

Mechanisms for Diversification Management of Russian Agro-Industrial Enterprises

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Abstract — The important role in the performance of agricultural enterprises in the agro-industrial complex (AIC) of the Russian Federation managing is given to diversification mechanisms aimed at expanding the business profile and solving social problems of the industrial and agricultural technological chain. Researchers and practitioners focus on the necessity of more fully exploit the potential of rural settlements, a function of the population which can be not only performing traditional activities in the production and processing of crop and livestock products but provide services tailored to regional market requirements, revealing the problem of diversification. The theoretical and methodological justification of the scientific basis for the formation of a mechanism for managing the diversification of enterprises in a competitive environment is made in accordance with the practical orientation, the result of which was to identify the features of managing the diversification of industry enterprises in conditions of increasing competition. The study of foreign and domestic experience and current trends in the development of the agro-industrial complex of the Russian Federation allowed determining the key features of the sabotage management mechanism in our country. The results of the evaluation of the potential industrial-agricultural complex of Central Chernozem region are taken as the basis for the development of a mechanism to manage the diversification of agribusiness in the Voronezh region, determining the favorable and unfavorable factors and promising trends of diversification of regional enterprises in livestock, crops and aquaculture. The results of the rating assessment suitability of European regions in Russia for joint agricultural and agro-tourism activities, monitoring trends of industry enterprises, tools and methods of state support for the development of domestic tourism are the basis for developing recommendations for improving the mechanism for managing the diversification of the research object in the aspect of creating conditions for agricultural tourism, characterized by expanding the profile of its activities and ensuring the strengthening of competitive positions. The project is developed to create an agricultural estate, the success rate of which is estimated as high.

Keywords — *diversification management mechanism, agro-industrial complex, agriculture, enterprise, agro-tourism activities.*

I. INTRODUCTION

Diversification is one of the ways to ensure the effective development of our country's economy in the current macroeconomic situation, as a procedure for distributing opportunities and resources between different industries and objects of activity. Diversification fully applies to agriculture, which is one of the most important components of the national system of each state and allows meeting the needs of the population with high-quality, economically and physically accessible food products. However, it is important to use the full potential of the agricultural organizations for leadership positions in industry, conduct analysis of activities of competing, to provide extended services in accordance with market requirements and consumers with the features of the location and existing assets.

Numerous domestic and foreign authors, including M. Gort, E. Esinar, I. Ansoff, F. Kotler, M. porter, A.A. Thompson and A.J., have studied the problems of diversification as well as Strickland and other researchers [1, 14].

However, there is a high need for research towards a more detailed study of aspects of the management of diversification, and developing promising proposals for improving the mechanisms of control d-versioning at the sector enterprises despite significant theoretical, methodological and analytical basis of questions concerning the control mechanisms diversification of agricultural enterprises. This made it possible to form logic of construction, a system of target directions, and a range of theoretical, methodological, and scientific-practical tasks for this study.

The purpose of the study is to study the theoretical aspects and methodological principles, as well as utilitarian provisions in the context of improving the mechanism for managing the

diversification of a regional enterprise in the field of agrotourism. The necessity is to achieve the set goal determined the following tasks: to identify value management diversification of the enterprise; to summarize the directions of the formation mechanism of diversification in industrial enterprises in market conditions; to study the current status and trends of the market APK; to analyze foreign and domestic experience in managing the diversification of industry enterprises; to identify current trends in the development of domestic agriculture, including the assessment of the potential of the industrial and agricultural complex of the Central district, conducting research on the current mechanism for managing an agricultural enterprise and developing recommendations for its improvement based on the tools of agro-tourism.

The object of the study is the mechanisms for managing the diversification of agricultural enterprises. Applied research is conducted on the example of the company called «Ermilovskoe»

The subject of the study is a set of organizational and managerial, financial and economic relations related to the management mechanisms of diversification of agricultural enterprises

II. LITERATURE REVIEW

Agriculture is a critical segment of many economies around the world, so the development of the agricultural sector and improving the mechanisms of state control in this area are in focus that ensures the provision of high-quality food at acceptable prices.

The effectiveness of agricultural production diversification in modern conditions can be ensured by using exclusively public-private partnership tools. In particular, States are developing programs aimed at protecting the domestic market with a system of protectionist measures and comprehensive support, including tax incentives, for domestic agricultural producers, creating favorable living conditions in rural areas, preventing undesirable migration processes, providing subsidies, subsidies and benefits from budget funds, insuring crop yields, financing the leasing of high-capacity trucks, equipment for applying pesticides, etc. [1, 5].

