HARMONIZE LAND MANAGEMENT WITH THE EUROPEAN STANDARDS

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The study of forecasts for the economic, social, environmental and integrated efficiency of land management (here in after LM) of agricultural sector allow a formalized transition to the advanced world models of land-use. The state should operate with available tools, taking into consideration not only the economic laws, but also the trends and patterns that have been established at the level of world agricultural relations, including land relations. Evolution of processes with limited predictability requires a particular purpose and context that implies the harmonization of LM efficiency in domestic agricultural sector with globalization prospects. This context makes the logic of this study.

As for the major world trends in the development of the agricultural sector, they are reduced to a significant increase in demand for agricultural products and foodstuffs with increasing volatility in their prices (table 1).

These facts, on the one hand, lead to an increase in revenues of the national agents of land interests, and on the other hand (according to the effect of exports) to the growth of domestic prices for agricultural products and foodstuffs to the world level. At the same time, the limited range of exports is a negative factor for Ukraine whose agribusiness entities perceive volatility of world prices at the level of financial losses.

The way out of this situation could be to increase the range of agricultural and food products, expanding sales lines as well as circles of partner countries. The rate of production of agricultural raw materials outpace the growth of their processing and storage, therefore national agents of land interests receive less added value,
as global competition is more significant at the market of finished products and warehouse logistics.

Against the background of the global problem of food production, in addition to increasing demand for production, the load on the land also increases because of the transition to biofuels. Among the most significant global trends, formation of a free trade zone between the US and the European Union (TTIP) should be highlighted; which will also influence significantly the agricultural market situation, and accordingly, through a number of globalization impacts on LM, the relationship between a number of agents of land interests will transform from competing into complementary model.

The trends mentioned above will be for Ukraine generally positive consequences, provided that the national preventive and administrative adaptors develop, including the system of agricultural insurance, and there are restrictions on acquisition of agricultural land by foreigners, harmonization of national standardization and certification system with the world [1].

It should be noted that these trends also reflect both regional (EU) and national trends, which, incidentally, almost coincide (due to the effects of global deformation): the increased proportion of gross agricultural output in GDP; increased area of a farm; increased percentage of employees; strengthened vertical integration; increased capital intensity of production as well.

Besides the general trend, certain patterns of land use in the agricultural sector of Ukraine have recently been formed (table 2), which are generally also coincide with the global situation.

Table 2 – Patterns of land use in the agricultural sector of Ukraine [4]

<table>
<thead>
<tr>
<th>Condition</th>
<th>Use of land</th>
</tr>
</thead>
<tbody>
<tr>
<td>Opportunities of land tenant</td>
<td>More intense</td>
</tr>
<tr>
<td>Low provision for land</td>
<td></td>
</tr>
<tr>
<td>Low quality, no demand</td>
<td>On their own, beyond lease</td>
</tr>
<tr>
<td>Proximity to the city</td>
<td>Incomplete (part of territory)</td>
</tr>
<tr>
<td>Increased international trade</td>
<td>Increased land output</td>
</tr>
<tr>
<td>Larger share (land bank)</td>
<td>Increased rent</td>
</tr>
<tr>
<td>Higher competition for the lease</td>
<td>More responsibilities of land tenant</td>
</tr>
<tr>
<td>Lower provision for land</td>
<td>Higher land price</td>
</tr>
<tr>
<td>Large tracts of land</td>
<td>Mainly for plant-growing</td>
</tr>
<tr>
<td>Land-poor territories</td>
<td>Mainly for breeding</td>
</tr>
</tbody>
</table>

These patterns suggest many unresolved issues in land use, such as: targeted use of suburban land; micro-credit for land-poor areas; cooperation, including cooperation within the framework of international cooperation; improving business culture among farmers; stimulating economic diversification and so on.

In the global context, the problems should be resolved by the international community as well, as Ukraine will soon affect world prices to some extent, as predicted by the forecast estimates on the agricultural sector in Ukraine (according to the US Department of Agriculture (USDA), Food and Agriculture Organization (FAO) and the Organization of economic cooperation and development (OECD), in view of the tense situation with the prices for agricultural products and food on world markets. Thus, the strategy of development of agriculture and rural area in Ukraine in 2015–2020, developed by the European Union, the European bank for reconstruction and development, USAID (United States Agency for international development), the World bank and FAO (global agents), has for a key position an increase for grain production to 100 million tons per year. During the implementation of this strategy it is necessary to consider the proposed methodological principles of forming economic, social and environmental effectiveness of LM, since the total yield can be achieved either through extensive way or intense way provided for a significant increase in anthropogenic pressure on land, or changes in the structure of sown areas with increased crop and deteriorating balance of humus in the soil.

According to the strategy before 2020, it is planned to develop environmental standards and indicators of environmental problems of the agricultural sector. For the development of organic production it is suggested to develop and implement environmental legislation, harmonized with the EU legislation and create the relevant department in the Ministry of Agrarian Policy and Food of Ukraine on the development and marketing of organic production. In the agricultural management of regional administrations it is suggested to appoint at least one employee responsible for this direction. It is planned to give priority access for organic producers to tenders and to credit organic projects with interest of 4.6% in euros and 12.8% in UAH [6]. At the same time the state is trying to optimize the structure of the agricultural use of the land resources in the framework of harmonizing land-use standards with the EU; and this concerns all regions of Ukraine.

According to the forecast, there is a trend towards a significant reduction of agricultural land in all categories from 41 720,6 thousand ha to 35 490,0 thousand ha.

