



Factors of Providing Food and Economic Security of the State and its Regions

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ABSTRACT

The present article highlights the development of the theoretical and methodological approaches to definition of subject domain of regional economy and ensuring stability of regional development. The main subject of this research is the grain production complex as reproduction system, taking into account its role in ensuring food security of the country and its regions. Results of research offer the effective proof to that the grain independence represents the function from the existing solvent demand of the population for food. In the absolute parameters, it is sufficient for full providing which allows the effectively usage of stimulation factors of grain farm development within policy of national security. It also becomes a major factor of providing food and economic security of the state and its regions in modern conditions.

Keywords: Regional Development, Reproduction, Grain Independence, Sustainable Development

JEL Classifications: P25, Q01

1. INTRODUCTION

At the moment, in Russia there is no effective regional market economy with highly productive agrarian sector. It shows in sharp increase in food prices, which is specific to the Russian economy. Essential transformations in structure of property did not yet provide the restoration of pre-reforms on physical volumes of a regional product, agricultural production, fixed assets and investments into fixed capital. More than a third of agricultural producers of various forms of ownership continue to remain unprofitable.

In the conditions of the imposed economic sanctions the provision of the agro-industrial enterprises' majority and organizations worsened for the reasons of low competitiveness of agricultural production and production of the food industry both on internal, and in a foreign market. If change do not come soon the main reproduction conditions, both in the Russian agrarian sector in

general, and in its regional subsystems, the overwhelming number of the enterprises and organizations will become unprofitable.

2. MAIN PART

Grain production complex, being the largest sector of regional agro-industrial production, traditionally acted as a basis of formation of the major proportions of regional social and economic development. However, in post-reform years cultivated areas under grain crops and gross collecting grain in weight after completion were considerably reduced. Besides there are huge losses of grain during the transporting, storage and processing, a double excessive consumption of sowing material (in comparison with the average world indicators) and many other tendencies that conducts to reduction of the absolute income of agricultural producers. With all that it implies the negative consequences including regional economic development level.

It is possible to balance a situation in a grain production complex by means of increasing efficiency of the regional grain markets system functioning. Now they are in an unstable state that leads to technological and technical degradation of branch, considerable disparity of the produced and purchased production's prices, a shadow turn of grain and the products made from it, growth of unemployment in agrarian sector, etc.

The experience of the developed countries shows that the developed mechanisms of the market relations in the sphere of agro-industrial complex and a regional grain farm functions for realization of all participants' interests. For example: Direct producers of grain and end grain products, the people as consumers of this production, authorities as the participants interested in increase of fullness of regional and local budgets and providing the population with qualitative food (Novoselov, 2009; Novoselov and Novoselova, 2015).

However, discrepancy of the market relations is in a nowadays Russia functionally provide the super income of the narrow elite, corporate groups and intermediary organizations which are carrying out activity in the regional grain markets that significantly limits possibilities of consumption to a general population. The do not allow the main number of the subjects managing in grain branch to gain income sufficient for normal reproduction. Relevance of a solution to the problem of developing the regional the grain production of complexes, increases the efficiency of the grain market functioning. Insufficient study of many scientific and practical aspects, their importance in reliable providing consumers with grain and the products of its processing connected with food independence, national security predetermined a choice of a subject of research, and the wide range of questions considered in it.

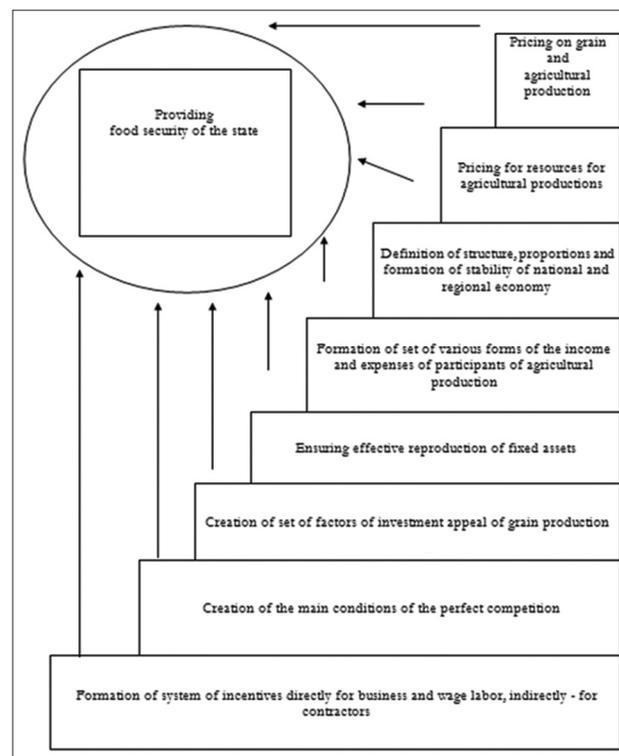
The food security includes not only consumer aspect (taking into account physiological norms), but also production (due to development of own production and necessary import of agricultural production and the food) (Figure 1) (Novoselov, 2009). Each structural element of an agrarian policy in narrow sense has one general purpose – ensuring food security of the country, which is concretized on each of the directions (Figure 2) (Novoselov, 2009).

