Montenegrin Journal of Economics

Vol. 12, No. 3 (2016), 115-126

Current Status of Resource Potential of Agriculture in the South of Russia

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ARTICLE INFO

Received Marsh 15, 2016
Received in revised from June 20, 2016
Accepted August 22, 2016
Available online 15 September 2016

JEL classification:

Q24; Q29; E22; E24;

DOI: 10.14254/1800-5845.2016/12-3/8

Keywords:

agribusiness,
resource availability,
resource potential,
agriculture,
investment activities

ABSTRACT

This paper contains the evaluation of agricultural resource potential; the main factors affecting the agricultural production and the agricultural market in the region. The authors have revealed the reserves to increase economic efficiency of subjects of agro industrial complex. Multiplicative change has been defined and the factors influencing the stability and efficiency of the organizational-economic mechanism of agribusiness have been identified. The data from the database of regional Ministry of Agriculture are used for the analysis. The research covers the period of 2010-2014. The analysis showed a high potential of the development of agribusiness in the region. The paper emphasizes that there has been a steady tendency of improving of production efficiency in agribusiness. The authors conclude that agribusiness needs the support of the regional government bodies to stimulate the introduction of intensive energy-saving technologies, to reduce the deficit of production capacity for the storage and processing of agricultural products; to ensure the inflow of qualified personnel in agribusiness organizations, to make financial resources more accessible, to increase amount of grant of financial support of medium and small agricultural organizations, to create a long-term program for the implementation of intervention policy in the agricultural market.

INTRODUCTION

Economic conversion conducted in the country revealed a number of systemic problems of socio-economic, market and conjunctural, ecological and technogenic, food, technical and technological origin. The identified unstable macro and microeconomic processes and the dynamics of the main indicators in the phase of post-crisis development require explanation of existing instability and systematization of factors constraining the pace of efficiency increase of

functioning of the agricultural organizations as an important element of agribusiness production sphere (Lowder, Carisma 2011).

The basis for sustainable development of entrepreneurship in the agro-industrial complex is the resource potential, the effective use of which contributes to the effectiveness of industry and sub complexes of regional agriculture. The resource potential in the context of the present study includes facilities and human resourcing. Material resources in agribusiness are represented basic production assets, including land and material circulating assets. Human resources of agribusiness are characterized by the number and quality of the employable population. The resource potential of the regional economy is estimated by the system of indicators, which are generally characterized by agro capacity in agriculture in the region. In this case features of agribusiness cause the necessity of market mechanism addition with control actions of the state. Investments in agriculture have a decisive impact on agro capacity parameters, which is a sign of agribusiness participation in the creation of the country's GDP (FAO, 2012).

In the south of Russia, Stavropol Territory is one of the main producers of agricultural products. It specializes on cultivating of grain and sunflower; the leading role in livestock belongs to cattle breeding and fine-wool sheep breeding. Horticulture, viticulture, poultry farming, pig breeding and beekeeping are widely developed.

Agribusiness of Stavropol Territory is a separate area of management, a megaclaster, on the condition and dynamics of development of which depends the economy of the majority of municipalities, level of social development, and welfare of the rural population.

1. METHODS AND DATA

The methodology of the research is based on the use of scientific methods of comparative, statistical and system analysis, abstract-logical approach, economic and mathematical methods, the method of expert estimations.

The paper gives theoretical justification of methodological approach to resource potential as a special object of a specific regional management. In accordance with it resources are considered in two aspects: first of all, as the resources of natural, socio-demographic, economical and institutional subsystems of a particular area; secondly, as the resources for economic, legal and administrative support for local authorities. It is proposed to regard as the resource potential of the region the range of tangible and intangible resources, and sources of opportunities for its functioning and development. This takes into account the basic conditions allowing formation and proper assessment of resource potential of the region (land, labor, material and technical resources, etc.) as well as organizational conditions allowing coordination and efficient organization the use of the resource potential of the region (social, economic, etc.) .

The economy of Stavropol Territory has a particular agro-industrial specialization. A leading position both in the number of employed in the economy of the region and in the formation of the gross regional product belong to branches of agriculture. The agribusiness industry employs more than a quarter of all workers, including 18.9% employed in agriculture. The structure of the gross regional product in agribusiness accounts for about 22%, including 16.8% in agriculture, which is the third basic branch of the economy of Stavropol Territory.

