

**FORMATION, FUNCTIONING AND  
DEVELOPMENT FEATURES OF  
AGRICULTURAL MARKETS IN UKRAINE ©**

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*The article reviews the essence and content of scientific views on the category "agricultural market" and "infrastructure of agricultural market". It is established that the formation and fulfilling of an organized and transparent agrarian market with powerful and effective components that can reconcile the interests of agricultural producers and consumers, should be a network of market institutions such as exchanges, trading houses and other elements of infrastructure. It is proved that the modern market transformations of the agrarian sector of Ukraine, which are accompanied by constant modification of market relations, require new methods of organization of the agrarian market as a complex economic system in which many elements inherent in a market economy interact.*

*It is determined that the agrarian market performs a number of important functions (stimulating, informative, pricing, controlling, rehabilitation, reproductive, integrative, intermediary, regulatory), on which the effectiveness of its functioning and development depends. With a systems approach, it has been established that the agrarian market should be viewed as a complex system of interconnected and complementary systems of lower order (consumer solvent demand, supply, agriculture, and market infrastructure and government regulation). It is established that the agricultural market has a number of distinctive features that differentiate it from other types / types of markets. At the same time, the agrarian market as a set of economic relations, which are formed in the sphere of exchange concerning the sale of agricultural products, operates on the basis of common economic laws (cost, saving of resources, equilibrium). It is proved that the efficiency of the agrarian market should be understood as a logically ordered system of subjects of high-quality infrastructure, principles and methods of its functioning in accordance with modern conditions. It ensures the balance of supply and demand, equilibrium price parity and the proper level of competitiveness of agricultural products to meet international requirements and the internal needs of society.*

*In the study we have found that the modern infrastructure of the agricultural market in Ukraine is on the stage of formation in accordance with the development of agrarian relations in the country, and its peculiarity is that it has many intermediary structures that do not provide a reasonable price for producers, while having this intermediary operations have a significant economic benefit, and domestic agricultural producers lose a significant portion of their economic profits. In addition, the agricultural market of Ukraine is characterized by a long process of creating a system of organizations, institutions, enterprises and establishing methods of their activity, which are aimed at carrying out operations on the sale and purchase of agricultural products.*

**Keywords:** market, demand, supply, market infrastructure, wholesale market, government regulation, market efficiency.

**Fig.: 6. Ref.: 26.**

## ОСОБЛИВОСТІ ФОРМУВАННЯ, ФУНКЦІОНУВАННЯ І РОЗВИТКУ РИНКІВ АГРАРНОЇ ПРОДУКЦІЇ В УКРАЇНІ

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*У статті розкрито сутність та зміст наукових поглядів на категорію «аграрний ринок» та «інфраструктура аграрного ринку». Встановлено що формування і наповнення організованого й прозорого аграрного ринку потужними та ефективними складовими, що можуть узгодити інтереси сільськогосподарських товаровиробників і споживачів, має стати мережа інститутів ринкової структури, таких як біржі, торгові дома та інші елементи інфраструктури. Доведено, що сучасні ринкові трансформації аграрного сектора України, які супроводжуються постійною модифікацією ринкових відносин потребують нових методів організації аграрного ринку як складної економічної системи, в якій взаємодіють багато елементів, притаманних ринковій економіці.*

*Визначено, що аграрний ринок виконує ряд важливих функцій (стимулююча, інформативна, ціноутворення, контролююча, санації, відтворювальна, інтегративна, посередницька, регулятивна), від чого залежить ефективність його функціонування та розвитку. На основі використання системного підходу встановлено, що аграрний ринок слід розглядати як складну систему взаємопов'язаних і взаємодоповнюючих систем нижчого порядку (споживчий платоспроможний попит, пропозиція, сільськогосподарське виробництво, ринкова інфраструктура та державне регулювання). Встановлено що аграрний ринок має ряд характерних особливостей, які відрізняють його від інших типів/видів ринків. Поряд з цим аграрний ринок як сукупність економічних відносин, що складаються в сфері обміну з приводу реалізації сільськогосподарської продукції, функціонує на базі єдиних економічних законів (вартості, економії ресурсів, рівноваги). Доведено що ефективність аграрного ринку слід розуміти як логічно упорядковану систему суб'єктів повноцінної інфраструктури, принципів і методів її функціонування відповідно до сучасних умов, яка забезпечує збалансованість попиту і пропозиції, рівноважний ціновий паритет та належний рівень конкурентоспроможності аграрної продукції для задоволення зовнішніх вимог міжнародних ринкових відносин та внутрішніх потреб суспільства.*

*Дослідженням встановлено, що сучасна інфраструктура аграрного ринку в Україні знаходиться в стадії формування відповідно до розвитку аграрних відносин у країні, а її особливістю є те, що в ній виникло багато посередницьких структур, які не забезпечують прийнятну ціну для виробників, при цьому маючи на цій посередницькій операції значний економічний зиск, а вітчизняні аграрні товаровиробники втрачають значну частину економічного прибутку. Також для аграрного ринку України характерним є тривалий процес створення системи організацій, установ, підприємств та налагодження методів їхньої діяльності, які спрямовані на здійснення операцій з купівлі-продажу аграрної продукції.*

**Ключові слова:** ринок, попит, пропозиція, інфраструктура ринку, оптовий ринок, державне регулювання, ефективність ринку.

