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PROSPECTS FOR MODERNIZATION OF THE AGRICULTURAL ADVISORY SYSTEM AS A TOOL FOR ENSURING DEVELOPMENT OF AGRICULTURAL COOPERATION IN UKRAINE

The article is devoted to the study of problems and development prospects of the agricultural advisory system in Ukraine. The relevance of the chosen topic is determined by the fact that today in Ukraine agricultural advisory as a consulting system has not been properly developed and remains out of the state's attention, needs modernization and increasing the efficiency in order to further ensure the development of agricultural cooperation in Ukraine.

Despite the provisions of the State Target Program for the Development of the Agricultural Sector for the Period until 2022 and the Association Agreement between Ukraine and the European Union, the number of agricultural advisory services in Ukraine remains small, majority of the agricultural advisory services are located in administrative centers, while agricultural producers are located in rural areas, the level of financial support from the state and local authorities is too small for successful development.

This article highlights proposals for modernizing the agricultural advisory system. The introduction of a hierarchical three-level system of the agricultural advisory services is proposed. The article stressed the need to review the principle of financing the advisory activities and to introduce web-platforms of the digital advisory in Ukraine, which will help to reduce the barriers to access of agricultural producers to information and consulting service of advisory services.

Keywords: advisory, agricultural advisory services, agricultural cooperation, cooperatives, agriculture.

Problem statement. At the present stage the international community, represented by the United Nations General Assembly, considers cooperatives as one of the most important factors in economic and social development and poverty eradication.

A new version of the Law of Ukraine «On agricultural cooperation» was adopted by the Verkhovna Rada of Ukraine on 21 July 2020. The new version was developed

taking into account the positive experience of developed countries and focused on ensuring the development of agricultural cooperatives.

According to government statistics as at 1 December 2021 29 274 cooperatives was registered in Ukraine (the number has been increased by 724 units compared with 2020) [1].

In total, 1003 agricultural production cooperatives (the number has been increased by 1 unit compared with 2020 rates) and 1282 agricultural service cooperatives (the number has been decreased by 1 unit compared with 2020 rates) are registered in Ukraine [1].

These statistics indicate that despite some modernization of Ukrainian legislation, the development of agricultural cooperatives continues to be restrained and operates on the model of «dynamics-decline-dynamics-decline ...».

Unfortunately, in the present circumstances the process of developing effective tools to support agricultural cooperatives, which are involved in the production of low-profit and labor-intensive products, is moving at a slow pace.

Nevertheless, the modern agricultural structure is characterized by an increase in the land concentration of the agricultural holdings that specialize in growing highly profitable and monocultures mainly grain and oil groups [2, c. 24].

In our opinion, the stagnation of the agricultural cooperation is conditioned, in particular, by the imbalance of forms and methods of the state support of the agricultural sector of economy in Ukraine, lack of financial assistance from the state, only partial implementation of programs and concepts aimed at developing of the agricultural cooperatives, low level of cooperative education of Ukrainians and an unstructured system of the agricultural advisory services, the main purpose of which should be increasing of the level of knowledge and improving practical skills of the profitable farming among the population of Ukraine.

The third part of article 32 of the Law of Ukraine «On agricultural cooperation» in the new version establishes that the state encourages the preparation of highly qualified personnel for the system of agricultural cooperation, the development of a network of cooperative education, research on agricultural cooperation [3].

But in doing so according to the information from the register of the agricultural advisory services, that is posted on the official website of the Ministry of Agrarian Policy and Food of Ukraine, as at 03 November 2021 41 agricultural advisory services were registered in Ukraine, of which only 40 have valid certificates [4]. Besides the advisory services, as at 19 January 2022 691 advisors and expert advisors were registered [5].

Given the above rates it can be noted that nowadays the agricultural advisory as a consulting system has not been properly developed in Ukraine and remains out of the state's attention, needs modernization and increasing the efficiency, that determines the relevance of the chosen research topic.

