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FACTORS AFFECTING PROFITABILITY OF GRAIN INDUSTRY

In the context of innovative economic development and transformation of the economic system, the assurance of profitability crisis in the agricultural sphere, in general, and grain production, in particular, is considered to be a key issue today. Thus, the study of the factors' influence, assessment, and analysis, which will ensure the sustainable development of grain production and appropriate level of profitability of the industry, is the pressing item here.

The formation of highly profitable grain industry, in terms of market transformation, depends on many factors. The system of factors affecting the profitability of grain production consists of the following components: factors of internal (direct and indirect effects) and external order.

According to our research, grain production in the Ternopil region is profitable. It should be noted that the main problem of the current economic situation for producers is abrupt price fluctuations and, as a result, the fluctuations of profits.

The study of factors' influence was undertaken; mainly it was the influence of number of grain sold, unit cost and selling price on the value of the profit amount from the sale of grains per 1 ha of crops.

The study has found that sales incensement and the cost of grain reduction in 2013 could not neutralize a significant reduction in relative prices in 2012, thus it led to a reduction in income from the sail in total for 648.7 UAH/ha.

The method of correlation and regression analysis studied the dependence of profit on 1 ha of wheat (Y) of the input (X): X_1 – wheat yield, kg/ha; X_2 – the cost of seeds per 1 ha of wheat, USD; X_3 – the cost of fertilizers per 1 ha of crops, USD; X_4 – selling price of 1 kg of wheat USD.

It can be concluded that the earnings per 1 ha of wheat yield is the most significant among the factors included in the model.

Studies have shown that the efficiency of grain production in the Ternopil region is fluctuating. This

gives reason to consider that it is unstable and unbalanced, which ultimately affects the profitability of the industry.