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Sergii Stepanenko
PhD in Economics
State Biotechnological University
61002, 44 Alchevskikh Str., Kharkiv, Ukraine
https://orcid.org/0000-0002-6132-328X

Irina Kryukova
Full Doctor in Economics, Professor
Odessa State Agrarian University
65039, 13 Panteleymonivska Str., Odesa, Ukraine
https//orcid.org/0000-0002-0577-6364

Tetiana Vlasenko*
Full Doctor in Economics, Professor
Simon Kuznets Kharkiv National University of Economics
61166, 9A Nauka Ave., Kharkiv, Ukraine
https://orcid.org/0000-0002-9515-2423

Eco-oriented agriculture as a development driver of inclusive agribusiness

Abstract. The relevance of the research is determined by the need to ensure food security, which led to the search for new models and forms of agricultural development. Among such forms inclusive models of agrarian business occupy a special place as today they are recognized as capable of solving the problems of poverty, inequality and overcoming hunger. The purpose of the research is to substantiate the mechanism of how to manage ecologically-oriented agrarian business as one of the drivers of inclusiveness, and further develop directions of organic agricultural production. When writing the article, the author used the following methods of scientific knowledge: monographic, analysis and synthesis, systematic approach, comparison, scientific-abstract systematization and concretization. Based on the results of the research, key trends and drivers of agricultural development have been revealed. The set of basic forms of inclusive agrarian business organization has been studied. A level system of standards of products, works and services for the industry has been substantiated. The author's model of the institutional mechanism for managing ecologically-oriented agricultural production, with the certification and standardization of organic produce being the key elements of it, has been proposed. The current state of development of organic production has been studied, the structure of export of organic produce has been analyzed. It has been determined that Ukrainian organic agriculture has a significant potential for its future development and is important for the European food market. Prospective benchmarks for further development of organic production in terms of ecologically-oriented types of agrarian business have been substantiated. The results of the research can be used by all agricultural enterprises that search for new approaches to management and strive to increase the competitiveness of agricultural produce in modern conditions of transition to the concept of sustainable development

Keywords: agrarian business; organic production; certification; agricultural producers; management mechanism

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*Corresponding author

INTRODUCTION

Inclusive agribusiness is gradually playing an increasingly important role in ensuring sustainable food demand and addressing the challenge of global food security. The growth of the global population, the aggravation of socio-ecological problems and the need to increase the availability of quality food have been central issues on the agenda of world organizations and governments for several decades. Improving the level of well-being, the life quality of population, overcoming the problem of poverty are global issues today shared by all countries of the world. The leading role in their solution is played by agriculture, which is without exception a priority activity of all world economies. The increase in food production, taking into account socio-economic and environmental factors of economic growth in modern realities, is possible due to the transition to an inclusive model of development of agrarian business and rural areas. As noted by A. Kaminski *et al*. (2019), world experts call inclusive development a tool for achieving sustainable and fair agriculture.

According to the World Bank, the impact of Covid-19 epidemic and climate change, which form threatening trends for current and future generations, have led to a certain devaluation of many measures taken to reduce poverty and solve the global food problem (World Bank, 2020). Along with that, J. Fanzo *et al*. (2020), S. Garcia *et al*. (2020) argue that these structural shifts have revealed deep problems of inequality in the global food system, as well as the close relationship between the nation's health, ecosystems, and food. In this regard, in recent years, the role and importance of inclusive agrarian business have grown significantly and have become part of global strategic initiatives, such as the Global Sustainable Development Goals, the EU Green Deal strategy, in which organic agriculture is identified as a priority of Common Agricultural Policy (CAP) for the period up to 2030 (The European Commission…, 2019).

R. Blay-Palmer *et al*. (2020), I. Kryukova & S. Stepanenko (2022) agree that increasing investment in viability and sustainable food production protects the population, strengthens environmental sustainability and national food security. Inclusive development of agrarian business and rural areas today includes such important aspects as: inclusive value chains, affordable investment and innovation, logistics infrastructure, local socio-economic development and better risk management.

The inclusive economy is a business model of a new format, the future benefits of which will form not only economic bonuses for business, but also a powerful socio-environmental effect for society, regions, and territories. Among the effective models of inclusive agribusiness J. Grashuis & Ye. Su (2018) single out contract farming, farmer cooperatives, agro-processing integration, which increase the welfare of their participants. In global practice, inclusive agrarian business models are beginning to be actively created using digital platforms, examples of which are Practitioner Hub and IBAN.

At the same time, the transition to the principles of an inclusive economy in modern business conditions carries certain risks and threats for business, in particular, in the short-term perspective. The organization of production on new material and technological principles, the creation of new logistics chains, the search for new markets, and the rejection of traditional sources of profit formation poses a significant challenge for traditional business not only in the agricultural sector. However, it is the agricultural sector that has the potential to create effective business models due to the unique opportunity to solve the main task of the global concept of sustainable development – ensuring food security and, on this basis, improving the quality of life of the world's population.

Along with the advantages that make it possible to transfer to the principles of inclusive development, traditional agribusiness has inherent and significant disadvantages associated with environmental pollution, loss of biodiversity, greenhouse gas emissions, an unfair mechanism of access to resource and food markets, and the distribution of costs and benefits between different participants in the production process.

