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**FINAL QUALIFYING PAPER
on the topic:**

**«ORGANIZATION OF EXPORT OF AGRICULTURAL PRODUCTS TO THE
MARKETS OF EU COUNTRIES**

(ON THE MATERIALS OF ZIM AGRO TRADE LLC)

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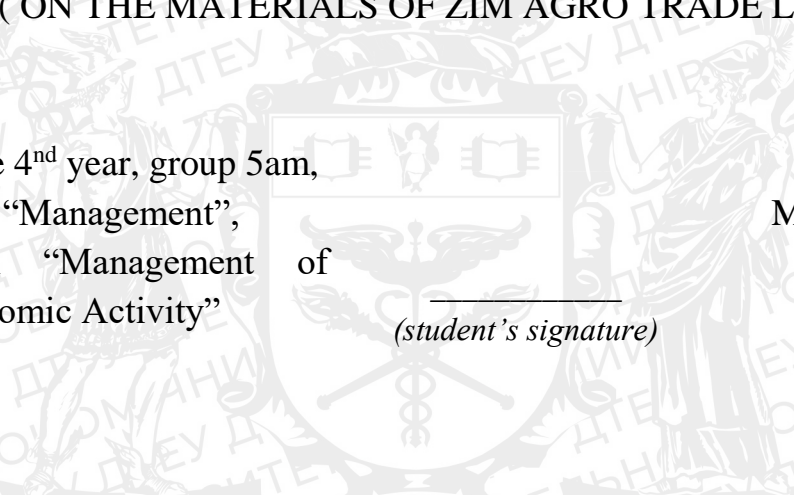
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ABSTRACT

Melezhyk N. ORGANIZATION OF EXPORT OF AGRICULTURAL PRODUCTS TO THE MARKETS OF EU COUNTRIES ON THE MATERIALS OF ZIM AGRO TRADE LLC.

Graduation thesis in the specialty "Management", specialization "Management of Foreign Economic Activity" State University of Trade and Economics, Kyiv, 2022

The final qualification work is devoted to practical aspects of the organization of export of agro-industrial products to the markets of EU countries, which includes assessment of production and economic and export activities of LLC "ZIM AGRO TRADE", analysis of the world market of agro-industrial products, substantiation of prospects for export of agro-industrial products and forecasting the effectiveness of export supplies to the EU.

Keywords: agro-industrial products, exports, EU countries, activity of LLC "ZIM AGRO TRADE", performance forecasting

SCIENTIA DIFFICILIS SED FRUCTUOSA

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INTRODUCTION

Relevance. The current stage of functioning and development of the national agro-industrial market is closely connected with its restructuring in the direction of increasing competitiveness, as it requires not only the influence of world markets, but also the challenges of globalization - Ukraine's participation in the WTO and EU integration.

These global changes must be accompanied by qualitatively new steps to create conditions for the liberalization of agricultural and food markets. Therefore, success can be expected only if the competitiveness of agricultural products increases.

At the same time, the high dynamism of modern economic, political and social factors in our country requires in-depth research on the impact of market transformations on the agricultural sector and the level of food consumption, study of potential demand for organic products, development of qualitatively new models of national agricultural market. competitive products to meet the domestic food needs of the state and expand its export opportunities.

The purpose of the final qualifying paper

is to organize the export of agro-industrial products of LLC "ZIM AGRO TRADE" to the markets of the EU

In the course of the thesis there are a number of **such tasks:**

- to analyze the activities of the subject of foreign economic activity LLC "ZIM AGRO TRADE"
- to assess the production and economic activity, financial condition and total income of LLC "ZIM AGRO TRADE"
- to analyze the export activity of ZIM AGRO TRADE LLC
- to analyze the world market of agro-industrial products
- to study the prospects of export of agro-industrial products of ZIM AGRO TRADE LLC to the EU
- to offer organizational support for the export of ZIM AGRO TRADE LLC to the EU
- predict the effectiveness of export supplies to the EU

The object of research is the export of agro-industrial products

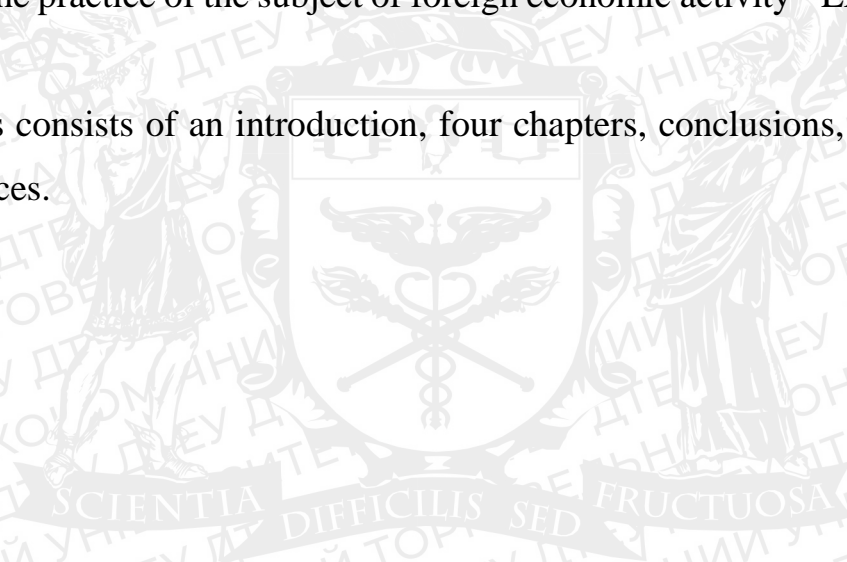
Subject of research - theoretical, methodological and practical aspects of the organization and implementation of exports of agro-industrial products of LLC "ZIM AGRO TRADE" to the EU

Research methods: monographic, systematic approach, financial and economic analysis

Information support of scientific articles of Ukrainian and foreign scientists, scientific journals, electronic resources, scientific manuals.

The practical significance of the obtained results and recommendations for their use in the practice of the subject of foreign economic activity - LLC "ZIM AGRO TRADE"

This thesis consists of an introduction, four chapters, conclusions, a list of sources and appendices.



CHAPTER 1.

RESEARCH OF ACTIVITIES OF ZIM AGRO TRADE LLC

ZIM AGRO TRADE Limited Liability Company is a company engaged in wholesale grain trade.

ZIM AGRO TRADE LLC was founded on August 9, 2017 at the address: Ukraine, Kyiv city, Drahomanova str., House 40, apartment 2 [1].

1.1. Estimation of production and economic activity, financial condition and total income of LLC "ZIM AGRO TRADE"

According to the charter, the main activities of ZIM AGRO TRADE LLC are:

- wholesale of grain;
- non-specialized wholesale trade;
- sale of consumer goods;
- etc [2].

The main task of ZIM AGRO TRADE LLC is to provide the country with high-quality grain and export products to other countries. The organizational structure of ZIM AGRO TRADE LLC has a linear-functional management structure. This means that the principles of both linear and functional management are laid down in the management of the enterprise. However, the linear-functional management system has such shortcomings as differences between linear and functional services, which are manifested mainly in the inaccurate interpretation of tasks by management.

ZIM AGRO TRADE LLC according to NACE-2010 [3] is engaged in the activities of section A - Agriculture, hunting and related services (crop production), namely the cultivation of crops both in the open field and in greenhouses and greenhouses (dod.B)

Based on Annex A, it can be concluded that the company is engaged in growing, harvesting, storage and sale of grain crops for both the Ukrainian market and for export.

The result of the enterprise is the sales of goods and profits. These indicators allow to determine the level of efficiency of the enterprise.

These indicators are presented in table 1.1.

