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STATE PROGRAM OF FINANCIAL REHABILITATION OF AGRICULTURAL ENTERPRISES

Nail T. Israfilov¹, Alexander O. Tufanov²

^{1,2}Saint-Petersburg State Agrarian University, Saint-Petersburg, Russia

¹nti2009@yandex.ru

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ABSTRACT

Currently, agricultural companies have faced the problem of excessive financial insolvency (bankruptcy) resulting mostly from the transformation processes that virtually do not depend on either owners of agricultural enterprises or their management efficiency. To solve the problems of the transition of the economic sector that produces agricultural products to sustainable growth, it is required to formulate and implement a system of measures to eliminate the reasons why most agricultural enterprises have failed to fulfil their obligations. The solution of the problem mentioned above is impossible without the implementation of at least a set of measures, each of which will allow, in varying degrees, to reduce the insolvency of Russian agricultural enterprises. The system of measures of influence on the economic sector responsible for the production of agricultural products should both bring production efficiency to a brand new level and help agricultural companies reduce their losses.

The content and peculiarities of the development of the insolvency institute in the transitional economy of this country have been disclosed, specific proposals are set forth in the article on the use of the bankruptcy mechanism in reducing the level of insolvency in the agricultural segment of the Russian Federation. All the activities that will be listed, described and justified below, will help transform the insolvency institution into a state program that helps financially rehabilitate indebted companies of the agricultural sector of the Russian economy. Currently, this task is very relevant as financial insolvency of the companies in the sector of the national economic complex of this country under consideration is now acquiring the scale that makes the scenario of Russia's agrarian catastrophe look quite realistic.

Keywords: Insolvency, bankruptcy, laws of the Russian Federation, business, indebted economies

INTRODUCTION

Commodity producers that are currently engaged in business activities in the Russian agricultural sector have faced the problem of excessive financial insolvency (in other words, bankruptcy). This phenomenon is mostly due to the transformation processes that almost do not depend on enterprise owners, whereas particular ineffective management decisions play quite a minor role here. Besides, inability of economic entities in the sector under study to perform their obligations is affected by the general economic trends, in which Russia exists today: multiple curtailment of capital assets, tightening of borrowed capital raising, decrease in the number of goods produced by various branches of economy, existing and recently prolonged anti-Russian sanctions.

Financial insolvency of most agricultural enterprises is one of the biggest economic issues at this stage of country's development. The amount of accounts payable and their increase imply that the industry has not adapted to new economic conditions, firstly, due to adverse macroeconomic factors.

In practice, there is a broad range of measures intended to restore financial solvency of agricultural enterprises as part of pre-trial procedures. These procedures are aimed at bankruptcy prevention and may include restructuring of a company's debt or restructuring of production with the end point of this chain being restructuring of the enterprise. These procedures may be initiated both by owners of the indebted enterprise and its creditors interested in extending the life of the agricultural enterprise or joining the enterprise as its members. Besides, both regional and municipal public authorities are also interested in it.

Normally, the efforts made by federal and regional authorities for the financial rehabilitation of agricultural enterprises have a special focus on the measures to restructure their accounts payable. The history of the rehabilitation campaign with regard to agricultural commodity producers dates back to 1995 when restructuring of the debt under the last loans procured in 1992-1994 began. In fact, this activity was reduced to actual plain forgiveness of the debt established under the loans accommodated over the previous three years of independent development. The total sum forgiven measured in 1994 rubles amounted to no less than 20 trn rubles. Further on, this debt was restructured into debt commitments of regions, but this did not result in repayment of debts to the budget either. Besides, by late nineties, the aggregate debt of the agricultural segment again reached the enormous size, which was many times as large as the country's agricultural proceeds.

Considering the tangled situation in the country's agriculture, 1999-2002 saw partial restructuring of accounts payable under payments to budgets of all levels and state extra-budgetary funds pursuant to resolutions of the Government of the Russian Federation. This resulted in restructuring of the debt of 18.3 thousand farms. This accounts for more than 60% of agricultural enterprises and amounts to 42 bln rubles. The share of overdue accounts payable of agricultural commodity manufacturers in its total amount went down from 68 to 53%. However, this decrease should not be explained by debt restructuring measures only. Situation at the country's agricultural market after the crisis of 1998 was quite favorable for a few years, which secured an increase in the net sales of the agricultural industry and decrease in the number of unprofitable farms. However, 2002 saw the implementation of market economy laws; in particular, as a result of excess production of virtually all types of produce,

