

TENDENCIES, PROBLEMS AND PROSPECTS OF THE BALANCED AND COMPETITIVE DEVELOPMENT OF AGRARIAN ENTREPRENEURSHIP IN RUSSIA

I.P. Dovbiiy, Dr. in Ec. Sc., Associate Professor, Chair of Economic Security, Institute of Economics and Management, South Ural State University, Russia.

e-mail: betelgeyse@mail.ru

I.V. Mitrofanova, Dr. in Ec. Sc., Professor, Institute of Social, Economic and Humanitarian Researches of the Southern Scientific Center of the Russian Academy of Sciences; Department of World and Regional Economics, Volgograd State University, Russia.

e-mail: mitrofanova@volsu.ru

E.G. Russkova, Dr. in Ec. Sc., Professor, Department of Economic Theory and Economic Policy, Volgograd State University, Russia.

e-mail: decan.econom@volsu.ru

E.A. Shkarupa, Ph.D. in Ec. Sc., Associate Professor, Department of Theory of Finance, Credit and Taxation, Volgograd State University, Russia.

e-mail: shkarupaea@volsu.ru

V.V. Batmanova, Ph.D. in Ec. Sc., Department of World and Regional Economics, Volgograd State University, Russia.

e-mail: batmanovavv@volsu.ru

I.A. Mitrofanova, Ph.D. in Ec. Sc., Associate Professor, Department of Economics and Management, Volgograd State Technical University, Russia.

e-mail: mitrofanovaia@rambler.ru

Abstract.

The article displays basic problems and it studies prospects of the development of the agrarian entrepreneurship in contemporary Russia. Under the conditions of the foreign economic sanctions, respective Russian counter sanctions and the Russian direction of a large scale import substitution it is necessary to start the activity in the field of the creation of the conditions for the modernization of agrarian technologies of production, in the creation of highly qualified information and analytical services, in the training the personnel for the farming, in the increase of the arable surface for working entrepreneurs doing business in the agricultural sphere. Such measures like the increase and qualitative improvement of public grasslands and hayfields for cattle from private subsidiary farms, development of agricultural cooperation in gathering, storage, processing, formation of lots of goods and the selling of the production of farms and private subsidiary farms, development of the infrastructure and logistic provision of rural areas will allow creating conditions for a competitive and balanced development of the agricultural business.

Key words

Agriculture, agrarian entrepreneurship, private subsidiary farms, farms, food supply security, governmental support, state programs, regulation, target financing, development, efficiency

JEL Codes Q12, Q13

1. Introduction

Among contemporary economic tendencies of the world food market the deficit of the qualified ecologically pure products takes an important place. This fact is determined by a poor modernization of the agricultural sphere of the countries with the transitional type of economy and by the growth of the production of the genetically modified (GM) food in the developed countries. The development of the agriculture is an important

aspect of the provision of the economic security of the state. That's why a special task of the authorities of all levels of government is the creation of the conditions for a stable development of the agricultural sphere and the agricultural business first of all [Safronov, Pavlenko, 2012].

The economic potential of the agrarian sector of the national economy is poorly used before all due to the problem of the conditions, development and encouragement of the entrepreneurship. The reasons for such a low business activity in the agricultural sphere are severe climatic conditions, collapse of the previous system of kholkhozes and sovkhozes, absence of traditions of the agrarian entrepreneurship, absence of prestige and the culture itself of the farming.

The agrarian entrepreneurship has a considerable potential of the growth of employment and wealth of the population, the development of the agricultural infrastructure and the overcoming for some regions of the status of depressive ones. The introduction of the economic sanctions created prerequisites for the restraining of the flow of the import food by means of the broadening of the market for national agricultural producers. But this is not enough to start the mechanism of the stable development of entrepreneurship in the agricultural production.

2. Literature review

The entrepreneurial activity in the agrarian sphere of the economy is characterized by many types of forms and by the dynamism of changes. Nowadays the question arises about the support of not only large agricultural enterprises but also of private subsidiary farms. At the same moment the transformation of the goals and mechanisms of support of different types of agricultural firms in the conditions of external sanctions and national counter sanctions is taking place. Today a contemporary review of the existing tendencies, problems and prospects of a balanced development of the agrarian business is needed. The special importance this article acquires under the condition of the absence of similar research in contemporary Russian economic science.

General questions of the regulation of the agrarian sphere are studied in the papers of Garipov F., Gizatulina H., Garipova Z., Safrononova A., Pavlenko T., Tarkhanova O.

Some problems connected with the peculiarities of the regulation of the activity of small and medium sized business are presented in the works of Bogachkova L., Usachev A., Kolodniaya G., Mintrofanofa I.

The importance of the development of theories for the encouragement of the agrarian business was studied by Sokolova S., TlisoV A., Rodionova E., Invanov N.

Specific problems of the development of the agriculture of Russia and its food security were reflected in the works of Shepitko R., Dugina T., Nemchenko A., Likholetov E., Altukhov A., Drokin V., Zhuravlev A.

The important impact on the research of specific aspects of the agrarian sector in different countries of the world was made by the following scientists: B. Popovic, M. Ivankova, M. Kubanokova, M. Hajek, A. Votavova, P. Boulanger, H. Dudu, E. Ferrari, G. Phillipidis, Ch. Gouel.

3. Methods

The methodological basis of the solution of the scientific tasks became the realization of the dialectic principles of the research within the systematic approach. The authors used general and specific methods of research: subject and object, cultural and functional, historic and logical, comparative, imitational, statistical one and other types of the analysis.

