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INCREASE IN INVESTMENT APPEAL AND COMPETITIVENESS OF AGRARIAN AND INDUSTRIAL COMPLEX OF THE VOLGA REGION

Abstract: In article, dynamics and tendencies of development of production of main types of agricultural products (grain, meat, milk), whole-milk and sausage products, production of bakery in the Russian Federation, the Volga Region Federal District and the Volga region are analysed. The characteristics of major factors of investment attractiveness of the regions included into the Volga Region Federal District where 15% of all agricultural products of the Russian Federation are being produced has been carried out. It is substantiated that without proper state support it is impossible to increase profitability of agrarian industries and, consequently, attract short-term and long-term private investments.

Investment attractiveness factors to be mentioned are: the governmental budget subsidies and devaluation of the national currency; interest to the Russian agrarian sector among the large agroholdings and other groups of investors. The main directions of investment flows are production of grain and vegetable growing, which are main industries for the majority of regions of the Volga Region Federal District. For self-sufficiency of the regions and narrow specialisation overcoming, it is necessary to develop cooperation, communications and integration in agrarian sector among the regions of the Volga Region Federal District.

Keywords: investments, agricultural industry, competition, grain; Russia; Volga Region Federal District; Volga region.

JEL Classification: Q10, Q14, Q19

Introduction

Investment appeal of agrarian sector is a priority of competitive development of agricultural industry of Russia, and, in particular, regions of the Volga Region Federal District. Considering features of agricultural production and fixed financial difficulties of subjects of agrarian sector, it is possible to claim that normal and effective development of industries of agricultural industry is possible only in case of attraction of investment resources. Investments are capable to solve long-term and current problems of agro-industrial complex. By means of investments it is possible not only to recover from crisis, to expand a taxable basis, to increase budget revenues, to raise competitiveness of agricultural products, but also to create new workplaces, to optimize production process on resource intensity, resource-saving, ecological compatibility, the latest technologies and innovations.

For the last years, many industries of the agricultural sector of Russia exist thanks to subsidies and are characterized by a long investment cycle that leads to decline in agricultural production in the conditions of the complicated access to the equity. The main priority of development of the food Russian Federation system in modern conditions is import substitution that is directly connected with investment attraction and enhancement of level and mechanisms of the state support of agricultural industry.

Production by the entities of agricultural industry and the food industry grows unstably, despite the program of the accelerated import substitution development. So the index of production of agricultural products for 2013-2014 was reduced by 2.1 percent points, and the index of production of products of conversion from agricultural raw materials increased by 1.9 percent points that speaks about insufficient efficiency of food policy and import substitution.

By 2014-2015 the tendency of delay of growth rates of production in agricultural industry is shown that is caused by long-term food policy of the Russian Federation, and also cumulative structural problems, contradictions and disproportions which are slowing down effective functioning and growth of product competitiveness of agrarian and industrial complex. It is necessary to distinguish from especially significant problems of development of subjects of agrarian sector such as: low technical and technological potential, low production of work and level of implementation of innovations, the insufficient volumes of investment and the state support, poor control that in total brings to low-profitable or at all to unprofitable, inefficient production.

In these conditions as the president of Association of cooperatives of the Russian Federation (AKKOP) V. N. Plotnikov fairly notes, profita-

bility level in agricultural industry of equal 1.2% without subsidies (11.7% taking into account subsidies) can't be sufficient for expanded reproduction as the low speed of turnover of means does the discounted profit by negative size. The main problem of low investment appeal of agricultural industries for private investments is that there is no incentive to finance not only in the long term, but also in the current activities. Many economists cite as an example experience of the USA where the government maintains profitability of the landowners at the level of 25% [1].

