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## SOME CERTAIN STATE MEASURES TO STRENGTHEN FOOD SECURITY

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**Abstract:** *The state regulation issues in the spheres of the national economy have been of particular relevance and importance since historical times. The most problematic area, but at the same time the factor affecting the interests of national and food security is the agricultural sector. The overall well-being of people and the sovereignty of the state depend on its functioning, sustainability and competitiveness. In many of its sectors, agriculture will not be able to function without state support. This is evidenced by the experience of developed countries of the world. Throughout the entire period of the existence of the Russian state, financial, organizational and managerial measures were used in relation to the agro-industrial complex. Even though the level of financial support is insufficient or sometimes unavailable, it has certain effectiveness, which is more evident in the livestock sector. Of particular importance and relevance today are issues of increasing the investment attractiveness of economic entities in the agricultural sector and rural areas themselves. Those support measures that are currently laid down in the state program for the development of agriculture in Russia should be expanded at the expense of the proposed areas and have comprehensive and systemic nature.*

**Keywords:** *state support, subsidies, food security, agricultural sector, economic efficiency, investment.*

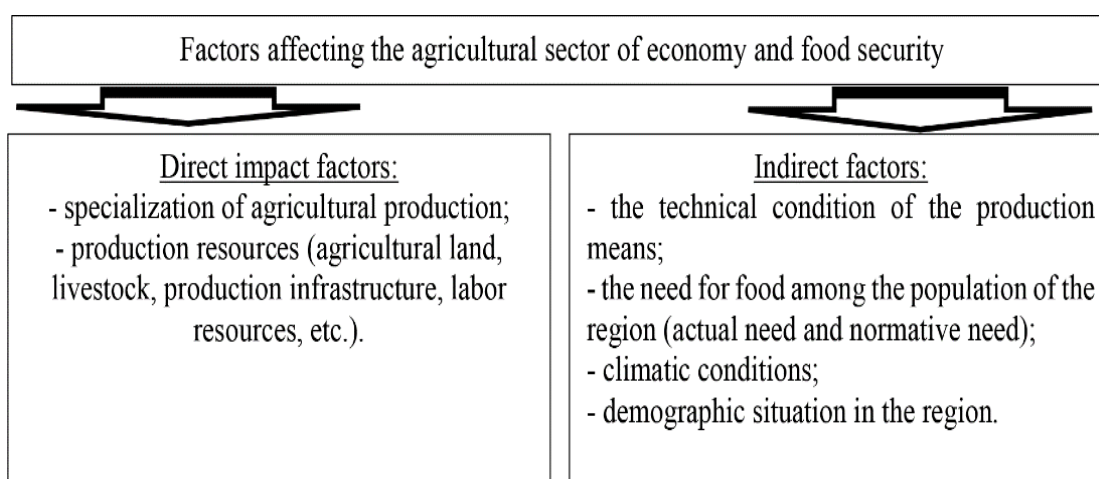
### INTRODUCTION

The priority in the politics of the developed states of the world is to ensure the economic security of their countries and regions. A well-known fact is that economic security is closely linked to food security, while the state of both types of security is ensured by a combination of factors and conditions. First, they are associated with the

impact on the needs and consumption of the population of the whole country. First, the level of demand and consumption depends on the stable functioning of the economy and its financial stability. In relation to Russia as the studied country, it should be noted that Russian economy is currently subject to the influence of sanctions. But at the same time, Russia received additional incentives, and new opportunities were found for the development of agricultural production. Over the past six years, the Russian state has a priority task to fill the agricultural food market with domestic products (Kuchumov, 2016).

