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FINANCIAL CAPACITY OF UKRAINIAN AGRICULTURAL ENTERPRISES: CURRENT STATE AND DETERMINANTS OF INFLUENCE

ABSTRACT

The article addresses the financial capacity of agricultural enterprises, since the agricultural sector of Ukraine occupies a strategic position in the national economy, covering both the domestic market and the country's export capacity. In the context of economic instability accompanied by currency fluctuations, changes in fiscal policy, and rising cost of credit resources, there is a growing need to strengthen the financial capacity of agricultural enterprises.

The article aims to analyze the financial capacity of Ukrainian agricultural enterprises and identify the main factors of their development and influence on competitiveness and resilience to systemic challenges.

The main results show that the enterprises' own funds (68% of investments) remain the key sources of financial support for the agricultural sector, while the attraction of bank loans (12%) and foreign investments (1%) is insufficient due to high financial risks and unstable investment climate. The state program "Affordable Loans 5-7-9%" has become an effective tool to support small and medium-sized agribusinesses, but the overall level of public investment in the sector remains low (5%). An analysis of the dynamics of capital investments shows fluctuations during 2017-2023 driven by economic crises, land market reforms, and military actions.

The main conclusions emphasize the need for a comprehensive approach to building the financial capacity of agricultural enterprises, including diversification of funding sources, increased government support, stimulation of foreign investment, and simplification of lending procedures. The efficient use of financial resources will help to increase the competitiveness of the agricultural sector and ensure the economic resilience of enterprises and the overall financial stability of the country.

Keywords: financial capacity, agricultural enterprises, government support, investments, lending, net profit

JEL Classification: Q14

INTRODUCTION

Ukraine's agricultural sector plays a strategic role in the national economy, providing both saturation of the domestic market with agricultural products and a significant contribution to the country's foreign trade balance. The export orientation of agricultural enterprises is one of the key factors in the generation of foreign exchange earnings, which increases economic stability and contributes to the financial resilience of the state. Meanwhile, in order to ensure long-term stability and growth, it is necessary not only to effectively manage the available material, technical, and land resources but also to strategically form and use the financial capacity of agricultural enterprises.

Financial capacity, including capital investments, credit resources, equity, and other financial instruments, plays a crucial role in the development of the agricultural sector. The current economic situation requires businesses to adapt to changing environmental conditions, including currency fluctuations, changes in fiscal policy, and rising costs of borrowed funds. In particular, the ongoing turbulence in the financial markets and rising interest rates on loans are making it harder to access external financing, which is critical for capital-intensive sectors, such as agriculture.

Therefore, there is a need to analyze the financial capacity of agricultural enterprises and identify the main determinants of their competitiveness and resilience to the external environment.

LITERATURE REVIEW

A number of researchers have devoted their studies to theoretical and practical issues related to the nature of the agricultural sector's capacity and the analysis of its current state. Pruntseva et al. (2024) examine the impact of investments in agriculture on increasing productivity, reducing poverty, and thus ensuring the country's food security. They argue that such investments help stabilize prices, increase the availability of basic agricultural products for low-income groups, and support the development of agricultural regions through job creation and infrastructure development.

In another study, the authors analyze the impact of external unpredictable factors, such as weather, natural disasters, and epidemics, on agricultural production, which significantly increases the risks to agribusiness. They also consider the role of government support and the impact of government subsidies on the attractiveness of investments for farmers, emphasizing the need to assess the effectiveness of governance in the agricultural sector to ensure food security in general (Pruntseva et al., 2021).

Was et al. (2020) paid special attention to the production of biogas from agricultural waste as a way to mitigate climate change and increase energy self-sufficiency. They examine the cost-effectiveness and capacity to reduce greenhouse gas emissions from biogas plants with a focus on the problems associated with farm fragmentation and economies of scale in the construction of biogas plants (Panukhnyk, 2021). Irtysheva et al. (2024) identify the peculiarities of supplying the food market with agricultural products and the prospects for its development.

Nifatova et al (2024) explore the concepts of bioeconomy, revealing the prospects for sustainable development of the agricultural sector of Ukraine and combining economic growth with solving environmental problems. The researchers offer an analysis of global approaches to the bioeconomy, in particular its financial, technological, and environmental aspects, which contributes to the development of innovative strategies to strengthen the financial capacity of Ukrainian agricultural enterprises. Nifatova et al. (2024) also mention that the adaptation of Ukrainian agricultural enterprises to European production standards helps to increase their competitiveness, which in turn has a positive impact on financial resilience and allows attracting additional investments in the industry.

Shmatkovska et al. (2022) argue that agricultural enterprises in Ukraine have a high proportion of operating non-current assets in their total composition due to their production orientation and the sale of products in bulk. The authors believe that this peculiarity significantly influences the financial capacity of agricultural enterprises and note that small and medium-sized businesses are the most attractive for investment.

Rudenko et al. (2023) analyze the peculiarities of the digital transformation of business in Ukraine and note that the digital and green transition has a significant impact on agricultural enterprises. Meanwhile, the introduction of innovative technologies allows agricultural producers to attract additional funding and increase their financial capacity.

Sodoma et al. (2018) studied in detail the problems and features of agricultural receipts as a modern financial instrument in the development and strengthening of the financial capacity of agricultural enterprises in Ukraine.

Dziamulych et al. (2024) argue that strengthening the financial sustainability of agricultural enterprises requires limiting excessive reliance on borrowed funds while simultaneously expanding public support mechanisms for the farming sector. In addition, the authors highlight the importance of incorporating risk-mitigation considerations into the development of agricultural enterprises' commodity and pricing strategies.

Kucher (2022) addresses the conceptual foundations of the financial framework for the development of sustainable land use competitiveness of agricultural enterprises. In particular, the author summarizes the strategic priorities and practical recommendations for a financial framework for the development of sustainable competitiveness of land use of agricultural enterprises in Ukraine in the context of a shortage of financial resources. The researcher focuses on the interconnection of financial support, soil quality, and sustainable competitiveness of agricultural enterprises and models the combined impact of these factors on the development of competitiveness. The article by Kucher et al. (2022) covers the results of a study of potential sources of funding for the circular economy in the agricultural sector of Ukraine. In addition, the authors model the factors that influence the development of a financial framework for the implementation of innovative projects of agricultural enterprises.

