








Actual Problems of State Support of Entrepreneurship in the Agro-Industrial Complex of the Far East

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Abstract. The article deals with certain issues of state support for entrepreneurship in the agro-industrial complex, provides an overview of the directions and tools of state regulation of the agro-industrial complex of the Russian Federation and the Far East, and indicates the problems that exist in this area. On the basis of statistical data and scientific research, a conclusion is formulated about the inefficiency of state regulation of the agro-industrial complex. In conclusion, the authors propose some measures to improve state support for entrepreneurship in the agro-industrial complex of the Far East.

Keywords: Government support · State regulation · Agro-industrial complex · The Far Eastern Federal District · State programs · The tools of state regulation

1 Introduction

To support entrepreneurship in the agro-industrial complex in 2021, a number of state programs are working, many of them have been in operation for several years, and this is certainly a positive moment. However, the presence of state support does not yet indicate an effective economic policy in the field of agriculture. The question arises: “how effective is the state support of entrepreneurship in the agro-industrial complex, and whether it meets the modern conditions of management”. An effective state policy in the field of agriculture should contribute to a significant increase in gross output, improve the financial condition of enterprises, develop social conditions in rural areas, ensure food security, economic accessibility of food products, etc.

The problems of state regulation of the agro-industrial complex are presented in the studies of domestic and foreign theorists and practitioners. Problematic aspects in the field of state regulation in the context of food import substitution, integration and clusterization of the agro-industrial complex are revealed in the works of P. V. Burkovsky, N. V. Vlasova, R. A. Godlevsky [1], A. P. Latkin [2, 3], O. V. Shimuk [4], E. Alimkulov, D. Aitmukhanbetov [5], E. Lovchikov [6], Yu. Schmidt [7] and others.

The authors [1] reveal the problematic aspects in the field of state regulation on the basis of the program-target management method. To improve the process of regulating

the development of the agro-industrial complex in the region and to increase the effectiveness of the implementation of the program-target management method, the authors propose tools to stimulate the processes of inter-farm cooperation on the basis of tax incentives and accelerated depreciation methods. The methodological scheme of the municipal agricultural cluster of the full production cycle is proposed.

Aksyutina S. V., Mironenko N. V. [8] consider some issues of state regulation of the Russian agricultural sector. They analyze the financial support of the industry and conclude that it is insufficient and significantly lags behind the leading foreign countries.

The experience of state support for the income of agricultural producers in the EU, USA and China is presented in the works of Kelemetov E. M., Yakubovich Ya. N. [9], H. Genkins [10], S. Gorlov, G. Panaedova, A. Borodin [11], M. Holodova [12], M. Hejazi, M. Marchant [13] and others [14].

At the same time, the theoretical and practical problems of state regulation of the agri-food complex in the context of the pandemic and taking into account the regional conditions of the Far East seem to be insufficiently developed and studied due to the lack of adequate theoretical, methodological and methodological tools for their formation and development.

2 Materials and Methods

The purpose of the study is to develop theoretical and methodological provisions and practical recommendations for the formation and development of state support for entrepreneurship in the agro-industrial complex of the Far East.

The object of the study is the system of state support for entrepreneurship in the agro-industrial complex.

The subject of the study is theoretical, methodological and practical problems related to the development of the system of state support for entrepreneurship in the agro-industrial complex of the Far East.

The theoretical and methodological basis of the study was the works of domestic and foreign scientists devoted to the problems of state support for the development of the agro-industrial complex.

The research is based on the analysis of statistical, legislative, regulatory and other materials from open sources.

In the course of the study, various methods were used: abstract-logical, dialectical, analytical, economic-statistical, monographic.

3 Results

In 2006, the implementation of the (priority) national project “Development of the agro-industrial complex” began. Since then, the development of the industry has been given great importance at the state level. This project became the launch pad of the State Program for the Development of Agriculture and Regulation of Markets for Agricultural Products, Raw Materials and Food for 2008–2012. In accordance with the State Program, regional programs have been adopted in the Far Eastern regions of the Russian Federation. In the future, this program was extended.

In 2021, a number of programs aimed at state support of entrepreneurship in the agro-industrial complex are being implemented – The State Program for the Development of Agriculture and Regulation of Markets for Agricultural Products, Raw Materials and Food”, the State Program “Integrated Development of Rural Areas”, the State Program for the Effective Involvement in the Turnover of Agricultural Land and the Development of the Reclamation Complex of the Russian Federation, the State Program for the Development of Agriculture, the Development of the Fisheries Complex, the Federal Scientific and Technical Program for the Development of Agriculture and others. The state provides entrepreneurs various types of assistance:

Financial-support programs imply the allocation of “compensating” and “stimulating” subsidies, compensation for part of the costs.

