

COMPARATIVE LEGAL EXPERIENCE IN AGRICULTURAL LENDING

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The article is dedicated to research and analyze the formation and functioning of credit support agriculture in foreign countries.

Credit, financial and credit system, agriculture and manufacturing.

Obligatory condition of normal functioning of the agricultural production in the market environment is the availability of appropriate monetary policy that takes into account the characteristics of the agricultural sector and create favorable conditions for its development. In conditions of market relations further development of agriculture is impossible without effective functioning of credit support for agricultural producers.

Agricultural credit has been and always will be the focus of the vast majority of states. Under these conditions, the study of rural producers lending experience gained special significance and makes it relevant. The practice requires scientific evidence sufficient to attract credit resources in agricultural production on favorable conditions for them . Become increasingly important as the issue of improving credit mechanism by which supposed to eliminate the negative trends in its functioning and restore the basic principles of credit.

World experience shows that lending as a means of state support for agricultural producers exist in most industrialized countries spend on its performance heavily. According to the data given by the Organization for

Economic Cooperation and Development (OECD), which includes 29 countries (including the United States, European Union, Australia, Canada , etc.). Expenses for the last seven years in support of the agricultural sector through lending in these countries were more tr.In 1.07 dollars.

The agricultural production of almost all countries with developed economies for a long time created a specialized system of agricultural credit on the characteristics of which should be at least briefly . It originated in the mid- nineteenth century .. in the form of credit unions in England in 1844 in the town Roychdeyt initiators of their creation become the local weavers . And in 1846 he was created a credit union cooperatives in Germany. Its founder F. Raiffeisen laid the foundation of the principle of mutual aid of those for whom it originated . Union functioned without its own capital and dividends , and members of credit cooperatives were carrying a total joint and several liability . On the principles of Raiffeisen created local offices of agricultural credit in France.

Experience of credit systems in the United States indicates that they were somewhat different from the above-mentioned way to create them. Here is the State acted as the initiator of the creation of credit financial institutions . As a result, a system of federal loan banks (1932), Federal Insurance Corporation (1934), Federal Savings Insurance Corporation (1934), Federal Mortgage Association (1938) , the federal bank for loan telephone (1971), in which farmers along with other citizens could obtain loans.

Especially for crediting farmers in 1916 was established farm credit system , which includes a system of federal land banks, intermediary banks for lending to farmers' land banks, production credit association needs (1933).

This credit and banking system with a gradient of preferential crediting farmers working in the modern world.

Study of historical and contemporary experience of credit services developed markets suggests that they are all currently set specific system servicing the agricultural sector .

During the formation of the market of collateral real economy all countries experienced difficulties in matters of consideration of sectoral differences. Burdensome specificity of collateral is a close relationship of the credit to the presence of high-risk industries and low profitability of agricultural production . This system reduced the amount of credit support , especially in times of financial instability of the economy, especially when the industry is in need of additional financial resources.

In such periods , in order to support the agricultural sector , many countries have started to create state of credit support. Instead of relying on the state of its measures and areas of lending , agricultural producers began to create their own (cooperative) system of credit .

Examples of agricultural credit -commerce can be Holland. In this country, the first cooperative bank was founded in 1896 Later , such banks merged in the national RABOBANK , which has a much improved today.

Bank unites nearly 600 local, self- sufficient banks providing loans to 2.5 million.

Assessing the Dutch experience should be allocated as a positive assessment, it branched system of providing credit assistance to support agricultural production.

Considering the financial - credit system of Ukraine in relation to the Dutch in our opinion it would be no harm to borrow and apply some positive aspects of the mechanism of lending in Ukraine according to its economic and other social relations.

In order to create optimal conditions for agricultural production for agricultural producers that can not be financed from own funds or raised on the general conditions of capital in many countries apply preferential loans .

Benefits are usually provided within targeted programs that reflect the priorities of state policy.

The basic principle of preferential lending is partial compensation of the effective interest rate of the budget. However, the mechanism of its application in individual countries varies depending on specific conditions. For example, in Austria sizes preferential loan rates and fiscal compensation are directly related to the bank's interest rate in France - reduced rate and fixed rate bank affects only the cognized budgetary compensation.

French farmers provided six loans with preferential interest rate depending on loan from 3.75 to 8.25 per annum with a maturity of 7 - 12 years for adverse environmental - ecological zones and 5 - 9 years for other areas.

In Germany, where a fifth of the volume of medium and long-term bank loans rental Germany financed on favorable terms under the " Agriculture" , " young farmers " , " Update of the village ," etc.

For farmers of Germany , which is member of the investment incentives and the general program of agricultural loans, concessional lending is in the form of loans of 1 % per annum , or by reducing the percent of active loans borrowed by 4 - 7%.

In comparison with the above in Ukraine is very difficult turned out to demand for credit and the real possibility of their return. The main reason - excessively high rate of interest , the trends of basically short term loans no regulatory framework governing preferential loans, however such cases envisaged mandatory lending and liability for violation of these regulations.