**Рис.: 6. Літ.: 26.**

## ОСОБЕННОСТИ ФОРМИРОВАНИЯ, ФУНКЦИОНИРОВАНИЯ И РАЗВИТИЯ РЫНКОВ АГРАРНОЙ ПРОДУКЦИИ В УКРАИНЕ

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*В статье раскрыта сущность и содержание научных взглядов на категорию «аграрный рынок» и «инфраструктура аграрного рынка». Установлено, что формирование и наполнение организованного и прозрачного аграрного рынка мощными и эффективными составляющими, которые могут согласовать интересы сельскохозяйственных товаропроизводителей и потребителей, должна стать сеть институтов рыночной структуры, таких как биржи, торговые дома и другие элементы инфраструктуры. Доказано, что современные рыночные трансформации аграрного сектора Украины, сопровождающиеся постоянной модификацией рыночных отношений требуют новых методов организации аграрного рынка как сложной экономической системы, в которой взаимодействуют многие элементы, присущих рыночной экономике.*

*Определено, что аграрный рынок выполняет ряд важных функций (стимулирующая, информативная, ценообразования, контролирующая, санации, воспроизводящая, интегративная, посредническая, регулятивная), от чего зависит эффективность его функционирования и развития. На основе использования системного подхода установлено, что аграрный рынок следует рассматривать как сложную систему взаимосвязанных и взаимодополняющих систем более низкого порядка (потребительский платежеспособный спрос, предложение, сельскохозяйственное производство, рыночная инфраструктура и государственное регулирование). Установлено, что аграрный рынок имеет ряд характерных особенностей, которые отличают его от других типов / видов рынков. Наряду с этим аграрный рынок как совокупность экономических отношений, складывающихся в сфере обмена по поводу реализации сельскохозяйственной продукции, функционирующей на базе единых экономических законов (стоимости, экономии ресурсов, равновесия). Доказано, что эффективность аграрного рынка следует понимать как логично упорядоченную систему субъектов полноценной инфраструктуры, принципов и методов ее функционирования в соответствии с современными условиями, которая обеспечивает сбалансированность спроса и предложения, равновесное ценовое паритет и надлежащий уровень конкурентоспособности аграрной продукции для удовлетворения внешних требований международных рыночных отношений и внутренних потребностей общества.*

*Исследованием установлено, что современная инфраструктура аграрного рынка в Украине находится в стадии формирования в соответствии с развитием аграрных отношений в стране, а ее особенностью является то, что в ней возникло много посреднических структур, которые не обеспечивают приемлемую цену для производителей, при этом имея этой посреднической операции значительную экономическую выгоду, а отечественные аграрные товаропроизводители теряют значительную часть экономической прибыли. Также для аграрного рынка Украины характерно длительный процесс создания системы организаций, учреждений, предприятий и налаживание методов их деятельности, направленные на осуществление операций по купле-продаже аграрной продукции.*

**Ключевые слова:** рынок, спрос, предложение, инфраструктура рынка, оптовый рынок, государственное регулирование, эффективность рынка.

**Рис.: 6. Лит.: 26.**

**Problem statement.** At the present stage of economic development, the agro-industrial sector of Ukraine is one of the most important links in the economic systems of most countries with a market economy. It develops in conditions of high energy security, application of a wide range of agricultural techniques, ecology based on the use of modern energy and nature-saving technologies, methods of land reclamation and chemicalization.

The agrarian market occupies a special place in the structure of the economy of Ukraine and is one of the indicators of the efficiency of functioning of the agrarian sector as a whole. The problems of agricultural market development are at the epicenter of political debate, especially with rising food prices and significant fluctuations in agricultural commodity prices and more. In turn, the internal agrarian market is a rather unstable system, caused primarily by a low level of domestic consumption, a significant dependence on the external food markets, and an underdeveloped market infrastructure.

**Analysis of recent research and publications.** The national agro-food market formation, separate product markets, determination of the role of the state in their effective functioning in the conditions of reforming the agrarian sector of Ukraine are discovered in the works of such national scientists as V.G. Andriychuk [10], O.V. Berezin, V.I. Boyko, P.I. Gaidutsky, V.M. Geyets, H.M. Kaletnik [14], S.M. Kvasha, Yu.S. Kovalenko [1], T.O. Ostashko [2], N.F. Pavlenchuk [15], P.T. Sabluk [21], O.M. Shpychak [9] and others. The mentioned scientists investigated the theoretical and methodological

foundations of the formation of the agrarian market, the improvement of the economic mechanism of its functioning in the post-reform period. At the same time, the high dynamism of the current economic, political and social factors in our country requires in-depth scientific studies of the impact of market transformations on the agrarian market.

**Goals setting.** The purpose of the article is to summarize and systematize the theoretical foundations of the formation, functioning and development of agricultural markets in Ukraine.

**Presentation of the main material of the research.** Effective development of the agro-industrial complex of Ukraine, increasing its competitiveness are priority directions of reforming the national economy of Ukraine. The domestic agro-industrial complex forms the major part of the food resources and almost three quarters of the retail trade turnover, which has a decisive influence on guaranteeing the food security of the state, development of the internal and external market, improvement of material well-being of the population.

At the present stage, the national economy is characterized by the positive dynamics of gross production, the increase in agricultural output, the stabilization of the national currency, which in turn is one of the reasons for the increased demand for food in the agrarian market of Ukraine. To meet such a demand fully, it became necessary to increase the efficiency of the functioning of the agrarian market as a system, to provide a dynamic response to the rapid changes occurring in the market in the context of price fluctuations and changes in supply and demand, the introduction of new technologies for market operations.