The strategic prospects and existing difficulties that occur in the transformation processes in the economy of the agricultural sector made it necessary to find directions and tools for the development of inclusive agrarian business for the agriculture of Ukraine. The purpose of the article is to substantiate the management mechanism of ecologically-oriented agrarian business, as one of the drivers of inclusiveness, and the directions of further development of organic agricultural production.

To achieve the goal, the following tasks were set in the research: 1) analysis of modern trends in the development of agriculture and identification of key drivers of its development for the future; 2) systematization of the main levers and forms of inclusive agrarian business and research of one of the most promising for Ukrainian agriculture; 3) substantiation of the management mechanism of ecologically-oriented agrarian business taking into account the leading international experience.

The scientific novelty of the obtained results has been formed by developments in supplementing the methodological base of management of inclusive agrarian business in terms of ecologically-oriented agrarian production, which, unlike the existing ones, is formed by the combination of inclusive interests of agrarian business and society through the production of organic agricultural produce.

LITERATURE REVIEW

Inclusive business in foreign literature is considered as an activity that provides goods, services and livelihoods on a commercially viable basis and gains scale through the creation of value chains (G20 Development…, 2015). Inclusive agribusiness is seen by S. Ghosh & J. Rajan (2019) as one of the most promising types of inclusive businesses that empowers farmers to participate in value chains that are beneficial to society and the environment. O. Kovalchuk (2017) considers inclusive agribusiness as the basis for sustainable development of rural areas.

Among the key advantages of inclusive agrarian business N. Fanzo *et al*. (2020) highlight the combination of market guarantees and provision of services within supply chains, which creates the potential to mitigate market failures, rural coordination problems, and reduce logistical and food risks.

At the same time, today a certain group of scientists have a critical view of the effect and results of inclusive agrarian business. According to G. Schoneveld (2022),

inclusive agribusiness faces efficiency challenges in the event of a significant scaling and increasing number of participants, which reduces the level of depth and quality of supply chain operation. J. Grashuis & Ye. Su (2018) draw attention to the problem of bias in the selection of participants and the incorrect distribution of agrarian business results within the created inclusive system. At the same time, these authors agree that agrarian business has a huge potential for inclusive development of agriculture and rural areas, which can provide a powerful socio-environmental result.

S. Vellema *et al*. (2020) note that inclusive agribusiness aims to eliminate the shortcomings of unfair distribution of resources, results and opportunities among participants in production and economic operations while simultaneously creating environmental, social and economic values for rural areas and society. Inclusive agribusiness can become an effective way to institutionally solve such important problems for agrarian business as the asymmetry of financial markets, markets of material and technical resources and labor, and food markets. The ecological and social plane of inclusive agribusiness is based on socially responsible initiatives of agricultural companies aimed at preventing climate change and preserving natural resources, improving the quality of life of the rural population and ensuring food security. In African countries, inclusive agribusiness is developing on the basis of business models of contract farming, with the joint mutually beneficial partnership being the mechanism of socio-economic basis. With the help of this mechanism, farmers deliver their produce to large companies on terms favorable to them, and the agricultural company provides them with resources, markets, consulting and information assistance, and guarantees social and environmental support (Schelle & Pokorny, 2021). In the EU countries, the development of inclusive agrarian business models is part of the Green Deal master plan, and to a greater extent, the mechanism of their action is associated with socially responsible entrepreneurship in terms of solving global environmental problems, ensuring social inclusiveness (integration of small farmers into social production, promoting the achievement of gender equality in agriculture, supporting young farmers, etc.) (Woodhill, 2016).

Inclusive development of agriculture and rural areas aims at equality of conditions, opportunities and distribution of activity results for all participants of the socio-economic process. According to E.Y. Mayovets, & Y.M. Mayovets (2020), the solution of these tasks requires the creation of an inclusive institutional mechanism and the approximation of Ukrainian agricultural enterprises to the structure and norms of EU legislation. As noted by scientists O.H. Shpykulyak *et al*. (2021), Yu.A. Lupenko (2021) of the National Scientific Center "Institute of Agrarian Economics" (NSC IAE), institutional support for the inclusive development of agribusiness in Ukraine solves the strategic tasks of sustainable development of agriculture and rural areas, the solution of which forms the prerequisites for improving the quality of life of the population and increasing the competitiveness of the domestic agricultural sector. According to M.M. Ignatenko & L.Yu. Levaeva, (2022) the tools of the institutional mechanism include social integration, development of local self-government and stimulation of ecologically-oriented agriculture.

In all existing practices, inclusive agribusiness is focused on creating social, environmental and economic values, reducing poverty among the rural population and ensuring the economic viability of all participants in the system of economic relations. In a strategic perspective, environmental, social and economic benefits from increasing the degree of inclusiveness of agrarian business are turning into means of long-term competitiveness and public utility in micro- and macro-scale management.

MATERIALS AND METHODS

The substantiation of the purpose and tasks of scientific research determined its object, structure, set of methods and logical sequence of execution. The object of the research is ecologically-oriented agriculture, the processes of certification and standardization of organic products, as the main element of inclusive agrarian business.

