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### CURRENT DEVELOPMENT PROSPECTS OF FARM HOUSEHOLDS

The article analyzes the ways of reorganizing small agrarian enterprises taking the case study of farm households. Special attention is paid to maintaining the optimal usage of land and labour resources.

**Keywords:** agrarian entrepreneurship; farm household; information society.

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# СУЧАСНІ ПЕРСПЕКТИВИ РОЗВИТКУ СЕЛЯНСЬКИХ ДОМОГОСПОДАРСТВ

У статті проаналізовано шляхи розбудови дрібного аграрного підприємництва на прикладі селянських домогосподарств. Особливу увагу приділено забезпеченню оптимального використання земельних та трудових ресурсів.

**Ключові слова:** аграрне підприємництво; селянське домогосподарство; інформаційне суспільство.

Табл. 4. Літ. 10.

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# СОВРЕМЕННЫЕ ПЕРСПЕКТИВЫ РАЗВИТИЯ КРЕСТЬЯНСКИХ ДОМОХОЗЯЙСТВ

В статье проанализированы пути перестройки мелкого аграрного предпринимательства на примере крестьянских домохозяйств. Особенное внимание уделено обеспечению оптимального использования земельных и трудовых ресурсов.

**Ключевые слова:** аграрное предпринимательство; крестьянское домохозяйство; информационное общество.

**Problem setting.** The development of the agrarian manufacture in the modern environment is characterized by the increasing role of the small enterprises, the country farm households in particular. The specific feature of their operation is determined by the specific use of resources, motivation system to industrial and economic activity, and the presence of additional sources of material and financial flows.

These properties allow farm households survive in times of crisis, providing greater stability than big farms whose activities are aimed at maximizing profits. Small business units also can actively use new ways of management that makes them an ideal launching pad for the agricultural business in line with the principles of post-industrial economy.

The model of information society provides human knowledge as a basic component of industrial and economic activities that require a creative approach in terms of information processing and generation of new knowledge as a result of the labor process. However, the adaptation of small-scale agricultural enterprise to these requirements is complicated by practical ignoring of this segment by public institutions.

So far the farm households are regarded as something minor, developed independently and is unable to consolidate into a single community, which may be the

subject of state measures for the development of the domestic agribusiness. The lack of proper scientific support for the industrial and economic activities of farm households, in particular, the presence of typical patterns of production and marketing of agricultural products based on natural and climatic conditions, and given the available material and human resources should also be noted. In this regard, recommendations for optimizing the use of the resource potential of rural households are particularly relevant.

Latest research and publications analysis. The development of agriculture in the post-industrial economy was studied in the works of V. Mesel-Veselyak (2011), P. Sabluk (2011), O. Shpykulyak (2011) etc. The key features of farm household economic activities are reflected in the writings of O. Chayanov (1989), T. Shanina (1972) et al.

**Unresolved issues.** However, in our opinion, the practical steps of optimizing the use of the resource potential in the small-scale sector are still poorly understood. They are based on the specific features of the functioning of business units, the peculiarities of their life cycle and possible social effect for the peasantry and for the end user. In this regard, the purpose of the study is to work out the recommendations to improve the functioning of farm households, according to the standard model of post-industrial economy.

**Key research findings.** As the object of the study we selected agricultural service cooperatives (ASC) "Berry" in Melitopol district of Zaporizhzhya region. The total land area of the cooperative is about 2 hectares, and 1.48 hectares can be withdrawn to the garden stock. The remaining lands are used by the members of the cooperative for residential and commercial buildings.

Considering the situation on the food market where from 80 to 95% of fresh vegetables and fruit products are grown in the farm households (Mesel-Veselyak, 2011) we proposed the project focused on these production areas. Moreover, considering the peculiarities of the life cycle of the farm household associated with age-related changes of its members, we set ourselves the task to reduce the amount of heavy physical operations in the future, i.e. gradually move from farming to gardening expertise.