In the structure of the Ukrainian market of as a whole, they classify the number of individual types, such as the market of means of production, the labor market, the financial market, the market of services, the foreign exchange market, the real estate market, the education market, etc. Among the many currently operating sectoral markets, one is the agricultural market.

The format of the agrarian market is multifaceted and diverse. The agrarian market is often identified with agricultural, food or agro-food, where agricultural products and agro-commodities are mainly the subject of sale and purchase. In its environment, a system of economic relations between producers and consumers is created and developed, industrial and economic relations are formed, and there is an organic combination of agricultural production and other branches of the national economy. As it has been considered since its inception and till nowadays, the agricultural market remains very simple in form and reliably serves the needs of every resident as a buyer, seller or consumer of food.

According to Yu. S. Kovalenko, "... the agrarian market is a system of institutions, methods and resources for the implementation of exchange processes, whose main task is to coordinate and manage the agro-industrial production of the country in order to meet the consumer needs of its citizens" (final citation). [1, p. 21]. Hence, the agrarian market requires research and identification of the nature of the internal structure of the market, the evolution of its development and efficient functioning, etc. This definition of the agrarian market is quite broadly characterizing its purpose as a purposeful and structurally ordered system of management of agroindustrial production. The ultimate goal of such a system is a clear organization of the exchange processes of agricultural products and agro-foodstuffs to meet the needs of consumers.

T.Ostashko's definition is "... the agrarian market acts as a sphere of interaction between sellers and buyers, connected by the system of exchange commodity-money relations, covers direct producers and consumers of agricultural goods and intermediaries (final citation) [2, p. 138]. Hence, the interpretation of the agrarian market is the system of commodity circulation and the regulatory function in the sphere of production, exchange, distribution and consumption based on the laws of supply and demand.

According to Yu. D. Bilyk, the agrarian market in economic terms defines the sphere of interaction of market subjects to ensure the production and free movement of agricultural products, products of its processing, i.e. food products, technologies, means of production and services for agriculture [3, p. 178]. P.D. Shapoval and O.M. Shkanov put the role and importance of market infrastructure into the basis of the organization and development of the agrarian market [4-5].

The most important condition for the formation of a civilized agricultural market is its structural elements, which are characterized by a variety of channels of sale, forms of sale, intermediaries and buyers, as well as a developed network of service, first of all, scientific and information services of producers [6, p. 415]. In turn, I.V. Okhrimenko reveals the essence of the agrarian market as "... a system of institutions, methods and resources for the implementation of exchange processes, the task of which is to coordinate and manage the agro-industrial production of the country in order to ensure its food security and consumer needs of citizens" (cited in cit. ) [7, p. 30]. This definition reflects more fully one of the most significant

features of a market economic system, which is that decisions on resource allocation and production are made basing on prices arising in the process of voluntary exchange between producers, consumers and owners of factors of production [8, p. 456].

According to research, formation and filling of an organized and transparent agricultural market with powerful and effective components that can reconcile the interests of agricultural producers and consumers, there should be a network of market institutions such as exchanges, trading houses and other elements of infrastructure. However, these should not just facilitate the purchase and sale operations but also help to generate a real objective price. M.Y. Malik and O.G. Shpikulyak consider that a necessary condition for the formation of a competitive agrarian sector is the development of an institutional system of regulation of the agrarian market, which defines the sectors and objects of regulatory influences [9, p. 174].

Recently, along with the term "agricultural market", some domestic agrarian scientists have begun to use the concept of "agricultural market". Thus, the concept of the market is presented as a broad sphere of economic commercial activity and the application of labor, which has received opportunities for development. Thus, according to V.G. Andriyчук [10, p. 66], for a productive study of the internal structure of the agricultural market, it is advisable to consider it by quantitative and qualitative criteria and on the basis that the production of products and its supply is carried out by a large number of independent producers. This author does not consider it advisable to consider the agricultural market comprehensively, i.e. as a market of buyers and sellers and as a structured phenomenon in its individual segments and subsystems, which has its own market infrastructure, different types of agricultural products and different relationship between sellers and buyers and the peculiarities of action state regulation.

The dictionary of foreign words stated that the term "agrarian" is derived from the Latin agrarius - land and related only to land use [11, p. 20]. In turn, in the modern Ukrainian dictionary, the term "agrarian" means land, one who is engaged in agriculture [12, p. 17]. In our opinion, the essence of the concept of "agricultural market" and "market of agricultural products" are identical, the purpose of which is to produce and trade in agricultural products both in kind, used directly for personal consumption and products of agricultural raw materials. The same position is shared by the authors of the economic encyclopedia, which treat the "agrarian market" as a market for agricultural products [13, p. 41].

The capacity of the agrarian market is determined by the volume of agricultural production, its specialization, the level of purchasing power of buyers and the number of products purchased by one consumer, average prices for products and other factors. In today's market environment, with private ownership of the means of production and various organizational and legal forms of commodity producers, the agrarian market plays a stabilizing role in maintaining economic ties between them and is a regulator of the development of the national economy and the division of labor resources.

