

Lending to agricultural enterprises: interaction between the state and the banking sector

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Abstract. The authors of the article consider the features of lending to enterprises of the agro-industrial complex, taking into account the specifics of the risks of this industry. Taking into account the high importance of agriculture and food production for the population and the state from the point of view of agri-food security, the role of state aid in supporting lending is considered separately. The largest bank of the country as one of the main creditors in the agricultural sector was chosen as the object of the study. The authors pay attention to the specific features of the calculation of collateral for a loan, the calculation of the amount of loans from the banking sector in determining the financial stability of the organization.

1 Introduction

Agriculture is considered one of the most important areas of the economy, which has a strategically significant significance, since the food security of the state depends on its formation.

For the organization of agricultural production, financial support through the bank lending system is of great importance. The welfare of the population largely depends on how the agricultural sector will develop. When crediting agricultural enterprises, state support is necessary, because there are increased risks depending on economic and climatic reasons [1].

When implementing economic activities, a situation often arises when an enterprise feels a lack of personal working capital.

The importance of credit is especially huge in organizations that use the funds of an institution with seasonal conditions for the manufacture of a product. Own circulating resources of agricultural production are used to a minimum extent, and borrowed funds are used in the development of seasonal stocks and other expenses. For this reason, the issue of interaction of agricultural institutions with commercial banks on the issue of obtaining a loan is relevant [2].

Despite the impact of the economic crisis, positive trends in the formation of the Russian agro-industrial complex have been preserved, which is characterized by an increase in the index of agricultural production.

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First of all, positive results were achieved as a result of the growth of economic assistance to agricultural producers. In situations of increasing crisis phenomena, both in the economic concept and in the economy as a whole, numerous Russian banks significantly reduce the amount of credit assistance to agricultural producers, which causes damage to both banks and the agro-industrial complex.

In the agricultural sector, the bank must take into account several features [3]:

seasonality, which negatively affects the liquidity management of the enterprise and the impact of fluctuations in mass prices for commodity products;

politically motivated market interventions (in particular, cost adjustment, control of bank rates, prolongation of loans or write-off of bad debts).

2 Method

The authors used private scientific empirical methods, in particular, economic and statistical, comparative and computational analyses. Separately, a graphical method was used to represent the result of analysis or diagnostics in the form of a graphical object (table). The authors examined the main directions of state subsidization of loans and loans provided to agricultural enterprises, as well as the main instruments of agricultural lending by the largest bank of Russia, Sberbank.

The practical significance lies in the fact that the results of the study can be used to improve the concept of lending for agricultural institutions. Agricultural lending, as a form of credit relations, has some features. First of all, it should be noted that loans for agricultural needs can be issued not only by banks, but also by other credit and financial organizations.

The scientific novelty of the article lies in the development of theoretical provisions for the further development of proposals for improving the models of lending to agricultural enterprises, ensuring the availability of credit for the consumer.

3 Study detail and result

The economic crisis in the Russian Federation has further predetermined the need to increase state aid to the agricultural sector, as well as to control credit and monetary relations in the field of agricultural economics.

State support for commodity producers operating in rural settlements is a system of methods of state influence on the economic mechanism for the following purposes: to ensure expanded reproduction, to increase the efficiency of agricultural production, to develop the social and environmental sphere of rural areas, to ensure the financial stability of a credit institution, as well as to protect the economic interests of agricultural producers.

During the implementation of the state support mechanism, they are guided by the provisions provided for in the Budget Code of the Russian Federation and targeted programs for supporting the agro-industrial complex [4].

The State Program aimed at the development of agriculture in the Russian Federation and the regulation of agricultural markets provided for a number of measures related to the development of rural areas, the development of credit relations, the preservation and reproduction of used land resources. The concept of sustainable development of villages of the Russian Federation for the period up to 2021 provided for a comprehensive provision of sustainable development of agriculture in our country.

The above-mentioned State Program provided opportunities for the large-scale development of lending to the agro-industrial complex. In the implementation of the program under consideration, the most important direction is to increase the financial

stability of agricultural enterprises through the use of measures aimed at expanding access to concessional lending.

This program provides for the provision of subsidies to Russian agricultural producers at the expense of the budget of the Russian Federation to regional budgets at the regional level in order to reimburse part of the costs associated with the payment of interest on loans issued by Russian credit organizations to agricultural enterprises.

Ministry of Agriculture of Russian Federation has created fundamentally new conditions for subsidizing loans. Thus, since the beginning of 2014, only investment bank loans are subject to subsidization. Moreover, for loans taken for the development of the meat and dairy industry, the federal budget will finance only 80 percent of the refinancing rate set by the Central Bank of Russian Federation (the remaining 20 percent will be financed from the budgets of the constituent entities of Russian Federation) instead of the previous 100 percent. There will be a significant reduction in state aid to these enterprises and organizations in terms of subsidizing the share of the interest rate provided for by short-term loans (loans) provided for the development of the crop, livestock industry, and so on.