In this situation, the complex decision which in the conditions of food embargo shall stimulate a gain in productivity of work and amounts of agricultural products is necessary to provide requirements of processing industries and the population in food products. According to official information of the Government of the Russian Federation so-called "road map" on import substitution in agricultural industry is implemented and about 500 investment projects of import substitution in the priority directions noted in Gosprogramm development of agricultural industry for 2013-2020 are carried out. So, for example, for 2014-2015 a priority increase in production of milk, pork and fowl, and also development of vegetable growing, wine growing and winemaking, increase in production of fruits and berries have development of livestock production, and, especially. At least technical and technological upgrade of agricultural industry, development of selection and seed farming, support of small farms (peasant farm and LPH) and development of infrastructure of the agrofood market are important [2].

On condition of creation of favorable climate for attraction of private investments, it will be rather easy for Russian agrarian sector to attract the capital, including, and within IPO, secondary and closed placements of the securities (shares, bonds, bills). In spite of the fact that such form of attraction of the equity is available only to large enterprises, with a certain form of business, it is necessary to develop this direction as alternative sector of the financial market in agrarian and industrial complex. Other mechanism of attraction of financial resources is necessary for small enterprises and cooperation, integration and joint businesses is rather attractive.

Russia is capable to become the leading world exporter not only of energy resources, but also food, for example, grains, and already independently provides itself with meat for 88%. For 2015 in agrarian and industrial complex the countries made products on 3173.3 trillion Rubles that constituted about 4% of gross domestic product [3].

The entities of agrarian sector of the Volga region play an essential role in development of agrarian and industrial complex of the Russian Federation. So they occupy 8% of total area of lands of agricultural pur-

pose, contain 17% of a livestock of KRS and make 15% of all agricultural products of the Russian Federation, including 12% of meat, 14% of milk, 21% of vegetables, 32% of sunflower, and also 10% of flour, 12% of confectionery, 15% of vegetable oil and 47% of margarine products. The small farms in agrarian sector of the Volga region provide a considerable part of production indicators. The personal subsidiary farms of the Astrakhan, Volgograd and Saratov region making the most part of the Volga region milk can be an example [4].

Brief Literature Review

J. M. Keynes (1930, 1936) studied features of state mechanism of regulation of investment processes; M. Friedman (1963, 1970, 1982) considered investment process only from the market. U. Sharp (1978) in the scientific research pays special attention to process of management of investments, the analysis of behavior of investors and the investment environment. In modern economic researches of investment are considered generally within increase in economic growth and innovative development of production process, for example, in works of the Russian academician B. Bolshakov (2011-2013) and others.

Modern economists H. Danning (1979, 2001), A. Bevan (2000, 2004), S. Estrin (2000, 2004) and K. Meyer (2004), Dudas (2004, 2010, 2005) and M. Fabus (2010, 2011, 2012, 2014) [5] devote the scientific research to studying of investment appeal and development of foreign direct investments.

Purpose

To determine the main directions of growth of appeal of agrarian sector of the Volga region to private investments and increase in competitiveness of its subjects – agricultural enterprises of various forms of ownership.

Methodology. During the studying of bases of the theory of investments, the competition and competitiveness the dialectic method of knowledge was used. During the studying and the analysis of the current state, the investment climate, stability and competitiveness of subjects of agro-industrial complex of the Volga region various economical and statistical methods were used.

In case of development of offers on the main directions of growth of investment appeal and competitiveness of agrarian and industrial complex of the Volga region, we used monographic, abstract and logical and system approaches.

