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# THE MAIN PROBLEMS AND PROSPECTS OF WHOLESALE TRADING OF FRUIT AND VEGETABLES IN UKRAINE

**Annotation.** The production of fruit and vegetables in Ukraine are considered. Current selling channel of agricultural products in Ukraine are analyzed. The main problems and prospects of the fruit and vegetables trading in Ukraine were described. Basic advantages of wholesale trading are grounded.

*Keywords:* wholesale market, stock exchange, brokers, horticultural products, sales, demand and supply.

**Statement of the problem**

Agriculture of Ukraine - is one of the leading inter-territorial formations production economy, where, according to statistics in 2011, it produced 20.28% of GDP (258.3 billion.). One of the main problems of loss of agriculture of Ukraine is ineffective channels of agricultural and undeveloped agricultural market infrastructure. [2]

**Analysis of recent research and publications**

Research on the problems and prospects of agricultural products wholesale traiding in Ukraine were devoted to scientific papers P. Haidutsky, P. Sabluk, Y.Voskoboynika, A. Sohatskoyi, A. Thorn, A. Mogilny, H. Cherevka.

**Goal statement of the article** - identifying the main problems and find effective channels fruit and vegetable wholesale trading in Barrens region of Ukraine.

The agricultural sector of the economy is in deep crisis caused by objective economic factors as well as failures of agricultural policy. The level of wages in agriculture remains low and prices of products dictate intermediaries. Farmers receive a minor parts of surplus value[3]

Ukraine has all the necessary conditions to become a leading manufacturer and exporter of agricultural products in the world. Natural resources, climate, soils and ancestral traditions of agriculture provide a solid foundation for a strong rural economy.

Ukraine has a number of competitive advantages and generally strong export position for certain types of products, demand for which is growing in the world. In 2010, 14% of Ukraine's total exports accounted for by agricultural exports, which accounted for 83% of grains and oilseeds, vegetable oils and animal fats, 10% were vegetables. [2]

According to the State Statistics Committee of Ukraine direct sales from farms and sales intermediaries are the main distribution channels agricultural producers. Dominate the following three forms of payment for products sold: payments to crop, payment receipt harvest and late fees when payment is made after the delivery of products to market, with the latter two forms are the most typical. Today, most farmers sell their products within the administrative unit where their farm is located. Nearly two-thirds of agricultural products sold within the region.

Inefficiency of existing channels of agricultural products can be seen on the prices at which manufacturers produce forced to sell their products (table 1). According to inflation and increased cost of production, prices must increase, but this is not happening.

Table 1. Selling price of fruit and vegetable, Ukrainian hryvna per, kg

| | 2007 | 2008 | 2009 | 2010 | 2011 | The ratio of 2011 to 2007,% |
|---|---|---|---|---|---|---|
| Crimea | 323,68 | 426,56 | 377,03 | 387,70 | 339,82 | 104,99 |
| Dnipropetrovsk | 291,53 | 315,32 | 268,32 | 396,52 | 324,17 | 111,20 |
| Donetsk | 171,22 | 252,76 | 205,23 | 338,85 | 364,19 | > в 2 р. |
| Zaporizhia | 314,05 | 221,61 | 195,59 | 208,88 | 204,24 | 65,03 |
| Mikolaev | 81,71 | 45,51 | 61,44 | 68,69 | 70,55 | 86,34 |
| Odessa | 66,73 | 94,38 | 99,40 | 126,01 | 116,88 | > в 1,75 р. |
| Kherson | 84,46 | 121,25 | 91,45 | 121,42 | 91,68 | 108,55 |
| Ukraine | 235,50 | 271,08 | 236,13 | 259,13 | 220,75 | 93,74 |

Analyzing the data presented in table 1, we see that in the middle in Ukraine selling price of fruits and vegetables decreased in 2011 compared to 2007 at 6.36%. The most growth of rates for analyze period which observed in Donetsk region sales price increased in 2 time, situation in Zaporozhye region where the selling price produce decreased by 34.97%. Taking into account inflation and increased production costs, producers can not count on getting good profits and return on their expenses. Only a quarter of all Ukrainian producers sell their products in period when prices begin to rise, and few of them are directly exported their products.). [5]

Given the relatively low wages in rural areas, public (urban) markets still continue to be the main supplier of food to Ukrainian consumers. Most sellers in such markets are rural residents who sell their products grown on farms. In 2010, according to official government statistics, there were 597 open food market. The majority of consumers still believe that products with open markets usually cheaper than those sold in supermarkets. Older consumers also believe that food on the open wholesale markets are environmentally friendly and best quality.

