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Conference on Land Economy and Rural Studies Essentials**SUPPORT OF AGRICULTURAL ENTERPRISES AS A BASIS OF
THE REGION SOCIO-ECONOMIC DEVELOPMENT**

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Abstract

A significant crop failure in the last few years in the Stavropol Territory, the coronavirus pandemic, and political sanctions have a complex effect on industrial activity and the investment climate in the region and the country as a whole. Many representatives of the agro-industrial sector suffer significant losses in the territories, or completely stop their activities in agricultural production. The most difficult thing is for small and medium-sized agricultural enterprises, a significant part of which are not able to continue their activities without state support. The programs to strengthen agriculture being implemented at the federal and regional levels, as a rule, make life easier only for large agricultural enterprises. But as statistics show, representatives of small and medium-sized agribusiness in aggregate can bring up to half of the products produced in the country in certain segments of the agricultural market, which confirms the importance of providing comprehensive government assistance to such market participants. Such support for business, especially given the agricultural focus of the Stavropol Territory, will undoubtedly change the current socio-economic situation in the region in a positive direction. The financial, organizational and other problems identified in this article, as well as the ways to solve them, are based on the analysis of data from a wide range of representatives of both state bodies and public agricultural organizations. Over time, their implementation is designed to improve the socio-economic situation of the Stavropol Krai and significantly increase its agricultural position at the country level.

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1. Introduction

Small business is an entrepreneurial activity carried out by certain subjects of a market economy according to the criteria established by law (Kuzmina, 2021).

The development of small and medium-sized businesses is regulated by the Federal Law No. 209-FZ of 24.07.2007 “On the Development of Small and Medium Business in the Russian Federation”, which reveals the concepts of small and medium-sized businesses, support infrastructure, its types and forms.

The effective functioning of small and medium-sized businesses is currently more relevant for Russia than ever before (Kuznetsova et al., 2021). Agriculture is a priority sector, since its development affects the level of well-being of the population. The advantage of the agro-industrial complex is its focus on the basic needs of society. One of the main issues facing the state is the restoration of the institution of ownership in the agricultural sector (Karataeva & Zubkova, 2020).

The economic crisis has a negative impact on the agro-industrial sector (Boris et al., 2021). Numerous political and economic reasons require from the state a special approach in solving the existing problems of the agro-industrial complex, in providing comprehensive business support and creating a favorable climate for all participants in market relations in the regions, including in the largest agrarian subject of Russia—the Stavropol Krai.

A significant crop failure of the past few years in the Stavropol Krai, the coronavirus infection pandemic, political sanctions have a complex effect on production activity and the investment climate in the region and the country as a whole. Many representatives of the agro-industrial business, for various reasons, suffer significant losses in the territories, or completely stop their activities in agricultural production. The most difficult situation is for small and medium-sized agricultural enterprises, a significant part of which are not able to continue their activities without state support and provide agricultural products not only to Russia, but also to many foreign countries.

Being the mainstay of the state economy, business in the agricultural sector of the Stavropol Krai provides in Russia the production of about 8-10% of the total volume of grain, 4-5% of sugar beet, 5% of sunflower. As of January 1, 2020, grain became the main agro-industrial export (43% of the total volume of supplies of the industry's products abroad), the volume of supplies of which in the previous year amounted to about 585 million US dollars in monetary terms and 585.5 thousand tons in kind. A significant export share of the region's agricultural products is meat and food by-products (34% of exports). This agricultural direction brought the region an income of 93 million US dollars (about 60 thousand tons in kind). The main importers of Stavropol products are Azerbaijan, China, Georgia, Ukraine, Saudi Arabia.

2. Problem Statement

Various areas of development of the socio-economic sphere of the Stavropol Krai are in one way or another associated with the strengthening, support and modernization of the agro-industrial complex (Anokhina & Melyakova, 2020). In accordance with the program of state support for agricultural production in 2021, the amount of subsidies to agricultural enterprises will be 4,031.6 million rubles. It should be noted that with all the agrarian potential of the constituent entity of the south of Russia and annually provided financial support to market entities, the main socio-economic indicators remain at a rather low level

compared to other regions of the country. According to the “Strategy for the socio-economic development of the Stavropol Krai until 2035” and the government analysis attached to the document, the following points were identified:

- sociological surveys of the population showed that residents of the Stavropol Krai consider the lack of jobs and low wages, as well as the general low material situation of the population, as the key problems of the region in the socio-economic area;

- insufficient development of engineering and transport infrastructure;

- the problem of finding highly qualified specialists with higher education, etc.