Таблиця 1.1

Profit of LLC "ZIM AGRO TRADE" for 2019-2021, thousand UAH

Indicator	2019	2020	2021	Absolute growth	
				2020	2021
Profit from sales	281503	216188	257465	65315	-41277
Profit from other operating activities	346225	29234	46605	375459	-17371
Operating profit (total)	64722	245422	304070	310144	-58648
Profit from financial activities	69206	192057	29332	122851	162725
Profit from ordinary activities before tax	4484	437479	333402	432995	104077
Net profit	9886	434318	328730	424432	105588

Source: Formed by the author on the basis of ZIM AGRO TRADE LLC [1].

Thus, the analysis of the company's profit showed that the loss from sales in 2019 amounted to 281 503 thousand UAH, in 2020 amounted to 216 188 thousand UAH, and in 2021 - 257 465 thousand UAH, and profit from other operating activities in 2020 decreased by 375 459 thousand UAH, and in 2021 by 17 371 thousand UAH, compared to previous years. Instead, the total profit from operating activities in 2020 decreased by 310,144 thousand UAH, and in 2021 by 58,648 thousand UAH, compared to previous years.

As for losses, the loss from ordinary activities before tax in 2019 amounted to 4,484 thousand UAH, in 2020 amounted to 437,479 thousand UAH, and in 2021 - 333,402 thousand UAH, and the loss from financial activities in 2019 amounted to 69,206 thousand UAH, in 2020 amounted to 192 057 thousand UAH, and in 2021 - 29 332 thousand UAH. Thus, net profit (loss) in 2020 decreased by 424,432 thousand UAH, in 2021 increased by 105,588 thousand UAH.

In addition, the stability of the financial condition of the enterprise is affected by such conditions as the proper use of financial assets, their appropriate investment, before which it is necessary to study in detail the composition, structure of property, sources of income, and the reasons for their change. Detailed analysis is presented in table 1.2.

Table 1.2

Type of financial stability of ZIM AGRO TRADE LLC for 2019–2021, 31/12

Indicator	2019	2020	2021	2022
Inventories, thousand UAH	338136	393704	676652	832319
Own (net) working capital, thousand UAH	353077	103322	-103300	-304547
"Normal" sources of funding, thousand UAH	796789	692866	783448	941003
Short-term bank loans and borrowings to cover stocks, UAH thousand	0	0	0	12932
Settlements with creditors for goods, works, services, thousand UAH	443712	589544	886748	1232618
Loans and loans that are not repaid on time, thousand UAH	0	0	0	0
Overdue accounts payable, UAH thousand	0	0	0	0
Overdue receivables, UAH thousand	0	0	0	0
Type of current financial stability	Absolute	Absolute	Normal	Normal

Source: Formed by the author on the basis of ZIM AGRO TRADE LLC [1].

After analyzing the type of financial stability at ZIM AGRO TRADE LLC, it was concluded that for the beginning of 2019 and 2020 the type is absolute, and for the beginning and end of 2021 - normal. Detailed analysis is presented in table 1.3.

Table 1.3.

**Indicators of financial stability of LLC "ZIM AGRO TRADE" for 2019-2021,
31/12**

Indicator	2019	2020	2021	2022	Baseline absolute increase for January 2022
Coefficient of financial autonomy	1807978	2091725	1901637	1500800	-400837
Financial debt ratio	0,79	0,82	1,06	1,23	0,17
Coefficient of financial dependence	3,89	4,79	-16,89	-5,22	11,66
Debt coverage ratio	0,25	0,21	-0,06	-0,19	-0,13

Source: Formed by the author on the basis of ZIM AGRO TRADE LLC [1].

The analysis of financial stability indicators showed that the coefficient of financial autonomy at the beginning of 2019 amounted to UAH 1,807,978 thousand, at the beginning of 2020 amounted to UAH 2,091,725 thousand, at the beginning of 2021 - UAH 1,901,637 thousand, and at the end of 2021 - UAH 1,500,800,000. The basic absolute increase in the financial debt ratio at the end of 2021 increased by 0.17%. And the absolute increase in the ratio of financial dependence at the end of 2021 increased by 11.6%. The debt coverage ratio decreased throughout the study period. Detailed analysis is presented in table 1.4.

Table 1.4

**Integral assessment of the financial condition of ZIM AGRO TRADE LLC for
2019-2021.**

Indicator	2019	2021	Absolute growth
Beaver coefficient	0,06	0,04	-0,01
Return on assets	0,05	0	-0,05
Financial leverage	0,82	1,23	0,40
Coefficient of maneuvering	-0,08	-0,43	-0,34

Coverage ratio (total liquidity)	1,08	0,84	-0,24
Type of financial condition	Resistant	Resistant	-

Source: Formed by the author on the basis of ZIM AGRO TRADE LLC [1].

Analysis of the type of financial condition of ZIM AGRO TRADE LLC showed that it is stable.

However, the staff, its qualification and performance appraisal are of great importance for the development and stability of ZIM AGRO TRADE LLC. A more detailed analysis is presented in Table 1.5

Table 1.5

Labor productivity at ZIM AGRO TRADE LLC for 2019–2021.

Indicator	Value for the year			Absolute gain (chain)	
	2019	2020	2021.	2020	2021
Labor productivity, thousand UAH:					
at actual prices	206,89	282,80	315,00	75,91	32,20
in comparative prices	206,89	200,74	217,66	-6,15	16,92
Ratio of labor productivity growth rate and average PA					
at actual prices		0,61	0,44		-0,17
in comparative prices		0,62	0,62		0,00

Source: Formed by the author on the basis of ZIM AGRO TRADE LLC [1].

Analyzing the productivity of the enterprise, we can conclude that labor productivity in actual prices in 2020 increased by 75.91 thousand UAH, in 2021 by 32.2 thousand UAH, compared to previous years; in comparative prices, labor productivity in 2020 decreased by UAH 6.15 thousand, and in 2021 increased by UAH 16.92 thousand.

The average salary in actual prices in 2020 increased by 127.5 thousand UAH, in 2021 by 252.06: in comparable prices in 2020 by 214.5, and in 2021 by 27.30. The

ratio of labor productivity growth and average salary in actual prices in 2021 decreased by 0.17%, in comparative prices have not changed [4].

Thus, having analyzed the economic condition of ZIM AGRO TRADE LLC, the role and importance of financial control have been determined. After all, without constant control and analysis of economic performance it is impossible to have effective results.

1.2. Analysis of export activity of LLC "ZIM AGRO TRADE"

In 2015, there was a radical change in priorities in the export potential of the Ukrainian agricultural sector. The agro-industrial complex has achieved almost complete foreign trade reorientation from the Russian market to the markets of the EU, Asia and Africa.

The expansion of the geography of exports of ZIM AGRO TRADE LLC allowed them to cope with the consequences of the closure of the Russian market.

In recent years, the dynamics of exports of products of ZIM AGRO TRADE LLC from Ukraine to the EU is only increasing. According to the State Statistics Service of Ukraine, in 2021 total exports to the EU increased by 29.9% compared to 2020, as shown in Figure 2.1



Fig. 1.1 Dynamics of Ukraine's exports to EU countries in 2017-2021

Source: compiled by the author according to the State Statistics Service of Ukraine [5].

As can be seen from the chart, in 2020 total exports amounted to 13,496,383.2 thousand US dollars. In 2021, this figure increased to 17,533,403.9 thousand US dollars [5].

Just as today ZIM AGRO TRADE LLC is conducting in-depth cooperation with the European Union due to improved trade and export conditions, it is worth noting the top 5 EU countries to which Ukraine exports its goods. (Figure 1.6)..



Рис.1.6. Top 5 EU countries to which ZIM AGRO TRADE LLC exports, thousand US dollars [5].

