MAIN FEATURES OF ORGANIZATIONAL BASIS FOR THE DEVELOPMENT OF ADDED VALUE CHAINS IN THE AGRI-FOOD COMPLEX

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Abstract

In the content analyzed approaches to the disclosure of the essence of added value chains that are formed within the framework of integration interactions of entities jointly participating in the creation of a certain final product. Besides that, substantiated the principles ensuring the integration of product chains into a single economic space and the coordination of their functioning with the strategy of socio-economic development of regions. The evolution of the theory of value chain organization has led to a shift in emphasis from optimizing the operational activities of entities integrated within product chains to optimizing intersectional and intersubjective relationships, as well as to considering value chains as specific business systems of various levels.

Keywords: value-added chains, agro-industrial integration, agro-food complex, product chains, processing chains.

Introduction. The development of agro-industrial integration in modern conditions can be assessed through solving two main tasks: food chains and increase the efficiency of the intersubjective - and intersectional interactions, ensuring their sustainability. Nowadays, there are several approaches to revealing the essence of added value chains that are formed within the framework of integration interactions of subject's commodities jointly involved in the creation of a certain final product. Actually, the theory of food chains is based on the theory of production management, as well as channels of exchange and distribution between integrating between subjects and consumers, and also the links of these value chains have their own heterogeneity, discontinuity and self-organization arising from non-linear behavior. A number of researchers and experts focused on the technological aspects of the interaction of integrating subjects and suggested to use the terms "technological chains" and "production-technological chains", defining them as a sequence of production operations, stages. An approach that reveals the essence of food chains from the standpoint of creating added value has become much more widespread. At the same time, it should be noted that the ongoing discussion in the domestic economic literature about the correct interpretation of the content of this category, caused by the ambiguity of the translation of the English term "value". [1]

That is why the term "value chain", introduced into scientific society, and ambiguity of interpretation objectively determined the duality of the approach to understanding the essence of the process of creating the final product.

On the one hand, it is presented as a process of creating the value of goods, based on the costs incurred in each link of the food chain, and on the other hand, as a process of creating value that can satisfy the need specific economic entity through the consumption of a specific product.[2]

Materials and methods. Prospects for the development of agro-industrial integration in modern conditions can be assessed through the prism of solving two main tasks: improving food chains and increasing the efficiency of the system of intersubjective and intersectional interactions that ensure their sustainability. Currently, there are several approaches to disclosing the essence of product chains that are formed as part of the integration interactions of entities jointly participating in the creation of a certain final product. The theory of food chains is based on the thesis that in the process of production of each type of final product, the chains of resource suppliers and manufacturers of individual components necessary to create the final product are combined, as well as exchange and distribution channels between integrating entities and with consumers, moreover, data links chains have the properties of heterogeneity, discontinuity and self-organization arising from the non-linear behavior of the subjects that form them. A number of authors focus on the technological aspects of the interaction of integrating subjects and suggest using the terms "technological chains" and "production-technological chains", defining them as a sequence of production operations, stages, redistributions that ensure the transformation of resources into a certain final product, or the union of subjects necessary to implement a single technological cycle. [3]

An approach that reveals the essence of product chains from the standpoint of creating added value has become much more widespread. At the same time, it should be noted that the ongoing discussion in the domestic economic literature about the correct interpretation of the content of this category, caused by the ambiguity of the translation of the English term "value". The ambiguity of interpretation objectively led to the duality of the approach to understanding the essence of the process of creating the final product.

On the one hand, it is presented as a process of creating the value of a product, which is formed on the basis of the costs incurred in each link of the product chain, and on the other hand, as a process of creating value that can satisfy the needs of a particular economic entity through the consumption of a particular product. Supporters of the cost approach to considering the essence of food chains reduced the task of increasing their efficiency to reducing total costs, primarily non-production costs associated with the production of final products and bringing it to the consumer. At the same time, the entire product chain is presented as a single business process focused on the end consumer, and the objects of value chain management are both factors that determine the content and features of the process of generating a new product, and a set of intersubjective relationships between economic agents integrated into product chains. The use of this approach involves the selection among the basic properties of food chains, along with heterogeneity, discontinuity and self-organization, such a property as stability. The sustainability of the product chain in this context refers to its ability to maintain structural and functional integrity in the face of predictable fluctuations in the operating environment and generate competitive advantages that allow maintaining market positions.[4]

There are also enough supporters for the approach that considers food chains as chains for creating added (some researchers suggest using the term “added”) value. So, for example, Z.A. Vasilyeva, A.V. Moskvina, T.P. Likhachev and E.S. Kovzunova [11] propose to define the value added as the difference between the cost of the final product and the cost of goods and services purchased for its production. At the same time, as the main elements that form the added value, they distinguish: depreciation, labor costs, taxes, insurance premiums and profits. At the same time, considering the value added in the context of the interests of individual economic agents, they consider it possible to evaluate it through Net Value Added, Gross Value Added, Economic Value Added, Market Value Added.