Pronko (2020) analyzes the distribution of state funding to support agricultural production and identifies areas of state support for the agricultural sector of Ukraine. Lehenchuk et al. (2023) assess the complex of factors influencing the financial

condition of Ukrainian agricultural enterprises in the pre-war period, taking into account the peculiarities of the agricultural sector of the Ukrainian economy. Their results confirm the need to improve regional support and access to capital for agricultural enterprises in Ukraine.

In their research, Kupalova et al. (2021) argue that although investments in environmentally friendly production technologies require significant financial resources in the short term, they create long-term competitive advantages and expand access to European markets, which has a positive impact on the financial capacity of enterprises.

Zelinska et al. (2021) note that the financial resilience of agricultural enterprises is a key factor in ensuring the sustainable development of the Ukrainian economy, given the significant capacity of the industry and its impact on the country's food security. Moreover, the researchers emphasize that the implementation of sustainable development principles in the agricultural sector requires significant financial investments and building the appropriate financial capacity of enterprises capable of ensuring a balance between economic efficiency, social responsibility, and environmental safety.

Ivashkiv et al. (2020) emphasize that environmental responsibility impacts the financial performance of agricultural enterprises, whereby the implementation of environmental initiatives requires significant financial investments but, in the long run, leads to cost reduction, increased resource efficiency, and strengthening of market positions.

The analysis and assessment of the risks inherent in the agricultural business in the context of macroeconomic uncertainty associated with the war are covered in the works of Klymenko et al (2023). They identify positive trends in overcoming the shock period for a number of Ukrainian agricultural enterprises.

Cherchata et al. (2022) note that the introduction of innovative approaches to logistics management helps to reduce overhead costs, optimize the distribution structure, and increase the efficiency of the enterprise as a whole. The authors emphasize that an innovative approach to logistics management can significantly improve the financial performance of an enterprise by optimizing the costs of transportation and storage of products, which is especially important for the agricultural sector with its seasonality of production and the specifics of agricultural storage.

Verzun et al. (2023) note that the organization and maintenance of export logistics routes have largely been shifted to neighboring European countries, where existing logistics capacities are already operating at or near their maximum limits. The researchers also emphasize that the greatest effect from the introduction of logistics innovations is achieved through their integrated use, which allows enterprises to gain competitive advantages in the market and increase economic efficiency.

Namely, Chernov et al. (2019) studied the influence of financial capacity on determining the goals of strategic management of the enterprise. Popadynets et al. (2021) emphasize that the efficiency of an agricultural enterprise largely depends on the level of motivation of managers, as they make management decisions that impact the final results of the enterprise, which confirms the value of the human factor in shaping the financial capacity of agricultural enterprises.

Given the significant developments, the issues of the nature and assessment of the financial capacity of agricultural enterprises and ways to improve it require more in-depth study.

AIMS AND OBJECTIVES

The study aims to summarize theoretical approaches to determining the financial capacity of the agricultural sector and substantiate its structure and components in the current conditions.

Achieving this goal requires the following tasks:

- identifying the main elements of financial capacity;
- estimating the factors influencing the development of the financial capacity of agricultural enterprises in Ukraine;
- determining the impact of capital investments, loans, and government support on the net profit of agricultural enterprises;
- suggesting directions and measures that will allow agricultural enterprises to increase their financial capacity.

METHODS

The research is based on the following methods: general scientific methods, which allow characterizing the basic concepts of the article, such as financial capacity, bank loans, capital investments, and government financial support of agricultural

enterprises; comparative method, which is used to determine the share of loans granted to agriculture among loans granted to non-financial organizations; ranking method to assess the key problems in the agricultural sector; regression analysis, which allows determining the impact of capital investments, bank loans, and government support on the net profit of agricultural enterprises. The following linear multivariate model is used:

$$Y = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \epsilon \quad (1)$$

where: variable X_1 is capital investments, UAH million; variable X_2 is loans to agricultural enterprises, UAH million; variable X_3 is government support to the agricultural sector, UAH million; dependent variable Y is net profit of agricultural enterprises, UAH million.

To build the regression, a constant (β_0) is added to the independent variables, and the least squares method is used to estimate the regression parameters.

RESULTS

The 2030 National Economic Strategy clearly outlines one of the most significant problems of the agricultural sector – the inadequate use of its capacity. This is reflected in low productivity, which is far below the level of competitor countries (Cabinet of Ministers of Ukraine, 2021).

An important role in ensuring the economic resilience of an agricultural enterprise is played by the aggregate of available and potential financial resources of the enterprise.

Financial capacity is not just a number on a balance sheet, but the lifeblood of any business, including agricultural enterprises. It determines the ability to adapt to changing market conditions, generate profits, attract investment, and remain resilient to challenges. It is a set of all available financial resources of the enterprise and methods of their use to ensure the maximum possible financial outcome.

The process of building the financial capacity of an enterprise is an inherently complex phenomenon that depends on many factors controlled by the business entity (Figure 1).

