



CODEN [USA]: IAJPBB

ISSN: 2349-7750

INDO AMERICAN JOURNAL OF
PHARMACEUTICAL SCIENCES<http://doi.org/10.5281/zenodo.3243558>Available online at: <http://www.iajps.com>

Research Article

**THE RELATIONSHIP OF THE EFFECTIVENESS OF THE
FUNCTIONING OF AGRARIAN FORMATIONS FROM LAND
OWNERSHIP****Viktor Govdya¹, Elena Kostyukova², Zhanna Degaltseva¹, Irina Khromova¹,
Konstantin Velichko¹.**¹Kuban State Agrarian University, Krasnodar, Russia;²Stavropol State Agrarian University, Stavropol, Russia.**Article Received:** April 2019**Accepted:** May 2019**Published:** June 2019**Abstract:**

This article presents a study of the correlation between the economic efficiency of the activities of economic entities and their provision with all the necessary components: land, fixed and circulating capital and qualified personnel. The cognitive model for evaluating the effectiveness included the main descriptors (physical and cost indicators): gross output in current prices, gross income and profit per 1 ha of agricultural land, labor productivity, capital return, endowment with own working capital, profitability of production. In order to improve the efficiency of land use, a solution to the problem of land ownership is proposed.

Keywords: agricultural formations, agricultural land, cognitive model of efficiency.

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Please cite this article in press Victor Govdya et al., *The Relationship Of The Effectiveness Of The Functioning Of Agrarian Formations From Land Ownership.*, Indo Am. J. P. Sci, 2019; 06[06].

INTRODUCTION:

Whatever means of intensive production management may saturate modern agriculture (robotics, electronics, satellite management and control, new biotechnologies, means of protection, etc.), the ground, its soil fertility, is and remains its basis. Therefore, farming and land management in the digital economy require modern accounting and application of new IT tools for monitoring and monitoring agricultural land [1].

Analysis of the results of management and use of land resources in the AIC of Russia shows that the most effective forms of management are large and cooperative agroformations, and the efficiency of management is directly dependent on the technical equipment of the economy. This must be considered when developing and making management decisions [2].

During the period of privatization of property and agricultural land, employees of organizations and enterprises received a property share and land share. Over time, most of the owners lost contact with the privatized business entity, which led to the exacerbation of the problem of relationships both in relation to land and in relation to the property share. This problem has not been ignored by scientists and practitioners. In the special literature, the works of I.G. Ushachev, I.S. Sandu, P.F. Paramonov, G.A. Baklazhenko, I.S. Kozubenko, G.A. Polunin et al. However, the question of the efficiency of use of agricultural land requires further research. In evaluating the effectiveness of individual types of products, natural indicators should be used: agricultural yields, labor intensity, material intensity, cost, profitability [3].

MATERIAL AND METHODS:

The study was conducted on the basis of information data taken from statistical databases. In conducting the study, various methods of cognition, interpretation, systematization and synthesis of accounting and analytical information were used.

RESULTS AND DISCUSSION:

A new approach to land management implies a digital inventory and certification of all accounting objects in agriculture, starting with land resources and ending with the land market. This enables the accumulation of retrospective data on owners of land areas, the cadastral value of individual plots, the structure of crop rotations, agricultural production, etc. Reliability of information increases the investment attractiveness of land resources, as it provides end-to-end access to field history for an unlimited circle of users.

The composition of the land fund of the Krasnodar Territory is the largest share of agricultural land (65.1% in 1990 and 61.3% as of January 1, 2018), which are used by farmers for the production of crop and livestock products, as well as for research and development and educational purposes, for farming (horticulture), gardening, horticulture, haying and grazing of livestock and poultry.

The area of agricultural land under the jurisdiction of agrarian formations of various forms of ownership gradually decreases. In 2017 alone, 1,141 ha were taken out of agricultural use in the region. At the same time, there was a significant increase in the lands of industry, transport, and also lands of settlements (tab. 1).

