Governmental support for the agriculture development on the example of the Irkutsk Region

O I Mokretsova, Yu N Malanina, A A Zaikovskaya and I R Libenson

Irkutsk State Transport University, 15, Chernyshesky St., 664074, Irkutsk, Russia

E-mail: yuliamalanina@mail.ru

Abstract. The article deals with the governmental support for the agro-industrial complex development on the example of the Irkutsk region. Here are analyzed the formation and the implementation of the Governmental program of the Irkutsk region "Development of agriculture and regulation of the markets of agricultural products, raw materials and food" for 2014-2020.

1. Introduction

The priority of attention to the agro-industry is determined by the need of ensuring food safety and independence of the country, the central position of agriculture in the national economy, as well as the technological characteristics of agricultural production. The specificity of the role of agriculture, on the one hand, is related to food production as the basis for people’s livelihood and labor reproduction, and, on the other hand, for the production of raw materials for other sectors. In other words, the level of agricultural development significantly affects the level of economic security of the country [1].

If we evaluate the potential of the agro-industrial complex of Russia, then for all types of resources necessary for agricultural activities, our country is almost fully self-sufficient. The resource potential of Russia per capita is 2-2.5 times higher than the resource potential of the United States, 6 times – of Germany and 18-20 times – of Japan. Russia has a vast territory with a temperate climate, large reserves of fuel, energy and mineral resources, fertile land [1].

Agrarian policy is one of the directions of the state socio-economic policy aimed at the socio-economic development of rural areas, increasing agricultural production, improving the efficiency of agriculture, increasing rural employment and improving living standards and rational use of land resources. The agrarian sector of the economy, in view of a number of its specific features, requires governmental regulation and support much greater than other sectors.

2. Governmental financial support for the agricultural sector

Governmental support should focus on financing targeted programs for the development of the agricultural sector [2]. Budget funds should provide only the enterprises that produce competitive products that are in steady demand [3].

Governmental financial support of the agrarian sector is a mechanism aimed at regulating the income of agricultural producers, the structure of agricultural production, the agricultural market, inter-sectoral and inter-economic relations. The amount of governmental financial support depends on the level of income of the country [4].
3. Regional level of the material resources management of the agricultural economy sector

The most optimal level of material resources management of the agricultural economy sector is the regional, combining the possibilities of governmental regulation of the agricultural complex and the organizational and economic mechanisms for the functioning of the industry enterprises.

The regional decision-making level is important because not only the agricultural economy sector is involved in the provision of the agrarian industry complex with material resources, but also a number of the related industries, the management of which is not within the scope of the agricultural management [5]. Unfortunately, in Russia, unlike in most countries with fairly developed agriculture, an effective mechanism of governmental support of production in the agrarian economy sector has not yet been formed. This state of affairs does not contribute to the formation of a general system of support for agrarians, and as a result, the food safety system of the country as a whole, and its individual regions in particular [6].

The approved governmental program "Development of agriculture and regulation of the markets of agricultural products, raw materials and food" for 2014-2020 helps to solve the problems of state regulation of agro-industrial complex [7].

Within the framework of the mentioned governmental program approved at the federal level, the Irkutsk regional government has approved the governmental program of the Irkutsk region on 09.12.2013 in order to improve the competitiveness of agricultural products in the domestic and foreign markets. This program is a part of the Irkutsk region budget, also a strategic planning document containing a set of activities with the achievement of specific indicators, interconnected by tasks, implementation time, performers and resources. To achieve the goal of the governmental program 16 tasks were determined. For each task of the program 16 subprograms were developed (see table 1).

**Table 1.** Characteristics of the Governmental program of the Irkutsk region "Development of agriculture and regulation of markets for agricultural products, raw materials and food" for 2014-2020.

| Subprogram name | Subprogram implementation period | Governmental program task as a goal of the subprogram | Subprogram financing sources |
|-----------------|---------------------------------|--------------------------------------------------------|-----------------------------|
| Development of agriculture and regulation of markets for agricultural products, raw materials and food in the Irkutsk region | 2014 - 2020 | Improving food safety in the Irkutsk region | federal budget, regional budget, other sources |
| Development of agricultural land reclamation of the Irkutsk region | 2014 - 2017 | Increasing productivity, sustainability of agricultural production and soil fertility by means of complex reclamation | regional budget |
| Development of vegetable growing in closed ground | 2014-2020 | Increasing the availability of non-seasonal vegetables to the population of the Irkutsk region | regional budget, other sources |
| Processing and storage of grain in the Irkutsk region | 2014-2015 | Improving the grain production competitiveness | regional budget |
| Development of dairy farming in the Irkutsk region | 2014 - 2020 | Developing the dairy cattle industry | federal budget, regional budget |
| The development of meat cattle breeding in the Irkutsk region | 2014-2020 | Sustainable development of specialized beef cattle industry and production of high-quality beef in Irkutsk region | federal budget, regional budget |
| Support for start-up farmers in the Irkutsk region | 2014-2020 | Promoting creation and development of peasant (farmer) farms taking into account the balance of production and consumption of agricultural products, anti-epidemic and | federal budget, regional budget, other sources |
4. Analysis of formation and execution of the governmental program

