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PRICE REGULATION AS ONE OF THE LEVERS OF STATE INFLUENCE ON AGRO-INDUSTRIAL COMPLEX

Agricultural production in the world is the basis of livelihoods and resource base for food and consumer goods industry. In turn, the price is the main source of reproduction of assets invested in production, i.e. the basis to ensure the effectiveness of any industry. Therefore, it is relevant and necessary to study state legal regulation of pricing in the agricultural sector due to the mismatch situation in rural areas and tough market conditions. Pricing stability in this area can only be achieved by improving and expanding the scope of application of state regulation of pricing.

Prices in the agriculture have features that are explained by factors that are active in this area. Thus, agroindustrial complex is affected by the level of retail prices of consumer goods, because the vast majority of the latter consist of agricultural products. The greater share of retail price is usually purchase price, i.e. price of agribusiness. Prices of the latter, in turn, depend on the price of heavy industry, construction industry and enterprises engaged in repair work, as well as freight rates, prices for fuel and lubricants. Therefore, taking into account the characteristics of

the agricultural sector, the prices for agricultural products are classified according to various criteria:

- purchase prices;
- settlement prices;
- inter-farm prices;
- wholesale and intermediary prices;
- retail prices;
- wholesale prices of agricultural equipment, materials;
- estimated construction standards;
- prices for services;
- stock prices of agricultural products.

The most stringent method of price regulation is establishment of a fixed or maximum price. In addition, these prices may be set at a level that exceeds the equilibrium price or is lower than it. In the first case there is an excess of production, and the second – its deficit.

Prices in agriculture, in turn, depend on the price of heavy industry, construction industry and enterprises engaged in repair work on freight rates, prices for fuel and lubricants. Therefore, taking into account the characteristics of the agricultural sector, agricultural products are classified according to various criteria.

The mechanism of the agricultural sector in the current development should be based on free market prices, combined with increased government regulation and antitrust price controls on inputs, energy and services to agricultural producers. Pricing policy should contribute to the break-even production of agricultural products with the level of performance.