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**EVOLUTION OF ECONOMIC REGULATION OF AGRICULTURAL
LAND USE UNDER THE INFLUENCE OF URBANIZATION PROCESSES
IN UKRAINE**

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Abstract. *As of today, it can be stated that the significant anthropogenic load and urbanization contribute to the fact that the specific weight of agricultural land in Ukraine is decreasing every year. A significant amount of agricultural lands is expropriated for housing, especially around large cities. It is also worth adding those lands that are expropriated for non-agricultural purposes, in particular, for road construction. Thus, the above-mentioned factors affect the decline of the agricultural potential of Ukraine.*

In order to improve the economic regulation of the urbanization of agricultural lands in Ukraine, the evolution of the legislation of the Ukrainian SSR and Ukraine regarding the losses of agricultural and forestry production was analyzed. The analysis of legislative acts regarding losses of agricultural and forestry production shows that for quite a long time, effective mechanisms and methods of their compensation have not been proposed, as a result of which the concept of «losses of agricultural production» was removed from the Land Code of Ukraine in 2022.

The author suggested returning the concept of «agricultural production losses» to the legislation and approving a new procedure for compensation of losses, taking into account the modern realities of Ukraine.

Key words: *losses of agricultural production, losses of forestry production, legislation, agricultural land, compensation.*

Formulation of the problem. Significant anthropogenic load and urbanization contribute to the fact that the specific weight of agricultural land in Ukraine decreases

every year. A significant amount of agricultural land is being taken away for housing construction, especially around large cities. It is also worth adding those lands that are expropriated for non-agricultural needs, in particular for road construction. Thus, the above-mentioned factors affect the decline of the agricultural potential of Ukraine. In view of the above, compensation of losses of agricultural production is becoming very relevant.

Analysis of recent scientific research and publications. Methodical aspects of determining the amount of agricultural production losses were studied by such scientists as A. Martyn, O. Nechiporenko, A. Matvienko [2]. L. Terletska studied the conditions of compensation for losses of agricultural production [11]. However, the economic regulation of compensation for losses of agricultural and forestry production is still insufficiently researched, which determines the relevance of the study of this issue.

The aim of the study – to do a research of the evolution of the legislation on agricultural and forestry production losses.

Materials and methods of scientific research. The method of scientific knowledge was used in the research. The monographic method was used to analyze scientific works related to the compensation of agricultural and forestry production losses. The analysis method was used to study the regulatory framework in the context of compensation for losses of agricultural and forestry production.

Research results and discussion. «Ukraine has significant land resources, its land fund is 60,353.8 thousand ha. Its structure is dominated by agricultural land, which occupies 2/3 of the territory - 42 million ha. According to the specific weight of agricultural land in the total area, Ukraine significantly exceeds the leading countries of Western Europe and North America» [6].

A significant economic element of state regulation of protection and rational use of land is compensation for losses of agricultural and forestry production. Their initiation took place back in the 70s of the twentieth century, namely, when the Soviet Union tried to increase the productivity of agriculture by involving in production larger areas of agricultural lands.

Thus, Articles 45 and 46 of the Land Code of the Ukrainian SSR dated July 8, 1970 established «compensation to land users for losses caused by the expropriation or temporary occupation of land plots and compensation for losses of agricultural production related to the expropriation of lands for non-agricultural purposes» [3].

«For implementation Resolution of the Council of Ministers of the USSR dated August 9, 1974. №. 636 «On compensation for damages to land users and losses of agricultural production in the case of lands expropriation for state or public needs» Council of Ministers of the Ukrainian SSR» [5] by Resolution of the Council of Ministers of the Ukrainian SSR №. 485 dated October 10, 1974 «On compensation for damages to land users and losses of agricultural production in the case of lands expropriation for state or public needs» [5] approved the mechanisms and conditions under which compensation for losses of agricultural production was carried out.

The essence of this legislative initiative was that enterprises, organizations and institutions, when expropriating agricultural land for construction and other non-agricultural purposes, had to compensate the state, as the sole owner of the land, for the losses caused by this expropriation and compensate for the cost of developing new agricultural lands of equal area for their further use in agricultural production and to counteract the unjustified expropriation of agricultural land by enterprises, organizations and institutions for non-agricultural purposes.