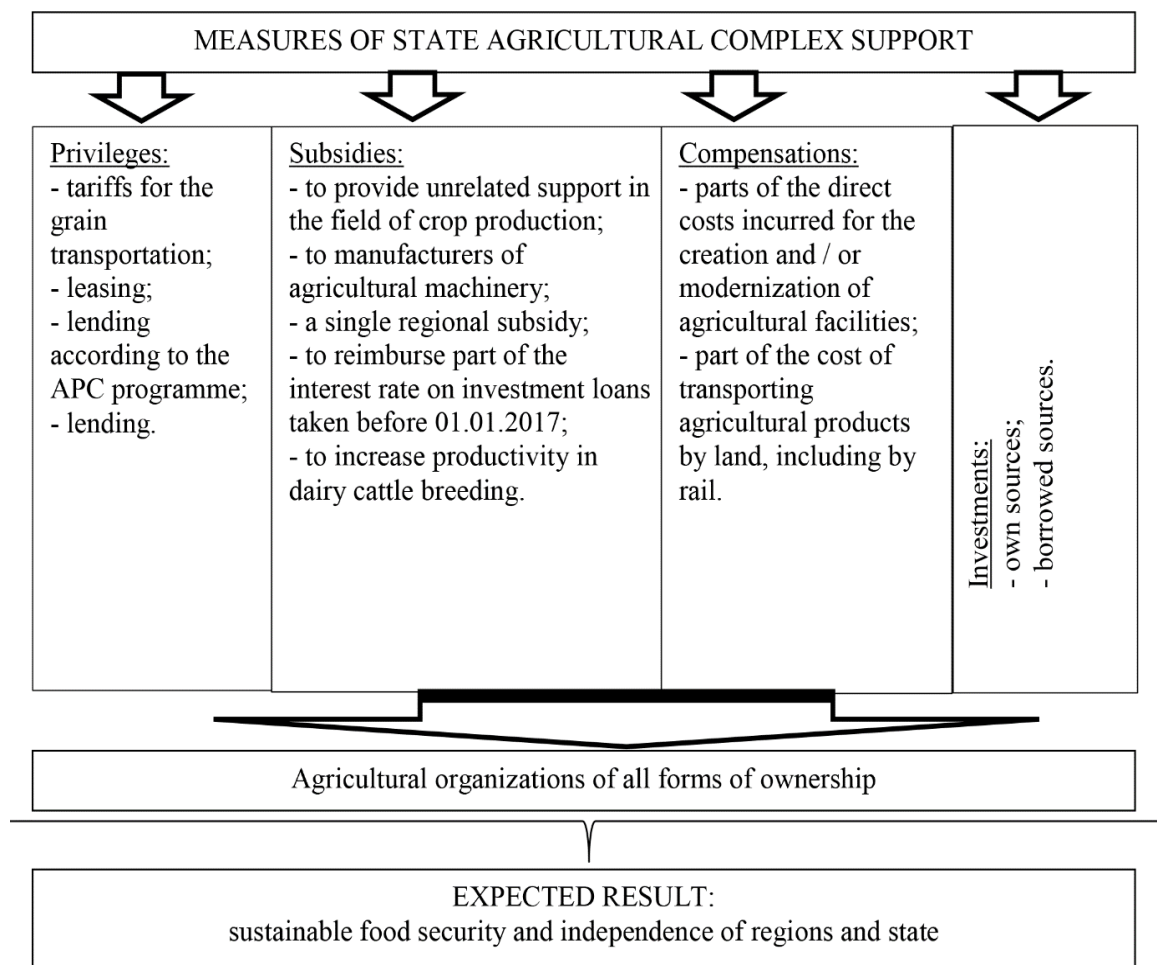
For many years of the post-Soviet period, Russia had a model of a market economy that was utopian in nature. The latter was manifested in the development of export supplies of energy and agricultural raw materials in the form of gas, oil, timber, grain and filling the consumer market with imported food and other agricultural products. For any state, such a model of economy may sooner or later lead to irreversible consequences, which in relation to Russia could affect the depletion of natural resources and food sovereignty. Russian agriculture is characterized by vast territories with different conditions for topography, soil, climate, etc., and most of the territories with agricultural potential are seasonal. Natural conditions in all areas of the country are unstable, and sometimes anomalous. Consequently, agricultural production in Russia is risky (Kazarova & Safonova, 2018).

In this regard, state support is a prerequisite for ensuring the appropriate level of well-being in agriculture and rural areas in terms of their socio-economic development (Yashkova & Maslova, 2019). Today, state support to farmers is not only a financial, but also an organizational and managerial tool practically all over the world; this tool is aimed at the effective functioning of domestic producers and the formation of a sustainable food security system. The motive in the state policy of Russia is, first of all, independence, including food. Then the tools for the formation and strengthening of food security are the main incentives, the target action of which should be aimed at normalizing the factors on which the state of agricultural production directly and indirectly depends (Yashkova & Maslova, 2019). Such factors were highlighted in the works of N.V. Yashkova and V.N. Chumakova (fig. 1) (Yashkova & Chumakov, 2018).