The geographical structure of exports shows the reorientation of exports of ZIM AGRO TRADE to Asia (45% of exports, 6.7 billion US dollars), maintaining the main positions in trade with the EU (28.2%, 4.2 billion US dollars) and African countries (13.6%, 2.02 billion US dollars), some expansion of supplies to the United States (0.3%, or 186 million US dollars) [6].

The expansion of the geography of exports of ZIM AGRO TRADE LLC allowed them to cope with the consequences of the closure of the Russian market.

Consider the structure of sales of grain LLC "ZIM AGRO TRADE" in the

period 2019 - 2021 (Table 1.6).

Table 1.6

The structure of grain sales of LLC "ZIM AGRO TRADE" in the period 2019 - 2021

Name	Total implemented, thousand			2021/2020		2020/2019	
	2019	2020	2021	Absolute deviation	Growth rate	Absolute deviation	Growth rate
SPM, tons	934	1103	1181	169	18,1	78	7,07
Export	622	953	1003	331	53,2	50	5,3
Internal market	312	150	178	-162	-51,9	28	18,7

Source: compiled on the basis of financial statements of the enterprise

The structure of grain sales of ZIM AGRO TRADE LLC in the period 2019-2021 is dominated by exports, which is due to the oversaturation of the Ukrainian market with this type of product.

The company's exports in 2021 predominated in the CIS countries, which is due to the simplified standardization system, which in turn has a positive effect on sales speed and the level of export costs. In 2021, exports to the CIS countries amounted to 47%. The least exported agricultural products to the Americas - 13%.

Consider the geographical structure of grain exports in 2019-2021 (Table 1.7).

Table 1.7

Geographical structure of grain exports LLC "ZIM AGRO TRADE" during 2019-2021

Country	2019, tone	in grain exports, %	2020, tone	in grain, exports%	2021, tone	in grain export, %
CIS countries	286	46	352	36	292	29
Countries of America	96	15	164	17	197	19
African countries	98	16	197	20	201	20

Asian countries	142	23	240	27	313	32
Total	622		953		1003	

Source: compiled on the basis of export documentation of the enterprise

The data in the table. 1.7 indicate a change in the geographical structure of grain exports to the CIS countries, then in 2021 to Asia and Africa.

Let's analyze the price level per 1 ton of grain in the period from 2018 to 2021. It should be noted that grain pricing fluctuates quarterly, often monthly and depends on national and world price levels (Table 1.8).

Table 1.8

Grain price level of ZIM AGRO TRADE LLC

Country	Price level USD / 1 t 2019	Price level USD / 1 t 2020	Price level USD / 1 t 2021
CIS	[1 523-1 915]	[1 654-2056]	[1 720-2150]
America	[1900-2100]	[1950-2250]	[1900-2540]
Africa	[1420-1635]	[1538-1750]	[1525-1800]
Asia	[1530-2100]	[1725-2100]	[1820-2200]
Ukraine	[1 500-2000]	[1 600-1 900]	[1 690-2100]

Source: compiled on the basis of export documentation of the enterprise

LLC "ZIM AGRO TRADE" forms a quarterly minimum possible selling price - the base price, which includes cost and trade margin.

Let's analyze the income from the sale of grain in Ukraine and income from grain exports abroad, the data are presented in table 1.9

Table 1.9

Dynamics of the coefficient of the share of grain exports of LLC "ZIM AGRO TRADE" from 2019 to 2021

	Years		
	2019	2020	2021
Sales in Ukraine, thousand dollars USA	624	300	356
Sales abroad, thousand dollars USA	1 244	1 906	2 006
Total, thousand dollars USA	1 868	2 206	2 362

Source: compiled on the basis of export documentation of the enterprise

Over the last 3 years, the share of exports in the trade of ZIM AGRO TRADE LLC has increased by 18% from 67% to 85%. This indicator indicates the export orientation of the enterprise. However, it can be seen that the export share ratio

decreased by 0.1% in 2021 compared to 2020. This is a small result, but in order to reduce the risk of losing existing markets and reduce the share of exports, the company should consider additional new markets and establish corporate relations with contractors in the respective countries.

Let's calculate and analyze the indicators of efficiency of foreign economic activity of the enterprise LLC "ZIM AGRO TRADE". At the enterprise level, the economic efficiency of foreign trade is understood as the degree of increase in income from foreign trade operations. The criterion of efficiency is profit as the main measure of efficiency. Determining the effectiveness of foreign economic activity determines the degree of interest of the company in entering the world market, allows you to justify some positions in the purchase and sale of certain goods. The obtained data can be use in the development of export and import plans of the enterprise in assessing the structure and directions of foreign trade [7].

SECTION 2.

RATIONALE FOR CHOOSING A POTENTIAL MARKET FOR ORGANIZING GRAIN EXPORTS OF ZIM AGRO TRADE LLC

Given the unstable political and economic situation, the agro-industrial complex is showing high results. With high natural resource potential, unique opportunities for agricultural development, but poorly mechanized and technologically backward agriculture in general, Ukraine must use the fastest and most fully, natural resources to take a leading position in the world market of agricultural products [8].

2.1. Analysis of the world market of agro-industrial products

For a long time in the agricultural sector is the formation of market relations for sales and exports. However, the measures taken in this direction are not yet fully focused on financial recovery and increasing the investment attractiveness of the industry. Market infrastructure and mechanisms of the industry was still insufficiently use to ensure parity of relations, their equivalence and increase opportunities for attracting foreign investment [9].

The formation of investment attractiveness of the industry is the use of macroeconomic levers for large-scale attraction and highly efficient return on investment, the successful implementation of business by investors. A necessary condition for this is, first, the liberalization of sales, access to domestic and foreign markets. This condition is one of the determinants for foreign investors, especially when they invest their capital in countries with economies in transition. In recent years, significant progress had been make in this direction.

The share of processing enterprises decreased from 53.2% in 2016 to 16.2% in 2021 (table 2.1.)

Table 2.1

Sales of agro-industrial products for 2016-2021

Directions of implementation	2016	2017	2018	2019	2020	2021
Processing and procurement enterprises	53,2	20,6	20,9	20,1	18,3	16,2
In the market	23,7	29,7	36,7	20,7	18,4	21,3

Source: compiled by the author according to the State Statistics Service of Ukraine

[5]

Instead, the share of sales of products to commercial, trade, intermediary and other structures increased significantly, and exchange trade in products intensified.

The number of exchange transactions concluded in 2019-2021 was 14 times higher than the number of agreements concluded in 2016-2018. This is most clearly evidence by the dynamics of public procurement of grain. If in 2016 the state purchased 17 million tons, in 2017 - 10, in 2018 - 5, in 2019-2021 - an average of 300-500 thousand tons. Private producers and those who traded grain on the market freely, under direct contracts carried out the rest of the procurement. Similar dynamics was observe in almost all other types of agro-industrial products.

This is indisputable evidence of the liberalization of the agricultural market and the growth of its investment attractiveness. However, Ukraine still has significant reserves to increase the level of organization and ensure greater openness and transparency of the agricultural market. In 2016-2021, more than 64-70% of grain sold through informal sales channels, usually to commercial structures, intermediaries directly from the field, from currents and warehouses [10].

Thus, a high level of organization, openness and transparency of the agricultural market, measures to ensure the equivalence of intersectoral trade relations - this is an important direction and way to further increase the investment attractiveness of the agricultural sector. This should also include measures to create opportunities for the realization of the export potential of the industry.

In recent years, significant progress has been made in this direction (Table 2.2.). In 2019-2021, the balance of foreign trade in agricultural products was negative.

