STRATEGIC ASPECTS OF BUSINESS DEVELOPMENT IN THE AGRICULTURAL SECTOR OF THE UKRAINIAN ECONOMY

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The development of agricultural entrepreneurship in Ukraine is characterized by complex transformational processes that occur under the influence of global challenges and internal socio-economic changes. Despite the significant natural and production potential of the domestic agricultural sector, there are a number of problematic aspects that restrain its strategic development and require thorough scientific research. The issue of determining and justifying the key components of the strategic development of agricultural entrepreneurship in conditions of martial law, which significantly affects the possibilities of realizing the production potential of the industry and its export capabilities, becomes especially acute [1; 2].

The current state of agricultural entrepreneurship in Ukraine is characterized by an insufficient balance of components of its strategic development, which is manifested in imbalances in material and technical support, imperfect innovation and investment mechanisms, limited financial resources and an insufficient level of implementation of modern management technologies. Special attention is required to the problem of adaptation of agricultural enterprises to climatic changes, the need to introduce resource-saving technologies and ensure the environmental safety of agricultural production [3, p. 38; 4, p. 192].

An important problem remains the lack of coordination of strategic priorities for the development of agricultural entrepreneurship with the requirements of international markets and product quality standards, which limits the export potential of the industry. At the same time, existing scientific research does not fully reveal the systemic nature of the relationships between the various components of strategic development and their impact on the efficiency of the functioning of agricultural enterprises [5, p. 6-8].

It requires in-depth study of the problem of the formation of effective mechanisms of state support for the strategic development of agrarian entrepreneurship, especially in the context of the European integration of Ukraine and the need to harmonize domestic agrarian legislation with European norms. The issues of the impact of digitalization on the transformation of the components of the strategic development of agricultural entrepreneurship and the possibility of using modern information technologies to increase its competitiveness remain insufficiently studied.

As noted by O.P. Zorya, in modern scientific discourse, the strategic development of agricultural entrepreneurship is considered as a multidimensional process of qualitative and quantitative transformations aimed at achieving long-term goals and ensuring the competitiveness of agribusiness in a dynamic market environment [6, p. 172-173].

The methodological basis for the study of the components of strategic development is a systematic approach that allows us to consider agricultural entrepreneurship as a complex socio-economic system, where all elements are interconnected and mutually agreed. At the same time, each component of strategic development has its own functional focus, but works to achieve a common goal - ensuring the sustainable development of agricultural entrepreneurship (Table 1).

Table 1. *Theoretical and methodological foundations for determining the essence and structure of the components of the strategic development of agricultural entrepreneurship*

Methodological aspect	Essence	Key elements
Basic theoretical foundations	A complex combination of fundamentals	• Economic theory • Strategic management • Specifics of agricultural production
System approach	Consideration of agricultural entrepreneurship as a complex socio-economic system	• Interconnectedness of elements • Interdependence of components • Functional focus • Common development goal
Basic approaches to structure formation	Comprehensive coverage of all aspects of development	1. Resource approach: • Material and technical component • Financial component • HR component • Information component 2. Process approach: • Organizational and management processes • Production and technological processes • Innovative processes 3. Effective approach: • Economic impact • Social consequences • Environmental impacts
The concept of balanced development	Harmonious combination of different aspects of development	• Economic objectives • Environmental responsibility • Social focus
Specifics of agricultural production	Taking into account the characteristics of agriculture	• Seasonality • Dependence on natural and climatic conditions • Biological characteristics of cultures and animals
Innovation component	Implementation of modern solutions in development	• Latest technology • Digital solutions • Progressive management methods
Institutional approach	Consideration of the influence of formal and informal institutions	• Regulatory • Government support • Market infrastructure • Socio-economic relations
Performance evaluation methodology	Using the balanced scorecard	• Financial results • Innovation level • Environmental friendliness • Social responsibility
Component interaction mechanisms	Synergies	• Synergy principle • Complementarity principle • Multiplier effect • Sustainability

Source: Author based [6-8]

The structure of strategic development components is formed on the basis of resource, process and effective approaches. The resource approach determines the material and technical, financial, personnel and information components of development. The process approach covers organizational-managerial, production-technological and innovative processes. The outcome approach focuses on the economic, social and environmental impacts of the activity.

The theoretical justification of the essence of the components of strategic development is based on the concept of balanced development, which provides for a harmonious combination of economic goals with environmental responsibility and the social orientation of agribusiness. An important methodological aspect is taking into account the specifics of agricultural production, in

particular seasonality, dependence on natural and climatic conditions, biological characteristics of crops and animals.

In modern business conditions, the innovative component of strategic development, which provides for the introduction of the latest technologies, digital solutions and advanced management methods, is of particular importance. The research methodology of this component is based on the concepts of innovative management and the theory of diffusion of innovation in the agricultural sector.

According to A.P. Zori, the institutional approach to studying the components of strategic development allows taking into account the influence of formal and informal institutions on the functioning of agricultural entrepreneurship, including regulatory regulation, state support, market infrastructure and socio-economic relations in the countryside [6].

As noted by N.V. Bondarchuk et al., the methodology for assessing the effectiveness of strategic development components is based on the use of a system of balanced indicators, which allows taking into account not only financial results, but also qualitative parameters of development, including the level of innovation, environmental friendliness and social responsibility of agribusiness [3, p. 40-41].

An important theoretical aspect is the rationale for the mechanisms of interaction between the various components of strategic development, based on the principles of synergy and complementarity. This makes it possible to achieve a multiplier effect from the implementation of strategic initiatives and ensure the sustainability of agricultural entrepreneurship in the long term.

According to the State Statistics Service of Ukraine, as of the beginning of 2023, about 53.2 thousand business entities functioned in the agricultural sector, of which 20.4 thousand were individual entrepreneurs. At the same time, there is a tendency towards a slight decrease in the number of agricultural enterprises [9, p. 324].

Statistical studies also show that in 2022 the share of small and medium-sized enterprises in the total volume of agricultural products sold was 83.6%, while large enterprises accounted for only 16.4% (Chart 1). [9, p. 324].