The materials for writing the article were primary data obtained on the basis of summaries of Ukrainian and foreign scientific literature on inclusive development of agriculture. International standards, codes and regulations related to the regulation of the quality and safety of agricultural produce and food became an important component for the information support of the conducted research. In addition, the information base of the research was supplemented with general international rules regulating procedures for certification and standardization of products. As additional information and analytical materials, the following data from international organizations were used: IFOAM (IFOAM..., 2019), FAO (Codex..., n.d.), the World Bank (World Bank..., 2020), the US Department of Agriculture (National Organic..., n.d.). Secondary sources of information included data from the government portals of the European Commission (The European Commission..., 2019) and the European Parliament (Regulation (EU) 2018/848..., 2018), the Ministry for Agrarian Policy and Food of Ukraine (Official site of Ministry..., 2022), Law of Ukraine (The Law of Ukraine 2496-VIII..., 2018), as well as statistical materials presented in official information resources. The procedures for collecting the relevant data made it possible to present the key indexes and indicators that fully testify to the current state of development of the Ukrainian organic produce market. The information base of the research was also supplemented by specialized data, which contain information about the system of standards and requirements for goods (works, services) at different levels of quality management (Codex Alimentarius (Codex..., n.d.), industry standards of Ukrainian food associations, materials of official websites of domestic specialized organizations).

When writing the article, a set of general scientific and specific methods of economic research was used, with a dialectical methodical approach to the knowledge of socio-economic phenomena and processes being its basis. The monographic research method was used to identify key trends in the development of agriculture, research and study of the system of agricultural produce and food quality and safety standards. Based on the method of abstract systematization, a review of the scientific literature has been conducted, the author's vision of the realities of modern agriculture has been substantiated, and the key trends and drivers characterizing its development have been outlined. The use of the generalization method helped to form an

informational and methodological basis for substantiating the author's vision of the institutional mechanism of ecologically-oriented inclusive agrarian business in Ukraine. A systems approach, theoretical generalization and logical structuring were used in the construction of a level system of standards and requirements for agricultural produce, which is recommended for use in national practice. Based on the use of induction and deduction method, the system of international rules, regulations and codes for the standardization and certification of organic produce has been investigated. The method of synthesis, induction and deduction, as well as scientific-abstract systematization of the results of scientific research, became the methodological basis for substantiating the author's concept of the management mechanism architecture of ecologically-oriented production in Ukraine, taking into account European standards and norms. The combination of methods of scientific abstraction and analysis made it possible to present recommendations and strategic guidelines for the further development of organic production in Ukraine. Based on the method of statistical observations and analytical monitoring of statistical and economic data, presented in information sources, an assessment of the current state of development of organic produce in Ukraine has been carried out. Analytical observation and comparison methods were the basis of the description of the professional discourse in the discussion of the obtained results and views of other scientists on the problem of managing modern ecologically-oriented agricultural production. The conclusions of the conducted research have been formulated using the methods of abstract specification, generalization, structural-genetic analysis and synthesis of the obtained results.

RESULTS AND DISCUSSION

In recent years, world agriculture has been developing under the influence of key trends and challenges with which society and business will work in the 21st century (Fig. 1). Taking into account population growth, intensification of urbanization processes and aging of nations, the main transformations in agriculture will take place in the areas of natural resource management, which form the basis of agribusiness competitiveness and food security. The natural resource management mechanism will determine the potential and opportunities of providing the world's population with affordable and high-quality food to ensure a safe and healthy future for the global population.

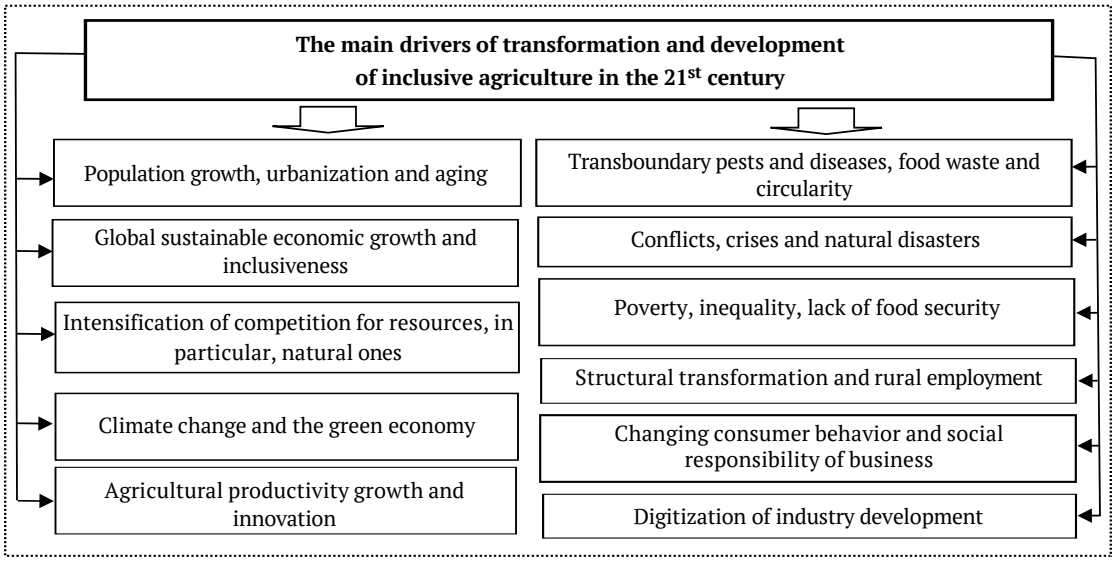

Figure 1. Key trends and drivers of agricultural development in the 21st century
Source: made by the authors

