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FEATURES OF CREDIT OPERATIONS IN THE AGRICULTURAL PRODUCTION SECTOR

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Summary. Essential features of commercial production in agriculture and the impact of these traits on the characteristics of the credit activities in agriculture are discovered in the article. The author makes a conclusion low levels of competitiveness in

agriculture production requires a state stimulating activity for credit operations in agriculture and the creation of mechanisms for preferential crediting agricultural producers as well.

Key words: credit, credit relations, agriculture, agro-industrial complex.

The state food security and providing the population with food depends on agricultural production. Products of agriculture give the resources to many sectors of the national economy. However, the peculiarities of the agricultural production such as seasonality, uneven movement of the Working Capital Fund, etc. are causing lack of circulating assets of agricultural enterprises. Therefore, such enterprises often have a significant shortage of credit resources.

Credit relations, including in the area of agriculture relations, are considered in modern scientific literature as an integral part of the wider group of financial and credit relations. These relations include the relations arising in the process of organization and fulfillment of financial obligations of agricultural enterprises.

We can make a conclusion the credit relations – it is a separate species relationships arising in cases of redistributing material funds between financial circulation about providing money or commodity-material assets for a certain period (or of a delay in payment) in the terms of payment and returning. Depending on the object of credit relation, the most of authors distinguish two main forms of credit – banking and commercial.

According to many scientific sources, commercial credit is delaying the implementation of obligations under the basic agreement (purchasing, sales,

outsourcing, services, etc.). Credit operations in the sector of agricultural production have a number of signs inherent as credit relations in General and caused by specifics of agricultural production. The seasonal agriculture and its ground indissoluble, in which the ground is as a means of production, natural resource and national wealth, make necessary to supplement the General regulations on credit relationships special norms for regulating the credit relationship in the field of agriculture.

High-capacity credit resources and low-level profitability make agricultural production is not competitive to receiving bank loans in comparison with other sectors of the national economy. To updating the tools of production in agriculture, a large amount of money is necessary, because most of the basic means of agricultural enterprises are demolished or very old. These credit resources should be given mainly for not less than one year and with a low percent rate. The modern Ukrainian banking system to provide such number of credits is not capable. Therefore, the State should promote stable inflow of loan capital in agriculture, to provide loans on easy terms and ensure they arrive in defined terms. That is why the development and adoption of a special legislative act to regulate the credit relationship in agriculture are necessary in modern Ukrainian conditions.

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