Table 1: Changes in the structure of the land fund of the Krasnodar Territory, %

Purpose (ownership) of land	1990	2017
Agricultural	65,2	61,3
Stock	4,5	1,8
Water management lands	0,4	2,3
Forest land	15,0	13,9
Protected areas	4,3	5,1
Lands of industry, transport, etc.	4,7	9,4
Earth settlements	5,0	6,2

The increase in the land area of settlements is a normal process: with the growth of the population of the region, the housing stock grows and the infrastructure of settlements increases. However, it should be noted that the urbanization of land must take place on a scientific basis.

The main part of agricultural land of the region is under the jurisdiction of joint-stock companies, production cooperatives and peasant (farmer) farms

and for the most part consists in collective-share ownership. At the same time, the share of agricultural lands owned by agrarian formations (right of ownership, right of use, right of disposal) varies from 25 to 100%. Many agrarian formations lease land from owners of land shares for a period of one to five years to conduct production activities. As the practice of the contract company shows, the owners of land shares are not always motivated for their long-term conclusion and the time of their conclusion (Fig. 1).

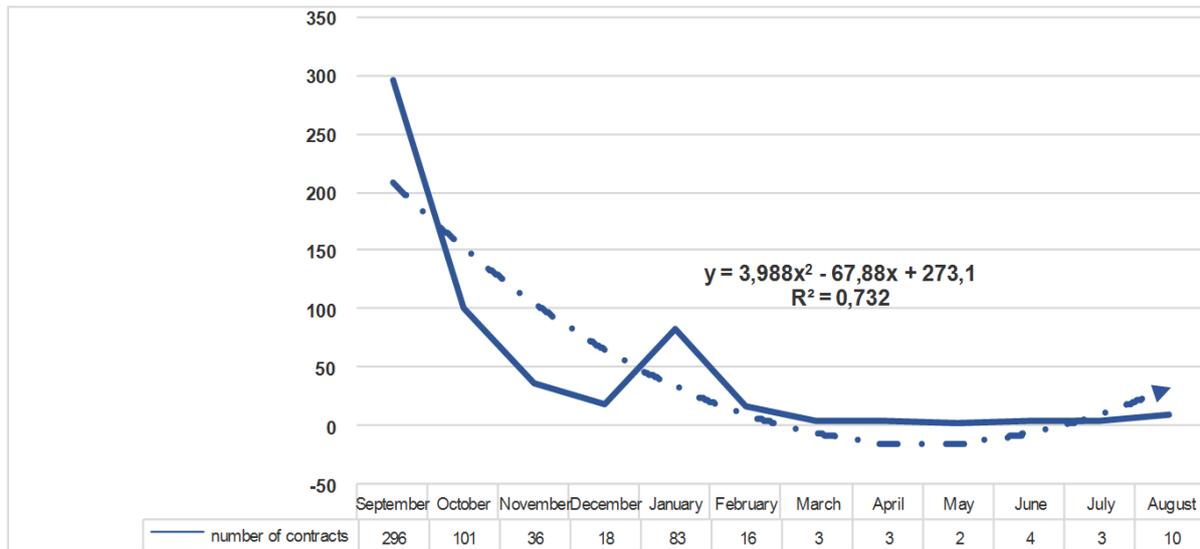


Figure 1: Seasonal decomposition of concluded land share lease agreements in JSC named after I.V. Michurin Novokubansky District 2016-2017

Visually, in the figure it can be noted that the main share of contracts is concluded in September-October (397 contracts, or 69.0%). The right to use more than 600 hectares of leased land from owners of land shares occurs in an unfavorable agricultural period, since it is difficult to include them in a scientifically based crop rotation.

The instability of rental relations between owners of land shares and agrarian formations has a significant impact on the performance of the latter.

Monitoring the influence of the ratio of own and leased agricultural land on the efficiency of farmers in the northern and central agro-climatic zones of the Krasnodar Territory (Table 2) showed that with the growth in the share of own land in use, the efficiency

of joint-stock companies, production cooperatives and peasant farms increases.

As you can see from the data table. 2, in the first group of agrarian formations with a share of own land of up to 30%, gross production in current prices per 1 hectare of agricultural land is 4.6 times less compared to the fifth group of farms, where the share of own land in 2017 was 60, 1% or more.