4. Directions of the regulation of the agrarian sphere in the modern Russia

4.1 Trends of the development of the agrarian entrepreneurship in Russia

A typical feature of the Russian economy is a considerable potential of the agrarian sector that was not properly disclosed due to natural, geographical, technical, technological, price and other factors. Due to this fact the food product have small share in the import of the food supplies. Analyzing the situation in the agrarian sector over the past two years the growth of the production can be seen in the European part of the country and the drop of the agricultural production in the Asian part of Russia (table 1).

Table 1. Indices of the agricultural products in federal districts of Russia, % in comparison with the previous year [Osnovniye pokazateli selskogo khozyaistva Rossii. Basic indices of agriculture in Russia, 2015]

Federal districts	2014			2015 ¹⁾		
	Agriculture	Crop raising	Stock raising	Agriculture	Crop raising	Stock raising
Central federal district	104,4	106,0	102,7	105,0	105,1	104,9
Northwestern federal district	104,7	106,0	103,9	104,3	105,4	103,7
Southern federal district	105,2	107,4	100,7	101,9	101,6	102,4
North Caucasian federal district	104,2	105,1	103,2	103,2	104,2	102,1
Volga federal district	104,2	106,3	102,1	101,6	101,8	101,5
Ural federal district	99,9	97,2	101,9	102,8	105,6	100,9
Siberian federal district	96,6	91,6	101,1	101,9	103,8	100,5
Fareastern federal district	119,8	138,5	99,0	96,1	94,7	98,3
Crimean federal district	97,8	100,3	94,9	86,4	91,0	80,9
Russian Federation	103,5	104,9	102,0	103,0	102,9	103,1

The introduction of the food embargo did not allow regional agricultural producers to substitute the imported production by the food of the local producer. The development of the agriculture requires the solution of such inner problems like the increase of the funding of the agrarian sector both by means of subsidies and by means of the modernization and the renewal of the fixed assets, the encouragement of the labour productivity growth both in the sphere of the management, training and social sphere improvements.

Table 2. Share of the production of private subsidiary farms in the total production of some types of agricultural production in 2015, % [Osnovniye pokazateli selskogo khozyaistva Rossii. Basic indices of agriculture in Russia, 2015]

Federal districts	Gross yield				Live stock and poultry meat	Production	
	Crops	Sunflower seeds	Potatoes	Vegetables		Milk	Eggs
Central federal district	18,9	24,4	72,0	74,9	9,0	24,0	18,2
Northwestern federal district	8,2	100	71,1	54,9	5,0	12,5	3,4
Southern federal district	31,2	29,8	69,7	42,0	41,8	61,9	43,6
North Caucasian federal district	23,9	16,4	75,3	74,2	43,7	73,5	66,2
Volga federal district	25,1	34,6	80,4	71,6	32,0	43,4	21,4
Ural federal district	29,7	44,7	75,6	73,6	21,9	43,6	6,5
Siberian federal district	34,6	39,1	87,9	82,6	44,9	55,6	15,8
FarEastern federal district	18,2	-	85,9	68,5	40,7	54,2	14,6
Crimean federal district	20,5	15,0	97,5	87,5	45,6	91,0	61,3
Russian Federation	26,3	29,3	77,6	67,0	25,4	45,6	20,7

The most dynamical segment of the national agriculture are the entrepreneurs that can and must play an important role in the provision of the food security by means of producing the ecologically pure production. The government of course is expected to solve the problems of the agricultural sphere by means of a number of measures directed on the training of the personnel, improvement of the agricultural infrastructure, support of young specialists, development of the agricultural science.

The measures should be concrete and backed by funding should be financial and not declarative ones. But the steps of the state support for certain depressive regions do not have as a result the increase of the productivity as the "budgetary shower" can dry out. In this respect the task of the assessment of the activity efficiency of the corresponding state authorities in the part of the assistance to businessmen from the agrarian sector in every level of the economy: federal districts, regions, municipalities becomes important. [Tliso, Rodionova, Ivanov, 2015; Sokolova, 2014].

It is necessary to assess how the activities of the administration of a concrete region for a period taking into consideration such indices like the unemployment level in the rural area, efficiency of land resources use, changes of the population income per capita technical, potential of the agriculture and etc influence the development of the agricultural business.

The federal law dated 24.07.2007 № 209-FZ «About the development of small and middle sized firms in the Russian Federation» officially determines the parameters of the classification of the small and medium sized firms into categories (table 3).

Table 3. Types of entrepreneurs in the agriculture [O razvitii malogo i srednego predprinimatelstva v Rossiyskoy Federatsii. About the development of small and medium sized firms in the Russian Federation, 2007]

Types of agricultural entrepreneurs	Indices	Firms		
		Middle	Small	Micro
Private subsidiary farms	Form of the non entrepreneurial activity			
1. Agricultural consumer cooperatives and production cooperatives	Share of the participation of other entities, %	Less than 25		
2. Farms	Average number of workers over the past year, persons	101 – 250	Less than 100	Less than 15
3. Individual entrepreneurs				
4. Other commercial agricultural organizations	Revenues after sales (minus VAT) over the previous year, million rubles	1000	400	60

The small business in the agrarian sphere competes hard with large agricultural companies and at the same time the number of the farms and private subsidiary farms grow in the production of the agricultural production.