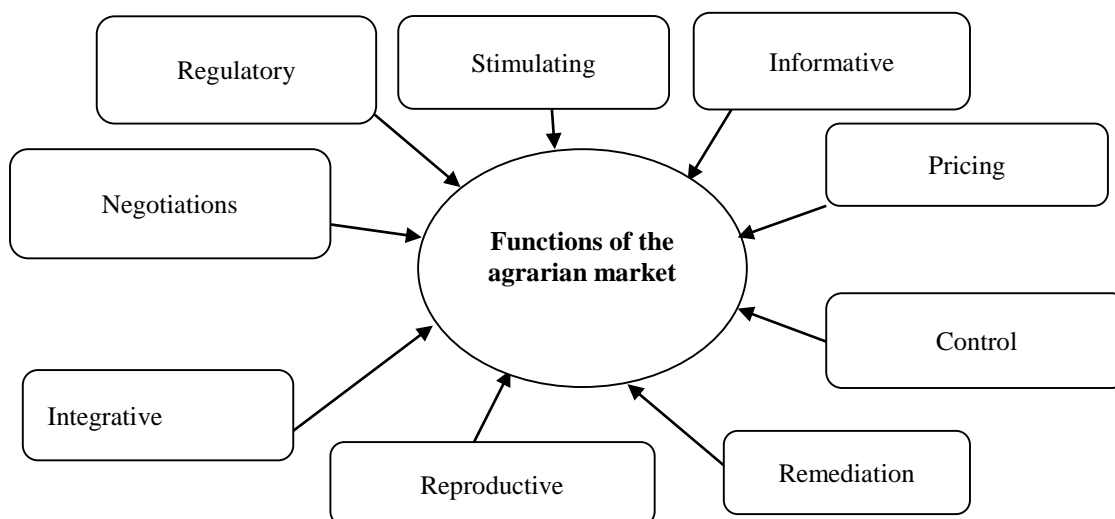
The agrarian market is an extremely complex mechanism, which is formed from a number of segments of factors of individual purpose and in its environment develops a system of production and economic relations between the components that provide the goods movement from producer to consumer. A characteristic feature of the agrarian market is the provision of its internal movement, which ensures the implementation of a single process of production and sale. Conditions for the effective functioning of the agrarian market are the presence of a large number of agricultural producers, solvent consumers, developed infrastructure, perfect competition and regulatory support for the regulation of relations [14, p. 17].

Pavlenchuk N.F. believes that the reasons for distinguishing the agrarian market from the general market economy of the country in a separate format may be the factors to which they belong: commodity products are technologically homogeneous and the result of the work of only agricultural producers; the availability of agricultural products on the domestic market is highly dependent on a number of risks; the end result of the production process is to create an end or intermediate product that must meet the needs of end consumers; the lion's share of agricultural produce is sold in kind for direct consumption; the agricultural market is a supplier of raw materials for the production of agricultural products; agricultural products are limited in terms of sales and require perfect logistical focus; the agricultural market needs regulation in the off-season; the incomes of agricultural producers depend entirely on the results of their activities only in the agricultural market; the level of state food security and rising incomes of rural producers can be shaped by regulating only the agricultural market [15, p. 91]. That is, due to the peculiarities, the role and the importance of the diversification of the concept of "agrarian market", where in its sphere began to include trade not only agricultural products, but also means of production for agriculture.

Modern market transformations of the agrarian sector of Ukraine, which are accompanied by constant modification of market relations, require new methods in the organization of the agrarian market as a complex economic system in which many elements inherent in the market economy interact.

The agrarian market performs a number of important functions, on which the efficiency of its functioning and development depends (Fig. 1). In order to ensure the effective functioning of the agrarian market, the following functions must be fulfilled: stimulating, informative, pricing, controlling, rehabilitation, reproductive, integrative, intermediary, regulatory. The most important among them is the reproductive function of the agrarian market, because in order to guarantee the food security of the state, the agrarian market must provide the population of the country with adequate quantities of food and agricultural commodities.

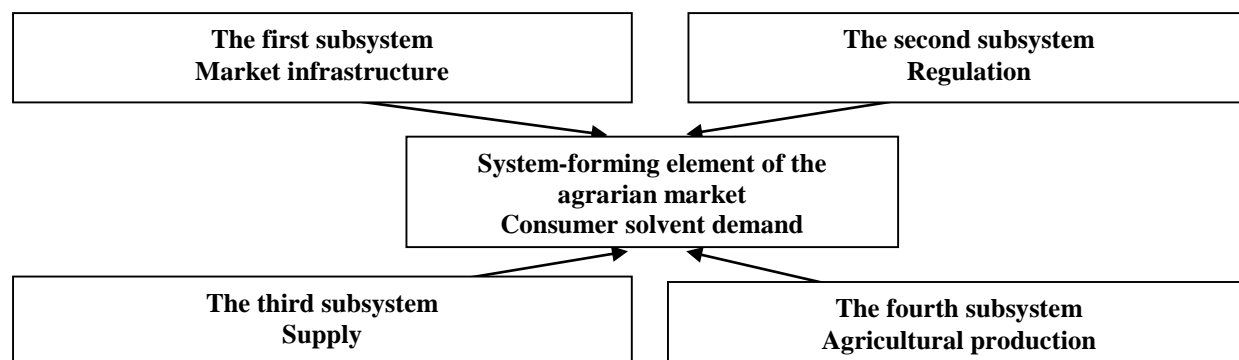
The regulatory function of the agrarian market ensures maintaining the balance of supply and demand for goods and services in volume and price. The pricing function is to generate market prices for agricultural products as supply and demand-driven prices. The incentive function is to encourage the production of agricultural products to the consumer in order to meet its needs. The informative function is that due to fluctuations in prices for various products and services, the market gives all economic entities objective information, important information about the real costs of production, socially needed quantity, range and quality of agricultural products and services supplied to the market. The controlling function of the market is that through the market control of consumers over the production of agricultural products is exercised. The remediation function is manifested when, through competition, the market frees the market environment from economically inefficient and unsustainable economic entities and opens up wide opportunities for prospective and efficient producers.