In addition, labor productivity in the first group of farms is significantly lower, and fixed and circulating capital is used worse. These farms have a high turnover rate, since the instability of the functioning of the economic entity leads to an uncertainty of staff in its future. In the first group, the staff turnover is higher than in the fifth group of farms, by 10.6 percent. p.

Table 2: Efficiency of activities of agricultural units of the northern and central zones of the Krasnodar Territory, depending on the share of own land in the total area of agricultural land

Indicator	Groups of agrarian formations by the share of their own land in the total area of agricultural land,%					Total (average)
	I Up to 30	II 30,1–40	III 40,1–50	IV 50,1–60	V 60,1 and more	
The number of farms in the group, units	36	43	67	104	77	327
The share of own land in the average group,%	28,4	34,2	45,8	56,1	73,9	50,1
The cost of gross output at current prices, thousand rubles						
Based on:	1 731	2 008	2 444	2 981	3 288	2 675
- one average annual worker	45,1	60,7	93,4	143,3	206,8	121,2
- 1 ha of agricultural land	0,51	0,79	0,86	1,03	1,22	0,93
- 1 rub. average annual cost of fixed capital	11,8	9,3	5,5	3,7	1,2	6,6
Staff turnover,%	18,5	24,7	39,1	45,7	50,8	33,6
Security with own working capital,%	11,9	16,6	20,8	31,0	38,7	29,4

Of great importance in the work of agrarian formations, as we have already noted, is the availability of resources. Especially important is a rational combination of fixed and circulating capital, the availability of qualified personnel and the necessary area of agricultural land. These components together make it possible to obtain a synergistic effect, and the lack of one of the components cannot be replaced by an excess of the other. In this regard, when assessing the work of economic entities, we will pay attention to their security with own working capital as an indicator of sustainability: if an economic agent of the agricultural market seeks to have its own fixed and circulating capital, selects qualified personnel, it means that it plans its development in the future. It follows that the farms of the fifth group will continue their work in the near future, and the production and

financial viability of the farms of the first group is in doubt.

To determine the dependence of the efficiency of functioning of agrarian formations on the availability of their own agricultural lands, we will use a cognitive model built on the basis of expert assessments of scientists and specialists in this field of knowledge.

The model includes the following descriptors (physical and cost indicators): output in current prices, gross income and net profit per unit of land area, capital productivity, labor productivity, profitability, and when evaluating the effectiveness of individual products, natural indicators should be used: yield agriculture, labor intensity, material consumption, cost, profitability.

Table 3: Changes in the efficiency of agricultural production in the pilot agricultural formations of the Novokubansky district, ths. rub.

Organization / years		The share of own land in the total area of agricultural land on average over five years,%	Gross output in current prices per 1 ha	The amount of gross income per 1 ha	Net profit per 1 ha	The volume of gross output in current prices per one average annual employee	Capital return, rub.	Profitability,%
JSC named after I.V. Michurin	2013	39,2	80,7	14,9	0,5	1 362	1,60	1,5
	2014		84,5	20,0	2,8	1 449	1,59	10,2
	2015		104,5	24,7	5,7	1 683	1,83	12,9
	2016		101,7	27,4	3,7	1 694	1,66	6,4
	2017		73,6	25,1	2,1	1 318	1,09	3,8
2017 to 2013, %		–	91,2	168,5	420,0	96,8	68,1	–
SEC "Kolkhoz named after V.I. Lenin "	2013	60,1	59,2	15,7	1,6	933	2,27	4,6
	2014		69,8	20,6	2,1	1 139	2,38	11,2
	2015		86,8	27,4	8,9	1 370	2,63	22,1
	2016		98,5	25,9	7,7	1 528	2,79	15,2
	2017		88,6	22,1	1,4	1 393	2,36	6,2
2017 to 2013, %		–	149,7	140,8	87,5	149,3	104,0	–
JSC SPH PZ "Leninskiy put"	2013	84,9	85,5	15,4	3,8	1256	0,47	0,5
	2014		130,3	25,3	7,7	2 039	0,70	20,5
	2015		102,2	35,0	19,9	2 239	0,72	38,6
	2016		131,4	41,4	22,0	2 726	0,79	24,8
	2017		89,7	27,3	11,0	2 103	0,48	20,6
2017 to 2013, %		–	104,9	177,3	289,5	167,4	102,1	–

