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ON THE PROBLEM OF STUDY OF THE MEANING OF THE NOTION “FOOD PRODUCTION COMPLEX”

Abstract. This article deals with the development of theoretical and methodological principles of development of the food production complex of Ukraine, elucidation of the meaning of the notions “food production complex”, “food agroindustrial complex”, “agroindustrial complex” and the determination of their relationships and interdependencies. The author presents her own interpretation of the notion of the food complex that comes to the complicated socio-economic system of interdependent spheres, sectors and industries, aiming at satisfaction of social needs of the population in food products of plant and animal origin in the required assortment and of appropriate quality with effective use of all types of productive resources.

Keywords: food production complex, food production complex structure, branch of industry, manufacture, sub-complex, food security.

Problem definition. Formation of an effective mechanism to ensure food security of Ukraine as a country with the transitional economy envisages establishment of a competitive food production complex with the optimal production structure capable of producing high-quality competitive products, satisfying the needs of the population in food products and ensuring an appropriate level of food security of the country under the conditions of international economic integration and globalization.

Providing population with food supplies has always been considered as the first priority task in the development of any nation, and the countries that have successfully resolved the food problem are still at the top of the list of the most developed countries. The worldwide processes of integration and globalization show that any market, including the food market is characterized by instability and unpredictability of the conditions of growth and development of enterprises whose functioning depends on numerous factors of the environment.

Problem statement. The objective of the scientific article is elaboration of theoretical and methodological principles of the development of the food production complex of Ukraine, elucidation of the meaning of the notions of “food production complex”, “food agroindustrial complex”, “agroindustrial complex” and determination of their relationships and interdependencies, presentation of the author’s own interpretation of the food production complex.

Presentation of the research principal material. It should be noted that in most research studies scientists-economists characterize the food production complex as a part of the agroindustrial complex (AIC). In the economic literature APC is defined as a set of interdependent industries linked by the presence of steady production and economic ties and the unity of purpose – ensuring efficient production of end products based on agricultural raw materials. AIC is also described as “a set of technologically and economically interdependent sectors, whose general ultimate goal of operation is the most complete satisfaction the society’s needs of in food products and other consumer goods made of agricultural raw materials and solving social problems of the rural areas through the consistent application of the achievements of scientific and technological progress, increased economic efficiency of production”¹.

The insufficient level of the production of food products with the existing considerable agro-industrial potential of the country has predetermined along with the formation of the AIC the need to single out an array of economically and technologically interdependent sectors and types of activities whose common objective of operation is to satisfy the needs of the population in food products. The above said problem is resolved by way of separation of the food production complex as an element of the AIC, which is the subject of our study. Such separation of the latter is to some extent conventional, since technological processes and operations pertaining to the production of food and nonfood raw materials in agriculture are sometimes so interdependent, that establishment of a clear distinction between commodities produced by the farming enterprises intended

¹ Лисецький, А. (2000). АПК: методологія розвитку регіонів. *Економіка України*, 2, 62.

for food and technical purposes is very difficult. Hence, the food production complex is an intricate socio-economic system that is at the stage of its establishment and development.

We agree with the assertion that both, the AIC and the food production complex are a totality of interdependent sectors and manufactures, linked by similar functional tasks. For the food production complex the latter means satisfaction of the needs of population in food of plant and animal origin in the required assortment and of good quality. In its composition we should include grain, potato, sugar beet, fruit and vegetable processing, grape and wine making, meat, dairy, fat-and-oil producing sub-complexes and some infrastructural sectors. Besides, the food production complex includes enterprises that technologically are not attributed to agriculture, these are producers of salt, mineral waters, fishing enterprises, etc.²

The AIC is also oriented towards satisfaction of the needs not only in food products, but in other consumer goods as well made of the agricultural raw materials. Therefore, the objective of the AIC operation is a manufacture based on agricultural raw materials. It is also important that the AIC, aside from the sectors of industry producing foodstuffs, includes also the sectors producing and processing non-food goods, such as footwear of leather, linen fabrics, etc.

Let us focus on the diversity of interpretations of the notion of “food production complex”.

The well-known scientist-economist L. V. Pohrebnyak interprets the food production complex as a system of technically interdependent sectors, manufactures and types of activities, linked by their common objective whose purpose is to satisfy the needs of population in food products in accordance with the scientifically determined norms of consumption with the most effective use of production resources³. In our opinion such definition combines in itself elements of the planned system of the administrative-command economy, but it also has the right to exist.

The prominent theoretician in the field of regional administration D.M. Stechenko stresses that food production complex is a totality of interrelated enterprises producing, procuring, processing, storing and marketing food raw material through the sales and distribution network and market⁴. We agree completely with this statement, for the food production complex being a totality of interconnected sectors and sub-sectors of the processing industry, agriculture, production-technical maintenance service and the turnover sphere in the process of its functioning on the basis of intersectorial production and economic links the food production complex carries on production, transportation, processing, storage and sale of agricultural products and foodstuffs.

According Yu. P. Lebedinsky and L. A. Hanechko, the food production complex represents a part of the agroindustrial complex and is an intricate dynamic production-territorial formation that, being a part of the agroindustrial complex differs from the latter in that, that, the subunits in its composition are only connected with the manufacture of food products, while the structure of the agroindustrial complex includes sectors that produce non-food products made of agricultural raw materials as well⁵. The scientists singled out an interesting approach to understanding the spheres of the said complex. Thus, the first sphere is represented by the sectors of industry that provide agriculture and food industry with material and technical resources (tractor and agricultural machinery building, machine building for livestock farming and fodder production, for the food industry, for production of fertilizers, plant protection materials, etc.). The second sphere is agriculture. The latter includes manufactures and sectors engaged in procurement, transportation, processing, storage of agricultural products and sales of the finished products. That is, such a definition of the food production complex indicates its sphere by sphere structure.