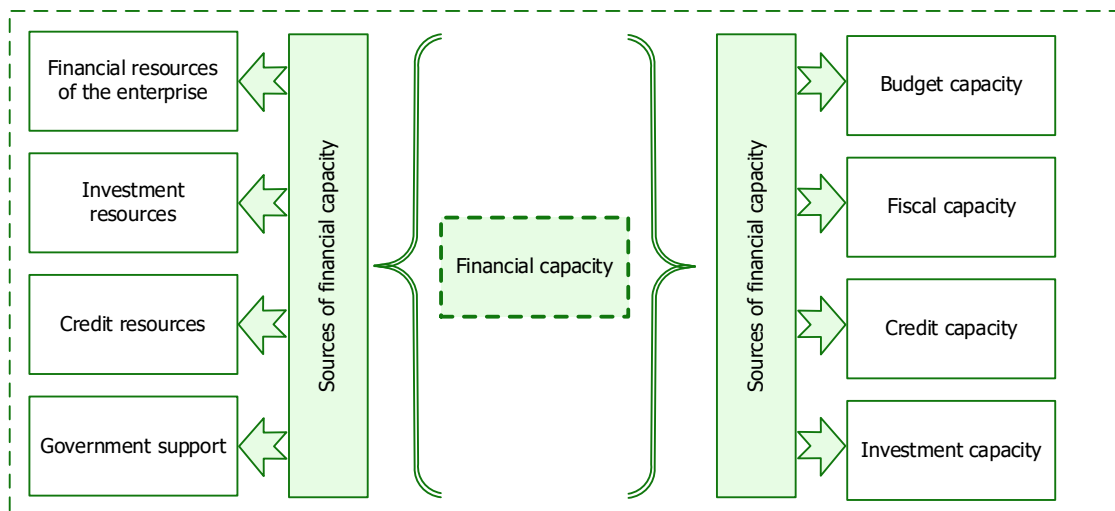


Figure 1. Elements of the financial capacity of enterprises.

It is proven that the largest share of the financial capacity of agricultural enterprises is formed by the efficient use of resources through the process of production and sale of products, goods, services, and works. It is worth mentioning that the market has a significant impact on maximizing profits through the mechanism of pricing both material resources and the created product.

Official statistical data of the State Statistics Service of Ukraine were used to analyze the financial results of agricultural enterprises (Figure 2). Given that agricultural enterprises are the main actors in the sector under study, the statistics obtained provide a representative picture of the processes taking place in the agricultural sector of Ukraine.

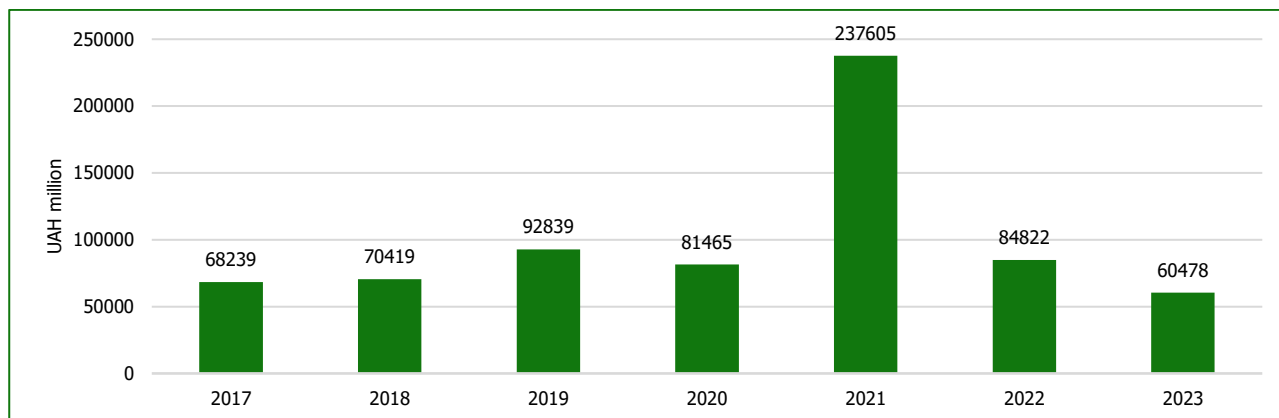


Figure 2. Net profit of agricultural enterprises in 2017-2023, UAH million. (Source: compiled based on the data from <https://www.ukrstat.gov.ua/>)

According to the analysis, the net profit of enterprises fluctuated significantly during the period under review. These fluctuations were driven by a number of factors, including changes in production volumes, which in turn depended on the technological level and weather conditions. The highest net profit indicators were observed in 2019 and 2021. This may be associated with successful projects, favorable market conditions, or other positive factors. Moreover, the dynamics of prices for agricultural products and resources also had an impact on profitability.

We believe that the level of profit earned is determined by the amount of investment in the company (Figure 3). Investment security is the foundation for building the financial capacity of an agricultural enterprise. Investing in the agricultural sector is not only strategically important for ensuring the country's food security but also offers great opportunities for improving the financial capacity of both investors and the state as a whole.

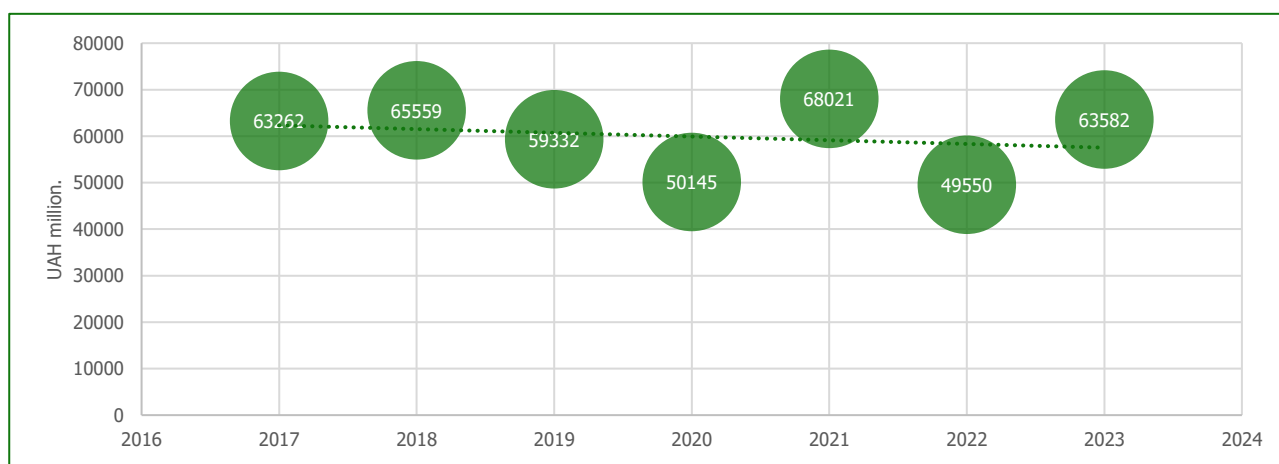


Figure 3. Capital investments in agriculture, hunting, and related services in Ukraine in 2017-2023, UAH million. (Source: compiled based on the data from <https://www.ukrstat.gov.ua/>)

The dynamics of capital investment in Ukraine's agricultural sector are closely linked to macroeconomic and political processes. The general upward trend in investments was interrupted by periods of decline caused by economic crises and political uncertainty (in particular, in 2019-2023, due to land market reforms and the war with Russia). Moreover, the devaluation of the hryvnia affected the real volume of investments in dollar terms.

