

## REGIONAL PECULARITIES OF THE DEVELOPMENT OF A PROCESSING CLUSTER AGRO-INDUSTRIAL COMPLEX

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Economic development of the Republic of Dagestan in modern conditions is characterized by lack of attention to the formation and development of a processing cluster agro-industrial complex. The need for change in this issue is due to a historical characteristic of Dagestan related to the fact that in tsarist and Soviet periods, when the majority of the population was engaged in agriculture. For detailed recommendations for the effective development of a processing cluster, you must install the APK modern structure – LLC "Aquarius", LLC "Dagagroholding", LLC "Daginter" LLC, "Deneb", LLC "Plant of mineral water 'Mever'", "company" mineral water Plant "Rychal-su", etc. the Development of agriculture of the Republic of Dagestan has such trends, as the increase in the share of agricultural enterprises of small and medium business, etc. Offer – to improve the production structure for the development of deep processing of raw materials and increase the volumes of products with high added value; to increase the share of small enterprises in the production deficit for the Republic agricultural products, etc.

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The state of economic development in the modernization highlights the lack of attention to the formation and development of a processing cluster in the agricultural sector. This has led to the exacerbation of tensions in many regions of Dagestan. While the Republic is the serious challenges relating to enhancing the development of a processing cluster to the main of which is the economic condition of the Republic, dependent on financial support from the center.

Gained significant experience in the regulation of the development of a processing cluster in agriculture in different regions of Russia, CIS countries and in the developed capitalist countries can be applied in our country.

Attention to the development of a processing cluster in agriculture due to historical characteristic of Dagestan related to the fact that in tsarist and Soviet periods, the majority of the population was engaged in agriculture. Unfortunately, at present a modest investment in agriculture affect the level of socio-economic development of Dagestan. As a result, he is one of the last places among the subjects of the Russian Federation. The significant of this has its geopolitical and geo-economic position. Because of Dagestan is located on the southern outskirts of the Russian Federation and borders with the world powers and regional centers, the importance of its progressive development. The greatest importance is the fact that it shares borders with neighbouring countries as Azerbaijan, Georgia, Kazakhstan, Turkmenistan and has a long coastline with the Caspian sea. It becomes increasingly growing importance as a force of natural resources, and as an alternative means of transport of the Russian Federation with Iran and other coastal States. In addition through its territory major

routes of strategic importance in the development of a processing cluster agriculture. That is why Dagestan important using their territorial and resource advantages, and being in the field of view of various States in the region, to develop their processing cluster in the agricultural sector.

In recent years there have been positive changes in the management of the development of a processing cluster in the agro – industrial complex of Dagestan is interested investors in the agricultural sector, modernization of related objects of economy of the Republic as a transport and logistics center, development of land resources for optimal and effective use, etc., However, these aspects are not strict system concept of regional economic development in General and agriculture in particular. This represents a balanced mix of state and market methods and tools for the management and creation of conditions for the development of a processing cluster agriculture in the economy, taking into account all stakeholders from producers to consumers. The necessary improvement of existing mechanisms for managing the development of a processing cluster in the agricultural sector, as well as constant monitoring of the modernization of the process based on the experience of other regions of the Russian Federation and abroad. The solution of this important economic tasks are devoted to dissertation research.

As can be seen from the statistics there has been a steady, though small, increase of production volumes of agricultural enterprises of all types that is related to traditional agricultural orientation of the economy of Dagestan and in high demand among the population of local products (Table 1) [2].

Table 1

The production structure of agriculture by categories of farms  
(in actual prices; percentage of total)

	2005	2008	2009	2010	2011	2012	2013
<b>Farms of all types</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>
including:							
agriculture organization of the	9,5	9,2	9,9	10,2	11,1	12,5	14,3
households	82,5	81,0	80,8	79,3	78,1	73,4	71,5
peasant (farmer) economy <sup>1)</sup>	8,0	9,8	9,3	10,5	10,8	14,1	14,2

Notes: <sup>1)</sup> Including individual entrepreneurs.