Stavropol Territory occupies the position of an important producer and supplier of agricultural products and foodstuffs, due to its location. In the years 2005 - 2007 Stavropol Territory was ranked the 3rd in the production of grain, as well as wines and cognac, the 6th in the production of sunflower seeds, vegetable oil and meat (slaughter weight), the 7th in sugar beet production.

The competitive advantages of Stavropol Territory, which allows strengthening positions in the Russian agricultural sector, are:

- The availability of significant land resources (ranked 8thin the Russian Federation), characterized by high natural fertility of soils, represented by black earth (47% of all land) and chestnut soils (ranked the 4th in Russia according to the quality of land).
- The relatively high provision of agricultural labor resources (number of employees in the industry is 20% against 10% in the structure of the agriculture in Russia).
- Farming experience and accumulated production potential, the availability of appropriate infrastructure (transport, education, scientific research, etc.).
- Availability of companies, which are market leaders.

However, a number of reasons either of industrial or subjective origin have led to the emergence of serious problems in the development of the industry in Stavropol Territory. The accelerated growth of prices for means of production, manufactured by the industry, compared with the prices for agricultural products, and the weak position of agricultural producers in the agricultural markets have led to the aggravation of the financial troubles in the industry, the reduction of flows of goods for industrial purposes in agriculture. This eventually led to technological and technical degradation on the back of weak investment attractiveness and reduced innovation.

Land reclamation was practically abandoned, application of organic and mineral fertilizers was reduced, hydrological production base was worsened, and optimal structure of sown areas was broken. Soil fertility has been reducing and partly leading to soil degradation.

System of vocational training of workers has been destroying; qualified staff is poorly assigned to agricultural production (Alexandros and FAO, 1995).

During the years of the reform, livestock lost its leading position in agribusiness of Stavropol Territory. The concentration of livestock production in private farms has led to deterioration in the quality of products and the loss of the industry development.

Competitive position in comparison with neighboring territories in the areas of production, processing and marketing of dairy, fruit and vegetables, meat products has been weakened. A structural deformation of agribusiness, violation of inter-branch relations and proportions can be observed (Risov, 2002).

Regional agribusiness is a particular socio-economic system that has signs of territorial cluster, with simultaneously developed industrial management style. This makes it possible to develop common approaches in solving the problems existing in the present time at the majority of agribusiness enterprises.

In Stavropol Territory there are 1152 functioning economic entities of different ownership forms, interacting with the Ministry of Agriculture of Russia and local Ministry of Agriculture. Among them there are 453 agricultural organizations engaged in commercial agricultural production, 12.3 thousand peasant (farm) enterprises, and 412 thousand private farms. A large number of organizations of various forms of economic activity emerged after the reform of the agricultural sector of the Russian economy in the 1990s. Currently, it can be said with certainty, that the process of decentralization of the economy had a positive impact on resource supply; resource saving and efficiency in agriculture have risen under the influence of increased competition (Gerasimov et al., 2015).

As it is pointed out in the report of M. Rizov (Risov, 2002), economic reforms in Eastern Europe and developing countries included the privatization of agricultural productive assets, and restructuring of state and collective farms. Restructuring of agriculture has led to several types of farms, namely, cooperatives, associations, farms and various combinations thereof. A wide range of types of agricultural organizations can be found in most countries with economies in transition. One of the countries with a wide variety of legal forms of agricultural organizations is

Romania, where in addition to the main types of agricultural organizations also observed hybrid forms, such as a combination of individual farms and large agricultural producers associations.

At the same time, the analysis of agricultural production of different forms of organization of agribusiness in the south of the Russian Federation shows that the most effective resources are used in large-scale agricultural production and account for the largest share of agricultural output. The process of integration in agribusiness is accompanied by an annual growth of volumes of agricultural production. This production growth is in the crop and the livestock sectors. This process is marked in all categories of farms.

Record grain harvests have been observed in Stavropol Territory in the last two years. Thus, the share of food grain is 83%. This is one of the best results in the Russian Federation.

Despite the fact that the production of cereals is the main direction in agriculture and its share in revenues is 74%, significant volumes of industrial crops are produced in the region. The production of milk and meat, marketable eggs and pond fish has stabilized in the region. Poultry and pork breeding are on the rise. The buildup of production volumes of main livestock products is ensured due to the growth of farm animals and poultry productivity. Stavropol Territory ranks second in Russia in terms of growth of marketable eggs production. Over the past five years the proportion of profitable working farms maintained at a level 63% (in Russia - 37%) (Gerasimov et al., 2015).