**Figure 1** - Factors of influence on food security and the level of agricultural development in the regions (Yashkova & Chumakov, 2018).

Based on the presented factors and their components, which are a mirror image of the state of the national food system, it can be noted that they are all domestic, and therefore subject to regulation at the state level. Currently, the main state regulation and support tool for the national food system is the current State program for the development of agriculture and regulation of agricultural products, raw materials and food markets (Kireeva & Sukhorukova, 2018). State support measures laid down in the state program are formed by providing cash in the form of benefits, subsidies, compensations and other financial funds, both own means and borrowed investments (fig. 2).



**Figure 2** - State support measures for the agricultural sector in Russia (according to the official website of the Ministry of Agriculture in the Russian Federation: <http://mcx.ru/>)

The most significant tool for the implementation of almost all the above measures of state support is the monetary allocation by budgets of all levels. However, the general planned volumes of financing are not always fulfilled for various reasons of an economic, organizational, managerial and other nature. Kireeva N.A. and Sukhorukova A.M. in their work based on the data from the handbook on subsidies of the Ministry of Agriculture in the Russian Federation made an attempt to systematize the data on financing the State Program for 2017-2019 (tab. 1) (Kireeva & Sukhorukova, 2018).

**Table 1** - Change in funding volumes for the main areas of the State Program for the Development of Agriculture for 2017-2019.

Indicators	2017.	2018	2019	Absolute variation, +/-
The total (planned) amount of financing provided by the State program, billion rubles	300.2	324.0	337.8	+37,6
Actual amount of financing of the State program (adjusted), billion rubles	215.9	198.0	194.1	-21.8
The proportion of unfulfilled planned financial resources of the State program,%	28.1	38.9	42.6	-

Based on the data from Table 1, it should be noted that over the past three reporting periods, the actual execution of the State program budget is significantly lower. Over the three analyzed years, it is clear that the actual volume of financing tends to a 50% level, which may adversely affect the development of both rural areas and business entities themselves. This means the possibility of weakening the existing level of food security of the country (Yarkova & Galeev, 2019). At the same time, one should also pay attention to the already available data on the financial condition (level of profitability) of agricultural enterprises (tab. 2).

**Table 2** - The profitability of production for the main types of agricultural products for 2017-2018, %.

Item No.	Indicators	2017	2018	Absolute deviation 2018 to 2017, +/-
1	Profitability Level:			
	- including subsidies	12	12,5	+0.5
	- excluding subsidies	5.3	6.4	+1.1
2	Average profitability indicators for the livestock industry excluding subsidies	-0.1	+1.2	+1.3
3	Average profitability indicators for the crop sector excluding subsidies	+19.0	+22.2	+3.2
4	The level of profitability from sales, including subsidies:			
	- livestock products	10.1	9.2	-0.9
	- crop production	20.0	23.0	+3.0

\* The table is compiled by the author according to the National Report 2019.

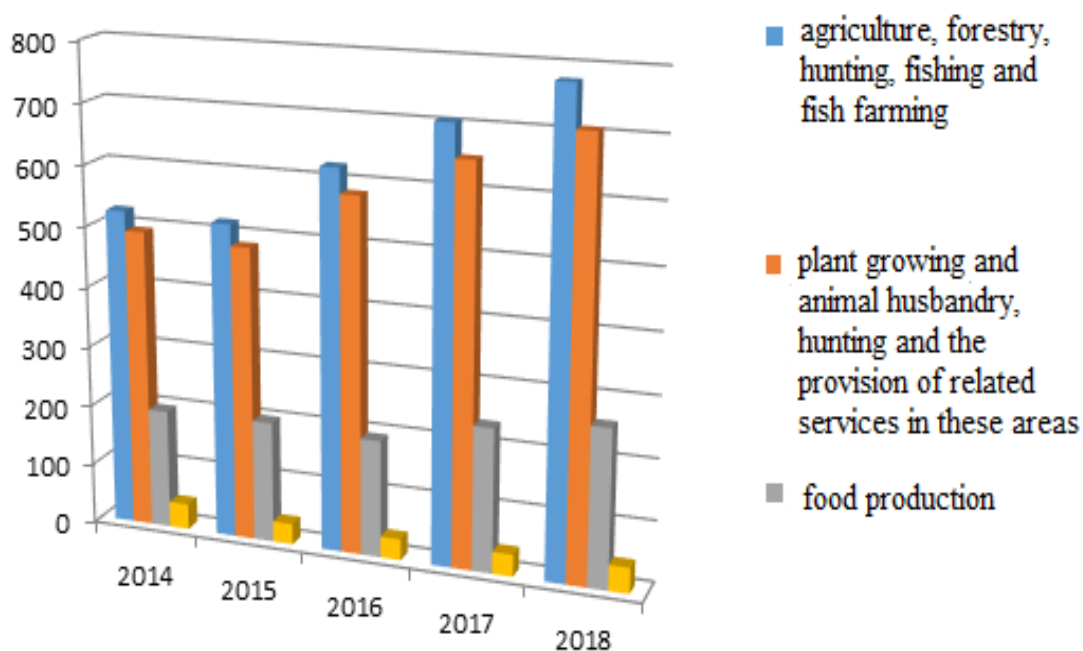
The statistics presented in table 2 clearly indicates the effectiveness of state support in the form of subsidies, benefits and subsidies, despite its low level. Such investments are most effective in the livestock sector, where there is a direct dependence of the profitability level on invested funds. However, this dependence is absent in the crop industry. The figures primarily indicate its insignificant effectiveness. This situation is explained in two main reasons. First, the amount of funds allocated as subsidies for the crop industry is based on the amount of arable land used for cultivating crops.