Table 2

Park main types of machines in agricultural organizations<sup>1)</sup> (year-end; pieces)

	2005	2008	2009	2010	2011	2012	2013
Tractors <sup>2)</sup>	4344	3329	2470	2060	1724	1658	1375
Plows	1481	1086	848	824	666	658	544
Cultivators	486	416	355	347	304	308	269
Drill	899	657	474	444	346	335	260
Harvesters:							
combine	984	733	506	476	393	372	285
corn	57	53	40	39	30	32	23
forage	134	120	95	90	76	74	63
Mower	526	429	335	338	256	238	210
Balers	818	570	425	403	334	320	278
Reaper rolls	137	108	83	84	64	54	45
Sprinkler and irrigation machinery and equipment	83	65	50	57	41	39	23
Spreaders of solid mineral fertilizers	182	145	114	106	84	86	58
Machines for soil application of organic fertilizers:							
Solid	73	69	51	58	45	48	43
Liquid	15	12	11	7	5	10	7
Sprayers and dusters tractor	650	540	457	431	390	376	334
Milking machines and units	42	52	49	46	52	64	70

Notes:

<sup>1)</sup> Since 2008, excluding microenterprises.

<sup>2)</sup> Without tractors are mounted on excavation, reclamation and other machines.

The development of a processing cluster in agriculture is impossible without the availability of technical means (Table 2) [2].

For full recommendations for the effective development of a processing cluster, you must install the APK modern structure. It includes such processing plants, such as:

- LLC “Azamat”, producing dried meat, the skin is dried, smoked tail, goat milk, goat cheese;
- LLC “Asercanserv” producing fruit juices;
- LLC “Aquarius” Botlikh district, producing soft drink, pickles, urbech and jam;
- LLC “Amir”, products of milk processing;
- KFH “Kabulkap”, producing fruit juices;

- LLC “Gergebelsky canning factory”, producing fruit juices, canned vegetables, beef stew;
- KFH “Dido”, producing a whole grain flour (corn, wheat, barley, linseed, pumpkin seed, black cumin seeds, oatmeal, wheat malt, enzyme – rye malt, whole FAM. white flax, bran with black caraway seeds, bran with black caraway seeds), honey Caucasian, urbech (paste) in the range, tea and other drinks – barley and oat drinks;
- LLC “Dagagroholding” engaged in the processing of plant products;
- OOO “Daginter” producing confectionery products (biscuits, wafers, etc.);
- LLC “Deneb” producing juices, lemonades and ice teas in the range;
- LLC “Eurokond” engaged in the production of confectionery products;
- LLC “Plant of mineral water ‘Mever’”, which produces mineral water;
- LLC “Plant of mineral water ‘Rychal-su’”, which produces mineral water;
- LLC “Izberbash of the milk plant” that manufactures the products of milk processing;
- LLC “Kizilyurt dairy plant ‘Kolos’”, producing milk and products of its processing;
- LLC “Kizlyar Agrocomplex” producing dairy and meat products and products of their processing in the range;
- LLC “Kizlyar cannery engaged” in the production of fruit and vegetable preserves;
- LLC “Kikuninski cannery”, processing agricultural products;
- LLC “KUMC”, which produces canned meat, sausage and sausages, canned cereals, etc.
- LLC “Makhachkala winery” that produces cognacs in the range;
- LLC “Makhachkala milk factory”, engaged in the manufacture of dairy products;

- LLC “Makhachkala meat-packing” plant, products of meat processing in the range;
- LLC “Mountainous Dagestan”, producing fruits and vegetables, canned meat, semi-finished products;
- KFH “Nur” producing dairy and meat products in the range;
- LLC “Tahirkettle canning factory” that produces fruit and vegetable juices;
- CJSC “Hassok” engaged in the production of juices.