**Fig. 1. Functions of formation and functioning of the agrarian market**

Source: author-generated.

In order to analyze the structure of agrarian market formation more thoroughly, it is necessary to consider its system of construction. Thus, under the systemic approach, the agricultural market is considered as a collection of subsystems and necessary resources. Analyzing the views of Y.S. Kovalenko and V.G. Andriychuk, the structure of the agrarian market can be regarded as a complex system formed from a set of such interconnected and complementary systems of lower order as consumer solvent demand, supply, agricultural production, market infrastructure and regulation. [1, 10] (Fig. 2).



**Fig. 2. Structure of the agrarian market system**

Source: generated by the author [1, 10].

The central place of the agrarian market system is consumer solvent demand. A system that interacts directly with market actors (consumers, exchanges, auctions, wholesale food markets, urban markets, agribusiness distribution networks, etc.) is a market infrastructure that integrates demand signals and market prices for agricultural products.

Food security guarantees rely on supply as a subsystem of the agrarian market, which forms the amount of agricultural and food products produced by producers to meet consumer needs in the form of government-funded food programs. However, as our country's experience shows, there is no effective organizational and economic mechanism of state intervention in the exchange processes in the agrarian market, which has a negative impact on the activity of agricultural producers.

The agrarian market also covers the agricultural production of goods and services, where it is also necessary to take into account the peculiarities of the functioning of each of the industries in today's market conditions. Structurally, the domestic agrarian market is shaped by product markets, which are separate segments of this market, in which agricultural products and foodstuffs are the subject of sale and purchase. We share the view of such scientists as V.P. Galushko O.A. Kovtun, who believe that the agrarian market is a market with pure (perfect) competition [16, p. 113].

In the agribusiness system, the agrarian market does indeed meet most of the criteria of a given market structure, with so many sellers and buyers that, with rare exceptions, no producer or their groups and consumers (buyers) are able to control the market for certain types of agricultural products. The main actors of the agrarian market, such as small agricultural enterprises, farms, households can be considered as pure competitors among themselves.

However, when viewed in an integrated and structured way by the agrarian market, some of them may have their own market infrastructure and a dominant role in that segment of a particular type of agricultural product and a different relationship between sellers and buyers. Hence the likelihood of the formation of a model of market with imperfect competition [17, p. 165].

It should also be emphasized that the agricultural market has a number of characteristics that must be taken into account in order to ensure the smooth operation of all its subjects, in particular [10, p.69]:

1. The agrarian market is an economically legal regulated system, first of all, as an organizational structure with interrelated links - producers, consumers and infrastructure, as well as an economic and legal system of relations, between which the regulatory role of the state is fully manifested.

2. The purpose of the agrarian market is the realization of commodity exchange of agricultural production between the subjects of the agrarian market and provision of services in the field of agriculture in order to meet personal needs and to ensure the leading position of the state in the world market of agricultural products, machinery, means of production and food.

3. The object of the agricultural market is exchange transactions between producers of agricultural products, agricultural machinery, services and their consumers.

4. The agricultural market plays an active managerial role as the coordinator of economic processes in order to meet the needs of the mass consumer of agricultural products and food.

5. Special state support for the agricultural market, which is manifested in the budgetary, credit, price, regulatory spheres of public administration to stimulate agricultural production and development of the agricultural market, as well as ensuring food security of the population.

6. Commodity agricultural production, the main means of production of which are natural resources, first of all agricultural land, is the basis of the agrarian market.

7. The agrarian market is characterized by dependence on natural and geographical factors, which is indicative of the seasonal nature of production and increased risk of such activity.

8. High cost and technological limited storage of agricultural products for a long time.

It should be emphasized that the agrarian market, as a set of economic relations forming in the sphere of exchange concerning the sale of agricultural products, operates based on common economic laws. The main ones are:

- 1) the law of value, according to which products are sold in view of the deduction from its creation, but at the cost at which the buyer estimates the satisfaction of the relevant needs;

- 2) the law of saving resources, which provides for continuous improvement of product quality while reducing the level of costs; violation of this law makes it impossible to fully apply the law of value;

- 3) the equilibrium law according to which under various other conditions the volume of agricultural products offered for sale is balanced by the purchasing power of potential buyers.

Thus, an efficient market for agricultural products causes such volumes of production that at any time the needs of the relevant buyers can be met completely, and at favorable prices for the buyer.

The main features of the creation and functioning of an effective agricultural market are competition, property rights and economic freedom. The objective of perfect competition is to create a favorable competitive environment.

Thus, from our view, an efficient agrarian market is a logically ordered system of enterprises, organizations and institutions of full-fledged infrastructure, principles and methods of its functioning in accordance with the WTO conditions. It ensures the balance of supply and demand, equilibrium price parity and proper competitiveness to meet the external demands of international market relations and the internal needs of society.

The agrarian market and its infrastructure are very closely interconnected because of how well developed the agrarian market infrastructure is and will depend on how effectively the agrarian market will develop.

