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TOPICAL PROBLEMS OF FORMING AN EFFECTIVE SYSTEM OF AGRICULTURAL INSURANCE IN UKRAINE AND WAYS OF THEIR SOLUTION

Анотація. В роботі виділено головні задачі побудови загальнодержавної ефективної системи страхування сільськогосподарської продукції в Україні. Аналізуються існуючі на сьогодні основні проблеми ефективного функціонування галузі агостраховання. Пропонуються напрямки вдосконалення системи агостраховання в Україні. Досліджено перспективи розвитку страхування майбутнього врожаю сільськогосподарських культур з державною підтримкою при укладанні форвардних контрактів.

Ключові слова: сільськогосподарське виробництво, державна підтримка, страхування сільськогосподарської продукції.

Аннотация. В работе выделены главные задачи построения общегосударственной эффективной системы страхования сельскохозяйственной продукции в Украине. Анализируются существующие на сегодня основные проблемы эффективного функционирования отрасли агострахования. Предлагаются направления совершенствования системы агострахования в Украине. Исследованы перспективы развития страхования будущего урожая сельскохозяйственных культур с государственной поддержкой при заключении форвардных контрактов.

Ключевые слова: сельскохозяйственное производство, государственная поддержка, страхование сельскохозяйственной продукции.

Annotation

Problem Statement. The development of agricultural insurance in Ukraine has become increasingly important in the context of the economy. Dependence of agriculture on the natural environment by the nature of risk management in the field of economy. But creating effective working system of agricultural insurance in the state is possible only by joint efforts of stakeholders: the state, insurance companies and farmers. So important is building effective relationships between market agricultural insurance in Ukraine and explore further ways to optimize them.

Statement of the basic material of research. The main tasks of construction of the national effective system of insurance of agricultural produce are in-process distinguished in Ukraine. The existent for today basic problems of the effective functioning of industry of agroinsurance are analysed. Directions of perfection of the system of agroinsurance are offered in Ukraine. The prospects of development of insurance of future harvest of agricultural cultures are investigational with state support at the conclusion of forward contracts.

Conclusions. Thus, experience that has Ukraine in the process of agroinsurance is scalene. For today agroinsurance comes forward as an effective mechanism of protection of agricultural producers from numerous risks in an agrarian sector. And acceptance of corresponding law and some sub legislative acts creates soil for the association of processes in the single system for the concerted work of the system of agroinsurance.

Keywords: agricultural production, government support, insurance of agricultural products.

Problem Statement

Today in Ukraine there is no effective national system of agricultural insurance that would provide adequate protection for the interests of agricultural producers and the state. Agricultural Insurance Market analysis shows that today in Ukraine insurance is subject to 5% acreage, while in Canada, USA, Europe, the rate is 60-80%.

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system of agricultural insurance in the state is possible only by joint efforts of stakeholders: the state, insurance companies and farmers. So important is building effective relationships between market agricultural insurance in Ukraine and explore further ways to optimize them.

The analysis of last researches and publications

Theoretical and methodological issues of agricultural insurance market discussed in scientific papers N.Vnukovoyi, A. Gydzya, S.Navrotskoho, S. Osadtsya, R. Shinkarenko, B. Shahova, V.Yakubovycha and others. However, not all aspects of insurance in the

agricultural sector fully investigated in accordance with market relations.

Article purposes. The purpose of the article is research of basic problems that influence on forming of the effective system of agrarian insurance at Ukraine and search of directions of their decision. The prospects of development of insurance of future harvest of agricultural cultures are considered with state support at the conclusion of forward contracts.

Results. Necessity of systems development of insurance of agricultural produce, including at the grant of state support to agriculture, predefined by the requirements of defense of interests of the state, stabilizing of production and profits in the agrarian sector of economy, bringing in of agricultural producers to the management, stimulation of drawing on the best accomplishments of technology of agricultural production, risks. [1]

The basic tasks of construction of the national effective system of insurance of agricultural produce in Ukraine are:

defense of interests of agrarians and state by minimization of losses of agricultural commodity producers, insurers, through a distribution of risks mechanism among them;

providing of the proper insurance coverage, reduction to probability of offensive of

catastrophic accidents insured due to diversification of risks among insurers on all territory of Ukraine;

creation of clear, transparent mechanism of collaboration between agrarians, state, insurers, and other participants of production process of agricultural goods.

Taking into account the requirements of agricultural market and necessity of insurance market development in Ukraine on July, 1, 2012 Law of Ukraine entered in an action "On the features of insurance of agricultural produce with state support", that became the first effective step in direction of development of the home system of agroinsurance. The interests of all participants of market was taken into account in this law. It allows certain role of the state in support of this type of services became accessible for agrarians, clear and responsible for insurers [2].

