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ASSESSING THE IMPACT OF STATE AID ON THE VOLUME AND EFFICIENCY OF INVESTMENT IN FODDER PRODUCTION

Constantly growing world population and increasing income leads to an annual increase in demand for meat from the population. According to the Food and Agriculture Organization (FAO), the daily need of every person in the world of animal protein is 20 grams or 7.3 kg per year. To avoid deepening the deficit of protein in the diet of the population, it is important to intensify livestock development in Ukraine, which in turn requires additional investment. It is important that the planned investment depends on various factors, primary among which is the policy of government support, because investors can significantly reduce costs.

Before making any investment decisions, a project investor should evaluate his own risks, payback period, the ability to attract government support to offset investment costs, feasibility of investment.

Investments that are required vary depending on the characteristics of each investment project. This article singles out the most influential factors that supersede the need for investments in fodder production in the creation of farms and systems: organization and management (method of formation

of farms and complexes; project scale), technological (ways of cattle management, cattle feeding methods, preparation technology, cultivation of fodder crops), technical (level of technical support of fodder production), biological (breed of cattle, etc.), natural and climate (climate, which determines the duration of the grazing period).

Under the current legislation, the government nowadays compensates up to 50% of the investment costs for the construction of farms. State support in the best way affects the investment in fodder production. According to calculations made by the example of "KOLOSOK" farm, the share of state support in the total investment should be 17%. Instead, the share of government support in the forage is only 3%. This difference is determined by the fact that the basic farm costs are related to construction, while the main forage investment costs are related to the purchase of agricultural machinery.

Government support compensates lease payment in the amount of 40% of the value of the leased asset. Since fodder production receives important government support in the form of compensation

for lease payments, the author carried out calculations regarding this case. The maximum potential amount of this kind of public support of fodder farm creation is 38%.

The risk of investing in such an investment projects evaluated in terms of the rate of return on capital defined percentage of income to invested capital. The return of amount of revenue from sales and ongoing operating costs in the calculations has taken 5 years. The

rate of return on capital without government support is 35% and 60% respectively. Thus, government support reduces the risk of investing in fodder production, making the industry more attractive to investors.

Government compensation will only be given on a competitive basis, which limits the ability of investors to their receipt. It is advisable to provide high transparency of the mechanisms of state support and facilitate investors' access to capital.