Studies of the set of tools and forms of inclusive agrarian business showed that among them it is expedient to highlight the following: 1) partner mutually beneficial supply chains; 2) value chains within the industry (type of activity, market, access to material and technical resources and training), which allow to fairly distribute the final result among the participants; 3) various forms of cooperation and integration; 4) financial forms of inclusive development, based on ensuring access to investment resources; 5) contractual forms of contractual economic relations, in particular, for the supply and sale of products; 6) various organizational forms of logistics infrastructure. Whatever forms the inclusive agrarian business takes, the focus is always on product quality, its properties and characteristics, and their compliance with the tasks of inclusive business development and current standards.

In order to ensure attractive access to resource and product markets, as well as the formation of effective value chains, inclusive agribusiness must work within the limits of quality standards and product certification, which controls its quality and safety indicators, environmental and social activity standards.

Certification is one of the main levers of inclusive agribusiness and has a significant impact on the access of agricultural producers to agri-food markets and the effectiveness of their activities. Active schemes and standards of organic certification, which are currently accepted and operate in international agribusiness, in particular, in the USA, EU countries, can have effective consequences for the inclusion of farmers in inclusive agribusiness. Product certification is an indispensable socio-environmental condition for the quality and safety of food, and therefore, forms a pow-

erful potential of opportunities for agricultural producers. At the same time, the certification and safety standards of agricultural produce and food have significant limitations for agricultural companies that are less prepared from the standpoint of passing the certification process. Eliminating such restrictions can become one of the indirect functions of organizational and technological support for farmers in the context of creating inclusive agrarian business models.

In modern agribusiness, an increasing number of business conduct standards are emerging, which allow companies to enter the global market and bring their products along the value chains to the end user. Standardization and certification of agricultural produce and food is one of the basic elements of such a business code. Consumer demands and state initiatives to protect the population from low-quality products and domestic production from competition from foreign competitors have led to the emergence of a significant number of standards, requirements, and rules, which today form significant restrictions for small agricultural producers. The system of standardization of agricultural produce and food is complex and multi-level (Fig. 1.). The first (global) level of standardization and certification of produce (goods, services) is a system of international (intergovernmental) regulations, which are formed on the basis of international contractual relations, are developed by intergovernmental international organizations (FAO) and are often presented in the form of relevant codes – the Codex Alimentarius (Codex... , n.d.). The second level of formation of the quality standards system is supplemented by national (state) standards, which are more specific and adapted to the needs of an individual country (national codes for production, processing, product labeling, organic codes and environmental standards). At the second level, a national system of standardization and certification is formed, the role of state regulatory authorities and the mechanism for delegating control functions to specialized agencies are determined.

The third level of the standardization system can be the industry (type of economic activity) level. Industry standards can be formed by associations, cooperatives of producers or other participants of production and sales chains (standards of international practice of the COLEACP system, industry standards of the domestic associations "Ukmolprom"and "Union of Poultry Breeders of Ukraine").

The fourth level of standardization of products (works, services) can be formed by associations, unions, associations of buyers (consumers), which make the same requirements for the list of products. Consumer standards serve as a benchmarkfor manufacturers and allow them to better satisfy consumer demand and gain additional competitive advantages in the market. An example of such standards is the EUREPGAP Protocol.

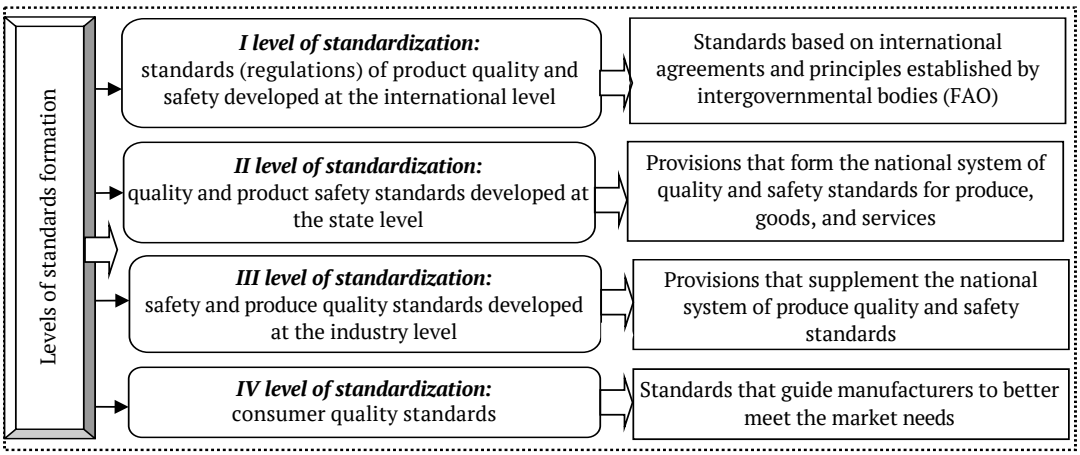

Figure 2. Level system of forming standards of produce, works, and services
Source: made by the authors

