

Problem of National Economy

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IMPROVING THE COMPETITIVENESS OF DAIRY ENTERPRISES

УДОСКОНАЛЕННЯ КОНКУРЕНТОСПРОМОЖНОСТІ

МОЛОКОПЕРЕРОБНИХ ПІДПРИЄМСТВ

СОВЕРШЕНСТВОВАНИЕ КОНКУРЕНТОСПОСОБНОСТИ

МОЛОКОПЕРЕРАБАТЫВАЮЩИХ ПРЕДПРИЯТИЙ

Summary. *The article identifies the current state and main problems of competitiveness of domestic dairy companies, which they work in conditions of limited raw materials, technical and financial resources, low purchasing power of the population in the formation of high prices for milk and dairy products, low use of modern strategic management tools. As a consequence, the low competitiveness of products of most enterprises in the industry in domestic and foreign markets.*

The object of the study was the enterprise of SE "Aromat" Branch "Sumy Dairy", which specializes in milk processing, production of butter, cheese and dairy products under the brand name "Dobryana".

A set of factors that determine the level of competitiveness of the dairy enterprise in the market, namely the general indicators of efficiency: return on capital, return on turnover, time, duration of operating and financial cycles, financial stability, solvency and liquidity. The assessment of the competitiveness of the company's dairy products is formed by its quality, environmental friendliness, brand and packaging.

In Sumy region, there are the necessary prerequisites for the creation of new production systems - clusters, in particular: the presence of scientific institutes and universities of agricultural orientation, favorable environmental conditions, fodder base and the availability of premises in the field of dairy farming. The regional cluster for milk production and processing will provide for the operation of three technological subclusters: for the cultivation of dairy cows; from milk production and procurement; from milk processing and production of finished products. The cluster will be managed by a coordination council consisting of representatives of all cluster members.

In order to increase competitiveness, it is proposed to ensure effective integration links with the supply of equipment needed for milk procurement and storage, processing plants, enterprises, quality control laboratories, research institutions, and wholesale markets, regional and state authorities. Proper

establishment of such relations will ensure the integration of dairy producers at all levels and the creation of a dairy cluster through the strategy of establishing integration relations between existing enterprises, households and the population working with dairy products, will create a large agro-industrial association as the main form of supporting economic interests and dairy products.

Key words: *competitiveness, factors of competitiveness, dairy products, dairy cluster.*

Анотація. *В статті визначено сучасний стан та основні проблеми конкурентоспроможності вітчизняних підприємств молочної промисловості, що вони працюють в умовах обмежених сировинних, технічних та фінансових ресурсів, низької купівельної спроможності населення при формуванні високих цін на молоко і молочні продукти, низького рівня використання на практиці сучасних інструментів стратегічного управління і, як наслідок, низької конкурентоспроможності продукції більшості підприємств галузі на внутрішньому та зовнішньому ринках.*

Об'єктом дослідження виступило підприємство ДП «Аромат» Філія «Сумський молокозавод», котре спеціалізується на переробці молока, виробництві масла, сиру і молочної продукції під ТМ «Добряна».

Визначено сукупність факторів, що визначають рівень конкурентоспроможності молокопереробного підприємства на ринку а саме узагальнюючих показників ефективності: рентабельності капіталу, рентабельності обороту, у часі, тривалість операційного і фінансового циклів, фінансову стійкість, платоспроможність та ліквідність. Оцінку конкурентоспроможності молочної продукції підприємства формує її якість, екологічність, бренд та упаковка.

У Сумській області існують необхідні передумови для створення нових виробничих систем – кластерів, зокрема: наявність наукових інститутів та вузів аграрного спрямування, сприятливий екологічний стан, кормова база та наявність приміщень у галузі молочного скотарства. Регіональний кластер з виробництва та переробки молока передбачатиме функціонування трьох технологічних підкластерів: з вирощування корів молочних порід; із виробництва та заготівлі молока; із переробки молока і виробництва готової продукції. Управління кластером здійснюватиме координаційна рада, яка складатиметься з представників усіх учасників кластера.

