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**PROBLEMS OF UKRAINIAN AGRARIANS
IN THE CONDITIONS OF WAR**

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Abstract: *Even in a state of war, business must work where possible, pay taxes and give the country the resources to continue its defense. Agrarian enterprises are not in the worst conditions.*

During the war Ukrainian farmers faced problems: lack of fuel, fertilizers, blocking logistics, disruptions in the supply of agricultural machinery and equipment, the suspension of exports.

In such difficult conditions all farmers who can physically go out into the field plan to sow.

Farmers are reviewing their crop rotation based on each of their available opportunities. Someone reduces the sown area, lets the rest of the area under steam or green manure. Some people change corn for spring wheat, sunflower, soybeans, buckwheat without nitrogen fertilizers and minimize the risk of drying in the fall (drying is a separate problem, as in today's reality it is difficult to predict the situation with energy resources in six months).

Today the food security of the whole state is on the shoulders of Ukrainian farmers. About 30% of the sown areas planned for spring crops will definitely not be sown, another 20% - in question. In Ukraine have all the prospects to sow 50% of sown areas. This is enough for domestic consumption.

There are no recipes and practices for conducting a sowing campaign in military conditions, so market participants solve their problems quickly according to the situation, and often even instinctively.

Keywords: *agricultural producers, state guarantee programs, exports, value added tax, single social contribution*

INTRODUCTION

Russia's military aggression against Ukraine in February 2022 has terrified the world. Thousands of civilian casualties, destroyed infrastructure, environmental and humanitarian catastrophes, human migration, etc. - all this has killed a huge stake in the economy not only of the two countries but of Europe and the world. The echoes of this aggression will be echoed for decades to come. Today's Ukrainian conditions are unprecedented. Europe has not faced such a situation since World War II.

Due to the Russian shelling of ports, farmers can not sell grain. They lack working capital for the purchase of seeds, fertilizers, plant protection products. In addition, prices for these and other goods have increased significantly.

Despite all obstacles in the southern regions of Ukraine sowing has already begun. By March 21, agrarians of Odessa region had sown more than 22,000 hectares out of the planned 750,000 hectares. In the Nikolaev area field works began in those areas where the foot of occupiers didn't step.

RESEARCH RESULTS

In addition to the military component, the main problems today are:

- lack of commodity material resources for sowing (seeds, fertilizers, spare parts and service of agricultural machinery);
- shortage of labor (many have left the regions or are involved in hostilities, are victims);
- failure of logistics (it is impossible to physically deliver commodity material resources to agricultural enterprises, as they are in warehouses, ports or abroad, their delivery is limited to damaged transport infrastructure and hostilities);
- lack of cash liquidity among farmers (suspended access to bank financing, as well as the closure of trading and as a result - the inability of agricultural producers to sell available products).

In addition, the occupiers blocked the sea route, which could easily compensate for the lack of fuel.

There are a number of other problems, for example, with components that are more expensive or missing. Supplier managers process old orders, they are in touch, but there is a problem with the supply of spare parts. There is also a refund to agricultural producers from commodity material resources suppliers due to the impossibility of physical delivery of goods.

Banks are starting to lend to farmers in small limits - up to UAH 6 million. (including without collateral). Financial institutions are reviewing their lending procedures, conducting online identification and signing contracts, remote farm visits and introducing credit vacations on existing loans. Banks provide loans to farmers on a territorial basis, given the active hostilities.

The state understands better than anyone the need for a 2022 sowing campaign. State guarantee programs for loans to agricultural producers are being actively implemented. Working groups are being set up with agricultural market participants. The state listens to the market and continues to take measures to reduce the cost of loans (Available loans 5-7-9%, 300 resolution Cabinet of Ministers).

Financial support of world institutions will not lead to a deficit of monetary liquidity in Ukraine. State institutions need to actively adapt to today's conditions and involve all participants, including distribution companies (for example, those who provide commodity loans to agricultural producers), traders, logistics hubs (in

particular, national carriers, large retail chains). Thus, the US House of Representatives passed a law that the US government will finance by September and send almost \$14 billion in aid to Ukraine, which is fighting against Russian aggression. Of this amount, \$100 million is provided for assistance to the agricultural sector of Ukraine.

Given the limited access to seaports and maritime transport, emphasis should be placed on rail transport.

The state announced the possibility of buying finished products from agricultural producers to replenish state food stocks.