Agriculture is the leading sector of Stavropol Territory, as evidenced by the data in Table 1.

Table1. Agricultural indicators of Russian economic development and Stavropol Territory development, bln. rub.

Indicators	*2010*	*2011*	*2012*	*2013*	*2014*	*On average, over 5 years*	*2014 in % to*	
							2010	*2013*
Russia's gross domestic product	38807.2	45172.7	54585.6	56533.6	59458.2	50911.5	153.2	105.2
Including agricultural products	2515.9	2618.5	3451.3	3529.9	3911.3	3205.4	155.5	110.8
the proportion of agricultural production, %	6.5	5.8	6.3	6.2	6.6	6.3	101.5	105.4
The gross regional product of Stavropol Territory	277.3	316.9	382.5	403.5	454.2	366.9	163.8	112.6
Including agricultural products	67.7	82.8	100.2	103.4	116.1	94.0	171.4	112.3
the proportion of agricultural production, %	24.4	26.1	26.2	25.6	25.6	25.6	104.7	99.7

During the study period, Russia's GDP increased by 53%, while the GRP of Stavropol Territory increased by 63.8%. The volume of agricultural production all over the country increased by 55.5%, but in the region by 71.4%. Thus the proportion of agricultural production in Russia increased from 6.5 to 6.6%, in the region from 24.4 to 25.6%. The proportion of agricultural production in the middle of the study period in the region was around 25.6% (for comparison, in Russia it is 6.3%).

To determine trends in the development of agribusiness as an essential component of livelihood systems let us examine agro capacity of Stavropol Territory, which is a set of indicators that characterize the agricultural character and, as a result, the food security of the domestic

economy (The official website of Stavropol Territory Ministry of Agriculture of the Russian Federation).

2. RESULTS AND RECOMMENDATIONS

Let us consider successively the types of whole set of the resource potential of the region:

- The land;
- Human resources;
- Basic production assets;
- Material circulating assets.

Agricultural lands, most of which are farmland, cover the territory, intended for systemic use in agribusiness. Improving the efficiency of land use is determined by the rational use of the farmland.

Land resources of Stavropol Territory forms by the land located within the administrative boundaries, including the areas covered by water and forest, which are item subjects to rights and economic use. During the study period the structure of land resources and its area was without significant changes (Table 2 and Figure 1)

Table 2. Dynamics of changes in land resources (thousands of hectares)

Indicators	*2009*	*2010*	*2011*	*2012*	*2013*	*2014*	*Structure 2014, %*
Total land area, including:	6616	6616	6616	6616	6616	6616	100.0
farmland, total	5787.6	5787.3	5786.9	5786.9	5786.9	5659.3	97.8
Among them: - tillable land	3994.6	3995.7	3996.4	3997.7	3997.7	3957.7	99.1
- hayland	105.2	105.2	105	105.1	105.1	105.1	99.9
- pasture ground	1628.8	1628.1	1627.8	1626.3	1626.3	1626.3	99.8
- forests	113.2	113.2	113.3	113.2	113.2	113.2	100.0
- ponds and reservoirs	127	127	127	127	127	127	100.0
- household plots	79.2	80.7	82	82.9	82.9	83.0	104.8
- others	125.8	125.5	125.4	125.4	125.4	125.3	99.6

The structure of agricultural land characterizes the efficiency of land use, which is determined by the proportion of productive farmland, namely tillable land and perennial plantings.