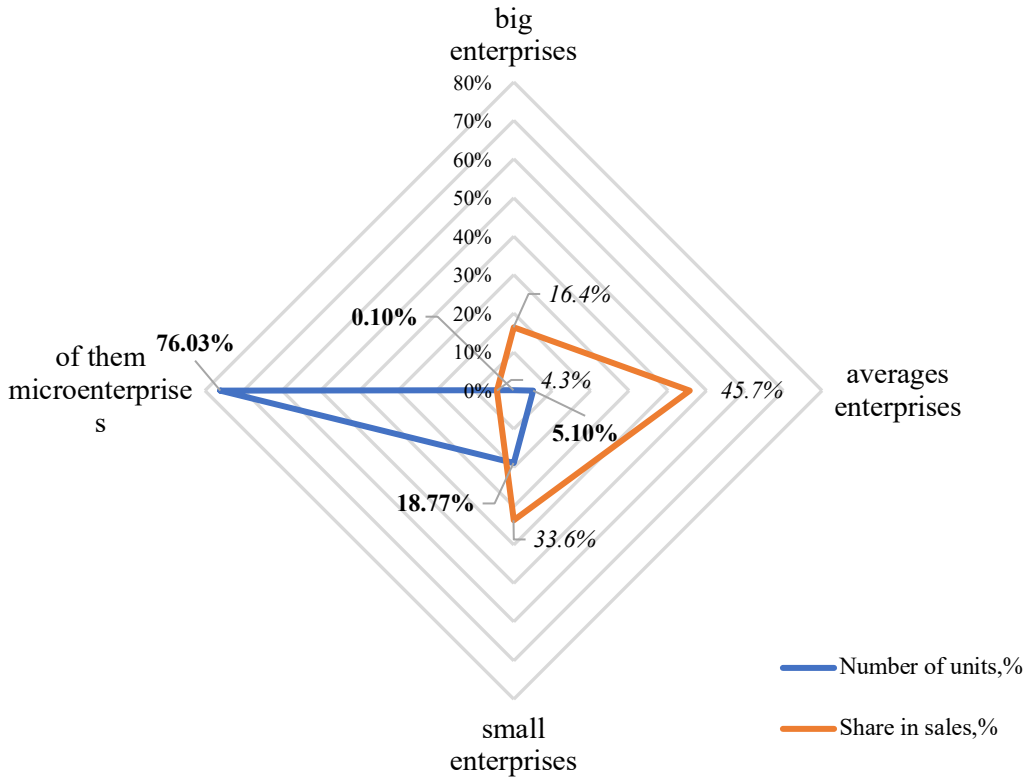

Fig. 1. *Share in the total number and volume of sales of various types of agricultural enterprises as of the beginning of 2023*
Source: calculated and built by the author based on [9]

At the same time, as noted by scientists A.M. Krasnonosova, E.V. Ponomarenko and others, in Ukraine there is a process of active diversification of the activities of agricultural enterprises, especially small ones, through the development of non-agricultural activities, which contributes to increasing their stability and competitiveness [10, p. 282].

Integration and cooperation processes are a significant factor in the intensification of entrepreneurial activity in the agricultural sector. In particular, the study by O.G. Shpikulyak et al. testifies to the growing role of the cooperative movement in Ukraine, the number of agricultural service cooperatives increased from 949 in 2016 to 1262 in 2023 [9, p. 175; 11, p. 24].

It should also be noted that the military aggression of the Russian Federation against Ukraine caused significant challenges and threats to the development of agricultural entrepreneurship in our state. Due to hostilities, elevators, grain terminals, agricultural machinery and equipment are destroyed. The logistics infrastructure is damaged - railways, roads, bridges, etc., which makes it difficult to transport and export products. Due to the occupation by Russia of part of the territories of Ukraine, agricultural enterprises lose control over land resources and production facilities in these territories. The fighting, the blockade of ports and the disruption of logistics significantly impede the export of crops, which threatens the global food crisis and food security in Ukraine itself. Due to military risks, the cost of credit resources increases, investments in the agricultural sector are reduced. There is an outflow of capital from the country. A significant part of the able-bodied rural population was forced to travel abroad or to safe regions of Ukraine due to the war, which leads to a shortage of labor. Military actions adversely affect the psycho-emotional state of entrepreneurs, reduce their business activity and motivation to invest and expand business.

Analyzing strengths and weaknesses, opportunities and threats, that is, the results of the SWOT analysis, which allow us to determine the key problems and prospects facing agricultural entrepreneurship in Ukraine, we have the opportunity to form the basis for developing strategic solutions to level threats, overcome weaknesses, maximize the use of opportunities and increase competitive advantages (Table 2).

Table 2. *SWOT-analysis of agricultural entrepreneurship development in Ukraine*

Strengths	**Weaknesses**
• favorable natural and climatic conditions for agricultural production • the presence of fertile black soil and agricultural traditions • significant export potential of agricultural products • relatively cheap labour compared to EU countries • established supply chains for product export	• deterioration of fixed assets and outdated material and technical base, especially in small and micro enterprises • insufficient pace of innovation and digitalization in agricultural production • limited access to financial resources and investments for small and medium-sized producers • high dependence on imported resources (seeds, fertilizers, plant protection products) • low level of development of rural infrastructure and logistics
Opportunities	**Threats**
• further integration into global markets and export opportunities • attracting investments, including foreign ones, to modernize production • introduction of innovative technologies (digitalization, smart farms, etc.) • development of organic farming and production of organic products • activation of cooperation processes and integration of manufacturers, development of clusters	• unstable political and economic situation in the country, military operations • deterioration in world markets and falling prices for agricultural products • increased competition from other agricultural exporting countries • climate change, droughts, floods and other natural disasters • outflow of qualified personnel from rural areas

Source: built by the author based on [10; 12]

The strengths of the domestic agricultural sector are favorable natural and climatic conditions, the presence of fertile black soil and centuries-old agricultural traditions. This creates a powerful potential for the development of various areas of agricultural production and entrepreneurship. Among the advantages are also noted significant export potential of agricultural products, cheap labor compared to other countries, established logistics chains for exports.

At the same time, there are a number of weaknesses, among which the deterioration of fixed assets and the obsolete material and technical base are critical. Additional weaknesses are limited access to financial resources for small and medium-sized producers, dependence on imported resources.

Among the opportunities, it is worth noting the prospects for further integration into world markets, attracting investments to modernize production, and introducing the latest technologies. Special attention is drawn to the development of organic farming as one of the most promising areas. As noted by R.O. Miroshnik and U.O. Prokopyeva, organic production of agricultural products is becoming more and more popular in the world, opening up great export opportunities for Ukrainian producers [12, p. 70-71]. However, there are serious threats associated with the unstable economic and political situation, war, climate change and the outflow of personnel from rural areas.

The use of PEST analysis makes it possible to comprehensively assess external factors affecting the development of agricultural entrepreneurship in Ukraine (Table 3).

Table 3. *PEST - analysis of agricultural entrepreneurship development in Ukraine*

Political	• influence of state agrarian policy, regulatory norms and legislation • political stability and security in the country • foreign policy vectors (European integration, WTO membership, etc.) • level of corruption and shadow economy • state support and subsidies for certain segments of agricultural business. • regulatory policy in the field of land relations and land lease
Economic factors	• macroeconomic indicators (GDP, inflation, exchange rate) • availability of credit resources and investments for the agricultural sector • purchasing power of the population as a factor of domestic demand • price conditions on world agricultural markets • cost of resources (fuel, fertilizers, seeds) and their import dependence
Social factors	• demographic situation and migration processes in rural areas • income level and quality of life of the rural population • development of rural infrastructure and social sphere • public sentiment and attitude to entrepreneurial activity
Technological factors	• level of innovation activity and digitalization in the agricultural sector • aging of fixed assets and technological backwardness of many enterprises, especially small and medium-sized • availability of the latest technologies (biotechnology, etc.) • development of irrigation, reclamation and soil conservation systems • possibilities of using alternative energy sources in agricultural production

Source: built by the author based on [13; 14]

Thus, PEST analysis allows us to identify key environmental factors that form threats and opportunities for the development of agricultural entrepreneurship.