Table 2.2

Dynamics of foreign trade in agro-industrial products

Indexes	2016	2017	2018	2019	2020	2021
The value of gross output in UAH million	82 160	50 716	55 722	61 424	62 116	55 946
	8 743	4 119	4 017	6 224	8 138	6 813
Exports, UAH million	11 666	1 602	2 208	2 426	1 933	5 138
Imports, UAH million						
Balance, UAH million	-2923	2 517	1 809	3 798	6 205	675
Ratio of exports to imports, %	74	257	182	256	421	132
Correlation to gross output, %:						
Exports	10.6	8.1	7.2	10.1	13.1	12.1
Import	14.2	3.1	3.9	3.9	3.1	9.1
Net exports	-3.8	4.9	3.2	6.1	9.9	1.2
Part of the industry in total, %:						
Exports	10.0	12.2	9.4	11.1	8.4	5.5
Imports	14.7	7.6	6.5	7.1	2.1	4.2

Source: compiled by the author according to the State Statistics Service of Ukraine

[5]

However, in 2016 the situation changed dramatically and the trade surplus amounted to UAH 2.5 billion. In the United States in 2020, the balance increased to UAH 6.2 billion, and the amount of exports was four times the amount of imports. This indicates a high level of effective market orientation of the agricultural sector. In 2021, export opportunities declined due to grain crop failures [11].

Exports of cereals, poultry, eggs and egg products remain the most important factors in the positive balance of agricultural products. At the beginning of 2021, Ukrainian farmers demonstrated rapid growth in trade with EU countries.

However, the export potential of the agricultural sector is not yet fully realized. So far, no effective export promotion policy has been in place, and Ukraine's agro-industrial sector is poorly integrated into the international trade

system. The ratio of exports of agricultural products to gross in Ukraine is only 20%, while in Poland - 25%, in France and Germany - 53%. This is presented in more detail in Table 2.3.

Table 2.3

**Characteristics of exports of agricultural products and food of some countries
(in%, for 2020)**

Country	Export ratio to:		Ratio of net exports to:	
	Gross output of the industry	Gross value added of the industry	Gross output of the industry	Gross value added of the industry
США	28,0	77,0	2,4	6,6
ЄС-15	18,0	34,0	-3,2	- 6,0
Germany	53,0	12,0	- 22,8	- 52,9
Poland	25,0	53,0	- 5,0	-10,6
Bulgaria	26,0	31,0	15,2	17,1
Ukraine	20,4	26,1	10,1	18,2

Source: compiled by the author according to the State Statistics Service of Ukraine [5].

At the same time, as shown in Table 2.3, the agricultural sector has the best ratio of net exports (balance) to gross value added of industry and gross output, while in many countries with high ratios of exports to gross output, the ratio of net exports to gross output and negative value added (EU-15, Germany, Poland) [12].

Thus, competitive advantages of Ukrainian agricultural products are increasing mainly due to low costs, but are lost due to low levels of state support. Developed countries provide much more support to this sector from the state budget. Over the last decade, there has been a clear trend of increasing the role and influence of large farms on the export of agro-industrial products. It should be noted that this is facilitated by the fact that the management of the 10 largest agricultural holdings in

Ukraine is about 7.5% of agricultural land. Among the most powerful agricultural holdings are: Ukrlandfarming, NCH, Kernel Group, "Myronivsky bakery product", "Ukrainian Agrarian Investments", Astarta-Kyiv, "Dream agroholding", HarvEast, "Agroton".

2.2. Prospects for the export of agro-industrial products of ZIM AGRO

TRADE LLC to the EU

There are a large number of agro-industrial enterprises in Ukraine today. From large to very small. Several of the largest land holdings of agricultural companies in Ukraine were analyzed to determine the effectiveness of their activities. ZIM AGRO TRADE LLC is perhaps the most famous agro-industrial company today, which has been the subject of discussions both in Ukraine and abroad.

The efficiency of an agricultural enterprise does not depend directly on the size of the land fund, but on the ability to use it. After analyzing ZIM AGRO TRADE LLC, a SWOT analysis was created, which clearly reflects all the strengths and weaknesses of the company, opportunities and threats [14].

SWOT-analysis is created for the company to understand in which areas the company can develop and on which parts of production or organizational work the company must work to make its weaknesses advantages (Table 2.4)

Today's development strategy for ZIM AGRO TRADE LLC is a market development strategy. The company is actively looking for new buyers for its products. It also studies market demand and diversifies its products accordingly. sowing season increases the size of sown areas for this crop [15].

Table 2.4

SWOT-analysis of ZIM AGRO TRADE LLC

Strengths	Weak sides
Availability of qualified personnel with experience in this field.	Procrastination by partners when equipment supplies
Business relationships with customers and suppliers	Production or supply failures are possible
Convenient location of the enterprise relative to the close location of the fields	The products do not have European level certificates
Relative proximity to major roads	Non-participation of staff in approval management decisions
Small size of the enterprise, which provides mobility and relatively "painless" change of the structure of the crop if necessary	Some equipment is outdated
Increase in fixed assets and increase in working capital	Insufficient number of warehouses for storage of products.
Fast payback and high efficiency of the enterprise	
Competitive pricing policy	
External opportunities	External threats
Due to the introduction of government restrictions, there is a marked increase in consumer interest in domestic products.	Unstable political situation.
Positive trends in demand growth	Unsatisfactory weather conditions, as a result - insufficient quantity or reduced quality of the crop
Formation of market relations in Ukraine.	Instability of economic, tax, banking and other legislation in Ukraine.
Due to the introduced new laws - the possibility of importing products abroad	Competition from foreign manufacturers.

Source: created by the author according to the website of ZIM AGRO LLC [1]

Analysis of the level of structure and trends in exports of agriculture and food industry of Ukraine in comparison with the countries occupying the first positions in the world in the export of these products allows us to draw the following conclusions:

- Ukraine, and especially ZIM AGRO TRADE LLC, has significant reserves for increasing the production and export of agro-industrial products to the EU
- The main areas of improving the structure of both production and exports to EU countries are to increase the share of crop products,

especially with a deep degree of processing [16].

Thus, ZIM AGRO TRADE LLC has all the indicators of its efficiency and production volumes, as well as product quality in the export market of agro-industrial products in the EU, namely with Poland, Italy, Germany, the Netherlands and Spain.

Consider the countries to which Ukrainian producers now have the opportunity to export grain under free trade agreements as of 2021 (Table 2.4).

Table 2.4

Interstate agreements of Ukraine on free trade

Count ries	Comments
Azerbaijan, Uzbekistan, Turkmenistan, Kyrgyzstan, Tajikistan, Armenia, Montenegro, Republic of Georgia Republic of Macedonia	Within the framework of the current interstate agreements on free trade, it is possible to be exempted from paying the export duty when exporting the goods specified in the comment. Such release is subject to the conditions (availability of a certificate of origin, compliance with the rules of direct shipment and direct purchase) set by each individual agreement.
Kazakhstan, Moldova, Belarus	Certificate EUR.1 required.
EU countries	Certificate EUR.1 required. As well as the number of the operating permit. There is a tariff quota for SPM (1500-5000 t / year)
Canada	There is a tariff quota (information on the availability of quotas must be clarified).

Source: created by the author [17].

Ukrainian producers have many years of experience in exporting grain products and grain to the CIS countries. Conversely, the lack of experience in exporting to EU countries and developing markets in North America is a complex task for Ukrainian enterprises. It often takes several years for companies to prepare for export to these markets - increasing production capacity, investing in

modern and powerful equipment, improving the quality system at the company, investing in standardization and certification of products, etc., which requires considerable effort and time. Below in table 2.5, the calculation of the overall weighted competitiveness rating is given.

