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## **IMPROVEMENT OF MONETARY VALUE OF AGRICULTURAL LAND**

Today Ukraine finally approached the land market, which will help provide the necessary economic interest in agricultural activities and achieve high production efficiency and profits in this area. In the making of formation methodological principles of modern open market of agricultural land we must make an inventory of land in Ukraine as at first.

The possibility of sale of land and the implementation of other property transactions with them necessitates to determine the real value of land as property.

Therefore, the land valuation should be guided by the following principles:

- law, observance of laws of Ukraine and other legal acts on land valuation;
- Unity methodological and information space in the valuation of land;
- Continuous process of land valuation;
- the availability of use data of land valuation.

Unfortunately, modern methods of monetary valuation of land, including agricultural land, need to be improved, both in legal and methodological approaches.

There are few major factors that have very big influence on the value of the land.

1. Legal factors:

a) analysis of the legal framework that defines use of land in the country and some specific region;

b) analysis of land as an object of ownership (ownership and especially the transfer of ownership);

c) analysis of specific legal restrictions of land.

2. Spatial factors. Specifies the physical location of land relative to the centers of economic gravity or in relation to major physiographic and administrative-territorial boundaries.

3. Market factors. The demand of land for different needs are so variesly. Analysis of demand for land plots can show us some versions of potential using of land [4, p. 10-13].

Today the implementation of regulatory monetary value of agricultural land is governed Methodology of monetary valuation of agricultural land and human settlements, approved by the Cabinet of Ministers of Ukraine dated March 23, 1995 № 213 and Procedure of monetary valuation of agricultural land and settlements approved by joint order Derzhheokadastru Ukraine, State Committee of Ukraine of 27 November 1995, the number 76/230/325/150.

The basis of the calculation of regulatory monetary value of agricultural land is the method of capitalization of rental income, which is formed in the production of cereals and determined according to the economic valuation of land held in 1988.

O. Hnatkovich, M. Fedorov, V. Kilochko I. Manko, V. Melnychuk, K. Sviridenko, T. Hromyak and others studies the definition of monetary valuation of agricultural land and means of improving engaged in a significant number of scientists. Each of them lit opinion on the matter and suggested their approaches on possible ways to improve monetary assessment of agricultural land.

For example, V. Kilochko, found that land valuation in 1988 can not serve as an objective basis for regulatory monetary value. He proposes to bring economic valuation of land past years in line with the modern economic conditions of households methodical approach to adjusting the basic indicators of economic land evaluation prior to new round of this assessment. This approach involves determining coefficients for each estimated land area that would reflect changes in production costs, productivity, cost recovery and differential income [3, p. 10].

O. Tipakova believes that the basic provisions for improving methods of monetary valuation of land are as follows: calculation of monetary value of land should be carried out in a stable currency (dollar) on the basis of rate of return regulation, determining depending on the level of profitability; we must reject the calculation of production costs on technological cards that allows we can calculate the cost of production in global prices; it is advisable to determine the average monetary value of the land for five years, and for fruit – for four-year period, for smoothing fluctuations in yield [1, p. 18].

To adjust the negative impact of inflation on the normative monetary value of A. Hutorov offers instead of the current indexing methods applied inflationary correction as the ratio of the average annual inflation rate, expressed as a percentage to 100% [2, p. 21].

While I was writing this article, I realized, that the information of monetary value of land is very important for various spheres of public life.

This concerns the sale and ransom of land plots and realization other legal actions with them. Such information is also necessary to determine the amount of losses of agricultural and forestry production. Information about the monetary value of land should be used in the development and implementation of land protection. Unfortunately, the modern methods of calculating the monetary value of land are not ideal and must be significantly improved. The process of calculating the monetary value should consider all the factors that effect on the size of the market value of land.

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