At the same time, the fifth article of the above-mentioned resolution also approved some exceptions, because the losses of agricultural production were not compensated under such conditions, namely:

1. «when allocating land plots for the construction of land reclamation systems intended for irrigation and drainage of agricultural lands» [5];

2. «when allocating land plots, with the exception of arable land and plots occupied by perennial crops, cultural hayfields and pastures for the construction of pond and lake fish farms, fish nurseries, spawning and rearing farms and fish factories of the system of the Ministry of Fisheries of the USSR» [5];

3. «when expropriating land plots located within settlements for the construction of schools and children's preschools, shopping facilities, medical facilities and cultural and household facilities» [5];

4. «when providing land plots for temporary use, if, under the conditions of allocation, these plots must be brought into a condition suitable for agricultural use in the future» [5].

But already in the 90s of the last century, there was a need to change the approach to determining losses of agricultural production, since the previous approach lost its relevance due to the high involvement of agricultural lands in agricultural production and the impossibility of involving new lands in production, in exchange for the expropriated lands.

Article 90 of the Land Code of the Ukrainian SSR dated December 18, 1990 expanded the list of agricultural production losses and introduced the concept of «forestry production losses» at the legislative level. Namely: «Losses of agricultural and forestry production caused by the expropriation of agricultural and forest lands for their use for purposes not related to agriculture and forestry, placement of intra-farm construction objects on agricultural lands, restriction of the rights of landowners and land users, restriction of the rights of landowners and land users, including tenants or deterioration of land quality as a result of the impact caused by the activities of enterprises, institutions and organizations are subject to reimbursement to local Councils of Deputies. These losses are compensated along with compensation for damages provided for in Article 88 of this Code» [4].

At the same time, Article 91 of the above-mentioned Code established the «sizes and procedure for determining losses of agricultural and forestry production that are subject to compensation» [4].

Thus, on execution Article 91 of the Land Code of the Ukrainian SSR dated December 18, 1990 The Cabinet of Ministers of Ukraine adopted a Resolution № 238 dated October 3, 1991 «On the size and procedure of determining losses of agricultural and forestry production which are subject to compensation» [12], which approved new

approaches to determining losses of agricultural and forestry production when lands are expropriated for non-agricultural needs and new standards for their calculation.

Article 207 of the Land Code of Ukraine, adopted by the Verkhovna Rada of Ukraine on October 25, 2001 (as amended until November 19, 2022) defined «conditions for compensation for losses of agricultural and forestry production» [1], which also took into account the interests of other parties, not only the interests of the state.

Thus, the losses of agricultural and forestry production were included «losses of agricultural lands, forest lands and shrubs, as well as losses caused by restrictions on land use and deterioration of land quality» [1] .

«The subject to compensation were losses of agricultural land (arable land, perennial plantations, fallows, hayfields, pastures), forest land and shrubs as the main means of production in agriculture and forestry as a result of their expropriation (purchase) for needs unrelated to agricultural and forestry production, as well as a result of use for the construction, placement and operation of oil and gas production facilities, development of the deposit and subsoil use for the purpose of experimental and industrial development of amber deposits, other minerals of national importance and/or amber mining, other minerals of national importance» [1].

«The subject to compensation were as well as losses caused by the restriction of the rights of land owners and land users, including tenants, or the deterioration of land quality as a result of the negative impact caused by the activities of citizens, legal entities, local self-government bodies or the state, as well as in connection with the exclusion of agricultural land, forest land and shrubs from economic circulation due to the establishment of security, sanitary and other protective zones» [1].

«Losses of agricultural and forestry production were compensated regardless of compensation for damages to land owners and land users» [1].

«Losses of agricultural and forestry production (except losses of agricultural production, which were determined in accordance with part six of this article) were determined in accordance with the procedure determined by the Cabinet of Ministers of Ukraine» [1].

