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STATUS AND STRATEGIC ORIENTATIONS OF DEVELOPMENT OF ENTERPRISES OF OIL AND FAT BRANCH OF THE REGION

Abstract.
Many scientists and experts attribute the revival of the Ukrainian agricultural sector of the economy and the solution of social problems of the Ukrainian countryside to the development of the country's oil and fat complex, as the existing potential of this budget-forming industry is extremely large.

The article examines the processes of development of the oil and fat industry, as well as the main tools and levers of the economic mechanism of its operation. The state of development of the oil and fat industry of the region is analyzed. The strategic prospects for the development of oil and fat enterprises on the basis of SWOT-analysis are substantiated.

Keywords: *oil and fat industry, economic mechanism, levers of influence, SWOT-analysis, region.*

Formulation of the problem. At the present stage of development of the world economy, globalization is increasingly transforming the world economy into a holistic organism, integrated by the international division of labor, large transnational production, marketing, financial and information companies, and the economic situation is determined not only by domestic resources but also its degree of integration. economic system. Under such conditions, the task of strengthening the competitiveness of agro-industrial products and increasing the volume of its exports to the world market, in particular the products of the oil and fat industry, becomes especially important for Ukraine. However, in order to maximize the economic opportunities for the development of the oil and fat industry and strengthen its position in international markets, it is necessary to solve a number of problems related to the rational growth of raw materials and processing, improving their efficiency, improving regulatory policy.

Analysis of recent research and publications. The study of the problems of development of the oil and fat complex and some aspects of the efficiency of its functioning and development was carried out by VI Boyko, OG Волощук, B.M. Гаврилюк, O.Г. Derevyanko, MV Kalinchik, SP Капшук, B.B. Bath, A.A. Poberezhna, MV Присяжнюк, П.Т. Sabluk, O.M. Shpychak and others. In the works of these scientists the problems of the oil and fat complex are covered, the organizational and economic features of the functioning of the enterprises of the branch are revealed, the tendencies of their development are estimated.

However, in modern conditions, characterized by new trade rules, dynamic changes in domestic and foreign markets for food and energy resources, the question of determining the factors and conditions for effective development of oil and fat production remains relevant.

Formation of research goals. The purpose of the study is to theoretically substantiate the processes of development of the oil and fat industry, study the main tools and levers of the economic mechanism of its functioning in the region, determine strategic prospects for the development of oil and fat industry in Vinnytsia region based on SWOT analysis.

Presenting main material. The oil and fat industry of Ukraine is one of the leading and mobile in the agro-industrial complex of the country. Its contribution to the national economy is characterized by the modernization of equipment, the use of modern resource-saving technologies, a wide range of products, high level of competitiveness, significant investment attractiveness.

The main problems of development of enterprises of the oil and fat industry of Ukraine are high level of monopolization of the industry leading to unjustified overpricing, the use of unfair methods of competition and underutilization of production capacity; insufficient innovation and investment orientation of oil and fat industry enterprises not allowing to fully identify the full potential of this food industry, and poorly developed system of storage and transportation of oil and fat products in Ukraine, which deprives mobility in price changes.

The oil and fat complex of Ukraine is a budget-generating sector of the economy. Fully satisfying the needs of the domestic market in oilseeds, at the same time Ukraine is the largest exporter of sunflower oil on the world market. The production of oil and fat products in Ukraine is characterized by intensive development, a constant increase in sown areas under oilseeds, growth of processing capacity in the industrial sector, a high level of involvement of the industry in the international division of labor.

The urgency of further development of the oil and fat industry is one of the priorities and promising components of strengthening the export potential of the agro-industrial complex of Ukraine.

The oil and fat complex of Ukraine is the only sector of agricultural production, where, thanks to the introduction of economic measures to regulate the market, there is balance of economic interests of the state, agricultural and processing spheres of production and domestic consumers. Oil and fat production are the budget-forming industries of the agricultural sector

with a strong export potential, which is developing dynamically.