One of the forms of support is the provision of economic resources, either free of charge or on preferential terms, for producers in the agricultural sector. This can also be attributed to lending. So, as it has already been noted, in order to carry out expanded reproduction, which is the basis for the effective operation of an agricultural enterprise, special-purpose credit funds provided by credit and financial organizations are needed. However, the low profitability of agricultural production makes the industry unattractive not only for banks, but also for investors. Thus, without the use of state support in the form of subsidies, the profitability of production is lower than deposit rates, which, of course, is a negative factor, including for credit institutions. At the same time, it should be noted that not all agricultural producers enjoy state support. That is why enterprises are forced to lend for a short-term period, and long-term investments, which are extremely necessary for this industry, become practically inaccessible.

The need for agricultural lending is undeniable, since it allows producers to carry out effective activities, expand the scale of production, etc. In modern economic conditions, some or even most agricultural enterprises

To date, Sberbank offers several types of loans for agricultural enterprises. Next, let's look at the main ones.

One of the types of lending to agricultural enterprises is the issuance of a loan secured by the future harvest. This type of lending is provided to both legal entities and individual entrepreneurs who are clients of banks and have a positive credit history. No more than 50% of the total amount of loan obligations can be covered by a pledge of the future harvest. Secured by fixed assets, that is, other property, the remaining amount of obligations is processed.

Quantitatively, the future harvest is calculated taking into account data on the harvest obtained over the past three years, the forecast of yield for the crediting period, data in the technological map for the cultivation of crops. The expected cost price is also calculated (the calculation is made using a correction bank coefficient equal from 0.5 to 0.7), which is taken into account along with the qualitative composition of the land when calculating the collateral value. The pledge is necessarily insured, or the bank is appointed as its beneficiary. Issuing a loan secured by the purchased equipment and/or machinery is another type of lending [5].

The requirements imposed by the bank when issuing this loan:

- the amount of the advance payment that the borrower transfers to the account of payment for the purchased equipment and/or equipment should be no more than 10-20% of the value of the property

- borrowers can be medium and small businesses.

The granting or refusal of a loan is based on documents that are provided to the bank by the borrower. In case of a positive decision, the seller of equipment and/or equipment and the borrower receive notifications and then a purchase and sale agreement is drawn up between them, which necessarily indicates the transfer of ownership to the borrower after the seller receives an advance payment. Further, the fact of the transaction is registered, insurance is issued. The bank and the borrower conclude a loan agreement based on the collateral. After that, the loan funds are transferred to the seller through the borrower's settlement account. Lending for this type of loan is carried out for a period of 3 to 10 years.

At the same time, a study of the activities of Sberbank of Russia has demonstrated that the financing of agricultural companies is not sufficiently developed. The discovered grounds for limiting the agricultural lending system of Sberbank of Russia are shown in Table 1.

Table 1. Limitations of the agricultural lending system of Sberbank of Russia [6, 7].

From Sberbank of Russia (proposal)	From borrowers (demand)
High risks of the agricultural sector (natural and climatic, price)	
Weak growth of banking infrastructure in agricultural areas, remoteness of creditors, territorial dispersion of borrowers	Low efficiency (low profitability) of the sphere, indebtedness of farms
Lack of credit products satisfying the needs of an agricultural producer	Absence or lack of collateral, other collateral for the loan
Lack of special methods for assessing the creditworthiness of agricultural borrowers	Credit history deficit, difficulty and unavailability of obtaining a loan
High level of transaction costs associated with the provision of loans of insignificant volume	High degree of transaction costs associated with obtaining a loan

Thus, overdue accounts payable of agricultural companies is the main condition limiting the effective demand for credit resources.

4 Discussion

The volume of production per ruble of the average balances of credit investments determines the degree of efficiency of the use of credit [8]. The payability of loans and credits is also an indicator of the effectiveness of the loan. The indicator of the specific weight of loans repaid voluntarily reflects the degree of effectiveness of the loan and the targeted use of working capital. When applying measures by the government in order to intensify production, problems related to the effectiveness of lending have become more relevant.

The increase in return on equity (ROI) due to the attraction of borrowed funds into circulation is reflected by the effect of financial leverage. The occurrence of such an effect occurs with a higher economic profitability in comparison with the percentage of judgment [9].

The implementation of the improvement of the credit policy of banking organizations in relation to agricultural enterprises will require constant feedback from the subjects, consideration of each other's interests, the formation of a unified strategy and approach both in general to lending, and in relation to the assessment of borrowers, conditions for granting long-term loans, etc [10]. Therefore, in order to more effectively address the issues identified as areas for the development of agricultural lending, it is necessary to develop a program at the state level in the form of an organizational and economic model for building relationships in this area.

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