In general, the analysis of the governmental program showed that it has been amended more than thirty times, 11 subprograms of 16 contain one main event instead of two or more, and some of the main activities include less than two point of activities. It violates the guidelines approved by the order of the Ministry of Economic Development of Russia of September 16, 2016 N 582 (amended on March 15, 2017) “On Approval of the Guidelines for Development and Implementation of the Governmental Programs of the Russian Federation”.

| Programme Description                                                                 | Subprogram                                                                 | Start Date - End Date | Funding Sources |
|--------------------------------------------------------------------------------------|---------------------------------------------------------------------------|-----------------------|-----------------|
| Development of family cattle farms on the basis of peasant (farm) farms in the Irkutsk region | Developing family cattle farms on the basis of peasant (farm) farms, taking into account the balance of production and consumption of agricultural products and anti-epidemic measures in the following areas: cattle meat and (or) dairy areas, horse breeding, sheep breeding, pig breeding | 2014 - 2020 | federal budget, regional budget, other sources |
| Support of traditional household branches of the aboriginal peoples of the Irkutsk region | Preserving and developing the traditional household branches of aboriginal peoples (reindeer herding, hunting and fishing) | 2014-2020 | federal budget, regional budget, other sources |
| Sustainable development of rural areas of Irkutsk region | Creating comfortable living conditions in rural areas | 2014-2020 | federal budget, regional budget, other sources |
| Ensuring the implementation of management functions of the agricultural complex of the Irkutsk region | Ensuring the conditions of the agro-industrial complex activity of the Irkutsk region and the implementation of powers in the field of organization, regulation and protection of aquatic biological resources Providing activities in the field of veterinary medicine, providing epizootic and veterinary and sanitary welfare of the territory of the Irkutsk region | 2015-2020 | federal budget, regional budget |
| Providing activities in the field of veterinary medicine | | 2015-2020 | regional budget |
| Creating conditions for the development of horticultural, gardening and suburban non-profit associations of citizens in the Irkutsk region | Promoting development of horticultural, gardening and suburban non-profit associations of citizens in the Irkutsk region | 2015-2020 | regional budget |
| Development of agricultural cooperation | Promoting development of agricultural cooperation | 2015-2017/2020 | federal budget, regional budget, other sources |
| Development of commercial aquaculture (commercial fish farming) | Creating favorable conditions for sustainable development of the aquaculture production and processing products | 2016-2020 | federal budget, municipal budget, other sources |
| Development of harvesting, processing and marketing of food forest resources and medicinal plants in the Irkutsk region | Creating favorable conditions for the development of harvesting and processing of food forest resources and medicinal plants, ensuring their rational use and employment growth of the rural population of the Irkutsk region | 2017-2020 | federal budget, municipal budget, other sources |
Besides, in deviation from the requirements of the Order of the Government of the Irkutsk region of July 26, 2013 No. 282-PP "On Approval of the Regulations on the Making Decisions Procedure on the Development of Governmental Programs of the Irkutsk Region and Their Formation and Implementation", there are no the following facts in the governmental program:

- clearly defined planned indicators of social and economic development of the Irkutsk region on the basis of the governmental program implementation results;
- information on the justification of the composition and values of targets and assessment of the impact of external factors and conditions on their achievement,
- a brief description of the subprograms included in the governmental program, as well as the justification for their allocation (inclusion),
- significant risks typical for the Irkutsk region (seasonality of production, difficult natural and climatic conditions, the duration of the capital turnover period, limited technological process in time, and others).

There are facts of underfunding at all levels. Accordingly, there is an incomplete implementation of the governmental program. Thus, in the first year (2014) the state program was executed by 53.2%, in 2015 - by 97.5%, in 2016 - by 91.8% [8].