Natural resource potential fully satisfies the needs for natural resources required for the smooth operation of structural elements of the oil and fat industry, i.e. fertile soils, sufficient water resources (Ukraine's river system is very rich) and favorable climatic conditions. The oil and fat complex is sufficiently provided with labor resources, which now form the basis of production activities of plants, but there is a need to improve the skills of workers employed in the oil and fat industry of Ukraine.

The growing demand for vegetable oils from the world market stimulates the growth of production and determines the dynamic development of domestic processing facilities of the oil and fat complex [5].

According to the Ukroliyaprom Association, since 2000, the processing capacity of enterprises has more than tripled - from 3.5 million tons to 12.8 million tons in 2018. Domestic consumption of sunflower oil in recent years remains virtually unchanged and is estimated at 400 - 500 thousand tons. Therefore, annual export deliveries account for more than 80% of sunflower oil produced in Ukraine [6].

Due to intensive development, domestic production is able to fully meet the needs of the national economy in oil, margarine, industrial oils, mayonnaise, laundry soap, drying oil, stearin, glycerin, etc., although in recent years about a third of total consumption are fats of tropical origin. coconut and palm oils.

Among oilseeds, the most promising are sunflower and soybeans, followed by corn. Sunflower gives farmers if not a jackpot, then a serious stability, which is identified with the gold and foreign exchange reserves, protected from inflation [1].

The price of oil and fat products significantly depends on the transport costs for the delivery of raw materials. Transportation of products and underdeveloped logistics remain an important issue. After all, the dominant role in the sale of oilseeds is played by the ability of enterprises in the industry to quickly ship large-scale volumes of products using various modes of transport. The high level of wear of highways significantly prolongs the delivery time of products to destinations [9].

World experience shows that the planning and organization of logistics activities of enterprises provides an opportunity to significantly reduce resource costs and improve product quality. The development of logistics schemes has special advantages, which are to reduce the delivery time of products, preserve its quality and realize the desire to best meet the needs of consumers [8].

Given the above, it makes sense to build elevators for self-sufficiency of seed processing enterprises. Most international traders have their own elevator capacity. They use cheap financial resources, which are attracted from international markets at a minimum loan rate of around 3-4% per annum. The company buys raw materials at the lowest price during the harvest and stores them in its elevators.

The development of the system of product storage in Ukraine is carried out through storage in the conditions of agricultural holdings, storage in the conditions of small and medium agricultural producers. The basis of the storage system are elevators of different types, which are a set of structures and mechanisms designed to receive grain, its post-harvest processing (cleaning, drying), storage and shipment to various modes of transport [7].

However, the current system of storage of oil products in Ukraine does not meet the modern requirements of the globalization space and the existing export orientation of the industry. The latter is confirmed by the fact that despite the investment orientation of the industry, the construction of the storage system remains the prerogative of large enterprises and is virtually unattainable for medium and small enterprises in the industry in the absolute absence of state support in this area.

In addition to the price problem, the second problem in the provision of raw materials is the export of oilseeds with further processing in other countries. To address this situation, a duty on soybean and rapeseed exports should be applied to load Ukrainian plants with raw materials and provide jobs for the working population in the middle of the country.

There are 10 large companies in the Ukrainian oil market, which control about 80% of the market, and the remaining 20% are divided between many national players. A number of oil and fat enterprises are part of large companies - "Cargill", "Kernel", "Myronivsky Hliboproduct", "Agrokosm", "Bunge", "ViOil". The leader among the companies producing unrefined sunflower oil in Ukraine is the Kernel group of companies, which includes seven companies. In general, the group accounts for almost 30% of the total production of unrefined sunflower oil in Ukraine.

The key factors influencing the Ukrainian oil market are the situation on the world oil market, especially demand from India and China, as well as weather conditions in the leading regions of grain and oil production, which may have a negative impact on oil yields, in particular in the US and South America [6].