In the State budget of Ukraine on 2014 on the grant of state support for agriculture more than 2,0 milliards of hrn. are envisaged. [3]

In a table 1 basic problems are presented in industry of agroinsurance, in particular at insurance of agricultural produce with state support and directions of their decision are possible.

Table 1

Basic problems of agricultural insurance to the products with state support and directions of their decision

№	Problems	Ways of decision
1	ineffective work of agroinsurance pool	a change of terms of work of agroinsurance pool is abandonment from the solidary lay-out of losses, as a basic negative factor for insurance to the company
2	formal insurance	realization of explanatory work among agrarians: seminars, field days et cetera
3	vagueness of receipt of indemnification of the prepaid insurance payments	hard control is from the side of public organs after a timeliness and plenitude of payment to indemnification of insurance payments.
4	uncomfortable terms of payment	inpayment agrarians only 50% of amount covered, other 50% enumerates the state to the insurance companies
5	limit nature of the programs of insurance is with state support	development of new insurance products is with participation of experts of Project of IFC

Corresponding events will allow the market of aggroinsurance work more effectively and promote demand on insurance products among agrarians.

Today members of the Agrarian insurance pool, at the lack of development of the system of agricultural insurance with state support, actively use possibility of insurance of future harvest of agricultural cultures at the conclusion of forward contracts. Research showed that forward purchases by the state, that

include for itself the contract of voluntarily insurance of agricultural cultures, is an alternative variant for an agricultural producer taking to account that for today the state in any way can not make reality of the real mechanism of insurance with state support. [4] Forward contracts are provided by money necessary for sowing of future harvest and guarantee agricultural production distribution at comparatively the small superimposed expenses at registration (table 2).

Table 2

Positive and negative parties of forward purchases by the state

Positive parties	Negative parties
Providing money necessary for sowing future harvest	Delivery of grain to the subject of his storage comes true for money of commodity producer
Adjusted channel of sale of future harvest	A sale is set at fixed market price
There is not a necessity for attracted additional credit funds for realization of agricultural works	There is a large list of documents, necessary for the conclusion of forward exchange supply contracts grain
Small overhead costs during registration of forward contracts fold 3,8% from the value of the contract, from that: - 3,5% is payment of insurance payment as by agreement insurance of future harvest; - 0,1% is payment of registration collection of the Agrarian exchange; - 0,1% is payment of services of broker; - 0,1% is payment of notarial services.	<i>An insurance compensation is envisaged only in case of catastrophic losses. [5]</i> <i>Insurance takes place on an overall cost, and a deductible folds 50%. [5]</i> <i>Absence of indemnification of insurance payment is from the side of the state.</i>

But here forward purchases take place the state on the fixed market prices without possibility of their increase that is reason of risk of receipt enough not high profit from a harvest by a commodity producer, and have unprofitable terms of insurance defense and in case of offensive of insurance event an agroproducer risks to bear high losses. Taking to account that most agricultural producers use in the work forward contracts creation of new optimal model of insurance of future harvest of agricultural cultures would be appropriate with state support, it will render certain preferences for an agricultural producer, picture 1.

These changes in approaches to agricultural insurance market is a prerequisite for the expansion of the customer segment in the medium term, and increase profitability of insurance companies.

Conclusions. Thus, experience that has Ukraine in the process of aggroinsurance is scale. For today aggroinsurance comes forward as an effective mechanism of protection of agricultural producers from numerous risks in an agrarian sector. And acceptance of corresponding law and some sub legislative acts creates soil for the association of processes in the single system for the concerted work of the system of aggroinsurance.

Forward public purchasing		Insurance is with state support
<ul style="list-style-type: none"> - insurance is on an overall cost; - a deductible - 50%; - an insurance compensation in case of catastrophic losses - an insurance tariff - 3,5% 		<ul style="list-style-type: none"> - to 50% from prepaid by insure of bonus the state compensates; - insurance coverage from 50 to 80%; - an insurance tariff - 3,5-7%
↓		↓
Optimal model of conclusion of forward contract, after that a future harvest is insured with state support		
<ul style="list-style-type: none"> - insure pays 50% of insurance bonuses, and the state covers to the insurer other 50%; <ul style="list-style-type: none"> - an insurance tariff - 5-7%; - it is the use to the coefficient of coverage of 50-80%; - the state provides money necessary for sowing future harvest, by the grant of interest-free credits to the commodity producer as advance payment after a forward contract. 		

Picture 1. An optimal model of insurance is with state support

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