The government has updated the list of goods whose exports require licensing and the list of goods subjects to export restrictions. Thus, licensing is required for: wheat and mixtures of wheat and rye, corn, chicken meat, chicken eggs, sunflower oil.

In order to obtain licenses, manufacturers must submit to the Ministry of Economy in electronic form:

- application for a free license in the form approved by the order of the Ministry of Economy of Ukraine dated 09.09.2009 № 991 «On the procedure for licensing the export of goods» (registration with the Ministry of Justice of Ukraine dated 06.10.2009 № 937/16953;

- letter-application for a license (letter of any form, requesting a license);

- any available document confirming the delivery (contract, etc.).

- The request will be processed no longer than 24 hours.

The conclusion of phytosanitary certificates will be available in any institution where the relevant examination is conducted.

During the martial law, the government banned the export of oats, millet, buckwheat, sugar, salt, rye, cattle, meat and offal.

For other goods, exports are carried out in peacetime.

The Ministry of Agrarian Policy has launched a platform to assist farmers in sowing in 2022.

The Agrostatus platform aims to find out what needs farmers have for a successful start to sowing and to help cover these needs with state funds and international support. It is necessary to fill out a special application for your needs. Then the Ministry of Agrarian Policy will be guided by all means of communication on all further actions.

Also, to ensure the 2022 sowing campaign, the Government has adopted the relevant resolutions: State Program «State Center for Certification and Examination of Agricultural Products» will organize a process of uninterrupted sale of seeds and planting material needed for sowing. During martial law, this process is without additional certification procedures. A certificate of the country of origin is enough for imported seeds.

When importing seeds into the territory of Ukraine, the State Service for Food Safety and Consumer Protection must recognize foreign certification for seeds.

In addition the service will inspect the phytosanitary condition of the seeds, but may not apply phytosanitary examination.

The authors believe that these measures will provide all agricultural producers with the necessary amount of seeds, thanks to the simplification of bureaucracy.

In order to ensure sowing, the Government is introducing the reservation of conscripts (this also applies to other critical sectors of the economy). Agricultural enterprises and food producers will provide the Ministry of Agrarian Policy with lists of critical workers who will be granted deferment from conscription during mobilization and wartime.

In the first days of the war, changes were promptly approved to abolish fines for those companies that are unable to pay taxes and file reports. Three places will be given to settle such issues after the end of martial law.

A key impact on Ukrainian business including the agricultural sector are the amendments to the Tax Code introduced by Law № 2120-IX (entered into force on March 17, 2022), where individuals, sole proprietors, whose annual income is up to UAH 10 billion, can from April 1, 2022 on application become a payer of the single tax of the 3rd group, where the tax rate reaches 2% of turnover.

After the abolition of martial law, such persons automatically switch to the tax system that was previously used. At the same time, such persons are not value added tax (VAT) payers, so if a VAT payer moves to this group, his registration is canceled. Goods and services that were purchased with VAT and were not used will need to be subject to VAT, ie to make a «conditional sale».

Zero excise tax rate and 7% VAT on fuel have been set. It is envisaged from March this year to December 31 of the year following the year in which the martial law ceased, from the payment for land (land tax and rent for state and communal lands) of taxpayers whose land is located in the territories where hostilities are taking place or in the temporarily occupied territories. At the same time, companies must pay a single tax as the fourth group, or move to the third group and pay 2% of turnover.

The minimum tax liability will not be accrued and paid for 2022 and 2023 for lands where hostilities are taking place or which are temporarily occupied territories. In 2022, no environmental tax will be paid in these areas. Until and after the cessation of martial law for 12 months, natural persons-entrepreneurs and members of the farm do not pay single social contribution for themselves.

Bill №7178 of March 19, 2022 «On Amendments to Certain Legislative Acts of Ukraine on Creating Conditions for Ensuring Food Security in Martial Law» provides for significant changes to the Land Code of Ukraine. The document should address the issue of agricultural land use (agricultural). In particular, this

bill is planned to allow the use of plots for another year, where the contracts for use have expired. The procedure for registration of contracts, the ban on land auctions and the powers of military administrations in this area are determined.

CONCLUSIONS

So despite the current situation, sowing in 2022 in Ukraine started in early March. Farmers are actively working in the field, caring for the future harvest, and with it the food security of Ukraine.

At the same time, international institutions are announcing financial support for Ukraine, and the country's agro-industrial complex is a strategic area to support food security not only in Ukraine but also around the world.

Thus taking into account all the above facts, the main task remains to provide preferential financial support for agricultural producers.

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