From 2012 to the present in Ukraine, the rate of export duty on sunflower seeds is 10% of the customs value for processing in Ukraine [5].

It should be noted that Ukraine's main world competitors protect their national interests by using export duties on sunflower seeds. Thus, in Argentina, it initially increased from 23% to 32%, over time it was increased to 39% [5].

The next problem of the industry development is the insufficient innovation and investment orientation of the enterprises of the oil and fat industry. At first glance, the oil and fat industry is one of the most innovation-oriented sectors of the domestic economy. The innovative activity of the enterprises of the oil and fat industry is carried out through the introduction of complex equipment to ensure the full cycle of production of oil and derived products; application of new types of catalysts in oil and fat production technologies; improvement of oil extraction technology and margarine production; use of waste oil and fat production to create new products; application of special technologies to improve the organoleptic and physicochemical properties of butter and spreads based on the use of natural

flavoring and aromatic additives from natural raw materials, etc. [2].

In 2017, the share of enterprises in the industry engaged in innovative activities in the total number of oil and fat enterprises was 17.5%, which exceeds the average in Ukraine for industrial enterprises - 14.6% [3]. The latter is confirmed by the rating assessments of the state of innovation activity of oil and fat industry enterprises, which showed that the industry occupies central places in the ranking both in terms of the number of enterprises engaged in innovation activity (not higher than the fifth place out of nine possible) and an indicator of the volume of costs for innovation (not higher than the second place) and an indicator of the volume of sold innovative products (not higher than the third place).

However, despite these positive trends, there is a decrease in the share of sold innovative products in total sales (in 2017 - 0.5%) and a decrease in the implementation of organizational and marketing innovations. In addition, the share of innovation-active enterprises in the industry that implemented innovation processes decreased from 80% in 2010 to 40% in 2017. The share of innovative and active enterprises of the oil and fat industry, which focused their activities on the acquisition of new technologies, was only 8 - 15% [3].

The reasons hindering the innovative development of the industry are: the need for high costs of innovation and long payback period, insufficient direct financial support from the state, lack of protection of commercialization of innovative developments, weak links between enterprises, research institutes, the state in development and implementation of innovative projects; lack of benefits in the tax and financial-credit spheres for enterprises that implement innovations.

The main problems in this area are:

first, high investment attractiveness remains the prerogative of large enterprises, usually with the participation of foreign capital, and investment remains a luxury for domestic medium-sized businesses;

secondly, increasing investment in capacity building is not a guarantee of their full capacity;

thirdly, technical re-equipment of domestic enterprises of the oil and fat industry is carried out at the expense of imported equipment, usually from European countries. This is due to the lack of domestic counterparts, the existence of which would significantly expand the innovation and investment opportunities of this industry;

fourth, a significant part of the existing production capacity is completely worn out, although it continues to be used (out of 25 automated available oil extraction lines, 12 lines are used for more than 40 years, which is six times longer than the standard term of their use; 7 lines are operated from 15 to 30 years with a completed depreciation period and only 5 lines are used for less than five years [5].

The use of physically and morally worn-out equipment not only distorts the real state of production capacity of the oil and fat industry of Ukraine, but also leads to irrational use of raw materials and significant losses of products.

Regarding the tax policy, it should be noted that a significant part of oil raw materials in Ukraine (over 70%) is processed according to tolling schemes, some companies use toll raw materials 100%.

Depreciation policy is formed at the legislative level and provides alternative options for the return of funds invested in the acquisition of fixed assets. Oil and fat enterprises are characterized by the use of a uniform system of depreciation, which ensures the return of equal parts of the value of fixed assets each year.

The influence of leverage standardization and certification is manifested in the requirements for product quality, traceability of quality in all parts of the chain from producer to consumer. According to the requirements of the EU directives, Ukrainian oil that is exported must be accompanied by a sanitary certificate, a sampling act, as well as a test report for the content of mineral oils. The importing party will take samples for testing, which provides double control of product quality and demonstrates strict double control of product quality and safety [9].