Results

As a result of the conducted researches it is established that development of agricultural industry and increase in its investment appeal in regions of the Volga Region Federal District are influenced by the major and additional factors:

First, the modern level of development of production in agricultural industries (crop production and livestock production taking into account specifics of regions of the Volga Region Federal District) and processing industry (see table 1, 2, 3, 4, 5)

Table 1. Gross collection of grain and leguminous in the Russian Federation, Volga Region Federal District and the Volga region in 2010-2014, thousand tons

Regions	Years					2014 in % to 2010
	2010	2011	2012	2013	2014	
Russian Federation	60959.6	94212.9	70908.1	92285	105315	172
Volga region Federal District	6550.4	21241.8	14529.5	17038.3	20918.9	319
Republic of Kalmykia	275.4	357.1	159.9	195.5	297.3	107.9
Republic of Tatarstan	661.1	4867.7	2990.5	2611.5	3366.0	509.1
Astrakhan region	43.6	45.6	31.8	25.3	28.8	66
Volgograd region	1498.7	2674.9	2422.7	3088.5	3913.8	261.1
Penza region	407.3	874.8	749.9	1291.3	1265.4	310.7
Samara region	489.2	1212.8	1106.8	1629.4	2070.1	423.2
Saratov region	1032.3	2065.8	2203.1	3192.0	3682.6	356.7
Ulyanovsk region	272.9	1297.7	651.1	903.4	1064.3	390
Volga region	4680.5	13396.3	10315.7	12936.9	15688.3	335.2

Source: Calculated by the authors based at statistical data

Analyzing the table 1, one may say that production of grain in the regions of the Volga Region Federal District grew more than by 3 times that positively affects specialization and self-sufficiency. The exception is constituted by the Astrakhan region where, on the contrary, output gap of grain and leguminous crops is observed, at the same time, it is necessary to tell that in this region there are no rather favorable conditions for development of production of this type of products. On increase in production of grain Tatarstan is on the first place, then go Samara and Ulyanovsk regions. The share of production grain in the Volga region in 5 years in comparison with general production grain in Russia increased twice from 7.6% to 14.9% in 2014.

Table 2. Slaughter cattle and poultry production in the Russian Federation, Volga Region Federal District and the Volga region in 2011-2014, thousand tons

Regions	Years				2014 in % to 2011
	2011	2012	2013	2014	
Russian Federation	10965.3	11621.0	12222.9	12912.4	117.7
Volga Region Federal District	2486.2	2563.5	2668.2	2784.6	112.0
Republic of Kalmykia	96.2	104.6	108.5	122.5	127.3
Republic of Tatarstan	428.0	452.2	475.6	464.1	108.4
Astrakhan region	61.4	63.5	63.7	68.2	111.1
Volgograd region	211.9	212.3	208.1	221.9	104.7
Penza region	166.3	195.4	225.8	233.3	140.3
Samara region	136.1	140.2	149.1	157.2	115.5
Saratov region	260.8	234.0	211.3	197.6	75.7
Ulyanovsk region	69.0	86.5	82.5	66.9	96.9
Volga region	1429.7	1488.7	1524.6	1531.7	107.1

Source: Calculated by the authors based at statistical data

Slaughter cattle and poultry production for 2011-2014 in regions of the Volga Region Federal District had an insignificant increase by 7.1 percentage points. Among the regions, the greatest increase is observed in the Penza region and the Republic of Kalmykia. In the Saratov and Ulyanovsk regions there is a production reduction in the slaughter cattle and poultry. The share of production of the slaughter cattle and poultry production in the Volga region for 2011-2014 in relation to general production in the Russian Federation was reduced from 13% to 11.8%.

Production of milk was reduced in regions of the Volga Region Federal District on average by 11.1 percent points for 2010-2014. Such tendency is observed and on average on the Volga Region Federal District (VRFD) and across Russia, apparently from data of table 3.

It is caused generally by reducing a livestock of milk herd and concentration of production resources on crop production owing to specifics and specialization of the majority of regions of the Volga Region Federal District. At the same time, the share of regions of the Volga Region Federal District in general production of milk in the country by 2014 was reduced by 1.2 percent points and constituted 13.9%.