Based on the studies carried out, the most acute problems of the development of the socio-economic potential of the region include:

- low level of GDP per capita in the region;

- low investment in fixed assets;

- negative dynamics in matters of population growth;

- labor market problems;

- problems of finding land plots (as well as industrial premises) for the needs of small and medium-sized agricultural businesses.

Experts attributed the following to the strengths of the social and economic development of the Stavropol Krai:

- high positions of the agro-industrial complex of the region at the federal level and favorable climatic conditions for the development of agricultural areas (mainly, crop and livestock production);

- a high share of small and medium-sized businesses in the structure of individual sectors of agriculture, which allows farmers to adapt to changing market conditions and use a wider range of entrepreneurial opportunities without critical losses;

- high positions in gross regional product among other regions.

Due to the specifics of the region, it is worth emphasizing the clear relationship between the state of the socio-economic sphere and the policy pursued in the agrarian direction. The potential of the entire Stavropol Krai as a whole directly depends on the attractiveness and accessibility of agricultural business. Various meteorological shocks of recent times are seriously reflected in the current state of affairs in the regional economy, which is a completely natural result of the “agrarian territory”. Along with this, difficulties for representatives of such a business are also constructed through the provided state support: difficulty in obtaining subsidies, high interest rates on loans issued, insufficient information support for agribusiness.

3. Research Questions

The aspects to which this work is devoted reflect the importance of the regional agrarian policy in relation to representatives of small and medium-sized businesses in the agricultural sector and the existence of a direct relationship between the effectiveness of state support for Stavropol agribusiness and the current socio-economic situation in the region. Based on these aspects, the work addresses the following issues:

- analysis of the ongoing state and public events to address key problems in the development of the agricultural sector;
- confirmation of the objective dependence of the indicators of the socio-economic development of the region on the degree of support provided by the state to companies in the agro-industrial sector;
- identification of the share of concessional financing received by small and medium-sized agribusiness enterprises in the total volume of state support;
- study of the position of state bodies and agricultural communities on the key problems of the agrarian sector of the region.

4. Purpose of the Study

The purpose of this work is to accumulate the most acute problems and ways to solve them in the direction of supporting and developing small and medium-sized businesses in the agro-industrial complex of the Stavropol Krai, based on analytical data and the position of government bodies and various agricultural associations.

5. Research Methods

The method underlying the study is the analysis of statistical data presented in the strategy of economic development of the Stavropol Krai until 2035, official sources of agricultural public organizations. The study shows that in the region there is a deterioration in the external environment for the functioning and development of small and medium-sized enterprises in the agro-industrial complex. It is necessary to highlight the urgent problems of the current stage of development of these forms of management in order to determine measures for effective state support of the agro-industrial complex in the region.

6. Findings

According to the official version, in the aforementioned “Strategy for the socio-economic development of the Stavropol Krai until 2035”, experts identify the following problems in the agro-industrial complex, directly affecting the socio-economic sphere of the region:

- the inability of the bulk of small and medium-sized enterprises in the agro-industrial complex to organize food export to the markets of the largest agglomerations;
- insufficiently developed logistics infrastructure for small and medium-sized enterprises in the agro-industrial complex;
- insufficient level of synchronization of educational programs in agricultural educational institutions with the needs of agribusiness;

In accordance with this document, officials see further improvement in the socio-economic situation of the region in the implementation of the following areas:

- modernization of agricultural education;

- phased digitalization of the industry;
- development of the agricultural technology sector;
- increase in the export activity of the region through the federal export ecosystem;
- preparation and implementation of a new state program for the development of the region, etc.

The state allocates about 5-6 billion rubles annually for the implementation of such measures. The main part of finance goes to large enterprises, since they produce about 90% of all agricultural goods in the region. Farms receive only 1/5 of the allocated funds (about 1500 farms) (Volkova, 2021). Mainly financed is grain production, gardening and livestock breeding.