According to estimates in 2010 from 40 to 50% of all sales transactions food were made in open retail markets. For some product groups, such as meat and offal, sales in these markets was 90%. In addition, open markets is the main selling channel of fresh vegetables, fruits, honey and dried fruits. Two percent of all agricultural producers (including small farms) sell their products on the commodity exchanges [5]

In the Barrens we don't have effective wholesale agricultural markets. The most quantity of products sell at the local markets. These markets offer a small number of services are located in a small area and almost not provide services to improve product quality.

Retail in Ukraine are mostly working directly with manufacturers, putting a large number of small, expensive contracts, or rely on traders and commodity exchanges, lacking organization and range of services. At that retailers often have to sort and classify products and invest heavily in inefficient system acceptance that unnecessarily duplicated within the sector. In general, it appears that there are real opportunities to groups of producers provided certain services, efficiently organize their work and increased revenue through increased competitiveness. Most promising for commercial farmers today is both to reduce the current high cost of sales and develop profitable niches, timely supplying top quality products.

Increase in the local retail sector and increase the market presence of European retailers has led to increased competition. In 2011, the retail network worked 785 hypermarkets and supermarkets are located in large cities, while much of the food and later sold on open markets and small shops. According to specialists in retail, wholesale top ten retailers in Ukraine reached a level of about 1,0-1,2 billion (188-225 million dollars). On average supermarket put somewhere 25-30 thousand articles of goods at 80-90% of sales made in Ukraine. [5]

Record season 2011/2012 biennium on produce market, which not only provided an adequate income to farmers, but also marked a record for these losses. It collected 24.24 million tons of potatoes (in 2010 - 18.7 million tons in 2009 - 19.61 million tons) and 9.82 million tons of vegetables (2010 - 8.1 million tons, in 2009 - 8.31 million tons). Record-led expansion of acreage farmers deficit after the 2010 season, when they were recorded record prices on almost all types of vegetables [2]. However, a record increase in demand in the market led to the collapse of prices for these products. Total losses from overproduction field estimated at 3 billion.

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According to the poll. Which was held by us, including intermediaries, if in 2010 the profit from the resale 2 tonnes of vegetables averaged 5.4 thousand, in 2011 for the same amount realizable products they received income of $ 200-800 USD .

Today one among the problems of agricultural production is the inability of small producers to influence important decisions and effectively defend your position. Among the problems along the way prominence given to a complex problem - determine the forms of large commodity production and on this basis to improve management development socially oriented agricultural production.

It is now obvious that the formation of competitive krupnotovarnogo agricultural production is not possible without establishing close ties intereconomic [61, p 6].

In our opinion it is the organization of wholesale markets for agricultural products will help producers to dictate terms and as a result sell their products at market prices.

In the area of agricultural market infrastructure includes commodity exchanges, trading houses, auctioned, wholesale and retail, price monitoring system, food markets settlements intervention stocks of products, etc.. Together with other units they are designed to serve the process of commodity market, to ensure its reliability, transparency, stability.

The global market trade practice offers numerous examples of effective selling produce to consumers. It mostly wholesalers, wholesale and retail markets, which represent the established system of purchasing bulk produce from long term contracts and the subsequent sale of its wholesale or retail quantities. Wholesale markets perform continuous trade products of mass consumer demand, which are regular suppliers and buyers. In the EU, the U.S. wholesale food markets - a large, attractive for the interior structure of the trading rooms and ancillary facilities for receiving, handling, storage, proper preparation of the sale. They represent a trade complex with all auxiliary services.

Wholesale traiding is the important part, which provides the necessary intensity and accelerate the process of goods movement in market conditions relations. It organizes the movement of goods channels of distribution, contributes production and consumption of goods.

With market conditions wholesale promotes intensification of commercial and economic activity as goods producers and buyers. Wholesale precedes retail. As a result of wholesale goods is transferred to the sphere of personal consumption, and come either in production consumption, or go into retail for further implementation. For the analysis of the wholesale trade in the region to analyze sales channels, we decided to conduct a through rate wholesale marketability (Table 2).