In the beginning of the years 2000 the number of family operated farms made only 3,2% in year 2000 but already in 2014 it made already 10%. The average growth rate of the farms since 1990 till 2014 made 136,7% and the growth rate of the agricultural companies made 95,2%. [Selkoye khoziaystvo, okhota, okhotnichye khozyaystvo, lesovodstvo Rossii. Agriculture, hunting and hunting business, forestry in Russia, 2015].

In the monetary terms the volume of the production of the agricultural production in the Russian Federation made 4225,6 billion rubles (65,0 billion US dollars), including the production of the farmers 422,7 billion rubles (6,5 billion US dollars), of the private subsidiary farms 1747,8 billion rubles (26,9 billion US dollars). The share of small entrepreneurial forms in the production of the agricultural products is considerable. In 2014 private subsidiary farms produced 87,7% of potatoes, 83,3% of vegetables and 53,4% of milk (table 4).

Table 4. Share of small forms of entrepreneurs in the production of the agricultural products in 2014 [Selkoye khoziaystvo, okhota, okhotnichye khozyaystvo, lesovodstvo Rossii. Agriculture, hunting and hunting business, forestry in Russia, 2015]

Agricultural production	2014	
	Volume of production, thousand tons	Share, %
Potatoes	27273,5	87,7
Vegetables	12518	83,3
Milk	16465,4	53,4
Cattle meat and poultry, live weight	3988,1	30,9
Sunflower seeds	2584,3	29,5
Crops and beans	26413,2	25,4
Sugar beet	3449	10,5

The statistical production data does not take fully into consideration the production of certain agricultural crops and revenues in the informal sector. Besides the available information do not reflect the mood and preferences of the owners of private subsidiary farms and gardener's communities. For instance, over the past years the desire of the owners of small plots of lands to produce ecologically clean products for personal *сцтыгъзешицт* grew considerably although even a decade ago these plots of land used to be "successfully" asphalted.

The most representative sector of the agricultural sphere are farmers and individual entrepreneurs producing the agricultural production. At the beginning of 2014 according to the data of the Ministry of Agriculture of the Russian Federation, their number made 223,2 thousand, including 47,3 thousand farms, the quantity of individual entrepreneurs made 211,7 thousand. The reduction of the number of farms is observed at the growth of the production and this fact probably proves the increase of the efficiency of their activity however this opinion needs further studies. [Osnovnye pokazateli selskogo khozyaistva v Rossii, 2015. Basic indices of the agriculture in Russia, 2015; Otsenka effektivnosti gosudarstvennykh program podderzhki malogo i srednego predprinimatelstva, organizatsiy infrastruktury i institutov razvitiya, 2015. Assessment of the efficiency of state programs of support for small and middle-sized entrepreneurship, organization of infrastructure and development institutes, 2015].

The second sector according to the importance is presented by micro enterprises and small agricultural firms that made 34,0 thousand. Private subsidiary farms present the third important form of enterprises. Thus, according to the data of the Rosreestr (Russian Inventory) for the January 1, 2013, their number made 16,27 million including 2,4 million private subsidiary farms having the production.

The implementation of the national project "Development of the agriculture" was directed on the support of large agricultural firms and the consequences of the crisis reflected on the farmers which reduced the volume of agricultural production from 209,2 billion rubles (6,2 billion US dollars) in 2008 till 187,4 billion rubles (2,8 billion US dollars) in 2011. But already in 2011 this parameter made 294,5 billion rubles (4,5 billion US dollars) and by the beginning of 2014 made 361,3 billion rubles (5,6 billion US dollars).

Thus, it is possible to speak not only about a considerable potential of the agricultural business but also about a certain success in its realization. The success will be determined by the overcoming of the depressiveness of territories, development of small arable lands, growth of entrepreneurial activity and the employment of rural people. In order to provide the competitiveness of national agricultural producers it is indispensable to strengthen the control over the quality of the imported products, improvement of the mechanism of state purchases, customs and tariff regulation, involvement into the turnover of the agricultural lands and the expansion of the meliorative measures [Safronov, Pavlenko, 2012; Kolodnyaya, 2010; Tarkhanov, 2014].

4.2 Problem of the transformation of private subsidiary farms into family operated farms.

As the statistical data prove the private subsidiary farms successfully coexist with other types of enterprises playing an important role in the production of food supplies. At first sight farms (family operated farms) have considerable advantages before private subsidiary farms. However the first type of firms is not in a hurry to integrate into the entrepreneurial community despite all the available advantages both speaking about the available plots of land and the opportunities of the construction of the houses and the infrastructure on the arable lands (table 5).

Table 5. Comparative characteristics of opportunities of private subsidiary farms and family operated farms

Indices	private subsidiary farms	family operated farms
Taxes paid	Land tax, Individual property tax, Transport tax	Common agricultural tax (6% difference between revenues and expenses), land tax, transport tax, insurance inputs into state non budgetary funds (pension fund, social and medical insurance fund)
Disposable arable lands	Less than 5,5 hectares	Without limitation
Construction on the arable lands	The construction of the infrastructural items is forbidden	The construction of the housing units and the infrastructural items is allowed

There are a lot of reasons for the absence of the interest. First of all it is the insufficient encouragement for business people, presence of a large number of barriers to entrance into the industry. The problems have a deeper character and require a separate study. Particularly when changing the status from the private subsidiary farm to a family operated farm the problems of the credit provision and insurance, technical and energy equipment, modern technologies of the cattle production and cultivation of agricultural cultures arise. The problem of sales of the produced agricultural commodities in the region and beyond its limits remains quite important.