If we talk about the situation in the country as a whole, it is worth mentioning the conference “Support of small and medium-sized enterprises in the agro-industrial complex of the Russian Federation”, held with the support of the Ministry of Agriculture of the Russian Federation and the Federal Ministry of Food and Agriculture of Germany in July 2019, at which the role of small and medium-sized enterprises in the development of agriculture in Russia was studied. Participants noted that, based on Rosstat data for 2018, there were 205 thousand small businesses in the country and there was a clear downward trend in the number of such enterprises (partly due to the enlargement of farms). At the same time, they accounted for 48% of the total gross agricultural production in the country. In some areas of agricultural production, small enterprises are ahead of large agricultural holdings: for example, in terms of the rate of milk production and the increase in the number of cattle, as noted by the Minister of Agriculture of Russia M. Patrushev. Over the past 6 years, 16.7 billion rubles have been allocated to support novice farmers at the federal level, and 14.7 billion rubles for family livestock farms. The main purpose of the allocated funds is considered to increase the number of representatives of small and medium-sized businesses by 126 thousand people by 2024.

At the regional level, a national project “Small Business and Support for Individual Entrepreneurial Initiatives” is currently being implemented, the key activities of which are:

- providing agricultural enterprises with financial and guarantee products (for example, preferential leasing);
- ensuring the participation of small businesses in participating in large purchases (Khayrullova et al., 2020);
- modernization of information services for small and medium-sized businesses with the aim of further selling products in agricultural sales markets.

According to the Accounts Chamber, in the period from 2016 to 2018, almost 60 billion rubles were allocated to support small businesses (it was also one of the main topics in the aforementioned dialogue between the ministries of agriculture of the Russian Federation and Germany). At the same time, the number of actual small businesses that used the provided state aid turned out to be extremely small (2.1% of the total number of farms and individual entrepreneurs in 2016 and 1.6% in 2017).

From the point of view of industry experts participating in the conference, the key problems of such a situation may be:

- bureaucratic component of the process of obtaining state support;
- imperfection of land legal relations;

- low level of development of rural areas (infrastructure, digital technologies, etc.);
- difficulties in the sale of manufactured products;
- lack of awareness of government support measures;
- lack of qualified personnel;

Small and medium-sized businesses themselves have noted an increase in the state's interest in their forms of business in recent years (an increase in the share of recipients of subsidies, quotas for preferential loans); however, they consider the balance of distribution of allocated financial resources for the development of the agro-industrial sector to be not quite fair (Fadeev, 2021). A clear bias in the level of support provided, in their opinion, is observed in the direction of large holdings, while smaller agricultural enterprises often do not use government assistance at all (Prosvetova & Gerasimov, 2021). For example, according to the Association of Peasant Farms, in the Stavropol Krai in recent years, per-hectare subsidies have been received by only 10-15% of small businesses from the total number of agricultural entrepreneurs in the region.

The agrarian community of the Stavropol Territory also notes a rather low level of support: several hundred rubles for each hectare of land allocated by the state clearly cannot cover even the minimum costs of agriculture. Adding problems are the periodically introduced rules for obtaining such assistance (various requirements for the granting of permits, acts of approbation of crops, zoned seeds, etc.), leading in most cases to complicating the stages of obtaining benefits. As a result, such a policy may lead to a situation where small and medium-sized enterprises in the region will not be able to receive even minimal assistance (Bondarenko & Kostyukov, 2015).

The question is also raised about the fairness of the concessional lending process. The actual number of those small and medium-sized enterprises that actually received state aid in the form of concessional lending remains extremely small compared to the number of real subjects of agricultural activity. Out of more than 143.1 thousand agricultural enterprises in Russia in 2018, subsidies for concessional lending received only about 9.55 thousand agricultural organizations, peasant farms and individual entrepreneurs (according to data presented at the 2019 conference between the ministries of agriculture of the Russian Federation and Germany).

At the same time, a particularly small share of such support goes to peasant farms and individual entrepreneurs (in value terms, they receive 6–7%). Most of the recipients of such aid were the farmers of the Southern Federal District (1341 units, however, in monetary terms, they received about 15.3% of the funds) (Ashmarina & Murzagalina, 2021).