The evolution of the theory of value chain organization has led to a shift in emphasis from optimizing the operating activities of entities integrated within product chains to optimizing inter-industry and inter-subject relationships, and to considering value chains as specific business systems that ensure the formation of a closed technological cycle associated with the production of a certain the final product, and the implementation of a complete reproduction cycle. It is within the framework of business systems that technologically, economically and organizationally interacting economic entities are integrated into individual value chains, forming a special kind of meta-enterprise.[5]

Results And Discussion. The problem of assessing investment attractiveness and competitiveness objects are more and more updated with the growth in the number of market transactions, the development forms of economic relations, as well as the need to assess the value of the company. There are many theoretical and methodological concepts and methodological approaches to assessment of investment attractiveness companies, taking into account both macro- and object micro parameters. The subject of our research was a method based on value added structure analysis. Value added means value created in the production process products of a certain company and reflecting its real contribution to the creation the cost of its final products. It is calculated as the difference between total revenue from sales and the amount of cost resource extraction or purchase cost resources from third parties. That is, simplified in other words, value added is the cost products "at the exit" minus the cost resource "at the entrance". It must be taken into account that all this added value is generated not all at once, but growing as you go application of labor in the production process products, that is, during the passage of the last through all stages of the chain of creation of the added cost.[6]

Value chain analysis is an important method for assessing competitiveness companies and their investment attractiveness, with a lot of advantages. Its results are usually convincing more potential investors than other evidence and substantiation. It is closely related to both financial and economic aspect, as well as with marketing, combining them into one. Such an analysis can conduct both for individual companies, clusters of interrelated companies, as well as for individual industries (within and outside the national boundaries). For increase accuracy of assessing investment attractiveness objects need to be clarified methodical sequence of analysis CDS, features of the conduct, including industry-specific, as well as possible difficulties in application. From the definition of added value is clear that it is created a number of operations and redistributions, that is, stages of production of a product or service, ranging from exploration and mining, design work and ending with shipment and delivery of the product, especially if at the same time there is a change in its quality.

Task boils down to:

1) estimate the value added generally;

2) evaluate the contribution of each of the stages of creation CDS, its structure;

3)evaluate growth opportunities and prospects for each division and in general for companies. [7]

The scale of food chains, determined by the boundaries of territorial and sectoral formations and the number of interacting food entities, requires the definition of certain concepts, ensuring their integration of food chains into a single economic space and coordinating the processes of their use with the strategy of socio-economic development of regions. These principles include:

- the principle of systematic development (each integrated formation and the food chains controlled by it are considered as an element of the regional economic system);
- the principle of ensuring food security (the structure of the final product of food chains and channels of its distribution should be determined based on the need to ensure the food security of the country);
- the principle of rationality (each product chain strives to achieve a rational structure that makes it possible to simplify the system of inter-sectoral and inter-subject interactions and minimize transaction costs);
- the principle of balancing interests (the stability of food chains is determined by the quality of mechanisms for balancing the interests of interacting entities, the state and the population of territories controlled by integrated formations);
- the principle of a single economic space (the configuration of food chains should take into account the unity of the economic space of the region, the interests of the regional agro-food complex and the regional food supply system);
- the principle of interaction with the state (the strategy for the development of food chains should be adequate to the development strategy of the country and regions, and integrated formations should actively participate in government programs for the development of individual sectors of the agro-food complex and territories), etc.[8]

The features of the organization of food chains are largely determined by the industry specifics of integration interactions and the availability of alternative channels for the distribution of intermediate and final products. The conditional scheme of the food chain in the agro-food complex is shown in the figure. At the same time, it should be noted that products produced at each of the processing stages, and even agricultural products in an unprocessed form, can act as final products created within the framework of one food chain (figure 1).

For example, if we consider the grain processing chain, we can see that the end consumer can consume, albeit in small volumes, directly grain, flour, cereals, bakery, pasta and confectionery products, muesli, starch, spirits, etc. In addition, deep processing of grain makes it possible to obtain such types of products as glucose, glucose-fructose syrups, native and modified starches, starch sugar substitutes (glucose, dextrose, maltose, fructose, etc.), gluten (gluten), organic (amber, citric, lactic, etc.) and amino acids (lysine, tryptophan, threonine, methionine, etc.), vitamins, bioethanol, etc., which are raw materials

for the production of a wide range of both food and non-food products. It should also be noted that a significant part of the produced grain is used for livestock feed and the formation of a seed fund. [9]