The use of this toolkit allows you to develop effective strategies for adapting to changing conditions, take advantage of existing opportunities and neutralize potential risks in ensuring and stimulating the development of agricultural entrepreneurship in Ukraine.

The promotion of entrepreneurial initiative in rural regions, the development of non-agricultural activities, agro-ecotourism and the diversification of the rural economy are extremely important areas for the development of agricultural entrepreneurship in Ukraine. These processes contribute to the diversification of the sources of income of the rural population, the creation of new

jobs, an increase in the level of employment and an improvement in the socio-economic situation in the countryside.

One of the key approaches to stimulating entrepreneurial activity in rural areas is to develop the institutional environment and provide financial support. As noted by domestic scientists Yu.O. Lupenko, M.I. Malik, V.M. Zayats, state support measures should be aimed at creating a favorable business climate, developing rural infrastructure, and diversifying the rural economy [13, p. 18-20]. This provides for the creation of favorable tax and regulatory conditions, ensuring access to financial resources through preferential loan programs, grants, government subsidies.

An important area is the development of rural infrastructure, including transport, engineering and social. According to O.G. Shpikulyak, M.I. Malik, the development of modern infrastructure in rural areas is the key not only to improving the quality of life, but also to diversifying non-agricultural employment and attracting investment [14, p. 74].

A promising area of diversification of the rural economy is the development of agro-ecotourism and rural green tourism. Modern studies demonstrate that the development of agro-ecotourism can become a powerful driver for the development of entrepreneurship in rural regions, since it provides additional sources of income, creates new jobs and stimulates the development of related services [12].

An important approach is also to support the self-employment of the rural population and the development of family entrepreneurship in non-agricultural areas of activity (handicraft, souvenir production, folk crafts, etc.). According to O.M. Krasnonosova, E.V. Ponomarenko et al., Ensuring the economic self-sufficiency of the rural population through the creation of conditions for the development of family entrepreneurship is an important area of sustainable development of rural areas [10, p. 286].

The assessment of the current state of development of agricultural entrepreneurship in Ukraine demonstrates a complex and multifaceted picture, characterized by both positive achievements and significant challenges. Ukraine, having significant agricultural land potential and favorable climatic conditions, continues to hold the position of one of the world's key producers and exporters of agricultural products, especially grain crops and sunflower oil. However, the existing imbalances in the system of strategic components of agricultural entrepreneurship create significant obstacles to its balanced development (Table 4).

Table 4. *Assessment of the current state and main imbalances in the system of strategic components of agricultural entrepreneurship in Ukraine*

Strategic component	Current status	Major imbalances
Production structure	• Ukraine is one of the world's key producers and exporters of agricultural products • Dominance of cereal and oilseed production • Significant export potential	• Excessive concentration on export-oriented crops • Insufficient development of animal husbandry • Low share of high value-added products
Land resources	• Availability of significant areas of fertile land • Active development of the land market • High concentration of land in large agricultural holdings	• Uneven distribution of land resources between different forms of management • Limited access to land by small- and medium-sized farmers • Problems with land management
Technological development	• Introduction of modern technologies in large enterprises • Development of precision farming • Modernization of the technical fleet	• Significant technological gap between large and small farms • Unequal access to innovative technologies • Insufficient level of digitalization of small farms
Regional development	• Variety of climatic conditions • Availability of regional specialization	• Uneven regional development

	• Formation of agro-production clusters	• Concentration of production in individual areas • Different levels of investment attractiveness of regions
Processing and logistics	• Development of port infrastructure • Large processing capacity • Export orientation	• Insufficient development of the processing industry • Limited logistics infrastructure • The predominance of raw material exports over processed products
Financial security	• Availability of government support programs • Access to international funding • Development of agricultural insurance	• Unequal access to financial resources • High interest rates for small producers • Limited investment opportunities
Environmental sustainability	• Implementation of environmental standards • Development of organic production • Attention to soil conservation	• Soil depletion due to crop rotation disruption • Insufficient implementation of environmental technologies • Waste disposal problems

Source: compiled by the author based on [1; 5; 15-17]

In their studies, Ya.M. Gadzalo and Yu.Y. Luzan focus on one of the most noticeable imbalances, which manifests itself in the structure of production, where there is an excessive concentration on the cultivation of export-oriented crops, primarily cereals and oilseeds, which leads to soil depletion and disruption of crop rotation. At the same time, scientists note that livestock industries and the production of products with high added value remain underdeveloped. This situation makes the agricultural sector vulnerable to fluctuations in world prices and limits the opportunities for creating additional jobs in rural areas [5, p. 7-9].

The key problem lies in the significant price imbalances between the Ukrainian and European markets for livestock products, which, on the one hand, creates the potential for price advantages, and on the other hand, indicates fundamental differences in the structure of markets, production costs, the level of state support and the overall economic situation of the agricultural sectors of the two regions. The complexity of the problem is aggravated by the need to simultaneously address the issues of production costs, compliance of products with strict European quality and safety standards, optimization of logistics costs, overcoming trade barriers in the form of quotas and tariffs, as well as adapting to changing market conditions and consumer preferences of European buyers. However, it is worth noting that the growing demand for organic and environmentally friendly products in the EU creates opportunities for price differentiation and obtaining premium prices [18, p. 48; 19, p. 90, 92].

As L.A. Svistun et al. noted in their research, in the long term, a successful strategy for developing export potential should be based not only on price competitiveness, but also on the quality characteristics of products, diversification of the assortment, the introduction of innovative technologies and the development of sustainable partnerships with European importers, which will ensure stable exports even in conditions of price fluctuations in the market [20; 21].

The analysis of prices for livestock products in the EU countries shows stable growth during the year, covering the period from December 2023 to December 2024 [22] (Chart 2).