According to the Deputy Prime Minister of the Stavropol Krai, Nikolai Velikdan, in 2020, in the territory of the Stavropol Territory, concessional loans in the agricultural sector were issued in the amount of 51 billion rubles, and in the period from January to March 2021, 7.3 billion rubles of concessional funds. According to him, the 36 investment projects of the agro-industrial complex operating in the region are estimated at 36 billion rubles and should significantly help local business representatives in the development of their farms.

Due to the difficult climatic conditions of the summer and winter of 2021, the farmers of the region are under serious threat and can suffer significant losses in their harvest: “The winter is snowier than last year, but we have lost moisture in the one-meter deep layer. I assess the situation as critical. Today, there

are only 50% of seedlings, of which less than 20% are in a condition acceptable by agricultural standards,” notes the Governor of the Stavropol Krai V. Vladimirov. This state of affairs will directly affect the socio-economic situation of the territory, since this part of Russia is the “backbone” of agriculture, along with the Krasnodar Krai and the Rostov Region. Significant difficulties in the industry are exacerbated by the existing bureaucratic difficulties in obtaining financial support for enterprises (Kookueva & Tsertseil, 2020). As the chairman of the regional branch of the Association of Peasant Farms, Cooperatives and Other Small Forms of Agricultural Producers Vasily Lopatin notes, agricultural subjects of the region spend on average 3-4 months on obtaining a loan at preferential rates, which significantly complicates the business activity of small and medium-sized enterprises, not to mention on smaller peasant farms (Kostyukov et al., 2016).

Based on the analysis, we will outline the most acute problems in the support and development of small and medium-sized businesses in the agro-industrial complex of the Stavropol Krai (Table 1):

Table 1. Problems of small and medium-sized agricultural enterprises in the Stavropol Krai and current ways of solving them

Problems	Solution
Insufficient share of subsidies for small and medium-sized enterprises in the agro-industrial complex in comparison with large representatives of the industry	<ul style="list-style-type: none"> - Sustainable development of agriculture requires universal, comprehensive development. Concentrated support for the largest holdings can give short-term positive results, but in the long-term, in order to strengthen the entire industry as a whole, it is necessary to provide all size assistance to medium and small agricultural entities. It is necessary to maintain a balance in support of both large “players” and smaller forms of enterprises (bringing at the federal level up to ½ of all agricultural products); - to legislatively consolidate the state's regular support for representatives of small and medium agribusiness in matters of subsidized assistance in the implementation of long-term federal and regional programs; - gradual derogation with the establishment of minimum tariffs for the collection of customs duties on imported equipment used for the purpose of additional processing and processing of products by small agricultural enterprises.
Strong dependence of agricultural enterprises on climatic conditions in the region	Information and financial support from the state and the agricultural community as a whole, aimed at the gradual expansion of the share of digital technologies by agricultural enterprises, which will entail a gradual decrease in production costs and during periods of unfavorable climatic conditions will help to reduce financial losses for small and medium-sized businesses.
Huge bureaucratic system in obtaining government support	<ul style="list-style-type: none"> - Simplification of the system for obtaining concessional loans for small businesses; - Reducing the interest rate on a loan from 5% to 3% for small businesses and simplifying the requirements for obtaining it.
Insufficient information support for small forms of agribusiness	Creation of a platform similar to “Gosuslugi”, where the subjects of the agro-industrial complex will be able to obtain in an accessible form all the necessary information on current legislative acts, requirements, and in a simplified form send requests for the provision of the necessary documents in order to receive subsidies.
Lack of qualified personnel able to apply modern solutions in the agro-direction	An increase in government funding for teaching modern methods in agronomy, including an increase in the number of students sent by agricultural educational institutions to practice abroad
Insufficient level of development of rural areas	Priority development of transport and engineering infrastructures, which allowed small business entities in villages to gain simplified access, for example, to export processes.

7. Conclusion

Being the agrarian core of the south of Russia, the agro-industrial sphere of the Stavropol Krai needs constant attention from the state. We consider it especially important to find the necessary balance in the distribution of financial support between small, medium and large businesses of the agro-industrial complex of the region. It will significantly improve the situation in the sphere and simplify the procedure for obtaining subsidies, since at the moment the bulk of small and medium-sized businesses face bureaucratic difficulties in obtaining the necessary assistance. The gradual implementation of the proposed measures over time is designed to improve the socio-economic situation of the Stavropol Krai and significantly increase its agricultural position at the country level.

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