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**NATURE OF SYSTEMATIC INVESTMENT OF
MILK PRODUCTION SUB-COMPLEX**

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Annotation

The significance of the research of a dairy production development is associated with the systemic level establishment that nowadays are due to the organic connection with the requirements of implementing of the principles of the sustainable development the formation of investment and innovation models of a branch development. The methodology of the research comes out of the general methodology which was done by our scientists during the learning process of the individual subcomplex units that is actualized its research to maintain the integrity system.

The research results reflect the concept of the schematic diagram of the governmental-coordinative mechanisms that regulates a dairy production complex as well as the most characteristic patterns of its dynamics. Also it was found the priority system recognizing governmental campaign to create general prerequisites innovative investing sector and the most important components. But milk producers have not understood their willingness to the actively cooperate with the government and potential investors within the requirements of the national legislation and procedures adopted by the international organizations.

The conclusions of this analyzing systematic investment dairy production complex are reduced to the fact: the most promising direction for the further research of this area is the establishment of the most appropriate forms of the interaction mechanisms in the area of the investment, innovation, standards and the information model are based on the investing and innovative development of the industrial branch.

Key words: system, investment, dairy production, agro-industrial complex, innovation, standardization, information.

Tasks' implementation of the food security of Ukraine provides increasing of milk production through appropriate attraction of investment resources. But the Law of Ukraine "On investment activity" [1] indicates that investment activity itself is a process with a high level of complexity. Firstly, investments have an extended structure with their property and intellectual substructures. Secondly, investment process can be performed by different subjects (private, public, self-governing, foreign, etc.) with the possibility to combine them on partner basis. Thirdly, investments are aimed to create income (profit) or to achieve social effect

justifying estimation of the impact on the environment that is to ensure principles of the stable development of the investment object. Fourthly, the Law [1] includes also in the article 3 the implementation of investments put into the objects of innovative activity, that is the implementation of investment-and-innovative model, which formation is provided by the National target programme for the development of a Ukrainian village for the period up to 2015 [2], which is directly based on current processes of information and standardization. Lastly, the Article 11 of the Law [1] states that State regulation of investment activity is carried out for the implementation of economic, scientific-and-technological and social policy through the objectives and indexes of economic and social development, national and regional programmes for the development of Ukrainian economy and its agro-industrial complex.

Taking into account high level of the investment complexity of milk production sub-complex, this process should be carried out on the basis of the system principles, because the Laws of Ukraine which determine nature of the development of the agricultural sector of economy point out to appropriate systemic measures and mechanisms: [1] (state guarantees of investment protection - *system* of law regulations), [3] (principles of forming of complete *system* of priority lines of innovative activity and their implementation in Ukraine), [4, 5] (development of information *systems*, including national information-and-analytical *systems*), [6] (joining of Ukraine to international *systems* of standardization), [7] (providing of systematic and integrated character in the process of implementation of measures of state agrarian policy by all state and local authorities). All this proves that systemic improvement of measures and mechanisms in the investment processes of milk production sub-complex becomes an urgent task of science and practice.

Research Methods. In terms of methodology, the study is based on the strategy of the Food and Agriculture Organization of UNO (FAO), according to which milk and milk products are produced by certain food systems (milk production system) [8, p. 35; 9, p. 46], as well as the Roman principles of stable global food security, the first of which was the principle of means investing into plans implementation adopted by the countries themselves, in order to allocate resources to the plans that have been worked up properly and targeted to specific results and partner relationships, and the fifth is to ensure sustainable and significant commitments from all partners as to investing in agricultural sectors, food security and consumption while allocating necessary resources on timely and reliable basis and with the orientation for long-lived plans and programmes.

The authors of Rome principles offer to increase investments (domestic and foreign) substantially into the agricultural sector of the countries on the basis of cooperation between private and public institutions; adoption of national legislation, where it is reasonably, to facilitate and support just private investments into agriculture, food industry and also to provide food security and development of rural districts to feed the world population in 2050 and to ensure global food security at the appropriate level [10].

According to I.I. Lukinov, accurately defined strategy of economic structural

and qualitative transformations into a new system must precede economic development [11, p. 17]. It is important to take into account the statement of V.M. Geiets and others that economic security of the state is a system with a number of subsystems, on the one hand, and it is also a subsystem in international economic security, on the other hand [12, p. 35].

I.O. Blank says that investment process should be formed on the basis of efficient information systems, analysis conducting, planning implementation of effective stimulating system [13, p. 170]. The essence of the specific development of investment system of milk production sub-complex was studied in research of N.P. Reznik [14, p. 10], M.M. Ilchuk and I.S. Gurska [15, c. 36].