Therefore, the general purpose for agricultural policy is ensuring food security of the country – increase of agricultural production efficiency; for agro-industrial policy – it is increase of the branches efficiency, which is connected to the agriculture. For food policy – the same goes for ensuring the guaranteed access for the population to food; and for a foreign trade policy – increase in profitability from the foreign trade transactions.

It is also necessary to limit the super income of agricultural products' processors and resellers. So, for example, at rate of return from 21% to 25% it is quite possible to establish norm of the taxation in 40%. And at rate of return from 25% to 30% the tax has to make 70%.

In addition, at rate of return over 30% - the tax has to reach 100%, i.e., to be prohibitive in fact. The corresponding adjustments are necessary and for a value added tax.

Figure 1: Functional features of the grain market



Thus to leave taxes on the income of natural persons at the former level as in this case tax tools have to influence proportions of use of the created product, but not the absolute sizes of the income.

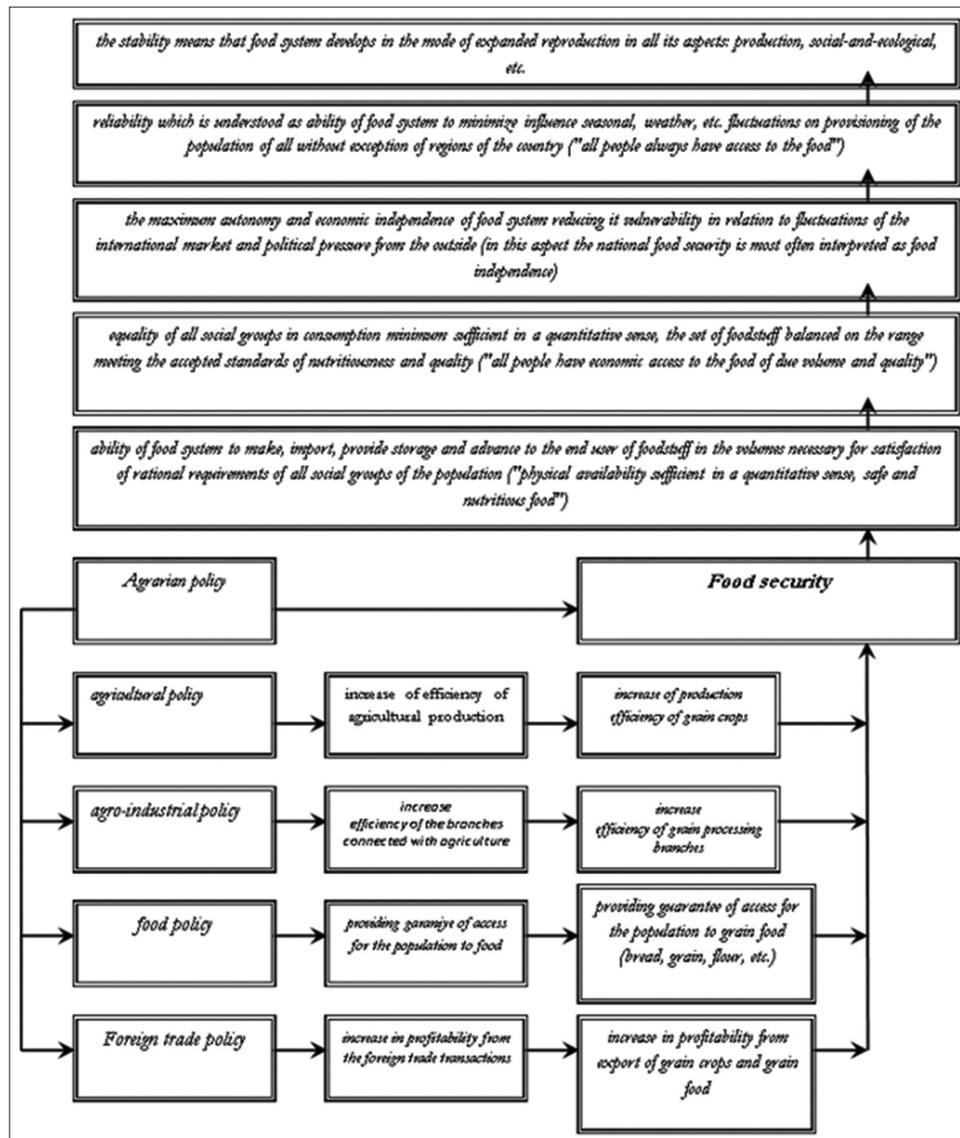
Tax tools have to become the main instruments of the offered market principles' realization, of restructuring the economic communications within a regional grain production complex. These are economically fair and acceptable measures, which are not demanding repressive potential.