Запропоновано для підвищення конкурентоспроможності потібно забезпечити дієві інтеграційні зв'язки, із галуззю постачання обладнання, необхідного для заготівлі та зберігання молока, переробними, підприємствами, лабораторіями з контролю якості, науково-дослідними установами, гуртово- роздрібними ринками, органами регіональної та державної влади. Правильне налагодження таких стосунків забезпечить інтегрування виробників молочної продукції на всіх рівнях а створення молочного кластеру через стратегію налагодження інтеграційних відносин між існуючими підприємствами, домогосподарствами та населенням, що працюють із молочною продукцією, сприятиме створенню великого агропромислового об'єднання як основної форми підтримки економічних інтересів виробників молока та молочної продукції.

Ключові слова: *конкурентоспроможність, фактори конкурентоспроможності, молочна продукція, молочний кластер.*

Анотація. *В статье определено современное состояние и основные проблемы конкурентоспособности отечественных предприятий молочной промышленности, они работают в условиях ограниченных сырьевых, технических и финансовых ресурсов, низкой покупательной*

способности населения при формировании высоких цен на молоко и молочные продукты, низкого уровня использования на практике современных инструментов стратегического управления и, как следствие, низкой конкурентоспособности продукции большинства предприятий отрасли на внутреннем и внешнем рынках.

Объектом исследования выступило предприятие ДП «Аромат» Филиал «Сумской молокозавод», которое специализируется на переработке молока, производстве масла, сыра и молочной продукции под ТМ «Добряна».

Определена совокупность факторов, определяющих уровень конкурентоспособности молокоперерабатывающего предприятия на рынке а именно обобщающих показателей эффективности: рентабельности капитала, рентабельности оборота, во времени, продолжительность операционного и финансового циклов, финансовую устойчивость, платежеспособность и ликвидность. Оценку конкурентоспособности молочной продукции предприятия формирует ее качество, экологичность, бренд и упаковка.

В Сумской области существуют необходимые предпосылки для создания новых производственных систем - кластеров, в частности: наличие научных институтов и узлов аграрного направления, благоприятный экологическое состояние, кормовая база и наличие помещений в отрасли молочного скотоводства. Региональный кластер по производству и переработке молока предусматривает функционирование трех технологических подкластеров: по выращиванию коров молочных пород; по производству и заготовки молока с переработки молока и производства готовой продукции. Управление кластером будет осуществлять координационный совет, который будет состоять из представителей всех участников кластера.

Предложено для повышения конкурентоспособности не обходимо обеспечить действенные интеграционные связи, с отраслью поставка оборудования, необходимого для заготовки и хранения молока, перерабатывающими предприятиями, лабораториями по контролю качества, научно-исследовательскими учреждениями, оптово-розничными рынками, органами региональной и государственной власти. Правильное налаживания таких отношений обеспечит интегрирование производителей молочной продукции на всех уровнях а создание молочного кластера через стратегию налаживания интеграционных отношений между существующими предприятиями, домохозяйствами и населением, работающих с молочной продукцией, будет способствовать созданию большого агропромышленного объединения, как основной формы поддержки экономических интересов производителей молока и молочной продукции.

Ключевые слова: конкурентоспособность, факторы конкурентоспособности, молочная продукция, молочный кластер.

Statement of the problem. The development of a market economy, economic and social transformations in Ukraine, the essential features of which are the innovative path of development, accession of the state to the World Trade Organization, increasing competition in the market put higher demands on scientific economic research to ensure product competitiveness. The current state of competitiveness of domestic dairy companies indicates that they operate in conditions of limited raw materials, technical and financial resources, low purchasing power of the population in the formation of high prices for milk and dairy products, low use in practice of modern strategic management tools and As a result, low competitiveness of products of most enterprises in the industry in domestic and foreign markets. The need to solve the outlined problems of forming the competitiveness of the dairy plant at the organizational and

methodological level is a confirmation of the relevance and practical significance of the research direction.

Analysis of recent researches and publications. Many works of foreign and domestic scientists are devoted to studying the problem of competitiveness of dairy enterprises, in particular: Havrysh O.A., Chaykovs'kyi Y.O. Minyailo, O., Minyailo V., Linetskaya J. Davydovich O., Enright M.J., Yatsenko V.M., Yakovleva A.

Formulation purposes of article (problem) to study the theoretical aspects of competitiveness as a basis for the development of domestic dairy enterprises, analysis of economic activity of subsidiary company "Aromat" Branch "Sumy Dairy", to justify the creation of a dairy cluster in the Sumy region for the production of competitive dairy products.