Research results. The general scheme (Figure) of systematic investment of milk production sub-complex of Ukraine is unfolded from the Economic Code of Ukraine [16] that is designed to consolidate the social economic order in the economic system of Ukraine, to promote its harmonization with other economic systems. Article 10 of the Code contains structural elements of economic, social and ecological policy of the state (that is the principles of a stable development). Economic policy consists of structural branch policy with its agrarian subdivision and investment policy, which is aimed to create necessary conditions for economic subjects to attract and concentrate money for the needs of expanded reproduction of fixed assets, mainly in the sectors which development was determined as a priority for structural-and-branch policy (agro-industrial complex), as well as to provide efficient and responsible use of these funds and their monitoring. Regarding social policy, it is carried out in consideration of the requirements of the Law of Ukraine "On state social standards and state social guarantees" (No. 2017, 2000) of Ukrainian Social Investment Fund (Decree No.740 of the Cabinet of Ministers of Ukraine, 2000). Ecological policy is based on the requirements of the Law of Ukraine "On Environmental Protection" (No. 1264, 1991), according to which the system of state monitoring of the environment is created, and Order of consideration, approval and implementation of the projects of target ecological (Green) investments during the commitment validity by the parties to the Kyoto Protocol to the UNO Framework Convention on Climate Change (Regulation No. 221 of the Cabinet of Ministers of Ukraine, 2008).

It is important to emphasize that every milk production sub-complex can use (Article 12 of the Economic Code of Ukraine) investment privileges, grants, target innovations and subsidies taking into consideration the requirements of paragraph 5 of Article 11 of the Code: economic entities that do not take into account public interests mentioned in the programme documents of economic and social development cannot be provided with privileges and advantages indicated in the Law for economical implementation; article 5 of the Law of Ukraine "On State forecasting and elaboration of programmes of economic and social development of Ukraine" (No.1602, 2000) which is an effective precondition to form a system of state-private partnerships, focuses on indexes from programme documents of economic and social development by entrepreneurs.

The main legal act of Ukraine that regulates systemic aspects of territorial development is a current Law of Ukraine "On general scheme for territory

planning in Ukraine" (No.3059, 2002), which distinguishes the territory mainly of agro-industrial production and rural building (agriculture zone) where is expected: providing of stable development of agro-industrial complex and rural settlements (regarding to the nature of settling and regional specificity of the population living), creation of new jobs through organizing small enterprises for processing of agricultural products, increasing of supply with social and engineering infrastructure, development of infrastructure of agricultural market, creating of integrated structures of production, processing, storage and selling of agricultural products, removal of unproductive land from intensive use, taking measures of conservation and land protection. If apply to the State Strategy of regional development for the period until 2015 (Decree No.1001 of the Cabinet of Ministers of Ukraine, 2006), which considers the following key factors of economic modernization as attraction of investment resources, increasing of the investment amount into the main branches of regional economy that define the strategic priorities of their development, so to ensure the implementation of some important directions of the Strategy, state target programmes of individual regions development will be developed and implemented, which have to become an effective method of state regional policy by directing them not in general support of specific regions, but target solving of system problems.

