

## **MODERN STATE AND DIRECTIONS OF GRAIN MARKET OF UKRAINE STATE REGULATION**

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*The article is devoted to studying of modern state and directions of grain market of Ukraine state regulation. Particular attention is paid to the issues of government policy concerning the conditions' establishing for effective grain market functioning.*

***Grain market of Ukraine state regulation, improvement directions of grain market state regulation mechanism, grain market, grain market development.***

The grain farming of Ukraine is a strategic branch of economy. Yet, the grain market – is the basis for food market stability, the source of not only bread and flour products production but also fodder supply for cattle breeding and raw materials for primary processing industry. So, the issue of grain market state regulation is extremely actual, especially in conditions of global food crisis.

A considerable quantity of scientists were engaged in studying separate issues of state regulation of grain market formation and development. Among numerous scientific developments of similar direction the works of such lawyers-scientists could be marked out: O.M. Batugina, S.I. Marchenko, O.A. Polivodskiy, V.I. Semchik [1–4] and others. Also, scientific products of experts in the sphere of economy: P. Gayduckiy, I.G. Kirilenko, M.G. Lobas, T.M. Lozinska, M.I. Meleshko, P.T. Sabluk [5–8] and others, could be mentioned.

However, a lot of questions about improvement directions of grain market state regulation mechanism, determining of the most effective and resultant instruments of this economy branch government regulation in modern conditions are being left insufficiently studied.

The aim of this research is to determine the modern level of grain market development in Ukraine and the directions of its state regulation in current conditions.

The regulatory coverage of grain market state regulation in Ukraine is nowadays presented by such main documents as the Law of Ukraine «About grain and grain market in Ukraine» [9] that determines state policy concerning grain market development as priority sector of agroindustrial complex economy, which directed to creation of legal, economical and organizational conditions of competitive production and formation of grain market with the aim to cover internal state needs in food, seed and forage grain, its export potential increasing.

Herewith, according to the statute about Ministry of agrarian policy and food of Ukraine, state support policy of grain production increasing is being implemented by this ministry according to such main directions:

- increasing of state special-purpose programs financing amounts;
- introducing of new crediting mechanisms;
- strengthening the role of the Agrarian fund in financing of production through the mechanisms of future crop stocking (terminal contract);
- stimulating of fund raising at national and foreign (IPO) capital markets;
- stimulating of private investments;
- fiscal stimulating;
- development of agroinsurance [10].

The Program «The grain of Ukraine – 2015», developed by scientific institutions of the National academy of agrarian sciences of Ukraine together with the Ministry of agrarian policy and food of Ukraine and determining the ways of grain production increasing, developing technological, economic and

regulatory basis for grain problem resolution, foresees working out and introduction the chain of additional sublegislative acts:

- about state and regional programs of grain farming targeted development;
- about establishing of parity for costs on grain, material and technical resources for grain farming;
- about stimulating of grain quality and introducing of new progressive technological processes in cultivation, storage, processing and usage of grain [11].

Besides, stimulating of grain market development is also partly covered by the row of other sublegislative acts, within which government gives support to agricultural manufacturers in partial expenditures' compensation for sowing of winter, spring crops, purchasing of domestically produced mineral fertilizers etc.

However, implementation of applicable dispositions of abovementioned regulatory documents rather often is on unproprie level, moreover, insufficient systemacy and inconsistence of Ukrainian legislation and also its selective execution have negative influence on grain farming and requires improvement of grain market state regulation mechanism.

Political and legal, organizational and informational mechanisms of grain market of Ukraine state regulation, to our opinion, have to be implemented on such directions:

- creation of market monitoring and prediction system;
- search and promotion of grain to external markets;
- stimulating of market demand on grain as on internal, so on external markets;
- formation and development of grain market infrastructure, including informational and analytical system, commodity exchanges and wholesale markets, agricultural procurement&sale and servicing cooperatives, agrotrading houses, futures-trading etc.;
- protection of domestic grain producers on internal market and while

conducting foreign-economic activity;

- scientific&technical and innovative coverage of grain market development;

- formation of necessary legislative and regulatory basis and its harmonization with the demands of the World trade organization.

As it is considered, economic and financial grain market state regulation mechanism has to be directed to concordance of pricing, budget, fiscal, crediting policy, development of insurance in agricultural complex.

For the purpose of grain market prices stabilization the state has to do procurement (financial) and commodity interventions, coordinate and agree pricing policy on nationwide and world markets. Herewith, it is expeditious to consider other countries' experience about application of guaranteed, procurement, intervention, mortgaging and other types of prices.

Thus, foreseeing of market situation has to remain the main state function in the sphere of grain market regulation. Effective operative intrusion into market processes concerning grain export and import, abiding of pricing parity at inter-branch products exchange, meeting the needs in grain and its conversion products for optimal prices depends from timely detection of changes on grain market.

At the same time, the state policy regarding creation of conditions for effective functioning of grain market has to be carried into effect in following directions:

- stimulating of offer (intensification of production) and market demand for grain (cattle breeding, conversion, export);

- creation of grain marketing system (internal and external market condition analysis, search and promotion of grain to external markets, informational and scientific&technical support of grain market functioning);

- preparation and improvement of legislation, which have to determine forms, methods and directions of grain market state regulation;

- development of river and sea portside elevators system for grain export stimulating.

So, the process of national grain market formation in conditions of globalization is still on the stage of establishing, that is why it far not entirely ensures the fulfillment of incumbent functions and tasks, in particular balance of demand and offer, elevation of agricultural producer income, resolving of social and ecological problems in the branch.

Thus, the task of grain market state regulation is to provide its stable development process with preservation of the attribute of related components dynamic cooperation. Application of effective state regulation mechanisms, essence of which underlies in ensuring equilibration of quantitative and qualitative parameters of products' demand and offer, has to become important condition of grain market stability guaranteeing, that then will be the object of further scientific researches.

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