Table 3. Production of milk in the Russian Federation, Volga Region Federal District and the Volga region in 2010-2014, thousand tons

Regions	Years					2014 in % to 2010
	2010	2011	2012	2013	2014	
Russian Federation	31847.3	31646	31756	30529	30791	96.7
Volga Region Federal District	10408.6	10022.6	10024.6	9481.3	9467.3	90.9
Republic of Kalmykia	97.9	103.2	102.2	91.3	88.0	89.9
Republic of Tatarstan	1932.9	1932.9	1883	1712.2	1728.3	89.4
Astrakhan region	159.9	164	170.1	171.4	172.0	107.5
Volgograd region	498.3	509.3	521.2	529.6	523.0	104.9
Penza region	466.6	483.8	486	350.2	326.7	70
Samara region	398.7	407.5	418.8	421.4	434.9	109.1
Saratov region	998.8	1015.7	964.4	826.4	777.4	77.8
Ulyanovsk region	260.4	261	267.5	267.4	232.5	89.3
Volga region	4813.5	4877.4	4813.2	4369.9	4282.8	88.9

Source: Calculated by the authors based at statistical data

Table 4. Production of bread and bakery products in the Russian Federation, Volga Region Federal District and the Volga region in 2010-2014, thousand tons

Regions	Years					2014 in % to 2010
	2010	2011	2012	2013	2014	
Russian Federation	7144.2	7049.1	6961	6829.2	6814.5	95.4
Volga Region Federal District	1448.3	1448.9	1435.1	1406.0	1389.9	95.9
Republic of Kalmykia	5.7	5.3	4.87	4.7	4.4	77.2
Republic of Tatarstan	190.2	195	185.95	180.9	174.1	91.5
Astrakhan region	66.6	48.2	44.75	39.8	36.4	54.6
Volgograd region	115.4	119	110.9	111.0	108.4	93.9
Penza region	82.5	79.5	78.66	76.9	79.3	96.1
Samara region	127.6	124.9	124.9	126.9	116.9	91.6
Saratov region	111.7	103.3	97.74	93.4	93.4	83.6
Ulyanovsk region	65.5	62.5	55.87	51.4	48.1	73.4
Volga region	765.2	737.7	703.64	685	661	86.4

Source: Calculated by the authors based at statistical data

Production of bread and bakery products in all regions of the Volga Region Federal District was reduced for 2010-2014, repeating the all-Russian tendency, as shown in table 4. All this is connected with reducing consumption of bread because of a population decrease, despite increase in production of grain crops.

Despite reducing production volumes of milk-raw materials, as shown higher in table 3, according to table 5, we see that production of dairy products for 2010-2014 increased in regions of the Volga Region Federal District on 24.2 percent points. Such situation says that we not up to the end realize import substitution policy mechanisms in industries of agrarian and industrial complex and still we use import raw materials in case of production of some types of food.

Table 5. Production of whole-milk products (in terms of milk) in the Russian Federation, Volga Region Federal District and the Volga region in 2010-2014, thousand tons

Regions	Years					2014 in % to 2010
	2010	2011	2012	2013	2014	
Russian Federation	10887	10703.6	11299	11534	11468	105.3
Volga Region Federal District	2505.5	2350.7	2612.87	2685.9	2699.5	107.7
Republic of Kalmykia	-	-	-	-	-	-
Republic of Tatarstan	267.9	277	359.3	359.7	376.9	140.7
Astrakhan region	15.9	17.7	10.9	1.4	-	-
Volgograd region	106.5	95.3	91.7	106.1	107.8	101.2
Penza region	64.3	64.1	75.5	82.9	73.4	114.1
Samara region	205.6	150.1	143.3	158.0	171.3	83.3
Saratov region	110.3	145.2	178.2	197.3	215.3	195.2
Ulyanovsk region	89.9	99.4	98.55	105.1	123.7	137.6
Volga region	860.4	848.8	957.5	1010.5	1068.4	124.2

Source: Calculated by the authors based at statistical data

Production of sausages in regions of the Volga Region Federal District for 2010-2014 increased by 16.9 percent points, at the same time on average across Russia production of sausages increased by only 3.7 percent points. It is necessary to ask a question of redistribution of priorities in structure of food of inhabitants of regions of the Volga Region Federal District for benefit of sausages. The exception is constituted only by the Volgograd and Penza regions which reduced production of sausages, apparently from table 6.