Concessional lending encompasses major agricultural activity , stimulating the development of the most promising sectors and priority areas for implementation and in Austria where 40 % of the total soft loan is used to improve the organizational structure of farms 27% - for the construction and renovation of residential and commercial buildings , 12 %

- in mechanization of agricultural production , 5% to promote sales. As of Denmark include providing state guarantees to farmers soft loans to young farmers who have bought their own farm.

Preferential loans for agricultural producers is also used in the United States , Britain, Japan and other developed countries.

should be noted that in the United States provide credit combined with a system of government financial support for the development of the agricultural sector through a combination of administrative and cooperative principles. Budget funds are given for agricultural applications, controls 80% USDA through the Commodity Credit Cooperatives (TCC), the Administration for farmers (ASF), which was established back in 1916 and the system of financing farmers (Farum Sredit System) - the largest source of credit and other financial - credit structure. The remaining funds distributed through the states and local authorities.

ASF provides preferential loans for those farmers who can not get the borrowed funds without warranty. Loans secured by more than 50 % of ASF . It has over two thousand members in the states and provinces of the country. The decision to take a loan of authorized representative after consultation with the local farming community. They control the efficiency of credit.

Out of all spending on agriculture in the United States , nearly 60 % are implementing targeted programs stabilize farmers' incomes . This program , in turn , is divided into the following program: "Support prices and incomes ", " crop insurance ", " Farm Credit".

The system of agricultural credit (SSC) is the main structure that throughout history solved the same problem - providing farmers and agribusiness firms getting credit on favorable terms ; involvement in financing the system of public funds , funds of farmers and farmer cooperatives and private equity firms and agribusiness companies .

In the main group of credit institutions that make up the system of agricultural credit include: commercial banks , insurance companies, federal loan system (CMS) , the Administration for farmers (ASF), Commodity Credit Corporation (TCC) and others, with more than 800 banks and associations .

The subject of credit are farmers, farmers' cooperatives , agribusiness enterprises and population in rural areas of the U.S. . SSC were giving special powers of the banking business , including financial support from the federal budget in matters concerning the implementation of public agricultural problems .

Currently the SSC is constantly improving its structure, expanding areas of activity and strengthen its financial base. The main task of the SSC is financial support for rural tovarobnykiv . Thus, on the basis of federal land banks and federal bank medium -term loan established Farm Credit Bank , which provides loans associations engaged in direct lending to farmers. These include production credit association (KLA), Agricultural Credit Association (ASA) , the Federal Mortgage Association (FIA). AVK focuses on short-term (1 year) and medium term of 1 to 5 years) lending farmers. FIA provides long-term loans (5 to 40 years) and ASA provides loans at any time.

The foregoing shows that in the U.S. one of the leading roles in the intensification of the agricultural sector plays a government regulation of the agricultural sector .

The experience of agriculture loans UK should be noted that unlike most EU countries it is typical for the relatively low level of state regulation of agriculture. It is mainly at the national level within the Common Agricultural Policy. In recent years, the agricultural sector is considered by the State as capable of reproduction and functioning on market principles , without any - any interference from outside.

On the refusal of other countries in the UK there is no system of credit at low interest rates . Leading role in lending to agriculture in the UK owned by four extra large banks that have branches in many countries. Along with it there are many other lending institutions, but their contribution to the financing of agriculture is negligible. Since 1928 in the UK operates Agricultural Mortgage Corporation , which owns five leading banks. Today, the corporation is a major UK credit institution that provides long-term mortgage lending farmers.

Mortgages farmers for the duration of - 5 to 40 years. In practice Agricultural Mortgage Corporation used three main options for interest rates , fixed insert that is valid for the duration of the loan , a variable rate that changes in certain periods and the combined rate.

Loans are also commercial banks. Usually they have a short - medium term agricultural loans. In the UK, rates of interest on loan capital is mainly determined on the basis of the discount rate of the Bank of England, which is controlled by the British Government.

If you analyze the credit status of agriculture in Japan, it should be noted that it is characterized by rather high development of cooperative systems. Its basis is the primary agricultural cooperative that coordinates the work of dozens of farmers. A farmer in Japan is an independent , sole owner of the land. Cooperatives are involved in sales, saving heaps of farmers, teaching them the latest technology, financing and insurance and so on.

In the 80s some of Japan acquired other organizational - legal forms of agricultural production. In agricultural production cooperatives, in Japan there are such forms of agricultural production as corporations , small farms , monasteries, combining for playing and sharing pastures and others.

State shall actively promote the development of agriculture , gives it the necessary financial support. It subsidizes much of the tedious work of

improving the quality and fertility of land grants, grants loans for the construction of production facilities, to purchase land , livestock , machinery , repayment of damages from natural disasters, a policy of price support for agricultural products and so on.

