

## CONDITIONS AND POSSIBILITIES OF AGRICULTURAL BUSINESS DEVELOPMENT

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The article considers conditions and possibilities of agriculture development as well as the main problems of modern agricultural enterprises functioning.

The conditions for the development of agricultural business in Russia in general and in Saratov Region in particular are difficult and contradictory. They are formed during the world economic crisis. The crisis affects all the spheres of the world and Russian economy including agricultural sphere. And this impact can be viewed in different ways. A. Golubev and some other scientists think that every crisis carries only negative consequences and losses but also the possibility of new development and gains which are not possible at the normal state of economy.

On the one hand, crisis complicates planning of agricultural production development; on the other hand, it allows making better estimation of external conditions as well as internal possibilities of enterprises (see table).

During the crisis external possibilities and threats as well as internal weak and strong sides reveal themselves more distinctly. Analysis of external possibilities and threats allows to make a conclusion that in spite of the global economic crisis and problems in its functioning agricultural business is a perspective branch of the

national economy. There is a constant demand for agricultural products. As there is a tendency of the increase of population this demand will grow.

The matrix of strategic SWOT-analysis views weak and strong sides of internal possibilities of modern agricultural enterprises. The key factors are management and human resources. Effective management can solve all internal problems of the enterprise. Effective manager should use all modern management technologies especially the ability of strategic thinking and management. In spite of the crisis the situation in the agricultural sector is rather favourable in general a there is a good choice of variants of development. So each enterprise should have an individual strategy which will make it possible to neutralize threats and weak sides and realize possibilities and advantages.

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**Matrix of strategic SWOT-analysis of conditions of agricultural business development**

External conditions	
Possibilities (+)	Threats (-)
<p><b>Natural</b> Instability and problematic forecasting of weather and climatic conditions increase production risks in raising or plant-growing</p>	
<p><b>Social</b> Decrease of population in Russia, especially in the village. Professional, cultural and moral degradation of the population in the village Instability of demand for quality ecologically pure and safe agricultural products Social conditions in most villages are not yet attractive for people, especially for young people</p>	
<p><b>Political</b> Some political decisions, for example membership in WTO, are not favourable for the Russian agricultural sector Protection of domestic producers is weaker than in the developed European countries</p>	
<p><b>Economic</b> Low level of competitiveness of our products on the world market of food Market infrastructure of internal markets of food is weak The problem of disparity in the exchange between branches in the Agricultural complex due to unequal and unregulated competition</p>	
<p><b>Internal possibilities</b></p>	
<p><b>Strong sides (+)</b></p>	
<p><b>Human resources</b> Lack of qualified managers and specialists. Some enterprises have weak managers not receptive to innovations</p>	
<p><b>Technological</b> The majority of agricultural enterprises use old costly technologies. Slow introduction of new technologies, low quality of introduction</p>	
<p><b>Material and technical</b> Low level of availability of modern technical means, comparatively low level of mechanization and productivity. Depreciation of material and technical base</p>	
<p><b>Organizational and managerial</b> Use of ineffective methods and technologies of management due to lack of knowledge and well-qualified specialists in the sphere of organization and management, in agricultural sphere, in particular. Low level of modern information technologies use</p>	
<p><b>Financial</b> Lack of working capital that leads to taking credits. Absence of finance management system at the enterprises</p>	
<p>Political support and protection of domestic producers of agricultural products have increased in Russia</p> <p>Legal foundation providing better political conditions for the development of agriculture is being created in Russia</p> <p>Domestic producers of agricultural products have a chance to occupy some niches on the world market of food</p> <p>In the conditions of the crisis large reserves for the increase of internal demand for food exist</p> <p>Positive experience of solving the problems of the interrelation of different branches within the frames of integrated structures</p>	<p>There are some examples of successful management of agricultural enterprises. There are some good managers and well-qualified specialists</p> <p>Distribution of simple agricultural technologies adapted to the level of qualification of personnel, material, technical and financial possibilities of enterprises. Reserves to increase volumes and effectiveness of agricultural production due to the introduction of new technologies</p> <p>Low level of mechanization leads to better employment. Simple equipment makes it possible to use it without any problems in conditions of half-formed system of agro - technical service</p> <p>Domestic and international experience of creating effective systems of management of agricultural enterprises. Possibility to adapt effective foreign management technologies to Russian agricultural enterprises</p> <p>Possibility of diversification of financial sources, in particular from state programs of support of agriculture. Reserves of financial stability increase due to the introduction of finance management technologies</p>