Organic standards and produce certification are a priority of inclusive agrarian business, which is capable of creating both advantages and limitations for its development. Organic production is part of holistic management of inclusive agribusiness with an emphasis on biological processes and minimizing the use of non-renewable resources. The first organic standards were adopted in the USA in 1974 (CCOF..., n.d.). In the EU, France was the first country to introduce organic state regulation. Currently, the system of organic standards includes a number of regulations and rules, the main of which are: EU Regulation 2092/91 (Council Regulation..., 1991), it concerns the labeling of organic produce, EU Regulation 2018/848 (Regulation (EU) 2018/848 ..., 2018) – the addition to the list of organic agricultural produce and food, JAS – the system of Japanese quality standards (Japanese Agricultural..., n.d.), NOP – standards of the US organic program (National Organic..., n.d.) and others.

The International Organic Accreditation Service (IOAS) carries out accreditation of certification bodies for organic production and organic produce. European regulations provide for national accreditation of certification bodies according to national requirements. In order to harmonize and unify the processes of standardization and certification of standards for organic production, the International Federation of Organic Agriculture Movements (IFOAM), the Food and Agricultural Organization of the United Nations (FAO) and the United Nations Conference on Trade and Development (UNCTAD) formed a task force for the harmonization of national and international standards of organic production (CCOF..., n.d.). Since 2003, the group has been working on the development of proposals

and mechanisms for establishing the equivalence of standards, rules and requirements for solving global tasks of sustainable development, in particular, when it comes to providing the population with high-quality and safe food.

The Law of Ukraine "On Basic Principles and Requirements for Organic Production, Circulation and Labeling of Organic Produce" (2018) was adopted and is in effect in Ukraine, which regulates national requirements and the mechanism of work on state control over organic production. The national organic production control system is based on the combined principles of state regulation and partnership with specialized agencies (certification bodies) accredited by the EU Commission in accordance with Regulation 1235/2008 (CCOF..., n.d.). The list of such companies in Ukraine includes: Organic Standard, (Ukraine), CCPB Srl (Italy), Ecoglobe (Armenia), Istituto Certificazione Etica e Ambientale (Italy), Lacon GmbH (Germany), Letis S.A. (Argentina), Control Union Certifications (the Netherlands), Ecocert S.A. (France), Biocert International Pvt Ltd (India) and others.

The institutional mechanism for managing ecologically-oriented agricultural production in Ukraine is based on a combination of national principles for coordinating the development of agricultural production and the participation of the levers of the international system of producers accreditation (Fig. 3).