Property-entrepreneurs get the opportunity to use state property free of charge or on preferential terms (rent of premises, land plots).

Informational – by creating federal and regional information systems, official websites to provide business entities with up-to-date information.

Consulting – support for small businesses involves providing assistance in the form of professional advice.

Educational – development of training programs for specialists, professional development of employees.

State regulation of the agro-industrial complex within the framework of the implemented programs is carried out in various areas, including:

- development of agro-industrial sectors;
- promotion of investment activity in the agro-industrial complex;
- technical and technological modernization, innovative development;
- development of agricultural land reclamation;
- integrated development of rural areas;
- creation of a system of support for farmers and development of rural cooperation;
- protection of the interests of domestic producers in the implementation of foreign economic activities.

In addition, the tools of state regulation of the agro-industrial complex are also diverse:

- prices (target, guaranteed, collateral);
- special tax regime for agricultural producers;
- loans (concessional, commodity, interest support on loans from commercial banks);
- budget (compensating and stimulating subsidies, compensations, subsidies, leasing);
- investments in the production of agricultural products, raw materials and food;
- insurance;
- customs duties for the export and import of agricultural products, raw materials and products, raw materials and food;
- grants.

State support is provided in the form of subsidies from the federal and regional budgets. Within the framework of the implemented programs, 157636.35 million rubles

were allocated for the development of the agro-industrial complex in 2020, of which 5.2% was allocated for the development of the agro – industrial complex in the Far Eastern Federal District-8247.19 million rubles. Currently, the absolute leader in the level of financing of agriculture in the Far Eastern Federal District is the Republic of Sakha (Yakutia). In 2020, the federal budget allocated more than 2 million rubles for the development of the agro-industrial complex (Table 1).

Table 1. Subsidies and other inter-budget transfers to budgets for the development of the agro-industrial complex in 2020, million rubles.

The name of the subject	Total	Federal budget	Budget subject of the Russian Federation
Russian Federation	157636.35	132094.01	25542.34
Far Eastern Federal region	8247.19	7421.22	825.97
Republic of Buryatia	739.01	696.59	42,43
Yakutia	2 315.19	2 145.65	169.53
Trans-Baikal Territory	860.19	813.24	46.95
Kamchatska Territory	157.99	146.51	11.48
Primorskye Territory	1 681.74	1 443.26	238.48
Khabarovsk Territory	510.76	433.64	77.12
Amur Region	1 535.88	1 405.85	130.03
Magadan Region	82.16	75.28	6.88
Sakhalin Region	162.85	72.29	90.56
Jewish Autonomous Region	127.43	120.46	6.97
Chukotka Autonomous Area	73.99	68.45	5.55

On December 12, 2013, Russian President Vladimir Putin identified the development of the Far East as a national priority for the entire XXI century. Since 2014, the state program of the Russian Federation “Socio-economic Development of the Far Eastern Federal District” has been implemented. The goal of the new state policy is to create globally competitive conditions for investing and doing business in the Far East, thanks to which private investments necessary for its advanced development will come to the region, followed by new jobs and a new quality of the social sphere, forming attractive conditions for people’s lives. To achieve this goal, we have developed and launched such innovative mechanisms as advanced development territories, the free port of Vladivostok, targeted infrastructure support for investors, the Far Eastern Hectare program, and others. For the Far East, a unified system of special development institutions has been formed, designed to help private investors work more easily and efficiently in the difficult conditions of the macroregion.

As a result of the implementation of this program, the territories of advanced development were created (TAD) – these are separate production sites in which the state at its own expense creates the necessary infrastructure for investors, provides them

with tax benefits and the necessary public services in a simplified manner. As of May 2021, 22 priority development territories have been created in the Far East in 8 regions of the Far East (with the exception of the Magadan Region). Some of them have an agro-industrial orientation: TAD “Yuzhnaya” (agriculture, food production), Sakhalin region; TAD “Belogorsk” (agro-industrial orientation), Amur region; TAD “Nadezhdinsky” (light and food industry, transport and logistics orientation), Primorskye Territory; TAD “Mikhailovsky” (animal husbandry, crop production, food production), Primorskye Territory; TAD “Kuriles” (fishing industry), Sakhalin region.

State regulation of the agro-industrial complex is applied in almost all countries of the world, especially in the United States, Western Europe, Canada, Japan, and China. In no other sector of the economy of these countries is there such a significant, deep and multilateral regulation as in agriculture. The size of state subsidies reaches 70–80% of the cost of agricultural products (Norway, Japan, Switzerland), 49% (EU), 45% (Canada), 30 – 35% (USA) [11, 12, 14]. The agricultural policy of the United States, China, and Western European countries is based on strong state regulation and financing of agriculture. State support for domestic agriculture is much lower than in the EU, USA, and China. Financial support is especially necessary for the regions of risky agriculture, which include the Far Eastern Federal District [15, 16].