Table 2.16

**Evaluation of the position of the company LLC "ZIM AGRO
TRADE" in comparison with competitors**

Indicators of competitive strength	Weight	Enterprise	Leading Ukrainian grain producers	European manufacturers
Quality and characteristics of products in accordance with international requirements	0,15	10	10	10
Reputation, image	0,15	7	8	10
Production capacity	0,1	8	9	10
Technological level	0,1	10	10	10
Dealer network	0,2	8	9	10
Marketing and advertising	0,15	7	10	8
Financial stability	0,15	9	9	9
Overall competitiveness rating	1,00	8,4	9,3	9,6

Source: compiled by the author [17].

When assessing the indicators of competitive strength, it can be seen that the Ukrainian company has a logically lower position on some indicators. But in the dairy industry it is advisable to assess competitiveness only on the basis of the above indicators of competitiveness. A significant role in the competitiveness of grain on the world market is influenced by the current price, location of production facilities, % duties, availability and volume of quotas, as well as natural weather conditions that affect the quantity and quality of milk. The latter factor significantly affects the competitiveness of products from year to year. Also, as you can see, other leading Ukrainian grain producers have a slightly higher score than ZIM AGRO TRADE, which is due to their membership in large agricultural holdings in Ukraine with extremely large production capacity and many years of experience.

SECTION 3.

IMPLEMENTATION OF THE MANAGEMENT DECISION ON EXPORT OF GRAINS OF ZIM AGRO TRADE LLC

Ukraine's resource potential in shaping the supply of high-quality grain provides grounds for an optimistic forecast of its role in the global grain market. Exports of agro-industrial goods form a stable source of foreign exchange, the scale of which is able to provide Ukraine with positive GDP. However, it is almost impossible to realize potential export opportunities without modern approaches to the organization of grain exports in a highly competitive world economic space [18].

Thus, the export potential of ZIM AGRO TRADE LLC is determined not only by gross levies and the determination of appropriate quotas for possible exports, but also by the ability to effectively enter the EU market at competitive prices.

3.1. Organizational support for the export of ZIM AGRO TRADE LLC to the EU

Exports give companies the opportunity to enter new markets, increase sales, profits and gain more customers. A good strategy helps businesses succeed. The export strategy should be based on the assessment of the business position and the study of promising opportunities. You need to think about how to engage new customers and finance your exports, as well as understand all legal and tax issues. The first step should be to assess your position. It is necessary to understand the reasons for entering the international market [19].

An enterprise can have competitive innovation for the international market. ZIM AGRO TRADE LLC wants to extend the life cycle of its products. The assessment of the position also includes the company's readiness to start export activities. Determine whether it has all the necessary resources to support all export processes. The company must understand all the risks it may face in the process of exporting goods [20].

These may be differences in language, currency and business practices; the delivery cycle may take longer than usual; attracting many more people to work as the market expands. The next step should be to draw up an action plan. You need to develop your competitive position and determine which products can be successful in the international market. You need to choose a market that offers great opportunities for growth and that you understand.

Setting goals and budgets is also very important. It is necessary to draw up an export budget, clearly indicating the distribution of costs. Every company that wants to engage in export activities must have a person who would be responsible for international activities. You need to decide how to organize marketing, sales and delivery to reach the market. You should also develop your terms of trade and methods of financing exports, including terms of delivery and method of payment.

Third, one of the most necessary steps is to study potential markets. The basis of such a study may be:

- international trade statistics on the Internet to determine where the demand for a particular type of product is strongest;
- view various reports on the state of a market to date;
- visiting a trade fair to meet with potential competitors.

The next step is to study the legal side of the case. It is necessary to find out whether the sale of a certain product abroad does not require a license. One of the key points is the proper preparation of a contract for the sale of certain goods. You need to make sure that when you sign a contract, it states where the exporter's responsibilities end and the buyer's responsibilities begin. Incoterms should be used in contracts to avoid any misunderstandings on both sides. Incoterms clearly defines who delivers and insures goods. You also need to study all the rules of taxation in the case of exports. [21].

The fourth step is to analyze the financial side of the issue. It is necessary to determine the types of payment by which exported goods will be paid. Today, there are different ways to penetrate international markets. Creating your own sales network is one of them. In this way, you need to know the market well, to have permanent

representatives there. The advantage is that the exporting company has detailed information about the market and can quickly control and manage the sale of goods in this market.

Another way is to use independent trade and marketing intermediaries. The expediency of this method is indisputable when entering new markets, when their own sales system has not yet been created, or its creation is inefficient or requires high costs [22].

The third way to penetrate a foreign market means the production of goods, the creation of goods in completely or in part in the country whose market the company seeks. This method is appropriate if the market is extremely promising for the company and, in addition, the production of goods on site can provide significant economic benefits.

There are also several alternative strategies for penetrating foreign markets, namely:

- indirect export strategy;
- direct export strategy;
- licensing strategy;
- joint venture strategy;
- direct investment strategy [23].

ZIM AGRO TRADE LLC applies an indirect export strategy.

The process of implementing the strategy can be divided into two major stages:

- strategic planning process - development of a set of strategies, from the basic strategy of the enterprise to functional strategies and individual projects;
- the process of strategic management - the implementation of a strategy in time, reforming the strategy in a world of new circumstances [24].

Indirect exports for ZIM AGRO TRADE LLC are especially necessary in conditions when the manufacturer does not have sufficient information about the foreign market or experience in it, so he prefers to reduce his own risk by transferring the sales function to intermediary firms (table 3.1).

Table 3.1

EU market entry strategies for ZIM AGRO TRADE LLC

Export	Direct investment	Common activity
Indirect exports: Through domestic merchants exporters; Through domestic export agents; Through the domestic cooperative organization; Direct export: Through the export department in your own country; Through a sales office or branch abroad; Through salesmen for export operations; Through foreign distributors or agents	Licensing; Contract manufacturing; Contract management; Joint ventures	Joint ventures Industrial enterprises

Source: compiled by the author [1].

Indirect exports have two advantages:

- Its implementation does not require significant funds, there is no need to create an export department that will sell abroad or establish contacts with foreign partners.
- such exports are less risky, because intermediaries act on their own initiative, based on knowledge of foreign markets, and offer additional services to the manufacturer [25].

With regard to standardization and certification, all agricultural and food products entering the EU must be accompanied by a phytosanitary, medical or veterinary certificate issued by the relevant regulatory authority of the exporting country. The package of documents should be presented during the inspection of the goods together with the import permit in order to simplify the procedure of physical inspection of goods and customs clearance. Processed food can be supplied to the EU through a buyer / importer, with no separate product registration required.

All you need to do is follow the rules of hygiene set out in the following acts governing food security in the EU:

- The Foodstuffs, Disinfectants and Cosmetics Act (FDCA) 54 of 1972: (Regulations on Foodstuffs, Disinfectants and Cosmetics)
- Consumer Protection Act, 2008: (Consumer Protection Act)
- The Health Act, 1977: (Health Care Act - Hygienic Requirements and Ingredients and Impurities)
- Animal Disease Act, 1984: (Animal Disease Act)

It is proposed to start developing the EU market from the nearest promising market - Poland. In general, this choice is also justified by the fact that Poland is one of the European countries that previously bought grain from Ukrainian producers [26].

First, it should be noted that the procedure for exporting to the EU is complicated primarily by bureaucracy - a large amount of documentation is required to confirm the compliance of products and their production with EU requirements, especially for grain.

Secondly, the grain market is volatile, and all the world's leading producers of agro-industrial products depend on the amount of land and natural conditions. To remain the world leader in the grain market, the EU is implementing state-of-the-art technology to help deliver the right amount of produce, whatever the weather. The EU also buys grain from other countries, creating a strategic stockpile called European grain interventions. This procurement procedure carried out in the form of a tender. Export to the EU within the framework of European interventions is not the only way to sell grain.