Private subsidiary farms in comparison with family operated farms (farms) pay less taxes from the incomes of citizens obtained from sales of the production of the crop raising, cattle breeding, bee farming, flower growing both in natural and processed form.

When becoming a family operated farm (farm) the tax obligations arise in accordance with the criteria set by the tax laws of the Russian federation for agricultural producers. Particularly a different system of taxation is used for the taxation of incomes. They pay the profit tax (25 Chapter of the Tax Code of the Russian Federation); common agricultural tax (26 Chapter of the Tax Code of the Russian Federation); individual income tax (23 Chapter of the Tax Code of the Russian Federation) [Tax Code of the Russian Federation, 2016; Mitrofanova, 2012] (table 6).

Production, consumer, credit cooperatives and other agricultural cooperatives and other agricultural organizations when selecting a common income taxation regime together with the payment of the profit tax are also taxpayers of the value added tax (in dependence on the type of the sold production (works, services) the tax rate 0%, 10% or 18% is used). The cooperatives pay insurance contributions into the state non budgetary funds (pension fund, medical and social insurance fund) at the rate of 34,0%. They pay the tax on the assets of organization at the rate no more than 2,2% from the remaining book value. These types of organizations also pay land tax (0,3% of the cadastre cost of the agricultural lands and 1,5% of the cadastre cost of other land plots), they pay the transport tax except the machinery used for the production of the agricultural commodities [Tax Code, Part 2, 2016].

Table 6. Taxation systems of the incomes of the agricultural producers in 2016.

Agricultural producers	Taxation systems of incomes, tax rate			
	Individual income tax (13% of the income)	Simplified system of taxation (6% of the incomes or 15% of the difference between revenues and expenses)	Common agricultural tax (6 % of the difference between revenues and expenses)	Tax on the profit of organizations (20% from the profit)
Private subsidiary farms	+	-	-	-
Individual entrepreneurs	+	+ (tax) / + (patent)	+	-
Family owned farms	+	+	+	-
Agricultural consumer cooperatives, production cooperatives	-	+	+	+ (in part of the sales of the produced goods, processed personal agricultural production)
Agricultural consumer cooperatives	-	+	-	+
Other commercial agricultural organizations	-	+	+	+

(+/-) can/can not use the taxation system

When selecting a special taxation regime in the form of the common agricultural tax, the agricultural producers (production, consumer cooperatives, individual entrepreneurs, farms and other commercial organizations) together with the common agricultural tax pay insurance contributions into the state non budgetary funds (pension fund, medical and social insurance fund) at the rate of 34,0%. These types of organizations also pay land tax (0,3% of the cadastre cost of the agricultural lands and 1,5% of the cadastre cost of other land plots), they pay the transport tax except for the machinery used for the production of the agricultural commodities. This type of tax payers is exempt from the payment of the value added tax and the individual entrepreneurs are exempt from the individual property tax.

In case of the choice of a simplified taxation system the agricultural producers (production, consumer cooperatives, individual entrepreneurs, farms and other commercial organizations) together with the common agricultural tax pay the same taxes and insurance premiums similar to the situation of the use of the common agricultural tax.

Individual entrepreneurs that carry out the activities mentioned in the article 346.25.1 of the Tax Code of the Russian Federation who have the average number of hired workers less than five persons use a simplified taxation system on the basis of the patent and pay together with the patent the same taxes as the payers using the simplified taxation system [Mitrofanova, 2012; Bogachkova, Usachev, 2015; Tax Code, part 2, 2016].

Analyzing the tax system of the agrarian entrepreneurship we can say that the tax burden on the agricultural producers is still high and does not contribute to the growth of the interest of private subsidiary farms to the transition to the organizational form of family owned farms (farms).

4.3 Role of the state policy in the support of the agricultural business

The governmental policy concerning the support of the agricultural producers comprises a number of measures that can be classified according to their target. First of all this is macroeconomic state regulation having an indirect impact on the agrarian and production sector of the economy and for instance on the currency regulation (weakening of the exchange rate of the national currency is advantageous for national exporters of the agricultural production but is not profitable for those who import the agricultural machinery, fertilizers, raw materials). The growth of interest rates on credits results in a more expensive borrowing for agricultural producers [Altukhov, Drokin, Zhuravlev, 2015].

Second, the governmental policy includes customs and tariff regulation that is realized by means of state purchases of agricultural production, support of domestic prices for the production of the agrarian sector of the economy.

Third, this is the direct support of agricultural producers in the form of subsidies, remunerations and insurance contributions (for the damage from natural disasters); implementation of regional programs of the support of the agricultural sphere.

Fourth, this is the financial support in the form of the insurance programs, costs reimbursement, preferential taxation, and subsidies for payments of credit interests.

Fifth, this is the contribution to the development of the agricultural infrastructure and agricultural market by means of the state financing of target oriented and market programs, subsidies for the storage and transportation of the agricultural production [Garipov, Gizatullin, Garipova, 2016].

The state support of small forms of the entrepreneurship in rural area in particular of private subsidiary farms deals with two aspects: reimbursement of the interests paid by credits and loans and the subsidies for the sold cattle farm production (milk). The state subsidies paid for the development of the agricultural sphere are offered for the producers under the condition of the regional co financing [Tarkhanov, 2014; Lipina, 2014; Mitrofanova, 2012].