We also pay attention to the fact that the regional market of berry products is far from saturation and the demand for berries is not satisfied. Consequently, we propose the following system of the land use (Table 1).

rable 1. The recommended lands square, one number square metres						
Cultures	Years					
	1	2	3	4	5	6
Potatoes	74	74	66.6	59.2	51.8	37
Carrots	7.4	7.4	7.4	7.4	7.4	7.4
Onions	7.4	7.4	7.4	7.4	7.4	7.4
Sweet cherries	10.36	10.36	11.84	14.8	16.28	23.68
Apricots	8.88	8.88	10.36	13.32	14.8	19.24
Peaches	7.4	7.4	8.88	10.36	13.32	14.8
Apples	7.4	7.4	8.88	8.88	10.36	11.84
Pears	5.92	5.92	5.92	5.92	5.92	5.92
Plums	4.44	4.44	4.44	4.44	4.44	4.44
Hazelnuts	7.4	7.4	7.4	7.4	7.4	7.4
Currants	7.4	7.4	7.4	7.4	7.4	7.4
Blackberries, m	6000	6000	6000	6000	6000	6000

Table 1. The recommended lands square, one hundred square metres

Developed by the author.

Its peculiarity lies, at first, in a dynamic, gradual reduction of the area under vegetable crops and increasing the lands under garden crops (sweet cherry, apricot, peach). In addition, some land areas are allotted to the croppers that are consistently demanded in the regional market, although to a lesser extent (plum, pear, currant). The choice of the structure of fruit products is also caused by the need to reduce the peak load of members of farm households and save business units from possible price fluctuations for certain types of goods and reduce the negative effects of climatic phenomena that characterize the zone of risky agriculture. It should also be noted the specific features of growing blackberries, which are expected to be planted around the perimeter of the cooperative. This practice will not only save the land area, but will increase the security of the harvest from criminal elements. Taking into account the dynamics of the proposed area and the different time of entry to the bearing stage for certain crops, we predicted the following amounts of gross yield (Table 2).

Table 2. Dynamics of gross harvest of fruit and vegetable crops, kg

Cultures	Years						
	1	2	3	4	5	6	
Potatoes	12343.2	12343.2	11108.9	9874.6	8640.2	6171.6	
Carrots	1289.1	1289.1	1289.1	1289.1	1289.1	1289.1	
Onions	1190.7	1190.7	1190.7	1190.7	1190.7	1190.7	
Sweet cherries	0.0	0.0	59.2	222.0	325.6	828.8	
Apricots	0.0	0.0	103.6	266.4	592.0	1154.4	
Peaches	0.0	0.0	177.6	414.4	932.4	1332.0	
Apples	0.0	0.0	177.6	710.4	1554.0	2131.2	
Pears	0.0	0.0	236.8	473.6	710.4	1065.6	
Plums	0.0	0.0	44.4	111.0	222.0	355.2	
Hazelnuts	0.0	0.0	296.0	592.0	888.0	1184.0	
Currants	0.0	148.0	296.0	444.0	592.0	592.0	
Blackberries, m	0.0	600.0	1500.0	3000.0	4500.0	6000.0	

Developed by the author.

As it is seen from the table, increasing the production of fruit products occurs gradually, in the parallel to the reduction of gross harvest of potatoes as the main vegetable crop. Up to the 6th year, when this economic model will operate ultimately in a commodity regime, farmers can decide to continue or increase the area under fruit crops, or the preservation of existing multi-configuration that will be more resistant to the possible negative effects of climatic and purely economic nature. Speaking about the degree of effectiveness of the current economic model, it should be noted the presence of the direct contact between farmers and the end user as a mandatory condition. In this case, when the sales process takes place without intermediaries, dealers, sales price allows producers and consumers get additional results. In particular, price gains for the population at the beginning of the project will be 26 ths, and up to 6 years to reach 40 ths UAH (Table 3).

In this case the given index for berries projected at 15 ths or 38% of the total, for vegetables - 14 ths (36%), and fruits - 11 ths UAH or 28%. As we can see, the realization of this strategy will significantly increase the purchasing power of the population, and also it is able to improve the extent of compliance of the consumption of vegetables and fruits as for science-based standards. Considering the impact of proposed guidelines for a manufacturer the most part of the price gain was distributed to the consumer in order to stimulate maximally the demand for products. However,

analyzing the dynamics of the predicted results, we can see that for 6 years this index will increase to 25 ths UAH (Table 4).