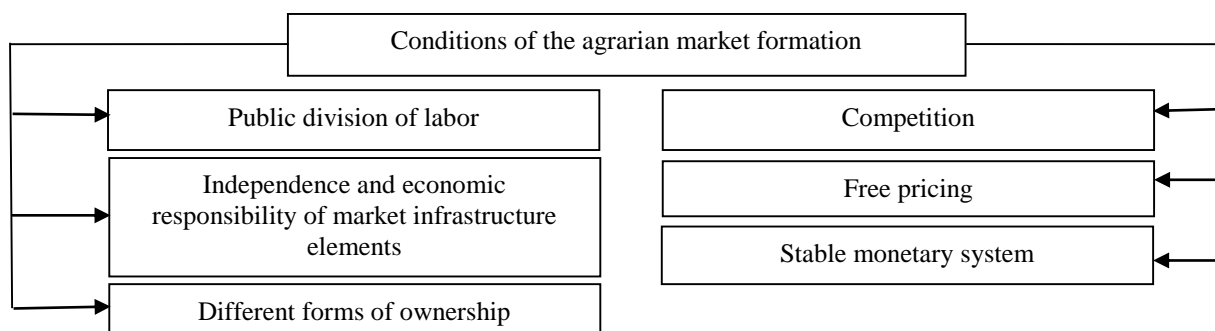
Scientists interpret the essence of the category "market infrastructure" in different ways. Thus, according to S.V. Mocherny, this category reflects the totality of different institutions and institutes, certain types of activities that ensure the movement of property objects: banks, stock and commodity exchanges, labor exchanges, currency exchanges, information centers, etc. [18 , p. 241]. A.V. Gubsky defines market infrastructure as a system of institutions providing direct implementation of exchange processes, as a physical place of contact, interaction of market contractors, market operators, i.e. buyers and sellers [19, p. 87]. Other scholars argue that market infrastructure is a set of elements that ensure uninterrupted multilevel functioning of economic relations, interaction of market economy entities and regulate the flow of commodity and cash flows [20, p. 36].

P.T. Sabluk, D. Ya. Karych, Yu. S. Kovalenko believe that market infrastructure is a common basis for the direct implementation of exchange processes, the physical place of contact, the interaction of market contractors, market operators, i.e. buyers and sellers. The main forms of physical market infrastructure are exchanges, wholesale markets, auctions, fairs, trading houses, city markets, retail and wholesale stores [21, p. 49]. Sometimes, market infrastructure is also referred to banks, insurance, factoring and leasing companies, audit firms, etc. However, these scientists consider it erroneous and agree that these components of the market environment form an entrepreneurial infrastructure that serves the business in general rather than operating products.

The formation of market infrastructure has two directions: 1) from the side of functions (functional aspect); 2) by physical elements (physical aspect). Therefore, in our opinion, under the conditions of the agrarian market in the current conditions of transformational changes we should consider a system of institutions at micro, -macro and -levels, which form mutually beneficial links between individual markets of the agrarian sector and end consumers of agricultural products, facilitating the free process of pricing and market commodity exchange, stability, shading and maximize profits of agricultural producers and minimize the costs of end consumers [22, p. 75].

The process of forming the agrarian market infrastructure in Ukraine began as early as the early 1990s, when the first stage of the revival of stock trading took place. ]

When forming the infrastructure of the agricultural market, it is necessary to observe certain conditions that follow from the condition of the market itself. M.A. Azhniuk attributes to these conditions the social division of labor, independence and economic responsibility, the presence of various forms of ownership, competition, free pricing and a stable monetary system (Fig. 3) [24].



**Fig. 3. Conditions of agrarian market formation**

Source: formed by source [24].

Consider the impact of each of these conditions on the formation of the market and determine their interdependence. Thus, the social division of labor in the formation of agrarian market infrastructure is the objective condition that allows to determine the specialization of each element of the market infrastructure, their role in the market, their main functions and tasks.



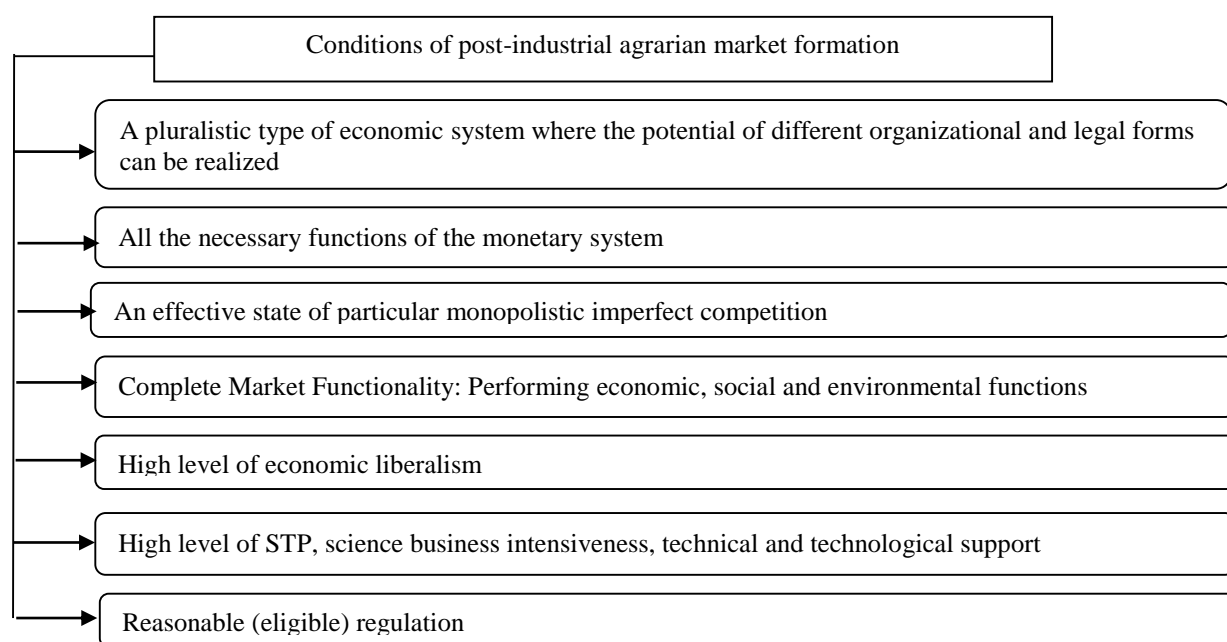
The autonomy and economic responsibility of the elements of the market infrastructure enables intermediaries, wholesalers and retailers, financial institutions, banks, logistics and consulting companies and other elements of the agricultural market infrastructure to act independently in making specific decisions within the law and to be personally responsible for their adoption and personal responsibility.

