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EXPORT REGIONAL POLICIES IN THE AGRICULTURAL
INDUSTRY

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Abstract

The article describes the agricultural export potential of Krasnodar Region, whose development is based on the well-developed material and technical base, favorable climatic conditions and fertile chernozem soils. Due to the need to create a highly productive export-oriented sector in the agricultural industry at the federal level, the national project "International cooperation and export" has been developed. In Krasnodar, the key instrument for implementing the export policy is the regional project "Export of agricultural products". A description of the project is presented. Its indicators are analyzed. In order to achieve the planned export level, it is planned to increase the production of grain, vegetables and industrial crops by 2024. To this end, new reclamation systems are required. The Kuban export policy is aimed at exporting finished products, deep processing of raw materials. The dynamics of export growth, the geography of sales, planned prospects and export indicators for such promising export-oriented products as confectionery, wine, fruit, vegetable canned products, and ice cream are described. In order to increase the export of fish, it is necessary to develop the aqua farming sector. Recommendations for improving the efficiency of export activities have been developed.

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1. Introduction

The agro-industrial complex plays a key role in the economy of Krasnodar. Its active development meets national priorities of the socio-economic policy, ensuring food independence. In general, more than 3.5 thousand high-quality, competitive products are produced by the region. The leadership is ensured by the developed material and technical base, favorable climatic conditions and fertile chernozem soils (Tyupakov et al., 2019).

The main production potential is concentrated in the Kuban for a number of commodity items within both the Southern Federal District and Russia as a whole (sugar, starch, vegetable oil, canned fruits and vegetables, coffee, rice groats and condensed milk). Kuban processing companies provide the population and vacationers with food, and supply products to other regions of Russia and abroad. The region ranks third in the Russian export basket, behind Rostov region and Moscow. The region's share in the Russian export volume is about 10%. The main exported product is grain. Currently, Kuban products are exported to 140 countries of the near and far abroad (Aitov & Vertiy, 2019).

2. Problem Statement

In accordance with the Decree of the President of the Russian Federation "On national goals and strategic objectives for the development of the Russian Federation up to 2024" of May 7, 2018 No. 204, one of the most important national development goals is to create the highly productive export-oriented sector in the agro-industrial complex. It requires the maximum concentration of efforts and resources, as well as their rational use in the long term. For this purpose, the national project "International cooperation and export" has been developed; the regional project of Krasnodar region "Export of agricultural products" is part of the national project. In this regard, there is a need to develop measures aimed to improve the efficiency of regional export policies within the project management.

3. Research Questions

The research subject is the export policy in the agro-industrial complex of Krasnodar region, including the results of implementation of the regional project "Export of agricultural products" and activities of the regional government aimed to support the export activities.

4. Purpose of the Study

The aim of the study is to analyze the export policy in the agro-industrial complex of Krasnodar Region and develop proposals for its improvement.

5. Research Methods

The following research methods were used: monographic, analytical, economic, statistical, and abstract logical.

6. Findings

Currently, the main instrument for implementing the export policy in the agro-industrial complex of Krasnodar Territory is the regional project "Export of Agro-Industrial Complex Products" whose description is presented in Table 1.

Table 1. Basic information about the regional project "Export of agricultural products"

Indicator	Content
Purpose	Achievement of the export volume of agricultural products in the amount of US \$ 3.8 billion by the end of 2024 through the creation of: - new commodities (including those with high added value); - export-oriented commodity distribution infrastructure; - systems for the promotion and positioning of agricultural products.
Term	01.10.2018–31.12.2024
Funding volume and sources	The total amount of financing is 2,113.5 million rubles, including: - federal budget funds – 1261.8 million rubles - regional budget funds – RUB 326.19 million - extrabudgetary funds – 525.54 million rubles

As can be seen from Table 1, by 2024 the region should increase the volume of exports of agricultural products to \$ 3.8 billion. For this, it is planned to increase the volume of production of grain, vegetable and industrial (soybeans, winter rapeseed) crops. The drought has had a negative impact on rice crops and shown an urgent need for water resources. The total area of irrigated lands in Krasnodar Region is about 386 thousand hectares. Most of them are used for rice irrigation systems. More than 40 thousand hectares of reclaimed lands are annually occupied by vegetables and grain crops. On reclaimed lands, the yield tends to increase by more than 10 % (Trubilin et al., 2017).