It should be noted that capital investment has been on a downward trend in the period under review (2017-2023). However, it is worth mentioning that there are fluctuations over the years, including an increase in investments in 2018 and 2021.

Such a trend may be caused by a number of factors, including economic conditions, changes in investment policy, or external influences, which require further analysis to identify the causes.

In recent years, the own funds of enterprises and organizations have remained the main source of financing investment activities in Ukraine. In particular, about 68% of all investments are made using the internal financial resources of these

entities (Figure 4). This situation reflects the limited access to external sources of funding and the need for enterprises to rely on their own savings to pursue investment projects.

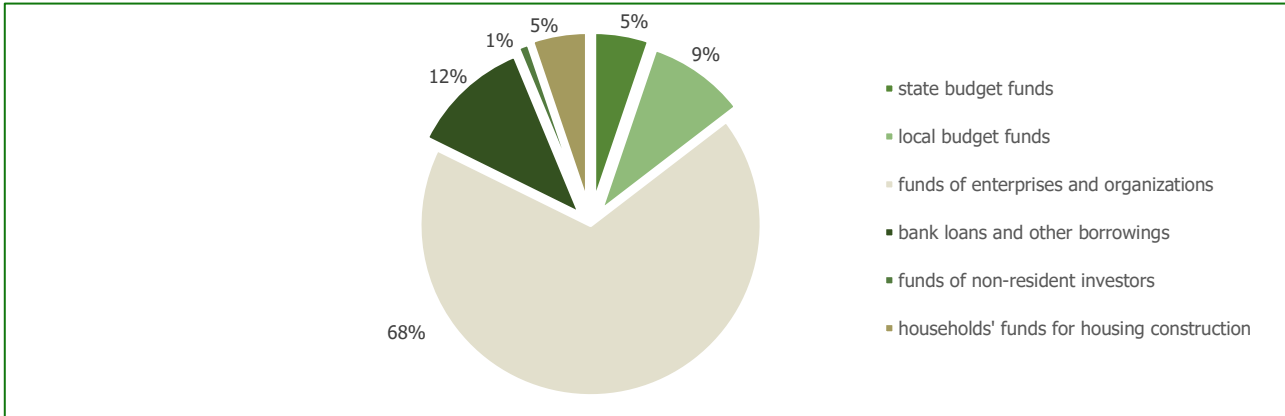


Figure 4. Structure of capital investments by sources of funding. (Source: compiled based on the data from <https://www.ukrstat.gov.ua/>)

As for the credit sector, its participation in the financing of investment projects remains insufficient, especially in agricultural production. Only about 12% of total investment is raised through bank loans and other credit instruments. This may be caused by high credit risks, market volatility, and the lack of effective mechanisms to guarantee loan repayment.

Foreign investors also show limited interest in investing in Ukraine's agricultural sector, with a share of only 1% of total investment. The main reason for this is the unfavorable investment climate, which includes insufficient protection of investors' rights, non-transparent regulatory policies, and risks associated with political and economic instability.

Public investment in this area is insignificant, accounting for only 5% of total investment. This indicates a lack of strategic government support and insufficient regulatory initiatives to stimulate investment in agriculture. The lack of an effective policy to create a favorable investment environment reduces the ability to attract both domestic and foreign investors.

Bank loans are a rather important determinant in building financial capacity, as they provide an opportunity to obtain additional financial resources for the development, modernization, and expansion of activities. Loans provide enterprises with the working capital necessary to pay current expenses, purchase raw materials, allow agricultural enterprises to introduce modern technologies, such as precision farming systems, automated irrigation systems, and the latest agricultural equipment, and to upgrade production assets. This in turn increases productivity, reduces costs, and improves product quality (Andros, 2024).

In 2023, Ukrainian agricultural enterprises received a total of UAH 78.8 billion in bank loans (Figure 5).

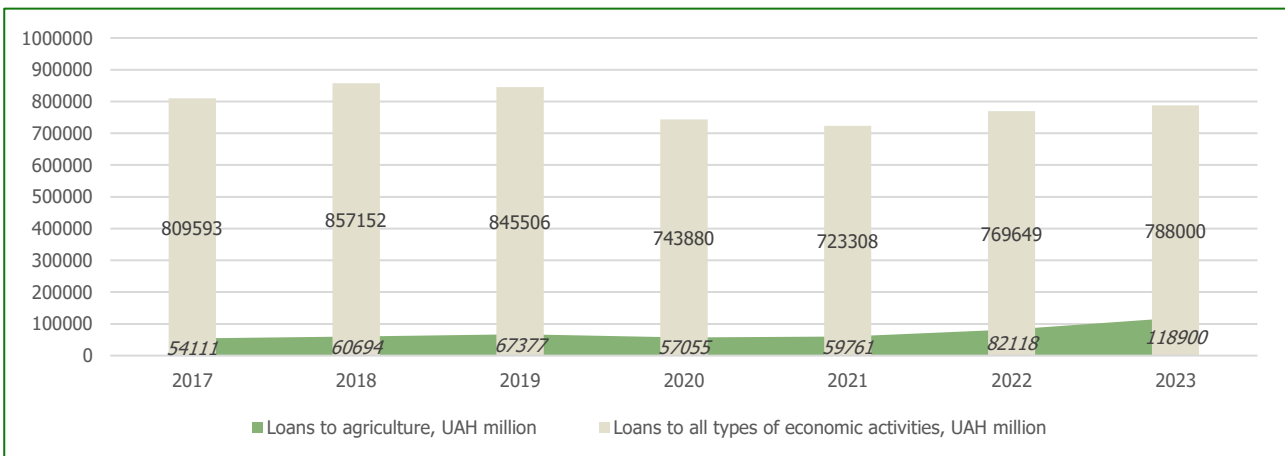


Figure 5. Loans granted to agriculture in 2017-2023, UAH million. (Source: compiled based on the data from <https://bank.gov.ua/> та <https://www.ukrstat.gov.ua/>)

Analysis of the dynamics of bank lending to agriculture in Ukraine shows a significant increase in this indicator in recent years (from 6.6% in 2017 to 15.2% in 2023). However, despite the positive trend, the agricultural sector faces a number

of challenges that limit its development. These include banks' high collateral requirements, the high cost of loans, and the general uncertainty of the economic situation. Although the National Bank of Ukraine is reducing the key interest rate, commercial banks are in no hurry to lower their lending rates to farmers.