Unfortunately, the production of these enterprises is not high, given the potential for crop and livestock production in Dagestan. In addition, some manufacturers of juices used for the production of the crop in our region, and are ready to concentrate.

Republican authorities offer their own measures to improve the situation in the manufacturing cluster agriculture, through the departmental target program of the Ministry of agriculture of the Republic of Dagestan of the development of the canning industry, the development of processing the crop sector, the development processing of the livestock industry, etc.

They provide analysis, recommendations, forecasts and expected sources of funding. Here are some of them.

For the development of processed products in the crop sector in the Republic of Dagestan for 2013–2015 the proposed financing structure (Table 3) [3].

The development of the canning industry of Dagestan needs in accordance with the target program (Table 4) [4] in such sources of funding as:

For effective development of the processing of livestock products in the target program RD is proposed (Table 5) [5].

Table 3

## The structure of funding

The direction of financing activities	The amount of financial security, just	Including at the expense of	
		the Republican budget of Dagestan (forecast)	extrabudgetary funds (projected)
Technical re-equipment, reconstruction and modernization of production, mln rubles, including:	1615,3	107,1	1508,2
Production of canned fruit	1130,86	75,12	1055,74
Manufacture of grain mill products	484,44	31,98	452,46

Table 4

The total amount of cash needs and sources of program costs

Number	The name of the event	The period of performance, years	Funding – total, millions of rubles	Including at the expense of	
				the Republican budget of Dagestan	extrabudgetary sources (forecast)
1.	Construction, reconstruction and modernization of production facilities canneries	<b>2014–2016</b>	<b>3178</b>	–	<b>3178</b>
		2014	2542,4	–	2542,4
		2015	635,6	–	635,6
		2016	–	–	–
2.	The acquisition of technological equipment for processing fruit and vegetable raw materials	<b>2014–2016</b>	<b>1060,8</b>	–	<b>1060,8</b>
		2014	318,2	–	318,2
		2015	530,4	–	530,4
		2016	212,2	–	212,2
3.	Subsidies for reimbursement of expenses for the purchase of technological equipment for processing fruit and vegetable raw materials	<b>2014–2016</b>	<b>530,4</b>	<b>530,4</b>	–
		2014	159,1	159,1	–
		2015	265,2	265,2	–
		2016	106,1	106,1	–
4.	The acquisition of containers and packaging for the production of canned vegetables and fruit	<b>2014–2016</b>	<b>353,1</b>	–	<b>353,1</b>
		2014	70,6	–	70,6
		2015	106,0	–	106
		2016	176,5	–	176,5
5.	Subsidies for reimbursement of the value of packaging, for the production of canned vegetables and fruit	<b>2014–2016</b>	<b>70,6</b>	<b>70,6</b>	–
		2014	14,1	14,1	–
		2015	21,2	21,2	–
		2016	35,1	35,1	–
6.	The cost of acquisition of the main and auxiliary raw materials	<b>2014–2016</b>	<b>2183,4</b>	–	<b>2183,4</b>
		2014	436,7	–	436,7
		2015	655,0	–	655,0
		2016	1091,7	–	1091,7
7.	Subsidies for reimbursement of expenses for the purchase of the main and auxiliary raw materials	<b>2014–2016</b>	<b>873,4</b>	<b>873,4</b>	
		2014	174,7	174,7	–
		2015	262,0	262,0	–
		2016	436,7	436,7	–
	Total	<b>2014–2016</b>	<b>8249,7</b>	<b>1474,4</b>	<b>6775,3</b>
		2014	3715,8	347,9	3367,9
		2015	2475,4	548,4	1927,0
		2016	2058,5	578,1	1480,4

Table 5

The structure of the financing activities of the departmental target program

The direction of financing activities	The amount of financial security, just	Including at the expense of	
		the Republican budget of Dagestan (forecast)	extrabudgetary funds (projected)
Technical re-equipment, reconstruction and modernization, mln rubles, including:	1069,8	64,3	1005,5
processing of meat	577,8	35,4	542,5
processing of milk	472,8	28,9	443,8
The development of small processing plants, research, creation and promotion of brands of food and training in the field of processing of meat and milk	19,2	–	19,2