Family operated farms have a larger range of support. These are the subsidies paid for the sold cattle farm products, subsidies for the growth of the number of milk cows and calves, subsidies for the pure strain livestock breeding, the elite seed production. The farms get part of money spent on the construction, reconstruction and capital repair of the agricultural engineering infrastructure, for the purchase of the technological equipment, for phytosanitary activities and so on. The farms have preferential prices for lubricants for agricultural purposes [Shepitko, Nemchenko, Likholetov, 2015; Garipov, Gizatullin, Garipova, 2016].

According to the data of the department for the agricultural development and social policy the total volume of the support of small forms of entrepreneurship in the agricultural sphere grew in 2016 in comparison with 2012 by 1,67 times (table 7).

Table 7. Directions of the support of small forms of entrepreneurship in the agricultural sphere, mln. rubles (mln. US dollars) [About the directions of the support of small and middle sized firms in the sphere of agriculture, 2015]

Type of support	2012	2013	2014	2015	2016 (forecast)
Governmental support of the credits for small forms of the entrepreneurship	5800 (89,2)	500 (7,8)	4750 (73,1)	7619 (117,2)	5985 (65,1)
Non departmental target oriented program «Support for beginning farmers»	2000 (30,8)	2000 (30,8)	1900 (29,2)	3200 (49,2)	4336 (66,7)
Non departmental target oriented program «Development of family cattle farms»	1500 (23,1)	1500 (23,1)	1425 (21,9)	3075 (47,3)	3861 (59,4)
Non departmental target oriented program «Development of the agricultural cooperation»				400 (6,2)	1500 (23,1)
Private property registration of land plots of farmers	120 (1,8)	120 (1,8)	114 (1,75)	50 (0,8)	114 (1,75)

The “Governmental program of the development of the agriculture and of the regulation of the markets of the agricultural production, raw materials and food supplies for years 2013–2020” was approved by the Decree of the Government of the Russian Federation on July 14, 2012 № 717 had the volume of funding 1509,7 billion rubles (23,2 billion US dollars) and included a number of measures of support directed on the growth of the profitability and the efficiency of agricultural producers as well as the general encouragement of the agricultural sphere.

These are the financial measures in the form of the direct budgetary support (current, project, based on the efficiency) and in the form of preferential loans (payment of the interest of the loan) and in the form of leasing (involving the Rosagroleasing (Russian Agrarian Leasing) company).

Another type of measures are organizational ones that include the regulation of the agricultural market on the federal level, implementation of a number of measures concerning the sales of the agricultural production. For instance, these are the agricultural fairs organization, staff training, land granting and so on.

There also exist informational measures which imply the creation and the support of the work of the Internet site of the Ministry of Agriculture and other ministries and departments, PR support of the agricultural sphere and enterprises and so on [Governmental program of the development of the agricultural sphere and the regulation of the agricultural markets ..., 2012].

The efficiency of governmental programs will be achieved by means of the use of such principles as: the systematic character of the policy, stability and succession of the

agrarian policy, co funding of the agricultural sphere from the federal and regional budgets, state and private partnership.

The legal basis for the development of the mentioned program were the following laws: federal law «About the development of the agriculture» dated 29.12.2006 № 264-FZ, Doctrine of the food security of the Russian Federation (approved by the Decree of the President of the Russian Federation dated 30.01.2010 № 120); Conception of the long term social and economic development of the Russian Federation for the period till 2020 (approved by the Decree of the Government of the Russian Federation on 17.11.2008 № 1662-p; Methodological recommendations of the Ministry for Economic Development of the Russian Federation concerning the development of state programs of the Russian Federation (approved by the decree of the Ministry for Economic Development on 22.12.2010 № 670).

The basic goals of the governmental program are the food security of the Russian Federation (within the parameters of the Doctrine of the food security of the Russian Federation), the expanded and efficient reproduction of natural and land resources, financial stability and competitiveness of agrarian producers and their production, sustainable development of rural areas.

The program includes a number of federal target programs directed on the development of crop farming, cattle farming, modernization and innovative development of different sub industries including the reprocessing and a number of sub programs directed on the development of the agrarian sphere. A special place is occupied by the program "Support of small form of the entrepreneurship" that is funded in the volume of 83,7 billion rubles (1,3 billion US dollars) for the period of 2013–2020 (table 8)

Table 8. The volume of funding for the realization of some sub programs of the Governmental program (2016–2020), billion rubles (billion US dollars). [Governmental program of the development of the agricultural sphere and the regulation of the agricultural markets, raw materials markets and food supplies for the period 2013–2020, 2012].

Sub program	2016	2017	2018	2019	2020	Totally
Support of small forms of entrepreneurship	10,4 (0,2)	10,8 (0,2)	11,3 (0,2)	11,8 (0,2)	12,3 (0,2)	83,7 (1,3)
Technical and technological support, innovative development	3,2 (0,05)	3,2 (0,05)	3,3 (0,05)	3,3 (0,05)	3,4 (0,05)	23,7 (0,36)
Provision of the implementation of the Governmental program	25,2 (0,4)	26,2(0,4)	27,1 (0,4)	28,3 (0,5)	29,1 (0,5)	202,4 (3,2)
Federal target program «Sustainable development of rural territories for 2014- 2020»	10,6 (0,2)	11,9 (0,2)	14,2 (0,2)	16,5 (0,3)	19,2 (0,3)	99,4 (1,5)

The measures of support include the encouragement of beginning farmers, development of family owned cattle farms, state support of credits for small forms of the entrepreneurship, private property registration of land plots of farmers.

