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Priorities for Stimulating the Development of Entrepreneurship in the Field of Agricultural Production

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Abstract: The relevance of the study is that the development of entrepreneurship in the agro-industrial sector can become a key factor in increasing the competitiveness and stability of the country's economy. The importance of the study is due to the need to develop effective mechanisms to support small and medium-sized businesses in the agricultural sector, create favorable conditions for attracting investments, as well as the formation of innovative infrastructure that will contribute to modernization and increase in industrial productivity. The study of the current state of the agricultural sector of Ukraine and the development of substantiated proposals for stimulating the development of entrepreneurship is an extremely urgent task. The purpose of the study is to analyze the current state of the agro-industrial complex in Ukraine and to develop reasonable proposals for the formation of priority directions for stimulating the development of entrepreneurship in the field of agro-industrial production. The study uses both quantitative and qualitative methods. The descriptive design of the study was used to determine the current state and establish development trends in the agro-industry in Ukraine. Content analysis methods were used to assess the regulatory framework. A statistical analysis of the state of the agro-industrial complex in Ukraine was carried out; the main problems and positive aspects of the development of agro-industrial enterprises are defined; on the basis of statistical analysis, the directions for stimulating the development of entrepreneurship in agricultural production were determined. It should be noted that the agricultural industry as a full-fledged economic entity includes production (agriculture itself) and processing of the obtained products. In the process of activity, this sector of the economy is closely connected with the following branches of the economy: financial, transport, energy, machine-building. The agrarian economy is primarily aimed at ensuring the food needs of the population and is a key factor in the formation of the country's food security.

Keywords: entrepreneurship development, sustainable development, food security, agri-food policy, production development, potential of agro-industrial enterprises.

Introduction

Agriculture plays an important role in the national economy. The agricultural sector is vital to the national economy as it supplies the market with food and generates foreign exchange through agricultural exports and provides employment to a large number of people. The outbreak of a large-scale war in Ukraine has exacerbated the importance of the agricultural sector for the national economy, as Ukrainians' mentality and eating habits make domestic agricultural products the mainstay of their diet. In this context, it is especially important to analyse the prospects for the development of entrepreneurship in the field of agricultural production in the current environment, as the price of agricultural products and the risks of entrepreneurship in this area are one of the important factors in the development of the entire national economy.

Research Problem

Given the importance of agricultural production for Ukraine's economy, it is worth assessing the threats to this sector of the economy and the prospects for its development in the near future. In doing so, it is necessary to determine how full-scale military action could affect the further development of this sector. The best tool for analysing prospects and opportunities is trend analysis, which is based on statistical information and the results of processing the analysed material.

Research Focus

Since the importance of agro-industrial production for the Ukrainian economy cannot be overestimated, it is necessary to pay significant attention to the statistical analysis of the current state and prospects of agro-industrial development, and accordingly, the analysis of the selected topic will be based on the availability of materials on the development of agriculture in Ukraine and the specifics of the development of Ukrainian enterprises in this sector. For this purpose, it is worth focusing on two areas: identifying general trends in the development of the agro-industry and developing priority areas for stimulating the development of entrepreneurship in the field of agro-industrial production.

Research Aim and Research Questions

The purpose of the study is to analyse the current state of agriculture in Ukraine and to develop substantiated proposals for the formation of priority areas for stimulating the development of entrepreneurship in the field of agro-industrial production. To achieve this goal, the following tasks need to be addressed:

- conduct a statistical analysis of the state of the agricultural sector in Ukraine;
- identify the main problematic and positive aspects of the development of agricultural enterprises;
- to formulate priority areas for stimulating the development of entrepreneurship in the field of agro-industrial production based on statistical analysis.

Research Methodology

A retrospective analysis of statistical data is the basis for the study of the development of certain sectors of the Ukrainian economy, including agriculture. In order to determine the prospects for further development of agricultural producers in an unstable external environment, special attention should be paid to the financial results of agricultural producers. Comparison of the number of manufactured products and the aggregate financial result obtained by agricultural enterprises will allow to identify the overall efficiency of agricultural producers and will form the basis for further development of

recommendations to stimulate the development of entrepreneurs involved in the analysed industry. And their development, in turn, will be the key to food security in the country. The materials of the State Statistics Service of Ukraine are used as the main source of data. Stakeholders of the study are primarily scientists interested in the development of the agro- industry, as well as the state represented by the Ministry of Agrarian Policy and Food of Ukraine, entrepreneurs involved in the production and sale of final products in this sector. Further development of the agro-industrial sector requires taking into account the interests of all stakeholders and the priority of the need to ensure national food security in wartime, and the implementation of the proposed developments will increase the efficiency of economic and business processes at agricultural enterprises and create prerequisites for the sustainable development of agricultural enterprises. The study covers a wide range of enterprises of the agro-industrial complex, including small, medium and large enterprises from different regions of Ukraine. The sample is formed on the basis of the data of the State Statistics Service of Ukraine, which ensures the representativeness of the results. An important component is the involvement of representatives of small and medium-sized enterprises, since they make up a significant share of the agricultural sector and often face special challenges.