In the conditions of formation of market relations, the presence of different forms of ownership, private among which is the decisive one, is a necessary condition for the formation of infrastructure of the agricultural market. This enables the elements of the agricultural market infrastructure to choose the form of ownership in accordance with the sphere of activity and the requirements of the legislation that have formed at a certain point in time.

Competition as one of the conditions for the formation of the agricultural market infrastructure creates a positive effect in the formation of this infrastructure, since producers who are structural elements of the agricultural market infrastructure are forced to create maximum benefits for themselves and consumers in order to take a place in this infrastructure.

In the presence of a stable monetary system during the process of forming the infrastructure of the agricultural market, all its elements and groups of recipient agents will benefit, as they will be sure that their business will be successful and stable, and consumers will have the tools to influence the producer.

Therefore, in order to form an effective and competitive agricultural market, it is necessary to observe the basic conditions and principles of its formation, using both scientific and practical experience. However, in the conditions of a post-industrial market formation in the a new type of economic system formation, where the potential of agricultural producers of different organizational and legal forms that function under conditions of a particular monopolistic imperfect type of competition can be realized, there is a need for more detailed study of these conditions (Fig. 4).

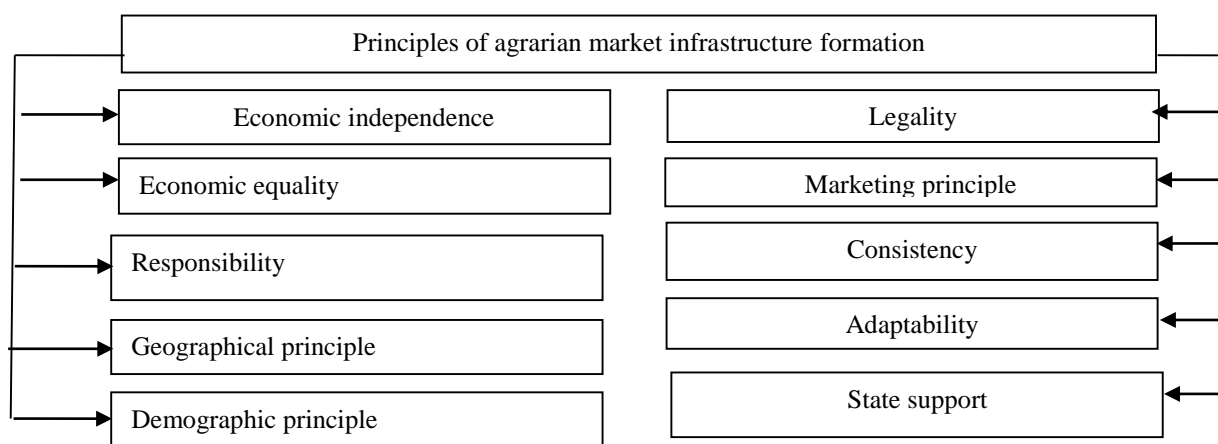


**Fig. 4. Conditions of post-industrial agrarian market formation**

*Source: Developed by the author.*

The process of forming the agricultural market infrastructure must comply with certain principles, which include: economic independence of infrastructure elements of the agricultural market, economic equality, responsibility, geographical principle, demographic principle, legality, marketing principle, systematic principle, the principle of adaptation to modern conditions [25]. , p. 47] (Fig. 5).

In the current conditions of transformational changes, it is a strategically important task of the national agricultural market to ensure the food security of the country. Effective solution of the country's food security is related to the stable and efficient functioning of the domestic agricultural market, saturation of its high-quality and environmentally friendly foodstuffs [26, p. 157]. There is no doubt that solving the problem of food security depends on the balance between supply and demand and the price situation in the agri-food market, income levels and purchasing power of the country's population.