Analysis of recent research and publications. A significant contribution to the study of various aspects of the agricultural advisory activity in Ukraine and around the world was made by R. K. Korinets, O. D. Hudzinsky, M. F. Bezkrivny, M. F. Kropyvko, O. M. Borodin, L. S. Taranenko, O. V. Smigunova, L. V. Yarema and others.

At the same time, the proposed topic is not enough developed in the modern science of land and agricultural law, because the issue of the development and effective functioning of the agricultural advisory system in Ukraine is still unresolved, that also significantly hinder the development of agricultural cooperation in Ukraine.

The purpose of the article is to analyze the current state of the agricultural advisory system in Ukraine, identify the main reasons that hinder the development of the

agricultural advisory services and determination the proposals for modernization of the agricultural advisory system as a tool to ensure the development of the agricultural cooperation in Ukraine.

Presentation of the basic material. The legal basis for the activities of agricultural advisory services is determined by the Law of Ukraine «On agricultural advisory services» as amended on 9 December 2012.

The concept of the State Target Program for the Development of the Agricultural Sector for the Period until 2022 provides for the expansion of activities of the agricultural advisory services focused on working with the rural population, that will facilitate the adaptation of small and medium-scale farmers to competitive economic conditions [6].

We also note that the development of the national agricultural advisory system is a part of the European integration process. Article 404 of the Chapter 17 «Agriculture and rural development» of the Association agreement between the European Union and its Member States, of the one part, and Ukraine, of the other part, establishes that cooperation between the Parties in the field of agriculture and rural development shall cover favouring innovation through research and promoting extension services to agricultural producers [7].

Despite the provisions of the State Target program and the Association agreement, the number of agricultural advisory services in Ukraine remains small, for example, 4 advisory services were registered in Kyiv region and 2 in Kyiv; in Vinnytsia, Dnipropetrovsk, Lviv regions - 2 advisory services in each region, in Ivano-Frankivsk region - only 1.

Majority of the agricultural advisory services are located in administrative centers (in such cities as Odesa, Lviv, Kyiv, Vinnytsia, etc.), while agricultural producers are located in rural areas. That, in our opinion, is also a barrier to access to information and consulting service and effective development of agricultural cooperatives.

In Denmark, for example, advisory information and counseling centers are not located in large cities, but in suburban areas near farms. Around the buildings of the centers there are demonstration and research areas, where specialists of the centers conduct researches and inform farmers with the achievements of science, explain in practice how to use pesticides, fertilizers, agricultural implements [8].

We agree with the opinion of the President of the National Association of Agricultural Advisory Services of Ukraine Ivan Pankiv that if the state does not have advisory organizations in the countryside, people do not develop their own business, it is at a weak management and technological level [9].

Nowadays, it is much more important for farmers than previously to receive professional information and counselling support from advisers, in particular in the areas of technological innovation, digitalization, legislative changes, in order to adapt their production to the modification of external factors, as representatives of farms, agricultural cooperatives often can not independently implement the necessary innovations in their farms, figure out the changes in legislation and a wealth of information coming from various sources.

That is why we believe that there is an urgent need for the introduction of a hierarchical three-level system of the agricultural advisory services in Ukraine.

We propose the introduction of the following structure of the system of advisory services, which, in our opinion, may become one of the effective factors that further will remove the barrier to access of the agricultural producers to information and consulting services, because, in particular, equal distance of the advisory services from

settlements will be achieved, and, as a consequence, it will have a positive impact on the development of the agricultural cooperatives:

- divisions of agricultural advisory services within the united territorial communities (the number may vary depending on the number of settlements, the area of the territorial community and the number of people) (local level);
- regional agricultural advisory services (regional level);
- Department of Agricultural Advisory of the Ministry of Agrarian Policy and Food of Ukraine (national level).