Instrument and Procedures

The research toolkit is primarily based on the analysis of statistical data, as well as on the construction of trend models based on statistical data. The generalisation of the materials obtained as a result of the statistical analysis is the basis for scientific generalisation and development of recommendations to stimulate the development of Ukrainian entrepreneurs in the agricultural sector. Software tools such as Excel, SPSS or R were used to process statistical data. This allows comprehensive analysis of large data sets and building models for forecasting the further development of the agricultural sector.

Data Analysis

The study was based on the use of statistical data (<https://stat.gov.ua/index.php/en>), indicators of financial statements of agricultural producers, analytical materials, scientific periodicals, and books.

Research Results

Statistical analysis of the agricultural sector of Ukraine

Analysis of the agrarian sector is key to timely identification of disparities and undesirable trends in its development. Forecasting and assessment of changes in the sector allow timely response and management decisions to counteract the emergence of crisis situations that affect the life cycle of enterprises

Statistical analysis should begin with an assessment of the contribution of the agricultural sector to the development of the economy of Ukraine. The dynamics of GDP in agriculture, forestry and fisheries and its share in the total GDP for the period 2011-2022 can be illustrated on the basis of data from the State Statistics Service of Ukraine (<https://stat.gov.ua/index.php/en>). According to these data, the share of the agricultural sector in the total GDP showed growth in the period 2011–2015, which is confirmed by the direction of the graph and the growth of indicators. However, in the period 2016-2019, a decrease in the share of the agricultural sector in GDP was observed.

These data are important for understanding general trends and identifying problem areas that require attention to support the stable development of the agricultural sector.

The main task of the agro-industrial sector is to provide the population with products and enterprises with raw materials. The level of efficiency of an industry or production is characterised by an increase in gross output in both physical and monetary terms. Ukraine's agribusiness sector has not been sufficiently open to innovation, and farmers are more willing to use new products, such as recently released hybrids of different types of grain and vegetable crops, which are very popular globally due to their

consumer and transportability properties. Major export crops such as sunflower oil already generate huge foreign exchange earnings for the state (Il'chuk, 2019), but with the imposition of martial law and the destruction of Ukrainian ports, agricultural exports have become significantly more difficult. However, Ukraine remains one of the few countries that play a central role in the international food supply. There has been a boom in the construction of seed plants by vertically integrated agricultural holdings and multinational corporations (Goloborodko & Dymov, 2019; Hrynychshyn, 2021). This is due to the tendency to control the quality of raw materials and reduce the cost of production, as well as negotiations with the EU on seed and food exports.

The main goal of the agro-industrial complex is to obtain the amount of profit planned in the budget and to maintain profitability (Finagina et al., 2019; Kovalenko, 2019; Petrychenko et al., 2018). The goal of every business entity engaged in agriculture is to generate high profits in line with the company's values, innovation of business processes, sustainability, clarity, and adherence to principles in decision-making to combat crisis and fraud. Another goal is to mitigate risks of various origins and expand the customer base, mainly to foreign markets, to ensure the inflow of foreign currency earnings, which is especially important in the context of martial law and the volatility of the hryvnia exchange rate due to military operations in Ukraine. In addition, the development of the agro-industrial complex is a key to ensuring food security in the country.