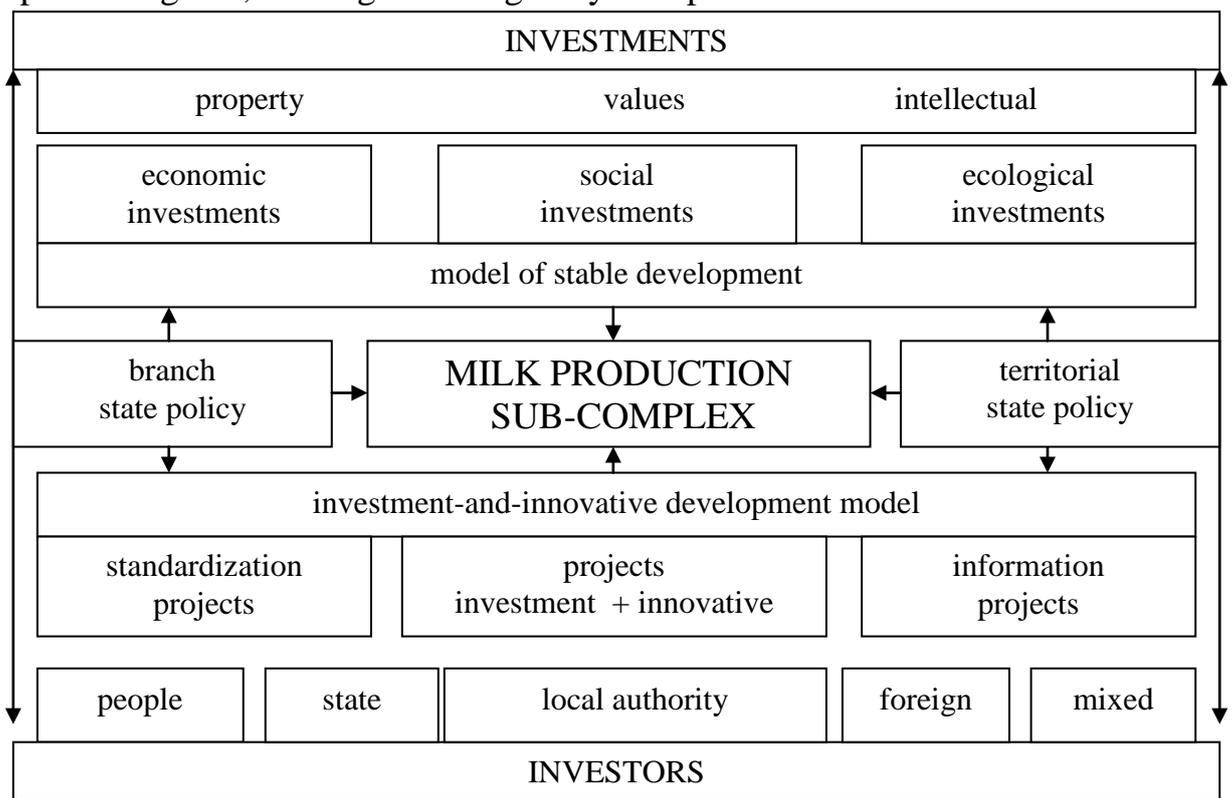


Figure. General scheme of systemic investment of milk production sub-complex of Ukraine

As you can see, promising direction of social and economic development of agricultural sector, and so the strategic development of the domestic milk production of sub-complex, which according to the current legislation has the status of a priority branch is solving of systematic problems agreed with the

process of attraction and usage of investment resources into the priority branches of the region [17].

Updating of the investment-and-innovative development model of AIC (agro industrial complex) was established in the National target program of Ukrainian village development until 2015 [2]. However, to make the model work in developed countries of typical model of the National Innovation System (NIS) requires the accounting requirements of systemic planned actions. If you study National target program [2], you will see that issues on systemic are thoroughly studied: improvement of the management system in the agricultural sector, and the creation of the modern state selection system in animal breeding, reforming of the depreciation system to investment direction and improvement of the leasing system of agricultural machinery, implementation of systematic monitoring and advanced information systems for material and technical resources of the agricultural sector, formation of the state institutions with the functions to make proper safety control of the goods exporting and adaptation to the international standards, support of the information systems development and predicting system and maintaining the balance of effective demand and supply of people at the food market; improvement of the control of keeping the regulations system requirements and technical regulations, related to product quality, laws in the field of consumer protection, government control system over the quality of food to eliminate duplication of functions in the executive branch under the Action plan "Ukraine - EU"; introduction of subsidies for the production of low profitability, firstly – for livestock breeding; support of agricultural incomes by stimulating the development of insurance system; creation of a permanent audit compliance with technological and ecological requirements and standards of management; implementation of basic agro-ecological requirements and standards, monitoring of their compliance as a condition of providing budget support to producers; normalization of organic farming, creation of its certification; improving the system of international technical assistance for the harmonization of product quality standards, phytosanitary and veterinary control; development of credit and insurance systems of the agricultural sector; improvement and reforming of management system in the agricultural sector on the basis of introduction of innovative management tools, establishment of the information management system according to international standards of management.

Thus, the systematic requirement is the main one in the National target program of Ukrainian village development until 2015 [2]. This requirement is clearly presented in the legal acts that regulate investing, innovation, standardization and information processes. If we analyze the content of requirements for the development of relevant programs and projects, within which the project holder can expect receiving legislative investment incentives and benefits, there are certainly substantial reserves of involvement of additional investment resources in the agricultural sector and milk production sub-complex. However, the research of local scientists shows that only about 15% of industrial enterprises are ready so far to take an active part in the realization of the potential opportunities of the investment process.

Conclusions. Study of the current state and key investment tendencies of milk production sub-complex of AIC showed the following: 1) investigated process of investment has all features of the complex process, which requires applying a systematic approach procedures; 2) the investment unit of domestic legislation and related to it blocks (innovation, standardization, information) are sufficiently focused on the transition to the systematic use, but this system is more proper to their personal use, while government programs, that define a single mode of financing of these blocks and their communication, are insufficient; 3) the key problem still remains the one of making ready the entities to participate in own high-tech investment.

Establishment of the most suitable forms of interaction blocks of the current legislative activity in the investment areas, innovation, standards and information requirements based on models of investment and innovation and sustainable development of the agricultural sector of economics are promising areas of future research to create preconditions for systematic investment of milk production sub-complex.

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