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**International Conference «Land Economy and Rural Studies Essentials»****WAYS TO INCREASE THE GRANT SUPPORT EFFICIENCY FOR  
PEASANT FARMS**

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**Abstract**

To identify the impact degree of the participation of peasant farms (PF) on the production of agricultural products in the Krasnoyarsk Territory, an analysis of the existing situation for the period 2012-2018 and the forecast period 2019-2020 was carried out which testifies that they have no significant impact on the production of cereals and legumes, potatoes, vegetables, meat (cattle and poultry in live weight) and milk. At the same time, the region's agriculture by 2030 may not achieve the forecast production values of (P (F) for these types of products under existing trends. The analysis showed that grants given by the state for the development and support of the agricultural industry with effective implementation are able to provide the planned volumes of agricultural production. As a result of the study, ways were identified to increase the efficiency of grant support in the context of the implementation of the state program of the Krasnoyarsk Territory. The proposed analysis methodology allows identifying priority areas and activities, as well as planned minimum production volumes, taking into account reaching the planned capacity for obtaining grants for start-up farmers and family livestock farms. Establishment of an information and consultation centre, funded from the regional budget, is another form of government support for P (F), which significantly reduces their financial burden and improves results. This will increase the efficiency of grant support depending on the planned results of economic activities, taking into account the implementation of the state program of the Krasnoyarsk Territory.

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## 1. Introduction

An analysis of the production and actual consumption of food products and their compliance with the recommended decree № 614 from 19.08.2016 of the Ministry of Health of the Russian Federation (2016) with rational norms for the consumption of food products that meet the requirements of a healthy diet per capita in the Krasnoyarsk Territory showed the following: insufficient amount of meat and meat products is produced, while their consumption exceeds the recommended norms. Milk is produced and consumed significantly below the recommended norm. The Territory for the production of food per capita is at the average level and only for the production of meat and milk is below the average level in the Siberian Federal District. To eliminate this backlog, the state program of the Krasnoyarsk Territory "Development of Agriculture and Regulation of Markets for Agricultural Products, Raw Materials and Food for 2014-2020" was adopted by decree № 506-П from 30.09.2013 of the Government of the Krasnoyarsk Territory (2013), where innovative development of agriculture is considered as a priority direction for the development of the agro-industrial complex of the Krasnoyarsk Territory. As a result of its implementation, it is planned to ensure the achievement of the established values of the main indicators, which will make it possible to get closer to solving the main tasks, defined by Decree №120 from 30 January 2010 of the Russian President (2010), the Doctrine of Food Security of the Russian Federation. Thus, solving the problem of increasing meat and milk production will ensure the level of per capita consumption in the region by 2030 of milk and dairy products – up to 368.6 kg, meat – up to 79.7 kg.

Thus, some authors believe according to the concept of sustainable development of rural territories of the Russian Federation for the period until 2020, approved by the decree № 2136-п from 30.11.2010 of the Russian Government (2010), one of the main directions for improving the rural development sustainability is the diversification of the rural economy and the technological renewal of its industries (Pyzhikova & Lazarevich, 2019). First of all, in the agro-industrial complex it is accomplished by:

support for effective employment in small and medium-sized agricultural businesses and consumer cooperation, including peasant farms and subsidiary household plots;

stimulating non-agricultural jobs in all possible institutional forms;

increasing the efficiency of employment and using forms of family employment in subsidiary household plots by co-operating them, including with peasant farms, processing and servicing industries.

## 2. Problem Statement

Peasant farms which work on the principles of entrepreneurship and market relations are an integral part of the agricultural sector of the economy of the Krasnoyarsk Territory. They have characteristics, which manifest to a varying degree, which makes each farm unique. Their role in rural settlements is especially great where unprofitable agricultural organizations are not available or located. One of the main basic principles of the creation and efficient functioning of peasant farms is innovative activity. Its essence is that the scale of PF production does not make it possible to compete in terms of the agricultural products cost price with medium and large farms. However, they have advantages provided by advanced innovative development.