The main material. Ensuring the competitiveness of the enterprise is a prerequisite for its long-term and effective operation in a dynamic and uncertain external environment. The above indicates the need to organize competitive business activities of domestic businesses as the basis of the economic system of Ukraine. This, in turn, requires the practical application of the theory of enterprise competitiveness, which will serve as a basis for the formation of competitiveness management systems at the level of each individual business entity.

The priority of accelerated development of milk processing enterprises is due to the purpose of milk processing and production of selected dairy products with the widest range with the maximum possible extension of the shelf life. Such production activities should ensure the competitiveness of dairy enterprises and economic security. The share of dairy enterprises in the total food industry is 17.7%, which indicates their importance among other enterprises of the processing and food industries [2].

Thus, the objective need to organize the process of managing the competitiveness of the enterprise in the dairy industry is justified by the following provisions:

- processing organizations are open systems, fully dependent on the state of the environment;
- in the conditions of active competition between producers of dairy products the strategic orientation of the purposes of the enterprise on the prospect allows to react to factors of uncertainty and risk of external environment;
- the difficulty of forecasting the future state of the market structure necessitates the use of management technologies;
- effective response of the enterprise to the influence of the external environment is impossible without the presence of adaptive abilities [1].

The basis of our study is the Branch "Sumy Dairy Plant" SE "Aromat" (hereinafter Sumy Dairy Plant) is one of the most famous in the city of Sumy food industry.



Fig. 1. Logotype

The plant began its activities in 1924 in an adapted wooden room with a production area of 300 square meters and manual labor processes. In 1940, some processes were already mechanized. From 1959 to 1965 the technical re-equipment of the shops was carried out, in connection with which the volume of processed products. In 1996, Sumy City Dairy Plant was transformed into an

open joint-stock company. In 1998, the company was renamed OJSC "Sumy Dairy Plant". In 2003, the company became part of Milkiland-Ukraine.

The Sumy Dairy Plant branch specializes in milk processing, production of butter, cheese and dairy products under the Dobryana TM. In 2008, the plant put into operation the 2nd line for the production of glazed curds, as well as a line for bottling milk, kefir and yogurt in PET bottles. In 2012, the company began production of thermostatic products. Today, the Sumy Dairy Plant includes areas for the production of animal oil, whole milk products, hard cheese and cheese products and casein. In 2016, the company received a permit to export dairy products to the European Union.

Dairy products of Dobryana have the following indicators:

- trademark "Dobryana" is a registered brand, which is easy to distinguish the company's products from competitors;
- special trainings are held for branch specialists in 14 regions of Ukraine;
- a marketing department has been established at the main enterprise, the specialists of which have undergone training courses in Europe and the USA and support marketing plans for sales development in the Company's branches in Ukraine;
- Dobryana company has its own Internet site, which works in the mode of information and advertising round-the-clock representative-consultant of the Company's products;
- branches in the regions carry out independent delivery of products from their warehouses by their own vehicles to retail trade enterprises.

The raw material base for the enterprise is the farms of seven districts. The level of cooperation is quite high, the dairy cooperates with such organizations as: "Agrana Fruit Ukraine" - providing fillers; Tetrapack LLC - provision of packaging; "Aroma" - providing flavors. It is necessary to consider and analyze the product range of the enterprise, its composition and structure in table 1.

Table 1

Composition and structure of sales

Groups of goods	2017 y.		2018 y.		2019 y.		On average for 2017-2019y.	
	Revenue thous. UAH	Specific weight, %	Revenue thous. UAH	Specific weight, %	Revenue thous. UAH	Specific weight, %	Revenue thous. UAH	Specific weight, %
Whole milk products	61697	26,0	70885	28,7	71140	27,3	67907	27,3
Hard cheeses	60273	25,4	49644	20,1	50032	19,2	53316	21,6
Sweet butter	38442	16,2	42975	17,4	58632	22,5	46683	18,7
Cheese products	32747	13,8	34825	14,1	39870	15,3	35814	14,4
Casein	19458	8,2	18771	7,6	5472	2,1	14567	6,0
Services	24679	10,4	29885	12,1	35440	13,6	30001	12,0
Total	237295	100	246985	100	260585	100	248288	100

Source: based on company information

From the calculations of the table it can be stated that the largest share in the structure of marketable products of the Plant on average for 2017-2019 is occupied by whole milk products (packaged milk, yogurt, sour cream, kefir, etc.) - 27.3% without obvious trends. This indicates that the sale of whole milk products still remains the main economic activity of the enterprise. At the same time, competition requires the expansion of the product range, so Sumy Dairy Plant directs its production capacity to the manufacture of other products. In particular, the second position in terms of the average share in the company's sales (21.6%) is occupied by hard cheeses, which include such product items as "Mozzarella", "Cheddar", "Russian", "Cream" and some others. The production and sale of hard cheeses has a negative trend over the years of research due to declining demand and rapid growth of wholesale prices.

