ECONOMIC ESTIMATION OF LAND RESOURCES POTENTIAL OF UKRAINE

Abstract. The article reflects the foundations of the formation of land resource potential. The methodology of land resource evaluation through the differential rent I and II is explored.

Key words: resource potential, soil-forming process, fertility, land, differential rent.
**Problem statement and its connection with important scientific and practical tasks.** The essential component of the Ukrainian economy is its land resource potential. With its effective and rational use it is possible to achieve high rates of economic land valuation carried out from ancient times in Kievan Rus and Western Europe and America for wise management of agricultural production, including rent, which required monetary valuation of the land.

The specifics of the agrarian sphere are that the overwhelming majority of productive resources have natural origin. It is a complex of various agro-climatic factors, flora and fauna with its positive and negative aspects, as well as the land with its fertility. It evolved so evidently that all these components created fit mechanism. [1]

**Analysis of basic research and publications.** Investigation of the problem of estimation, improvement of the use of resources production potential in the work of Ermakov O.Yu., Sabluk P.T., Mosiyuk P.O. Tretyak AM etc..

**The purpose of the study** – the coverage of causal relationships in management of productive resource potential and analysis of methods of economic evaluation.

**Presentation of the main results and their justification.** In order to work effectively in this mechanism, a person needs to study objectively existing causal relationships that have developed between the separate components in order to use them in a high efficient and harmless way for the environment. All industrial, intellectual, technological, social and political activities of human society should be directed at this.

Purposeful activity of a person in the direction of improving methods of using natural resources suitable for achieving the goal, forms the concept of production activity.

Agrarian production is a complex, multidimensional process that covers a whole range of cosmic, biological, physico-chemical, technological and organizational-economic aspects of it. Difficulty is determined, on the one hand, by the biological nature of the objects of agrarian production, and on the other hand – by the natural origin of a significant amount of production resources used in its organization. Land, as the main means of production in agriculture, is the result of centuries of evolutionary soil-forming process. It is spatially limited and can not be increased by the will of the business entity. The economic nature of the objects, factors and conditions of agricultural production reveals the role and significance of the individual resources used in it. Consequently, the process of agrarian production itself involves the study and use of its natural properties, as well as the creation of new ways of applying to the land of labor and funds.

In the conditions of growth of production volumes of agricultural products and increase of its marketability it is impossible to count only on increase of rates of mobilization of nutritive material soils. In agriculture, as in other branches of science, rational metabolism between human beings and nature must be maintained. Although the potential fertility of the soil is significant, yet it is not infinite and, if misused, that is, the lack of consistency between the removal and the receipt of
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nutrients, the land is depleted and the restoration of its fertility becomes too difficult or completely impossible to do.

The aforementioned feature of the land lies at the basis of the formation of differential rent and rental relations in agriculture. The study of trends in land productivity change in the Polissya of Ukraine from the differentiation of climatic and organizational factors has shown that there is a close relationship between its indicators and climatic factors. The nature of the impact on the productivity of land is determined by its economic essence. It consists in creating more or less favorable conditions for agricultural objects on the production site. However, it is not materially connected with the internal mechanisms of the formation of the crop. Therefore, the nature of the effect of the climatic factor on the final result is expressed mainly by linear dependencies. In other words, between productivity and a complex of climatic and organizational-economic conditions that are formed, there is a proportional relationship [3] and has the form of standards.

The question of methodological criteria and land scoring indicators is one of the most controversial. The presence of the best and worst lands in agriculture leads to different efficiency (payback) of production costs. On the best lands we get higher productivity units of the land plane. This explains the increase in income through the savings of social labor. This methodological position is the key to carrying out an economic assessment and justifying its criterion and indicators.

The basis for making an economic assessment of land is to take a differential rent. The differential rent and the practical theory of its formation, as is known, is the superprofit, which is formed due to the difference between the one obtaining on a particular plot of land and the worst. However, the size of profit in this area is defined as the difference between the value of the gross natural product and the costs associated with its production. [2]

Absolute indicators of this product coincide with the yield of a particular agricultural crop. However, the yield of these crops does not always reflect the fertility of the land, because it is a consequence of the action of the factor or condition that is currently in this area in the minimum amount. [3]

Note that in addition to the limiting elements of the fertility of the land in it, there may be quite a significant number of other indicators that form this fertility and are in “excess” in relation to the limiting. They are also quantitative characteristics of the level of fertility of the earth. But according to the classical theory, they are not taken into account when evaluating the soil fertility. Therefore, this should be taken into account when determining the differential rent I.

Differential rent is also largely determined by the location of the economic object. The cost of the final product of agricultural production, to a certain extent, depends on transportation costs. This usually imprints the profitability of the land.

The possibility of obtaining additional profits as a result of the intensification of production is determined by the peculiarities of the land as the most important productive resource, since it serves not
only the means of labor, but also the subject, and has the ability to improve its previous qualities in the process of rational economic use. This feature is the economic basis for the formation of differential Rents II. In the basis of the type of the modified form of differential rent II lies the difference in the degree of compliance of the complex of soil and climatic conditions with the biological characteristics of those crops grown in a particular region.

Conclusions and perspectives of further research. Consequently, the causal–consequential relationships in the system of resource potential management allow methodically and methodologically correct measure production potential. The quantitative parameters of the change of the final natural result of production, which is formed due to the natural soil fertility, imposes an imprint on the absolute indicators of the formation of differential rent I and II. In the absence of artificial regulation, it is a kind of possible economic risk limits in agriculture.

References

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Экономическая оценка земельного ресурсного потенциала Украины

Аннотация. В статье отражены основы формирования земельного ресурсного потенциала. Исследовано методику оценки земельного ресурсного потенциала через дифференциальную ренту I и II.

Ключевые слова: ресурсный потенциал, почвообразующий процесс, плодородие, земля, дифференциальная рента.