Table 3. Price gains of consumers, UAH

Years						
1	2	3	4	5	6	
24686.4	24686.4	22217.8	19749.1	17280.5	12343.2	
644.5	644.5	644.5	644.5	644.5	644.5	
595.3	595.3	595.3	595.3	595.3	595.3	
0.0	0.0	118.4	444.0	651.2	1657.6	
0.0	0.0	207.2	532.8	1184.0	2308.8	
0.0	0.0	355.2	828.8	1864.8	2664.0	
0.0	0.0	177.6	710.4	1554.0	2131.2	
0.0	0.0	236.8	473.6	710.4	1065.6	
0.0	0.0	44.4	111.0	222.0	355.2	
0.0	0.0	592.0	1184.0	1776.0	2368.0	
0.0	1200.0	3000.0	6000.0	9000.0	12000.0	
0.0	296.0	592.0	888.0	1184.0	1184.0	
25926.3	27422.3	28781.2	32161.6	36666.8	39317.5	
	644.5 595.3 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0	24686.4 24686.4   644.5 644.5   595.3 595.3   0.0 0.0   0.0 0.0   0.0 0.0   0.0 0.0   0.0 0.0   0.0 0.0   0.0 0.0   0.0 0.0   0.0 1200.0   0.0 296.0	1 2 3   24686.4 24686.4 22217.8   644.5 644.5 644.5   595.3 595.3 595.3   0.0 0.0 118.4   0.0 0.0 207.2   0.0 0.0 355.2   0.0 0.0 177.6   0.0 0.0 236.8   0.0 0.0 44.4   0.0 0.0 592.0   0.0 1200.0 3000.0   0.0 296.0 592.0	1 2 3 4   24686.4 24686.4 22217.8 19749.1   644.5 644.5 644.5 644.5   595.3 595.3 595.3 595.3   0.0 0.0 118.4 444.0   0.0 0.0 207.2 532.8   0.0 0.0 355.2 828.8   0.0 0.0 177.6 710.4   0.0 0.0 236.8 473.6   0.0 0.0 44.4 111.0   0.0 1200.0 3000.0 6000.0   0.0 296.0 592.0 888.0	1 2 3 4 5   24686.4 24686.4 22217.8 19749.1 17280.5   644.5 644.5 644.5 644.5 644.5   595.3 595.3 595.3 595.3 595.3   0.0 0.0 118.4 444.0 651.2   0.0 0.0 207.2 532.8 1184.0   0.0 0.0 355.2 828.8 1864.8   0.0 0.0 177.6 710.4 1554.0   0.0 0.0 236.8 473.6 710.4   0.0 0.0 44.4 111.0 222.0   0.0 0.0 592.0 1184.0 1776.0   0.0 1200.0 3000.0 6000.0 9000.0   0.0 296.0 592.0 888.0 1184.0	

Developed by the author.

Table 4. Price gains of a producer, UAH

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Cultures	Years						
	1	2	3	4	5	6	
Potatoes	12343.2	12343.2	11108.9	9874.6	8640.2	6171.6	
Carrots	644.5	644.5	644.5	644.5	644.5	644.5	
Onions	595.3	595.3	595.3	595.3	595.3	595.3	
Sweet cherries	0.0	0.0	59.2	222.0	325.6	828.8	
Apricots	0.0	0.0	103.6	266.4	592.0	1154.4	
Peaches	0.0	0.0	177.6	414.4	932.4	1332.0	
Apples	0.0	0.0	177.6	710.4	1554.0	2131.2	
Pears	0.0	0.0	236.8	473.6	710.4	1065.6	
Plums	0.0	0.0	44.4	111.0	222.0	355.2	
Hazelnuts	0.0	0.0	296.0	592.0	888.0	1184.0	
Currants	0.0	600.0	1500.0	3000.0	4500.0	6000.0	
Blackberries	0.0	148.0	296.0	444.0	592.0	592.0	
Together	13583.1	14331.1	15240.0	17348.2	20196.5	22054.7	

Developed by the author.