International standards of quality management ISO 9001, food safety management HASSP (ISO 22000), environmental management ISO 14000 have been implemented at enterprises-exporters of oil and fat products [6].

In order to determine the level of development of the industry should analyze the production of oilseeds and products of their processing. The most common oilseeds in Ukraine are sunflower, soybean, rapeseed, flax, mustard (Table 1).

The share of Vinnytsia region in the total production of sunflower seeds is 5.7%, the yield is higher than the average in Ukraine by 37%. In 2018, 79.2 thousand tons of sunflower seeds were harvested in the region, which is 24.6 thousand tons or 45% more than in 2014, at the same time there was an increase in sown areas by 56 thousand hectares or 29% and increase in yield from 28.5 c / ha to 32.1 c / ha or by 12%.

Analyzing these tables, we can conclude that during 2015 - 2016 there was a significant decrease in the area under crops and gross harvest of rapeseed, but in 2017 there was an increase. In 2018, the sown area of rapeseed compared to 2014 increased by 19%, gross harvest - by 55 thousand tons or 24% and amounted to 278.6 thousand tons in 2018, but the yield increased by only 4%, from 25, 9 c / ha to 27.0 c / ha. In the Vinnytsia region in 2018, rapeseed was harvested from an area of 76.3 thousand hectares, which allowed to obtain a gross harvest of 23.8 thousand tons with a yield of 31.2 c / ha, compared to 2014, no significant difference is observed . The share of Vinnytsia region in the total area of rapeseed in 2018 was 7.4%, in the total seed production - 8.5%.

Table 1

Gross harvesting of oilseeds in Ukraine and Vinnytsia region

Indicators	Ukraine					Vinnytsia region					Part of the area, 2018 %
	Years										
	2014	2015	2016	2017	2018	2014	2015	2016	2017	2018	
Sunflower											
Square, thousand hectares	4987	4962	5757	5780	5923	191	183	262	242	247	4.1
Gross collection, thousand tons	999.5	1108.7	1319	1193.7	1388.2	54.6	50.7	82.1	71.5	79.2	5.7
Harvest-ness, ts \ 1 ha	20.0	22.3	22.9	20.7	23.4	28.5	27.7	31.4	29.6	32.1	x
Soya beans											
Square, thousand hectares	1699	1966	1665	1692	1617	156.5	212.6	129.5	124.9	106.8	6.5
Gross collection, thousand tons	368.7	369.4	392.2	334.4	426.6	35.6	31.7	30.2	25.8	30.7	7.2
Harvest-ness, ts \ 1 ha	21.7	18.8	23.6	19.8	26.4	22.8	15.0	23.3	20.7	28.8	x
Rape seed											
Square, thousand hectares	865	671	450	780	1031	75.7	67.7	35.4	60.4	76.3	7.4
Gross collection, thousand tons	223.6	176.8	118.1	222.3	278.6	24.0	19.2	10.1	19.1	23.8	8.5
Harvest-ness, ts \ 1 ha	25.9	26.3	26.2	28.5	27.0	31.7	28.3	28.6	31.7	31.2	x

Source: [6]

Traditionally the main processed oil raw material is sunflower seeds (Table 2) in Ukraine. According to the results of 2018, oil and fat enterprises of Ukraine processed 10,142 thousand tons of sunflower seeds, 986.9 thousand tons of soybeans and 224.2 thousand tons of rapeseed. Significant changes in the volume of sunflower seed processing during 2014 - 2018 are not observed, the growth was only 9%.

The volumes of soybean oil and fat processing by enterprises have significantly increased. In particular, in 2018, 79% more soybeans were processed than in 2014. At the same time, there is a significant increase in the processing of rapeseed, i.e. from 168.3 thousand tons in 2014 to 224.2 thousand tons in 2018 or 32%.