In third place in the structure of the company's sales with an average share of 18.7% is sweet butter. The share of this assortment group is growing every year. It is explained by the opening of new export sales channels and the involvement of an increasing number of transport and storage facilities.

In fourth place with an average share of 14.4% are cheese products (glazed cheeses, sweet and sour curds, soft cheese). The share of these product groups in the general range has no clear tendencies to change. Instead, the expansion of their production is constrained by the lack of production capacity and raw material base, which in addition to dairy, also contains raw materials of plant origin.

A significant share in the structure of sales at the enterprise is occupied by services for the lease of refrigeration capacity to wholesale and retail trade companies, this share on average for the three studied years was at the level of 12% with a tendency to increase

If we analyze the dynamics of trade in general, we can conclude that there is an increase in sales for all types of products. Thus, the company's sales policy is at a high professional level, and fluctuations in market conditions are quickly reflected in changes in product range.

At the same time, it is appropriate to analyze the competitiveness of the business entity according to the parameters of the segment of the commodity and regional market in which it operates. At the same time, the level of competitiveness is a total assessment of indicators of competitive strength (resource potential, level of satisfaction of consumer needs, efficiency of activity) during the period of its implementation.

The set of factors that determine the level of competitiveness of the dairy enterprise in the market is shown in Figure 2. This is primarily to ensure the economic security of the dairy plant and the competitiveness of its products.

Assessing the competitiveness of a particular dairy in the context of economic security involves taking into account the following generalized efficiency indicators: return on capital, return on turnover, time, operating and financial cycles, financial stability, solvency and liquidity. The assessment of the competitiveness of the company's dairy products is formed by its quality, environmental friendliness, brand and packaging.