Incomplete use of budget funds and other sources, of course, affects the low results of the governmental program as a whole. Comparing the performance reports the governmental program shows significant differences in the results achieved. In this connection, it is not possible to determine the real results achieved from the implementation of the governmental program. Some projects have seen an increase in production and employment, but the planned by the projects economic efficiency and effectiveness indicators have not been fully implemented.

Some target indicators of subprograms were not adjusted taking into account the increase or the reduction of resource support amount of actions and remain at the level initially established at adoption of the governmental program. In addition, there is no dependence of the values of the target indicators of this main event as a whole on the resource support amount for the event for the financial year in the dynamics of 2014-2018.

Let's look at the example of some subprogram. With the approved funding amount for the subprogram “Development of agricultural land reclamation of the Irkutsk region” for 2017, the values for three targets out of four have not been established at all. These three are the following: increase of crop production volume on the reclaimed lands; the area of the reclaimed land put into operation; the area of agricultural land protected and preserved from wind erosion and desertification. Thus, it is impossible to establish the dynamics in goal achieving or solving the subprogram task.

According to the subprogram “Support for start-up farmers in the Irkutsk region” for 2014-2020, the planned value of the target indicator "the number of peasant (farmer) farms created by citizens engaged in the maintenance of personal subsidiary farms" (58 units by 2016) does not correspond to reality, since it is set with an understated value. It does not take into account the previously achieved indicator for 2015 (61 – plan, 75 - fact). More over at the end of 2016, the actual indicator was 76 units (that is higher than the actual indicator of 2015) [8].

A similar situation is under the subprogram "Support of traditional household branches of aboriginal peoples of the Irkutsk region" for 2014-2020. The value of the target indicator "the number of subsidies provided for the development of traditional household branches of aboriginal peoples (reindeer husbandry, hunting and fishing" (annually 8 units) is not true. That is because the target indicator is set with the understated value in advance, since it does not take into account the previously achieved results (9 units annually since 2014) [8].

According to the subprogram "Sustainable development of rural areas of the Irkutsk region" for 2014-2020, the achieved values of part of the targets of the subprogram (the main event) have not been confirmed, and therefore are recognized by the Control and Accounting Chamber of the Irkutsk region as unreliable, because they do not correspond to reality [8].
5. Conclusion

The agrarian economy sector, in view of a number of its specific features, needs much more governmental regulation and support than the other sectors. This support should be focused on financing targeted programs. The approved governmental program helps to solve the issues of governmental regulation of agro-industrial complex.

However, there is a formalization in setting the targets, as well as inefficient activity of the main executor of the program - the Ministry of Agriculture of the Irkutsk region.

Analysis of the execution of the state program in the context of subprograms showed that in some cases there were timing violations of the subsidies transfer, breach of the agreements terms on the subsidies provision by its recipients, as well as significant shortcomings of the existing procedures for granting subsidies, which led to inefficient expenditure of the regional budget. In general, the analysis of the governmental program showed that some subprograms provide for the costs for the material and technical equipment of organizations (for example, the purchase of agricultural machinery, etc.). However, neither the governmental program nor its subprograms have set target indicators of these spending, which leads to the non-transparency of program activities.

References

[1] Tagirova O A 2018 The role of the agricultural sector in the Russian Economy Actual issues of financing and taxation of agriculture in a globalized economy Mater. Russian Sci. and Pract. Conf. 6 8-11

[2] Efimova N P and Mokretsova O I 2015 Theoretical assumptions of the program-target management of the budget expenditures in Russia Economics and Entrepreneurship 12-4(65) 810-8

[3] Karamnova N V 2018 Formation of the agricultural sector sustainable development mechanism Formation of the system of agriculture sustainable development on the basis of strategic management concept Mater. Russian Sci. and Pract. Conf. 127-131

[4] Ptushkina A S 2018 Comparative analysis of financial support of the agricultural sector in Russia and abroad Delta of Science 2 24-6

[5] Sorokina N L 2018 Regional aspects of material resources management of the agricultural sector Bulletin of Eurasian Science 6 43

[6] Umarov G V and Totrova I K 2018 The main directions of improving the mechanism of governmental support of the agricultural sector J Sci Works (Vladikavkaz: Gorskiy State Agrarian University) 133-6

[7] Avanesova R R 2015 On the issue of state regulation of agriculture Modern scientific thought 2 144-9

[8] Morokhoeva I P 2018 Report on the results of the expert-analytical event "Analysis of the implementation effectiveness of the Governmental program of the Irkutsk region "Development of agriculture and regulation of markets of agricultural products, raw materials and food" for 2014 - 2020" Bulletin of the the Control and Accounting Chamber of the Irkutsk region 2(11) 161-230