Table 2

Volumes of oilseeds processing in 2014 - 2018, thousand tons

Indicators	Year					2018/2014 %	The share of Vinnytsia region in total production, 2018,%
	2014	2015	2016	2017	2018		
Україна							
Sunflower	9,290.4	8,134.6	9,120.9	11,107.2	10,142.0	109	x
Soya beans	548.6	601.2	664.3	878.0	986.9	179	x
Rape seed	168.6	223.5	127.0	77.9	224.2	132	x
Vinnytsia region							
Sunflower	827.0	843.0	1,078.4	1,122.6	1,089.0	131	10,7
Soya beans	75.5	111.2	87.1	*	*	-	-
Rape seed	70.2	96.1	64.7	*	*	-	-

Source: [6]

In 2018, oil and fat enterprises of Vinnytsia region processed 1,089 thousand tons of sunflower seeds, which is 31% higher than in 2014 and is 10.7% of the total processing.

According to the Ukroliyaprom Association, the three largest producers of unrefined sunflower oil in Ukraine in 2017 were the European Transport Stevedoring Company, its plant in Mykolayiv produced 352.4 thousand tons of oil; Optimusagrotrade company (Zaporizhzhya OZHK) with a rate of 333.5 thousand tons; and Vinnytsia oil and plant ViOil produced 296.5 thousand tons [5].

According to expert estimates, 280,000 tons of oil were received for domestic consumption by Ukrainians for the six months of the 2018-2019 marketing year. When buying oil Ukrainian consumers pay attention to two factors, namely the price of the product and the presence of the brand.

Five regions of Ukraine are leaders in the production of unrefined sunflower oil in recent years, in 2018 they produced 3243 thousand tons, they accounted for 67.6% of total production in Ukraine (Table 3).

Table 3

Structure of production of unrefined sunflower oil and its fractions (except chemically modified) by regions, 2015–2018

Regions of Ukraine	2015		2016		2017		2018	
	thousand tons	%	thousand tons	%	thousand tons	%	thousand tons	%
Vinnytsia	351.7	9.5	451.3	10.2	475.6	9.0	454.5	9.6
Zaporizhzhia	590.9	15.9	608.4	13.8	586.4	11.1	570.5	11.9
Kirovohrad	446.6	12.0	596.5	13.5	825.9	15.7	745.1	15.5
Mykolaiv	255.4	6.9	466.7	10.5	724.9	13.7	606.7	12.6
Odessa	529.2	14.3	754.5	17.1	1,014.5	19.2	866.2	18.0
Others	2,173.8	41.4	2,877.4	34.9	1,627.3	31.3	1,556.4	32.4
Ukraine	3,715.8	100	4,424.0	100	5,276.8	100	4,799.4	100

Source: [2]

The oil and fat industry in Ukraine is extremely powerful. Over the last twenty years, the number of processing plants has increased, 64 complexes have been built. In 2018-2019, the production of rapeseed oil increased, covering an area of 1.3 million hectares. There are 64 processing plants, 48 oil extraction plants, they export oil to more than 120 countries and $ 350 million in investments.

The key factors influencing the Ukrainian oil market are the situation on the world oil market, especially demand from India and China, as well as weather conditions in the leading regions of grain and oil production, which may have a negative impact on oil yields, in particular in the US and South America [4].

The growing demand for vegetable oils from the world market stimulates the growth of production and determines the dynamic development of domestic processing facilities of the oil and fat complex.

Due to intensive development, domestic production is able to fully meet the needs of the national economy in oil, margarine, technical oils, mayonnaise, laundry soap, drying oil, stearin, glycerin, etc., although in recent years about a third of total consumption are fats of tropical origin, i.e. coconut and palm oils.

