

Development of Innovation and Investment Activity in Agriculture of Ukraine

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Abstract – Consideration is given to increasing efficiency and stimulating investment activity in the field of agricultural production. Innovative processes require assistance in the form of financial and credit support, targeted government preferences, as well as the creation of specialized infrastructure

Key words – innovation processes, agriculture, development, stimulation.

Introduction

In a market economy, most agricultural enterprises require investments in order to upgrade their fixed assets and expand their volumes, introduce innovative technologies, purchase new varieties of plants and animal breeds, as well as other capital-intensive innovation and investment projects. Therefore, the question arises about the search for new forms and methods of activating the organizational and economic mechanism for the innovation and investment activities development.

Presenting main material

Agricultural production today has an extensive character and this state of development is caused by a number of factors and, above all, the apathy of the state to the agriculture development state. As a result one can notice the shortage of financial and logistical resources in agricultural enterprises, the outdated labor force of fixed assets. Thus there is the need to increase the cost for their repair.

In modern conditions the activation of investment activity is decisive due to the global food crisis that has led to a sharp rise in the prices for foodstuffs. It has led to the need for domestic and foreign investment attraction.

Thus, investment is the most important part of the extended reproduction financing that can provide economic growth in the long run. It determines the pace of agricultural production development. Investment application can cause structural changes, technological re-equipment and modernization, the introduction of modern high-performance and resource-saving technologies, the market power and priority of the industry.

Investment resources, in actual volumes, do not provide extended reproduction, and most of domestic enterprises has their own funds as their main source of investment. All these facts have caused the situation when most agricultural enterprises are unprofitable. They use the outdated equipment and most of the working capital is used not for upgrading of the equipment, but for the current and major repairs.

The main formation and development features of the innovation process in the agriculture are the following:

- 1) significant differences in the regions of the country in terms of natural and climate conditions and production specialization;
- 2) variety of agricultural products, processing products, the significant difference in the process technology, keeping and feeding animals;
- 3) a large difference in the periods of production of certain types of agricultural products and products of its processing;
- 4) the presence of a large variety of production types under different organizational and legal forms and forms of ownership, size, specialization, subordination, cooperation, etc.;

5) the high dependence of agricultural production technologies on natural and climatic conditions, road and transport networks, distance from supply centers and product markets and other factors;

6) isolation of agricultural producers, their remoteness from information and consulting services and organizations that produce scientific and technical products;

7) different social and educational levels of agricultural employees;

8) the absence of a clear and scientifically determined organizational and economic mechanism for transferring the science achievements to agricultural commodity producers and, consequently, the condition of a significant lagging behind the development of innovations in production [1].

Ukraine, which has the best natural and favorable climatic conditions in the world for agricultural production, but due to technological backwardness and irrational organization of production today can not provide its population with high-quality and affordable food products.

On the domestic market, domestic products are being driven out by imports due to its higher quality and higher competitiveness, achieved through the use of more advanced technologies than in Ukraine. The development of innovation in agriculture in Ukraine is an important direction in increasing the competitive advantages, as the agricultural sector of economically developed countries gradually transforms into a science-intensive industry.

The main directions of development of innovation and investment activities in the agricultural sector are:

– improvement of the mechanism of management of innovative activity in the agricultural sector;

– intensification of innovative activity in the agricultural sector by providing various benefits, grants, using foreign experience;

– technical and technological reequipment in agricultural enterprises.

Conclusion

The financing of innovation programs in the field of agriculture should include: studying the feasibility of an innovation program (at cost and planned profit taking into account possible risks); development plan implementation; organization of financing, including: evaluation of possible forms of financing and selection of the one that meets the requirements of the innovator; identification of the investor organizations and the structure of the sources of funding; control over the implementation of the plan and terms of financing [2].

Innovative activities in the field of agriculture should be aimed at creating and attracting from the external environment such innovations that would promote competitiveness, strengthen market positions, and provide a development perspective.

References

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