Table 6. Production of sausages in the Russian Federation, Volga Region Federal District and the Volga region in 2010-2014, thousand tons

Regions	Years					2014 in % to 2010
	2010	2011	2012	2013	2014	
Russian Federation	2388.3	2455	2521.37	2501.2	2475.8	103.7
Volga Region Federal District	436.9	479.2	499.48	512.8	512.1	117.2
Republic of Kalmykia	0.5	0.9	1.4	1.4	1.7	340
Republic of Tatarstan	22.7	22.2	22.68	24.8	24.3	107
Astrakhan region	2.4	2.4	2.6	2.6	2.8	116.7
Volgograd region	29.5	27.1	18.98	23.6	21.4	72.5
Penza region	15.5	16.4	14.37	12.3	13.2	85.2
Samara region	36.8	37.2	40.1	41.2	38.5	104.6
Saratov region	84.5	112.7	122.1	125.9	123.7	146.4
Ulyanovsk region	8.5	9.4	9.6	10.0	8.8	103.5
Volga region	200.4	228.3	231.86	241.8	234.4	116.9

Source: Calculated by the authors based at statistical data

Considering the level and dynamics of development of the agricultural and processing industry in regions of the Volga Region Federal District, it is possible to tell that there is a potential for development and stimulation of investment process.

Besides, for attraction of additional investments it is necessary to estimate the existing level of the state support and investment activity in agrarian sector of the Volga region that, in turn, will show a tendency of an orientation of investments and will help the potential investor to be guided (see table 7, 8, 9).

Apparently from data of table 7, the amount of the budget subsidies to regions of the Volga Region Federal District was on average reduced by 22.3 percent points and made 20,195 million rubles. At the same time, the level of the budget subsidies across Russia increased by 13.9 percent points, and also in a number of the Areas of Volga region – Penza, Volgograd, Samara.

The volumes of investment into fixed capital of agrarian and industrial complex of the Volga region grew by 12.5 percent points on average, at the same time across Russia this indicator constituted 29.8 percent points, and on the Volga Region Federal District – 43.4.

In three regions of the Volga Region Federal District there was a reducing the volumes of investment for 2011-2014 (Ulyanovsk, Volgograd and Saratov regions).

Table 7. The budget subsidies attributable to results of financial and economic activities of agrarian organizations in the Russian Federation, Volga Region Federal District and the Volga region in 2011-2014, million rubles

Regions	Years				2014 in % to 2011
	2011	2012	2013	2014	
Russian Federation	138 041	138 070	176 879	157 294	113.9
Volga Region Federal District	42 915	41 587	45 861	40 104	93.4
Republic of Kalmykia	439	281	382	412	93.8
Republic of Tatarstan	16 950	15 980	11 572	9 844	58.1
Astrakhan region	280	304	125	188	67.1
Volgograd region	1 800	1 520	1 759	2 307	128.2
Penza region	1 448	1 997	2 352	2 488	171.8
Samara region	2 153	1 914	3 042	2 693	125.1
Saratov region	1 935	1 181	1 949	1 575	81.4
Ulyanovsk region	974	1 048	1 073	688	70.6
Volga region	25979	24225	22254	20195	77.7

Source: Calculated by the authors based at statistical data

Table 8. Investments into fixed capital of agrarian and industrial complex into the Russian Federation, Volga Region Federal District and the Volga region in 2011-2014, million rubles

