

THE PROBLEMS OF DETERMINE PLACE AND ROLE OF WHOLESALE AGRICULTURAL MARKET IN UKRAINE

***Summary.** Agricultural producing and consumption in the Steppe of Ukraine are considered. The basic methods and problems of determining the effective location of the wholesale market of agricultural products were described. Main reasons and problems of creating wholesale market in Steppe are highlight.*

***Key words.** channel of sale, infrastructure of the market, wholesale market, demand, supply, consumption.*

Statement of the problem. Goal of the our studding is to review the current state and development trends of agricultural markets and logistical centers in the Steppe region of Ukraine in order to provide recommendations on their further development and solve current problems in agricultural.

The main problem of modern agriculture in Ukraine is ineffective marketing channels of agricultural products and and Innovation infrastructure flaws slow, which makes agriculture unprofitable. Producers may not receive the anticipated benefits because of low prices, which set intermediaries. The main focus of the study was devoted to the functioning and organization of the wholesale markets, the effectiveness of the role of wholesale in providing consumers, the issue of scientific basis for determining the effective location of the wholesale market for agricultural products.

Particularly of agriculture requires considerable concentration of all resources. Significant gap between the working period and the end result creates a system of management requires a specific relation to the formation of the agricultural market[3].

During the last 10 years the issue of agricultural market infrastructure development has been rather urgent. The Ukrainian government has become aware of the necessity for a certain number of well-organized commercial wholesale markets throughout the whole country. Due to this need, it has adopted a state program aimed

¹ Scientific supervisor - Daria Legeza, PhD, Associate Professor, Tavria State Agrotechnological University

at creating agricultural wholesale markets through the approval of Resolution N^o. 562 by the Cabinet of Ministers of Ukraine on July 3rd 2009, and accompanied by the Law of Ukraine on Wholesale Markets of Agricultural Products passed on June 25th 2009. According to this law, wholesale markets of agricultural products are defined as “legal entities the principal activities of which are to provide services guaranteeing wholesaling of agricultural products” and which receive the status of wholesale market subjects as established in the law. Such legal entities may receive the status of a wholesale agricultural market by submitting the necessary documentation to the central authorities in the agricultural field. However, these statuses are ultimately determined on a competitive basis through the Cabinet of Ministers [4].

For the analysis of agriculture at Steppe identify the most significant areas in terms of the delivery of commercial products was using ABC-analysis. This method is based on the definition of high-volume supplier of production and interest in the further implementation of it on a wholesale basis. For this purpose we used information about the annual profit of each supplier and the proportion (percentage) of each treatment provider as a percentage of the total turnover of the selected region [2].

The largest contribution to the total value of fruit and vegetables production in 2011 (61.76%) made three regions of Ukraine's Steppe, they name: Kherson oblast, Crimea and Dnepropetrovsk oblast. Suppliers of these areas were the group "A". In group "B" included two of suppliers - Nicholaevska and Donetsk oblast, total value is 24.27% of the gross produce. Other 13.98% turnover provided Odessa and Zaporozhya oblast – this is group "C".

Based on statistics, you can see that the most stable indicator of vegetables sale is Donetsk, Dnipropetrovsk, Odessa and Zaporozhye oblast. A stochastic nature of the implementation of fruits and vegetables have the Crimea, Hersonska, Mykolaiv region. Evaluation of stability and predictability in the consumption of fruits and vegetables is by an expert based on visual analysis of the time series. Peer review and their corresponding factor recommended by the accuracy of the forecast of consumption are given in Table 1.