In modern crisis conditions, everything rises a question of maintaining the food security of Russia at the necessary level, i.e., increase in a domestic production of agricultural production and food of the corresponding quality more sharply. Our opinion is that only external support, first of all from the state, can provide implementation of requirements of food security amplifies and it is necessary to use more actively measures of customs regulation of import of import products.

On the one hand, the active role of the state in ensuring food security is indisputable, is confirmed by numerous examples from foreign economic practice. On another, – bases of any operating factor have to be coordinated to bases of the existing economic system, i.e., it is expedient to ask a question, how food safety of the country is ensured by effective functioning of national economy.

Considering possible further transformation of the content of category of the national security including and food, it should be represented as function of all national economy, considering it as process, a condition of all system of the economic relations.

Figure 2: The interrelation is more whole than various structural elements of an agrarian policy in the context of influence of development of grain branch on food security



From these positions, it is possible to approach a backbone role of economic security. At the abstract level it turns out that whatever essence of social and economic system was formed, it will only take place in reality if it is under the influence of the feedback, then it does not lose the main characteristics. In relation to the phenomena of the economic contents, it defines a place of economic security category both in system of national security, and in system of the formed model of the social and economic relations (Shkyrkin et al., 2015).

In market economy, it means functioning of the effective mechanism of the reproduction satisfying to material interests of all main participants of economic processes.

In our opinion, exactly in this context it is necessary to perceive the definition of food security presented in the Rome Declaration of the World forum which took place in November, 1997 on which the need of ensuring access of all people to the food demanded for healthy and active life was emphasized at any time. Such broad

providing with the food is possible only on market conditions as the state measures of it not to solve.

Therefore, speaking about food security, expediently it isn't simple to stop on criteria of availability of necessary food of appropriate quality for the population, and, first of all, to address that at the heart of its functioning there have to be direct motives of activity of agricultural producers. There is quite a lot material written on the topic, it is emphasized that at all levels of the power measures for development of production of agricultural production only from the technological and technical parties are taken, and without economic and material incentives no technology can be executed.

Thus, even at increase in expenses of the Russian budgets of all levels at agriculture several times the main questions will not receive the final decision. First, for the reasons sharp as it was already noted, discrepancies of the sizes of money sums. It is necessary to look for such forms and methods of a grain production support complex which will be based on the internal

market reproduction principles and through real realization of interests of agricultural producers also the countries will ensure food security. Especially as our population spends quite enough funds for acquisition of food.

In such conditions, the Ministry of Agriculture analytics are rather actively engaged in the search of ways of overcoming the financial insolvency of agricultural producers. However, generally they follow the traditional way. At first, the known specifics of financial and economic activity of the agricultural organizations caused by action of the following factors are defined:

- Seasonal, cyclic nature of production;
- The increased risk and rather extended time period of production of agricultural production which is characterized by dependence of productivity of plants and efficiency of animals from natural factors (a drought, frosts, natural disasters, etc.) that complicates forecasting (even for 2-3 years) possibilities of restoration of solvency of the organization;
- The variety of agricultural business caused by diversified specialization of production in animal husbandry and plant growing, etc.;
- Lower values in comparison with other branches of economy norm of accumulation of the capital;
- The social importance of the agricultural organization for the territory in which it accommodates.