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In order to be competitive not only on regional ones but also in interregional markets, peasant farms should successfully solve the following tasks:

use of innovative technologies in production, processing and sale of manufactured products;

use and development of existing production capacities reasonably and efficiently;

insurance of optimal employment of both members of the peasant household and the local population.

All this makes PF potentially more active in the field of innovation businesses in the industry, which requires substantial investment. Besides, the level of agricultural production profitability is inferior to the same indicator of medium and large farms. Therefore, government support for PF is the main and only available source of innovative projects financing. Some authors consider that understanding the farming role importance in the socio-economic development of rural areas and ensuring food security in the Krasnoyarsk Territory, the Territory government is carrying out systematic work to support PF (Mazloev & Ozerova, 2019). Thus, by resolutions of the Government of the Krasnoyarsk Territory decree №155-p from 22.04.2014 (2014), decree № 183-p from 05.05.2014 (2014), the procedure for giving grants to start-up farmers for the creation and development of peasant farming and to heads of PF for the family livestock farms development was set. However, the above documents do not link grant support with a comprehensive plan for the innovative development implementation of the agricultural complex of the Krasnoyarsk Territory.

### **3. Research Questions**

The object of the study is state support for peasant farms, as well as trends and factors influencing the agricultural production development in the Krasnoyarsk Territory. The research was carried out at the Yenisei Information and Consulting Center LLC, based on the Krasnoyarsk State Agrarian University.

### **4. Purpose of the Study**

The purpose of the study is to identify ways to increase the efficiency of grant support provided for PF in the context of the state program implementation of the Krasnoyarsk Territory for years 2014-2020.

## 5. Research Methods

During the study systemic and comparative analysis, abstraction, abstract-logical analytical and economic-statistical methods were used. Mathematical and statistical data processing was implemented using generally accepted economic analysis methods.

## 6. Findings

Since 2012, competitions have been held annually in the Territory to provide grants to start-up farmers for the peasant farming creation and development and family livestock farms development on the basis of PF.

Table 1 presents the grant support dynamics for peasant farms in directions in the Krasnoyarsk Territory from 2012 to 2018.

**Table 1.** Grant support dynamics for peasant farms in directions

Name	2012	2013	2014	2015	2016	2017	2018
Start-up-peasant, unit							
- milk	7	5	7	7	10	14	5
- meat	7	15	17	17	29	21	7
- vegetables	2	1	1	2	5	6	2
- others	7	15	7	15	9	9	0
Family livestock farm, unit							
- milk	2	4	2	4	2	3	1
- meat	2	5	6	4	8	3	1

The analysis of the presented data indicates that the funding amount from the federal and regional budgets in the directions amounted to 910.6 million rubles. In seven years, grants were received:

249 - for the creation and development of peasant farming (start-up farmer);

47 - for the family livestock farms development.

As a result, 888 new jobs were created, which contributed to the improvement of employment and the quality of life of the population living in rural areas.

To determine the degree of influence of PF participation on agricultural production in the Krasnoyarsk Territory, we conducted an analysis for the period 2012-2018, built a development forecast for the period of 2019-2020 and till 2030 for the main types of produced products. For the analysis we used the following information and analytical material: Krasnoyarsk Ministry of Agriculture (2016); Krasnoyarsk Ministry of Agriculture (2017); Krasnoyarsk Ministry of Agriculture (2018).

Analysis showed that the share of PF in the total production of cereals and leguminous crops, potatoes, vegetables, meat, milk in the Krasnoyarsk Territory tends to increase. However, it is extremely insignificant. It is expected that in accordance with the state program of the Krasnoyarsk Territory by 2030, the share of regional agricultural products and food in the total volume of their resources will change as compared to 2014:

grains - from 99.8% (in 2014) to 99.9%;

potatoes will remain unchanged - 99.9%;

meat and meat products - from 56.9% to 90.0%;

milk and dairy products - from 81.8 % to 90.1%.

According to the plan, the production of basic agricultural products in the region will increase.