Of interest is the concept of M. M. Palamarchuk regarding understanding the food production complex as a part of the agroindustrial complex, connected with the production of foodstuffs and with the segments that are not related to the AIC, such as fisheries, salt manufacture, mineral water, etc⁶.

The notion of the food production complex from the standpoint of sphere by sphere approach has been examined by Ya. B. Oliynyk, who defines the food production complex as a “totality of enterprises involved directly in the production of food resources, their procurement, transportation, industrial processing, storage and in the sales of food products” and distinguishes therein the following five spheres⁷:

² Пістун, М.Д., Гуцал, В.О., Провотар, Н.І. (1997). *Географія агропромислових комплексів*. Київ: Либідь, 198.

³ Погребняк, Л.В. (1987). *Интенсификация и проблемы повышения эффективности регионального продовольственного комплекса*: автореф. дис. на соискание учен. степени канд. эконо. наук : 08.02.03. Москва, 7.

⁴ Стеченко, Д.М. (2001). *Розміщення продуктивних сил і регіоналістика*. Київ: Вікар, 172.

⁵ Лебединский, Ю.П., Ганечко, Л.А. (1986). *Продовольственный комплекс Украинской ССР (темпы и пропорции развития) АН УССР СОПС УССР*. Київ: Наукова думка, 5-6.

⁶ Паламарчук, М.М., Паламарчук, А.М. (2002). *Агропромышленные комплексы: географические аспекты*. Москва, 8.

⁷ Олійник, Я.Б. (1996). *Економіко-екологічні проблеми територіальної організації виробництва і природокористування*. Київ: Лібра, 63-65.

- 1) production of food resources (raw materials section);
- 2) food resources processing industry;
- 3) manufacture of the production means for the enterprises of the food production complex;
- 4) procurement, transportation, storage and sale of food products;
- 5) management, personnel training, scientific research.

A somewhat different definition of the food production complex through the prism of its four-sphered structure is suggest L.H. Chernyuk, S.M. and Zelensky and A.A. Zelenska. In this case, the scientists interpret the food production complex as a system of sectors and manufactures, linked by the common task of satisfying the needs of the population in food products⁸. In their view the most reasonable is the four-sphered structure of the complex, according to which they include therein the following sectors:

- agriculture (except production of non-food raw materials) and other types activities producing food resources: fisheries, bottling mineral water, use of forest food resources, salt industry, etc;
- processing industry;
- production infrastructure (agroservice) – an array of the sectors that provide external conditions of the production process: cargo transport; wholesale trade; electric, gas and water supply; refrigeration, storage and packaging facilities; maintenance and land reclamation services; communications; information services; sphere of business services (advertising, marketing services, rental, leasing); consulting services; engineering consulting and design services; sphere of temporary workforce demand etc.
- trade in food products.

Attributing trade in food products to the structural elements of the food production complex, in our view, is a necessity, as it completes its reproductive cycle and permits optimization of the range of economic relations between all its participants – starting from the production of food products and raw materials for the food industry and ending with their sale to immediate consumers. Besides, trade itself can integrate economic and environmental goals in the functioning of the food production complex and serve as a barrier on the way of environmentally hazardous, low quality and harmful for human health food products to the consumers.

Thus, we present *our interpretation of the food production complex* as an intricate socio-economic system of interdependent spheres, sectors and manufactures, whose aim is to satisfy social needs of the population in food products of plant and animal origin in the required assortment and of good quality with the effective use of all types of production resources.

Hence, the food production complex as a socio-economic system is characterized by a certain number of qualitatively defined interacting and interrelated elements and processes. These components – sectors and manufactures – form its structure. The structure of socio-economic systems is the platform for analytical studies because on the one hand, satisfaction of social needs and, on the other hand, the effective use of all types of productive resources, depends on the peculiarities of the structure.

Interestingly, in our opinion, is understanding of food production complex from the standpoint of a system approach that should be considered in several aspects. Firstly, as an organizational structure with the interacting elements such as commodity producers, consumers (intermediate and end consumers), infrastructure and the state represented by the national and regional authorities, etc. Secondly, as a regulated economic system, for in the long run achievement of the main goal of functioning of the food industry food complex – providing the population with domestic food products in sufficient quantity, assortment and quality – depends, ultimately, on the stability of production of food products, on the manageability of economic and organizational processes. That is why considering the food production complex from the standpoint of a system approach we suggest to define it as a regulated economic system, consisting of the three interconnected components: organizational-economic mechanism, production, storage, transportation and sale (trade) of food products processes and the food market.

Conclusions. In conclusion we shall note that the specific character of reproduction stability of the food production complex is determined by the specific character of reproduction in the agroindustrial complex in general, by the equilibrium and proportionality of resources and needs of its functional elements. Hence, we can outline peculiarities or characteristic features of the food production complex, to which we shall define as follows:

- connection of food production complex with agriculture is greater than that with other sub-complexes of agriculture, since the prevailing majority of food products is produced from agricultural raw materials;
- stability of satisfaction of the needs of population in food products can not be ensured in the long- and

⁸ Чернюк, Л.Г., Зеленський, С.М., Зеленська, О.О. (1999). *Територіальна організація регіональних продовольчих комплексів України*. Київ: РВПС України НАН України, 5.

medium-term sense from the reserve stock of food supplies for there are many types of quickly perishable food products;

– importance of stability of food production (economic, social, political) is greater than that of non-food consumer products.

Thus, the ultimate objective of the food production complex is a stable supply of population with a wide range of food products of high quality. Proper formulation of the criterion in selecting managerial decisions, including ensuring proportional and balanced development of the food production complex, becomes of paramount importance among other problems of management the food production complex.

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