The strategy for managing the diversification of agribusiness in foreign countries can be adapted to most regions of Russia [2, 9]. In those areas of our country where conditions are not favorable for the development of agriculture, it is possible to develop various spheres of activity, including industrial production, trade, services, and tourism and hotel business. Cities can have a certain impact on agricultural diversification, both by contributing to the outflow of rural population and by enhancing the benefits of networking with district centers. The authors identified features of the mechanism to manage the diversification of the APC, the evidence based on the internal ranking of production levels, trade policies, productivity level and food security of several countries. In the domestic practice of implementing business initiatives to diversify the rural economy, it would be very appropriate and logical to use the positive experience of foreign countries, especially with regard to organizational and

managerial aspects and financial and economic instruments for stimulating such initiatives. Currently, there are many options for diversifying the rural economy, which have proved very successful both in foreign practice and in the form of individual initiatives on the territory of Russia [7, 8]. In particular, in our view, special attention should be paid to the following strategic areas: crop production, livestock production, development of non-agricultural activities, as well as tourism and tourism. A high effect can be obtained by parallel development of diversification in traditional areas (animal husbandry, crop production, fish farming and fish processing, grain farming) and identified promising areas (hunting and fish farming, agro-tourism and agro-pensions).

III. METHODOLOGY

The theoretical and methodological basis of the study is based on systematic research works of a General theoretical and applied nature, devoted to the problems of improving the mechanisms for managing diversification, as well as scientific results of research organizations on the problems of consumer agriculture [2, 6].

General scientific methods and theories for the study of social and economic phenomena and processes are used in the study: logical, dialectical, system, technical, process and situational approaches, as well as general scientific methods of cognition of socio-economic processes are used in the study: concretization, analysis, synthesis, abstraction. MS Excel and MS Word application packages for processing the information and empirical database.

The author's principal results, containing scientific novelty are the following: refined mechanisms to manage the diversification of activities of agricultural enterprises with different allocation of risks to the agricultural sector; the peculiarities of the mechanism of management, diversification of agriculture, the evidence-based ranking internally level of production, trade policies, level of productivity and food security of the States; the diversification management mechanism has been adapted to the Voronezh region's agricultural enterprises, taking into account the results of the assessment of the potential of the industrial and agricultural complex of the Central district and including tools for the development of rural tourism [12, 13].

IV. ASSESSMENT METHODOLOGY

It is proved that the current trends in ensuring the effective functioning of enterprises in the industry market include the dynamic development of high-tech production, the creation and mastering of new technologies that are aimed at improving the competitiveness of goods and services. One of the successful methods of organizations survival in the conditions of competition is the diversification of their activities, taking into account the need for flexible adaptation to the dynamically changing conditions of the business environment, which helps to reduce the risks of its functioning by distributing them into various types and areas of activity. The choice of the strategy concentric direction (horizontal or conglomerate diversification) is directly dependent on the financial and economic condition of the company. At the same time, it is necessary to take into account its positive aspects

(reduction of costs when combining different types of business, integration of marketing research, technological and investment benefits, etc.) and negative aspects (high cost of entering new markets, the need for greater balance of activities and selection of partners, innovation in the entire technological chain) [5, 14].

The study found that in the implementation of diversification on agricultural enterprises following characteristic features: greatly expands the range and there is a diversification of distribution channels of agricultural enterprises, including the establishment of foreign economic relations; organized processing of agricultural raw materials to the site with the creation of additional productions and workshops; investment activities are being developed, innovation risks are being reduced, and capital investment efficiency is being increased, including in the development of the socio-economic infrastructure of rural areas.

The experience of developed countries characterizes successful strategies for diversification into related, associated with the transfer of accumulated experience, or unrelated industries with new areas of activity that are possible for use by domestic agricultural enterprises. The choice of their strategy is determined by the potential, indicators of the internal and external economic environment. The benefits of diversification extend to both agricultural producers and organizations of related industries. Therefore, the development of diversified structures in the agricultural sector of the economy should be considered as a kind of multiplier in the context of the overall innovative development of the country's food sector, reducing dependence on imports, and entering new and promising markets [9, 14].

Due to the fact that agricultural activity is high-risk, the mechanisms for managing production risks in the agricultural sector, which can be associated with diversification, have been identified. These are hedging the risk of crop failure, using highly liquid collateral instruments and insurance coverage, and temporary financing from sources formed as part of side-productions.

V. ANALYSIS

Agro-tourism is designed for people who want to get acquainted with the nature and traditional crafts of the region, or just relax from the bustle of the city. This type of holiday is allocated to a separate area of the tourism industry in Europe. Almost 40 % of Europeans living in megacities choose rural tourism. This area is not a leader in the tourist market due to its specificity in Russia. This holiday destination includes ethnic or gastronomic tours, visits to farmsteads and agricultural farms, participation in agricultural work, hiking in the forest, picking mushrooms and berries, hunting, fishing, and horse riding. All types of rural recreation are usually combined within a single homestead or farm in order to attract more visitors [3, 9].