Of the total amount of loans granted to agricultural producers, UAH 44.5 billion (2023) was provided under the state program "Affordable Loans 5-7-9%", which was used by 10,900 agricultural enterprises. This program was launched by the Ukrainian government to support small and medium-sized businesses in the country and provides loans at reduced rates (from 5% to 9% per annum) for various categories of entrepreneurs (Shmatkovska, 2023). The main goals of the program include providing enterprises with financial resources to introduce new technologies and modernize production, promoting the development and stability of small and medium-sized businesses, especially in times of economic instability, and helping Ukrainian producers withstand competition in domestic and foreign markets. The largest beneficiaries of the program are farmers from Kyivska, Dnipropetrovska, Vinnytska, Cherkaska, Kirovohradska, Odeska, and Ternopil'ska oblasts.

In our opinion, bank lending plays a key role in strengthening the financial capacity of farmers, providing farms with the necessary resources for development and sustainable growth through access to financial resources on favorable terms, which stimulates investment, increases production efficiency, and contributes to the stability of the agricultural market. However, in order to use this instrument effectively, it is necessary to address issues related to minimizing the risks of non-payment, increasing the volume of financing, and simplifying loan procedures.

To overcome negative trends and strengthen financial capacity, agricultural enterprises need to develop effective strategies for adapting to new business conditions, including government support, which is the main mechanism of financial policy designed to intensify transformation processes in the agricultural sector (Potravka, 2017). This is a powerful tool to stimulate the development of agricultural enterprises and increase their financial capacity, providing farmers with additional resources and opportunities to invest in new technologies, expand production, improve product quality, and enter new markets.

Financial support for agricultural producers is one of the types of government support for agriculture and is provided through:

- a mechanism for reducing the cost of loans and compensation for lease payments;
- financial support for family farms registered as single taxpayers of the fourth group in accordance with Chapter 1 of Section XIV of the Tax Code of Ukraine through the mechanism of additional payment of a single contribution to the obligatory state social insurance in favor of insured persons – members (head) of a family farm;
- budgetary livestock subsidies;
- budget subsidies for the development of agricultural producers and stimulation of agricultural production;
- state support for producers of fruits, berries, grapes, hops, and aquaculture;
- other forms of public assistance to agricultural producers include direct budget payments linked to the area of cultivated land, partial public compensation for the purchase of high-yield crop seeds, and the implementation of state-funded targeted initiatives focused on soil quality improvement, pest and disease management in crop and livestock production, and agricultural activity in radiation-affected territories. In addition, government support may take the form of compensatory payments for land damaged by natural or technological disasters, as well as dedicated budget programs aimed at supporting organic farming and environmentally sustainable agricultural practices.

The Resolution of the Cabinet of Ministers of Ukraine of June 21, 2022, "Some Issues of Providing Grants to Business", approves the following procedures:

1. Microgrants to start or develop your own business.
2. Grants for the establishment or development of horticulture, berry growing, and viticulture.
3. Grants for the creation or development of greenhouse facilities.
4. Other (Resolution of the Cabinet of Ministers of Ukraine, 2022).

The reality shows that the existing financial support mechanisms developed in peacetime have proved to be insufficient and inadequate to address the acute problems of farmers in the context of war. According to the results of a sociological survey involving 400 respondents (Figure 6), the key problems include a lack of qualified workers, risks associated with the possibility of power outages, unpredictable government actions, constant changes in legislation, logistics problems, and a decline in consumer demand in Ukraine.

