates the development of companies that implement environmentally friendly farming methods. This involves reducing the use of pesticides, introducing biological methods of plant protection, switching to alternative energy sources and rational use of natural resources. Programmes to support sustainable agriculture are also being actively developed, which helps to preserve soil fertility and reduce the negative impact on the environment.

Another significant factor in the development of the agricultural sector is integration into global markets. Ukraine is one of the leading exporters of grain, oilseeds and other agricultural products. The high competitiveness of Ukrainian products in the international market necessitates the improvement of logistics chains, quality standards and certification of products in accordance with international requirements. The signing of free trade agreements with other countries opens up new opportunities for domestic agricultural enterprises [4, p. 3-7].

It is no secret that Ukrainian agriculture is also facing certain challenges, including economic instability, climate change, and rising prices for energy and fuel and lubricants. To effectively overcome these difficulties, companies are actively applying adaptation strategies, including upgrading technical equipment, switching to energy-efficient technologies and introducing insurance mechanisms to protect against potential risks.

In addition, it is important to note that it is worth noting that the algorithm of innovation and investment development of agro-industrial enterprises includes several key stages: analysis of the current state to assess financial stability and market position; development of strategies for survival and development through innovation and competitiveness; search and attraction of investment resources, including state and international support; adaptation and implementation of innovative technologies in accordance with the conditions of military conflict; monitoring the effectiveness of implemented measures and correction of Establishing communication with government agencies, international partners and the business community plays an important role [5, p. 294]. A flexible and analytical approach to innovative development allows agricultural enterprises not only to maintain stability but also to succeed even in crisis conditions.

Conclusion

Thus, the current trends in the development of agricultural enterprises in Ukraine are aimed at innovation, environmental friendliness, expansion of international cooperation, government support and diversification of production. The use of these approaches will help to increase the efficiency of the agricultural sector and ensure the sustainable development of agriculture in the future.

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