The most important direction of the project is the creation and reconstruction of reclamation systems. To this end, the region participates in the program "Development of the reclamation complex of Russia", and implements these measures within the national project "International cooperation and export" taking advantage of subsidies from the federal and regional budgets. In 2020, more than 5,8 thousand hectares of reclamation systems were put into operation. By this indicator, the Kuban exceeded the indicators established by the national project. In general, it is planned to commission over 24 thousand hectares of ameliorated lands by 2024 (Trukhachev et al., 2020). It is planned for additional water resources to increase the volume of grain and oilseeds by 300, rice – by 200, and vegetables – by 10 thousand tons. The actual and planned indicators of the project are shown in Table 2.

Table 2. Indicators of of the regional project "Export of agricultural products"

Indicator	2019		2020 (assessment)		Plan			
	Planned	Actual	Planned	Actual	2021	2022	2023	2024
The volume of exports of agricultural products – total, USD million	2300	2437	2522	2760	2734	3042	3424	3773
Including the volume of product exports:								
– oil and fat industry	257	275	309	412	360	430	500	573
– cereals	1635	1730	1692	1800	1736	1870	2090	2258
– fish and seafood	5	5	6	6	7	7	8	8

– meat and milk	19	24	21	40	23	25	26	27
– finished food products	134	143	174	202	218	260	300	344
– other agricultural products	250	224	320	300	390	450	500	563

As can be seen from Table 2, in 2019–2020, the region has exceeded the planned indicators. The agro-industrial complex exported products worth almost 2.7 against planned 2.5 billion dollars. In 2020, despite the difficult weather conditions and the epidemiological situation, the region exceeded the plan for the export of cereals by more than \$ 100 million, fat and oil products – by \$ 103.5 million, meat and dairy products – by almost 2 times.

Currently, the regional export policy is characterized by the transition from the export of raw materials to the export of finished products, including the development of deep processing of raw materials. The emphasis is on export supplies of processed products, in particular, confectionery, wine, canned fruit and vegetables, condensed milk, ice cream. This will expand the range of export products and helps to achieve the targets of the national project (Tolmachev et al., 2017). In 2020, despite the pandemic, the region increased the export of non-primary products of the agro-industrial complex by 7 %, its volume exceeded 660 million \$ and amounted to a quarter of the total volume of agricultural exports in the region. The largest volumes of supplies fall on the finished fat-and-oil and meat and dairy products.

In particular, the export of confectionery products has increased more than 1.5 times over 5 years – from 6.5 in 2015 to 10.9 million \$ in 2020. In 2020, regional producers exported 9.4 thousand tons of confectionery. Half of the total export volume is made up of marmalade, marshmallows, biscuits, waffles and caramel. The largest volume of exports falls on China, Belarus, Kazakhstan, Ukraine, Azerbaijan, Georgia and Uzbekistan. By 2024, Krasnodar will have to increase the export of these agricultural products up to \$ 218 million.

Wine is one of the most demanded export-oriented products. In 2020, despite the coronavirus pandemic, Kuban enterprises retained foreign markets for wine products in 16 countries. The export volume amounted to almost 420 thousand decaliters of wine and champagne. In the near abroad, semi-sweet wines from Kuban producers are in demand; dry wines and champagne are mainly supplied to the CIS countries, Estonia and Switzerland. 14 enterprises of the Kuban wine industry export wine. The leading companies are Soyuz-Vino, Abrau-Dyurso and Fanagoria, which produce almost 90% of all export products. Currently, Rospatent is considering an application, according to which most of the region's wineries will produce products under the brand “Kuban Wines”, which will further increase the recognition and competitiveness of Kuban wine and champagne (Bershitskiy & Sayfetdinov, 2020). In 2021, Krasnodar Territory plans to export about 450 thousand decaliters of wine products.

The export of canned fruit and vegetables increased 4.5 times – from 4 in 2015 to 19 million \$ in 2020; in physical terms, the volume increased from 4.2 to 12.6 thousand tons. The Kuban factories produced almost 1.5 billion conventional cans of canned fruit and vegetables, an increase is 14 % over five years. It is advisable to increase the export of these products. The main buyers of canned food are Belarus, Kazakhstan, Ukraine, Azerbaijan, Georgia and Uzbekistan. An increase in exports can be due to the introduction of new reclaimed land into circulation and government support measures (Markov et al., 2019). Currently, 12 large and medium-sized companies and 35 small enterprises are engaged in the production of canned fruit and vegetables.