4 Discussion

To assess the effectiveness of state support for the agro-industrial complex of the Far East, consider a number of indicators (Table 2).

Table 2. Agricultural products (in farms of all categories; in actual prices; millions of rubles).

The name of the subject	2015	2016	2017	2018	2019	2019/2015%	Position held in the Russian Federation at the time of 2019
Russian Federation	4794615	5112356	5109475	5348803	5801410	21.0	
Far Eastern Federal region	180454	187831	199642	198823	192651	6.8	8
Republic of Buryatia	16034	15599	15013	16214	16493	2.9	65
Yakutia	20723	21930	24972	25781	26121	26.0	60
Trans-Baikal Territory	19519	21464	22512	22904	22510	15.3	62

(continued)

Table 2. (continued)

The name of the subject	2015	2016	2017	2018	2019	2019/2015%	Position held in the Russian Federation at the time of 2019
Kamchatska Territory	6721	7378	7916	8249	10129	50.7	73
Primorskye Territory	37482	39390	42393	39963	38140	1.8	49
Khabarovsk Territory	17439	16347	16702	17099	14586	-16.4	66
Amur Region	43567	47012	50420	47637	44736	2.7	41
Magadan Region	1981	2259	2521	2723	2787	40.7	81
Sakhalin Region	10840	10388	10526	11147	12157	12.1	68
Jewish Autonomous Region	5751	5486	5216	5772	3344	-41.9	78
Chukotka Autonomous Area	397	578	1453	1334	1649	315.4	83

The share of the Far Eastern Federal District in the gross agricultural output of Russia over the past 5 years has not changed much and varies from 3.3 to 3.9% over the years. There is a slow growth in the value of gross output. In the Khabarovsk Territory and the Jewish Autonomous Region, there was a decrease in the value of gross agricultural output.

Products of animal husbandry in most subjects of DFOs have become cost-effective, crop production remains unprofitable. It should be noted that the agricultural producers of the Far East, while at a significant distance from the centers of the production of equipment and fertilizers, the means of protection are in an unequal position with Western colleagues. In terms of objective reasons, the cost of production is higher, the realization costs for the delivery of products to the central part of the country are extremely high, while the establishment of a preferential transverse tariff does not solve the problem. The introduction of customs duties for soybeans for the Far East can have critical consequences, both economically and social and even geopolitical. In addition, the established tariff limits affected the execution of previously concluded export contracts. Failure to fulfill contractual obligations leads to additional expenditures of exporters, a decrease in business profitability. This decision negatively affects well-established trade relations

with foreign companies, reduces the level of confidence in doing business with Russian suppliers, the investment attractiveness of crop production (Table 3).

Table 3. The main financial indicators of organizations operating in crop production and animal husbandry.

The name of the subject	Salded financial result (profit minus loss) organizations. million rubles							
	Crop production				Animal husbandry			
	2015	2017	2018	2019	2015	2017	2018	2019
Russian Federation	136159	68532	101749	104258	123055	102224	102932	13012
Far Eastern Federal region	1929	1130	521	-42	810	-128	-187	1791
Republic of Buryatia	17	18	15	40	357	236	402	499
Yakutia	-14	-14	-10	-32	58	-3	-217	61
Trans-Baikal Territory	38	82	-18	-123	-13	16	6	-4
Kamchatska Territory	7	-	-	-	273	110	86	60
Primorskye Territory	-985	-575	-806	-1544	-856	-647	-343	611
Khabarovsk Territory	7	-20	-90	-40	79	-249	-404	82
Amur Region	2336	750	1022	1327	821	-2	268	655
Magadan Region	-	-	-	-	-1	-0,4	-1	-0,2
Sakhalin Region	437	875	371	217	-41	170	-110	-309
Jewish Autonomous Region	86	14	39	115	-1	-22	-17	-
Chukotka Autonomous Area	-0.2	-0,5	-2	-2	134	263	143	136

There are low rates of involvement of unused agricultural land in turnover. At the same time, in a number of subjects, DFO declined sown areas: Republic of Buryatia, Trans-Baikal Territory, Kamchatka Territory.

In the Far East of Russia, there is a constant outflow of the population compared to other subjects of the Russian Federation. The share of rural population falls every year. Rural territories are still lagging behind social furnishings, domestic comfort, infrastructure development, there are no necessary conditions for the development of entrepreneurship. Rural territories are described, as a rule, the low level of availability

and quality of educational, medical, housing and communal and socio-cultural services. This tendency leads to an acute deficit of qualified personnel [6] (Table 4).

Table 4. Sowing areas of agricultural crops (in farms of all categories; a thousand hectares).