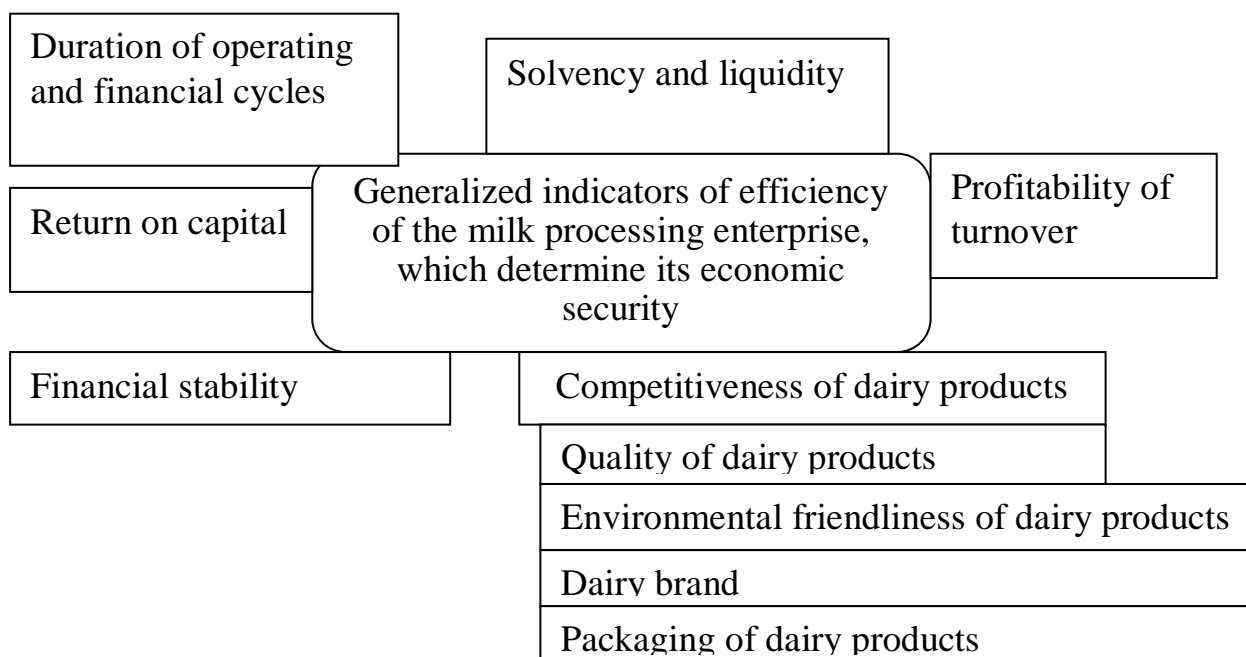


Fig. 2. Factors that determine the competitiveness of the dairy enterprise

Source: developed by the author

Competitiveness, in addition, is a general indicator of assessing the position of the dairy enterprise in the market, determines the directions of its development and creates conditions for achieving the goals and objectives, provides an appropriate level of economic security.

After conducting the relevant research, we propose as one of the priority areas to increase the competitiveness of the dairy industry of Ukraine to combine them into a cluster.

As clusters, today are the most progressive tool for implementing a strategy to improve the existing potential of the region. "The cluster model makes it possible to combine the available resources and specialization of the region, which is the basis for achieving the planned direction of development. World experience shows that the competitors are not the state or individual companies, but industry groups formed at the regional level within the relevant clusters "[4].

Legislative approval of the main aspects of the establishment and operation of industry associations for the production, processing and sale of milk

and dairy products will contribute to the expansion of the market of milk and dairy products. It is these associations that should define and develop policies in this market in the field of production, processing and sale of finished products.

Information measures designed to ensure the integration of dairy market players include the following:

- formation of the state program of popularization of integration associations among small-scale producers of agricultural products;
- to organize and conduct informational and educational work among the participants of the dairy market on the principles of clustering, as well as to determine the main economic and social benefits of cluster structures;
- to promote the topic of agro-industrial clustering through publications in periodicals, speeches on radio and television;
- to create an information-analytical system for monitoring the process of creation and development of cluster structures and dissemination of positive experience at the national and regional levels.

In our opinion, milk processors will be integrators in the dairy market, as they are primarily interested in creating a civilized dairy market, procurement of the required quantity and quality of fresh milk and have the appropriate financial capabilities. Public administration bodies need to create proper regulatory regulation of the market of agricultural products and support integration initiatives at the regional and national levels.

To increase the competitiveness of dairy enterprises, it is necessary to ensure effective cross-sectoral links, in particular with the supply of funds needed for milk production, processing, livestock and other enterprises, quality control laboratories, research institutions, wholesale markets, regional authorities. and state power. Establishing such links will ensure the integration of dairy market players at all levels.

Therefore, we believe that cooperation and integration of producers in the dairy market will eliminate or minimize the risks that await national dairy

producers and ensure the achievement of an appropriate level of competitiveness of Ukrainian dairy enterprises in national and international markets.

Creating a cluster integration association in this market will allow participants to gain the following prerogatives:

- any economy, regardless of size and without loss of independence and autonomy, will be able to become an equal subject of market relations;
- access to constant resource and material and technical supply will be provided at minimum prices;
- there will be an opportunity to take advantage of large-scale business;
- the increase of markets for the sale of own products will provide an opportunity to enter international markets;
- concentrated cash assets can be used to purchase the latest innovative equipment and modern technologies that will improve the quality of storage and transportation of milk;
- the material and technical base of all members of the cluster integration association will gradually improve and the quality of raw milk will rise, all this will lead to an improvement in the quality of dairy products and their competitiveness in foreign markets;
- the possibility of resolving the issue of raw materials and loading of production equipment of the dairy plant and will increase the number of jobs in this area of the economy;
- the market of milk and dairy products minimizes transaction costs for all entities.

Thus, these positions proved that a significant obstacle to the true competitiveness of milk processing enterprises must be the weakness of integration relations among milk producers, processing enterprises, suppliers of technological equipment, research institutions. Due to the union of market participants on the basis of sectoral and spatial characteristics in clusters in developed countries, this problem is solved"[5].