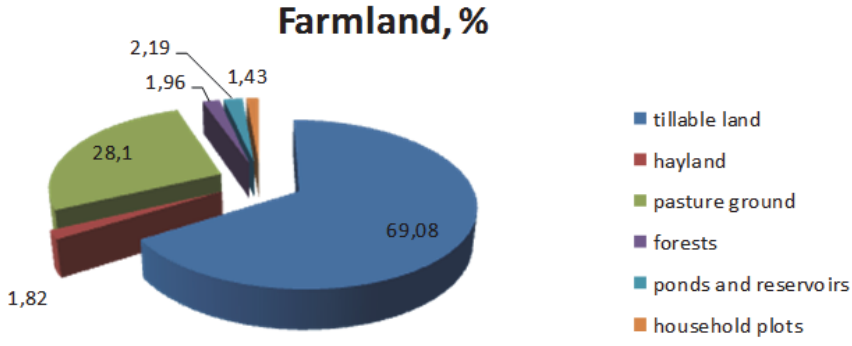

Figure 1. Structure of farmland of Stavropol Territory

As on 01/01/2015, the total land area of the region has not been changed and amounts to 6616 thousands hectares. Data give evidence that the dominant land in the region is agricultural lands. They occupy 87.5% of the territory, which in turn indicates a high agricultural development of the land fund of the region. At the same time the main type of agricultural land is arable. Its specific proportion is 60.5% in the structure of land (during the reporting period the share of arable land in the composition of agricultural land was increased by 0.1), indicating also the relatively high proportion of arable territory of the region (Table 3).

Table 3. Thev level of land area use, %

Indicators	*2009*	*2010*	*2011*	*2012*	*2013*	*2014*
Agricultural lands in total land area	87.5	87.5	87.5	87.5	87.5	85.5
Tillable land among agricultural lands	60.4	60.4	60.4	60.4	60.4	60.5
Crops in arable areas	69.0	69.0	69.1	69.1	69.1	69.2

Labor potential of the region, as well as all the country is one of the most important indicators of economic development; the calculation of its basic characteristics in practice is a difficult task.

There are two characteristics of labor potential; they are quantitative and qualitative. Thus, quantitative characteristic is determined by demographic factors and the intensity of labor processes and the qualitative characteristic is the ability of labor resources to produce added value and can be identified by socio-economic relations.

Evaluation of labor potential is quite complicated task in terms of methodological and organizational challenge. It should be mentioned that there is no a single universal method suitable for solving the complex problems neither in Russia nor in foreign statistical practice.

Let us consider the demographics of Stavropol Territory in the quantitative aspect.

Stavropol Territory ranks third in South and North Caucasian Federal Districts for the number of inhabitants. The territory is exceeded in the number of inhabitants by Krasnodar Territory almost in 2 times and by Rostov Region in 1.5 times. The proportion of Stavropol Territory population reaches 12% of the population of South and North Caucasian Federal Districts. The share of GRP of Stavropol Territory among the total volume of GRP of the regions of South and North Caucasian Federal Districts is 10%, ranking the 4th according to this indicator and being exceeded by Krasnodar Territory in 2.9 times, by Rostov Region in 2.1 times, and by Volgograd Region in 1.6.

The situation on the labor market in Stavropol Territory has improved compared to 2009. Implementing additional measures aimed at reducing tensions in the labor market has allowed not only preserving the human capacity, but also reducing the number of unemployed, calculated according to the methodology of the International Labor Organization (ILO). Compared with 2009 the number of unemployed people actively seeking for a job and available for work (unemployed according to the ILO methodology) decreased by 33.4 thousand people or by 31.0% and amounted to 74.3 thousand people. This led to a significant reduction in the overall level of unemployment. At the end of 2014 the unemployment rate, calculated according to the methodology of the International Labor Organization, was 5.3% of the economically active population (Table 4).

Table 4. Assessment of the labor market and the level of employment in the region

Indicator	*2009*	*2010*	*2011*	*2012*	*2013*	*2014*	*2014 in % to 2009*
The economically active population, thousand people	1346.5	1363.6	1373.2	1383.4	1373.5	1310.5	97.3
Economic activity rate, %	63.5	64.6	65.1	65.1	64.6	46.8	×
The number of employed, thousand people	1229.1	1270.0	1290.8	1309.2	1292.9	1237.5	100.6
Employment rate,%	57.9	59.4	61.2	61.6	60.8		×
Unemployed, thousand people	117.4	93.6	82.4	74.3	76.9	73.0	62.2
Unemployment rate, %	8.7	6.7	6.0	5.4	5.9	5.3	×
Official unemployment rate,%	2.5	2.0	1.8	1.3	1.2	1.1	×

In comparison with 2009 the unemployment rate has been decreased on 3.4%. This is lower than the index indicated in the assessment of the achievement of strategic goals of the Strategy of Socio-economic Development of Stavropol Territory until 2020 and for the period up to 2025 (6.8%). Currently the unemployment rate is at a minimum level ever recorded (since 1993). At the same time the level of unemployment exceeds the total unemployment rate in more than 3 times, which means that a considerable part of population of working age is not in the labor market.