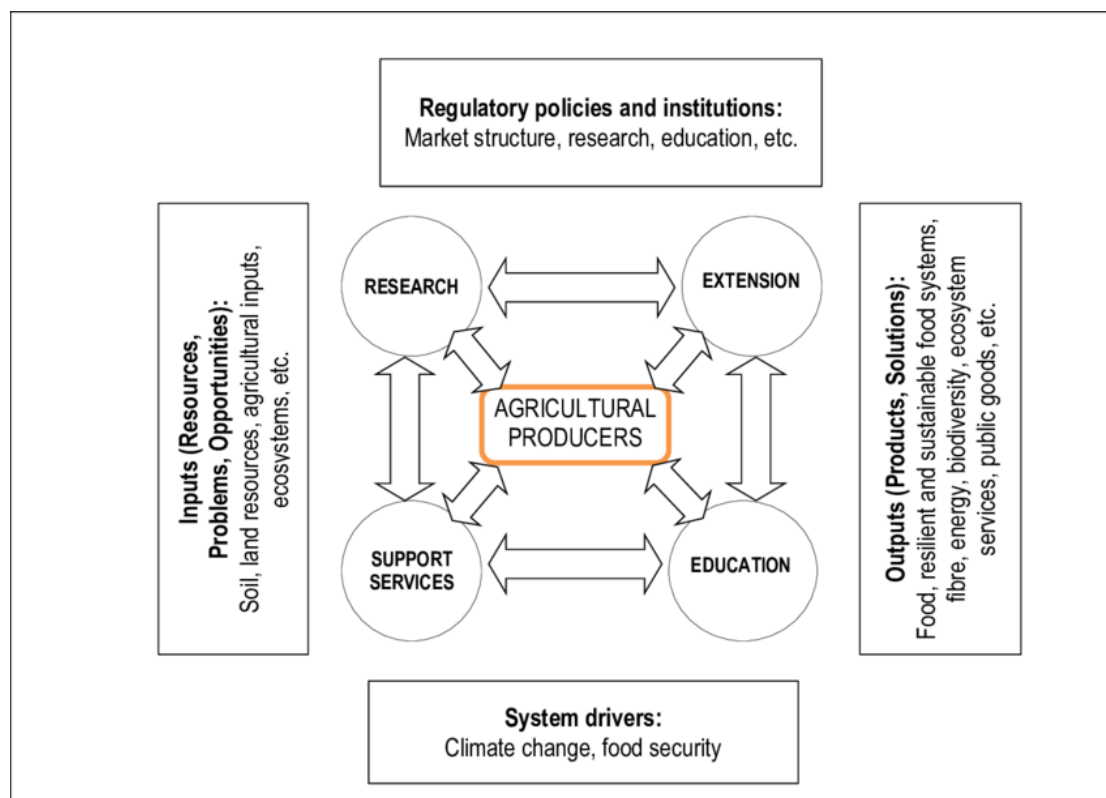
The main risks according to this business strategy are: legal problems, as the new land market is open only to Ukrainian citizens and organisations; perhaps some new laws will lead to certain problems in the company's activities (Brovdi, 2022; Nykonenko, 2022a). Another potential risk is problems with the harvest, which is reflected in poor quality, lack of agricultural products, bad weather conditions, and product spoilage due to a large number of insect pests (De La Peña, 2021; Dyba et al., 2020; Ostapenko, 2021; Tobal & Menna, 2020).

Another critical risk is the reduced availability of capital for agricultural producers, which is driven by global trends (Aastveit et al., 2018; Allen et al., 2021; Demirgüç-Kunt et al., 2021) towards higher capital costs and domestic financial problems amid martial law. Since produce is the main source of income for the agricultural sector, there are high financing risks for enterprises with predominantly short-term debt (the banking community is reviewing its approaches to financing the agricultural sector in the face of possible debt repayment problems and their focus is usually on financing medium-sized farms with production areas of about 3-10 thousand hectares).

The development of agricultural enterprises in Ukraine takes place under the influence of integration processes in the world economic space. Therefore, it is necessary to improve the existing economic system, increase the competitiveness of producers and their ability to respond and adapt to changes in the economic environment in a timely manner. It is important to create a favorable business environment for doing business. The transition to an innovative path of development requires the selection of the most effective technical, technological and organizational and economic solutions based on scientific and technical achievements. Today, the innovative policy of agricultural enterprises is an important lever for ensuring their reorganization, expanding the range of products and saturating the market with high-quality, competitive products. The transition to an innovative model means not only stabilization, but also a gradual increase in the technical and technological level of national production, bringing it closer to the group of technologically developed countries. The components of the innovative model of strengthening the competitiveness of agricultural enterprises are shown in Figure 1.