Livestock and poultry meat (in live weight) will increase by 80.6% compared to 2014 and will reach 338.4 thousand tons;

milk - up to 837.3 thousand tons or by 15.6%;

gross grain harvesting - up to 2932.4 thousand tons or by 32.8%;

potatoes - up to 1206.0 thousand tons, an increase of 4.3%;

vegetables - up to 406.0 thousand tons or by 86.9%.

Based on available statistical data and existing trends in the agricultural sector in the Krasnoyarsk Territory, table 2 presents a forecast for the implementation of the state program in 2030.

**Table 2.** Forecast for the implementation of the state program in 2030, thousand tons

Products	Program (2030)	Forecast			
		Farms of all categories	Agricultural businesses	PF	Household plots
Meat	338.4	352.3	148.5	8.4	195.2
Milk	837.3	858.0	431.4	33.9	392.8
Grain	2932.4	2690.2	2156.9	527.4	5.0
Potatoes	1206.0	1241.1	86.6	88.0	1066.5
Legumes	406.0	158.2	8.8	27.0	124.0

The data presented show deviations by product type, which have the following values.

Livestock production:

Meat - deviation + 13.9 thousand tons or by 4.1%;

Milk - deviation + 20.7 thousand tons or by 2.5%.

Crop production:

Potatoes - deviation + 35.1 thousand tons or by 2.9%.

Grain - deviation - 242.2 thousand tons or - 8.3%.

Vegetables - deviation -247.8 thousand tons or - 61.0%.

Data analysis shows that the Territory's agriculture in the specified period (2030) may not achieve the forecast values of agricultural products set by the state program under existing trends.

The state program provides for the comprehensive development of all sectors and sub-sectors as well as the areas of activity of the agro-industrial complex. The work of Ozerova et al. (2020) is devoted to the development of the poultry industry and the formation of a strategy for its sustainable development in the Krasnoyarsk territory. However, the state program identifies priorities of three levels.

Level 1 priorities include:

development of the cattle breeding sub-sector (milk and meat production);

development of the crop industry (support for elite seed production).

Level 2 priorities include development of sub-sectors of agriculture, including vegetable production, pig-breeding, poultry farming.

Level 3 priorities include:

improvement of employment and life quality of the population, preservation of labor resources (support of small forms of economy);

increase in the competitiveness of regional agricultural products in the domestic and foreign markets (technical and technological modernization, investment activities).

The state support efficiency is determined on the basis of performance indicators established by regulatory legal acts regulating the provision of state support measures. Issues of typing the agricultural sector of the Krasnoyarsk Territory were considered in the works of the following researchers: Ozerova and Mazloev (2016); Ozerova and Filimonova (2016). Based on reaching the planned values, certain agreements (contracts) concluded by the executive bodies of the state power with the grants recipients, key figures are defined characterizing the efficiency of government support measures.

The economic efficiency indicator is an increase in agricultural production.

The indicator of social responsibility is the creation of new permanent jobs in rural areas.

In the Krasnoyarsk Territory, there are two areas of state support for peasant farms:

grants to start-up farmers for the creation and development of peasant farming;

grants for the development of family livestock farms.

Performance of the investment project, to receive grant support, is built on the basis of achieving the stated goals and solving the set tasks in accordance with predetermined parameters. For investment projects which are very likely to be implemented in the province it is proposed to establish minimum values of livestock and production volumes in livestock (table 3) and areas in crop production (table 4) for start-up farmers as well as livestock and livestock production volumes (table 5) for family livestock farms.

**Table 3.** Livestock and production volumes in livestock for start-up farmers, when reaching design output

Name	Livestock not less, animals	Production not less, tons
Dairy farm, cattle	24	110.0
Fattening farm, cattle	50	12.0
Pig farm:	175	5.0
- breeding sows	5	
Sheep breeding farm:	150	4.0
- ewes	50	
Milk goats breeding farm	40	30.0
Poultry farm:		
- turkey poultry production	1000	7.5
- chicken meat production	5000	5.0
- goose meat production	1500	5.0
- duck meat production	3000	6.0
rabbit breeding:	6000	10.0
- doe rabbits	1000	