In accordance with the terms of the DCFTA between Ukraine and the EU, the rate of EU import duty on grain was reduced to 0%. The remaining items are subject to tariff quotas, within which duty-free exports are carried out (EU import duty rate - 0%). Thus, the tariff quota for 2019 is 3600 tons, by 2020 this quota will reach 4300 tons, and in 2021 - 5000 tons [27]

The previous two ways to enter the European market of Poland are used in the case of grain sales on the B2B market. A necessary condition for export to the

EU is to obtain an operating permit number and issue a certificate EUR.1. The most important step in the sale of grain to the EU is the successful completion of inspections for compliance with quality and safety standards, which are presented in Table 3.2.

Table 3.2

Necessary procedures for certification and standardization of products for export to the EU

Procedure	Regulations
1. Control of contaminants in food	Regulation (EC) № 315/93 establishes EU procedures for contaminants in foodstuffs within the EU. The maximum level of certain contaminants (mycotoxins, heavy metals, dioxins) in dairy products on EU markets is defined in Regulation (EC) №1881 / 2006
2. Control of pesticide residues	List of controlled products and maximum residue levels (MRLs) of pesticides set out in Regulation (EC) №396 / 2005
3. Control of residues of veterinary drugs	The key requirements and procedures for establishing residue limits of pharmacologically active substances in foodstuffs of plant origin are defined in Regulation (EC) №470 / 2009 Maximum residue limits for pharmacologically active substances are laid down in Regulation (EC) № 37/2010. preparations of contaminants in unprocessed foodstuffs of animal origin in accordance with Directive 96/23 / EU
Control of the safety of foodstuffs of animal origin intended for human consumption	General hygiene requirements for foodstuffs and special hygiene requirements for foodstuffs of animal origin - (Regulation (EC) №852 / 2004 - English) and №853 / 2004 (Section IX of Annex III - English) ; Microbiological indicators for dairy products are laid down in Regulation (EU) №2073 / 2005 - English.
Traceability	Requirement to properly label or provide relevant product documents. EU food importers must ensure comprehensive information on the entire production chain and product movement (Regulation (EU) № 178/2002).
Marking	General and special rules for food labeling (EU Regulation) №1169 / 2011 - English; and №853/2004.

Source: created by the author [28]

In particular, the general requirements for the import of food of animal origin into the EU are as follows:

- the products must come from registered facilities or facilities for which

an operating permit has been issued in the exporting country, which is included in the permit list of countries with the right to export the relevant products' to the EU (Decision (EU) 2011/163 - English);

- the products must be accompanied by a health certificate issued by the competent authority of the exporting country; pass a mandatory inspection of each consignment with this product at the border crossing point of the EU country where veterinary inspections are carried out.

European customers may also require the manufacturer to have a certificate of compliance with a certain international food safety standard (specified in the contract), in particular:

- ISO 22000,
- FSSC 22000,
- BRC,
- IFS.

These certificates are not required to be imported into the EU, but they are often a prerequisite for selling products in the EU.

Thus, export to the EU is a complex and therefore resource-intensive procedure, primarily in terms of time, but if the company establishes export supplies to the EU - it is a step up in its development.

Thus, even if in the short term exports to the EU may not be economically viable for the company, experts advise companies to gradually improve production according to European standards, because in the long run it may open up new opportunities and economic benefits.

3.2. Forecast of the effectiveness of export deliveries to the EU

Export performance forecast is a set of scientific methods used by specialists to develop optimal algorithms for further development of export activities of the enterprise.

Forecasting consists of the following sections:

- income and expense plan - the expected income and expenses of the enterprise for a certain period.
- the cash flow plan indicates the sources of income and areas of expenditure.
- the balance sheet shows the state of the company at the end of the planning period.
- Control system [29].

The plan of revenues and expenditures of ZIM AGRO TRADE LLC for 2022 is presented in Table 3.2.

Table 3.2

Forecast of revenues and expenditures for exports to the EU for 2022 LLC

"ZIM AGRO TRADE"

	Indicators	Quarter				Total
		I	II	III	IV	
1.	Income from sales of products, thousand UAH	2813	2691	2676	2779	10959
2.	Variable costs, thousand UAH	1742	1711	1699	1718	6870
3.	Marginal profit	1071	980	977	1061	4089
4.	Fixed costs, thousand UAH	620	620	620	620	2480
6.	Income tax, thousand UAH	91	100	91	100	382
7.	Net profit, thousand UAH	360	260	266	341	1227

Source: compiled by the author [1].

Thus, the forecast of income and expenses was made quarterly, as it allows a more detailed analysis of the financial position of the company, as there are specific seasonal factors and risks that affect the amount of profit.

However, according to the data, the net profit for the planned 2022 is 1227 thousand UAH, which indicates a positive trend. Cash flow planning makes it possible to predict the sources and directions of use of funds for a certain period. Cash flow planning takes into account production activities (net income, depreciation, the difference between receivables and payables, acquisition of fixed assets) and financial activities (obtaining and repaying loans).

Therefore, the forecast of cash flows of ZIM AGRO TRADE LLC is present in Table 3.3.



Table 3.3.

Cash forecast of ZIM AGRO TRADE LLC

	Indicators	Quarter				Total
		I	II	III	IV	
1	Net profit, thousand UAH	360	260	266	341	1227
2	Amortization	88	88	88	88	352
3	Receivables	85	85	85	85	340
4	Payables	18	18	18	18	72
5	Acquisition of fixed assets	35	28	32	30	125
6	Obtaining and repaying the loan	0	0	0	0	0
7	Cash at the beginning of the period	290	424	465	508	
	Cash at the end of the period	424	465	508	628	628

Source: compiled by the author [1].

Thus, planning such indicators as net income, depreciation, the difference between receivables and payables, acquisition of fixed assets, and lending, we can conclude that cash flow, even taking into account costs, has a positive trend due to increased profits at the end of the year, which allows you to forecast the amount of cash at the end of the period, ie at the end of 2022 the amount of cash will be 628 thousand UAH. ZIM AGRO TRADE Ltd. exports its products to 36 countries around the world, the holding's business partners are 29 countries [30].

ZIM AGRO TRADE Ltd. manufactures and supplies for export more than 20 types of agro-industrial products. Exports to EU countries for 2017-2021 are present in Table 3.4.

Table 3.4

Export of LLC "ZIM AGRO TRADE" for 2017-2021 thousand UAH

Characteristic	2017	2018	2019	2020	2021
Export	324944	351741	157132	2109309	203643

Source: compiled by the author [1].

The main types of payments used by the company are bank transfer and letter of credit. The company receives fixed assets after the implementation of large and intergovernmental contracts, and all types of single and small series products that occupy the "lion's" share of contracts bring income of no more than 3-5%, according to experts.

Modern economic development has now reached a fairly high level of development, where priority is given to monitoring those factors that have a great impact on the successful development of the enterprise. One of the main methods that can be used for ZIM AGRO TRADE LLC is PEST analysis. It is a comprehensive analysis of external factors that affect the activities of economic entities.

The name itself outlines the main areas that can be analyzed - politics, economics, society and technology (political, economic, society, technology - PEST) [28]. The analysis of this level is carried out in order to identify both micro and macro-factors that directly affect the results of both the current activities of the enterprise and the future (Table A3)

According to the results of PEST-analysis for ZIM AGRO TRADE LLC, it should be noted that the unstable environment in which the company is under favorable conditions will give the company the opportunity to improve its business and give new opportunities to develop new markets for products and services.

Analysis of companies in an unstable environment shows that many companies choose a "strategy of global reduction." To form a plan for the development of foreign economic activity of the enterprise "ZIM AGRO TRADE" the method of scenario planning was used, which is justified by the extremely high variability of the grain market and the inability to predict it. Thus, the development of several scenarios for entering different markets is considered the best option for the company [31].