Figure 1

A model of Agricultural Innovation System

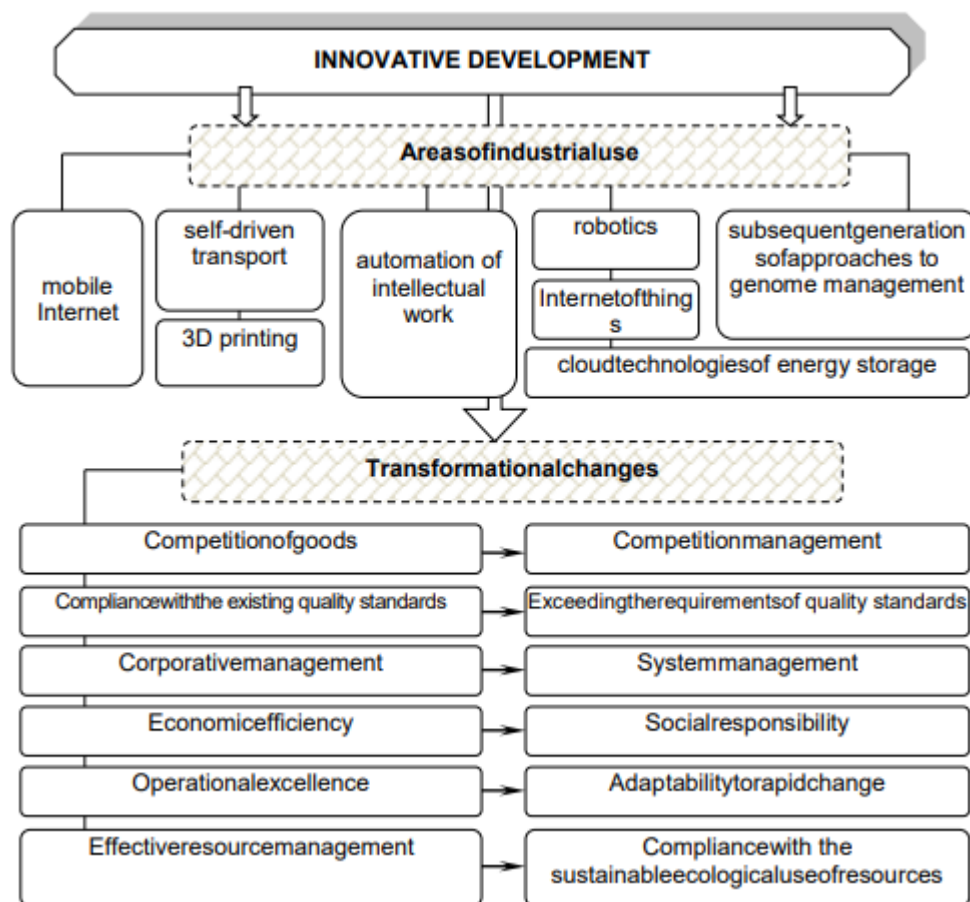


Source: Compiled by the author based on (<https://stat.gov.ua/index.php/en>).

Today, agricultural enterprises are integrated into the world system of economic relations and are under the strong influence of globalization in their activities. Because of their low competitiveness, they adapt to the needs of stronger competitive players and fall into the so-called globalization trap. Therefore, they are likely to be suppliers of raw materials and labor to the world market. Structural excellence, and therefore competitiveness, will be ensured first of all by developed production, which includes industries at different technological levels. A perfect structure allows developed economies to redistribute resources to their advantage through various mechanisms of global interaction between states. Thus, modern conditions for ensuring the competitive development of the country and its enterprises require a change in the structure of material production in favor of industries with higher added value. Therefore, the new industrial transformation is a key task of the economic strategy of ensuring the competitiveness of agricultural enterprises. Strengthening the competitiveness of Ukrainian agricultural enterprises in the process of innovative development will allow them to make the most of globalization opportunities associated with borrowing knowledge, technologies and production capital (Figure 2).

Figure 2

Trends and Tendencies of Innovative Development of Ukrainian Agricultural Enterprises



Source: Formed by the author.

In view of the above, for the balanced development of the agrarian sector of the economy of Ukraine, it is necessary to develop a unique model of stimulating innovations, which would take into account the innovative potential of agricultural enterprises, motivate all participants of the agrarian market, promote the process of "diffusion of innovations" and ensure the active participation of the state in regulatory legislation. What needs to be done for this (Figure 3).

Figure 3

Tools of the Innovative Mechanism for Ensuring the Agricultural Enterprises Competitiveness

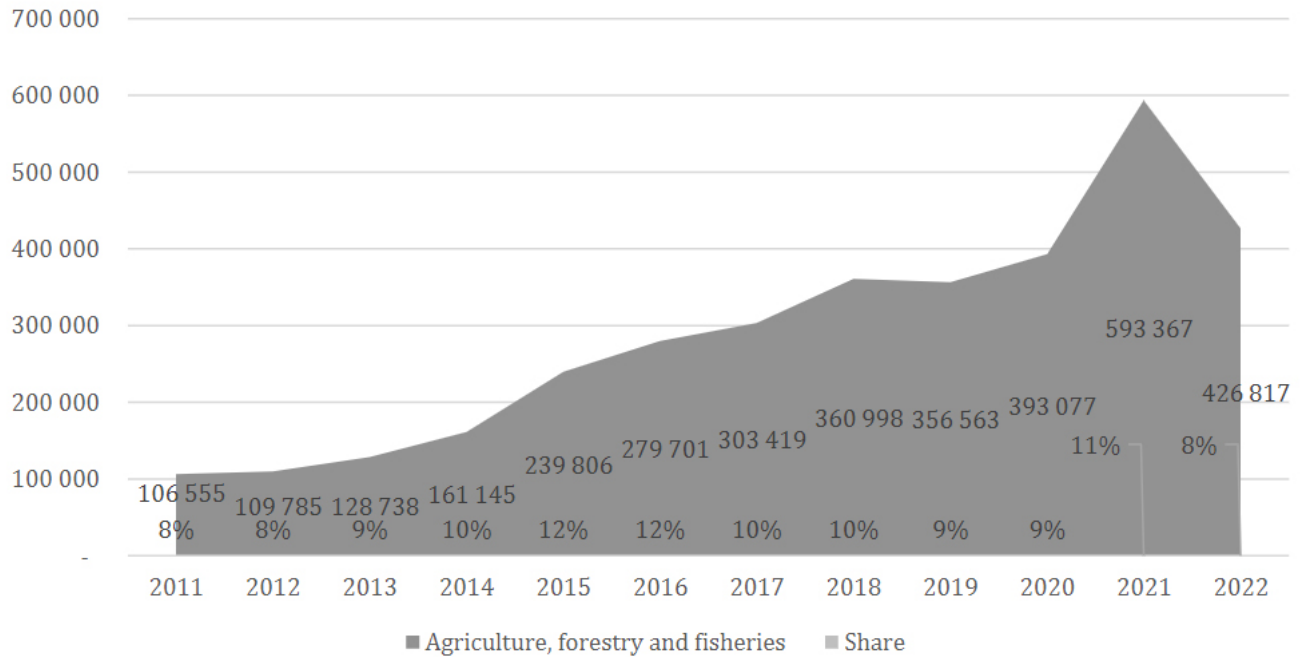


Source: Formed by the author.