Producer's XYZ classification

Oblast	Sale of vegetables, thousand UAH.	Expert evaluation	Recommend d's team (X,Y,Z)
Crimea	221453,7	9	X
Khersonska	186753,2	7	Y
Donetska	141736,7	10	X
Dnepropetrovska	130122,6	10	X
Nikolaevska	118654,6	8	Y
Odeska	98654,3	7	Y
Zaporizhya	49659,3	6	Z
Total	947034,4		

Stable (deterministic) consumption of fruits and vegetables with high accuracy forecasting provide Crimea, Donetsk and Dnepropetrovsk regions that belong to the group of "X". For these areas is characterized by a steady tendency of growth in sales and consumption. The group "Y" entered Kherson, Nikolayev and Odessa regions. These areas are characterized not lower levels of consumption, but have a few low possibility of its prediction. These areas had a slight hesitation dynamics of sale and consumption. The group "Z" - is Zaporozhye region. For these areas is characterized by stochastic consumption. Dynamics of sale and consumption of products in this area vary considerably. To decrease hesitation and development of agricultural market infrastructure necessary to create a wholesale produce market, not just like usually in the oblast centers. Necessary to consider technical and economic indicators that will consider all factors.

Location of the wholesale market has been calculated based on location coordinates of regional centers and sales value of product. Optimal localization of the wholesale market is calculated as [1]:

$$X = \frac{\sum_{i=1}^n p_i x_i + \sum_{j=1}^m x_j}{\sum_{i=1}^n p_i + \sum_{j=1}^m 1} \quad (1)$$

Where is x_i, y_i – coordinates of suppliers;
 x_j, y_j – coordinates of consumers;
 p_i - fruit and vegetable supply by i-sellers;

q_j - fruit and vegetable demand by j -buyers.

These coordinates corresponds to the city of Kamenka-Dneprovsk in Zaporozhye region. The city is located on the border of three regions - Zaporizhia, Kherson and Dnepropetrovsk, on the left bank of the Kakhovka water reservoir. On the territory of Kamyanka-Dneprovks are located to the east from the town Energodar (Zaporizhya region), to the north on the opposite side of the water reservoir Kakhovka – Nikopol city (Dnipropetrovsk region), with which there is a ferry, to the west, along the Dnieper for 90 km - city new Kakhovka, 200 km Kherson. The distance to the regional center - Zaporozhye, is 132 km and a speedway.

Sure, this calculated based on the many scientific and expert methods. Creation of wholesale agricultural market in this region so important. But on this way we have a lot of problems. We should don't forget that the classic model of the wholesale agricultural market is characterized by the following:

1. unlimited number of market participants and free competition among them.
2. completely free access to certain economic activities by all members of society.
3. complete mobility of production factors and unlimited freedom of capital movement.
4. availability of information of the entire market for each participant.
5. wide range of goods.
6. each participant of free competition cannot directly impact the decisions of another using non-economic methods.
7. prices are established based on free competition.
8. the absence of a monopoly (only one producer), a monophony (only one buyer) and state regulation.

Changes in logistics and structure of wholesale trading in agriculture are contribute to increase in quality of product as well as lowering expenses due to centralization and efficiency in organization. (Below are figure 1 we show the ways of wholesale trading from wholesale agricultural markets in regions)

