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**PERSPECTIVE TRENDS OF COMMON AGRICULTURAL MARKET DEVELOPMENT
IN TERMS OF EURASIAN ECONOMIC UNION**

**ЕУРАЗИЯЛЫҚ ЭКОНОМИКАЛЫҚ ОДАҚ ЖАҒДАЙЫНДАҒЫ БІРЫҢҒАЙ
АГРАРЛЫҚ НАРЫҚТЫ ДАМУЫ КЕЛЕШЕГІНІҢ БАҒЫТТАРЫ**

**ПЕРСПЕКТИВНЫЕ НАПРАВЛЕНИЯ РАЗВИТИЯ ЕДИНОГО АГРАРНОГО РЫНКА
В УСЛОВИЯХ ЕВРАЗИЙСКОГО ЭКОНОМИЧЕСКОГО СОЮЗА**

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The factors of international trade related to food security of the EAEU member countries, the growth of agricultural and food products turnover have been considered, in view of the existing and required AIC production volumes aimed to provide the population with food products in the amount of rational norms, as well as the scale of food products mutual trade. The need to focus on food self-sufficiency (indicators of physical and economic accessibility, food level and quality) as the main target of national concepts has been noted. The barriers that prevent the formation of a common agricultural market in the EAEU partner States have been reflected.

Халықты азық-түлік өнімдерінің ұтымды нормалар көлемінде қамтамасыз ету үшін агроөнеркәсіптік кешеннің қазіргі және қажетті көлемдерін, сондай-ақ азық-түлік тауарларының өзара сауда ауқымын ескере отырып ауыл шаруашылығы өнімдері мен азық-түлік тауарларының тауар айналымының өсуі, ЕАЭО қатысушы-елдердің азық-түлік қауіпсіздігіне қатысты халықаралық сауда факторлары қарастырылған. Ұлттық тұжырымдамалардың басты мақсатты бағдары болып табылатын (физикалық және экономикалық қолжетімділік көрсеткіштері, тағамның деңгейі мен сапасы) азық-түлікпен өзін-өзі қамтамасыз етуге назар аудару қажет. ЕАЭО серіктес мемлекеттерінің бірыңғай аграрлық нарығын қалыптастыруға бөгет болатын кедергілер анықталған.

Рассмотрены факторы международной торговли, связанные с продовольственной безопасностью стран – участниц ЕАЭС, роста товарооборота сельскохозяйственной продукции и продовольствия, с учетом сложившихся и необходимых объемов производства продукции АПК для обеспечения населения продуктами питания в размере рациональных норм, а также масштабов взаимной торговли продуктами питания. Отмечается необходимость ориентации на самообеспечение продовольствием (индикаторы физической и экономической доступности, уровня и качества питания) как основного целевого ориентира национальных концепций. Отражены барьеры, препятствующие формированию единого аграрного рынка государств- партнеров ЕАЭС.

Key words: common agricultural market, agricultural products, food, import, export potential, investments, quality, competitiveness, demand, supply, infrastructure.

Негізгі сөздер: бірыңғай аграрлық нарық, ауыл шаруашылығы өнімдері, азық-түлік, импорт, экспорттық әлеует, инвестиция, сапа, бәсекеге қабілеттілік, сұраныс, ұсыныс, инфрақұрылым.

Ключевые слова: единый аграрный рынок, продовольствие, импорт, экспорт, инвестиции, качество, конкурентоспособность.

Introduction

The increased volume of food and raw materials international trade, taking into account national food security, is related to food availability, accessibility, use and stability. Specialization leads to the increased food production, which will facilitate the increased labor productivity by attracting investments to introduce innovative technologies. Accessibility -is the increased profitability as a result of increased access of export supplies to markets, first of all, benefits of free trade (export growth and foreign investments inflow). Food use – improvement of food products safety and quality when exporters use modern national control systems and international standards. Stability - world markets are less subjected to political changes and natural and climatic conditions.

When assessing the increase of agricultural and food products turnover, it is necessary to take into account the existing and required agricultural production volumes aimed to ensure the consumption of food by population in the amount of rational norms aimed at ensuring full, healthy diet and expansion of mutual food products trade.

A significant imbalance in food production and the population needs, to some extent affects virtually all countries. If it is not eliminated, the loss of food security will become a negative impact for many countries. In the EAEU countries, the shortage of certain food types is observed, which is replenished by imports.

Research objects and methods

The research object is the unified agricultural market of the EAEU partner countries, organizational and economic mechanism of their agri-food markets.

The national concepts of the countries participating in the Eurasian Economic Union, their priority areas, the principles of coordinated agri-industrial policy were used as a theoretical and methodological basis for the study.