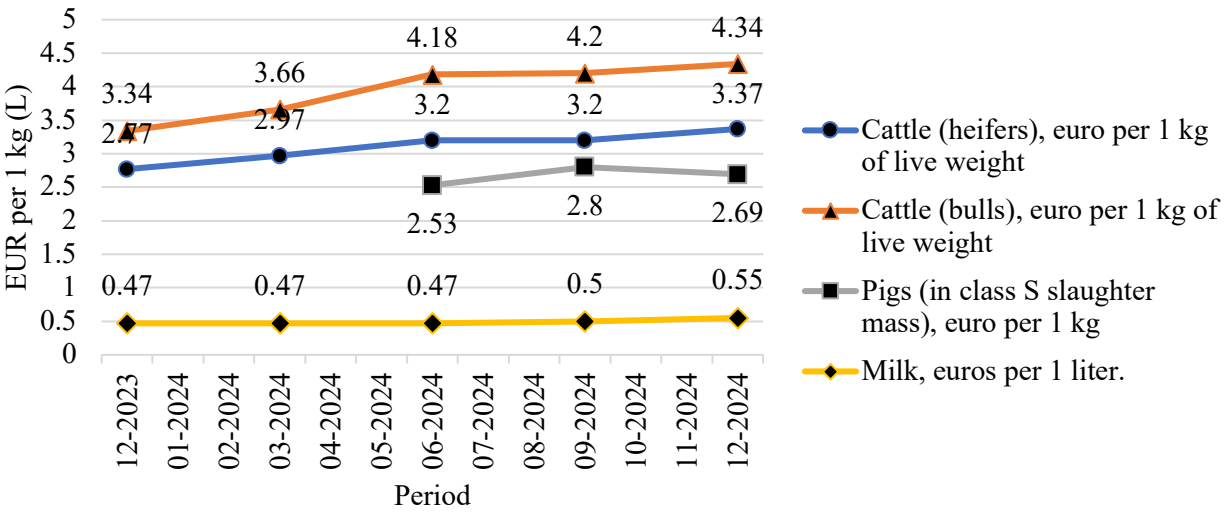

Fig. 2. *Average prices for livestock products in the EU*
Source: Author based [22]

The cost of cattle showed the most noticeable increase, in particular, the price of gobies increased by 1.00 euros per kilogram of live weight, reaching 4.34 euros in December 2024, compared to 3.34 euros in December 2023.

In parallel, the price of heifers increased by 0.60 euros, from 2.77 euros to 3.37 euros per kilogram of live weight. For Class S pigs, starting in June 2024, when the price was 2.53 euros per kilogram, there was a slight increase to 2.69 euros by the end of the year, with an increase of 0.16 euros. The cost of milk remained stable during the first half of the analyzed period, holding at 0.47 euros per liter, but in the second half of the year there was an increase to 0.55 euros, which gave an overall increase of 0.08 euros. These data reflect the general upward trend in livestock prices in European countries, with the cattle sector experiencing the most dynamic growth.

The analysis of average prices for livestock products in Ukraine for the period from December 2023 to December 2024 demonstrates multidirectional trends depending on the type of products (Chart 3).

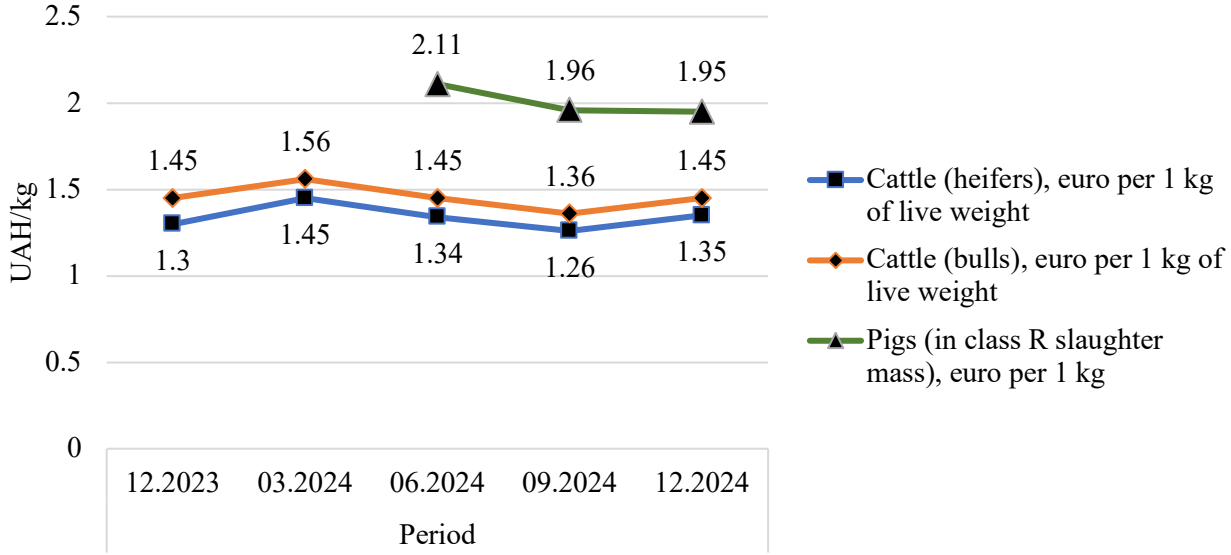

Fig. 3. *Average prices for livestock products in Ukraine*
Source: compiled by the author based on [22; 23]

Heifer prices in the cattle category showed a slight increase of 0.05 euros per 1 kg of live weight, varying from 1.3 euros in December 2023 to 1.35 euros in December 2024, with a peak of 1.45 euros in March 2024, followed by a decline by September. The value of steers remained unchanged, ending the full-year period at the same level of 1.45 euros as at the beginning, although it also showed fluctuations with a high in March 2024 of 1.56 euros and a low in September of 1.36 euros. For pigs in the class R slaughter mass, for which data have been presented since June 2024, there is a downward trend in prices - from 2.11 euros per 1 kg in June to 1.95 euros in December 2024, which is a decrease of 0.16 euros for six months. In general, the Ukrainian livestock market was characterized by certain instability with periods of both growth and decline in prices, with minimal changes in the final indicators for the year for cattle and a noticeable drop in pork prices.

Analysis of the dynamics of prices for whole II grade milk from personal peasant farms (PPF) for the period from January 2024 to January 2025 shows a general positive trend with certain seasonal fluctuations. At the beginning of the study period, in January 2024, the price was 9.2 UAH/l, after which there was a slight increase to 9.21 UAH/l in March (Chart 4).

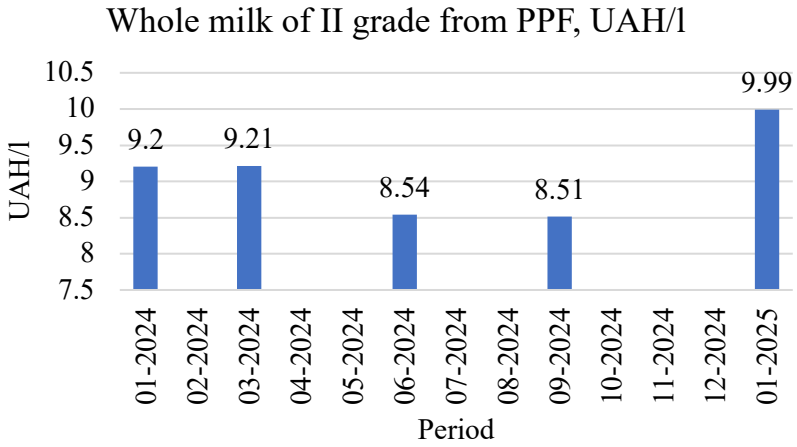

Fig. 4. *Milk from personal peasant farms*
Source: Author based [22]

During the summer-autumn period, there was a significant decrease in cost - up to 8.54 UAH/l in June and a further slight decrease to 8.51 UAH/l in September, which was the lowest indicator for the entire observation period. However, by January 2025, the price increased significantly, reaching a maximum level of UAH 9.99/L. Thus, the total price increase for the annual period amounted to 0.79 UAH/l, or about 8.6%. This dynamics reflects seasonal fluctuations characteristic of the dairy industry with an increase in prices in winter and a decrease in summer-autumn, when the supply of milk traditionally increases through the natural lactation cycles of cows and the availability of feed [24, p. 93].

