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BUDGETING AS AN TOOL OF VALUE ADDITION IN ECONOMY OF AGRICULTURAL ENTERPRISES

Agriculture is the most important area of Ukraine's economy. In fact, agricultural sector brings every third dollar Ukrainian economy. Agricultural sector finds about 60 per cent of social consumption fund. So, the strategic goal of Ukraine is continued development of agricultural enterprises.

We briefly review the statistical indicators of agricultural enterprises in Vinnitsia region for the years 2012-2014.

We saw that:

1. Agricultural production is growing;
2. The number of agricultural enterprises greatly increased;
3. But agricucultural production is unprofitable in Vinnitsia region.

In fact, this is terrible. Agricultural production is unprofitable in the region of Ukraine (As we know. Ukraine is an agrarian country)!

We tried to resolve this issue on a theoretical level.

As we know, budgeting is a key tool of agricultural enterprises management. Budgeting coordinates resources, production, and expenditures.

We had detailed the budgeting process in the agricultural enterprises.

There are four basic types of budgets that can be used in the farm business management process. Each type of budget provides different information to the manager for use in the decision-making process.

The four types of budgets are: 1) Enterprise budget; 2) Partial budget; 3) Whole-farm budget; 4) Cash flow budget.

An enterprise budget is a statement of what is expected if particular production

practices are used to produce a specified amount of product.

There are two types of agricultural enterprise budget: budget in plant growing and budget in stockbreeding.

An enterprise budget should contain several components. A detailed description should include a production goal, the production techniques to be employed, the land resource required, and even something about the capital and labour requirements. An enterprise budget should include all costs and all returns associated with the defined enterprise. All variable and fixed costs, both cash and non-cash items, should be included. The returns from products produced for sale (wheat grain crop) plus those that are produced for use in another enterprise (grazing) should be included in an enterprise budget.

The partial budget is useful in analyzing the effects of a change from an existing plan. This budget only considers revenue and expense items that will change with a defined change in the plan.

The whole-farm budget is a classified and detailed summary of the major physical and financial features of the entire farm business. Whole-farm budgets identify the component parts of the total farm business and determine the relationships among the different parts, both individually and as a whole.

Cash flow budget is a projection of cash receipts and expenses for the total business spread over some future time period, usually 12 months. The purpose of this budget is to determine will available cash and expected receipts be sufficient to meet pro-

jected disbursements. If projected disbursements exceed cash available, then borrowed funds will be necessary to meet these future demands.

We offer innovative budgeting model to agricultural enterprises. We offer to include cost indicators to the budgeting process in agricultural enterprises.