In preparing the article, various methods of economic research were used: comparative analysis, forecasting the development of the common agricultural market of the EAEU member States.

Results and discussion

The main target of national concepts -is the orientation towards self-sufficiency in food (physical and economic accessibility), which is based on the program-target method of food resource formation, the priority in ensuring food security through domestic production, State support for producers of agricultural products, raw materials and food, ensuring equal competitive environment for all participants of agri-food market.

The priority directions of the EAEU countries should be the maintenance of stable provision of the population with domestic food products; protection of economic interests of national producers of agricultural products, raw materials and food products on domestic and external agri-food markets; priority scientific and innovational activity in the field of agri-industrial complex; sustainable development of rural areas; improvement of training system and additional professional development training in agriculture.

The main goal of coordinated agri-industrial policy in the AIC of the EEA countries is the effective implementation of their resource potential aimed at optimizing production volumes of competitive agricultural and food products, meeting the needs of common agricultural market, and increasing exports. In this regard, the following tasks should be accomplished: organize balanced production and markets of agricultural products, raw materials and food; ensure fair competition between the entities of the Member States, including equal conditions for access to the common agricultural market; unified requirements related to the circulation of agricultural products, raw materials and food, etc. [1].

The coordinated agri-industrial policy will be implemented based on the principles of

equality and in view of the interests of all the EAEU member States, mutual benefits in trade, and satisfaction of domestic demand. For this purpose, it is necessary to introduce mechanisms of interstate interaction in the following main areas: forecasting, public support, regulation of common agricultural market.

Indicators of physical accessibility of agricultural products, raw materials and food should be no less than 5.0-7.0%, the level of stable production of basic types of food and raw materials - at least 80%, the level of profitability of agricultural production - at least 40%, the dynamics of investment in the main capital - 10%, the share of investments in agriculture in the gross output volume - at least 20%.

Indicators of economic accessibility of food: the share of food costs- is not more than 35%, the growth rate of real money income of the population- is not less than 1%, the rate of increase in purchasing capacities of money income of the population -is not less than 1%, the share of rural population income below the subsistence minimum in total number - no more than 10%, the share of imports in the volume of domestic consumption - no more than 20%, etc.

Indicators of the level and quality of food of the population should be a threshold value - not less than 3000 kcal, consumption of food products for 1 person. per year, kg: bakery products - 105, milk and milk products - 393, meat and meat products - 80, fish and fish products -18, vegetable oil - 13, eggs - 294 (pieces), potatoes - 170, vegetables and melons - 124, fruits and berries - 78, sugar - 33.

Parameters of consumption of food products of the population are necessary for objective planning and forecasting of volumes, production structure and export-import supplies of food products and agricultural raw materials on domestic and foreign food markets.

The indicators of production of the main types of agricultural products, raw materials and food in the EAEU countries show that differentiated level of sustainability of agricultural production is a source of internal instability and shortage of resources on domestic market. States can mutually stabilize the conjuncture of food markets through coordinated mechanisms of the formation of insurance and reserve food funds.

The common agricultural market is one of the directions of sector interstate integration, the main goal of which is the development of production and mutual trade of agri-food

products that meet the quality requirements; increase of exports in trade with third countries in case that domestic market is fully provided with high-quality, affordable and diversified food and raw materials, diversification of exports and expansion of geography of supplies, development of commodity and export infrastructure.

In the future, we should move to the medium and long-term perspective, taking into account the specialization and production volumes of agricultural products, the formation of the necessary production infrastructure.

The methodology of forecasting the evaluation of the prospects of development of common market of the AIC products in the EAEU makes it possible to carry out a comprehensive assessment of the state, evaluate their competitive potential and prospects for participation in global agro-industrial market. This will make it possible to create information databases and adjust the balance between supply and demand, form an information and analytical system to ensure the adoption of managerial decisions, allows the promotion of agricultural products on common market and beyond.

Regulation of common agricultural market should envisage incentives and factors increasing the competitiveness of agricultural products and food, ensuring equal conditions in mutual trade, transparent education and investment attractiveness through convergence of the legislative and information component of the EAEU countries.

The problems related to the development of national industrial complexes is the obstacle to the formation of agricultural market. In agriculture of Armenia, the constraining factors of development - inefficient use of land resources - about 33% of arable lands are unused for their intended purpose; low level of intensification of agriculture (low crop yields and productivity of animals.) Mineral fertilizers, plant protection products are practically not used, the service life of agricultural machinery has expired, food supply is not regulated, and safety and standardization of food products are not regulated.

The organizational and economic mechanism of AIC development in Belarus has the following disadvantages: disparity in prices for industrial and agricultural products; a significant share of the allocated funds is spent to support the banking system (repayment of loan interests); over-norm cost of agricultural

production; overdue debts to lending organizations and the State.