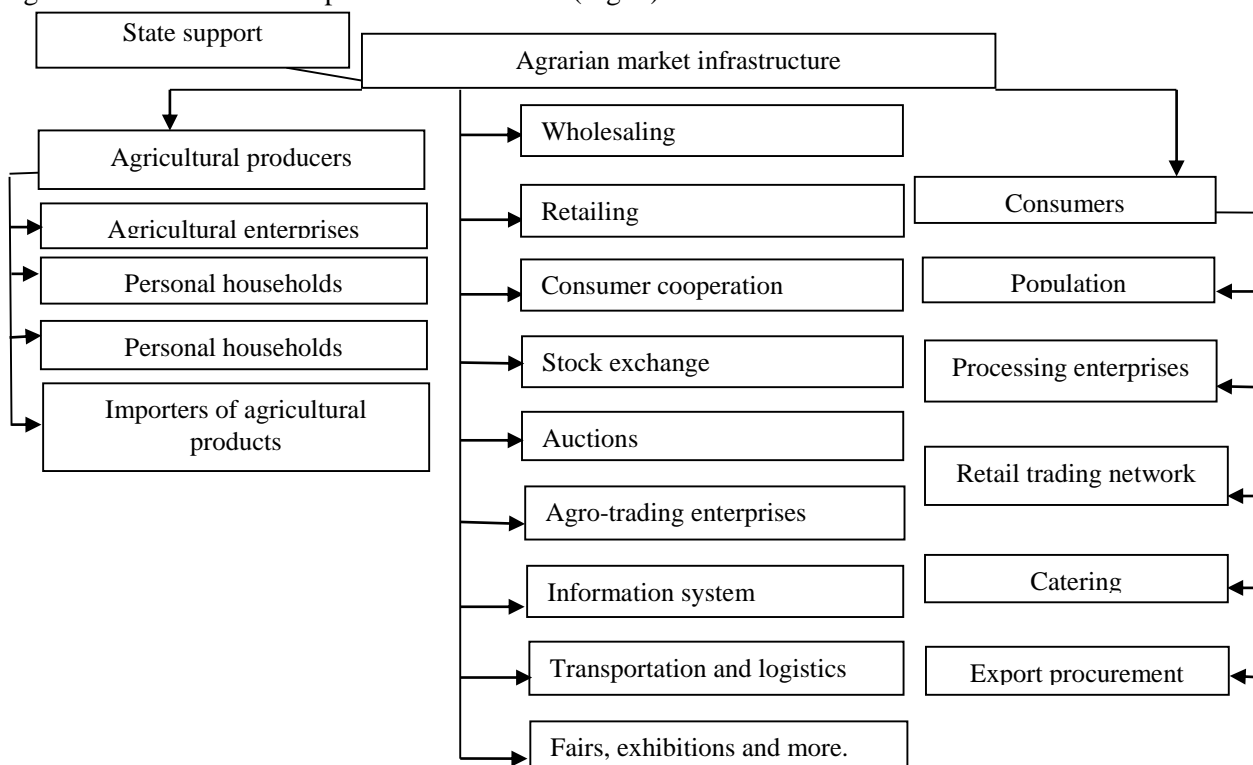


**Fig. 5. Principles of formation of agr market infrastructure**

Source: Formed in [25].

Creating the prerequisites for the effective solution of the problems of food security of the state and formation of a sustainable development of the agrarian market requires purposeful reproduction and modernization on a progressive technical and technological basis and rational use of the resource potential of the domestic agroindustrial complex.

Sustainable development of the product markets requires the creation of a developed infrastructure of the agrarian market, ie a set of elements that would serve the market mechanism. The formation of market infrastructure involves servicing the market process of commodity exchange to ensure its stability, reliability, transparency and efficiency. Schematically, the structure of the market environment of the agricultural market can be presented as follows (Fig. 6).



**Fig. 6. The scheme of organization of the agricultural market infrastructure**

Source: author-generated.

The central place in the infrastructure of the agricultural market belongs to the wholesale and retail trade, trading exchanges, enterprises, auctions, agro-trading houses, etc., whose main purpose is to ensure the purchase and sale of agricultural products and products of its processing.

Sales of agricultural products occur mainly in two directions – through wholesale and retail trade. Wholesale is related to the sale of agro-food products to market intermediaries, who subsequently sell it through retail. Through retail stores, agro-food products reach the end consumer.

Each implementation channel is characterized by significant differences both in the methodological principles of reflecting the implementation process and in its documentation, conducting analytical accounting, generalization of data, construction of accounting registers, information support of reporting.

The choice of agricultural and food distribution channels is determined by many factors: market conditions, availability of agricultural processing facilities, availability and availability of storage and packaging facilities, advanced logistics, etc.

Modern infrastructure of the agricultural market in Ukraine is in the stage of formation in accordance with the development of agrarian relations in the country. A characteristic feature of the development of the agricultural market infrastructure in modern conditions is that it has emerged many intermediary structures that do not provide a reasonable price for producers, while having a significant economic benefit in this intermediary operation, and domestic agricultural producers lose a significant portion of economic profits [22, p. 256].

**Conclusions.** The agricultural market of Ukraine is characterized by a long process of creating a system of organizations, institutions, enterprises and establishing methods of their activity, which are aimed at carrying out transactions with the sale and purchase of agricultural products. Any mechanism works smoothly only when its components work efficiently and productively. Similarly, the agrarian market will only be able to operate effectively if it has a strong infrastructure.

The structure as a complex system of agricultural products market is formed as an organic, integral, complex set of interconnected and complementary subsystems of the market. The systematic construction of the agricultural market has a strategic focus on saturating its competitive agricultural production in response to the challenges of the domestic and foreign markets. The efficiency of the agricultural market depends on the completeness of its functions and goals.

In the current conditions of transformational changes, the infrastructure of the domestic agrarian market is far behind the requirements of both the producer and the consumer. Therefore, to solve this problem, it is necessary to improve the agrarian market infrastructure that is more adapted to modern conditions. This process can be implemented only if the basic conditions and principles of formation of this infrastructure are met, and all participants of the agrarian market, including the state, should solve the tasks for its implementation, which should create all necessary conditions for the development of agrarian business.

Thus, only the economic autonomy and equality of the subjects of the agrarian market, their responsibility and adaptation to the current conditions based on legality, systematic and stable monetary system and political situation, will allow in our country an effective forming of agricultural market with appropriate infrastructure.

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