In particular, in future it is planned to restore agro-landscape balance of Ukraine before 2030. In the national distribution of agricultural land among users up to 2030 it is planned that all categories of farms have 86,7%, share in the amount and other land users – 13,3%, agricultural enterprises – 39 %, collective farms – 10,5 % individual farms – 36,6 %.

These projections are impossible without improving LM system not only in quantitative but also in qualitative way, moreover, they have to fit into the current forecasts for the agribusiness of the world, including the
European Union, taking into consideration the consequences for Ukraine. According to current global forecasts up to 2020 global market volume of organic products will increase significantly and could be $ 200–250 billion, which will stimulate the development of organic farming in Ukraine.

By 2023 Ukraine will provide about 6,3 % of world trade in wheat grain, feed grain – 12,1, vegetable oils – 6,0, poultry – 1,4, butter – 0,5, cheeses – 35 %. By 2050 the need for grains will increase by 100 %, which will significantly give the opportunity to affect world prices. If the port capacity of simultaneous storage of grain is doubled in Ukraine, logistics component of production will get cheaper; its role in international trade will be strengthened. Construction of irrigation networks and reconstruction of canals on the area of 520 thousand Ha will improve the economic, environmental and social components of LM efficiency. If by 2021 grain exports from Ukraine (mainly wheat and maize) increase by 60 % due to China, which, in turn, intends to significantly increase production and imports of pork, it will increase the revenues of all national agents of land interests. Biofuel production, which is projected by 2022 to grow by almost 70 % (where will be used 28 % of global sugar cane, 15 % of vegetable oil and 12 % of coarse grains) will also trigger an increase in revenues of all national agents of land interests. Worsening global problem of food security of entire regions of the world will cause the growth of prices for Ukrainian fertile land. Due to the introduction of new technologies in the agricultural sector, the profitability of agribusiness will increase to 75 %.

These forecasts have a positive impact on the agricultural sector of Ukraine, again provided for the work of preventive and administrative adapters, configured primarily on the environmental component of the agricultural production.

We offer some calculations concerning the change of the crop structure in the domestic agricultural sector in the context of the implementation of the statements of presented forecast. For example, the impact of replacing 1 million ha of sowing winter wheat for maize calculated in 2014 shows that maize being more demanded on market is capable in the current conditions to bring 610 UAH / ha more profit; that will give additional $ 610 million from 1 million hectares.

In addition, for term of globalization in Ukraine related to land use, according to the authors, is marked by the influence of LM efficiency drivers, such as: the development of logistics infrastructure; security of private land ownership and other rights to it and added value from its use; the availability of cheap funds for business; the level of monopoly; ease of doing agribusiness; the level of corruption; the system of state quality standards; the development of public–private partnerships; decentralization of power; the system of state protectionism. These drivers, depending on the specific situation, may change places with each other, in other words they are mobile. The list of drivers is also temporary, e. g. the possibility exists of the appearance of new drivers or elimination of their effect due to the loss of sensitivity of land users on their change.

Regarding preventive and administrative adapters, today one of the largest of these is the moratorium on sale of agricultural land. The country's scope represents the general economic conditions, registered in the Commercial and Land Codes, as well as taxation, provisions of the Law of Ukraine «About Foreign Economic Activity» non-restriction of land banks, forming vertically integrated structures. Globalization prospects of national land users under the action of these drivers, preventive and administrative adapter with peculiarities enabled by the country’s scope, are forming position of land users in the international system of division of labor, which ultimately determines the level of LM perspective.

The perspective level of land use should be considered in the process of harmonization of national LM of the agricultural sector of globalization prospects for sustainable development and food security. According to the authors, this process can be represented as a scheme of harmonization of economic interests of actors of land relations through financial and organizational capacities of these actors. The logic of the scheme is explained by the fact that the basis of actions of LM are economic interests of mini-agents, micro-agents, joint agents, the state, regional and global agents, which are oriented on a certain amount (share amount) of owning, using and handling objects of management (land, land rights or the added value from land-use), taking into account possible level of globalization impacts (social, economic, political, organizational, financial, information). Thus, a dynamic level of efficiency of LM is formed, as well as its tendency, to be perceived by agents of land interests as input for the new cycle of activity (operational, tactical or strategic planning).

As a result, we should note that the basic global trends and their impact on LM of the agricultural sector of Ukraine are reduced mainly to increased anthropogenic load on them. The author scheme of «domino effect» from the implementation of investment processes in agriculture, towards harmonization of LM with the European standards. We suggest creation of a network structure of organic products under the trademark «UkrWay» for analytical and advisory platform of Ukrainian club of agrarian business. We develop the scheme of harmonizing economic interests of land relations actors through of their capabilities. We design the scheme of forming perspective level of LM through globalization perspectives and internal drivers.
In modern conditions, the increase in the efficiency of land resources can be achieved mainly through the development of innovative approaches that receive final expression in new types of competitive services, products, technologies. The search for and use of innovations with the necessary diversification of strategic management of land resources is an urgent problem.

The need for innovative development of production poses new requirements for the content, organization, forms and methods of management activity. It dictates the emergence of a special type of management aimed at managing the processes of updating all elements of production systems.

The theory and practice of innovative management in a short time took a strong place in management activities. Land resources are one of the largest and most complex elements of the economy, which in modern conditions of scientific and technological progress, the spread of resource-saving technologies designed to increase the affordability and comfort of housing, requires new, more flexible forms of management that are receptive to innovation. The complexity of managing the land sector is related not only to a number of specific features of the land as a blessing, but also to the fact that the interests of the population, authorities and business have a direct impact on its development. Therefore, a clear understanding of the object of management and the interrelationships between the elements of management becomes important here.