In structural terms, the price winning of a producer coincides with that of a consumer, namely, the largest share is potatoes and blackberries (totally 50%), then — fruit trees, and shrubs and vegetables close the list. As it has been already noted, during the designing of the economic activity strategy, the set task was not only to increase the volume of revenues from the sale of agricultural products for farmers, but also stimulate the demand for it among the general population, which is achieved by prioritizing price effect in this regard. The result was some deviation in percentage of revenues from price optimization for a consumer and a producer. However, in our opinion, such a move is justified and makes the conditions for further development of this economic model.

Thus, we can acknowledge that the practical implementation of the proposed recommendations has a great positive effect not only for farmers but also for the consumers, raising their level of real income by reducing the realizable price. However, it should be noted that the effective implementation of these measures will require con-

siderable efforts from farmers to composite consolidation of small farms to align production and economic activity.

Also it is necessary to set clear direct connection with the consumer community, avoiding intermediaries. Representatives of small agribusiness should have appropriate practical skills in this aspect, it allows to unite adherents for implementation of the projects needed and establish inter-institutional relationships with consumers.

**Conclusions.** Analyzing the above, we can draw the following conclusions:

- the current state of the domestic agricultural sector is characterized by increasing social and economic importance of rural households are not only a function of the saturation of the domestic market produce, but also the future prospects of rural areas;
- in the conditions of the general economic crisis that continues to cover all sectors of the macroeconomic environment, organization of agricultural production involving self-employment of members of the business units will not only restrain some alarming trends in the agricultural sector, but will help preserve the Ukrainian village as a social and administrative entity;
- the current state of functioning of farm households requires profound measures to improve the socioeconomic impact of small-sized businesses for farmers and consumers. In order to optimize the economic activity of farm households we proposed some measures to optimize the structure of the lands using ASC "Berry" in Melitopol district of Zaporizhzhya region as an example;
- we found that the specificity of land use in the process of project realization will significantly increase the income of farmers, and will meet the demand of the population for certain agricultural products;
- practical implementation of the recommendations mentioned above requires project participants to be able to consolidate their efforts during the industrial and economic activities. It also requires constant contact with the consumers represented by the inhabitants of the region;
- we should provide the institutional relationship between the business environment (as ASC) and consumer community (based on residential communities) to achieve this goal. Working in this direction, we can make some prerequisites for innovative development of small agribusiness and villages.

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### книжковий світ



#### СУЧАСНА ЕКОНОМІЧНА ТА ЮРИДИЧНА ОСВІТА ПРЕСТИЖНИЙ ВИЩИЙ НАВЧАЛЬНИЙ ЗАКЛАД

### НАЦІОНАЛЬНА АКАДЕМІЯ УПРАВЛІННЯ

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Менеджмент: Підручник / За заг. ред. д.е.н., проф. М.М. Єрмошенка. — К.: Національна академія управління, **2011.** — **656 с.** Ціна без доставки — 130 грн.

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Має гриф підручника від МОН України.

У даному підручнику викладено матеріал, який дає системне уявлення щодо менеджменту. Комплекс представлених навчальних матеріалів стосується відносин управління на макро- та мікрорівні економічної системи, що дозволяє сформувати сутнісне бачення щодо менеджмент-взаємозв'язків різно-

манітних видів діяльності. У цілому викладений матеріал суттєво поширює теоретичні і методичні уявлення щодо менеджменту.

Підручнник включає теоретичні засади менеджменту, історію його виникнення і розвитку, форми і методи документообороту при здійсненні управлінської діяльності, основи операційного менеджменту, розкриває нові тенденції у розвиткові стратегічного менеджменту. Містить також менеджмент-практикум щодо основних засад управління.

Призначений для студентів вищих навчальних закладів, викладачів, аспірантів, а також всіх тих, хто цікавиться питаннями управління.