Features of the property relations in agricultural branch are:

- Special nature of land use with use of lands of agricultural purpose as the main means of production;
- A big share in property of the agricultural enterprise of the objects of the social sphere and engineering infrastructure serving all adjacent territory;
- Big share of illiquid property (especially immovable) enterprise in a property complex;
- Existence of the property (cattle, plants) demanding a permanent care and financial expenses.

It is necessary to mention the specificity of the situation. It is quite often arising when carrying out concerns of the agricultural organization of bankruptcy process as often the employee of the agricultural enterprise is also its owner (in agricultural production cooperative, open joint stock company), and the creditor (the existing debt on a salary, on payment of compensations of social character).

Experience of application concerning the agricultural organizations of bankruptcy procedures convincingly shows that process of solvency restoration and improvement of business economics with use of the available mechanisms is still inefficient.

Meanwhile, consequences of the bankruptcy procedures which are carried out concerning the agricultural organizations have great negative value for social and economic life of certain rural settlements, districts, and often and the whole areas.

In case of large-scale application to the enterprises of agricultural sector of bankruptcy complex procedures of this, sort negative

consequences can be characteristic for the whole regions of the Russian Federation.

It causes the state scale of the existing problems, and possibilities of government's active participation in process of bankruptcy of the agricultural enterprises are significantly limited now.

The solution of the insolvency problem of the agricultural enterprises demands the increases of economic efficiency of their economic activity, the directed various forms of the budgetary support, including gratuitous subsidizing of production of separate types of products, subsidizing of costs of acquisition of separate types of material resources. It is possible to carry to these measures also various programs of granting to the agricultural organizations of the budgetary credits providing preferential in comparison with the commercial credits, conditions of their repayment.

Thus, according to preliminary estimates, the results of carrying out procedures of financial improvement in the Russian Federation note some increase in number of the agricultural producers who restored the solvency with an exit to qualitatively new level of development of production. However, the majority of the enterprises is in the severe financial conditions demanding development of a complex technique of a financial condition analysis of the agricultural organizations for forecasting the inability of the re-structured debt repayment and probability of the debtor's bankruptcy approach.

In our opinion, practically all existing indicators have direct dependence on price level. Therefore, it is necessary to consider not the measures of financial improvement by means of the analysis on the specified indicators, and to achieve efficiency within a state policy in the field of pricing, improvement of the financial position of the enterprises estimated on these indicators.

It is remarkable that on this background many agricultural producers of Russia and the South of Russia show rather steady and profitable indicators of the activity. However, speaking about the contribution of agricultural production to a gross regional product, the return picture turns out, i.e., because of the bigger specific weight of agrarian production the general indicators of VRP appear to be lower.

As the advantages of the North Caucasian and Southern federal districts being in more favorable conditions for agro-industrial production are unrealized, it is necessary to analyze a fortune its main making, first - a grain farm (Novoselov, 2009; Novoselov and Novoselova, 2015; Taranova et al., 2015). In this analysis, it is necessary to find out the main issue: How external and internal conditions of managing are predetermining such phenomena when favorable factors are used so inefficiently.

Without the necessary measures soon, the situation with the leading region on agricultural production continuing to remain the least productive from positions of creating the gross regional product can amplify.

According to the main macroeconomic characteristics, production of grain crops and products of a grain recycling has enough favorable factors for effective development. First, this increase in population of the planet predicted by experts and the corresponding increase in demand for grain and products of its processing owing to what the enterprises of domestic agricultural industry will be able to expand the export. To use the tactical factors of the world market, it is necessary to solve a number of economic, organizational, and administrative problems.

Therefore prospects of development of a grain farm of the North Caucasian and Southern federal districts are very closely connected with realization of the balanced diversified regional marketing policy. This connection is shown on various categories of the markets: Intra-regional, interregional, all-Russian, with the countries of the Customs union and the commonwealth, with foreign countries that will allow to provide stable profitability of production at changes of productivity and a price environment.

Economic problems of the grain producers of the enterprises are interconnected, on the one hand, with development of a domestic production of grain crops, with another - with dynamics of import of similar production. However, the main aspect is a ratio of expenses and results of own production. In addition, in these parameters the grain producing organizations of the South of Russia appear on one of the best places in the country. But, apparently, real market advantages are missed. Lower expenses are not so much defined by the proceeds from sales of grain, unlike the price factor (Alikaeva et al., 2015; Novoselova et al., 2015).