Thus, the main problems of development of enterprises of the oil and fat industry of Ukraine are high level of monopolization of the industry leading to unjustified overpricing, the use of unfair methods of competition and underutilization of production capacity; insufficient innovation and investment orientation of oil and fat industry enterprises, which does not allow to fully identify the full potential of this food industry, and poorly developed system of storage and transportation of oil and fat products in Ukraine, which deprives mobility in price changes. These problems can be solved both at the level of individual enterprises and at the state level as an important subject of the economic system [9].

The economic mechanism for ensuring the functioning of oil and fat enterprises is a set of levers that determine the nature of the interaction of financial, marketing, social stability and economic security, the effectiveness of which depends on the chosen management methods, which ultimately ensures economic stability in the long run.

Among the economic levers of the mechanism to ensure the functioning of the oil and fat industry are depreciation policy, pricing policy, taxation, lending, insurance and customs policy [3].

Due to intensive development, domestic production is able to fully meet the needs of the national economy in oil, margarine, technical oils, mayonnaise, laundry soap, drying oil, stearin, glycerin, etc., although in recent years about a third of total consumption are fats of tropical origin. coconut and palm oils.

The price of oil and fat products depends on the transport costs for the delivery of raw materials. The oil-growing zone of each plant extends from 100 to 200 km around it. That is, the cheaper the price of seeds and transportation costs, the cheaper the cost of oil. That is, the construction of elevators is expedient for self-sufficiency of processing enterprises by seeds.

The exporter of oil and fat products is entitled to tax compensation and does not include it in the price of goods, which gives him certain advantages in foreign trade compared to entrepreneurs in other countries where there is no such preference. It can increase the profitability of exports and promote its development (Table 4). However, the VAT refund mechanism used in Ukraine turned out to be wrong, as it is in this area that huge sums of money are "laundered", i.e. the tax is reimbursed to those imaginary exporters who carried out expert transactions on paper [7].

As a result of the introduction of a new VAT regime for soybean export transactions, domestic prices have collapsed. Areas under soybeans were reduced by 11%. In 2019 the harvest has decreased by almost 27%. Processing fell by 24%. The total supply has decreased. In September-March, soybean exports fell by 35%.

Table 4

Exports of sunflower oil by domestic enterprises in 2009-2018, thousand tons

Year	Total	CIS countries	Asia	Europe	Africa	America	Australia and Oceania
2009	2333.8	153.7	629.7	1052.4	478.1	19.7	0.03
2010	2688.5	273.2	716.5	1175.2	522.8	0.59	0.13
2011	2333.8	153.7	629.7	1052.4	478.1	19.71	0.03
2012	3589.6	112.0	699.0	2025.2	736.0	17.22	0.004
2013	3199.5	108.9	403.3	2181.8	479.1	26.1	0.11
2014	4339.4	87.5	817.5	2990.9	433.9	7.04	2.65
2015	3938.5	58.8	744.3	2818.3	303.4	12.2	1.3
2016	4842.0	44.37	1396.1	3071.2	305.0	21.0	4.0
2017	5757.3	35.2	1812.1	3615.3	264.1	24.8	5.5
2018	5585.1	31.4	1359.6	3940.4	195.2	34.9	23.4

Source: [6]

The EU remains the market No. 1 for Ukraine, and there are prospects for further trade growth. The soybean meal market is an example. The EU's demand for this soybean product is estimated at 30 million tons, Europe imports its half. Ukraine only needs to increase the processing of soybeans and, taking the opportunity, to gain a foothold in this market. It will not be possible to significantly push the soybean giants, i.e. the United States, Argentina and Brazil, but it is quite achievable to occupy its niche.

Depreciation policy is formed at the legislative level and provides alternative options for the return of funds invested in the acquisition of fixed assets. Oil and fat enterprises are characterized by the use of a uniform system of depreciation, which ensures the return of equal parts of the value of fixed assets each year.