There is a trend of growth of incomes of the region population in recent years. The main source of income for most of the working population is wages, which is more than half in the structure of total income of the population and has a dominant influence on the standard of living. The rate of real wages growth in Stavropol Territory exceeds the same period in the Russian Federation and the subjects of South Federal District. The average monthly nominal wage was increased in 1.8 times over the past five years. There has been a steady trend of wage growth in agriculture (Table. 5).

Table 5. Dynamics of incomes of the population of the region

Indicator	*2009*	*2010*	*2011*	*2012*	*2013*	*2014*	*2014 in % to 2009*
Per capita incomes in the month, rub.	11244.5	13016.1	14439.9	16813.0	19767.5	21385.5	190.2
Wage in the region, rub. per employee	12646.0	14408.5	16241.3	18469.0	20667.0	22597.0	178.7
Agriculture, hunting and forestry, fish farming	9229.0	10742.8	12712.0	13321.0	15903.0	16235.0	175.9
The subsistence minimum, rub.	4793	5326	5939	6033	6543	6956	145.0
Gross regional product, mln. rub.	277251	316889	383847	382500	475300	501629	180.9

The main problems in the remuneration of labor sphere are: high inter-sectoral differentiation of wages, lower wages in public sector employees in comparison with the wages of workers in other sectors of the economy, untimely and not in full payment of wages, inadequacy of the wage level to a real labor costs and as a result, the poverty of the working population, the use of non-transparent schemes of payment of wages for the purpose of tax evasion.

In the coming years the organizations of Stavropol Territory will experience stable demand for skilled workers and professionals. This is due to the implementation in Stavropol Territory of investment projects, sectoral development strategies.

Considering the indicators of dynamics of the main funds in Stavropol Territory it can be noticed that in general the cost of agricultural machinery has increased from 2009 to 2014 by 32.6%. But at the same time there was a decline of almost all indicators of the presence of agricultural machinery in the agricultural organizations of the region (Table 6).

Table 6. Facilities of Stavropol Territory

Indicators	*2009*	*2010*	*2011*	*2012*	*2013*	*2014*
The number of harvesters per 1000 hectares of crops (planting) of the respective cultures	3	3	3	3	3	3
The number of tractors per 1000 hectares of arable land	4.4	4.2	4.1	4.0	4.3	4.3
Coefficient of technology updating	1.8	2.2	4.3	2.6	2.7	2.7
Amount of tillage per tractor	229	238	245	252	232	234
Park of main types of equipment	12527	n/a	n/a	n/a	n/a	n/a
New purchased equipment	231	266	495	293	n/a	n/a
Cultivation (planting) of the respective cultures on one processor	360	344	379	375	386	392
Energy power, hp	5551	5382	5271	5291	5260	5241
Energy output per worker, hp	69	67	66	68.4	73	79
Energy capacity by 100 hectares of sown area, hp	268	271	242	244	237	236

The total amount of tractors involved in agribusiness decreased on 13.7% during the analyzed period, and tractors on with earthmoving, reclamation and other devices on 17.9% (Table 7).

There is also the reduction of other agricultural machinery: tractor trailers on 25.0%, plows on 15.4%, harrows on 19.3%, cultivators on 11.6%, machinery for sowing on 13.2%, mowers 15.1% and others.

Table 7. Availability of technology in agricultural enterprises of the region at the end of the year (thousand units)

Indicators	*2009*	*2010*	*2011*	*2012*	*2013*	*2014*
Tractors	13,9	13,3	12,9	12,5	12,2	12,0
Harvesters:						
for grain	4,2	4,1	4,1	4,0	4,0	4,0
for corn,items	124	109	93	79	66	68
for potato, items	22	20	21	20	20	19
for forage	0,6	0,5	0,45	0,4	0,4	0,4
Beet machines,items	123	121	114	109	94	92
Tractor trailers	6,4	6,1	5,5	5,2	4,9	4,8
Ploughs	5,2	5,0	4,7	4,6	4,5	4,4
Harrows	40,0	37,7	35,3	33,5	32,6	32,3
Cultivators	9,5	9,0	9,0	8,7	8,7	8,4
Including combined equipment	0,4	0,4	0,4	0,4	0,5	0,4
Sowing machines	9,1	8,8	8,5	8,5	8,3	7,9
Including seeding complexes	0,3	0,2	0,4	0,35	0,4	0,4
Mowers	1,1	1,0	1,0	1,0	0,9	0,9
Raketractor	233	185	173	170	169	164
Balers	676	664	648	649	636	655
Headers Roll,items	1013	867	832	797	762	739