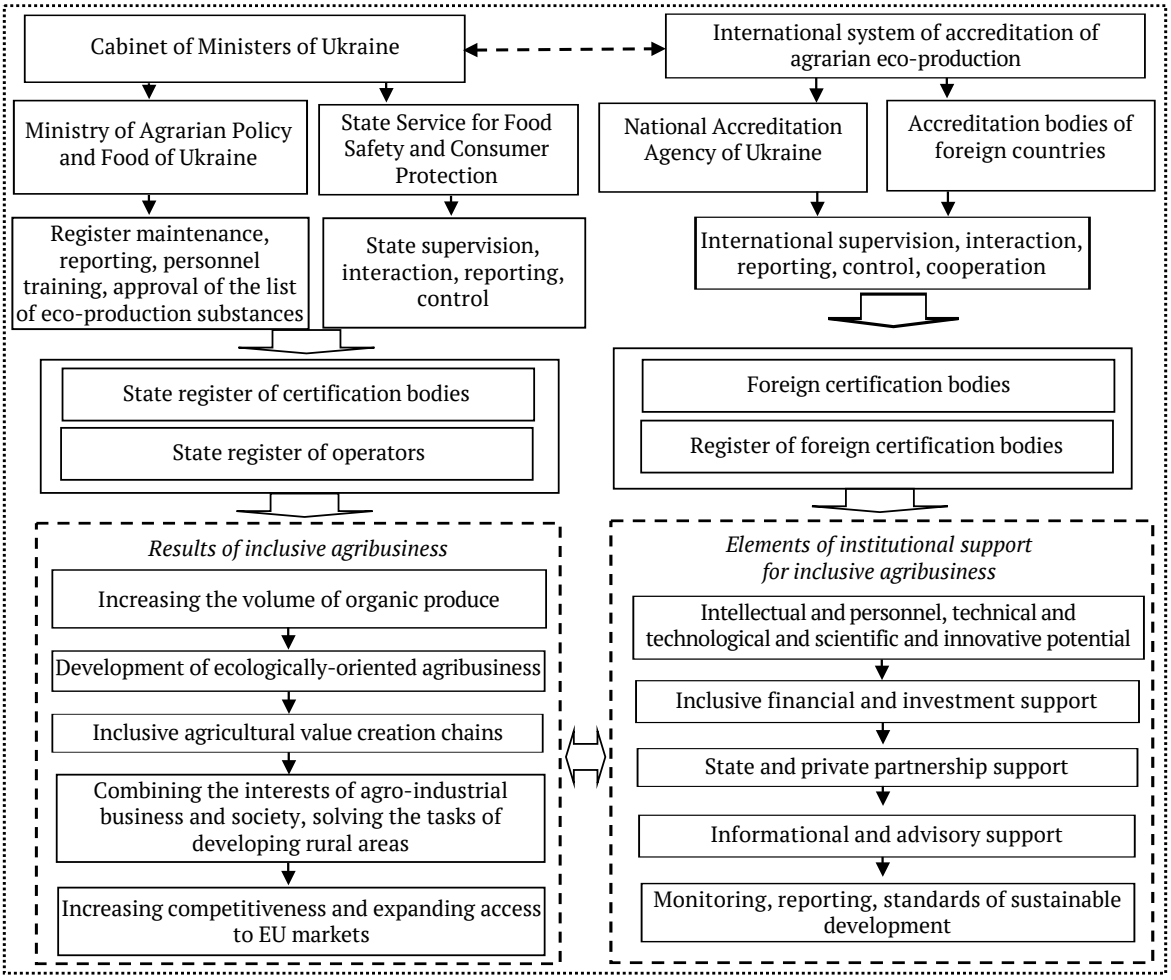

Figure 3. Institutional mechanism of management of ecologically oriented agricultural production in Ukraine
Source: made by the authors

According to the Ministry of Agrarian Policy and Food of Ukraine, the total area of organic production in 2022 amounted to 422.3 thousand hectares (which is about 1% of the country's farmland), including the size of areas with organic status – 370.1 thousand hectares, the transition area – 52.2 thousand hectares. The number of producers of organic agricultural produce that have acquired official status and are registered in the register is 528 units. The most actively inclusive organic agricultural production is developing in Odesa, Mykolaiv, Kherson, Poltava, Cherkasy, Zaporizhzhia, Zhytomyr, and Ternopil regions (CCOF..., n.d.).

In 2021, 9,780 tons of organic produce with a total value of 33 million dollars were produced and sold in Ukraine. The current labeling aspect remains a challenge for the domestic inclusive agrarian business in terms of organic production. According to current legislation, a product can be labeled "organic product" if the proportion of organic ingredients in its composition is at least 95% (CCOF..., n.d.). Under such conditions, it is possible to use the state logo of the established model (Official site of Ministry..., 2022).

About 82% of all organic produce made in Ukraine are exported to EU countries (EU imports..., 2022). Despite the

low specific weight of organic production in the domestic agricultural sector, according to the EU Commission, in recent years, Ukraine has been the leader among importers of European countries with a total volume of organic produce of 189.2 thousand tons. And the share in total import is 6.6%. Ecuador, the Dominican Republic, India and Peru were the main competitors of Ukraine on the European market of organic produce. The types of Ukrainian produce in demand on the European market of organic produce today are: oilseeds (except soybeans), cereals, fruits, cakes. The main importing countries of organic food from Ukraine are the Netherlands, Lithuania, Germany, Austria, Poland, Switzerland, Italy, Denmark (EU imports..., 2022). The export structure of organic produce from Ukraine to EU countries is shown in Figure 4.

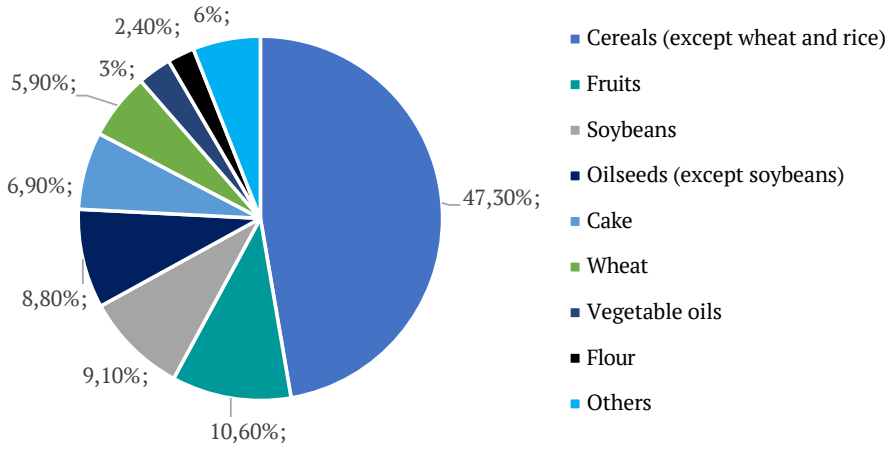

Figure 4. Structure of exports of organic agricultural produce from Ukraine to the EU in 2021, %
Source: made by the author from (EU imports..., 2022) using MS Excel

Today, institutional limitations related to the further development of inclusive agrarian business in Ukraine are gradually being overcome with the help of Ukraine's participation in European projects and programs, partnerships with international organizations, and the provision of consulting, advisory and technical assistance in organic produce certification procedures. Key tools for the further development of inclusive agribusiness in Ukraine are: the Swiss-Ukrainian program "Development of trade with higher added value in the organic and dairy sectors of Ukraine", the project "German-Ukrainian cooperation in the field of organic farming", the program "Organic trade for development in Eastern Europe", EU project "Institutional and political reform of small-scale agriculture in Ukraine", USAID program for agrarian and rural development (Official website of Organicinfo..., n.d.).

In the near future, the key requirements of organic production for Ukraine should be the following (Table 1).