The interest rate on the export of oilseeds, primarily sunflower seeds, is the main instrument of state regulation of the oil and fat industry. In addition, according to the requirements of EU directives, exported Ukrainian oil must be accompanied by a sanitary certificate, a sampling act, as well as a test report for the content of mineral oils. The importing party will take samples for testing, which provides double control of product quality and demonstrates strict double control of product quality and safety [3].

Considering the financial support of enterprises, its most common type is bank lending. Entities in the agricultural sector have become attractive to banking institutions, accounting for 7.3% of the total corporate loan portfolio. However, for most companies, the cost of credit remains high and is a difficult tool to raise funds, as interest rates on loans, taking into account the cost of registration, range from 18 to 24%.

The main internal factors directly affecting the formation of the internal economic mechanism include the production structure of the enterprise; forms of specialization of divisions; location and production technology, etc.

Further development of the oil and fat industry of Ukraine depends on the world market of vegetable oil, weather conditions for growing oilseeds, compliance with global analogues of oilseeds processing technologies, but also on the efficiency of the economic mechanism of oil and fat industry.

The formation of an export-oriented strategy of agricultural and processing enterprises of the oil and fat industry is of particular importance. Such measures should be taken:

- creation of a specialized agricultural exchange, which would become the center of pricing for oilseeds and other crops;
- introduction of optimal customs and tariff norms for export-import operations with agricultural products;
- creating conditions for the growth of agricultural production and processing industries;
- meeting the needs of Ukrainian consumers in oil and fat products of domestic production and creating stocks necessary to ensure food security of the country;
- expanding the range of oil and fat products through the production of new products with improved consumer properties (organic and high oleic oils);
- implementation of energy saving measures;
- diversification of markets for finished domestic products;
- increase in exports of high-level products [1]. We will conduct a SWOT-analysis to identify weaknesses and strengths, opportunities and threats to the operation of oil and fat enterprises, as well as measures to improve their performance (Table 5).

The implementation of these measures will contribute to the further development of the oil and fat industry. However, today the oil and fat complex is characterized by an imbalance in the development of production and processing, as well as the presence of inefficient distribution channels of oilseeds, the extensive nature of its growth. In this regard, there is a need to form an effective management system, a combination of state and market levers of influence on the organizational and economic conditions of the economic entities of the industry, finding a parity mechanism for their interaction and development.

Table 5

The matrix of SWOT analysis of the functioning of the oil and fat industry

Oil and fat complex	**Opportunities:** - maintaining occupied positions in the market; - development of new markets; - investment attraction; - state support; - functioning and development of the association "Ukroliyaprom".	**Threats:** - opening of the land market - import of similar products; - loss of market share; - dependence on natural and climatic conditions and yields; - dependence on political processes; - depletion of land; - market monopolization; - shortage of raw materials and elevator capacity.
Strengths - favorable natural and climatic conditions; - significant land resources; - increasing the level of consumption of vegetable oils; - positive dynamics of oil exports and products of its processing; - ability to compete in the world market; - high level of product quality.	**Strengths & Opportunities** - increasing production and export potential; - measures aimed at stimulating the creation of large companies with a closed production cycle; - expanding the range of products; - creation of an information base of market participants.	**Strengths & Threats** - support of steady demand for oil and fat products of domestic production; - protection of domestic producers; - application of permanent and consistent antitrust measures.
Weaknesses: - dependence on weather conditions; - high level of health wear; - working capital deficit; - high sensitivity to changes in lending conditions; - low level of introduction of advanced technologies of cultivation and processing of oilseeds; - insufficient infrastructure development; - lack of complete and reliable information about the market situation.	**Weaknesses & Opportunities** - adoption of a program of state support for banks, investment companies, stock exchanges and insurance companies specializing in providing services to oil and fat market entities; - creating a favorable investment climate; - increase of export duty rates on oilseeds; - increase in the production of high oleic oil.	**Weaknesses & Threats** - improvement of land relations; - introduction of a comprehensive and efficient system preferential taxation of market participants; - revision of the current inefficient practice of providing direct state subsidies and preferential lending to producers.