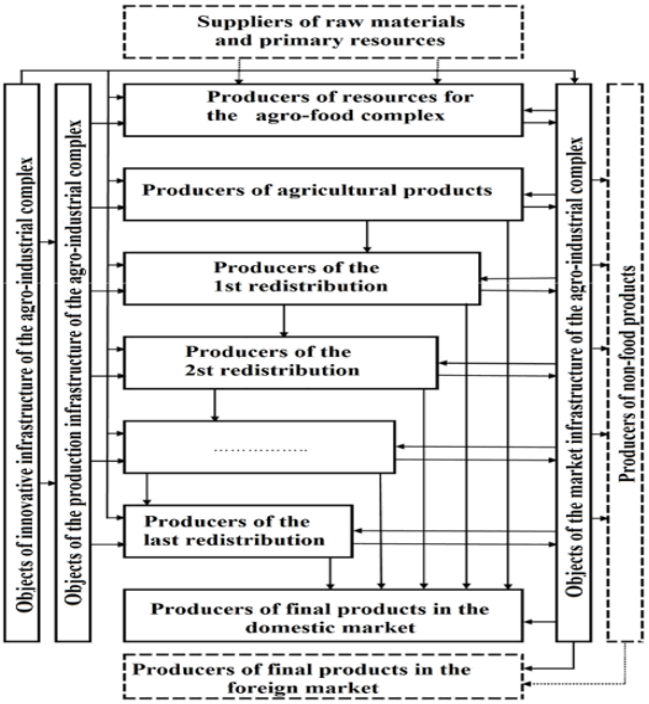

Figure 1. Conditional scheme of the food chain in the agro-food complex

In modern practice, the choice of specialization of food chains is implemented in two ways. The first way is connected with the concentration of resources of processing enterprises integrated into the value chain for the production of one type of final product (for example, flour can be the final product of the grain processing chain); the second is focused on the diversification of processing and its deepening (for example, enterprises for the production of bakery or pasta are organized on the basis of flour mills). It is the second path, focused on covering all links of the technological chain from the production of raw materials for processing to the entire range of processed products, that ensures the stability of the product chain, the possibility of promptly adjusting the range of products manufactured in accordance with changes in market conditions, minimizing transaction costs and strengthening the market influence of integrated formations coordinating the activities of individual links in the food chain.[10]

At the same time, the length of the chains and the need to synchronize the activities of individual economic entities within a single technological cycle objectively determine the involvement of production infrastructure facilities in the product chains, which can be created both as divisions of agricultural or processing enterprises, and in the form of independent entities that ensure the technological interaction of various links in the product chain. and uninterrupted functioning of producers and processors of agricultural products. In addition, the need to minimize the costs associated with ensuring the movement of goods between the links of the food chains and bringing the final product to the level of its consumer creates the prerequisites for the formation of a market infrastructure for the food chain, which makes it possible to effectively manage the flow of goods moved within the

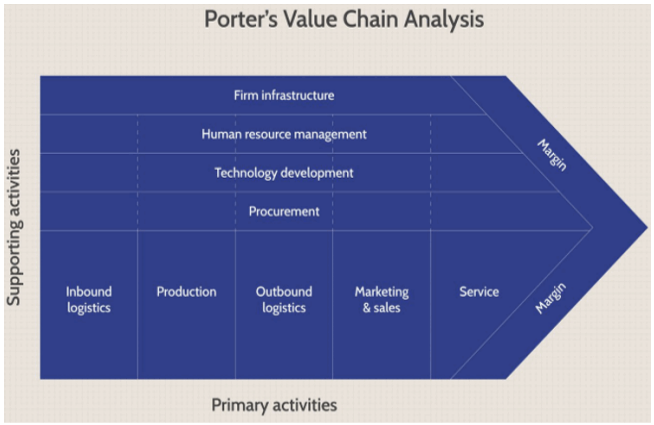

Figure 2. Value Chain Basics.

chain and the channels for the exchange of products and its distribution. [11]

Conclusion. From the standpoint of ensuring the balance of agro-food systems at the regional level, it seems appropriate to form aggregated food chains according to the type of feedstock (for example, products obtained as a result of grain processing, sunflower processing, milk processing, etc.), which will allow coordinating the processes of forming balances of food resources and their distribution, taking into account the interests of the region and industries associated with the agro-food complex. At the same time, within the framework of aggregated product chains, it is possible to single out specialized chains focused on the production of certain types of final products, but integrated with other chains using the same raw materials. In essence, the economic spaces of aggregated food chains generally correspond to the economic spaces of food sub-complexes.

Successful solution of a set of organizational and economic tasks related to maintaining stable horizontal and vertical ties in the system of agro-industrial production, coordinating the interests of the state and all participants in the entire set of food chains, coordinating their activities in the context of implementing the strategy for the development of the agro-food complex of the region, can be ensured within the framework of a cluster models of agro-industrial integration and the formation of several food clusters in the region that ensure the effective interaction of entities integrated into aggregated food chains.

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