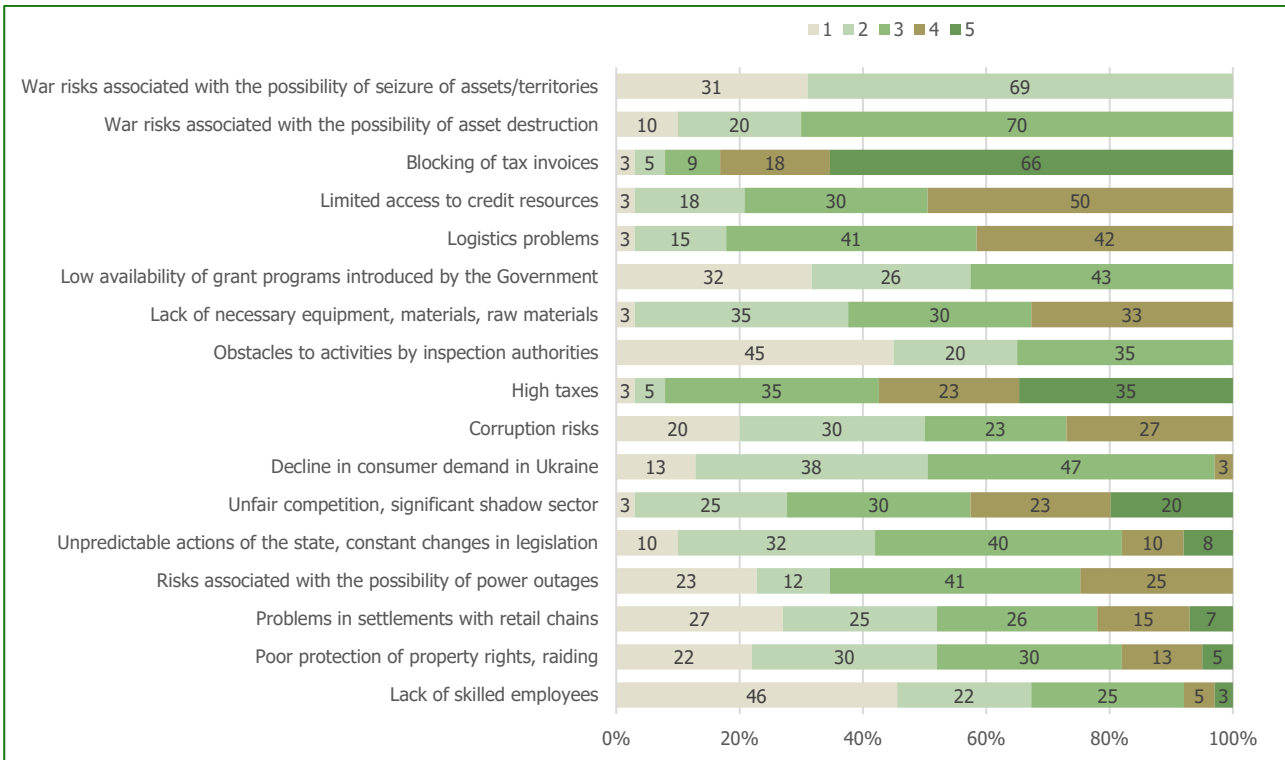


Figure 6. Results of the survey on key issues in the agricultural sector in 2022-2023. Note: * - assessment in order of priority from 1 to 5, where 1 is the highest priority, 3 is 50%/50%, and 5 is the lowest priority. (Source: Ukrainian Business Council, 2023)

Having identified the main challenges to the functioning and development of the agricultural sector, we believe that it is necessary to improve government support for agriculture, which is the main determinant of the development of any country, especially one where this sector plays a significant role in the economy. Such support is necessary to ensure food security, rural development, export growth, job creation, and social stability.

State support can take various forms: direct subsidies, loan programs, insurance, infrastructure projects, support for co-operatives, etc. (Figure 7).

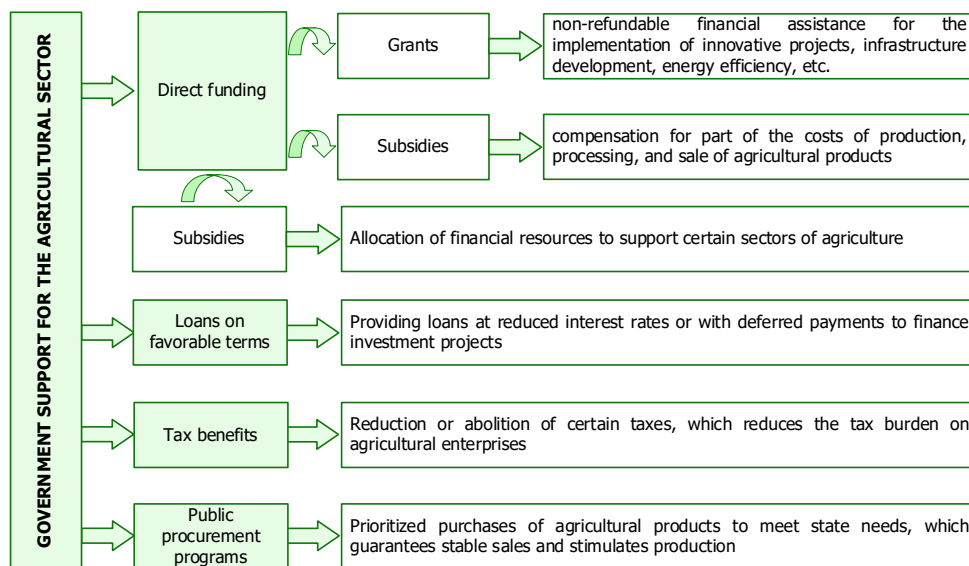


Figure 7. Main areas of government support for the agricultural sector.

Figure 7 shows that each of these instruments aims to support different aspects of the agricultural sector: from stimulating innovation and infrastructure development to reducing the financial burden and stabilizing the market. In general, these

measures are intended to increase the efficiency, resilience, and competitiveness of the industry, thereby ensuring food security and economic stability.

The following is the amount of government support for the agricultural sector over the years (Figure 8).

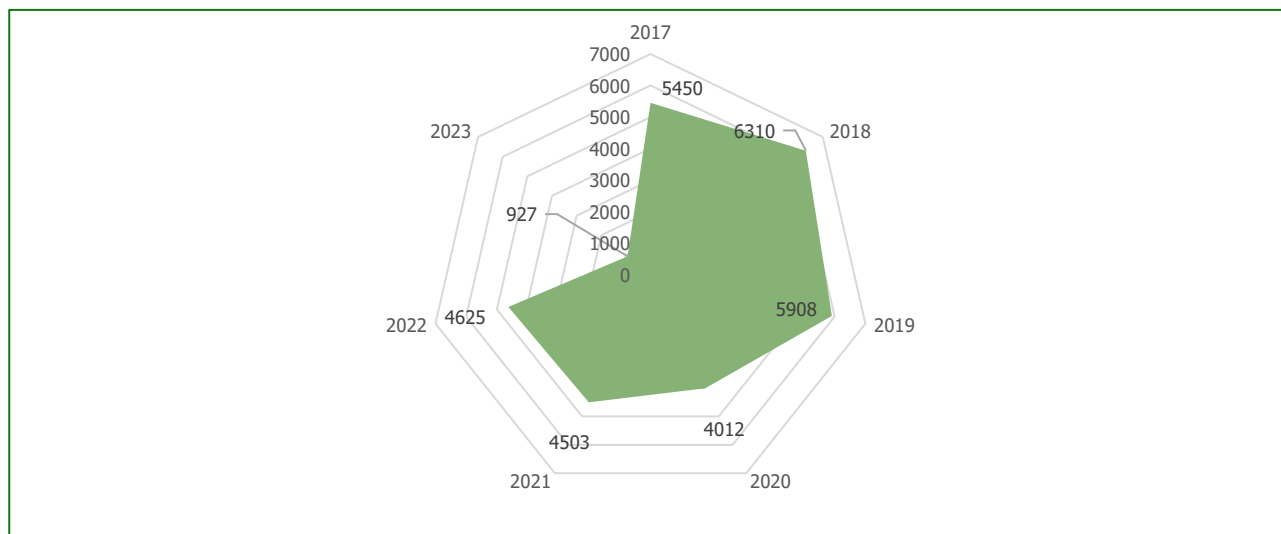


Figure 8. Dynamics of government financial support to the agricultural sector, UAH million. (Source: compiled based on the data from <https://bank.gov.ua/>; <https://www.ukrstat.gov.ua/>)