The governmental program of the development of the agriculture includes the financial support of small forms of the entrepreneurship in the direction of the development of cattle farms, support of the consumer cooperation and beginning farmers, subsidies of loans and credits, grants allocation (table 9).

The development of the agrarian entrepreneurship will be assisted by the sub programs as "Technical and technological modernization, innovational development", federal target program "Sustainable development of rural areas for years 2014–2020».

The implementation of the program is carried out taking into account a number of target indices (table 10) under the condition of the co funding of the federal budget (1,51 trillion rubles, 66%) and regional budgets (0,77 trillion rubles, 34%). Money of the budgets of municipalities and non budgetary funds are used as far as possible.

Table 9. Support for small forms of the entrepreneurship within the governmental program (2016–2020), billion rubles (million US dollars). [Governmental program of the development of the agricultural sphere and the regulation of the agricultural markets, raw materials markets and food supplies for the period 2013–2020, 2012].

Directions of funding	2016	2017	2018	2019	2020
Support of the consumer cooperation within regional economically significant programs and grants allocation for the development of the machinery and technical equipment	0,5 (0,8)	0,5 (0,8)	0,5 (0,8)	0,5 (0,8)	0,5 (0,8)
Partial subsidies for the costs incurred at the registration of land plots of farmers	0,11 (0,2)				
Development of family cattle farms	1,425 (2,3)	1,65 (2,5)	1,72 (2,6)	1,8 (2,8)	1,87 (2,9)
Support for beginning farmers	1,9 (2,9)	2,1 (3,2)	2,3 (3,5)	2,4 (3,7)	2,5 (3,8)
Subsidies for short and long terms loans and credits	5,98 (9,1)	6,9 (10,6)	7,2 (11,1)	7,57 (11,6)	7,88 (12,1)

Table 10. Indices of the Governmental program (2016–2020) [Governmental program of the development of the agricultural sphere and the regulation of the agricultural markets, raw materials markets and food supplies for the period 2013–2020, 2012].

Sub program	2016	2017	2018	2019	2020
Construction (purchase) of houses for citizens living in the rural area, total (thousand square meters)	695,6	729,0	801,4	881,9	967,6
Including young families and young specialists (thousand square meters)	387,8	406,4	446,8	491,7	539,5
Gas infrastructure development in houses (apartments), %	57,2	57,8	58,5	59,2	60,1
Provision of the rural population with drinking water, %	59,6	60,1	60,6	61,2	61,9

It should be said separately about the opportunity of the obtaining of the grants by the family owned farms within the policy of the import substitution both within the existing state program taking into account other possible sources of funding (table 11).

The development of the agricultural entrepreneurship raises an important problem that small forms of the entrepreneurship deal with. This is the organization of the conservation, processing and sales of the grown crops or cattle farm products. The problem of the survival of the small agro business that is being replaced by the large one makes the task of the development of the agricultural consumer cooperation important. Both family operated farms, consumer cooperatives and agricultural consumer cooperatives are able to obtain grants.

Table 11. Opportunities of the grants obtaining by private subsidiary farms within the policy of import substitution (for instance, milk production)

Type of the organization	Funding, million rubles, milk production, thousand tons	2016		2017	
		Within the state program	Additional sources	Within the state program	Additional sources
Beginning farmers	Funding from the federal budget, million rubles (million US dollars)	2098,0 (32,3)	2435,9 (37,5)	2198,7 (32,3)	2818,96 (33,8)
	Milk production, thousand tons	40,5	52,5	45,5	54,5
Family owned cattle farms	Funding from the federal budget, million rubles (million US dollars)	1573,5 (24,2)	2435,9 (37,5)	1649,0 (25,4)	2818,9 (43,4)
	Milk production, thousand tons *	80,5	110,0	85,5	115,0

* preliminary assets of the Ministry of the agriculture of the Russian Federation

Grants for the development of the material and technical base give the opportunity to construct or to renew the modernization of constructions, production workshops, premises, buildings, non governmental laboratories of the veterinary and sanitary expertise, to purchase the equipment for storage, sorting, reprocessing, conservation, slaughter, primary reprocessing and freezing of poultry and meat, to prepara for the sales and the purchase of the transport for the shipping, unloading, transportation of the agricultural products (specialized wagons, trailers, semitrailers, carriages, modules, containers for the transportation of the agricultural production, including leasing) [Shepitko, Dugina, Nemchenko, Likholetov, 2016; Altukhov, Drokin, Zhuravlev, 2015; Garipov, Gizatullin, Garipova, 2016].

According to the data of the Ministry of Agriculture of the Russian Federation, 25 regions of Russia in 2015 were granted subsidies in the amount of 0,4 trillion rubles (6,2 billion US dollars) for the support of 57 cooperatives. The maximal grant amount paid for the construction and modernization of workshops, buildings, constructions, rooms and for the purchase of the equipment (financed by 70% from the federal budget and by 30% from the regional budget) made 70 million rubles (2 million US dollars).

The grant is paid under the condition that 40% of the project is financed by the own money of the cooperative and 60% of sum is the governmental support. A number of regions of the federation approved and successfully implement their own regional programs in the development of the agricultural consumer cooperation, creation of the logistic centers, modernization of the cooperation (table 12).