Taking into account the identified trends, we will make forecast calculations for the production of oil and fat products for the future (Table 6). In recent years, profitability of sunflower cultivation has declined. Thus, according to the State Statistics Committee of Ukraine, in 2018 the profitability rate fell to 32.5% against 41.3% in 2017 and 63% in 2016. The reason for the decrease in the level of this indicator was the fall in sunflower prices, the negative impact of which could not be compensated even by the record yield (32.1 cwt per ha). For example, in the 2017/2018 marketing year, the average price of sunflower in the central region was UAH 11,070 per ton. In 2018/2019 season (as of the end of July 2019) it fell to 10,250 UAH / t under the pressure of high supply and low prices for sunflower oil. In the future, in 2022, the production of sunflower seeds is expected to grow, but not too fast, about 12%.

Table 6

Forecast of oil and fat production for the future

Indicator	2016	2017	2018	Average for 3 years	Forecast for 2022
Production of sunflower seeds, thousand tons	1,319.0	1,193.7	1,388.2	1,300.3	1,554.7
Rapeseed production, thousand tons	118.1	222.3	278.6	206.3	362.1
Production of soybean seeds, thousand tons	392.2	334.4	426.6	384.4	597.2
Production of sunflower oil, million tons	5.2	6.4	6.2	5.9	7.4

Because of adverse weather conditions, palm oil production has declined, and demand for sunflower oil on the world market will continue to grow. Sunflower oil production will increase by about 20% and will amount to 7.4 million tons in 2022. Sunflower oil production will mainly increase due to the processing of

high-oil sunflower seeds, which is a trend in recent years. Sunflower oil falls into the category of premium class, which can significantly stimulate price growth and industry development.

In order to meet the demand for oilseeds and stabilize the raw material base of processing plants, it is necessary to thoroughly approach the cultivation of sunflower, and to maximize the potential of oilseeds such as rapeseed and soybeans.

Thus, starting in 2019, a significant increase in soybean and rapeseed production and processing is projected, as the potential of these markets to increase production and processing remains quite strong.

This will be facilitated primarily by large-scale investment projects to modernize old and build new oil extraction plants, which allow processing various types of oilseeds, not limited to sunflower, as well as expanding elevator capacity.

A good prospect for the Ukrainian oil and fat complex is the production of High-oleic crude SFO, it is becoming the main competitor of olive oil. There is a lack of supply on the world market, a fairly high demand from importers and an increase in premiums for these products. Ukraine is the world's second largest producer of high oleic oil. This year, 470 thousand tons of high-oleic sunflower have been grown in Ukraine. In 2017, our country exported 210 thousand tons of high-oleic sunflower oil, and in 2018 - 185 thousand tons [2].

Thus, in the near future the production of oilseeds will increase, as the existing processing capacity in Ukraine (about 22 million tons) will ensure stable demand, which will contribute to a stable pricing policy.

The main criterion for ensuring the competitiveness of domestic producers of oil and fat products in both domestic and foreign markets is their focus on innovative development of enterprises in the industry.

Conclusions. Ukraine ranks first in the world in sunflower production, covering a third of the world market. The largest share is occupied by the production of unrefined sunflower oil. Refined is a much smaller percentage. Almost 95% of sunflower oil produced in Ukraine is exported, while 90% of its total exports are crude oil, i.e. Ukraine has a raw material export orientation, which makes our position in foreign markets unstable, as demand for raw materials is volatile and has significant price volatility.

Considering the global trends in demand for oil and fat products depending on both economic and socio-political factors, Ukraine must use all opportunities to ensure the innovative development of the budget sector of the economy.

In these conditions, the strategic prospects of its development will depend on the effectiveness of the application of the levers of the economic mechanism of functioning of the enterprises of the oil and fat industry.

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