We see the beginning of implementation of the proposed system in the development and approval of the Regulation on the Department of Agricultural Advisory by the Ministry of Agrarian Policy and Food of Ukraine, as well as enshrinement the section «System of agricultural advisory services» in the Law of Ukraine «On agricultural advisory activity», changes to which, by the way, have not been introduced since 2012.

The main tasks of the Department of Agricultural Advisory will be to ensure the formation and implementation of the state policy in the field of agricultural advisory and coordination of the structural elements of the agricultural advisory system.

In our opinion, the leading factor in the successful operation of the proposed system should be the coordination of cooperation of the agricultural advisory services at the all levels of the system with the National Association of Agricultural Advisory Services of Ukraine and international organizations, with involvement of grants, projects and international technical assistance programs.

We would like to draw your attention to the fact that in more than 130 countries of the world the successful and efficient work of agricultural information and consulting services has largely led to a high level of the agricultural development. That is why in foreign countries much attention is paid to the issue of the financing of the advisory services.

Unfortunately, in today's reality, not all categories of the agricultural producers in Ukraine have equal access to the advisory services. Due to the lack of adequate funding from the state, the agricultural advisory services are forced to provide paid advisory services to maintain and develop their activity. It leads to partnership between the advisory services and the most cost-effective and financially viable entities, while small and medium-sized farmers, who are less solvent, need more information and advice support.

Article 5 of the Law of Ukraine «On agricultural advisory activity» stipulates that advisory activity may be carried out at the expense of state and local budgets, as well as funds of economic entities [10].

The financing of the advisory activity can be carried out by grants, international technical assistance, international programs and projects, charitable contributions of individuals and legal entities, and other sources not prohibited by law [10].

It should be noted that «vast majority of the agricultural advisory services in our country were created with funding from the international community, grants, projects and international technical assistance programs» [11, p. 299], in particular, projects of the European Commission, governments of Germany, Great Britain, Denmark, USA, Canada, Sweden, Poland, etc.

But to date, much of the international technical assistance projects have been completed, and as a result, significant number of advisory services have ceased activity.

The level of the financial support from the state and local governments in Ukraine remains too low for successful development.

The state target programs aimed at the development of the agriculture and rural areas provide funding for advisory activity at the rate of at least 5 % of the funds provided for these programs, but in practice the funds are insufficient to the successful development of the advisory [10].

For example, in the United States, advisory services are funded from the following sources: 25% - from the United States Department of Agriculture, 40% - from the state government, and 35% - from the government district [8].

We think that there is a need to revision of the principles of financing of the advisory activity in Ukraine.

In our opinion, the financing of agricultural advisory services should be carried out on a combined basis, that involves the use of various sources with the following percentage expression of funding:

- state budget - 20%;
- local budgets - 20%;
- grants, projects and programs of international technical assistance - 30%;
- funds of business entities (cooperatives, farms) that are the final recipients of advisory services - 30%.

With the formation and further development of the system of the agricultural advisory in Ukraine, the structure of budget funds may change, but at the initial stage of the formation of such a system, budget funds should become the basis of funding.

Given the spread of digitalization in the modern society, there is a need to introduce web-based digital advisory platforms in Ukraine, which, in our opinion, will also help to reduce the barriers to access of the agricultural producers to information and consulting support of the advisory services.

We propose to start the implementation of the system of web-based platforms by creating a website of digital advisory of the Southern region of Ukraine, which is a leader in the agricultural sector.

Through technology the proposed web-based platforms will be focused on the maximally support of, firstly, access of the agricultural cooperatives, small farms to the services of the agricultural advisory services, and, secondly, of the interaction of expert advisors among themselves.

We also propose to post on the digital advisory website news, useful links and advices of expert advisers, in particular, from those sectors of the economy that are inherent in the Southern region of Ukraine, cover current legislative changes, which will be followed by the expert explanations, information on new technologies in the agriculture sectors, events, seminars, trainings, grants, projects and programs of the international technical assistance and, first of all, information on the agricultural advisory services and expert advisers, that are concentrated within the appropriate region or the united territorial community.