In 2023, the amount of state support decreased significantly (from UAH 4,625 million to UAH 927 million), which was caused by the war and economic instability in the country. This could lead to a reduction in agricultural production, a decrease in the competitiveness of Ukrainian agricultural enterprises on domestic and foreign markets, and an increase in dependence on agricultural imports. Moreover, the reduction of government support may affect the introduction of innovative technologies and modernization of production, which in the long run may slow down the development of the agricultural sector and increase socio-economic tensions in rural areas.

To determine the impact of capital investments, loans, and agricultural support on the net profit of agricultural enterprises, we apply a regression analysis using a linear multivariate model (Table 1).

Table 1. Correlation matrix of factors influencing the net profit of agricultural enterprises. (Calculated using Excel)

SUMMARY OUTPUT						
Regression Statistics						
Multiple R				0.565546		
R Square				0.319843		
Adjusted R-Square				-0.36031		
Standard Error				72217.66		
Observations				7		
ANOVA						
	df	SS	MS	F	Significance F	
Regression	3	7357583925	2452527975	0.470248	0.724318543	
Residual	3	15646169534	5215389845			
Total	6	23003753460				
	Coefficients	Standard Error	t Stat	P-value	Lower 95%	Upper 95%
Intercept	127020.5	363339.6663	0.349591597	0.749746	-1029288.485	1283329
X1	3.3223	4.009731903	0.828559238	0.468117	-9.438456072	16.08306
X2	-1.98812	2.291333977	-0.867669716	0.449412	-9.280168452	5.303926
X3	-18.6777	29.35248713	-0.63632299	0.569793	-112.0903766	74.73505

Given the results of the regression analysis, the regression equation looks like this:

$$Y=12702.5+3.322X_1-1.988X_2-18.678X_3.$$

Estimation of the coefficients:

1. Capital investments (X_1) have a positive impact on net profit ($\beta_1=3.322$), which indicates that the increase in capital investments contributes to the growth of net profit.
2. Loans (X_2) have a negative impact on net profit ($\beta_2=-1.988$), which may indicate that the increase in loans is associated with a decrease in net profit, possibly due to higher financial expenses.
3. Government financial support (X_3) has a negative impact on net profit ($\beta_3=-18.678$). This can be explained by the dependency effect, when agricultural enterprises become less motivated to increase their efficiency and optimize costs, since they do not see the need to introduce innovative technologies and improve management processes due to the continuous inflow of financial support. This affects their profits in the long run.

The correlation matrix shows a weak correlation between capital investments and loans (-0.007), as well as between capital investments and government support (0.038). However, there is a moderate negative correlation between loans and government support (-0.827).

The regression model does not show a high explanatory power for the dependent variable (net profit of agricultural enterprises). This is caused by external factors not accounted for in the model, such as macroeconomic and regulatory changes, as well as force majeure, including the impact of war.

Therefore, in order to strengthen the financial capacity of agricultural enterprises, it is reasonable to suggest a number of new directions and measures that can increase the efficiency and stability of business entities in the face of current challenges:

1. Integration of digital financial technologies, in particular, the development and implementation of blockchain technologies to increase the transparency of financial transactions and supply chain management; the use of FinTech in automating financial processes, including cash flow management, accounting, and tax accounting, and the introduction of electronic trading platforms to provide access to finance, including through crowdfunding and digital bonds.
2. Diversification of financing sources through green bonds for environmentally oriented agricultural projects, as well as venture capital financing for start-ups in the agricultural sector; attraction of international grants and financing from international financial institutions for the development of sustainable agricultural practices.
3. Modernization of public financing instruments, namely the expansion of government support programs for small and medium-sized agricultural enterprises, in particular through subsidies and soft loans.
4. Improvement of financial literacy and advisory services through training programs and seminars for farmers on financial management, budget planning, investment attraction, and tax optimization strategies. It will be important to establish advisory centers to help agricultural enterprises manage financial flows, accounting, and tax accounting.
5. Optimization of costs and resources by investing in energy-saving technologies and green initiatives that reduce costs and increase production efficiency.
6. Funding of R&D in the field of agrotechnology and innovative methods of agricultural management (e.g., use of biotechnology and intelligent agricultural management systems).

The suggested directions and measures will allow agricultural enterprises to increase their financial capacity, ensure their resilience to crisis phenomena, and promote the development of the industry in the long term.

DISCUSSION

The results of the study confirm the key role of the financial capacity of agricultural enterprises as the main factor of their economic resilience and ability to adapt to dynamic changes in market conditions. The analysis of financial indicators for 2017-2023 reveals significant fluctuations in net profit, which correlate with the dynamics of production volumes, changes in prices for agricultural products and resources, as well as the impact of macroeconomic and political factors. These results are in line with the findings of Pruntseva et al. (2024), who emphasize the impact of investment on productivity and financial resilience of the agricultural sector.

In the context of capital investments, our survey results confirm their upward trend, although periodic downturns caused by economic crises and political instability slow down investment rates. This is in line with the findings of Klymenko et al. (2023), who emphasize macroeconomic uncertainty as a risk factor for agribusiness. At the same time, studies by Lehenchuk (2023) and others also point to the need to improve regional support to reduce the negative impact of the crisis on the financial situation of agricultural enterprises.

Our study pays considerable attention to the role of bank lending, in particular, the state program "Affordable Loans 5-7-9%". While this program does help provide agricultural enterprises with the necessary financial resources, the high collateral requirements and the cost of loans remain a barrier for many farmers. This is partly confirmed by the findings of Dziamulych et al. (2024), who emphasize the need to reduce the financial dependence of agricultural enterprises on credit resources and the role of government support.