**Table 4.** Production areas in crop production for start-up farmers

Name	Area not less, hectares
Mushrooms growing	0.9
Potatoes growing	15.0
Vegetable growing in the open	10.0
Vegetables growing under cover	0.8
Production of cereals and vegetable fodder crops	120.0

**Table 5.** Livestock and production volumes for family livestock farms, when reaching design output

Name	Livestock not less, animals	Production not less, tons
Dairy farm, cattle	50	230.0
Fattening farm, cattle	100	75.0
Pig farm:	200	20.0
- breeding sows	10	
Sheep breeding farm:	300	8.0
- ewes	100	
Milk goats breeding farm	100	75.0
Poultry farm:		
- turkey poultry production	2000	15.0
- chicken meat production	10000	10.0
- goose meat production	2.5	8.5
- duck meat production	4500	9.0
Horse breeding farm:	200	12.5
- broodmares	50	

We propose to prioritize activities depending on the situation in the region at the moment with the help of a mark-up factor which is not a constant value and should be adjusted every 3 years. This factor should be directly dependent on the planned results of the business activity for a certain period of time aimed at fulfilling the state program of the Krasnoyarsk Territory for 2014-2020. The structure and value of the mark-up factor based on calculations for the Krasnoyarsk Territory for the competition of start-up farmers are presented in Table 6, for family livestock farms, table 7.

**Table 6.** Mark-up factor for start-up farmers

Mark-up factor	The activity direction (branch) of livestock and crop production, planned for implementation in accordance with the PF investment plan
1.4	Dairy cattle breeding
1.3	Meatcattlebreeding
1.2	Vegetable growing (except potatoes)
1.1	Crop production (cereals and legumes)
1.0	Other areas (branches) of agriculture

**Table 7.** Mark-up factor for family livestock farms

Mark-up factor	The activity direction (branch) of animal husbandry planned for implementation in accordance with the PF investment plan
1.4	Dairy cattle breeding
1.2	Meatcattlebreeding
1.0	Other areas (branches) of animal husbandry

In our opinion the main measures of state support for peasant farms include information support and the provision of advice, which corresponds to the decree № 717 from 14.07.2012 of the Government of the Russian Federation (2012), “State Program for Agricultural Development and Regulation of Agricultural Markets, raw materials and food for the period 2013-2025”. Today, they face not only production tasks. When conducting business, they must make a huge number of decisions on issues: accounting, optimal taxation, bank lending, registration and receipt of government subsidies and many others.

It is not easy for the heads of peasant farms to do this on their own. Lack of own education and competent assistants - specialists, on the other hand, the regulatory and legislative framework for the management of agribusiness are changing too quickly keeping track of which at the farm level is almost impossible. Such support, in our opinion, should stimulate the participation of PF in implementation of both their investment projects and measures to implement the state program of the Krasnoyarsk Territory. Therefore, the establishment of an information and consultation center funded from the regional budget can be seen as another form of government support for PF. Figure 1 proposes a scheme for the provision of information and consulting services to PF, including the receipt and implementation of grant support.

## 7. Conclusion

The analysis of the production of crop and livestock production in the Krasnoyarsk Territory for the period of 2012-2018 and the forecast period of 2019-2020 indicates that peasant farms do not have a significant impact on the production of grain and leguminous crops, potatoes, vegetables, meat and milk. Agriculture of the Territory by 2030 may not achieve those forecast values for these types of products under existing trends.

The proposed analysis methodology will allow the Ministry of Agriculture and Trade of the Territory to identify priority areas and activities for the PF development, their planned minimum production volumes when reaching design output, to identify growth points for to attract grants for start-up farmers and family livestock farms. This will increase the efficiency of grant support depending on the planned results of economic activities in the Territory for a certain period of time aimed at implementing the state program of the Krasnoyarsk Territory.

Establishment and support of an information and consultation center funded from the regional budget is, in our view, one of the conditions for the effective work of PF. Information and consulting support encourages their participation in implementation both of their investment projects and measures to implement the state program of the Krasnoyarsk Territory.

All this is the basis for improving grant support for peasant farms and the state program, if prolonged.



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