These volumes are very small and are completely differentiated by regions (Zhakhov, 2018; Basaev, 2015). So, in several regions, territories and republics of Russia, 1 ha on average accounts for about 1600 rubles; this is a disastrously low rate. Secondly, the results of activities in the plant growing industry directly depend on natural and

climatic conditions, which in recent years have been unstable. In general, the situation is somewhat justified by the fact that even without subsidies, it is cost-effective to grow crop products in most southern Russian agricultural territories. According to statistical reporting data, the most competitive crops are cereals and grain legumes, potatoes, soybeans, grapes, sunflowers, and sugar beets. For these crops, the profitability level varied from 23 to 33% in 2018.

As for the livestock industry, the most profitable area here is hog raising and fattening, where the profitability excluding subsidies in 2018 was 40.8%. Almost at the same low level was the production and sale of wool (-37.1%). In contrast to these types of production in animal husbandry, highly profitable egg production of all species of birds was favored (58.9%). Also, in the positive segment, but at a low level of profitability, there was milk production (15%). According to many experts in the field of agricultural production economics, a way out of this situation regarding the deficit of state support at any level (federal, regional or municipal) is seen in the development of investment activity and attractiveness of agricultural entities or their associations (Yarkova & Galeev, 2019; Zhakhov, 2018; Basaev, 2015). It should be noted that modern software tools provide for this development. First, this is manifested in updating the material and technical base of the crop industry.

General data on capital investments are manifested in the following indicators: agriculture accounts for only 4% of all investment in all sectors of the national economy. At first glance, this figure is insignificant, but when compared it gains its significance. So, for example, only 1.7% was directed to the processing industry and the food industry as investments, which amounts to 302.8 billion rubles in monetary terms. In general, over the past 5 years (from 2014 to 2018), there has been a dynamic growth in investment volumes in certain sectors of the agro-industrial complex (Fig.3).



**Figure 3** - The volume of investment in fixed assets for certain types of economic activity, billion rubles (Yarkova & Galeev, 2019).



Of course, the state is the main investor in this situation; it commits itself to creating decent conditions for attracting investments and developing public-private partnerships in the agricultural sector of the economy. It is important to note that the direction with the development of investment activity should not be the only one. In many regions of the country, state support will have a positive result only with its systemic implementation (Tashbaev & Momunov, 2016).

This involves the implementation of the most important areas of formation, improvement, preservation and maintenance of: Human resources in the agricultural sector, taking into account the transition to a digital economy; Ecological balance and reproduction of natural resources necessary for the economic activity of agricultural entities; Sustainable development of rural territories from the position of social, economic, domestic and cultural development (Yarkova, 2019); Competitive agrarian production of agricultural raw materials, products and foodstuffs with the aim of ensuring, according to their consumption standards and actual needs of the population (Yarkova, 2019); Control over the quality of production, over rising prices in food markets; Monitoring the effectiveness of the use of budget funds; Maintaining and building up the possibilities of a preferential tax regime. The implementation of such areas will contribute to the implementation of tasks and the achievement of the goal on creating a sustainable level of food security in the state and its regions.

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