Given that this sector is vulnerable to change, analysis is an important method of timely detection of imbalances and undesirable trends in the development of the agricultural sector. Forecasting and evaluation ensure timely response to changes and allow for management decisions to be made to counteract the emergence of a crisis that affects the life cycle of an enterprise. Statistical analysis of the sector under review should begin with an analysis of the sector's contribution to the development of the Ukrainian economy. The dynamics of GDP in the agriculture, forestry, and fisheries sector and its share in total GDP in 2011–2022 are shown in Figure 4. According to the State Statistics Service of Ukraine (<https://stat.gov.ua/index.php/en>), the share of the agricultural sector in total GDP tends to increase over the period 2011–2015, as evidenced by the direction of the graph and the growth of indicators. In the period 2016–2019, there was a decrease in the share.

Figure 4

Dynamics of GDP in the Agricultural Sector and its Share in Total GDP in 2011–2022



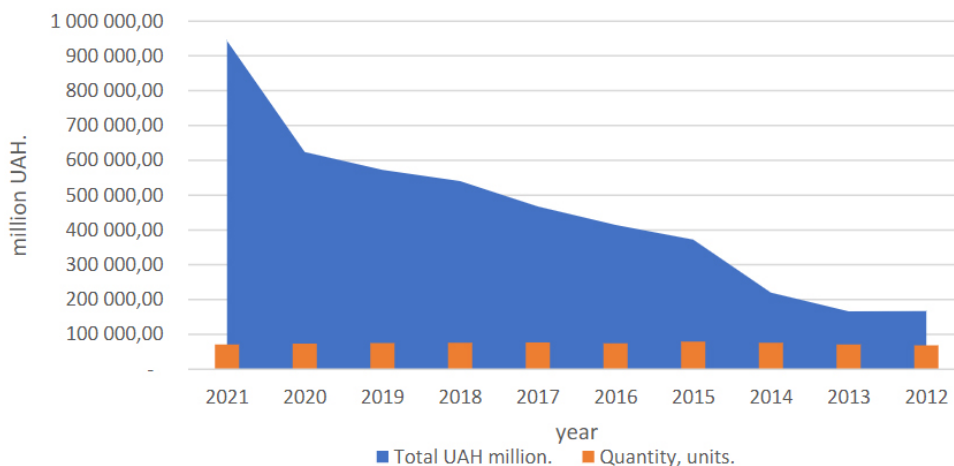
Source: Compiled by the author based on (<https://stat.gov.ua/index.php/en>).

As of 2019, there was a decrease in the share to 8.97% of the total GDP, which is UAH 356,563 million. Over the period 2020-2021, there was an increase in the industry's share, which amounted to 9.31% in 2020 or UAH 393,077 million. At the same time, the total GDP as of 2021 also decreased and amounted to UAH 5,191,028 million. In general, over the study period, the share of the agricultural sector ranged from 8.22% to 12.06%. Currently, there is a tendency to reduce both the total GDP (Amisano & Geweke, 2017) and the share of agriculture in the total, i.e., on average, GDP is formed by 10% of agriculture, fisheries, and forestry (<https://stat.gov.ua/index.php/en>).

A general assessment of the risks to the development of agricultural enterprises is one of the key factors in counteracting the emergence of undesirable factors and development trends. For this purpose, key indicators should be forecasted. First of all, it is necessary to consider the dynamics of changes in the number of business entities in the agricultural sector and their volume of sales (Figure 5).

Figure 5

The Number of Agricultural Enterprises and Their Volume of Sales in 2012–2021



Source: Compiled by the author based on (<https://stat.gov.ua/index.php/en>).

Over the period 2012-2015, there was a trend of growth of business entities in the agricultural sector, which includes both individual entrepreneurs and large enterprises, and this period can be considered a stage of active development and growth of new generation agriculture in Ukraine when producers began to actively use new equipment and technologies. As of 2016, there was a significant decrease in the number of business entities, namely by 4,664 units or 6% compared to the previous year, 2015. The decline was caused by the unstable situation in the country, which saw a record increase in inflation in 2015, making it impossible for businesses to operate properly due to the inability to purchase the necessary quantities of food, which could pose a threat to food security for the country. As of 2017, the number of enterprises increased to 76,593, which means that they grew by 3% or 1,973 units between 2016 and 2017. In 2017-2021, there was a downward trend in the number of enterprises. In general, over the analysed period, the largest number of enterprises was in 2015, amounting to 79,284 units, and the smallest was in 2012, amounting to 68,497 units. According to the analysis, the companies' goal is to help increase the harvest of agricultural crops to end consumers and, accordingly, the volume of sales of their products. The long-term strategy of the companies is to increase market share by increasing the consumption of products by counterparties and to increase the market power of the largest distributors by entering into long-term partnerships with the best distributors.