Ice cream is one of the most promising in terms of export development. At the end of 2020, more than 1.3 tons of the product were exported for more than \$ 4.2 million, which is 20 % more than in 2019. Over the past five years, the number of importers of Kuban ice cream has doubled. Today it is bought by 20 countries, including China, the USA, Israel, Greece, Germany, Vietnam, Bulgaria and Canada. The Real Ice Cream Factory of Korenovsk District exports ice-cream. In 2020, the company concluded an agreement to receive an investment loan in the amount of 1.2 billion rubles to increase the production volume. It is planned to increase the volume of ice cream exports and open new markets (Kiseleva et al., 2017).

In order to increase the volume of fish export, it is planned to develop aqua farming. This direction is promising, small aquatic farms have every chance to grow into large enterprises and over time provide products not only to local residents, but also to engage in export supplies. Currently, for this purpose, measures are being developed to financially stimulate the development of the industry. In 2020, the production volume for marketable fish amounted to 21 thousand tons (carp, silver carp, grass carp). High results have been achieved in the production of premium fish products – trout, sturgeon fish, mussels and oysters.

The region will also continue to increase the supply of dairy and meat products, vegetable oil and other agricultural products. The priority areas, due to which it is planned to increase the volume of exports, are grain crops, sugar, flour and cereals, fat and oil and starch products. The issue of rice export is being considered. Today, it is considered one of the most competitive products, as it is environmentally friendly (Tyupakov et al., 2019).

In order to implement the export policy, various forms of financial and organizational support for regional producers are used:

- concessional lending up to 5 % – funds are invested in the purchase of raw materials, modernization of production and installation of new modern lines;
- subsidies for land reclamation, oilseed production, as well as certification of products and transportation costs for regional exporting enterprises that grow and manufacture their own products.

Organizational support involves the participation in events aimed at developing the export potential, promoting and positioning agricultural products:

- international and Russian demonstration events, exhibitions, fairs, info-tours;
- seminars for representatives of municipalities and export-oriented enterprises;
- advanced training and involvement of export-oriented manufacturers in foreign economic activities;
- meetings, round tables involving farmers aimed at increasing the load or reorienting the capacities of agricultural enterprises taking into account the needs of the export market (Plotnikova et al., 2017).

The public association "Kubanvinogradalko" and wineries of Krasnodar Territory participate in these events under the single brand uniting wines of the protected geographical indication ("Wines of the Kuban – the pride of Russia"). Agricultural enterprises are involved in the competition "Made in Kuban"

The infrastructure for supporting export activities includes the Ministry of Agriculture and Processing Industry, the Center for Coordination of Export Support for the Krasnodar Territory, and the regional department of the Russian Export Center JSC.

7. Conclusion

The analysis made it possible to draw conclusions about the effectiveness of the regional project "Export of agricultural products" and active development of export activities in Krasnodar Territory. However, taking into account its peculiarities, it is necessary to improve the efficiency of export policies, including the following areas of government activities:

1. Analysis and monitoring of the commodity policy in other countries, identification of the needs of world markets in terms of consumption of various goods in order to search for new market segments and formulate proposals for export supplies of Kuban products. There is no condensed milk exported to the European markets, while the Kuban enterprises have a reserve for increasing the volume of its production and subsequent supply to the foreign markets.

2. To facilitate the transition of the region from export supplies of raw materials to the supply of finished products and create a new commodity mass with high added value, it is necessary to develop measures to support agricultural producers, encouraging them to process raw materials, to unite into cooperatives at the processing stage. They will become more stable in the market.

3. The increase in export volumes directly depends on the development of the processing industry in the region. In this regard, the main driver for expanding the range and increasing the competitiveness of products should be the modernization of enterprises, ensuring the maximum utilization of their production capacities. In this regard, measures should be worked out in more detail to support the implementation and support of investment projects aimed at modernizing and reconstructing production facilities, introducing innovative technologies.

4. In order for each municipality to contribute to the implementation of export tasks, it is necessary for them to participate in the regional project. To this end, it is advisable to develop a detailed plan ("road map") to increase the gross production of agricultural products until 2024. The systematization of municipal plans will make it possible to identify the existing problems, contradictions, disproportions, unused reserves, potential opportunities of the territories and outline the general ways of developing export activities in the region.

The implementation of these tasks will ensure the consistency of interests at the regional and local levels of government and improve the effectiveness of regional export policies.

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