For Kazakhstan, the main problems of agricultural mechanism are as follows: the low role of the State in production process management; high number of loans of agricultural producers; insufficient competitiveness of agricultural products in terms of price characteristics - the average price for sales of basic types of food products is higher than in Russia and Belarus; low volume of export-oriented products (except grain) and low quality products.

To implement measures on the long-term perspective, it is necessary to equalize the levels of subsidies and taxation, unify the requirements related to the circulation of agricultural products and food, ensure equal conditions for access to the common agri market for the EAEU countries, create a common stock exchange trading platform for agricultural products on the basis of unification of the regulatory-legislative framework of stock exchange infrastructure functioning.

To develop the diversification of agricultural sector, it is necessary to reduce the share of the dominant commodity group in agri-food exports of the EAEU countries, expand the coordinated policy regarding the export of processed grain products, and reduce the share of raw materials in exports.

It is advisable to form a specialized agency of the EAEU for promotion of agricultural and food products to foreign markets that provide the following [2, 3]:

- assistance to cooperation of producers and exporters of the EAEU countries, organization of a common information portal for promotion of exporters;

- creation of conditions for ensuring the quality of products manufactured and exported from the EAEU countries, which meets the quality standards adopted in countries with developed agriculture;

- insurance of export supplies and use of export lending programs, including the provision of guarantees;

- development of export trade mark (brand) of agri-food products produced in the EAEU.

When developing joint programs, it is necessary to take into account the main trends in the development of the world economy and economy of particular regions.

The EAEU countries have great potential to become one of the largest exporters of agri-food products in the world. It is necessary to take

joint measures to increase the volume of production of agri-food products in order to meet the needs of the common agricultural market and trade with third countries.

Agricultural exports of the EAEU countries are characterized by a low degree of diversification. Grain export takes a major share in it, while the import of processed agricultural products (meat and milk, vegetable oil, etc.) is more than half of the total volume of agricultural products imported from the third countries.

In order to develop export of the EEA countries, it is advisable to develop a set of measures and coordinated activities aimed to develop the export potential, including recycled and diversified products, including product-specific support – the support for production of certain products (milk, beef, pork, poultry, etc.) product-nonspecific support - general subsidies (for fuel and lubricants, electricity benefits, soft loans, subsidies for breeding livestock, elite seed production, mixed feed).

In this regard, one of the most important areas should be a gradual increase in the absolute volumes of the “green box”, as well as the increase in its share in total volume of agricultural support. At the same time, its diversification is required, in particular:

- investment assistance, support of unfavorable regions, environmental programs;
- support for production factors;
- programs of support and income insurance;

- expansion of support of innovative directions (organic agriculture);

- improvement of procedures on providing support (reduction of administrative component).

The unifying factors of economic interests of cluster formation can be as follows: the implementation of a common price policy on commodity market [4]; expansion of the volume of production of goods and services by its participants; implementation of a unified marketing policy; introduction of innovative technologies as a result of integration of production and processing of its products on commodity markets. The entities will have advantages in access to new technologies, work methods and possibilities of selling their products.

The model of formation of cluster economic integration foresees multiple acceleration of mutual trade turnover due to reduction of administrative barriers of trade operations and the use of electronic trading; establishing

independent institutions and mechanisms of supranational economic regulation of the commodity movement, financial and migration flows; creation of mutually beneficial economic, commercial and financial ties within the integration of particular industries and activities based on a single technological chain. Gradual cluster economic integration is needed. The first stage is based on the existing common market, which assumes the expansion of mutual trade, the unimpeded movement of capital and technology, includes such strategic areas as the formation and development of a single customs territory with a widespread network of high-tech shopping centers.

It is necessary to establish large universal shopping centers that have direct electronic connection with suppliers and buyers of electronic trading system products, commodity and raw materials stock exchange, trading houses with buyers and sellers automated system, auctions and trades, which represent a mixed system of futures trading and futures deals.

The formation of logistic corporations bargaining aimed to promote agricultural products and food can be the example of interstate cooperation. For this purpose, it is necessary to carry out the following activities: create logistic schemes and complexes; ensure a reduction in transaction costs, transportation and storage costs; participation of national enterprises in public procurement of agri-food products; interaction with potential buyers and other structures.

It is necessary to establish the Agency on innovative development of agro-industrial complex of the EAEC countries based on documents on the development of selection and technological base. This structure will contribute to solution of the problems of the existing mechanism for attracting foreign investment and organizing joint ventures. The Agency's goal is to ensure capital inflow to agro-industrial complex by addressing the following issues: increasing the information supply to foreign investors about potential investment opportunities; improving the procedure for registration of foreign investment, the formation of a mechanism for investment incentives and stimulating the introduction of innovative technology and technology in agroindustrial complex, the system of insurance against economic risk in AIC.