State policy in the field of agriculture in Japan is defined in the " Basic Agricultural Law ", adopted in 1961 , as well as laws: On the protection of food products (1968) On the central wholesale markets (1923r.).

For a more complete analysis of foreign experience and crediting of agriculture should, in our opinion, apply to the practice of his condition and in some countries abroad.

For Ukraine , the strategic policy direction which - to join the EU , it is important to study the experience of Poland on its way to the European Union. Sered_10 - ty_pryynyatyh_novyh Member States among the countries of Eastern Europe and the Baltics special place is occupied Poland as one of the world leaders in production of rye and potatoes. The country is divided into 16 provinces , 314 districts and has 16.9 million hectares of agricultural land , providing her 4th place in the EU after France (27.9 million hectares), Spain (25.6 million hectares) and Germany (17 million hectares).

For example, to prepare the agricultural sector to the conditions adopted in the Union, in accordance compatible Agricultural Policy (CAP) of the EU , Poland has developed and implemented a national leverage support for agriculture through the use of budget grants and loans.

Significant role in the preparation of the agricultural sector in Poland played Agricultural Market Agency (AAP), formed in 1990, with the task of protecting incomes of agricultural producers , creation of favorable pricing by introducing economic instruments such as resource integration and intervention fund for agricultural products , public service provisions food , providing tax credits to agricultural producers , agricultural market

infrastructure development , informing governments and market actors about the situation on the market of agricultural products and others.

After Poland joined the EU AAP acts as paying agent for agricultural markets by country :

- Payments for private storage of meat and milk - products;
- Payments for the production of dry feed;
- Payments for the procurement of ice and cannabis ;
- Payments in the production and silkworm cocoons ;
- Payments and loans to enterprises that use starch and sugars in non-food products, olive oil - in processing, grape must for juices and other food products, etc. .

Another paid agency in Poland was the earlier restructuring of agriculture (AP and MSH), which is over ten years since its inception, supporting farmers and peasants, primarily through payments to bank interest on an operating and investment loans and funding on formation of rural infrastructure . It should also be noted that well executed preliminary work on Poland's accession to the EU has provided a number of positive changes in agriculture , including:

- Receipt of funds from the Union during 2004-2006, annual average at 2.4 billion euros, twice the budget of the country;
- Increase in export prices for pork and milk ;
- Opposed to taxes on agricultural products and improve their turnover;
- Increasing the benefits of EU funds on contributions from them , etc.

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The foregoing shows that the strategy in the light of Ukraine's accession to the EU should use the experience of Poland in the training of agriculture of Ukraine in this process.

Summarizing all the above mentioned should be noted that in scientific and political circles waged a heated debate about the role and importance of the free market in agricultural production. Supporters one hand claim

that agriculture should be developed only on the basis of free market economy , the state should not interfere in any way in the sphere of agricultural production. Their opponents believe that , on the contrary , agriculture should be developed on the basis of state regulation.

Analyzing expressed point of view should determine what is currently there are two approaches to the role of the state in the economy. One introduced the concept of " limited state intervention in the economy ," which provides for macro-economic policies based on monetarist methods. The other is at a sufficiently high active state role in the transformation of the agricultural sector in particular . Ukraine must finally decide which one is the most favorable and necessary for her and for the development of agriculture, including its financing.

A more reasonable and feasible is the last , because, in our opinion, only when it creates the necessary conditions for state influence on the economy, including the agricultural sector. It is possible to achieve the implementation of such principles as the coordination of short-and long-term goals in decision - regulative management solutions, basic and routine tasks , mastering the mechanism of implementation of the objectives of social targeting all sectors of the economy and employment.

Specific functions of state regulation necessary part of management rather clearly defined in the course of their practical implementation by developed countries . An analysis of relevant experience of developed countries , the state must provide:

- Coordination of interests at all hierarchical levels: Society - Region - company - employee ;
- Balanced development, restructuring of social production, identification of priority areas , one of which is undoubtedly agrarian, strict regulation of competition in the priority areas of the state monopoly in the credit and finance , etc.;

- The development , production potential - its qualitative phase , the rate of increase , the level of use;

- Actively targeted credit , monetary and fiscal policies ;

- Creating an appropriate economic and social relations of credit ;

Government regulation includes all of the states in the area of credit , pricing, subsidized , promoting agricultural enterprises and small businesses , the implementation of active protection, defense and civil support to agriculture producers - any of the home and acute economic and social problems can not be solved .

The study of quantitative and qualitative changes that occur in the credit system of foreign countries , as well as taking into account general trends and patterns of world development will allow Ukraine soon go the way of the evolution of the credit system of agriculture , which foreign countries have spent centuries as they moved to a market economy with this system of financing of the agricultural sector in Ukraine century earlier .

Comparative analysis of the experience of the world of highly Ukrainian , on monetary policy is extremely necessary and useful in resolving the issue of Ukraine's accession to the EU.