

## INTEGRATION FORMATIONS IN THE AGRO-INDUSTRIAL COMPLEX OF THE REGIONS IN THE CENTRAL FEDERAL DISTRICT

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**Key words and phrases:** agro-industrial complex; agro-industrial sector of economy; holding companies; industrial potential integration; project.

**Abstract:** Present-day state of agro-industrial holding companies is studied on the example of one of the companies in Stary Oskol is studied. The problem of integration of small companies into a strong holding company is considered.

As the evolution of social development shows, integration processes penetrate in all areas and spheres of human activity. They are the powerful factor of the further progress in the development of productive forces and perfection of production relations. The concept "integration" comes from Latin "integratio", that means "restoration, completion". It is used in several areas of knowledge and possesses its own specific features in each of them. In the economic literature the given term has been used rather recently.

So, in F.A. Brockhaus's and I.A. Efron's encyclopedic dictionary (the edition of the end of XIX century) the word "integration" is treated just as linguistic concept, but not the economic one, it implies the association of word components (a root, a suffix, a prefix) in a single whole [1]. In modern explanatory dictionaries of Russian the meaning of this word is defined, firstly, as a combination of parts, elements in a single whole; secondly, as a condition of coherence of separate differentiated parts and functions of a system or an organism in a single whole, as well as the process leading to such condition; thirdly, as the economic process of the mutual adaptation and association of

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national facilities of two and more states with the same social order [2, 3]. The verb "to integrate" means "to unite separate parts in a single whole".

In modern conditions of agro-industrial complex functioning with their major subcomplexes representing the diversified, branched out structures with intertwining communications, the development of integration processes as sets of actions aimed at combination of efforts of single and independently functioning enterprises and the organizations contributes to the formation of uniform complete industrial, service or other systems. Integration communications promote rational use of all industrial potential, as well as economic achievements in general, and individual results of integration activity of its participants.

Agro-industrial holding companies represent large vertically integrated agro-industrial groups, supervising hundred thousands of hectares of agricultural lands and including tens of various enterprises specializing in manufacturing, processing, storage and promotion of food stuffs on the market. In other words, agro-industrial holding companies finance and supervise all stages of production and distribution of food stuffs. Approved by the Government of Russian Federation the priority national project "Development of agro-industrial complex" enables to speed up the work aimed at the development of integration communications of the enterprises and support of agro-industrial sector of economy. Increase in labor productivity is possible only at the account of economic interests both of manufacturers and consumers of ready-made products.

Agro-industrial holding company "Avida" is formed on the basis of the dairy factory in Stary Oskol. Being the most powerful dairy factory in the region "Avida" processes up to 50 thousand tones of milk a year. Except for dairy factory the holding company includes 6 agricultural companies. In 2006 the company has taken over a dairy complex in the village Arkhangelsk (Stary Oskol area) keeping 2 thousand head of cattle. They invested 256 million rubles, including 192 million rubles received through the credit of the Savings Bank. The complex can produce up to 12,6 thousand tones of milk a year. Swedish company De Laval supplied the equipment and the cattle were obtained from Holland. Agro-industrial holding is planning to build two similar farms for 3,6 thousand head of cattle in Chernjanskoye area. In the village Ivanovka in Stary Oskol area they've already finished the construction of calf house for 3,5 thousand head of cattle. The total amount of investments will account for more than \$300 thousand.

All three complexes participate in the national project "Development of agrarian and industrial complex" which gets indemnification of two thirds of interest rates from the state budget, and one third - from the regional budget.

Gubkinsk meat-processing plant formed the basis of the company "Gubkinagroholding" where the full production cycle is stipulated. The company uses advanced technologies of meat processing and traditional ingredients in production of sausages and meat delicacies, which are sold not only in Belgorod, but also in other Russian cities.

The control system of the enterprise is constantly improved. The meat-processing plant is certificated according to the system of quality control ISO: the system of quality control at the enterprise meets the corresponding requirements of the standard of GOST R ISO 9001–2001 and Gubkinsk meat-processing plant has become the first enterprise in Belgorod region which has received not only the certificate of Gosstandart, but also three international certificates of conformity – JQ Net, OQS and EVROCERT. Introduction of control system has enabled to raise additional production capacity almost by 50 % thanks to optimization of production processes and improvement of quality control.

Besides Gubkinsk meat-processing plant the structure of the holding company includes a large pig breeding farm - Joint-Stock Company "Troitskoe" which produces more than 100 thousand head of cattle a year. By the results of its performance in 2001–2003 Joint-Stock Company "Troitskoe" was one of the top ten enterprises of the country in a prestigious rating of 100 largest and effective enterprises specializing in the production of pork into Russia.

To improve the genetic potential of animals and increase the productivity of pig breeding farm Troitsk Hybrid Center was established three years ago; it's the project of cooperation with the leading European companies in the field of pig breeding. Purposeful work on the improvement of a livestock gives agro-industrial holding the advantage before other manufacturers of pork not only in obtaining additional live weight, but also in the quality of meat produced by Gubkinsk meat-processing plant specializing in sausages, delicacies and convenience foods.

Besides, the structure of holding company includes a large-scale enterprise specializing in hog fattening, some facilities are engaged in plant growing. Thus, the cattle-breeding enterprises of the holding company provide Gubkinsk meat-processing plant with a stable raw-material base.

Integration of the enterprises in agro-industrial holding company has given an opportunity to carry out an efficient control over all stages of production - from cultivation of forage and their effective utilization in cattle-breeding enterprises, as well as final processing of meat and product distribution through retail outlets. The principle "from the field to the consumer" helps to carry out an overall objective of "Gubkinagroholding" – production of wholefood meat products of the highest quality.

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## **Интеграционные формирования в аграрно-промышленном комплексе регионов Центрального федерального округа**

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**Ключевые слова и фразы:** агропромышленный комплекс; агропромышленный сектор экономики; интеграция; промышленный потенциал; проект; холдинги.

**Аннотация:** Рассматривается современное состояние агропромышленных холдингов на примере одной из старооскольских компаний. Изучается проблема интеграции небольших предприятий в крупные холдинги.

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