To eliminate the interference of State bodies in the activities of commercial organizations and individual entrepreneurs, the elimination of administrative barriers, it is foreseen to develop a unified system of agricultural subsidies and equalization of competition conditions.

The second level of integration requires a higher degree of mutual penetration of the economic systems of the EAEU countries. The basic element will be the common commodity, financial market, capital market, labor resources market, etc.

Its main stages are the formation of a single technological cluster on foreign trade specialization with loan and bank support; establishing unified commercial and industrial technological clusters, which basis will be innovative technologies of production of competitive products that are in demand on the world market.

It is necessary to form effective complexes of horizontal and vertical types, integrated into export-oriented and import-substituting clusters, aimed at saturation of agricultural market with quality products. Achieving this goal: establishing joint food companies that promote products on EAEU and third countries markets.

For stable and uninterrupted supply of processing enterprises with raw materials, it is necessary to establish zones of specialized production of vegetables for processing, which will allow increase of the volume of canned vegetable production, and reduction of imports on EAEU internal markets.

For the effective development of the commodity zone and export potential, it is necessary to take advantage of interstate cooperation on EAEU markets.

This requires the establishment of agricultural commodity stock exchange. The mechanism of its operation will enable the producers of the EAEU countries to determine the volumes of demand and promotion of agricultural products.

Ensuring the collective food security of the EAEU countries -is a complex problem. Since all countries have different levels of economic development, the in-depth analysis of the food supply situation for the population is needed.

Whereas, the positive factors are possible: in the short term (trade leads to the increased imports, which has a positive effect on the variety of available food products); in the

medium and long term perspective the increasing efficiency as a result of specialization will lead to the increase of food production, stimulating competition with foreign countries. In the medium and long-term perspective, accessibility increases because of the increased access of export goods on market, macroeconomic benefits of free trade, such as export growth and direct investment inflows.

A purposeful export policy includes: product competitiveness, promotion of products, formation of market infrastructure, provision of domestic needs (physical, economic accessibility), product quality and safety; increased incomes of rural population (assistance in sales of products and service, availability of public support, development of non-agricultural businesses in ural areas) [5].

In the long term perspective, the sustainability and effectiveness of the development of a single agricultural market for food products within the EAEU and national agro-food markets should be determined by quantity, quality and specific assortment, the availability of their commodity resources, the level of prices, the effective demand of the population and the possibility of satisfying it at the expense of domestic production, the conjuncture of the world agri-food market and a number of other factors, both internal and external.

The scale, intensity and stability of food products trade are characterized by the level of development, common economic interests of certain countries, and the rationality of relations between third countries.

The greatest effect is possible if production and export of food products increases, which are most effective in local conditions, and import of scarce goods that in the internal and external conditions cannot be fully met by domestic production [6].

For the formation of the developed agro-food market, mutual food products trade, it is necessary to develop a strategy and a general outline of the territorial-sector division of labor of the EAEU, taking into account natural and economic characteristics. At the same time, establish a common commodity distribution system for the unhindered promotion of food products (reduction of total costs). At the same time, it is necessary to identify priority types of food and basic joint activities in production and marketing on supranational agro-food market, create large-scale specialized zones, interregional

and intergovernmental agro-industrial organizations, and use joint innovation and investment projects. To do this, it is necessary to develop and implement effective and economic mechanisms that promote the balanced development of national agro-food markets and formation of coordinated export flows aimed to prevent significant economic losses [7].

Conclusion

1. Improvement of the organizational and economic mechanism (integrated interrelated system of organizational, economic and regulatory measures) of agro-food market at the supranational level will contribute to the improvement of the efficiency of trade relations in the EAEU countries.

2. Orientation towards ensuring domestic food products as the main target point for the implementation of the national concept of the AIC development of Kazakhstan is needed.

3. Development of the strategy of territorial-sectoral labor division, taking into account the specific economic features, establishment of a single commodity distribution system for unimpeded promotion of food products in the EAEU countries, specialized zones, implementation of joint innovation and investment projects will contribute to the formation of a developed agro-food market of the partner countries.

4. The growth of product competitiveness, the creation of a broad network of infrastructural objects of the common market, effective public support, and increased incomes of the rural population is the basis of the purposeful export policy of the EAEU member States

5. For the sustainable development of a single agricultural market and national agro-food markets, the quantity, quality and range of products, commodity resources, the level of prices, solvency demand of the population and the possibility of its satisfaction at the expense of domestic production, the conjuncture of the world agro-food market are important.

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