Table 2. Wholesale marketability of fruit and vegetable products

| | 2007 | 2008 | 2009 | 2010 | 2011 | The ratio of 2011 to 2007,% |
|---|---|---|---|---|---|---|
| Crimea | 15,55 | 14,32 | 10,28 | 14,52 | 17,89 | 2,34 |
| Dnipropetrovsk | 10,12 | 6,25 | 6,10 | 6,47 | 8,80 | -1,32 |
| Donetsk | 11,21 | 13,64 | 13,74 | 12,69 | 12,76 | 1,55 |
| Zaporizhia | 11,64 | 2,70 | 2,93 | 6,43 | 10,55 | -1,09 |
| Mikolaev | 12,88 | 17,87 | 14,67 | 11,49 | 16,78 | 3,90 |
| Odessa | 13,97 | 17,29 | 18,10 | 14,92 | 14,66 | 0,69 |
| Kherson | 23,81 | 25,11 | 19,21 | 13,66 | 19,74 | -4,07 |
| Ukraine | 14,17 | 13,88 | 12,15 | 11,46 | 14,45 | 0,29 |

Analyzing the data presented in table 2, we can see that for the period from 2007 to 2011 in the Barrens wholesale marketability has increased by 0.29%. This figure is extremely unsatisfactory, because every year we have to develop and increase their competitiveness in domestic and foreign markets. Dynamics wholesale commercialization gives us an objective picture of the agricultural market infrastructure. Among the biggest growth areas Barrens wholesale commercialization was in the Mykolaiv region - 3.9%, while the largest decline was observed in the wholesale commercialization of Kherson region.

Objective to successfully solve this task driven county mediation wholesale: it concentrates much of commodity resources that can not be limited operations passive nature, and actively influence the sphere of production, retail trade and consumption.

**Conclusions.** The main objective of wholesale is to continuously regulate commodity supply in line with demand and create favorable conditions for markets subjects for creating efficiency of circulation to meet demand most comprehensive organized consumers and retailers at a convenient time for them in the required quantity and quality and the desired range.

One of the main ways of looking wholesale trade of agricultural products is a set network of wholesale markets for agricultural products. This will reduce the number of intermediaries that will allow agricultural producers get a guaranteed market for their products and a level playing field for entering the civilized and competitive market, the state will solve the problem of legalization wholesale and additional revenues to the budgets of different levels, create more jobs.

Many experts in agriculture say that the refusal of local authorities from wholesale markets would mean that small retail outlets, local markets, local fruit-vegetable markets and flower shops buy their products in specialized malls such as "METRO", "Selhros" or others, that producers get much harder. Small family businesses will also be forced to buy their products at wholesale trade networks that carry out very aggressive pricing. Accordingly, many small companies and small retailers go bankrupt, leading to increased unemployment in the region with all the negative consequences.

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С.С. Капинос

УКРАИНАДА ЖЕМІС-ЖИДЕКТЕР МЕН КӨКӨНІСТЕРДІҢ КӨТЕРМЕ САУДАДАҒЫ БОЛАШАҒЫ ЖӘНЕ НЕГІЗГІ МӘСЕЛЕЛЕРІ

Украинада жеміс-жидектер мен көкөністер өндірісі зерттелді. Украинада ауылшаруашылығы өнімінің ағымдағы өткізу арналары талданды. Жеміс-жидектер мен көкөністердің негізгі мәселелері мен өндіріс болашағы және өткізу жолдары жазылды. Көтерме сауданың негізгі ерекшеліктері айқындалды.

С.С. Капинос

ОСНОВНЫЕ ПРОБЛЕМЫ И ПЕРСПЕКТИВЫ ОПТОВОЙ ТОРГОВЛИ ФРУКТАМИ И ОВОЩАМИ В УКРАИНЕ

Исследовано производство овощей и фруктов в Украине. Проанализированы текущие каналы продаж сельскохозяйственной продукции в Украине. Основные проблемы и перспективы производства и реализации фруктов и овощей были описаны. Обоснованы основные преимущества оптовой торговли.

С.С. Капінос

ОСНОВНІ ПРОБЛЕМИ ТА ПЕРСПЕКТИВИ ОПТОВОЇ ТОРГІВЛІ ФРУКТАМИ ТА ОВОЧАМИ В УКРАЇНІ

Досліджено виробництво овочів і фруктів в Україні. Проаналізовано поточні канали продажів сільськогосподарської продукції в Україні. Основні проблеми та перспективи виробництва і реалізації фруктів і овочів були описані. Обгрунтовано основні переваги оптової торгівлі.

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# САМОЗАНЯТОЕ НАСЕЛЕНИЕ – КАДРОВЫЙ РЕЗЕРВ ИНДУСТРИАЛЬНОГО РАЗВИТИЯ КАЗАХСТАНА

**Аннотация.** В данной статье рассмотрены проблемы самозанятости населения. Автор аргументировано, основываясь на оперативные данные Агентства РК по статистике, доказывает серьезность данной проблемы и важность реализации Программы 2020 для Казахстана.