The specified procedure was approved in 1997, namely by the Resolution of the Cabinet of Ministers of Ukraine № 1279 dated 17.11.1997 «On the size and Procedure for determining losses of agricultural and forestry production which are subject to compensation» [7]. It is worth noting that according to this Procedure, the norms of losses of agricultural production were established, which were subject to compensation for: arable land, perennial crops, hayfields and pastures, although the second part of Article 207 of the Land Code of Ukraine established a list of lands that also contained fallow lands, at the same time, the above-mentioned Procedure for determining losses of agricultural and forestry production did not include the corresponding standards for losses of agricultural production that were subject to compensation for this type of land.

Not so long ago, namely in 2020, the Land Code of Ukraine was supplemented with a norm that determined that «losses of agricultural production, which are compensated in the event of a change of the intended purpose of agricultural land plots, as a result of which the land plots are transferred to lands of other categories, amount to 30 percent of the difference between the normative monetary valuation of the corresponding land plot after and before the change of its intended purpose» [1]. That is, if the owner of an agricultural plot of land expressed a desire to change its intended purpose and use it for non-agricultural needs, for example for building, he had to pay the difference in the amount of 30 percent between the normative monetary assessment of this land plot, which would be used for agricultural needs, and the normative monetary value assessment of this land plot when it received a new intended purpose for residential and public development. This norm was quite relevant, because in connection with the fact that from July 1, 2021, the so-called «agricultural land market» began to work in Ukraine, agricultural land, especially those located near large cities of regional significance, such as Kyiv, Lviv, Odesa, Kharkiv, etc., become an attractive investment not for agricultural needs, but for development. Thus, the legislator provided for additional revenues to the budgets of different levels. This is the only norm in recent times, which was fixed at the legislation, and which related to the compensation of losses of agricultural production.

It is worth noting that on the basis of the Law of Ukraine «On amendments to some legislative acts of Ukraine regarding the restoration of the system of registration of lease rights for agricultural land plots and improvement of land protection legislation» № 2698-IX dated October 19, 2022 the concept of «losses of agricultural production» is excluded from the Land Code of Ukraine, namely from Articles 207-209 [8].

Therefore, as of today, the current legislation does not provide for compensation for losses of agricultural production at all, due to which local communities do not receive a significant part of the funds. Although the concept of «losses of agricultural production» still remains in the Budget Code of Ukraine, namely in the article 69¹ [9].

At the same time, with the aim of bringing the legislation into line, the Cabinet of Ministers of Ukraine adopted Resolution № 588 dated June 9, 2023, which approved a new procedure for determining losses of forestry production, as a result of which the Resolution of the Cabinet of Ministers of Ukraine № 1279 dated November 17, 1997 «On the size and Procedure for determining losses of agricultural and forestry production which are subject to compensation» became invalid [10].

Regulatory acts regarding losses of agricultural and forestry production are presented in Table 1.

**The evolution of the legislation regarding the compensation of losses of
agricultural and forestry production**

Name and number of the normative legal	The date of adoption of the normative legal act	Brief content of the normative legal act or its articles, which relate to losses of agricultural and forestry production
Land Code of the Ukrainian SSR [3]	08.07.1970	«Compensation to land users for losses caused by the expropriation or temporary occupation of land plots and compensation for agricultural production losses associated with the expropriation of land for non- agricultural needs» [3] (Articles 45,46)
Resolution of the Council of Ministers of the Ukrainian SSR «On compensation for damages to land users and losses of agricultural production when land is set aside for state or public needs» [5]	10.10.1974	Established mechanisms and conditions under which compensation for losses of agricultural production were compensated
Land Code of the Ukrainian SSR [4]	18.12.1990	The list of agricultural production losses has been expanded and the concept of «forestry production losses» has been introduced at the legislative level. Established sizes and the procedure for determining the losses of

		agricultural and forestry production which are subject to compensation (Articles 90, 91) [4]
Resolution of the Cabinet of Ministers of Ukraine № 238 «On the size and procedure of determining losses of agricultural and forestry production which are subject to compensation» [12]	03.10.1991	New approaches to determining losses of agricultural and forestry production when land is expropriated for non-agricultural needs and new standards for their calculation have been adopted
Land Code of Ukraine [1]	25.10.2001	The conditions for compensation for losses of agricultural and forestry production were determined, which also took into account the interests of other parties, not only the interests of the state (Article 207, until Revision on 19.11.2022)