Rural tourism in our country has received good support and is developing quite successfully in the Arkhangelsk, Vladimir, Vologda, Irkutsk, Kaluga, Pskov, Leningrad, Ivanovo, Novgorod, Tver, Samara, Tula regions, the Republics of Karelia and Chuvashia according to the results of

the analysis. A special place in this series is occupied by the Moscow region. Experts highly appreciate the Russian potential in the development of rural tourism, the demand for which is gradually growing, and the income from agriculture can potentially reach 30 billion rubles a year. The main segments of the target audience should include families with children; people who lead an active lifestyle; residential couples; young people 20–35 years old; high-income families living in large cities; and foreign tourists [4, 11].

Currently, one of the promising areas of agricultural business development is agro-tourism. Agro-tourism (or rural tourism) is a relatively new direction, but it already has fans. These are people who want to get acquainted with the region's natural and traditional crafts, or just take a break from the bustle of the city.

There are several areas of rural tourism that have already been developed in the Voronezh region. For example, there is a goat farm in Babyakovo village. Tourists are invited to take excursions, show goats, and get acquainted with all stages of milk production—starting from grazing and milking. There is an ostrich farm in the village of Parusnoe, where tourists admire exotic birds during the excursion and take home souvenirs made of ostrich feathers, painted ostrich eggs, and even cosmetics based on ostrich fat.

The mechanism for managing diversification of agricultural enterprises in the Voronezh region takes into account the results of assessing the potential of the industrial and agricultural complex of the Central district and includes new directions in crop production (production of high-protein crops alternative to wheat, including rapeseed, mustard, and flax; growing forage crops – kostrets, Wheatgrass, melon), animal husbandry (breeding Orel trotters, growing downy goats, Valerian breeding of hunting animals), fish farming (breeding freshwater fish and caviar, growing sterlet) and adapted on the basis of research. Tools for the development of agro-tourism takes into account the identified favorable (promotion of recreation in environmentally friendly conditions, the development of small businesses and infrastructure of rural settlements, increasing the cultural level of the population) and adverse factors (lack of a development concept, legislative bases, standards and regulations, knowledge and experience in the field of agrotourism) and applied to the activities of the research object [4, 6].

«Ermolovskoe» is located in the village Ermolovka in the Voronezh region. The administrative and cultural center of the economy is the village of Ermolovka, and the point of delivery of agricultural products is the city Liski in the Voronezh region. The company specializes in the production of crop production (cultivation of grain crops, sunflower, sugar beet), as well as the production of livestock products (milk, beef). The farm is located 27 km from the district center of Liski. The total number of cattle is 1007, of which 500 are milking herds. On average, milk yield per cow exceeds 5500 liters of milk per year. The feed mill with a capacity of two tons per hour allows producing high-quality balanced feed for livestock needs. The tractor fleet is mainly equipped with imported equipment.

«Ermolovskoe» has a cultivated land area of 3568 hectares (including 3232 hectares used by the farm), including: arable land in 2734 hectares, hayfields in 73 hectares, pastures in 419 hectares, multi-year plantings in 6 hectares. In general, the company noted a positive dynamics of growth in the efficiency of management activities. The company significantly increased its level of stability and security in terms of risk management during the study period. This was achieved by improving the sphere of management and self-government in the context of strengthening the role of exogenous environmental factors (market instability, price parity, low profitability of agricultural production).

The study of mechanisms for managing diversification in agriculture in relation to enterprises in the Voronezh region allowed identifying the advantages and disadvantages of regional agro-tourism development. The main positive aspects include the possibility of transferring excess labor resources from agriculture to the alternative sector of the economy; moderate growth in the level of income in agricultural production; good ecology; high potential in the development of homesteads; and an increase in the level of financial viability of local budgets. In the context of the previously listed problems, special attention should be paid to the shortage of qualified personnel, as well as the lack of knowledge and experience in the field of agro-tourism, corresponding to the level of international standards.

Using the methodology of rating Russian macroregions on a 10-point scale, which was developed and tested by the world tourism organization, an assessment of the prospects and effectiveness of the development of the agro-tourism sector in separate regions of the Russian Federation was carried out [9, 10]. According to the results obtained, we came to the conclusion that in comparison with the Northern, Central and Southern regions and the opportunities for farming and agro-tourism in the Central black earth region are close to the maximum (the average score for both industries was 8 points). The success rate of the project is estimated as high.

As a result of the study a business plan was drawn up and a justification for the agricultural estate creation in «Ermolovskoe» was carried out. On the basis of the building area of 150 sq. m and a countryside on plot of 2000 sq. m it is recommended the organization of property with guest house, sauna, swimming pool, where services will be provided to conduct horse riding and hiking, cycling, fishing, visiting the community's folk music ensemble, etc. The target audience of the project can be residents of major Russian cities (families with children, traveling couples under 30 years of age, young people and companies) who do not have their own country house and want to relax from the city bustle, but are used to the benefits of civilization and the availability of entertainment. The price segment of the project is defined as the average.

