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On the problems of developing the agricultural cooperation in the North Caucasus Federal District

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Abstract. The article deals with the formation and further development of agricultural cooperation, which is one of the most significant problems for the sustainable improvement of the country's agricultural economy. Among the regions with the most difficult factors for the agricultural production, one could mention the emergence and activity of rural cooperatives, which are the subjects of the North Caucasus Federal District (NCFD). The circumstances that determine the development of the cooperative movement in the North Caucasus Federal District require theoretical and practical analysis, as well as a revaluation that would enhance the activity of agricultural cooperatives. The relevance of the chosen topic of this study is determined by the special conditions for the development of agricultural production in the North Caucasus Federal District, the traditions and skills of the population.

The agricultural lands of Russia serve as the basic potential of a country which value is rapidly increasing due to the economic sanctions of countries importing food products. The agricultural territory of Russia is approximately 5,691.8 thousand km². In rural areas, there are more than 150 thousand settlements, which are consolidated into 24,409 rural administrations. In total, 37.9 million people live in rural areas (2017) [9].

The agro-industrial complex of the North Caucasus Federal District is a backbone and decisive basic social and economic tasks of the population of the district. More than 60% of the rural population lives in the NCFD (it is 27% in the Russian Federation). Agriculture serves as the basis for the entire economy of the North Caucasus Federal District, defining the key development prospects for the district. Agriculture NCFD has a balanced structure; the share of livestock is 47%, crop production accounts for 53% [15]. The agricultural complex of the district for 2017 showed a positive dynamics of development: the index of agricultural production exceeded the national average and amounted to 106.1%. The All-Russian Index of Agricultural Production is 104.8%. In the ranking by region of Russia, the NCFD ranks the 5th. According to this indicator, the constituent entities of the district were determined in the following order: Stavropol region (10th place), Dagestan (16th), Kabardino-Balkaria (41st), Karachay-Cherkessia (53rd), North Ossetia-Alania (56th), Chechnya (66th), and Ingushetia (76th). In agriculture, the share of the employed population belongs (2017) to 880,000 thousand people (22% of the number of people employed in the entire economy of the district), which is determined in comparison with the Russian Federation by a particularly high indicator (the total rural population in the Russian Federation is 9%) [4].



The systematic and innovative development of the agrarian economy serves the most effective development of agricultural areas. A particularly significant area of growth in the agricultural economy of the country and, in particular, the North Caucasus Federal District, as well as improving the welfare of the rural population, is the formation and development of agricultural cooperatives. Agricultural cooperation enhances the competitiveness of agricultural producers, provides an increase in incomes of the population, contributes to the high and sustainable development of agricultural areas.

Agricultural cooperation is a sectoral system of agricultural production and consumer cooperatives that are producers of agricultural products, their associations and unions, which activities predetermine the sustainable development of agriculture and agricultural cooperatives [18-20].

Analysis of scientific works and the stages of the formation and development of agricultural cooperatives in the agricultural sector of the Russian Federation [8, 11, 13] at the present stage made it possible to identify three ways of their formation: the decision of federal and regional authorities; independent decisions of agricultural producers; and decisions taken by agricultural producers according to the support of the authorities and other organizations.

In Russia, all types of agricultural cooperatives operate, the dynamics of their development varies depending on the stages of socio-economic development.

In in the agricultural sector of the Russian Federation in 2017, there were 8405 agricultural production cooperatives (APC); 5839 agricultural consumer cooperatives (ACC), including 1032 processing cooperatives, 1410 supply and marketing cooperatives, 1927 service and other cooperatives, and 1470 agricultural consumer credit cooperatives (ACCC) [17].

In the NCFD, 479 agricultural cooperative enterprises were registered, i.e. 6.9% of their Russian number. First of all, these are supply and marketing (29.7%), credit (21.3%), and processing (18.8%) cooperatives. Another 30.6% of them carry out other activities [12]. The main factors determining the prevalence of supply and marketing cooperatives in the North Caucasus Federal District are (a) the simplicity in registration and (b) a significantly lower need for funds than, for example, for organizing the processing of products.

However, agricultural cooperatives registered in the district, today are poorly functioning. According to the results of the analysis, only 57.7% of agricultural cooperatives (their share is 68.2% in the country) actually work in the North Caucasus Federal District. The highest share of active agricultural cooperatives is characteristic for the Chechen Republic (89.7%), the Kabardino-Balkarian Republic (83.0%), and the Stavropol region (65.5%) [12].

It should be noted that in the structure of the agricultural sector of the North Caucasus Federal District, small forms of management are developing most dynamically. They account for more than 63% of the total agricultural production produced by households of all categories of the district, including about 25% in grain, 20.2% in sunflower, 90.6% in vegetables in open ground, 90.1% in potatoes, 58.5% in meat livestock and poultry, 86.7% in milk, and 71.6% in eggs. Despite such significant production volumes, the involvement of small business entities in the sphere of commodity exchange and the food market system remains extremely low. To stimulate development and increase the efficiency of small businesses in the district, it is necessary to create and expand the system of agricultural cooperatives.

Research and systematization of the basic problems of the formation and development of agricultural cooperatives are provided in numerous scientific works [6, 8, 9, 11, 13]. The lack of a state vision of the prospects for the development of agricultural cooperatives is the main reason for the lack of development of the modern system.

The current stage of the revival of cooperation continues to be characterized by unsustainable development trends. Despite the measures taken by the state support, the contribution of the cooperation remains insignificant, its share in agribusiness does not exceed 1%. Attempts of administrative-legal regulation of these processes in terms of increasing the number of subjects of market relations, the formation of simple forms of cooperation do not contribute to positive institutional changes in the industry [21].

Analysis of the problems hampering the development of cooperatives shows that the main ones are:

- Imperfection of the legislation;
- Unfavorable conditions for agricultural production;
- Mediocre protectionism policy in relation to the AIC;
- Territorial separation and really weak marketability of farms;
- Insufficient state support for small farms in agriculture;
- Lack of a cooperative education system;
- Insufficient monitoring of the advantages and positive experience of cooperatives, etc.

One of the main problems is the unresolved land relations in the rural sector. Land serves as the main means of production in agriculture and is the most significant part of national wealth. Russia has 9% of the world's agricultural land; however, its production accounts for only 1.5% of the gross domestic product of world agriculture. This testifies to the fact that vast areas of agricultural land are not used in Russia. It is officially recognized that 40 million hectares of arable land has now been abandoned, thus the land and resource potential of agriculture is gradually deteriorating.

Conclusion

In conclusion, we would like to note that agricultural cooperatives should, can, and now provide (as a result of their activities) the personal goals of rural residents – consumers, members, and workers of agricultural cooperatives. Their activities contribute to the improvement of welfare and social security, agricultural cooperatives make decisions on the implementation of national tasks, actively participate in priority national projects, guarantee employment of the rural population, and also contribute to solving food security issues of the country. Agricultural cooperation can actually become the main condition for the implementation of state tasks on the replacement of imported products with products of domestic agricultural producers.

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