The aggressive policy of western countries concerning the seizure of the Russian food market was partially stopped in connection with the Russian embargo on the import into Russia a number of food supplies and the approval of the Decree of the Government of the Russian Federation dated 02.10.2014. № 1948-p «About the approval of the plan of measures (road map) concerning the support of the import substitution in the agriculture for years 2014–2015». The priorities of the governmental policy are the growth of the export of the agricultural production and import substitution. The increase of the funding of the economically important regional programs (13,0–21,3 billion rubles or 0,2–1,3

billion US dollars yearly) should be mentioned and this fact is especially important under the condition of the Russia's joining the World Trade Organization in 2012.

Table 12. Support of regional programs of the development of the agricultural consumer cooperation in 2014 [Assessment of the efficiency of governmental programs of support of small and middle sized business, organizations of infrastructure and development institutes, 2015]

Title of the regional program	Total finding in 2014, thousand rubles (thousand US dollars)		
	Totally	Federal budget	Regional budgets
Amur oblast. Development and support of the agricultural consumer cooperation	35645 (562,2)	5345 (82,2)	30300 (466,2)
Primorsky kray. Development of the agricultural cooperation and logistical centers	41518 (638,7)	518 (7,9)	41000 (630,8)
Chuvash republic. Modernization and development of the infrastructure of the potato growing and vegetable farming including the creation of the wholesales and distribution center	59185 (910,5)	30654 (471,6)	28531 (438,9)

5. Conclusion

The development of the agrarian entrepreneurship implies the complex development of rural areas, the provision from the part of the state of the stabilization of the number of the rural population and improvement of the quality life taking into consideration of the contemporary requirements and standards. It is important to raise the responsibility of the regional and municipal authorities for their activity in the creation of the entrepreneurial climate, rise of the efficiency of the agricultural sphere in general and of the agrarian entrepreneurship in particular for the growth of the contribution of rural territories to the social and economic development of the country. It is indispensable not only to organize the support and assistance of the agrarian entrepreneurship but it is extremely important to determine the potential of their development, "points of growth" and problematic areas.

In our opinion the perspective goals for the further research within the study of the mentioned problem are the following ones: 1) basing of the necessity of the development of the agrarian entrepreneurship under modern conditions of the Russian economy for the advancement of the national interests in the part of the food security; 2) analysis of the regional practice and contemporary tendencies of the support of the agrarian entrepreneurship from the part of the government and the corporative sector; 3) assessment of the potential of the agricultural business from the point of view of the overcoming of regional differentiation and rise of the life standard of rural population; 4) analysis of the dynamics of the indices of the social and economic development of the agrarian sector, such as, for instance, the reduction of the unemployment level in rural areas, efficiency of use of land resources, changes of the income per capita and technical potential of the agriculture in regions in the context of the assessment of the activity of concrete authorities of particular areas during a concrete period of time.

Under the conditions of the counter sanctions introduced by the Russian Government and import substitution the farmers need not only the support but the following problems need urgent solution: the creation of real conditions for an innovative improvement of the agricultural production technologies, obtaining the qualified information and analytical technologies, training of the staff and the growth of their qualification, increase of the surface for the working entrepreneurs. Such problems like

the creation (restoration, improvement) of public grasslands and hayfields for cattle of private subsidiary farms, the development of the agricultural cooperation for the gathering, conservation, reprocessing; creation of lots for the sales of the products from family operated farms and private subsidiary farms; development of the infrastructure and logistic provision of the rural area.

References

Altukhov A.I., Drokin V.V., Zhuravlev A.S. (2015). Prodovolstvennaya bezopasnost' i importozameshcheniye – osnovniye strategicheskiye zadachi sovremennoy agrarnoy politiki [Food security and import substitution – the main strategic objectives of the modern agrarian policy]. *Ekonomika regiona* [Region Economy], 3 (43), pp. 256–266. DOI: 10.17059/2015-3-21.

Bogachkova L.Yu., Usachev A.A. (2015). Regulirovaniye razvitiya malogo i srednego biznesa v Rossii: problemy i resheniya [Regulation of development of small and medium sized business in Russia: problems and solutions]. *Vestnik Volgogradskogo gosudarstvennogo universiteta, Seriya 3: Ekonomika, Ekologiya* [Bulletin of the Volgograd state university, Series 3: Economy, Ecology], 3(32), pp. 52–61.

Boulanger P., Dudu H., Ferrari E. and Philippidis G. (2016) Russian Roulette at the Trade Table: A Specific Factors CGE Analysis of an Agri-food Import Ban. *Journal of Agricultural Economics*. 5 April: 272–291 DOI: 10.1111/1477-9552.12156

Christophe G. Trade Policy Coordination and Food Price Volatility. (2016). *American Journal of Agricultural Economics*. 98 (4): 1018-1037. doi:10.1093/ajae/aaw020

Garipov F.N., Gizatullin H.N., Garipova Z.F. (2016). Osnovniye napravleniya preodoleniya vyzovov v XXI veke v agrosfere [The main directions of overcoming of challenges in the 21st century in the agrarian sphere]. *Ekonomika regiona* [Regional Economics], 12–1, pp. 105–116. DOI: 10.17059/2016-1-8.