Users, authorized on the website, will be able to choose from the list offered on the platform an advisory service specializing in the relevant field of the agriculture, and then send a request with the description of the issue that requires a qualified solution to obtain further online consultation with an advisor.

At the same time, we consider it necessary to provide a general chat of the all members of the agricultural advisory services of the Southern region of Ukraine on this web-based platform, where current issues of the exchange of experience, knowledge and high-quality information among expert advisers will be addressed, as

well as specialized chats of the subject matter experts for discussion of more specific thematic issues.

Conclusions and proposals. Thus, based on the conducted research, it can be concluded that the issue of development and effective functioning of the agricultural advisory system in Ukraine is still unresolved. In turn, this significantly restricts the development of the agricultural cooperation in Ukraine.

Despite the provisions of the State Target Program for the Development of the Agricultural Sector for the Period until 2022 and the Association Agreement between Ukraine and the European Union, the number of agricultural advisory services in Ukraine remains small, majority of the agricultural advisory services are located in administrative centers, while agricultural producers are located in rural areas, the level of financial support from the state and local authorities is too small for successful development.

These factors constitute a barrier for agricultural producers to access information and consultation services of agricultural advisory services.

In order to eliminate the above-mentioned obstacles and ensure the development of the agricultural cooperation in Ukraine, in our opinion, the national legislation should be improved.

We propose to provide such measures as:

1) introduction of a hierarchical three-level system of the agricultural advisory services, which will consist of divisions of agricultural advisory services within the united territorial communities (local level); regional agricultural advisory services (regional level); Department of Agricultural Advisory of the Ministry of Agrarian Policy and Food of Ukraine (national level);

2) development and approval of the Regulation on the Department of Agricultural Advisory by the Ministry of Agrarian Policy and Food of Ukraine, as well as enshrine the section «System of agricultural advisory services» in the Law of Ukraine «On agricultural advisory activity»;

3) revision of the principles of financing of the advisory activity in Ukraine (transition to financing of the advisory services on a combined basis, from various sources with the following percentage expression of funding: state budget - 20%; local budgets - 20%; grants, projects and programs of international technical assistance - 30%; funds of business entities (cooperatives, farms) that are the final recipients of advisory services - 30%;

4) introduction web-platforms of the digital advisory in Ukraine.

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ПЕРСПЕКТИВИ МОДЕРНІЗАЦІЇ СИСТЕМИ СІЛЬСЬКОГОСПОДАРСЬКОГО ДОРАДНИЦТВА ЯК ІНСТРУМЕНТУ ЗАБЕЗПЕЧЕННЯ РОЗВИТКУ СІЛЬСЬКОГОСПОДАРСЬКОЇ КООПЕРАЦІЇ В УКРАЇНІ

Резюме

У статті проведено комплексне правове дослідження проблем та перспектив розбудови системи сільськогосподарського дорадництва в Україні. Актуальність обраної теми зумовлюється тим, що на сьогоднішній день в Україні сільськогосподарське дорадництво як система консультування не набуло належного розвитку та залишається поза увагою держави, потребує осучаснення та підвищення ефективності задля подальшого забезпечення розвитку сільськогосподарської кооперації в Україні. У цій статті висвітлено пропозиції щодо модернізації системи сільськогосподарського дорадництва. Запропоновано запровадження ієрархічної трирівневої системи сільськогосподарських дорадчих служб. Наголошено на необхідності перегляду принципу фінансування дорадчої діяльності та запровадження в Україні веб-платформ цифрового дорадництва, які будуть покликані сприяти нівелюванню стримуючих чинників для доступу сільськогосподарських виробників до інформаційно-консультаційних послуг дорадчих служб.

Ключові слова: дорадництво, сільськогосподарські дорадчі служби, сільськогосподарська кооперація, кооперативи, сільське господарство.