Diagnostics of Problems of Development of Agro-Industrial Enterprises in Ukraine

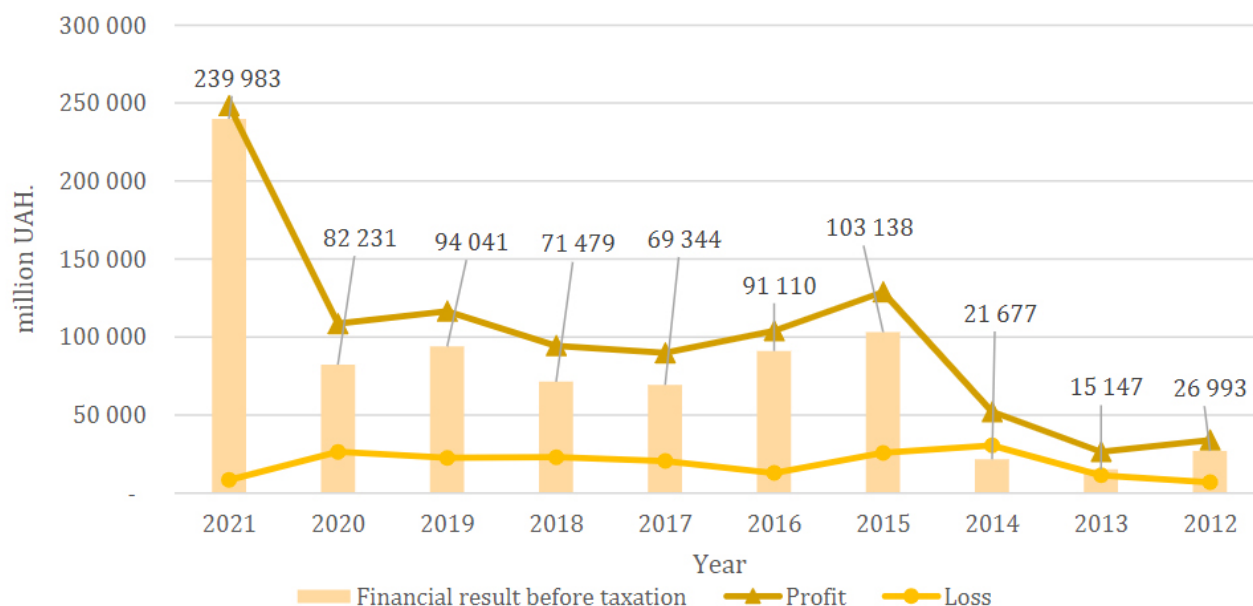
The medium-term perspective of agro-industrial enterprises focuses on the development and implementation of new products, integrated solutions, and digital technologies, which is a response to the problems of the current state of development of the domestic agro-industry. This increases research and development costs and reduces profitability in the short term, which is typical for the entire industry, but opens up more prospects for further expansion into the international market (Boiko, 2020; Melnyk, 2019). In this context, one of the priorities for the development of entrepreneurship in agriculture is to maintain the profitability and profitability of business in the face of uncertainty and risks inherent in the Ukrainian market, which is developing in the context of war. To this end, business entities are taking measures to improve the productivity and functionality of supply chains, introduce elements of management systems, and increase the efficiency of procurement, logistics, and production processes, as low efficiency and long periods of cash gaps remain one of the main problems for the development of agro-industrial enterprises in Ukraine (Prokopenko, 2021; Tkachenko, 2019).

In the short term, the companies plan to consistently increase sales by intensifying sales and distribution operations, developing and distributing new services, supported by appropriate organisational changes, including increasing the number of specialists required to provide services and support to customers in Ukraine.

Taking into account the strategies of enterprises operating in the agricultural sector, it is relevant to analyse the share of unprofitable and insolvent companies (Figure 3). The financial result before tax reflects the sum of profit from operating activities, financial income and expenses, it is calculated according to the financial statements by analysing the data on assets, equity, liabilities and financial results (Halkin, 2021; Sapiński, 2022). Initially, the indicators are presented for Ukraine as a whole by type of economic activity; for the analysis, the agriculture sector was considered for the period 2012–2021 (Figure 6).

Figure 6

Growth (Decline) in Financial Result Before Tax, Profit, and Loss for the Period 2012–2021



Source: Compiled by the author based on (<https://stat.gov.ua/index.php/en>).