Our recommendations to increase public funding, simplify lending procedures, integrate digital financial technologies, and develop green bonds are a logical extension of the concepts outlined in Nifatova et al. (2024), who emphasize the importance of sustainable development of the agricultural sector through combining economic growth and addressing environmental issues.

However, our study has some limitations. First, the analysis of financial indicators was focused mainly on quantitative aspects, without an in-depth consideration of the regional peculiarities of agricultural production. This may limit the generalizability of the results at the national level. Second, the study does not cover in detail the impact of international integration and adaptation to European standards, which is an important factor in increasing the competitiveness of the agricultural sector, as noted in the studies of Nifatova et al. (2024).

Another limitation is the lack of a comprehensive analysis of the impact of climate change on the financial stability of agricultural enterprises, although this problem is actively discussed in the literature, in particular in Was et al. (2020), which discusses the potential of biogas plants as a means of reducing greenhouse gas emissions.

Therefore, the results of our study confirm the multidimensional impact of financial capacity on the resilience of agricultural enterprises, which is consistent with previous studies in this area. Meanwhile, the identified limitations indicate the need for further research aimed at developing financial strategies for adapting to crisis phenomena, an in-depth assessment of the impact of environmental factors, and an analysis of the integration of innovative financial instruments into the agricultural sector.

CONCLUSIONS

In the current environment, the economic resilience of agricultural enterprises depends on their financial capacity, which is a key factor in adapting to changing market conditions, generating profits, and attracting investment.

In the process of identifying the main elements of financial capacity, it has been established that it is formed as a multi-component system that covers the enterprises' own financial resources, the volume of attracted and borrowed capital, investment activity, access to credit instruments, and the ability to generate stable net profit. It has been proven that a balanced combination of liquidity, profitability, and investment orientation plays a decisive role in ensuring financial capacity, allowing agricultural enterprises to maintain financial stability in conditions of increased risk.

An assessment of the factors influencing the development of the financial capacity of Ukrainian agricultural enterprises in 2017-2023 revealed significant fluctuations in financial results, particularly net profit. These fluctuations are caused by changes in production volumes, dynamics of prices for agricultural products and production resources, as well as the influence of macroeconomic, institutional, and political factors. It was found that the growth of capital investments in the industry is uneven, and periods of economic crisis and political instability significantly hamper investment activity and the financial development of enterprises.

A study of the impact of capital investments, bank lending, and state support on the net profit of agricultural enterprises showed that these instruments are important sources of financial resources, but their effectiveness is limited by structural imbalances in financing. It has been established that own funds remain the dominant source of financing, which narrows the possibilities for modernization and expansion of production. Bank loans, particularly within the framework of the state program "Affordable Loans 5-7-9%", play a positive role in supporting the liquidity of agricultural enterprises, but high collateral requirements and the cost of borrowed resources limit access to credit for a significant portion of producers.

Based on the results of the justification of directions and measures to increase the financial capacity of agricultural enterprises, it has been determined that it is expedient to strengthen state support for the agricultural sector, in particular by

expanding financing for infrastructure projects, scientific research, and innovation. The need to simplify loan procedures, reduce interest rates, expand the participation of banks in preferential lending programs, ensure the stability of tax policy, and minimize the tax burden has been substantiated. Promising areas for improving financial capacity also include the integration of digital financial technologies, diversification of funding sources through the use of green bonds, development of agricultural education, and creation of a favorable investment environment.

The recommendations proposed in this study will increase the financial capacity of agricultural enterprises, ensure the stable development of the agricultural sector, and strengthen food security in Ukraine. Further research can focus on the development of a financial strategy for the adaptation of enterprises to crisis phenomena, including currency risks, inflationary processes, and fluctuations in agricultural prices.

ADDITIONAL INFORMATION

AUTHOR CONTRIBUTIONS

All authors have contributed equally.

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CONFLICT OF INTEREST

The Authors declare that there is no conflict of interest.

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ФІНАНСОВА СПРОМОЖНІСТЬ УКРАЇНСЬКИХ СІЛЬСЬКОГОСПОДАРСЬКИХ ПІДПРИЄМСТВ: СУЧАСНИЙ СТАН І ЧИННИКИ ВПЛИВУ

Стаття присвячена дослідженню фінансового потенціалу підприємств аграрної галузі, адже аграрний сектор України займає стратегічне місце в національній економіці, забезпечуючи й внутрішній ринок, і експортний потенціал країни. В умовах економічної нестабільності, що супроводжується валютними коливаннями, змінами податково-бюджетної політики та підвищенням вартості кредитних ресурсів, зростає необхідність у зміцненні фінансового потенціалу аграрних підприємств.

Метою дослідження є аналіз фінансового потенціалу аграрних підприємств України, визначення основних факторів його формування та впливу на конкурентоспроможність і стійкість до системних викликів.

Основні результати показали, що ключовими джерелами фінансового забезпечення аграрного сектора залишаються власні кошти підприємств (68% інвестицій), водночас залучення банківських кредитів (12%) й іноземних інвестицій (1%) є недостатнім через високі фінансові ризики та нестабільний інвестиційний клімат. Державна програма «Доступні кредити 5-7-9%» стала ефективним інструментом підтримки малого та середнього агробізнесу, однак загальний рівень державних інвестицій у сектор залишається низьким (5%). Аналіз динаміки капітальних інвестицій засвідчив коливання протягом 2017-2023 років, зумовлені економічними кризами, реформуванням земельного ринку та воєнними діями.

Основні висновки підкреслюють необхідність комплексного підходу до формування фінансового потенціалу аграрних підприємств, який включатиме диверсифікацію джерел фінансування, посилення державної підтримки, стимулювання іноземних інвестицій і спрощення процедур кредитування. Ефективне використання фінансових ресурсів сприятиме підвищенню конкурентоспроможності аграрного сектора, забезпеченню економічної стійкості підприємств і загальної фінансової стабільності країни.

Ключові слова: фінансовий потенціал, аграрні підприємства, державна підтримка, інвестиції, кредитування, чистий прибуток

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