Prerequisites for the creation of a dairy cluster in Sumy region (unification with Poltava and Chernihiv regions into the North-Eastern cluster) are:

- availability of agricultural universities and research institutes: Sumy National Agrarian University; Poltava State Agrarian Academy, Nizhyn Agrotechnical Institute of the National University of Life and Environmental Sciences (Since the system of educational institutions has a special role in creating a scheme to improve the performance of strategic industrial resources.
- enterprises send orders for research and development activities of design and development and enter research institutes and universities, which are the inventors of innovative projects for the effective development of enterprises on a scientific basis. Manufacturers of all categories have the opportunity to make contributions to the services of higher education institutions and the development of research projects in various areas, which increases the financial resources of educational institutions, and researchers have additional incentives for research.
- suitable ecological situation in comparison with the central or eastern regions;
- the corresponding available potential of livestock facilities for the cattle industry and the availability of ecologically clean, nutritious natural meadows and pastures.

The listed positions and the specified preconditions, allow the organization in the territory of the Sumy region of a cluster on production and processing of milk and dairy products.

Thus, the combination of the implementation of certain strategic directions and program-targeted measures for the development of dairy enterprises together with the introduction of clustering of the technological process of production and processing of dairy raw materials will strengthen their competitiveness and ensure food security of the state (Fig. 3.)

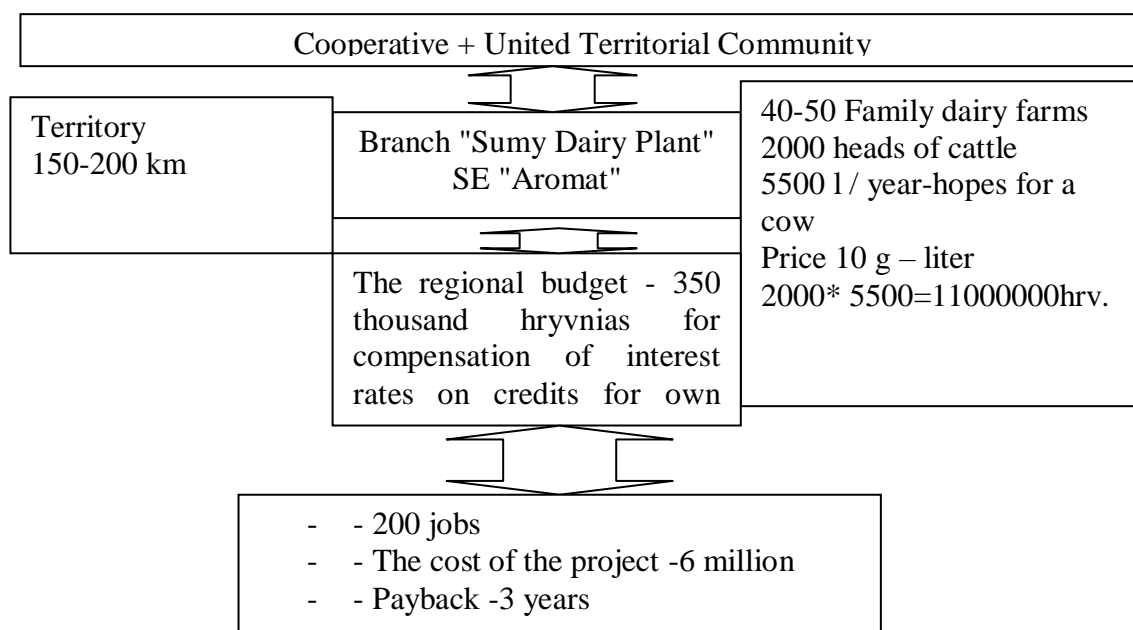


Fig. 3. The effectiveness of creating a dairy cluster

Source: suggested by the author

According to the project participants' calculations, the dairy cluster around the processing plant with the participation of 40-50 family farms and united territorial communities can receive \$ 1.5 million in profit per year, for family farms the profit will be \$ 20 thousand years.

It is specified that the creation of the cluster will contribute to the qualitative and quantitative increase of new jobs in the form of self-employed farmers-entrepreneurs, increase tax revenues to local budgets and reduce the trend of labor migration abroad.

Insights from this study and perspectives for further research in this direction. The introduction of integration associations in the dairy industry of Ukraine will provide the following results: protection of the interests of households - suppliers of raw milk; access to stable material and technical supply at minimum prices for dairy enterprises; improving the quality of raw milk; making a profit from other areas of agribusiness; increasing the number of markets for finished products, as well as access to international markets; minimization of transaction costs; loading of production capacities of milk

processing enterprises and creation of new jobs; improving the quality of dairy products and their competitiveness in national and international markets; integration at the appropriate level into the world food market.

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