Table 1. Prospective guidelines for the development of organic production (in the context of EU standards)

Types of ecologically-oriented agrarian business	Features of organic production
Organic farming	Ban on the use of GMOs, ban on the use of ionizing rays, limited use of chemicals, ban on the use of nitrogen fertilizers. Use of resistant varieties and hybrids of agricultural plants, crop rotation, restoration of soil fertility.
Organic livestock	Ban on the use of animal growth hormones, limited use of antibiotics; stimulation of natural immunity of animals, use of resistant breeds and crosses of animals, use of 100% organic feed, separate keeping of organic animals, mainly natural methods of reproduction of livestock, prohibition of animal growth stimulants and synthetic amino acids.
Inclusive product value chains	Separation of processed organic waste from inorganic, 95% organic ingredients in the product composition, clear labeling requirements; a limited list of substances that can be added to food products.
Organic material (production stocks)	All plants and animals must be grown from organic reproductive material that meets standards.

Source: made by the authors

The action of the institutional mechanism for managing ecologically-oriented organic agricultural production in Ukraine is based on the combination of control and regulatory functions of national and international institutional bodies: the State Service of Ukraine for Food Safety and Consumer Protection and the National Accreditation Agency of Ukraine (NAAU). The result of such interaction and joint activity is the selection and approval of the list of organic produce certification bodies and a set of operators to implement the activities. The proposed mechanism for managing inclusive agrarian business is internally oriented and, unlike the mechanism proposed by E.Y. Mayovets & Y.M. Mayovets (2020) and based on a combination of local governance and partnerships, focuses on internal incentives for producers to join the inclusive agribusiness system. According to the proposed approach, the main

motive of agricultural producers should be the production of high-quality and safe products that meet the quality requirements of potential markets and have a high potential for competitiveness. Product safety and quality are in the central place of inclusive business forms, which are studied by S. Garcia *et al*. (2020), however, the authors consider the creation of inclusive systems of sustainable agricultural production beyond the standards and regulations, without which it is impossible to sell agricultural products and ensure food security. In the studies presented by G. Maltitz *et al*. (2019), the creation of organizational forms of inclusive agrarian business is based on the model of partnership contractual relations between land owners and lessors. At the same time, the authors note that the control over the products supplied within the model is carried out by an external partner – the coordinator of relations and resources. According to this type of model of inclusive agrarian business, the quality and safety of products are a crucial aspect, but the mechanism for assessing their compliance with the standards is not mentioned.

A. Westen *et al*. (2019) consider increasing the amount of safe food as the main goal of inclusive agrarian business, which, according to the model of the scientists, is realized through the fair distribution of income within inclusive agricultural value chains. However, prices, access to markets and revenue are directly dependent on safety standards, which are not considered in this research. In the studies of S. Vellemaue *et al*. (2020) food safety also occupies a central place in the system of organizing a capable partnership for the development of inclusive business. At the same time, according to the authors, the issues of assessment and conformity of food quality and safety, remain an element of external management and go beyond the created partner inclusive system. In their own methodical approach, the authors consider it expedient to treat the system of standardization and certification of agricultural produce as one of the main internal elements of managing the development of inclusive agribusiness, which can become an effective stimulus for increasing the participation of producers in inclusive models and will form the potential of domestic food competitiveness on European markets. The authors believe that the result of such an incentive should be an increase in organic production in the agricultural sector of Ukraine and gaining competitive advantages in the EU markets.

Quite common among the authors, and G. Schoneveld (2022) should be noted here, is a scientific and methodological approach to building inclusive agribusiness systems, in which the main focus is on production and creation of value chains for the supply of environmentally friendly food for the population. The authors of the article fully support such a scientific position. At the same time, the authors do not consider the issue of solving food security problem and providing the population with high-quality and safe nutrition the main goal, but only part of the overall system of inclusive ecologically-oriented agrarian business. In addition, according to the author's approach to issues of food safety, inclusive business should also solve other important problems of the development of the agricultural sector and rural areas. In the proposed institutional mechanism for managing agricultural production, the authors consider it strategically important to combine the interests of agribusiness and its stakeholders, society, and rural areas. The authors see ecologically-oriented agriculture in their own model of inclusive agribusiness management as only one of the most important elements of the system.

C. Schelle & B. Pokorny (2021) in their research on methods for achieving sustainable inclusive development of agriculture, the participant partnership tool is considered solely from the standpoint of improving trade, access to commodity markets and improving logistics schemes for delivering food to the market. The authors consider the creation of efficient logistics chains an important condition for managing the inclusive agrarian business. However, it is advisable to consider the issue of partnership in a broader format and use the opportunities and prospects of partnership relations not only in the field of sale of finished agricultural produce, but also for the creation of internal standards of quality and safety of food: from producers of agricultural produce to food enterprises and consumers. This is possible on the basis of the proposed institutional management mechanism, where attention is paid to the issue of combining the interests of all participants in agro-industrial business. This is expected on the basis of the further development of cooperation and the spread of integration ties among all participants of the inclusive system under the conditions of implementation of state and partner advisory and consulting assistance. The authors believe that such a scientific and practical approach will create favorable conditions for increasing the volume of organic production in Ukraine and strengthen its agricultural export potential.

According to the authors, further development of inclusive agrarian business in terms of organic farming in Ukraine should be organized taking into account the trends of European practice and should cover all stages of building productive chains.