Comparative analysis of prices for livestock products between the countries of the European Union and Ukraine demonstrates significant differences in the cost of all studied categories.

The cost of cattle in Europe significantly exceeds Ukrainian indicators: the price of heifers in European countries as of December 2024 is 3.37 euros per 1 kg of live weight, which is 2.5 times higher than the Ukrainian price of 1.35 euros. An even greater gap is observed in the cost of gobies, where the European price reaches 4.34 euros per kilogram, almost triple the Ukrainian one, since in Ukraine this figure is only 1.45 euros. In the pig industry, the difference is less pronounced, but still significant: pigs in the class S slaughter mass in Europe cost 2.69 euros per kilogram, compared to 1.95 euros in Ukraine. The smallest, but still noticeable difference is observed in the cost of milk - 0.55 euros per liter in European countries versus 0.23 euros in Ukraine, which indicates a more than twofold difference (Chart 5).

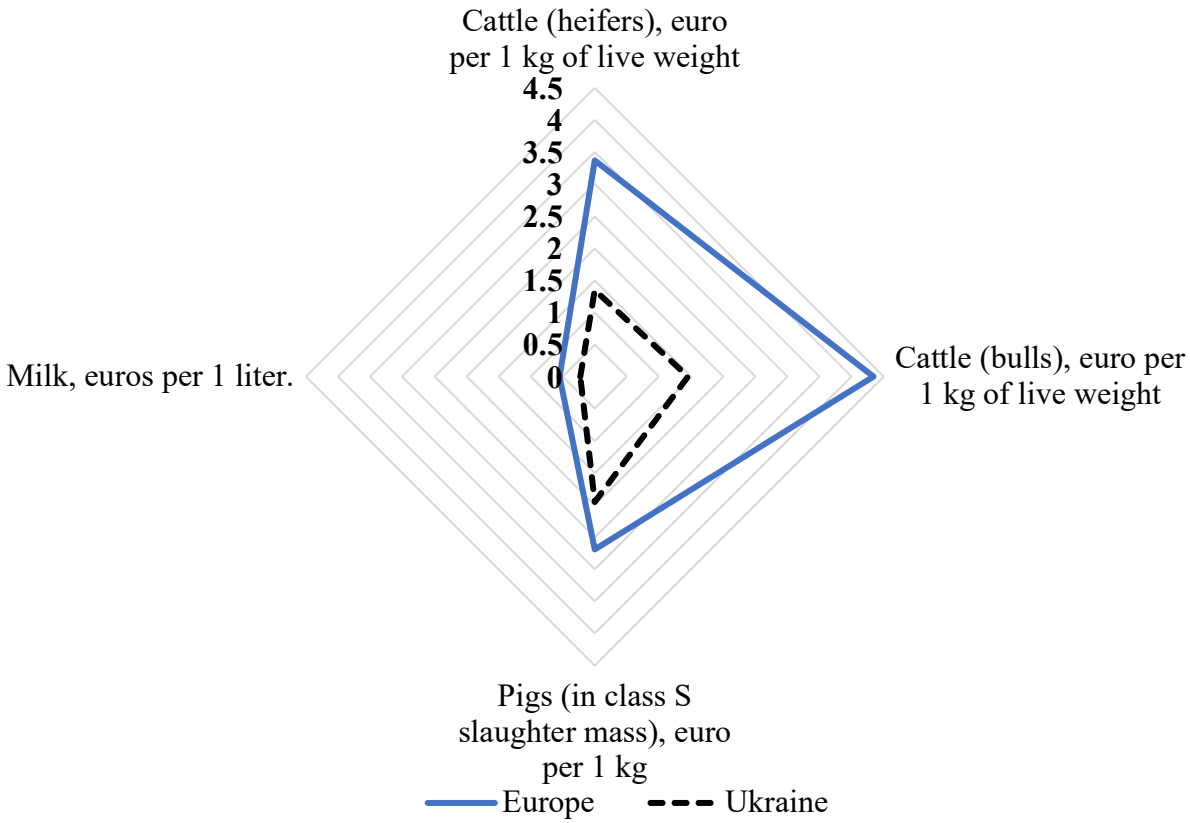

***Fig. 5**. Comparison of EU and Ukraine livestock prices*
Source: compiled by the author based on [22; 23]

Such price discrepancies reflect fundamental differences in the structure of markets, production costs, the level of state support and the overall economic situation of the agricultural sectors of the two regions [19].

We have summarized and identified several key factors affecting the pricing of Ukrainian livestock products that are exported to the EU:

- production costs significantly affect the final price due to feed, veterinary and energy costs;
- EU legal requirements regarding the quality, safety and conditions of keeping animals require additional investments in the modernization of production and certification;
- logistics costs, including transportation, storage and customs clearance, make up a significant share of the final price, especially for perishable products [4; 6]; 25; 19
- seasonality of production and trade policy, in particular quotas and customs tariffs under the Association Agreement with the EU, determine the conditions of access and affect price competitiveness [25];
- market conditions and consumer preferences form price premiums for organic and environmentally friendly products [20];
- macroeconomic factors, including inflation, exchange rate fluctuations and the general economic situation in Ukraine and the EU, pose additional challenges for stable pricing (Table 5)

Table 5. *Factors influencing the formation of prices for livestock products from Ukraine, which are exported to EU countries*

Factor	Impact description	Coping mechanisms
Cost of production	Includes feed, veterinary, energy and labor costs; instability of the national currency makes it difficult to predict these costs	Introduction of energy-efficient technologies, creation of own fodder base, conclusion of long-term contracts for the supply of resources, use of mechanisms for hedging currency risks
EU legal requirements	Requirements for quality, safety and conditions of keeping animals require additional investments in modernization of production and certification	Phased modernization of production, involvement of grant programs of the EU and international financial institutions, creation of industry associations for collective certification
Logistics costs	Transportation, storage and customs clearance make up a significant portion of the final price, especially for perishable products	Optimization of routes, consolidation of goods, creation of joint logistics centers, use of multimodal transportation, automation of customs clearance
Competitive landscape	Competition with local and international suppliers often forces lower prices to gain market share	Differentiation of products, emphasis on the unique properties of Ukrainian products, formation of sustainable partnerships with importers, creation of joint ventures with European companies
Seasonality of production	Creates price fluctuations throughout the year, especially in the dairy industry	Diversification of production, creation of capacities for storage and processing, development of futures contracts, alignment of production cycles
Trade policy	Quotas and customs tariffs under the EU Association Agreement determine access conditions and affect price competitiveness	Active use of existing quotas, lobbying for expansion of quotas through trade associations, search for alternative markets, in-depth processing to enter markets without quotas
Market conditions and consumer preferences	Growing demand for organic and environmentally friendly products creates price premiums for relevant products	Introduction of organic production, adaptation to new consumer trends, investments in marketing and promotion of Ukrainian products as environmentally friendly, development of direct contacts with retail chains
Macroeconomic factors	Inflation, currency fluctuations and the general economic situation in Ukraine and the EU create additional challenges for stable pricing	Use of financial instruments to minimize currency risks, diversification of export markets, conclusion of contracts with a fixed price in euros, creation of financial reserves

Source: Author based [19-21]

For each of these factors, there are mechanisms to overcome the negative impact, which include technological modernization, optimization of business processes, diversification of production and sales markets, the use of financial instruments to minimize risks and an active marketing strategy.