Regions	Years				2014 in % to 2011
	2011	2012	2013	2014	
Russian Federation	388106.7	425222.5	479445.9	504023	129.8
Volga Region Federal District	74677.1	87614.2	97893.6	107114.4	143.4
Republic of Kalmykia	939.4	1090.5	1418.2	1692.6	180.2
Republic of Tatarstan	16403.9	24253.2	20708.3	17137.4	104.5
Astrakhan region	250.0	286.9	284.1	355.6	142.2
Volgograd region	6001.1	6583.5	5758.0	5169.5	86.1
Penza region	7236.9	6787.4	7270.3	11081.9	153.1
Samara region	3843.3	2996.3	6141.7	5933.2	154.4
Saratov region	5239.7	6385.5	5660.6	4883.5	93.2
Ulyanovsk region	4299.7	4605.0	2245.1	3517.1	81.8
Volga region	44214	52988.3	49486.3	49770.8	112.5

Source: Calculated by the authors based at statistical data

At the same time, by data for 2015 the share of own means invested in agrarian sector constituted 61%, the rest is the raised funds, including the budget subsidies. In 2016 it is expected that the state support of agricultural industry will remain at the level of 2015 and will constitute 234 billion rubles. [6]

In 2015, the agrarian and industrial complex of Russia increased the volume of investment for 5% in comparison with 2014 to more than 530 billion rubles. Are basic reasons of investment appeal of agrarian sector: cheap national currency (ruble), food embargo as a result of which consumption of domestic production, and also policy of import substitution increased. Large agroholdings master the new directions in agricultural industry, such as gardening, vegetable growing of the open ground, production of grain, and also among the main directions of investments of investments there are production and storage of grain [6-7].

Because of growth of cost value of production of milk and meat as well as presence of cheap import dairy raw materials and finished goods investment appeal of meat and dairy cattle breeding, as well as the industry falls and, in the long term, in these industries, the next system crisis is expected. In agricultural industry the price competition in the markets of agricultural raw materials and food continues to amplify. A major factor of control of growth of investments into agro-industrial complex – fall of real incomes and low solvent demand of the population. These tendencies are reflected also in agrarian and industrial complex of regions of the Volga Region Federal District.

Investment appeal of any industry of agrarian sector is closely connected with a possibility of growth of competitiveness of subjects of the agrarian market, i.e. agricultural enterprises. Still M. Porter (1979) proved that the competitive industry or the entity which is turning out products which are in the consumer demand is rather attractive from the point of view of potential investors [10-11]. To the contrary, without putting investment into production and new technologies, we won't be able to remove it on competitive level.

Level of competitiveness of industries of agricultural industry directly depends on the level of its investment appeal and additional capital investments, fixed process of expanded reproduction. Otherwise, the agricultural industry is doomed to stagnation and various crises [12-14].

Competitiveness of agricultural enterprises of various patterns of ownership in agrarian sector of the Volga region as a possibility of rivalry in the agrofood market for attention and demand of the consumer in many respects also depends on a number of factors.

First, owing to the unidirectional capital movement, it is necessary to consider profitability of agricultural production and processing enterprises in regions of the Volga Region Federal District (see table 9).

Table 9. Level of profitability of financial and economic activities in agricultural organizations taking into account subsidies in the Russian Federation, Volga Region Federal District and the Volga region in 2010-2014, %

Regions	Years				2014 in % to 2011
	2011	2012	2013	2014	
Russian Federation	11.8	12.1	7.3	16.1	136.4
Volga Region Federal District	10.2	9.6	7.1	13.7	134.3
Republic of Kalmykia	22.4	12.4	8.5	11.4	50.9
Republic of Tatarstan	10.2	10.3	4.4	15.9	155.9
Astrakhan region	-0.1	-1.4	-6.0	0.8	800
Volgograd region	12.0	16.5	13.5	27.6	230
Penza region	9.9	6.8	2.8	15.4	155.5
Samara region	17.9	20.5	25.9	30.3	169.3
Saratov region	12.9	12.2	12.0	15.6	120.9
Ulyanovsk region	13.2	6.1	9.5	2.2	166.7
Volga region	12.3	10.4	8.8	14.9	121.1

Source: Calculated by the authors based at statistical data

Secondly, it is necessary to analyse dynamics and the direction of specialization and concentration of production in agrarian and industrial complex of the Volga region, and also structure of agricultural enterprises on patterns of ownership taking into account a share of small farms in production of the main agricultural products of specialization of the region. Also you shouldn't forget about a condition of development of cooperation and integration communications between agricultural enterprises, the entities on conversion of agricultural raw materials, credit and financial structures and institutes and the level of development of market infrastructure.