In such situation, enterprises that are more effective and the organizations appear in losing situation that it is not necessary to allow at implementation of the state agrarian policy.

It is possible to achieve such balance of interests by means of realization of a pricing policy, which basis is represented by actions of the state. First, on maintenance of high level of the world prices for grain and grain products, secondly, on restriction of growth of expenses of their processing, thirdly, on restriction of the exclusive power of processors of agricultural raw materials, fourthly, on prevention of excessive trade price extra charges.

Based on the statements above it is expedient to formulate the following conclusions.

First, within the last decades with different degree of activity there was a process of formation of new agrarian structure of Russia, which isn't finished yet, and its results cannot be unambiguous and standard.

Secondly, the sectorial structure of gross output of agriculture, land use and employment have essentially changed. The share of the large agricultural enterprises decreases, the share of family enterprises and farms increases. The monopoly of the state for the earth is eliminated; the private landed property in agriculture is formed. However, the last processes were slowed down in recent years.

Thirdly, there was a new form of managing in agrarian production - country (farmer) economy. Thus, this economy remains insignificant on scales; the farming did not become the leading sector of agrarian economy. Process of increase in the average size of farms, concentration of production in the most large-scale enterprises and, with another - transformations of smaller farms into subsidiary farms is observed, on the one hand. The highest rates are characteristic for the farms founded in the first years of reforms when they were given noticeable state support.

Fourthly, the sector of personal subsidiary farms developed rather actively and steadily, its role increased in life support of country people and food supply of the cities. Especially important is the role of LPH in depressive regions, providing a minimum level of consumption and employment of the population.

Fifthly, the large agricultural enterprises remain the main producers of grain and commercial crops. Found the place in market economy of poultry farm and other enterprises of industrial type. During reorganization the average sizes of agricultural enterprises decreased, their legal form changed. Among legal forms production cooperatives, joint-stock companies and limited liability companies prevail.

Sixthly, there is a burning issue of development of the relations of a private property on farmlands. On the one hand, needs of the population of the country for the land plots for LPH, gardening and truck farming are almost satisfied. However, processes of privatization of lands of agricultural purpose do not allow to create the effective market yet and to provide transition of the earth to effective users.

Seventhly, despite noted structural changes, the carried-out agrarian transformations did not create comprehensive conditions for growth of economic efficiency of agriculture of the South of Russia. Are the reasons of low production efficiency in agrarian sector:

- Lack of price macroeconomic stabilization in the country in general, disparity of the prices and adverse conditions for development of agrarian sector connected with it;
- Incompleteness and incompleteness of the begun institutional transformations;
- Backwardness of market infrastructure (information system, financial and credit mechanism of agrarian and industrial complex, organized markets, system of insurance, etc.), regional trade barriers and intervention of regional administrations in the agro-food markets;
- Irrational state support of inefficient farms;
- Incomplete performance of the adopted laws by authorities, contradictions between federal and regional approaches to implementation of reforms, etc.

Eighthly, the situation in agrarian sector differs in instability and uncertainty. A number of factors stimulate further concentration of controlling stakes (shares, shares) in hands of rather small amount of the owners who sometimes are not related to agriculture. Problems of rent of lands for agricultural production are respectively formed.

3. CONCLUSIONS

The above-stated factors in essence are nationwide. Therefore there are also measures for their overcoming. Earlier noted heavy economic and social situation of agricultural producers remains the national trouble for many years. Therefore, agricultural producers, working with everyone inside their own market, will not be able to provide the demanded synergy effect in reforming of the Russian agricultural industry.

The main subject, the participant of the processes happening in agricultural industry that is able to become a peculiar guarantor of possible synergy effect, the state is.

Therefore, the system of the state support and regulation of a grain production complex becomes the following investigation phase objectively. Thus, in our opinion, it will be required to step away from simple and widespread understanding of the state participation as main regulator of economic processes. It is very important not to mix problems of strengthening of the state providing normal functioning of agrarian economy in the course of its reforming with desire of strengthening the powers of officials' authority and bureaucracy. Strengthening the state in effective limits is always positive, however the excessive increase in officials, bureaucracy and the corresponding strengthening of corruption becomes a serious, and at times and absolute obstacle of development as it repeatedly was in national history.

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