

# Aspects of Infrastructure Agricultural Market Development in Ukraine

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***Abstract - The basic ways of infrastructure improvement are wholesale system development, particularly concerning wholesale markets, trading houses, commodity exchanges, and information service for agricultural producers. That will help to marketing system and sales channels optimization for all market operators.***

Key words – infrastructure, local market, wholesale market, trading house, commodity exchange, information service.

## I. Introduction

Relevance of research topic due to the importance of the influence and role of the modern market infrastructure, the efficiency of market reforms, the further growth of competitiveness of certain industries and the national economy as a whole.

The purpose of this paper is to analyze the current situation and development of proposals for the improvement of agricultural market infrastructure.

## II. The results of research

Market infrastructure - a system of structures that directly support the implementation of the metabolic processes, physical contact of market counterparties, market operators, buyers and sellers. The main forms of market infrastructure are the exchange, wholesale markets, auctions, fairs, trade houses, municipal markets, shops, self-service wholesale and retail trade.

Infrastructure is the basis of effective integration and regional specialization of the economy. Development of infrastructure determines the orientation of agricultural production to markets and climatic conditions that are better correspond to it. This allows the maximum number of high-quality products at the lowest cost [5].

The current state of the market for agricultural products and foodstuffs characterized by relatively slow formation of the infrastructure that would be able to reduce losses of agricultural products, improve its quality, promote the formation of market prices, financial and information support of the process. Existing problems are further complicated by the fact that no network of intermediaries who have contributed to the competitive marketing of products at a reasonable price. Lack of market information [3], [4].

As a result of the reform of agriculture in Ukraine there is a diversified structure of business entities. In this regard, the manufacturing sector, this essentially supplies the market with raw materials for processing and food industry, represented by different scale, scope and specialization of farms.

In the area of procurement and processing of agricultural products operates a significant number of companies, some of which have exclusively mediation, forming batch processing of multiple vendors, while others - combine harvesting, storage and processing.

Among the institutions of agricultural market infrastructure are the primary link local markets, institutions, proprietary, small-scale wholesale and retail trade, cooperation with which usually involves the minimum cost of transportation, storage, production, organization, and other marketing activities. The attractiveness of the above infrastructure elements most relevant to small in size and scope of activity of agricultural enterprises.

However, for large-scale commercial production, local infrastructure is not able to fully ensure the realization of its interests. In this regard, there is a need for the development of various forms of wholesale trade. Of these, the most attractive commodity exchange.

Commodity exchange - is a permanent wholesale market, which operates in a specific place and in accordance with the rules of trade and regulations [2]. However, the sphere of commodity exchange covers interregional, national and international markets. In this regard, at the regional level should play a major role element of low-level infrastructure - agricultural trading houses, wholesale markets.

The purpose of the agricultural trading houses is to create a market environment through the development of commodity- money relations, more profitable sales and improve the material - technical supply of agro-industrial producers. These market institutions function, usually at the district or regional level, acting essentially an intermediary between producers and the system of agricultural markets in the processes of marketing and logistics – logistics [1], [2].

The very promising and successfully implemented in many countries in the form of wholesale trade is a wholesale food market.

The system of food distribution through the wholesale markets has a number of advantages: the conditions for year-round supply of the population with fresh, high-quality food at affordable prices for agricultural producers and processing enterprises solve the problem of distribution, creating additional jobs and reduced rural exodus, the government solves the problem of wholesale legalization trade and additional revenues to the budget. While protecting domestic producers and the food market as a whole.

Noteworthy experience in the wholesale food markets in the Russian Federation. The mechanism of functioning of wholesale markets includes marketing systems, information management, powerful modern material resources and skilled personnel. In this trade is carried out as large - and small lots of goods [1], [6].

Important role in ensuring market transparency and efficiency of the actions of its subjects should play the system with information. Today, information provision of agricultural market operators, along with the media, has a number of online resources. Among them, above all, the

official web-server of the Ministry of Agricultural Policy, where an important role is played by the "Agricultural market" and his unit "Price Monitoring" where you can get information about the prices of agricultural products in Ukraine in general and in the context of regions in the dynamics of and by type of product under the relevant headings. Section of the website "The industry APC" contains information about the basic industries and areas of their activity. In the "Economy APC" contains headings to the following issues: "Economics", "Finance", "Accounting", "Accounting and Finance AIC".

Moreover, in Ukraine there are a number of publications available in print form or web-site information on the state of the agricultural market, provide marketing materials and analyzes, forecasts, in particular information website news AIC "AgriUkraine.com", Information - analytical magazine "Agroperspektiva", Ukrainian journal of agribusiness "Offer", etc. However, current information that may influence decision-making, is primarily provided on a commercial basis [5].

However, in Western Europe and North America, there are industry-specific information systems that provide timely and comprehensive information on the current state of the market, the price situation, the volume of prisoners of export - import business, market forecasts, the latest industry news and other useful both for producers and traders information.

An important information role in the functioning of the agricultural market as a whole and its individual product sub play online resources USA, focused on online <http://www.usda.gov/>. Information distributed through the site (news, legislation, statistical reports on production and prices at her forecasts for agriculture, etc.), enables farmers and market operators to make informed decisions on their future activities, based on the qualitative and reliable information. The site contains a lot of thematic and sectoral groups, useful links and integrated with web sites of individual structural units of the Ministry, in particular the Agricultural Marketing Service, Agricultural Research Service, the Service cooperative research, education and counseling, Economic Research Service, the International Agricultural Service and the National Service of Agricultural statistics [6].

Economic Research Service, U.S. Department of Agriculture, along with the overall theme of product groups on its website puts on selected industries and markets, in particular in the "Briefing room" (Consultation Room) provides industry topics.

For the purpose of information provision of export activities of operators of agricultural market

International Agricultural Service also produces a monthly magazine AgExporter (agricultural exporter), which contains useful information about the state of international markets and the main directions of development of U.S. exports of agricultural products. This publication is available in hard copy and also has its own Internet-site, where, along with the contents of journal provides other related information.

Thus, the availability of and access to such information sources provides efficiency in the market, promotes competition and approval of the civilized economic relations. This experience, in our opinion, is very useful for Ukraine, and its loans are not only contribute to the further course of economic reforms in agriculture, but will also provide the preconditions for effective management of subjects of the agricultural market.

## Conclusion

Thus, the infrastructure of the agricultural market is one of the main prerequisites for its stable operation, the development of which depends on the efficiency of individual businesses and the implementation of the strategic objectives of the state in the field of agricultural policy and food security.

The main directions of improvement of infrastructure are the development of institutions of wholesale trade, particularly wholesale markets agricultural trading houses, stock exchanges, as well as information - providing consulting producers. Improving market infrastructure will contribute to the optimization of marketing and sales channels for all production of market.

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