FORMATION OF DEVELOPMENT STRATEGY FOR AGRICULTURAL ENTERPRISES

Aspects of development strategy formation for agricultural enterprises is associated with complicated searching of development ways, defining the role and place of the State in economic transformation. The experience in other countries shows that there is no clear answer to this problem and the extent of State’s intervention into the economy of different countries varies. In countries where the market economy was created through evolution, the role of the State has been changing depending on the specific economic situation, taking into account each country. In the economy of capitalist countries market regulators of economic processes had dominated and it was considered that the mechanism of self-regulation of the market could provide the balance of the economy. But deep economic crisis and depression 30-ies of the last century has radically changed these approaches, the market mechanism of self-regulation is complemented by State intervention in various spheres of economic life. Formation of the development strategy for agricultural enterprises depends on the characteristics of strategic planning of regional agriculture, the choice of priority sectors.

Exclusive focus on the development strategy of small, incapable of implementation of scientific and technological progress, enterprises would be wrong. At the same time, we should not flatly ignore the potential of development, which small enterprises have.

Agrosector of the EU includes 12 mln of agricultural enterprises, 172 mln hectares of agricultural land, 25 mln of people involved in the production of agricultural products. Typical farming enterprise of the EU is characterised by the following features: average size – 14.3 hectares of agricultural land; annual production enumerates 25 000 euro; number of employees on a regular basis – not
more than 1 pers., keeping an average of 11 heads of cattle. As a rule – these are family farms.

During the last decade there has been the trend of slight decrease in the number of farming enterprises. The impact of the economic crisis in this process is obvious. Regions with the lowest farms are located in the East and South of the EU, as the largest-sized farms are mainly in the UK, France, Denmark, Eastern Germany, Czech Republic, Slovakia, some regions of Spain. In an international comparison, the EU farms are still small. This is due to differences in climate, topography, soils, structures of production. However, it is worth noting that the national average figures may conceal bipolar structures, when a large number of small farms can coexist with several very large-scale ones.

In the EU, about 70% of farming enterprises have an area less than 5 hectares of farmland, and only 3% of enterprises – more than 100 hectares. The group of medium-sized enterprises (5-100 ha) stands for 27% of the total amount.

Extremely numerous farming enterprises of up to 5 hectares occupy only 7% of all agricultural land, while a small group of farms of an area of over 100 hectares covers 50% of all farmland. The practice of management shows that, unlike small, large farms to a greater extent dependent on effects (both positive and negative) of many environmental factors.

Specialization of farming enterprises depends on the area of agricultural land. The farms, which have practically no land, are specializing mainly in poultry and pig production. According to economic indicators such farms are large enough, depending on their location: in the old EU member states more than 20% of farms are specializing in poultry and pig farming, producing gross output of more than 500 000 euro/farm. At the same time 80% - 90% of enterprises of such specialization, which are located in the EU member states after 2004 has been producing gross output of less than 2 000 euro.

**Conclusions.** The priority of further transformation of forms of economic activity should be the preservation of existing farming enterprises, increasing options of farms, the development of various forms of cooperation.
At the present stage of development there should be offered an increased attention to the development of state programs supporting agricultural production, ensured supply of logistics, agrochemical, technical and other agro-industrial service for them, development of leasing.

Key words: agricultural / farming enterprises, agrarian reform, strategic planning, selection of priority areas, the EU.