CONCLUSIONS

The analysis of the scientific research results showed that scientists consider the inclusive development of agriculture and rural areas as one of the most promising tools for solving global tasks of sustainable development, in particular, the problem of ensuring food security of the population. Inclusive agrarian business is part of strategic development plans and programs and is largely manifested as ecologically-oriented agriculture, the main priorities of which are the prevention of climate change, conservation of bioresources and improvement of life quality of rural population. Intensified competition, "green" agrarian economy, innovations in the industry, circularity of agricultural produce, social responsibility of agrarian business, a deliberate change in the behavior of food consumers, and further digitalization have been highlighted as the main drivers of the inclusive development of agriculture in modern conditions. The study of key trends in the development of agriculture and the study of tools and forms of inclusive agrarian business showed that standardization and certification of agricultural produce can be one of the effective internal levers of ecologically-oriented agrarian business in Ukraine. Based on the results of the study of world and national practice, a level system of produce, works and service standards has been substantiated, which is important for the development of standardization and certification procedures for environmentally-friendly produce in domestic practice.

Along with institutional regulation, an important place in this system is given to consumer quality standards, the implementation of which, according to the authors, should take place on the basis of social responsibility of agrarian business. The study of the institutional foundations for the implementation of accreditation measures for food quality became the basis for the development of the author's model of the institutional mechanism of ecologically-oriented agricultural production in Ukraine. According to the authors, one of the main elements that should become an internal incentive for producers to further develop inclusive agrarian business in Ukraine, is the defined system of standardization and certification of organic produce. The combination of all components of ecologically-oriented agricultural production management should be provided within the framework of a single institutional mechanism that supports the development of inclusive agrarian business and contributes to the realization of the interests of participants in public agricultural production.

Studies of the current state of development of the Ukrainian organic produce market have shown that the total volume of organic production remains small (1% of farmland). At the same time, organic production in Ukraine has a significant potential for further development and prospects for entering the European food market. Even today, Ukraine is one of the five key partners of EU countries in terms of organic food supply. The most attractive for the European market today are such environmentally-friendly types of Ukrainian agricultural produce as oilseeds (except soybeans), grains, fruits. To realize the prospects for the development of export agro-ecological potential, strategic guidelines for the development of Ukrainian organic production have been proposed. Organic farming and animal husbandry, creation of inclusive food value chains, use of organic agricultural material – these have been identified among the most promising types of ecologically-oriented inclusive agrarian business in Ukraine. The prospects for further scientific research in this area are the development of models of inclusive agrarian business in the spatial and economic conditions of individual administrative units of rural areas.

CONFLICT OF INTEREST

The authors declare no conflicts of interest.

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Сергій Віталійович Степаненко
Кандидат економічних наук
Державний біотехнологічний університет
61002, вул. Алчевських, 44, м. Харків, Україна
https://orcid.org/0000-0002-6132-328X

Ірина Олександрівна Крюкова
Доктор економічних наук, професор
Одеський державний аграрний університет
65039, вул. Пантелеймонівська, 13, м. Одеса, Україна
https://orcid.org/0000-0002-0577-6364

Тетяна Анатоліївна Власенко
Доктор економічних наук, професор
Харківський національний економічний університет імені Семена Кузнеця
61166, просп. Науки, 9А, м. Харків, Україна
https://orcid.org/0000-0002-9515-2423

Еколого-орієнтоване сільське господарство як драйвер розвитку інклюзивного агробізнесу

Анотація. Актуальність дослідження зумовлена необхідністю забезпечення продовольчої безпеки, яка призвела до пошуку нових моделей і форм розвитку сільського господарства. Серед таких форм особливе місце займають інклюзивні моделі аграрного бізнесу, які сьогодні визнані спроможними до вирішення проблем бідності, нерівності та подолання голоду. Мета дослідження полягала в обґрунтуванні механізму управління еколого-орієнтованим аграрним бізнесом, як одного з драйверів інклюзивності, та напрямів подальшого розвитку органічного аграрного виробництва. При написанні статті було використано методи наукового пізнання: монографічний, аналіз і синтез, системний підхід, порівняння, науково-абстрактної систематизації і конкретизації. За результатами дослідження виявлено ключові тренди і драйвери розвитку сільського господарства. Досліджено сукупність основних форм організації інклюзивного аграрного бізнесу. Обґрунтована рівнева система стандартів продукції, робіт і послуг для галузі. Запропонована авторська модель інституційного механізму управління еколого-орієнтованим аграрним виробництвом, ключовими елементами якого є сертифікація і стандартизація органічної продукції. Досліджено сучасний стан розвитку органічного виробництва, проаналізована структура експорту органічної продукції. Визначено, що українське органічне сільське господарство має значний потенціал його майбутнього розвитку та є важливим для європейського ринку продовольства. Обґрунтовано перспективні орієнтири подальшого розвитку органічного виробництва у розрізі видів еколого-орієнтованих видів аграрного бізнесу. Результати дослідження можуть бути використані усіма аграрними підприємствами, які здійснюють пошук нових підходів до управління та прагнуть до підвищення конкурентоспроможності аграрної продукції у сучасних умовах переходу до концепції сталого розвитку

Ключові слова: аграрний бізнес; органічне виробництво; сертифікація; агровиробники; механізм управління