Analyzing possible ways of forming the financing of a processing cluster offered by the authorities of Dagestan, one can establish that a large proportion of extra-budgetary sources. Unfortunately, the practice of previous years of development showed that the investment attractiveness of the cluster is not high. We found that, without a comprehensive solution to this issue in General with the development of the acreage, herd development, reclamation activities it is impossible to achieve a clear understanding about the concept of agricultural development.

Based on the foregoing, we believe it is necessary to note that the concept of state regulation should distinguish between three groups of methods of influence on the development of a processing cluster in the agro-industrial complex of the Republic of Dagestan:

- methods Interdistrict regulation of relationships;
- methods (Republican) regulation and promotion of territorial development;
- methods of state regulation of development of a processing cluster agriculture at the level of local authorities.

Grant to the Republic:

- to reduce the expense of local budgets limit the prices and tariffs on basic food products and services, and change the range of goods and services, as defined by regulation;
- to adjust the size limits of trade margins to free selling (wholesale) prices for agricultural products in accordance with the cost of

their transportation and sale prices on glass containers.

Management development processing cluster in the agro-industrial complex of the Republic of Dagestan will be more successful when applying our proposed methods and mechanisms that will lead to improved competitiveness.

We believe that the broad lines of demopolization are:

- privatization of processing of agricultural enterprises in various industries in accordance with the established legal norms;
- the disaggregation of agricultural enterprises-monopolists with the release of their composition of several independent enterprises with legal entity status (where practicable and economically feasible);
- encourage the development of different forms of small business in the agricultural sector, primarily in the production of consumer goods and services, housing, and also in the sphere of innovative activity;
- the diversification of the agricultural products produced by large enterprises and associations.

A necessary condition for the effectiveness of measures for de-monopolization of agricultural and economic structure in General is strict compliance with the antitrust laws.

The development of agriculture of the Republic of Dagestan has the following development trends:

- the increase in the share of agricultural enterprises of small and medium business;

- the strengthening of integration processes in the context of a global recession;
- the increasing involvement of the state in attracting investors to the processing cluster of agriculture;
- the increase in agricultural production in agriculture;
- the prospects for the development selkhoztekhnika clusters.

However, we found that there are negative effects in the development of the agricultural sector [1], such as:

- the poor development of this important structure of agriculture as a processing cluster;
- insufficient use of the possibilities of application of the mechanism of direct and indirect interregional relations;
- weak use of indirect methods of state regulation;
- high depreciation of the basic production assets of the majority of agricultural enterprises and low capital productivity, which is reflected in the volume of production and its competitiveness.

The resolution of these problems, the removal of constraints on the dynamic development of the agricultural sector [1], can serve the following factors:

- a sufficient amount of natural resources that allows you to increase production with all environmental requirements;
- labor-surplus region, which, however, could encourage the use of labour resources and qualified professionals with the expansion of production;
- available in sufficient volume capacity to process natural resources and production of competitive products;
- the presence of effective demand for manufactured products for the country in other regions of Russia and abroad.

Given these factors, we offer:

- to create a reliable system of social cooperation between the state and the public;
- preserve and maintain existing jobs and create new ones;
- accessibility of General education and vocational training, health services in rural areas;
- to improve the production structure for the development of deep processing of raw materials and to increase the volumes of products with high added value;
- to increase the share of small enterprises in the production deficit for the Republic agricultural products;
- to optimize your process and cooperative communication, which would enable a complete technological cycle of production and marketing of agricultural products in one structure; to reduce the costs per unit of production by expanding the scale of production and competitiveness of agricultural products; to create a rational structure of interaction within companies, the introduction of modern principles of strategic planning, budgeting, regulatory planning methods, cost control, etc.

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