There was a significant increase in profit for the period of 2015 to the amount of UAH 128,880 million, which is 147% or UAH 76,709 million more than in the previous year. In 2015-2017, there was a downward trend in the profits of agricultural companies, while losses increased slightly. From 2017 to 2019, the number of companies that made a profit increased, while the number of loss-making companies remained at the level of previous years.

In other words, during this period, companies operated efficiently and made a profit. Between 2019 and 2020, the profit of business entities decreased, while the number of unprofitable ones increased from UAH 22,520 million to UAH 26,351 million. As of 2021, the situation has changed dramatically, with a significant increase in the total number of enterprises, higher profits for agricultural companies, and much fewer loss-making ones, namely UAH 8,333 million. In other words, in 2021, the financial result of agricultural enterprises was positive, with more business entities operating in the agricultural industry making a profit. However, it is worth noting that with the outbreak of full-scale military aggression by Russia against Ukraine, it is very difficult to maintain such positive trends, and thus the problem of loss-making enterprises will remain relevant.

Low inflow of investment resources and low investment attractiveness remain another key problem for the development of agro-industrial enterprises. In the structure of capital investments in the economy, investments in agri-food production account for about 15%. In January-June 2016/20, the average share of capital investments in their total annual volumes in agriculture was 41%, and in the food industry - 43.1%.

The volume of capital investment in agriculture is shown in Table 1.

Table 1*Capital Investment in Agriculture in 2021*

Type of activity	Capital investment volume	
	in thousands UAH	in % of total capital investments
In total	508217042	100,0
Agriculture, forestry, and fisheries	50679695	10,0
Agriculture, hunting, and related services	50189373	9,9
Growing annual and biennial crops	39692746	7,8
Growing perennial crops	813863	0,2
Reproduction of plants	63752	0,0
Animal husbandry	8260286	1,6

Source: Compiled by the author based on (<https://stat.gov.ua/index.php/en>).

The share of investments is quite comparable to the share of the agricultural sector in the country's GDP, but if the state prioritises agriculture as a leading industry, it is necessary to take measures to stimulate the inflow of investments into this sector, which is significantly complicated by the external conditions of operation of agricultural enterprises under martial law.

Formulation of Recommendations to Stimulate the Development of Entrepreneurship in the Field of Agricultural Production

The agriculture sector is vulnerable to external factors, mainly climate change and the military situation in the country. Sales of products and procurement planning are significantly influenced by macroeconomic indicators, including the consumer price index. Currency fluctuations and instability often result in the inability to purchase inputs in the required quantities. The inflation index of 126.6% as of 2022 indicates a violation of the financial stability of the economy as a whole and the emergence of crisis processes that may affect the further development of all areas of activity. Changes in the economic and political environment affect both the number of business entities and their profitability. As of 2021, a positive trend is observed in most indicators. The agricultural sector accounted for 11% of the country's total GDP, indicating the consolidation of the agricultural sector. The predominance of profitable enterprises over unprofitable ones is a positive trend for the development of this type of economic activity (Furmanets & Piddubniak, 2019; Vasilieva, 2019).

These trends in the national agricultural market are driven by the need to implement targeted government policy measures aimed at stabilising the food market and promoting the efficient functioning and competitiveness of agricultural production. The main factors influencing the industry are natural and climatic factors and the political and economic situation in the country.

It is worth noting that the development of the agro-industrial complex primarily depends on the state of each specific business entity and its development potential in certain environmental conditions.

In general, stimulating the development of entrepreneurship in agriculture is an important task for many countries, as agriculture is a key sector that provides food, raw materials for industry and influences economic development. To achieve this goal, various measures and policies aimed at financially supporting agricultural producers can be applied (Petrychenko et al. 2018; Schunk & DiBenedetto, 2020; Shevchenko, 2021).

The main ways to stimulate the development of entrepreneurship in the field of agricultural production are shown in Table 2.

Table 2*The Main Ways to Stimulate the Development of Entrepreneurship in the Field of Agricultural Production*

A way to stimulate the development of entrepreneurship in the field of agricultural production	Characteristics
Financial support	Providing financial incentives, subsidies, and loans on favourable terms for agricultural enterprises. This can help reduce production costs and encourage investment in modern technologies and equipment
Training and consultancy	Organising training programmes, seminars, and consultations for farmers on modern production methods, management, marketing, and finance
Research and development	Funding for research in agriculture to develop new technologies, plant varieties, approaches to resource management, etc.
Infrastructure	Development of modern infrastructure, such as irrigation, roads, storage, and processing facilities, to improve production and storage conditions
Marketing and sales	Creating a network of markets, facilitating access to foreign markets, supporting agricultural brands and developing agritourism
Land reform	Ensure efficient use of land resources by improving the system of land lease, sale, and cultivation
Support for young farmers	Establish support programmes for young people wishing to engage in agriculture, such as land plots and financial assistance at the initial stage
Legislative changes	Improving agricultural legislation to create a favourable environment for entrepreneurship, including the continuation of preferential lending and protection of domestic agricultural producers in the domestic market

Source: Compiled by the author based on (Kaminskyi et al., 2018; Kurhak & Karbivska, 2020; Nykonenko, 2022b; Rusaniuk, 2020).