And, thirdly, plus to all aforesaid, considering dynamics and export volumes and import of agricultural raw materials and food in regions of the Volga Region Federal District, it is possible to construct the tactical and strategic forecast of development of agrarian sector for development and stimulation of investment activity and growth of competitiveness in agricultural industry.

5. Conclusion

At this stage of development of agrarian and industrial complex of the Volga region it should be noted rather weak security of the regional markets of agricultural products from the state and the developed market monopolization from large product providers of conversion and retail chain stores. Infrastructure of the agricultural markets is also poorly developed, in many regions there are no Agrarian exchanges, and there where there are exchange platforms or systems of access to them the mechanism of trade requires enhancement. In production and sales processes of agricultural enterprises completely there is no logistics. In regions with highly sustainable development of production it is necessary to expand intereconomic communications and to stimulate development of integration processes, to create regional agroclusters. Or in stagnation it is necessary to stimulate development of intereconomic and regional cooperation with the subsequent integration with processing enterprises in regions where development of production is at an average stage of development, in agrohholdings, etc.

High level of operational risks in agricultural production creates many obstacles for investments: seasonality of business; insignificant or negative cash flows at the initial stage of an investment cycle; shortage of qualified personnel; growing prices on the earth, fertilizers, compensation, fuel and lubricants and other. Because in each industry and on each certain site or a stage of production and sales process, there is the set and level of industrial, financial and other hazards, it is necessary to solve this problem specifically on places, by involvement of highly qualified specialists.

It is necessary to continue to optimize tax policy in agrarian and industrial complex that will favorably affect investment activity. The preferential tax treatment – a unified agricultural tax (single agricultural tax) acts on this stage for agricultural enterprises of various forms of business, its rate constitutes 6% and replaces with itself payment of three types of tax on the traditional mode [15]. However the mechanism of its application needs to be enhanced. In case of sale of agricultural goods, the main tax burden needs to be transferred to that subject of the market which has a big share in the price allowance on an end product, stimulating with that direct sales and cooperation and integration communications in agrarian sector of the Volga region.

It is necessary to implement world practice of support of agricultural producers which is most acceptable to conditions of regions of the Volga Region Federal District under conditions of membership of Russia in the WTO. For example, the positive effect is guaranteed against an investment of investments in case of development of the high and resource-saving technologies in agrarian and industrial complex, development of production and market infrastructure. Return and efficiency of an

investment of financial resources of the investor depends on the level of implementation and use of the latest technologies in production process. All this also promotes growth of competitiveness of agricultural industry.

In regions of Russia different mechanisms of compensation to agricultural enterprises of expenses on production are used, but, as a rule, the agricultural enterprise receives the amounts of compensations after confirmation of the expenses. These payments arrive generally from budgets of territorial subjects of the federation and, as a rule, with big delay. At the same time compensation shall be in the form of real commodity discounts for the entire period of sowing and harvesting as agricultural production has seasonal nature and often experiences difficulties with a working capital during these periods.

The state continues to develop investment appeal of agrarian sector. The priority directions of investments of investments into the Volga region are, first of all, productions and storage of grain, and also vegetable growing.

In the conditions of quickly changing world agricultural environment agrarian production promptly evolves towards increase in profitability, resource-saving and ecological compatibility. These processes are characteristic also of the agrarian and industrial complex of Russia having powerful resource potential.

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