A significant imbalance is also observed in the distribution of land resources between different forms of management. Large agricultural holdings, with significant financial capacity and access to modern technology, control significant areas of agricultural land, while small and medium-sized farms often face problems of access to land, financing and markets. This creates unequal conditions of competition and prevents the formation of a balanced structure of agricultural production.

The technological development of the agricultural sector is also characterized by noticeable imbalances. Large enterprises are actively introducing modern technologies for precision farming, using advanced agricultural machinery and innovative management methods, while most small farms do not have sufficient resources for technological modernization. This leads to significant differences in labor productivity and resource efficiency.

There are also significant regional imbalances in the development of agricultural entrepreneurship. Various natural and climatic conditions, the level of infrastructure development and investment attractiveness of the regions create an uneven distribution of production capacities and investments in agriculture. This leads to a concentration of production in certain regions and insufficient development of agricultural entrepreneurship in others.

An important problem remains the insufficient development of the processing industry and logistics infrastructure, which limits the possibilities for creating long value chains in the agricultural sector. A significant part of agricultural products is exported in the form of raw materials, which reduces the potential economic benefits for the national economy.

Under martial law, the formation and implementation of the development strategy of agricultural enterprises is significantly influenced by a complex of external and internal factors that significantly transform traditional approaches to strategic management and require increased business adaptability [1].

Among external factors, the safety aspect, which includes the physical safety of production assets, personnel and logistics routes, is of paramount importance. Military actions directly affect the possibility of agricultural work, access to land resources and crop conservation. The problem of mining of agricultural land is especially acute, which makes it impossible to use them and requires significant resources for demining (Table 6).

Table 6. *Factors influencing the development strategy of agricultural enterprises under martial law*

Category of factors	Factor	Exposure characteristics
External factors	Safety status	• Physical security of production assets and personnel • Mining of agricultural land • Risks of damage or loss of property • Restricting access to land
	Logistical constraints	• Blocking traditional seaports • Need to find alternative routes • Increased logistics costs • Development of new export corridors
	Macroeconomic factors	• Currency fluctuations • Inflationary processes • Changes in fiscal policy • Restricting access to credit
	International environment	• Changes in global supply chains • Fluctuations in world prices • Geopolitical factors • Access to export markets
Intrinsic factors	Human Resources	• Mobilization of employees • Rural population migration • Shortage of qualified personnel • Need to optimize workforce utilization
	Financial condition	• Availability of financial reserves • Efficiency of working capital management • Investment opportunities • Level of production diversification
	Process level	• Availability of modern technology • Introduction of innovative technologies • Use of digital solutions • Precision farming systems
	Organizational structure	• Control system efficiency • Crisis management • Business continuity plans • Speed of decision-making
	Resource support	• Availability of material and technical resources • Efficient use of available resources • Resource optimization opportunities • Inventory coverage
Compensation mechanisms	Government support	• Financial support programs • Tax relief • Regulatory easing • Demining assistance
	International aid	• Financial support • Technical assistance • Export facilitation • Humanitarian programs

Source: compiled by the author based on [1; 2; 4; 15]

Logistical constraints have become one of the key external factors of influence, given the blocking of traditional seaports and the need to find alternative export routes. This leads to an increase in logistics costs and affects the competitiveness of Ukrainian agricultural products in world markets. At the same time, the development of alternative export corridors and international support create new opportunities for diversifying logistics routes.

Macroeconomic factors, according to I. Makalyuk et al., Such as currency fluctuations, inflationary processes and changes in the fiscal policy of the state, significantly affect the financial stability of agricultural enterprises. Restrictions on access to credit resources and the growth of the cost of borrowed capital complicate the possibilities for investing in the development of production. However, government programs to support the agricultural sector and international financial assistance partially compensate for these negative influences [15].

The international environment also plays an important role, as noted in their works S.V. Pisarenko and M.V. Ivanko, in particular through changes in global supply chains, fluctuations in world prices for agricultural products and energy resources. Geopolitical factors affect access to export markets and opportunities to attract foreign investment. At the same time, the growth of global demand for food creates favorable conditions for the development of the export potential of Ukrainian agribusiness [8, p. 30-32].

The key aspect of increasing the export potential of agricultural enterprises is the consistent modernization of production processes, the introduction of innovative technologies and the improvement of the quality of agricultural products to the level of international standards. This includes not only technological renewal, but also the development of the management system, the introduction of the principles of sustainable development and environmentally friendly production [26-27].

An important role in the formation of export potential is played by state support for the agricultural sector, which includes financial and credit mechanisms, tax incentives, risk insurance and information and consulting assistance to enterprises. Diversification of export markets, study of international market conditions and adaptation to changing global trends allow agricultural enterprises to expand their sales geography and increase their competitiveness [28, p. 37-38].

A significant reserve for increasing export potential is the in-depth processing of agricultural raw materials, which makes it possible to increase the added value of products and reduce dependence on market fluctuations in world commodity prices. The development of integrated structures, the creation of cluster associations and logistics centers contribute to more efficient promotion of products in foreign markets [29, p. 74, 80] (Table 7).

Table 7. *Formation and development of export potential of agricultural enterprises*

Indicator	Characteristic	Export potential value
Technological modernization	Introduction of modern production technologies	Improving product quality and competitiveness
Market diversification	Expanding export geography	Reduce risks of dependence on one market
Government support	Financial, tax and information mechanisms	Stimulating the development of export activities of enterprises
Innovative development	Implementation of scientific developments	Creating Unique Competitive Advantages
Logistics infrastructure	Development of transport and warehouse systems	Cost Optimization and Faster Product Promotion
Human Resources	Training of highly qualified specialists	Improving export management
Marketing strategy	International market research	Development of effective sales policy
Product certification	Compliance with international standards	Admission to demanding foreign markets
Investment attractiveness	Attracting foreign and domestic investments	Modernization of production facilities
Environmental friendliness of production	Sustainability	Meeting Today's Global Consumer Demands

Source: Author based [26-28]

The training of highly qualified personnel capable of working in conditions of international competition is also a critical factor in the formation of export potential. The introduction of professional development programs, internships and exchange of experience allows domestic specialists to master modern management and marketing strategies.