Irrigation systems and machinery,items	810	729	691	612	577	648
Spreaders of solid mineral fertilizers - pieces	792	806	850	933	926	971
Machines for soil application:						
solid organic fertilizer, items	170	155	151	130	134	127
liquid organic fertilizer, items	215	213	206	206	196	199
Sprayers and dusters tractor, items	1174	1210	1234	1242	1232	1369
Dressers, items	528	526	533	540	559	574
Milking machines and installations, items	448	404	369	349	323	301
Including the milk line	177	155	148	139	130	130

There is a negative trend connected with harvesters: grain harvesters have been decreased on 6.6%, corn harvesters on 46.8%, forage harvester on 34.4%, potato harvester on 13.6%. There was written off agricultural machinery in the region more than it was acquired for the year (Trukhachev et al., 2014).

Then let us consider the availability of generating capacity in the region. For 2014 the energy capacity was 5241 thousand of hp, which is 5.6% less than in 2009. Energy power, distributed among Stavropol Territory, is as follows: 13.6% of the total amount of capacity is in the first zone, 33.3% are in the second, 42% are in the third, and finally, 10.8% are in the fourth. Reduced availability of generating capacity is observed in almost all areas of the territory: a decrease of the first zone is 14.7%, a decrease of the second zone is 11.1%, and of the third zone is 1.3%. The only zone that had generating capacity increase on 4.8% is the fourth one (tab. 7).

Table 8. Availability and structure of generating capacity (thousand hp. .)

Indicators	*2009*	*2010*	*2011*	*2012*	*2013*	*2014*
Total rated capacity of tractor engines (incl. tractors on which excavation, reclamation, etc.. are added and other machines)	1676	1625	1598	1583	1567	1570
Total rated engine power of harvesters and self-propelled machines	988	1012	975	996	1006	1035
The total rated power of car engines	1525	1447	1413	1424	1382	1400
Total rated capacity of other mechanical engines	68	55	52	49	48	47
Total rated power of electric motors and electrical installations	1291	1241	1230	1238	1256	1246
Draft cattle calculated as mechanical power	2	2	2	2	1	1
Total generating capacity	5551	5382	5271	5291	5260	5241
The share of engine power in the general availability of generating capacity,%:						
engines of tractors	30.2	30.2	30.3	29.9	29.8	30.0
engines and self-propelled harvesting machines	17.8	18.8	18.5	18.8	19.1	19.8
cars	27.5	26.9	26.8	26.9	26.3	25.6
other mechanical engines	1.2	1.0	1.0	0.9	0.9	0.9
electric motors and electrical	23.3	23.1	23.3	23.4	23.9	23.8
draft animals	0.04	0.04	0.03	0.03	0.03	0.03

The lowest proportion of generating capacity is observed in Andropovsky district which is 0.8% of the regional index, in Grachevsky district it is 1.1% in the third agro-climatic zone. The largest share of this index is in Kochubeevsky district, it is 17.6%, in Novoaleksandrovsky district it is 7.5% and in Trunovsky district is 6.4% which are in the same area.

The structure of generating capacity of the territory in 2014 is as follows: tractors (including tractors with installed earthmoving, reclamation machines) compose 30,0%, harvesters and self-propelled machines – 19,8%, cars – 25,6%, other mechanical engines – 0,9%, electric motors and electrical installations – 23,8%, working cattle in terms of mechanical strength – 0,03%. This trend is typical for almost all the analyzed period (Sklyarov et al., 2013).

Considering the availability of tractors at cultivated areas, we can see that this figure is generally lower than the level of Russian. In the reporting period accounted tractors per 1,000 hectares of arable land in Stavropol Territory - 4,3 items, which is 0.5 items less than in 2009 (Table 9).

