

COMPETITION DEVELOPMENT AT REGIONAL FOODSTUFFS MARKET

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The Sverdlovsk region is the fifth largest region in Russia and the largest region in the Urals situated on the border between Europe and Asia. At present competitive relations in agricultural and provisions complex are not developed enough and do not correspond to developed market. In this case it is necessary to develop the theoretical framework of effective modals of competitions and its peculiarities during contemporary stage of market development.

The programme implies the development of healthy competition on provisions market, agricultural producer's support, permanent monitoring of prices on agricultural raw materials and food supply, and also realization of measures directed to improvement of food products trade regulation, including their security and quality requirements conditions. As a result of the programme realization, the rise in stabilization of the provisions market in the Sverdlovsk region and the increase in foodstuffs production share in gross regional product output are expected.

Key words: provisions market, competition, provisions safety, food management.

Competition as a form of economical activity organization is one of the basic institutions on provisions market, the most important condition of its effectiveness. The level of its development is the main index of market reforms. Gradual globalization of the economy, active involvement of Russia in international economical processes, need to meet the requirements of competitive market set goals of full analysis of factors, forming competitive strategies of market subjects. In developing market conditions the influence of the factor of competition between national and regional markets on strategic and investment attraction of the main producers as well as regional agricultural systems has increased significantly.

The development of the competition is one of the most important parts in institutional and structural transformations. At present competitive relations in agricultural and provisions complex are not developed enough and do not correspond to developed market. In this case it is necessary to develop the theoretical framework of effective modals of competitions and its peculiarities during contemporary stage of market development.

This programme is especially urgent for industrially-developed regions. In particular, the Sverdlovsk region is the fifth largest region in Russia and the largest region in the Urals situated on the border between Europe and Asia, its territory is about 194.3 th.

square km. The population of the region is 4364 mln. people. Yekaterinburg is the capital of the region (1346.3 th. people), the fourth largest city in Russia. There are 47 towns in the Sverdlovsk region. The main economic centres (besides Yekaterinburg) are Nyzhny Tagil (377 th people), Kamensk-Uralsky (183 th), Pervouralsk (159 th), Asbest (104 th), Serov (100 th). The specific character of this territory is the predominance of the urban population over the rural population. On 01.01.2007 the urban population of the region was about 3659 thousand people and the rural population was only 740 thousand people.

The regional provisions safety (as everywhere else) depends on the development of agro-industrial complex (to a greater extend than in other territories), as well as on the development of the provisions trade.

Since the beginning of this year the Sverdlovsk region has been the fifth subject of the Russian Federation in terms of the retail trade turnover and the second one in the Urals. At the beginning of 2007 there were 19.5 thousand of retail outlets in the Sverdlovsk region. In 2007 the retail trade turnover accounted for 61.4% of small enterprises, and the share of agricultural markets was about 15.2%. The share of provisions goods in the retail trade turnover accounted for about 45%, the annual average increase in

provisions turnover has been 15.6% for the last 3 years.

In 2007 the average monthly sale per person was 7, 4 thousand rubles in the region (increase by 29.5%), this tendency is believed to remain until 2010. The consumers purchasing power is increasing as incomes are growing. In 2007 the population could buy 15.8% more foods, included in the minimum set than in 2006.

It is necessary to admit that the development of the provisions trade is closely linked to the import of commodities. Import share in the whole volume of provisions resources is more than 40%, which threatens the provisions safety of the territory.

Providing country and regions provisions safety is one of the topical objectives of the state in the field of social and economic policy. The cause of this fact is also aggressive foreign countries policy in food supply sector.

The programme implies the development of healthy competition on provisions market, agricultural producer's support, permanent monitoring of prices on agricultural raw materials and food supply, and also realization of measures directed to improvement of food products trade regulation, including their security and quality requirements conditions.

The main programme principles are:

- providing healthy competitive environment by letting access on the provisions market for companies of all types of ownership;

- "programme-goal" method of forming provisions recourses;

- producer's protection (domestic RF subject's support – the Sverdlovsk region), both big business by developing private state partnership with projects investments and small and medium-size business by infrastructure creating, assistance to associations creating through all range of life cycle of local products (brands), approximation of informational and educational programmes to the agricultural producer;

- self-developments of the territories of the bases of their diversity at the expense of their internal reserves taking into account their specialization and optimal local resources usage;

- supply and demand self-regulation due to increasing role of self-regulating non-commercial organizations in terms of providing provisions safety, independent expertise and monitoring;

- popularization of provisions that are ecologically clean and have medical and preventive effect – "prolonging life" by wide information enlightening work, educational programmes, internet resources, mass media, etc.;

- providing state support from regional budget to wholesale provisions complex organizations, domestic agricultural producers of raw materials and provisions on competitive basis;

- making management decisions taking into account the analysis of monitoring data about forming and supporting of provisions resources;

- providing transparency of information about the state of provisions market.

The goals of the programme are:

- development of competition on the provisions market in the Sverdlovsk region aimed to strengthen the provisions safety in the region on the basis of forming stable own base of producing raw materials and provisions products, providing regular supply of qualified and safety products on the region provisions market;

- provisions market optimization due to its saturation and more complete satisfying of regional consumers demand. Creating conditions for effective functioning of consumer market in the Sverdlovsk region;

- creating conditions for business competition by means of anticompetitive actions preclusion;

- removal of extra administrative barriers on agricultural market and preclusion of unfair competition on the provisions market.

To achieve these goals it is important to solve the following problems:

- achievement of guaranteed volume of production of qualified provisions raw materials basically due to local production according to the standards;

- development of enterprises of processing, packaging and storage of output at the place of production and sale;

- improvement of the provisions market infrastructure by means of development of distribution network and modern types of trade;

- realization of antimonopoly control directed to retaining inflationary processes and prevention of market destabilization;

- protection of consumers rights to receive reliable information about the product;

- execution of legislation standards of pricing for socially important goods of bare necessity;

- revival lost directions and production technologies of some types of goods during the reforms years;

- creation and introduction of new types of foodstuffs, usage of new technologies of agricultural products processing and storage;

- development of cooperation (credit, production, supply and sale) to reduce the number of middlemen;

- strengthening specialization and concentration of agricultural enterprises;

- interconnection of the programme with other regional programmes aimed to improve the population living standards in the region.

The following measures have been worked out of the programme:

- **organizational** – directed to the creation of competition conditions development on the provision market of the region

interactively with regional enterprises of agro- industrial complex, the growth of business activity by means of development of conception to support of small and medium-size business in the field of agro- industrial complex and the provisions market, the development of agricultural territories at the expense of increase of agricultural products output.

- **financial and economic** – ensure financing the projects of development, existing agro-industrial, logistical and commercial enterprises in the region at the expense of agro- industrial complex, regional budget and other sources.

- **technological** – provide the adoption of new technologies of agricultural production, foodstuffs production, storage, processing, packaging and sale of agricultural production in the region. Directed to introduction of modern technologies of transportation, storage and sale of foodstuffs and their production.

- **social** – provide health improvement, increase in life duration of the population, quality improvement of foodstuffs consumed, price factor decrease, increase in number of foodstuffs and their variety in consumer basket, forming the list of socially oriented trading organizations, stabilization of wholesale prices on main the basic socially important groups of products.

Therefore, as a result of the programme realization, the rise in stabilization of the provisions market in the Sverdlovsk region and the increase in foodstuffs production share in gross regional product output are expected.

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