An important area is also investing in research and development, selection of new high-performance varieties of crops and animal breeds that meet the requirements of the world market. The introduction of biotechnology, precision farming and other innovative approaches creates additional competitive advantages for domestic agricultural enterprises [3, p. 38].

Thus, the formation and development of the export potential of agricultural enterprises is a complex, multi-vector process that requires the integration of the efforts of the state, business, science and education. Consistent implementation of a comprehensive strategy for modernization, innovative development and increasing competitiveness will allow Ukrainian agricultural enterprises not only to strengthen their positions in the world market, but also to turn into powerful global players.

Analysis of the indicators of foreign trade in agri-food products of Ukraine for 2022-2024 demonstrates the following dynamics. Thus, during the study period, there is a wave-like change in both import and export indicators, which reflects the complexity and variability of the external economic situation (Chart 6).

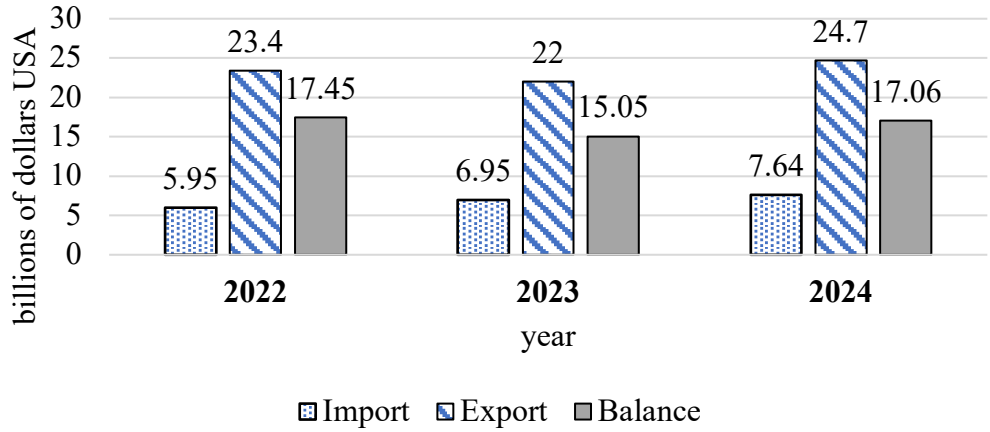

Fig. 6. *Indicators of foreign trade in agri-food products of Ukraine, billion dollars USA*
Source: compiled by the author based on [9; 30]

Export indicators have a certain variability: in 2022, exports amounted to 23.4 billion US dollars, then there was a slight decrease to 22 billion dollars in 2023, but already in 2024 there was a gradual recovery to the level of 24.7 billion dollars. At the same time, import indicators show a stable upward trend: from $5.95 billion in 2022 to $7.64 billion in 2024.

An important indicator of foreign trade activity is the balance, which remains positive throughout the period, which indicates the advantage of exports over imports. The highest surplus was observed in 2022 - $17.45 billion, slightly decreasing in 2023 to $15.05 billion, and again rising to $17.06 billion in 2024.

The dynamics of indicators indicates the overall stability of the agri-food sector of Ukraine, the ability to quickly adapt to variable foreign economic conditions and demonstrate positive trends in increasing export potential. Despite certain fluctuations, the industry retains the ability to generate significant foreign exchange earnings and maintain a trade surplus.

Analysis of the commodity structure of exports of agricultural products of Ukraine in 2024 reveals important characteristics of the domestic agricultural sector and its export ability. The leading positions in the export basket are occupied by sunflower oil and corn, whose shares are almost

identical and amount to 20.70% and 20.60%, respectively. This confirms Ukraine's traditionally strong position in the global market for oilseeds and cereals (Chart 7).

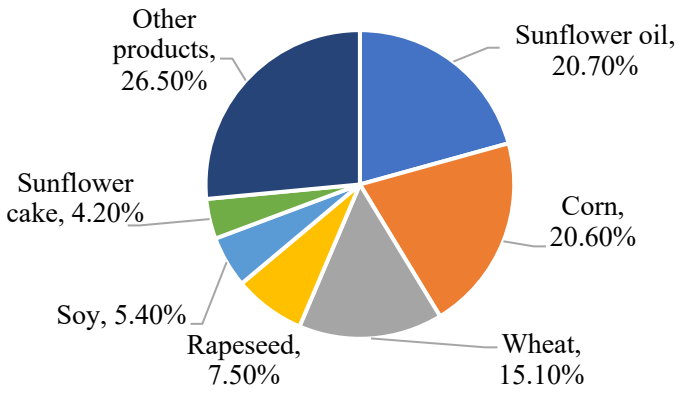

Fig. 7. *Commodity structure of agricultural exports in 2024*
Source: compiled by the author based on [9; 30]

Wheat occupies the third line with a share of 15.10%, which is also a significant indicator of export potential and confirms the status of Ukraine as an influential player in the global grain market. Rapeseed and soybean form the following positions with shares of 7.50% and 5.40%, respectively, demonstrating the diversification of the export nomenclature of oilseeds.

In general, the export structure demonstrates a clear focus on raw materials and primary products, which has both advantages and challenges for further development. On the one hand, this ensures stable foreign exchange earnings, and on the other hand, it actualizes the need to increase the capacity of deep processing and production of products with high added value.

The analysis of the rating of countries for the export of Ukrainian agricultural products in 2024 reveals a complex picture of the foreign economic activity of the domestic agricultural sector (Chart 8).

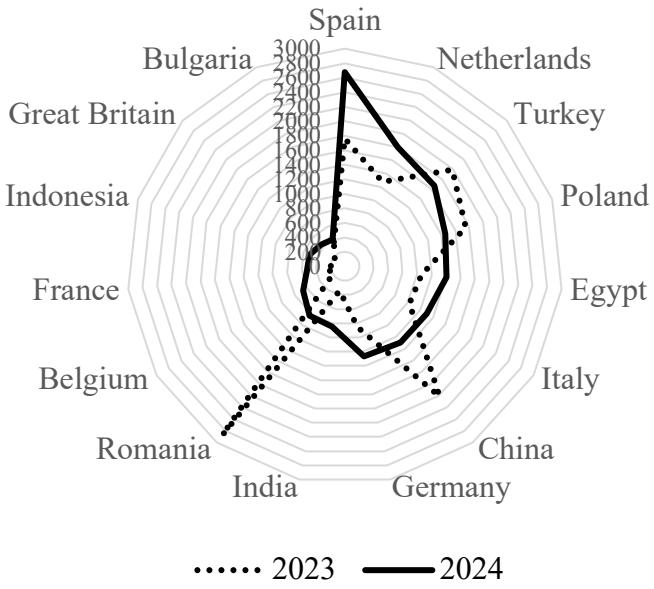

Fig. 8. *Rating of countries for the export of Ukrainian agricultural products:*
Source: compiled by the author based on [9; 30]

The leader in export deliveries is Spain with a volume of 2675.9 million US dollars and a significant increase of 914.0 million dollars compared to the previous year, which demonstrates the steady interest of the European market in Ukrainian agricultural products. The second place is occupied by the Netherlands with exports of 1795.4 million dollars and positive growth dynamics of 523.3 million dollars. At the same time, it is worth paying attention to significant changes in the geography of exports. In particular, Turkey and Poland show negative dynamics, reducing imports of Ukrainian agricultural products by 333.6 and 297.2 million dollars, respectively. The significant decrease in exports to China by $914.9 million is indicative, which is primarily due to geopolitical factors. It is important to note on the appearance of countries that were not previously traditional importers of Ukrainian agricultural products. In particular, Indonesia with an increase of $392.2 million and Belgium with an increase of $491.5 million, which expand the geography of export supplies.