Continuation of Table 1

Name and number of the normative legal act	The date of adoption of the normative legal act	Brief content of the normative legal act or its articles, which relate to losses of agricultural and forestry production
<p>Resolution of the Cabinet of Ministers of Ukraine № 1279 «On the size and Procedure for determining losses of agricultural and forestry production which are subject to compensation» [7]</p>	<p>17.11.1997</p>	<p>Standards for losses of agricultural production, which were subject to compensation were established for: arable land, perennial crops, hayfields and pastures</p>
<p>Law of Ukraine «On amendments to some legislative acts of Ukraine regarding the restoration of the system of registration of lease rights for agricultural land plots and improvement of land protection legislation» № 2698-IX [8]</p>	<p>19.10.2022</p>	<p>The concept of «losses of agricultural production» is excluded from the Land Code of Ukraine, namely from Articles 207-209</p>
<p>Resolution of the Cabinet of Ministers of Ukraine №588 «On the approval of the Procedure for</p>	<p>09.06.2023</p>	<p>A new procedure for determining forestry production losses has been adopted</p>

determining losses of forestry production» [10]		
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Conclusions and perspectives. Thus, in the current situation, in the near future the state may lose a significant area of agricultural land, since the legislation does not include the concept of compensation for losses, specifically of agricultural production, which to a certain extent filled local budgets and was a certain safeguard against the expropriation of agricultural land from production by changing its intended purpose.

As it was already noted at the beginning of the article, that a significant amount of agricultural land is taken for housing construction, this is especially noticeable around large cities, it is important to return to the legislation the norm that would determine the necessity of «compensation for losses of agricultural production, which are compensated in the event of a change of the intended purpose of agricultural land plots, as a result of which land plots are transferred to lands of other categories, while increasing the percentage of the difference between the normative monetary valuation of the corresponding land plot after and before the change of its intended purpose» [1], which must be compensated. Thus, compensation for losses of agricultural production should become a tool for regulation of urbanization.

Summarizing, it is worth noting that the concept of «losses of agricultural production» should be urgently returned to the Land Code of Ukraine and a new procedure for compensation of losses should be approved, taking into account the current realities of Ukraine, since the specific weight of agricultural land areas will be withdrawn from economic production, as a result of a change in purpose and as a result of hostilities.

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ЕВОЛЮЦІЯ ЕКОНОМІЧНОГО РЕГУЛЮВАННЯ СІЛЬСЬКОГОСПОДАРСЬКИХ ЗЕМЛЕКОРИСТУВАНЬ ПІД ВПЛИВОМ УРБАНІЗАЦІЙНИХ ПРОЦЕСІВ В УКРАЇНІ

Анотація. Станом на сьогодні можна констатувати, що значне антропогенне навантаження та урбанізація сприяє тому, що з кожним роком в Україні зменшується питома вага сільськогосподарських угідь. Значна кількість сільськогосподарських угідь вилучається для будівництва житла, особливо це помітно навколо великих міст. Сюди також варто додати ті землі, які вилучаються для несільськогосподарських потреб, зокрема для будівництва доріг. Таким чином, вищезазначені фактори суттєво впливають на зниження сільськогосподарського потенціалу України у сучасних умовах.

З метою удосконалення економічного регулювання урбанізації сільськогосподарських земель в Україні проаналізовано еволюцію законодавства Української РСР та України щодо втрат сільськогосподарського та лісогосподарського виробництва. Проведений аналіз законодавчих актів стосовно втрат сільськогосподарського та лісогосподарського виробництва свідчить про те, що за досить довгий час, так і не було запропоновано дієві механізми та методику їх відшкодування, внаслідок чого із Земельного кодексу України у 2022 році вилучене поняття «втрати сільськогосподарського виробництва».

Автором запропоновано повернути до законодавства поняття «втрати сільськогосподарського виробництва» та затвердити новий порядок відшкодування втрат, враховуючи сучасні реалії України.

Ключові слова: втрати сільськогосподарського виробництва, втрати лісогосподарського виробництва, законодавство, сільськогосподарські землі, відшкодування.