Gosudarstvennaya programma razvitiya selskogo hoziaystva i regulirovaniya rynkov selskohoziyaystvennoy produktsii, syria i prodovolstviya na 2013–2020 gody: utverzhdena postanovleniem Pravitelstva Rossiyskoy Federatsii ot 14 iyulia 2012 g. № 717 (2012). [The state program of development of agriculture and regulation of the markets of agricultural production, raw materials and food for 2013–2020 is approved by the decree of the government of the Russian Federation dated July 14, 2012 No. 717]. Available at: http://www.consultant.ru/document/cons_doc_LAW_133795/. (date of reference 23.05.2016).

Kolodniaya G.V. (2010). Formirovaniye sektora konkurentosposobnykh kompaniy v sovremennoy rossiyskoy ekonomike [Formation of the sector of competitive companies in modern Russian economy]. *Regionalnaya ekonomika. Yug Rossii* [Regional economy. South of Russia], 11, pp. 16–27.

Kubankova M., Hajek M., Votavova A. (2016) Environmental and social value of agriculture innovation *Agricultural Economics – Czech*, 62: 101-112

Lipina S.A. (2014). Evraziyskiye integracionniye ekonomicheskiye processy: vozmozhnosti rosta [Euroasian integrational economic processes: possibilities of growth]. *Zhurnal pravovykh i ekonomicheskikh issledovaniy* [Journal of legal and economic researches], 4, pp. 15–23.

Mitrofanova I.A. (2012). Ekonomicheskiy potentsial nalogovogo stimulirovaniya deyatel'nosti predpriyatiya [Economic potential of tax incentives of activity of the enterprise]. *Mezhdunarodny buhgalterskiy uchet* [International accounting], 43, pp. 37–38. Nalogovy Kodeks RF, chast 2 (2016) [Tax Code of the Russian Federation, part 2]. Available at: <http://www.assessor.ru/zakon/nk/ch2/> (date of reference 07.07.2016).

O napravleniakh podderzhki subyektov malogo i srednego predprinimatelstva v sfere selskogo hoziaystva (2015) [About the directions of support of subjects of small and middle sized business in the sphere of agriculture]. Available at: tpprf.ru/download.php?GET=6LPAY%2F81Bmz2IG9ujsVz5g%3D%3D (date of reference 12.06.2016).

O razvitii malogo i srednego predprinimatelstva v Rossiyskoy Federacii: Federalny zakon ot 24.07.2007 goda № 209-FZ (2007) [About the development of small and middle sized business in the Russian Federation: The federal law dated 7/24/2007 No. 209-FZ]. Available at: http://www.consultant.ru/document/cons_doc_LAW_52144/ (date 12.07.2016).

Osnovnye pokazateli selskogo hoziaystva v Rossii v 2015 g. (2016) [The main indicators of agriculture in Russia in 2015]. Available at: http://www.gks.ru/wps/wcm/connect/rosstat_main/rosstat/ru/statistics/publications/catalog/doc_1140096652250 (date of reference 11.06.2016)

Otsenka effektivnosti gosudarstvennykh programm podderzhki malogo i srednego predprinimatelstva (MSP), organizaciy infrastruktury i institutov razvitiya (2015) [Assessment of efficiency of state programs of support of small and middle sized business, organizations of infrastructure and institutes of development]. Available at: www.mcx.ru/documents/file_document/v7_show/30605..htm (date of reference 13.06.2016).

Popović B. (2009) Contribution of small and medium sized enterprises in development of agribusiness of Serbian Republic *Journal of Agricultural Sciences*. 54(1):63-80 DOI 10.2298/JAS0901063P

Safronov A.E., Pavlenko T.S. (2012). Ratsionalnoye ispolzovaniye prirodno-ekonomicheskogo potentsiala regiona [Rational use of natural and economic potential of the region]. *Regionalnaya ekonomika. Yug Rossii* [Regional economy. South of Russia], 13, pp. 463–469.

Selskoye khoziaystvo, okhota i okhotnichye khoziaystvo, lesovodstvo v Rossii, 2015. Statisticheskii sbornik (2015). [Agriculture, hunting and hunting economy, forestry in Russia, 2015. Statistical bulletin]. Moscow, Rosstat Publ. 201 c.

Shepitko R.S., Dugina T.A., Nemchenko A.V., Likholetov E.A. (2015). Mnogofaktorny vektor razvitiya selskogo hoziaystva regiona [Multiple-factor vector of the development of agriculture of the region]. *Ekonomika regiona* [Regional Economics], 4 (44), pp. 275–288. DOI: 10.17059/2015-4-22.

Sokolova S.A. (2014). Sushnostniye kharakteristiki i otsenka faktorov razvitiya territorii [Intrinsic characteristics and the assessment of the factors of the development of the territory]. *Natsionalnaya bezopasnost i strategicheskoe planirovanie* [National security and strategic planning], 4 (8), pp. 46–52.

Tarkhanov O.V. (2014). Obstoystelstva, meshayushchiye razvitiyu selskogo hoziaystva [The circumstances interfering the development of agriculture]. *Natsionalnaya bezopasnost i strategicheskoe planirovanie* [National security and strategic planning], 2 (6), pp. 72–79.

TIisov A.B., Rodionova E.V., Ivanov N.P. (2015). Regionalnaya ekonomicheskaya politika: noviye priority v usloviyakh vneshneekonomicheskikh sankciy [Regional economic policy: new priorities in the conditions of the external economic sanctions]. *Nauchny zhurnal NIU ITMO. Seria: Ekonomika i ekologicheskiiy menedzhment* [Scientific journal of National Research University of Information Technologies, Mechanics and Optics. Series: Economics and Ecological Management], 1, pp. 188–197.