We describe in general the scenario (Fig. 3.1) of the expansion of foreign economic activity of the enterprise - the development of the Polish market.

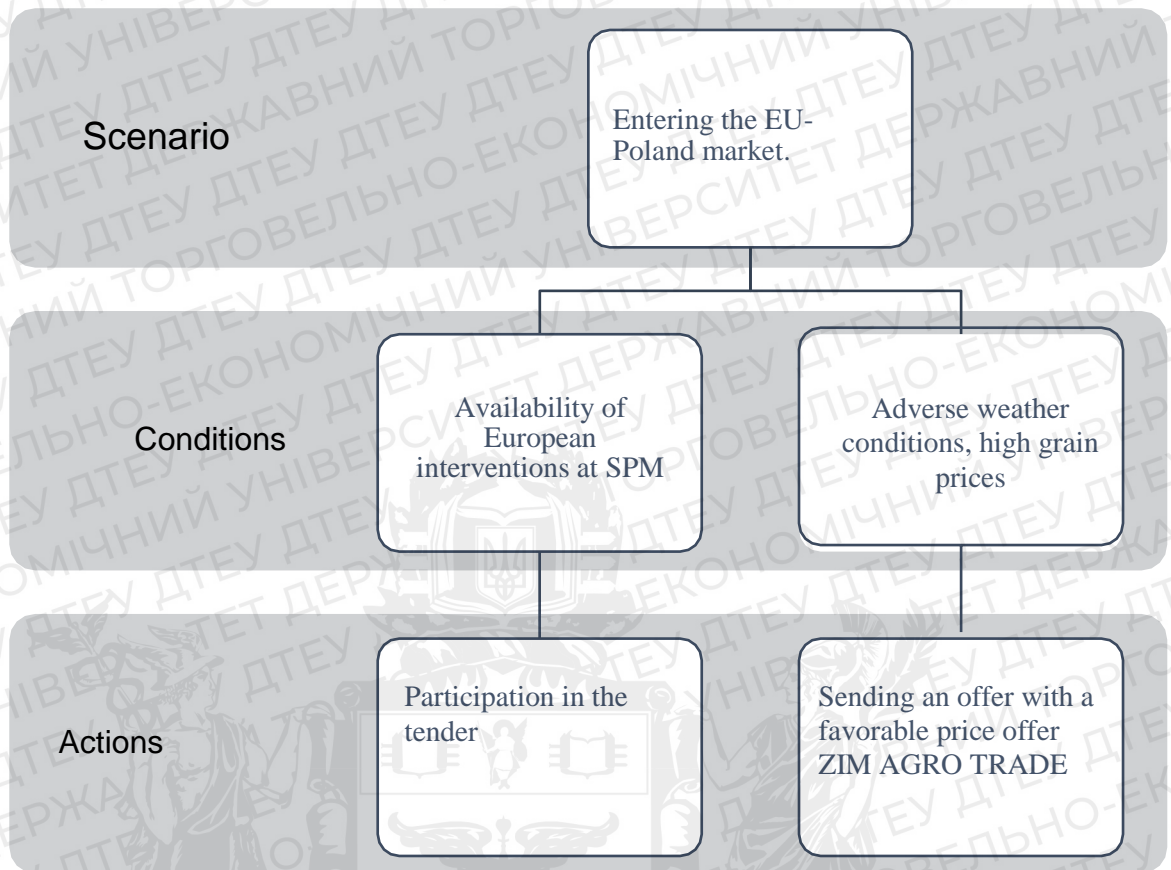


Fig. 3.1. The scenario is entering the Polish market

Source: Compiled by [32]

As the EU, including Poland, is a world leader in the grain market, it is difficult to compete in the market. However, given the seasonal fluctuations and the possible decline in grain production, the EU may announce grain volumes to be bought from other countries whose grain producers will offer the best prices and meet EU requirements in order to regulate grain prices on the world market. regarding the quality and safety of this product. Also, exports to the EU are possible provided that we establish corporate ties with Polish counterparties who would be willing to buy Ukrainian grain within quotas.

Therefore, in order to successfully sell grain, under the conditions of Figure 3.1, on the European market of Poland, the company must go through a series of procedures that must be performed after the company will find a buyer of grain in Poland. However, the buyer needs to prove that the products will be able to pass quality and safety control and present all the necessary documents.

Thus, according to scenario 1, entering the Polish market is a rather complex process, the success of which cannot be unambiguously predicted. However, the company is still recommended to try to establish export supplies to the EU, as this will open new opportunities for it, improve its image, both in domestic and foreign markets, in the long run will provide a positive economic effect.

The additive model with the definition of seasonal fluctuations makes it possible to create forecasts that contain a seasonal component. (Table 3.6)

Table 3.6

Export forecast of ZIM AGRO TRADE LLC for 2022, USD million

Balance of payments item	The best constant	Forecast values				For 2000 year
		Q1 2022	Q2 2022	Q3 2022	Q4 2022	
Export of goods and services	1,050	4 503	4 503	4 503	4 503	18 012
Export of goods	1,050	3 502	3 502	3 502	3 502	14 008
Export of services	0,970	995	995	995	995	3 980

Source: compiled by the author [1].

In general, we can say that the first quarter of each year was characterized by a significant decline in exports of goods and services, and data for the next three quarters are at about the same level. This can be explained by two reasons [33].

The first reason is the general decline in business activity at the beginning of the year, and the second is that most of Ukraine's exports are agricultural products, the production of which has a seasonal cycle. Naturally, in the period from January to July each year, agricultural products are almost not exported, so there is a significant decrease in the overall export of goods and services. The seasonal model takes into account these factors [30].

Subjects of foreign economic activity have the right to use known international customs, recommendations of international bodies and organizations when drafting the text of the agreement (contract), unless prohibited directly and exclusively by the Law of Ukraine "On Foreign Economic Activity" and other laws of Ukraine.

A foreign economic agreement (contract) is concluded by a subject of foreign economic activity or its representative in a simple written form, unless otherwise provided by an international agreement of Ukraine or law.

Preparation for concluding an agreement with agents consists of three stages:

- market selection and study;
- choice of contractor;
- preliminary negotiations.

The choice of the market and its study depends on the type of management of the subject of foreign economic activity and is carried out according to the marketing program.

The choice of the counterparty is to establish the legal status of the subject of foreign economic activity, its right to enter into agreements (contracts) and defined limits of authority.

The conditions to be provided in the contract, unless the parties to such an agreement have agreed otherwise on the terms of the contract and such an agreement does not deprive the contract of the subject, object, purpose and other essential conditions without which the parties may consider the contract unconcluded or may be declared invalid due to non-compliance with the form in accordance with current legislation of Ukraine, include:

1. Name, number of the agreement (contract), date and place of its conclusion.
2. Preamble.
3. Subject of the agreement (contract).
4. Quantity and quality of goods (volumes of work, services).
5. Basic conditions of delivery of goods (acceptance-delivery of performed works or performed services).
6. Price and total cost of the agreement (contract).
7. Terms of payment.
8. Terms of delivery (acceptance) of goods (works, services).
9. Packing and labeling.

10. Force majeure.
11. Sanctions and complaints.
12. Settlement of disputes in court.
13. Location (residence), postal and payment details of the parties.

I would also like to note that in addition to these sections, by agreement of the parties in the contract with agents may specify additional conditions, such as quality assurance, conditions of subcontractors, carriers, conditions of transfer of documentation, preservation of trademarks, number of signed copies of the contract), the possibility and procedure for amending the agreement (contract) and others.