These measures can be implemented separately or in combination, depending on the specifics of the military situation in the country and the prospects for economic development in general. It is important to ensure cooperation between government agencies, the public, and the private sector to achieve effective results. However, it should be understood that agro-industrial enterprises form the basis of this sector, and their development determines the possibility of further development of not only this sector but the economy as a whole.

Discussion

The study proves that the main problem for domestic agricultural producers is functioning in the conditions of war, namely, large areas of mined land, difficulties with exporting products due to the destruction of ports, lack of free access to water resources in some areas, etc. In general, martial law can significantly affect the functioning of agricultural enterprises in Ukraine and lead to various risks and challenges. Therefore, the main aspect that is under discussion regarding the further development of agro-industrial enterprises is the need to ensure security and sustainable development.

In fact, the issue of ensuring all types of security in the development of agro-industrial producers is also paid attention to by leading scholars who focus on various aspects of agricultural development (Lima et al., 2020). However, a review of the literature on the chosen topic also indicates that martial law can pose a threat to the security and stability of agribusinesses due to the possibility of conflict, terrorist acts, sabotage, etc. This can affect personnel (Sabates et al., 2021), equipment, infrastructure, and the ability to produce and market products (Assenza et al., 2021; Zerbib, 2019). However, according to the authors, all these aspects are secondary for agricultural enterprises developing under martial law, as today it is primarily about survival and ensuring the food security of the state. At the same time, martial law creates

restrictions on access to resources. The results of military operations may lead to restricted access to key resources for agricultural production, such as fuel, fertilisers, seeds, and equipment. It can also lead to a decrease in the volume and quality of production and deterioration of product quality (Amiti et al., 2019; Hasan & Uddin, 2022; Ilchuk, 2019; Stahl et al., 2020).

Under martial law, the issue of storage and transportation of products also remains controversial, as martial law can complicate the processes of storage and transportation of products due to traffic restrictions, the possibility of road closures, and logistical problems (Hasan et al., 2022; McAlinn et al., 2020; Tobias & Grinberg, 2022). This can lead to product losses and reduced profits. Therefore, it is necessary to decide whether to sell products immediately after their production or to continue to store them until the value increases. As a result, this may affect the financial and economic stability of producers. A deteriorating economic environment and a reduction in government spending to support agricultural producers may result in reduced investment, lower demand for products, and general economic instability. This could affect the financial position of businesses and their ability to obtain financing for development.

In general, most scholars agree that for the effective development of agricultural enterprises, they must be provided with all the necessary resources and operate in favourable conditions, but it is difficult to achieve this under martial law. At the same time, the main controversial issue in the further development of agricultural enterprises remains the need to invest in the development of the material and technical base, but there are great risks of such investments and the return on these investments.

Conclusions and Implications

Agriculture, in addition to the traditional meaning of providing food and nutrition to the population, also plays a significant role in the development of the country's economy. However, it should be noted that neither agriculture nor any other sector alone can make a transformative contribution to strengthening the economy, as this is due to the simultaneous development of various sectors, reforms, and systemic changes. However, under martial law, it is much more difficult for agriculture to develop, but the importance of this sector for Ukraine's economy is increasing.

In the course of the study, a statistical analysis of the agro-industrial sector was carried out, which allowed us to note that in the last pre-war years, Ukrainian agribusiness developed quite rapidly and had significant potential, but with the outbreak of a full-scale war on the territory of Ukraine, the situation deteriorated significantly, and accordingly, the paper diagnosed the main problems accompanying the development of modern agro-industrial enterprises.

At the same time, the decline in the share of agriculture in the economy as a result of the occupation of large areas and the mining of croplands is a significant problem that can be overcome by improving the efficiency of the companies that remain on the market.

The paper also develops ways to stimulate the development of entrepreneurship in the field of agricultural production. It has been determined that this can be done by introducing changes in the following areas: financial support, training and consultations, research and development, infrastructure, marketing and sales, land reform, support for young farmers, and legal changes. All stimulus measures should be comprehensive and currently focused on supporting producers and preserving their potential for the period of recovery after the end of martial law.

Limitations of the Study

The limitations of the study and the implementation of all possible recommendations are primarily due to martial law, which undoubtedly reduces business development opportunities, leads to higher capital costs, increased risks, reduced investment, and state support, and increased uncertainty about the further development of the industry. However, even under martial law, the strategic importance of the agricultural sector for the state should be recognised and all possible measures should be taken to support agricultural producers.

Suggestion for Future Research

Further research on this problem may address the issues of providing agricultural producers with affordable capital and loans on favourable terms, and the problem of ensuring the investment attractiveness of agricultural enterprises is also relevant. This applies primarily to those producers who need to materially re-equip and upgrade their material and technical base.

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Conflict of Interest

None.

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