The name of the subject	2015	2016	2017	2018	2019	2019/ 2015, %
Russian Federation	78634.8	79311.9	80048.7	79633.7	79880.2	101.6
Far Eastern Federal region	2216.2	2262.6	2385.3	2444.8	2299.3	103.7
Republic of Buryatia	150.5	142.0	141.8	130.9	118.3	78.6
Yakutia	45.1	44.4	46.8	47.2	47.1	104.4
Trans-Baikal Territory	208.6	200.3	202.8	206.3	198.4	95.1
Kamchatska Territory	20.0	19.7	20.7	20.2	19.5	97.5
Primorskye Territory	402.6	422.6	462.3	478.7	484.7	120.4
Khabarovsk Territory	69.6	68.6	75.5	80.7	72.0	103.4
Amur Region	1165.4	1213.8	1252.7	1282.0	1180.2	101.3
Magadan Region	5.9	6.6	7.0	6.8	6.9	116.9
Sakhalin Region	24.2	26.0	28.3	28.8	29.0	119.8
Jewish Autonomous Region	124.3	118.6	147.3	163.2	143.1	115.1
Chukotka Autonomous Area	0.0	0.0	0.0	0.0	0.0	0.0

In addition, the essential obstacle to the development of business and attracting investments in the Far East are high rates for energy resources and services of infrastructure companies. In the Far East, the highest prices for petroleum products that are used both in the energy sector and transport are almost everywhere in the macroregion. Thus, in April 2021, the cost of automotive gasoline in the Far East exceeded the average Russian value by 6%, and diesel fuel – by 13.5%. At the same time, in the northern regions of the district, 15–35% reaches excess. As a result, the overestimated cost of petroleum products affects the cost of products of all other sectors of the economy.

Tariffs for rail transportation of goods are also inhibited. So, in the cost of production, the cost of railway transport can reach 50%. In general, the share of transport costs in the GRP of the Far East is 2 times higher than the similar average Russian indicator.

In the implementation of state programs, a number of problems are maintained: a decrease in investment in agriculture, reducing the financial support of state support for agricultural development, low yield and high degree of importance of commodity producers of the agro-industrial complex, significant dependence on imports of seed, planting and tribal material, lack of meliorated land, Low rates of unused agricultural land in turnover, insufficient provision of agricultural enterprises agricultural machinery and equipment, high level of depreciation of fixed assets, insufficient level of infrastructure of the agrobribe market, minor agricultural insurance, carried out with state support, insufficient use of innovative technologies in agricultural production, unstable

Development of rural areas, demographic problem of rural settlements, lack Personnel [6, 7].

5 Conclusion

It is obvious that it is necessary to increase the efficiency, effectiveness and basic state programs for the development of the agro-industrial complex. It is necessary to significantly increase direct state support for the agro-industrial complex. So far, this support is small. To do this, at the legislative level, fix the minimum spending limit in the federal budget to support the agro-industrial complex.

The main share of state support is received by large agricultural producers, which leads to the monopolization of the market, reducing the efficiency of the functioning of small businesses. To improve the mechanism for providing state support, it is necessary to make it easier and more transparent, to integrate it with public services, so that subsidies, grants, soft loans, preferential leasing – all these support measures can be issued in electronic form. It is necessary to work out measures to reduce the cost of electricity for farmers and agricultural cooperatives.

To increase food security in the Far Eastern Federal District and increase the availability of food, it is necessary to initiate and support integration processes in the agro-industrial complex, which will reduce prices by eliminating numerous intermediaries.

For the Far East, for which soybean production is a traditional direction for the agricultural economy, the production of which employs a significant part of the rural population, the adoption of tariff regulation measures in terms of establishing and increasing export duties on soybeans is a threat to the economy of the region as a whole, and will have serious economic and political risks associated with the severance of trade relations with the main trading partner-the PRC.

Such restrictions can be established only if the possibility of its own processing is ensured (it will take 2–3 years to implement the relevant investment projects), and a fair price for soybeans is established throughout the Russian Federation (taking into account transport costs).

Currently, we propose to introduce a quota for duty-free soybean exports at the rate of one ton per hectare of acreage, i.e., at the end of the reporting year, a quota is provided to the exporter who purchases soybeans from producers with confirmed volumes linked to land plots.

Thus, it is possible to interest agricultural producers to increase the area of sowing, and hence the volume of production, in addition, there will be traceability of production and sales of soybeans for export operations. This will allow us to get away from the gray schemes of selling soybeans abroad, as well as use up to 40 percent of the soybean crop to provide the domestic market of the Far East in seeds, raw materials for factories and feed.

It is necessary to continue subsidizing producers of domestic agricultural machinery. This is necessary both for the agro-industrial complex, and for the Russian industry as a whole, for the domestic machine-building industry, and for other related industries.

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