The rating of exporters of Ukrainian agricultural products in 2024 reflects the complex and dynamic processes in the world market. Despite some negative trends, the overall picture demonstrates the power and flexibility of the domestic agricultural sector, its ability to find new markets and maintain competitive positions in the global trading system.

It is extremely important for Ukraine, when building up its own export capabilities of agricultural products, to overcome existing problems and barriers, such as the insufficient level of technological modernization of production facilities, affecting the quality of products, and its compliance with international standards. Also, the logistics infrastructure remains a critical obstacle, since the outdated transport system, the infrastructure of ports and railways destroyed by the war create significant difficulties in ensuring effective export supplies. An additional challenge is the high cost of transportation and warehouse logistics, which reduces the competitiveness of domestic products in the world market [2; 31].

Imperfect institutional environment, constant changes in legislation and tax regulation create an unfavorable investment climate. This hinders the attraction of long-term investments in the modernization of the agro-industrial complex and the development of export infrastructure.

Geopolitical instability caused by military aggression creates additional risks for potential foreign investors and partners. Military operations directly affect logistics routes, insurance and credit conditions, which significantly complicates the promotion of Ukrainian agricultural products in foreign markets (Table 8) [31-32].

Table 8. *Mechanisms for overcoming barriers in building up the export potential of Ukrainian agro-industrial products*

Problem/barrier	Resolution mechanisms
Obsolete technological base of production	Government modernization programs, concessional lending, tax holidays for enterprises introducing innovations
Logistical constraints and damaged infrastructure	Restoration of port infrastructure, diversification of transport corridors, partial government financing of logistics projects
Low feedstock processing	Creation of public and private industrial parks, stimulation of deep processing through compensation mechanisms
Geopolitical risks	Insurance of export contracts, government guarantees, diversification of sales markets
Lack of qualified personnel	Targeted retraining programs, cooperation with educational institutions, internship abroad
Complexity of lending	Partial compensation of interest rates, government guarantees, creation of an export credit agency
Low export diversification	Marketing support for new markets, intergovernmental trade agreements
Technical barriers to entering foreign markets	Harmonization of standards, simplification of certification procedures, government support

Source: compiled by the author based on [26; 28; 31-32]

Overcoming these barriers requires systemic reforms, comprehensive state support, attracting international investments and a consistent strategy for the development of the agro-industrial complex with a focus on high-tech production and deep processing of products.

The implementation of innovative approaches to the strategic development of the agricultural sector requires a comprehensive modernization of the entire sectoral ecosystem, taking into account global technological trends and challenges of the modern world market. The basis of the transformation processes is the introduction of precision farming technologies that make it possible to maximize the use of natural and technological resources through the use of GPS monitoring, satellite navigation, wireless sensor networks and automated agricultural management systems.

The quality management system requires the implementation of integrated GlobalG.A.P., HACCP and ISO standards, which will not only increase the competitiveness of domestic products, but also ensure full traceability of the supply chain. Technological modernization should be accompanied by the development of human resources through a continuous training system, the introduction of dual education, internship at leading international agricultural enterprises and the creation of sectoral educational and scientific clusters. A powerful driver of development can be the creation of agrotechnological parks that unite scientific institutions, production enterprises and investors, providing a full innovation cycle from scientific development to the commercialization of technologies [26; 28; 29].

In general, the strategic development of the agricultural sector requires a systematic, consistent and comprehensive transformation, which combines technological innovations, digital modernization, human capital development and government support, which will allow domestic agribusiness to reach a qualitatively new level of competitiveness in the world market.

Regarding internal factors, the personnel potential of enterprises is of particular importance. As noted by Yu.V. Solonenko and P.I. Panasyuk, the mobilization of workers, the migration of the rural population and the general reduction in the availability of skilled labor create serious challenges to ensure the continuity of production processes. This encourages enterprises to implement automated technologies and optimize the use of existing labor resources [4].

The financial condition and resource support of enterprises determine their ability to adapt to new business conditions. Availability of financial reserves, diversification of production and efficiency of working capital management become critical factors of business survival. Businesses are forced to revise their investment plans and focus on cost optimization [2; 4].

The technological level of production and the ability to adapt it to new conditions also significantly affect strategic development. Enterprises that have modern technology and use innovative technologies are more able to flexibly respond to changes in the external environment. The introduction of digital technologies and precision farming systems makes it possible to increase the efficiency of the use of available resources.

The organizational structure and management system of an enterprise determines its ability to make decisions quickly and adapt to changes. In conditions of martial law, as noted in their works by Yu.V. Solonenko and P.I. Panasyuk, the presence of an effective risk management system, business continuity plans and emergency response mechanisms is of particular importance [4].

Improving the risk management system in the context of the strategic development of agricultural enterprises requires an integrated approach that covers several key areas of transformation. First of all, it is necessary to introduce an integrated risk identification and assessment system that would take into account both traditional agricultural risks (weather conditions, price fluctuations, plant and animal diseases) and new challenges associated with geopolitical instability, climate change and technological transformations.

An important aspect of improvement is the introduction of modern digital technologies and analytical tools for monitoring and forecasting risks. The use of big data, artificial intelligence and predictive analytics can improve the accuracy of risk assessments and the effectiveness of preventive

measures. In parallel, it is necessary to develop a system of internal control and risk audit, ensuring regular revision and updating of risk strategies.

Diversification of risk management tools should include expanding the use of agricultural insurance, hedging price risks through forward contracts and futures, the formation of financial reserves and the introduction of the latest agricultural technologies. Particular attention should be paid to the development of personnel competencies in the field of risk management and the formation of an appropriate corporate culture, which will contribute to more effective identification and response to potential threats.

An important area of improvement is to strengthen collaboration with external stakeholders, including insurance companies, financial institutions, research centers and government agencies, to exchange information and coordinate risk management efforts. This will create a more sustainable and adaptive risk management system that can effectively support the strategic development of agricultural enterprises in the face of growing uncertainty and dynamic changes in the business environment.

Key words: *export potential, agricultural sector, agriculture, agrarian entrepreneurship, agricultural enterprises, strategic development, foreign trade, agri-food products, livestock, innovations, competitiveness, modernization, export activities, international market, European Union, price factor, price imbalances, production costs, logistics costs, organic products, strategic prospects, SWOT analysis, PEST analysis.*

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