Table 9. Provision of agricultural enterprises of the region with tractors and harvesters

Indicators	*2009*	*2010*	*2011*	*2012*	*2013*	*2014*	*2014 to 2009 (+;-)*
Tractors per 1,000 hectares of arable land, items	4.8	4.7	4.1	4.0	4.3	4.3	-0.5
Arable land per 1 tractor, hectares	207	213	245	252	232	234	27
Per 100 tractors, items							
ploughers	41	42	41	41	41	40	-1
machines for sowing	71	71	73	76	75	73	2
mowers	9	9	9	9	9	9	-
cultivators	76	76	77	77	79	77	1
harrows	320	315	305	297	296	299	-21
rakes	2	2	1	2	2	2	-
Harvesters per 1000 hectares of crops respective cultures, items							
grain harvesters	2.8	2.9	2.6	2.7	2.6	2.6	-0.2
corn harvesters	2.3	2.0	1.0	1.0	1.0	1.0	-1.3
Sowings of appropriate crops per 1 harvester, hectares							
grain harvesters	360	344	379	375	386	392	32
corn harvesters	438	496	764	1522	1901	1915	1477

Meanwhile the number of aggregates for tractors becomes smaller. This points to the fact that more modern and powerful farm machinery are used. In 2014, the number of grain harvesters on 1,000 hectares of grain crops (excluding maize) is 0.2 items less than in 2009, and grain crops (excluding maize) per harvester increased by 32 hectares. As noted by Glotova I.I., Tomilina E.P., Kuzmenko I.P. in south of Russia in Stavropol Territory there was formed a cluster of agricultural production with the necessary resources for efficient agricultural production (Glotova et al., 2014). Considering the dynamics of the main economic indicators of agricultural production in Stavropol Territory can be seen that during the analyzed period almost all performance indicators of agricultural production have increased. Revenue increased in 2.1 times, costs increased on 65.1% and profit increased in 4.0 times. Cost recovery was 117% in 2014, profitability increased on 14.0%, and the profitability including subsidies increased on 13%, which is a positive trend.

Table 10. Dynamics of the major economic indicators of Stavropol Territory agricultural production

Indicators	*2009*	*2010*	*2011*	*2012*	*2013*	*2014*	*2014 to 2009*	
							mln. rub.	*%*
Costs, mln. rub.	39900,4	43156,1	52759,8	58430,7	64996,1	65881,0	25980,6	165,11
Revenue, mln. rub.	39845,5	46677,0	56775,1	59142,7	63510,5	83948,0	44102,5	in 2,1 times
Also, subsidies from the budgets of all levels, mln. rub.	2885,6	3164,1	3115,5	3671,8	4488,5	4025,6	1140,0	139,51
With subsidies from the budgets, mln. rub.	42731,2	49841,0	59890,6	62814,5	67999,0	87973,6	45242,4	in 2,1 times
Profit, mln. rub.	4498,2	7723,0	10952,7	10866,8	7851,4	18067,0	13568,8	4,0 times
Payback, %	100	108	108	101	98	117	×	×
Profitability excluding subsidies, %	13	20	24	23	12	27	×	×
Profitability including subsidies, %	21	28	31	30	19	34	×	×

CONCLUSION

A result of the resource potential study of Stavropol Territory, multiplicative change was determined and the factors influencing the stability and efficiency of the organizational-economic mechanism of agribusiness were identified. The study of Stavropol Territory agro capacity demonstrates the high potential of development of agribusiness in the region. In general, the economic potential of entrepreneurial activity of Stavropol Territory agribusiness is determined by the following factors:

1. Positive:

- Good production and financial results in comparison with other regions of the Russian Federation;
- High (although given the low starting level) economic growth - they exceed the average and apparently, will be maintained;
- Improving the quality of financial management and transparency of agricultural organizations.

2. Negative:

- Social and economic instability in the region. This is a limiting factor in the growth of investment in agriculture;
- High deterioration of agribusiness facilities;
- A low level of agricultural products processing;
- Instability of financial results and fluctuation of agricultural enterprises effective functioning;
- A restriction on the export of agricultural products outside the region;
- Investment resources deficit;
- Dumping prices for agricultural products, imported into the territory.

Despite the existence of problems, positive trends dominate in the agricultural sector of Stavropol Territory's economy such as increasing agricultural production with the introduction of intensive technologies. Increased investment activity, the development of business, resulting in a steady tendency to improve production efficiency in agribusiness. At the same time the resources to improve the efficiency of agribusiness are available. For this purpose in the region with the support of government agencies it is necessary to create conditions for entrepreneurs

to stimulate the introduction of intensive energy-saving technologies; reduce the deficit of production capacity for the storage and processing of agricultural products; ensure a flow of qualified personnel in agribusiness enterprises; make financial resources more accessible; increase the volume of grant financial support for large, medium and small agricultural enterprises, create a long-term program for the implementation of intervention policy in the agricultural market.

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