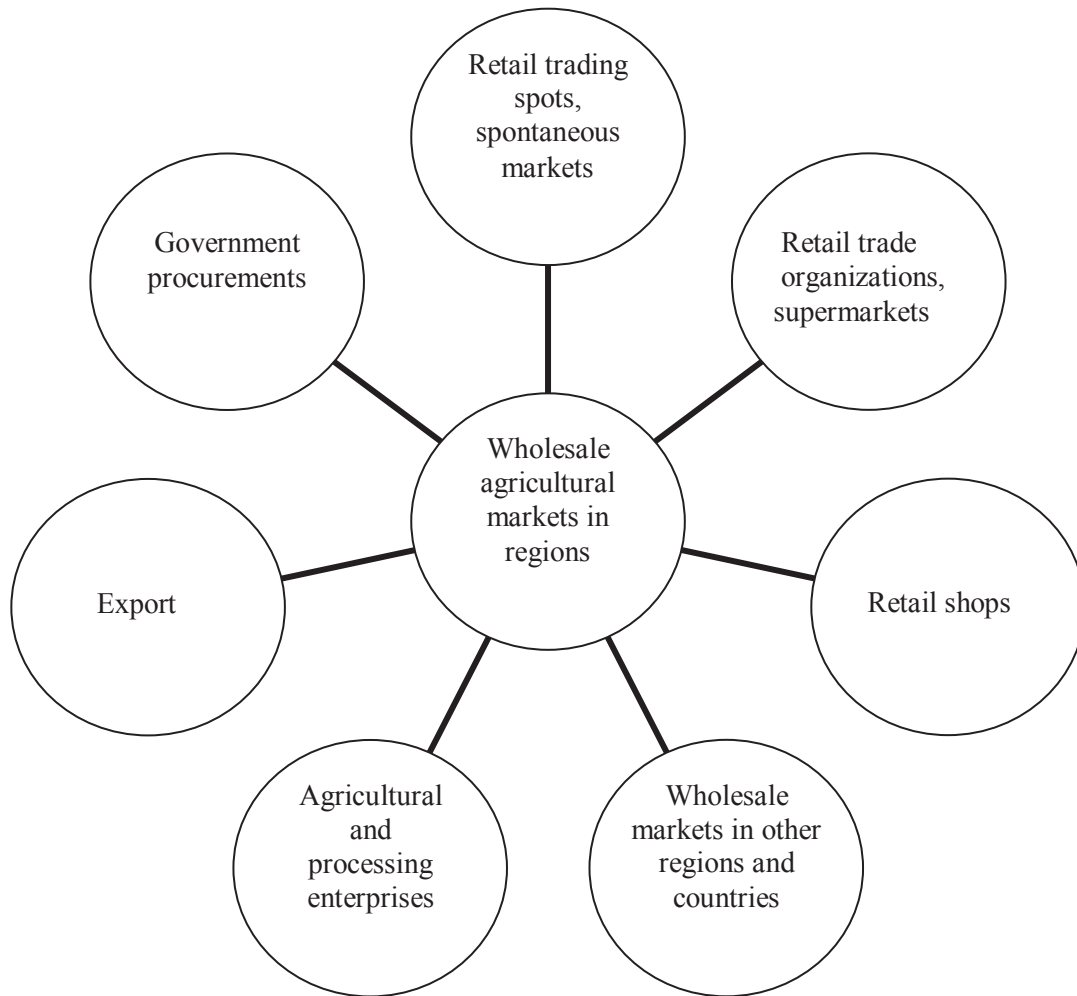


Fig. 1. The ways of wholesale trading from wholesale agricultural markets

Wholesale markets are one of the most important elements of city and regional infrastructure. In a market economy, they are an instrument to arrange and stimulate logical distribution of vegetables, fruits, flowers and other agricultural products. Wholesale markets are especially useful in countries where agricultural products such as produce and meat are scattered, helping to better organize producers in order to overcome logistical problems together. In essence, wholesale markets help to organize these scattered producers in countries in which groups, cooperatives or other entities are non-existent. This kind of organization also helps in areas where product quality is low and inefficient to produce, especially in places in which the sale of such products is carried out in the cities through small shops and markets.

Conclusions. The creation of agricultural wholesale markets has become a necessity in Ukraine that has a wide range of benefits for both the producers and consumers involved in the process. The existence of these markets will encourage market transparency, price control, a measureable quality of fresh foods, budget filling, optimization of expenses, increase in business competition, efficiency of product sales, and the emergence of new jobs. But, wholesale agricultural markets should be created based on the scientific methods as described. All this will create high quality agricultural products; support of fresh foods sales to the final consumer; creation of possibilities for agricultural producers/suppliers to be legally represented at the market; decrease of losses; creation of possibilities for supplies of high-quality products; concentration of agricultural products in a single location; informational support for market participants; help in pre-sale preparation of agricultural products; sanitary/veterinary control.

Literature

1. Agricultural food relationship/ edited by Christian Fisher, Monika 281 p. 2010
2. Kalchenko A.G. Logistika: Tutorial. - K.: KNEU, 2003. - 284 p.
3. Kamilova S.R. Question regarding the creation in Ukraine wholesale food markets / S.R. Kamilova // Problems of material culture - Economic Sciences - 2009. pp. 41-45:
4. Resolution of the Cabinet of Ministers of Ukraine "On Approval of the State Target Program for the creation of wholesale markets of agricultural products» № 562 of June 3rd, 2009. [Electronic resource] <http://zakon.rada.gov.ua>