Based on the indicators of the cognitive model (Table 3), it can be concluded that the increase in the share of agricultural land owned by agrarian formations on the right of the property triad has a significant impact on the efficiency of their functioning. Thus, JSC SPH PZ "Leninskiy put" of the Novokubansky District is significantly ahead of the SEC "Kolkhoz named after V.I. by all performance indicators. Lenin "and JSC

named after IV Michurin. In PZ "Leninskiy put "on average for 2013–2017. Gross production per 1 hectare of agricultural land was 108 thousand rubles, which is more than in the named after I.V. Michurin, by 19 thousand rubles, or by 21.3 percentage points. In the first farm, gross income and net profit are more than per hectare of land, and the level of labor productivity and profitability of production are significantly higher.

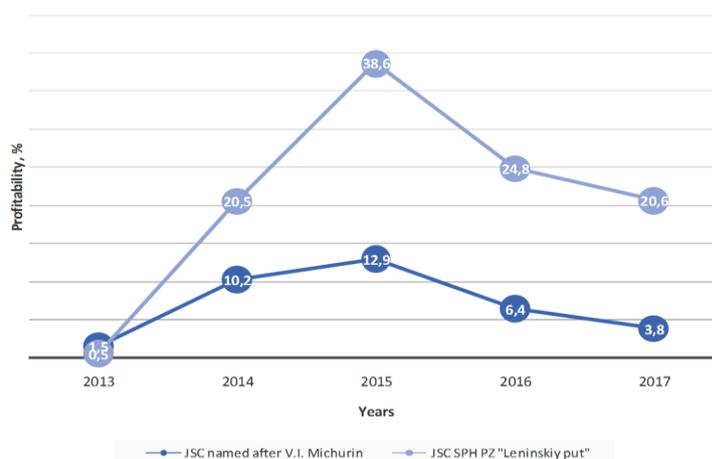


Figure 2: Dynamics of profitability of agricultural production JSC named after I.V. Michurin and JSC SPH PZ "Leninskiy put"

The figure can be visually, using the "traffic light" comparative analysis method, to determine the excess and decrease in the profitability of agricultural production in the pilot organizations of the Novokubansky district. For the period from 2010 to 2017 inclusively, JSC SPH PZ Leninsky put had a profitability significantly higher than JSC I.V. Michurin.

It is known that in farms with a low share of own land in production activities there is a regular problem of concluding land lease agreements with owners of land shares. We have monitored lease agreements for 10% of agrarian formations included in each of the analyzed groups presented in Table. 2, to establish the connection of owners of land shares with the agrarian formation. The monitoring results showed that as of the end of 2017, almost 73% of the owners were in no way associated with the farm leasing the land. Moreover, 61.4% of proprietors do not even live in a rural settlement, where this economy is located.

These owners represent the second, and sometimes the third generation of those farm workers who participated in the privatization of the property and land of the former collective and state farms. Those interested only in earning income for the land share, they dictate terms of land lease to business entities. The process of concluding lease agreements in individual farms is delayed up to the sowing of spring crops, disrupting the formation of crop rotations, disrupting all plans to provide animals and poultry feed, etc.

How to solve the age-old problem of land relations? We believe that the time has come for the adoption of measures capable of bringing a legal and socio-economic order in this matter, namely: agricultural land should belong to those who work on them. If the owner of the land share has lost contact with the farm, does not work in the agrarian formation, it is necessary to redeem these lands. Of course, this requires the political will of the country's leadership, but there is no other way to improve the efficiency of agricultural production based on the rational use of its most important component (land).

CONCLUSION:

The significance of the research results is that the findings and suggestions can serve as a theoretical and methodological basis for solving the problem of increasing the efficiency of agricultural land use, taking into account the natural and economic conditions of production of agricultural organizations of Krasnodar Region and the country as a whole. The main provisions of the study can be applied (without requiring radical structural changes in the production and financial activities of economic agents of the agrarian market) in the development of government targeted agricultural development projects in other regions of the Russian Federation with similar production conditions.

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