

Marmul L.O.

SOCIAL ASPECTS OF THE FORMATION OF PRICES OF AGRICULTURAL PRODUCTS IN THE REGIONS OF UKRAINE

In the article the peculiarities of the prices formation of agricultural products. The necessity of taking into account social aspects of activity of agricultural enterprises, development of rural areas in the regions of the country.

According to many researchers and practitioners, a major cause of saving the crisis in agriculture is inconsistency manifested in the state pricing policy and continues to manifest itself in a sharp deterioration of equivalent exchange between agriculture and industry. It has not controlled price increases monopoly that supply the village means of production, reducing demand for agricultural raw materials of food businesses, food production because of low solvency of the general population.

Economic processes agro-industrial activities, a market economy objectively requires the formation of such a pricing policy that would ensure equivalence of exchange on the stages of material and financial support, primary production, processing and sale of goods, services and income generation necessary for extended reproduction in agriculture and rural development. The success of formation and development of market relations in the agrarian economies largely depend on pricing for the products of agricultural production, its compliance with the new conditions of industrial activity and entrepreneurship.

Price is an important regulator of the interaction of market relations. It is closely related to the law of value, supply and demand, the territorial division of labour,

which represent the driving force of economic development and growth. This requires an objective approach to the study of the process of pricing in the business and regional level, allowing for the spatial distribution and marketing environment, market food situation of consumer and the amounts and forms of state support for agricultural producers.

Price – an expression of good value considering the costs and profits for further expansion. High prices ensure the normal functioning of agricultural economy, but they must be objective for manufacturers and consumers. Under these conditions, an economic system characterized by stability and orderliness of prospects for development. On the other hand, the existing disparity in prices causes a high risk of bankruptcy of agricultural enterprises, loss of profits, recession, and deterioration of product quality and so on. Resolving this issue will enable it to develop dynamically and actively, including at the regional level, a positive impact on rural development in general.

The process of price formation for agricultural products has regional characteristics: the presence of the general tendency to excess supply over demand levels; the emergence of price distortions due to the imbalance of supply and demand; the high cost of agricultural production, related to the specific entities in the earth; high costs of agricultural enterprises due to imperfect technology production, the use of outdated technology, unequal exchange with industry, the monopoly position of processing enterprises, etc.; low income and solvency of the population.