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# AGRICULTURAL POLICY OF THE RUSSIAN FEDERATION

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### Abstract

State support for the agricultural sector is an important national economic problem, since agriculture is one of the sectors, which has traditionally built the entire Russian economy, and this machinery, the consumption of petroleum products (diesel fuel), transportation, storage, processing, etc.

**Key words:** Agro industrial complex, state development program, agrarian sector, state support, agriculture, agricultural food complex, agricultural policy, agricultural enterprises

## Introduction

The agricultural sector has accumulated a lot of problems that are particularly exacerbated by the global financial crisis, as agriculture has become most vulnerable to its effects because of their nature of production. Nowadays there is a serious government support to Russian economy priority sectors, including agriculture. In this regard, an important national economic task is to ensure efficient implementation of the State Agricultural Development Program and the markets regulation for agricultural products, raw materials and food for the years 2008-2012

#### Discussion

Today the main problems of agrarian sector are: livestock industry remains unprofitable, due to which agricultural producers are forced to reduce the number of animals, not civilized land market, there is a shortage of production facilities for the storage and processing of agricultural products, lack of qualified personnel, lack of young professionals, rising interest rates bank loans, the uncertain intervention policy, the difficulty of subsidy getting, disparity in prices for agricultural products, criminalization of food markets, the of

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unprofitable enterprises number is constantly grow, amount of overdue receivables and payables are increased, increasing number of bankruptcies and attempts raider grabs on agricultural enterprises is increased, all this items are the main problems of the agrarian sector of today. In addition, agriculture dependence of on imported equipment suppliers and technology is constantly increase, there is an import substitution of machine-tractor fleet in agriculture. All this is accompanied by an underdeveloped, outdated infrastructure and inadequate development of advisory service in agriculture.

To develop and to improve agrarian policy should be assumed some measures:

- 1. It is necessary, to taking into account the principle of co-financing from the federal budget, focused on supporting and strengthening the breeding base for the reproduction of farm animals are the most popular breeds in the province. Support, in the form of subsidies, all forms of agricultural enterprises ownership such as breed plants status, breeders, breeding stations, and breeding enterprise to:
  - Maintenance of highly productive pedigree breeding stock for agricultural animals at the statutory rate on one conditional head;
  - Maintenance of tribal producers of all agricultural animals types at the statutory rate of one conditional head;
  - Young breeders of all agricultural animals types, realized by agricultural enterprises, peasant (farmer) farms at the stationary rate of 1 kg of live weight, young breeder birds sold per head of breeding eggs in 1000, the seed breeding bulls, breeding sheep, breeding boars a rate of one semen dose;
  - Immunogenetic study of breeding animals in accredited laboratories, acknowledging receipt of a viable, with high genetic potential of young, counting 30 percent of expenditures for these purposes.
- 1. We must continue attract regional budgets to ensure agro-industrial complex pedigree livestock under a financial lease (leasing), as the most effective and accessible forms of support.

Applications agricultural enterprises and peasant (farmers') holdings exceed 100 million rubles, and therefore proposed to increase by the year 2009 and subsequent years, special funds for these purposes up to 180 million rubles in Russia's regions.

In view of high prices for breeding products in Russia prevailing and abroad, many agricultural enterprises, especially the peasant (farmer) farms do not have the financial capacity to purchase cattle. In this regard, we offer include compensation costs for agriculture, peasant (individual) farms, breeding enterprise of the territory are 25 - 30 percent of the value of breeding livestock acquired for breeding in breeding farms and reproducers region and other regions of the Russian Federation, as well as for imports. This will significantly increase the proportion of highly productive cattle in the province.

- 2. It is necessary to stabilize the grain market. To achieve this goal, the following tasks should be done:
  - Smoothing of seasonal fluctuations in prices for grain and its products to grain

- producers and consumers;
- To increase the agricultural producers income;
- Grain movement Stimulation from the remote regions of the Russian Federation in the region of consumption;
- To make more understandable and predictable intervention for domestic agricultural producers, as well as for the year to determine a minimum price for agricultural products. This will serve as a guide for producers in forming their own costs and thereby ensure a stable supply and price of domestic agricultural products.
- 3. For modernization and small-scale production growing, as well as creating stable and competitive environment in the countryside, we offer the following key activities aimed at improving the mechanisms for implementing the State program of agricultural development and agricultural products markets regulation, raw materials and food:
  - Increase and reduce the price to attract credit resources to (F) X, and created agricultural consumer cooperatives, which would increase commodity production and incomes of people employed in them.
  - To modernize and develop procurement, supply and marketing infrastructure network of agricultural consumer cooperatives.
- 4. A good solution for simplifying the mechanism, applying for grants is that the recipient of grants was a bank or credit cooperative, which gives smallholders loans at an interest rate reduced by the amount owed to the grant. Then the credit institution on the basis of the available documents could make out a roster of subsidy to all borrowers and submit it to the Ministry of Agriculture for grants owed.
- 5. Empowering and improving the marketing of products LPH, guarantees the municipal and public authorities, the subsidies payment on agricultural products. In the markets in the regions to local agricultural producers should be provided on a mandatory basis trading places and provide an opportunity to sell in the auto store without special permits and licenses, and cooperatives purchasing products, may create their own cooperative markets.
- 6. Cooperation Development in the Russian agricultural sector is imperfective and is greatly influenced by the legal framework on land tenure and land use, taxation, promotion of cooperative development, financing regional programs of development cooperation. All this requires amending the existing laws, policy adjustment at the federal and regional levels in the area of pricing, preferential lending cooperatives and cooperatives exemption for 15 years, paying taxes, development of market infrastructure, development of strategic directions of modernization and development of logistics industry agribusiness
- 7. The main part of young families are not benefiting from assistance in improving their housing conditions within the state program were young professionals and members of young families whose average age was 27 28 years old, of which only have enough money to buy basic necessities and products. The main reasons for not participating in the State program are the lack

of funds for the payment of its share in the construction and difficult procedure of registration documents. It is proposed to cancel the initial payment for young families living in rural areas.

8. To solve the financial problems in agriculture to make interest-free loans for agricultural development, to prohibit the issuance of loans tied to foreign currency, state-subsidized purchase of equipment and resources invented only in the Russian Federation.

## Results

If we look at scenarios for the agro-products sector of Russia it will be concluded that:

- 1. Promising innovation is the only breakthrough scenario. In the event of his incarnation in the life of agriculture would get a much-needed impetus to the innovation development ,will increase the need for large and medium producers in the high results of breeding and genetic research in new technologies.
- 2. However, to this scenario becomes a reality, we must work hard: to create industrial and social infrastructure of the village, to conduct an active and systematic agricultural policy. Financial and organizational support of the state and the effective operation of market mechanisms will take agriculture out of the crisis in the next five years to over the next decade and a half to create a steadily growing and competitive agricultural sector.
- 3. Inertial scenario would jeopardize the country's food security, will lead to complete degradation of agriculture and reduce to a supercritical value of rural population standard of living.
- 4. As a result, the state of the country's economy deteriorated sharply, which could cause serious social disruption.

# Conclusion

State support for the agricultural sector is an important national economic problem, since agriculture is one of the branches, which has traditionally built the entire Russian economy, and this machinery, the consumption of petroleum products (diesel fuel), transportation, storage, processing, etc. Almost one third of the population to a greater or lesser extent involved in this process. Support and development of the agricultural sector stimulates the entire economy as a whole, provides high employment. This is especially important because in Russia to preserve the traditions of agriculture and high potential for agricultural production for the domestic market and for export.

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