For export of products it would be expedient to use the export operation with the terms of delivery of DDP Delivery - delivery with payment of duty (indicating the destination) [34]. From this condition it is understood that the seller has fulfilled its obligations, handed over the goods to the buyer at the designated place in the buyer's country. Also, according to Incoterms 2020, the CIP conditions (transportation and insurance paid for before ...) now require at least insurance with a minimum coverage set by the cargo insurance condition developed by the Institute of London Insurers (All risks subject to point exceptions).

The Incoterms 2020 rules now clearly place the responsibility for compliance with safety requirements and additional costs on the seller, ie ZIM AGRO TRADE LLC. Thus, all costs and risks up to this point are borne by the seller. At the same time, he must not pay duties, fees and other expenses related to the importation of goods into the country of the exporter and the passage of customs formalities.

When choosing a vehicle for the delivery of goods, first of all you should pay attention to the specifics and practice of transporting the pharmaceutical materials themselves, and they are transported in containers..

CONCLUSIONS

The study of the organization of exports of agro-industrial products to the markets of the EU on the materials of LLC "ZIM AGRO TRADE" allows us to draw the following conclusions:

1. Thus, ZIM AGRO TRADE Limited Liability Company is a company engaged in wholesale grain trade. It was founded on August 9, 2018. According to the charter, the main activities of ZIM AGRO TRADE LLC are: wholesale of grain. Net profit (loss) in 2020 decreased by 424,432 thousand UAH, in 2021 increased by 105,588 thousand UAH.

The analysis of financial stability indicators shows that the coefficient of financial autonomy at the beginning of 2019 amounted to UAH 1,807,978 thousand, at the beginning of 2020 amounted to UAH 2,091,725 thousand, at the beginning of 2021 - UAH 1,901,637 thousand, and at the end of 2021 - UAH 1,500,800,000. The basic absolute increase in the financial debt ratio at the end of 2021 increased by 0.17%. And the absolute increase in the ratio of financial dependence at the end of 2021 increased by 11.6%. The debt coverage ratio decreased throughout the study period.

Thus, the analysis of the type of financial condition of ZIM AGRO TRADE LLC showed that it is stable.

2. The structure of grain sales of ZIM AGRO TRADE LLC in the period 2019-2021 is dominated by exports, which is due to the oversaturation of the Ukrainian market with this type of product.
3. The company's exports in 2021 predominated in the CIS countries, which is due to the simplified standardization system, which in turn has a positive effect on sales speed and the level of export costs. In 2021, exports to the CIS countries amounted to 47%.

Over the last 3 years, the share of exports in the trade of ZIM AGRO TRADE LLC has increased by 18% from 67% to 85%. However, it can be seen that the export share ratio decreased by 0.1% in 2021 compared to 2020. This is a small

result, but in order to reduce the risk of losing existing markets and reduce the share of exports, the company should consider additional new markets and establish corporate relations with contractors in the respective countries.

4. However, the export potential of the agricultural sector is not yet fully realized. So far, no effective export promotion policy has been in place, and Ukraine's agro-industrial sector is poorly integrated into the international trade system. The ratio of exports of agricultural products to gross in Ukraine is only 20%, while in Poland - 25%, in France and Germany - 53%.
5. Ukrainian producers have many years of experience in exporting grain products and grain to the CIS countries. Conversely, the lack of experience in exporting to EU countries and developing markets in North America is a complex task for Ukrainian enterprises.
6. To remain the world leader in the grain market, the EU is implementing state-of-the-art technology to help deliver the right amount of produce, whatever the weather. The EU also buys grain from other countries, creating a strategic stockpile called European grain interventions. This procurement procedure is carried out in the form of a tender.
7. In accordance with the terms of the DCFTA between Ukraine and the EU, the rate of EU import duty on grain was reduced to 0%. The remaining items are subject to tariff quotas, within which duty-free exports are carried out (EU import duty rate - 0%). Thus, the tariff quota for grain as of 2019 is 3,600 tons, by 2020 this quota will reach 4,300 tons, and accordingly in 2021 - 5,000 tons.
8. As the EU, including Poland, is a world leader in the grain market, it is difficult to compete in the market. However, given the seasonal fluctuations and the possible decline in grain production, the EU may announce grain volumes to be bought from other countries whose grain producers will offer the best prices and meet EU requirements in order to regulate grain prices on the world market regarding the quality and safety of this product. Also, exports to the EU are possible provided that we establish corporate ties with Polish counterparties who would be willing to buy Ukrainian grain within quotas.

For export of products it would be expedient to apply the export operation with the terms of delivery of DDR Delivery - delivery with payment of duty (indicating the destination



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ANNEX A

Table A.1

ACCESSORIES A

Group	Name of economic activities and explanations to them
01.1	Growing annual and biennial crops This group includes the cultivation of perennial crops that exist for no more than two growing seasons. This also includes the cultivation of these crops in order to obtain their seeds.

Source: Compiled by [35]

Table A.2

ACCESSORIES B

Class	Name of economic activities and explanations to them		
01.1 1	Bcultivation of cereals (except rice), legumes and oilseeds This class includes all forms of cultivation of cereals, legumes and oilseeds in the open ground. The cultivation of these crops is usually combined within agricultural units. This class includes:		
	Growing cereals, such as: <ul style="list-style-type: none"> • wheat • corn (for grain) • sorghum • barley • rye • oat • millet • other cereals (buckwheat, triticale, etc.) 	Growing legumes, such as: <ul style="list-style-type: none"> • bean • horse beans • nut • pasture (cow peas) • lentil • lupine (sweet and bitter) • pea • cayenne (pigeon pea) • other legumes (vetch, etc.) 	growing oilseeds, such as: <ul style="list-style-type: none"> • soybeans • peanut • cotton seeds • ricin beans • flax seeds • mustard seeds • nougat seeds • rapeseed • safflower seeds • sesame seeds (sesame) • sunflower seeds • seeds of other oilseeds (rye, poppy oil, etc.)
	This class does not include: <ul style="list-style-type: none"> • rice cultivation, see 01.12 • cultivation of sweet corn, see 01.13 • growing corn for fodder, see 01.19 • growing oilseeds, see 01.26 		

Source: Compiled by [35]



ANNEX B

Table B.1

PEST - analysis of ZIM AGRO TRADE LLC

Group	Factor	Description
Political environment	Legislation	The legal framework has undergone a number of significant changes, resulting in significant changes in working conditions for businesses, namely: Changes in tax rules: - income tax decreased to 18%; - single social contribution will be reduced to 22% Changes in the rules for obtaining permits: - commercial concession agreements do not need to be registered.
	Regulation and restriction of international trade	On January 1, 2016, the agreement on a free trade zone between Ukraine and the EU enters into force On June 16, 2014, the directive of the President of Ukraine on the prohibition of any cooperation with the Russian Federation came into force
	State competition regulation	In the considered branches the state regulation of competition is not carried out.
Economic environment	Economic growth	Probably, the bottom point of the fall of Ukraine's economy has already passed.
	Interest rates and monetary policy	After the devaluation of the hryvnia, the NBU traditionally restrains inflation by maintaining high interest rates.
	Taxation and tax code	The radical changes that may take place in tax policy in 2022 suggest that tax legislation will be subject to a number of improvements.
Social factors	Education	The general tendency to reduce the level of education in Ukraine, allows us to predict the emergence of a steady demand for qualified professionals.
	Demographics	An increase in the number of people in retirement will force the state to increase the tax burden and retirement age. This factor is global for the entire post-Soviet space and Europe.
	Income distribution	High levels of corruption, tax code, which increases the pressure on small and medium-sized businesses can lead to serious stratification of business structures, the emergence of mergers and acquisitions.
Technological factors	Dynamics of information technology development	The development of information technologies and their increasing availability inevitably complicate the processes of their effective application.

Source: Formed by the author on the basis of ZIM AGRO TRADE LLC [1].