The advantages of the project include minimal initial capital investment, since diversification is carried out on the basis of the site that is owned by the research object; there is no competition in the region; there is no need for licensing and registration of a legal entity; and a low level of costs. The volume of initial investment in the project, including the

improvement of the territory and the creation of attractive landscape design, is about 3.2 million rubles.

The investment will be used to repair the premises, arrange the site and purchase technological equipment. The project will be financed from its own funds.

The entire range of services will be divided into the following types: accommodation, meals, equipment rental, excursions and additional services. This will allow the company to get additional income, and customers will be able to choose their own holiday programs without overpaying package tours.

Among the main potential competitors, it is worth noting recreation centers located on rivers, lakes and ponds. However, the estate will have a number of advantages: a large range of services, their reasonable cost and high quality, a more relaxed and measured vacation. The estate can accommodate more than six families. Detailed and representative information (advertising) will be posted on the most advanced Internet portals, such as «booking.com». It will also be very useful to create official pages in social networks: Vkontakte, Odnoklassniki, Instagram and your own website. In addition, it is planned to place paid posts in cafes, bars and pubs located in the immediate vicinity of the estate. It would be very appropriate to activate the channels of cooperation with travel agencies.

The important aspect of organizing a tourist site is choosing the most suitable place. In this aspect, the village of Ermolovka has a number of advantages and advantages: sufficient distance from industrial facilities and highways; the presence of a large number of places for tourists to visit (coniferous and mixed forest, lakes, rivers, steppe, beams and meadows with different grasses). In particular, the locality is placed in 27 kilometers from Liski and 84 kilometers from Voronezh. There is a well-developed social infrastructure (a cultural center, a children's garden, a school, a canteen, an outpatient clinic, a post office, a store, a sports ground and a square). The main attraction of the Ermolovka is the monument of nature "Manifested well». We can get to the location by your own car or by a regular bus that runs 5 times a day, as well as by train.

Guests will be accommodated in rooms of two categories: a) the number of beds (double, quadruple); b) the level of comfort (standard and "Suite"). One-time and/or two-day meals will be arranged at the request of the guests. High-quality products from local producers and/or our own production will be used in cooking. On the territory of the farmstead, the concept of active recreation with elements of natural tourism will operate: charging; competitions (sports games); hiking; horse riding; visits to natural and cultural-historical monuments as well as agricultural objects.

VI. DISCUSSION

According to experts' and own estimates and forecasts, the work of the farmstead will be seasonal and subject to high cycles, when active rises in demand will alternate with a fall to almost zero. The general dynamics of seasonality (cyclical) demand will be as follows: a steady increase from May to August and during the New Year holidays (December-

January); a decrease will be observed in the period September-November and February-April. Such seasonal fluctuations should be taken into account while planning and organizing the work of the farmstead, in terms of food supply, recruitment of service and management personnel, occupancy of rooms and active use of engineering communications.

The financial plan takes into account the balance of income and expenses as much as possible, and is designed for a three-year period. If the project is successful, the business will be expanded by creating new hotel locations and diversifying the leisure sector. According to estimates, the initial capital investment will pay off after 2.5 years of active operation of the farmstead. The average efficiency of the project will be about 73 %. Thus, the estimated calculations confirm the economic feasibility of the project for the organization of agricultural land on the basis of «Ermolovskoe».

VII. CONCLUSION

The problem of forming and improving the diversification management mechanism remains controversial, despite the presence of a significant number of publications that cover its main theoretical and practical issues. The paper reveals the importance of managing the diversification of enterprises in a competitive environment, describes the existing methods for evaluating the effectiveness of managing the diversification of agricultural enterprises and directions for improving the mechanism for managing the diversification of sectoral enterprises in a competitive environment, recommends a system of risk management mechanisms, including an integrated form of risk management in the agricultural sector of the economy.

Research features diversity mechanisms and prospective directions of diversification in agriculture of the Central Chernozem region showed that among the many promising areas of diversification of agricultural production is considered the main agro-industrial integration. Successful projects in the field of rural economy sabotage will increase the efficiency and profitability of this sector, as well as reduce the negative impact of the seasonal factor. It is proved that the development of rural tourism (agro-tourism) is currently relevant for

agricultural enterprises of the Central district. The calculations made in the context of optimistic and pessimistic forecasts to justify the effectiveness of agricultural production diversification in «Ermolovskoe» show that the creation of an agricultural estate in the village of Ermolovka in Voronezh region is a promising activity. The calculations carried out confirm the socio-economic feasibility of this project in the context of organizing a tourist site called agricultural estate.

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