commodity producers' prices were going down for almost half-year, even in money of the day. In the meantime, prices of the main resources consumed by the Russian agriculture – industrial products and material and technical services provided to rural areas featured an antipodal trend – the trends of steady growth. Financial standing of agricultural commodity manufacturers kept on deteriorating again as a result of these trends. The number of unprofitable farms started to increase, which accompanied an increase in the amount of accounts payable. The overall loan debt of agricultural commodity manufacturers as of early 2009 and late 2016 was 425.25 bln. rubles and 1,989,3 bln. rubles, including 37.5 bln. rubles of the overdue debt. Accounts payable at that time amounted to 218.04 bln. rubles and 520.0 bln. rubles, of which the overdue debt amounted to 20.0 bln. rubles [18, pp. 136-141]. The bank loan debt amounted to 1,469.3 bln. rubles. For the sake of completeness, we will give figures of accounts receivable – 580.9 bln. rubles and overdue – 12.8 bln. rubles.

In order to put things right and make efforts to settle the problem of financial rehabilitation of agricultural organizations, Law No. 83-FZ “On financial rehabilitation of agricultural commodity manufacturers” dated July 9, 2002 was adopted [28; 29]. This legal act became the basic document for further financial rehabilitation of agricultural commodity manufacturers, which earlier started in this country.

The above law (and all subsequent laws amending it) provides the regulatory framework and debt restructuring conditions prior to initiation of bankruptcy proceedings against agricultural commodity manufacturers.

The very bankruptcy proceeding results in the loss of the raw material potential and curtailed output of products as well as steady rise in unemployment rates and aggravation of social issues in rural areas. Many researchers and economists have studied agricultural complex reforming and searched for the ways to overcome the crisis [5, 487 p.]; [7, pp. 38-48]; [9, 228 p.]; [10, pp. 200-205]; [11, pp. 180-186]; [12, pp. 279-282; 13; 14, pp. 136-141]; [21, 238 p.; 22, 608 p.]; [25, 602 p.]; [26, 318 p.]; [27, pp. 24-26].

Study methods, study methodological framework

General scientific methods of synthesis, analysis and observation have been used in this study. Besides, performance indicators of Russian agricultural companies have been benchmarked.

The theoretical and methodological framework of the study conducted is made up of works and research of the matter at hand by Russian and foreign researchers, works of agricultural economists with regard to the current state and new experiences. The authors have also studied the laws and regulations of the Russian Federation, Codes of the Russian Federation, data of the Russian State Statistics Committee, statistical figures of regional and district agricultural management agencies, annual reports of agricultural enterprises. Besides, performance indicators of Russian agricultural companies have been benchmarked.

Study objective.

To solve the problem of the transition of the Russian economic sector that produces agricultural products to sustainable growth, it is required to formulate and implement

a system of measures to eliminate the reasons why most enterprises of the sector under study have failed to fulfil their obligations [4, 222 p.]; [11, pp. 180-186]; [13; 16]. This problem may not be solved without the implementation of at least a set of measures, each of which will allow, in varying degrees, to reduce the insolvency of Russian agricultural enterprises [5, 487 p.]. The program of influence on the economic sector responsible for the production of agricultural products should both bring production efficiency to a brand new level and help agricultural companies reduce their losses.

Study results

The tasks to be settled by the program offered for elaboration and implementation: first, social issues have to be tackled (this task is current No. 1 priority for this country – this conclusion may be drawn if one traces down the post-crisis events that have occurred in the global economy). With a decrease in the number of agricultural enterprises actively engaged in business activities (in other words, when some enterprises of the sector are wound up), the Russian rural population gets unemployed, which results in social complications [1, pp. 233-236]; [3, pp. 119-124]; [7, pp. 24-26]. Since virtually every settlement has at most one agricultural producer, it secures the income required to maintain the level of living of the local community. When these companies are wound up, virtually all employable residents of a particular rural settlement fall short of the source of livelihood. This results in the issue related to the lack of the source of livelihood for most employable rural dwellers, which has to be tackled at priority rates. Second, maintenance of social infrastructure. Today, many producers of agricultural products are engaged in the maintenance of the existing infrastructure in addition to their core activities. This is why when companies of the sector under study discontinue their activities, the infrastructure degrades and falls into disrepair. It should be remembered that dissolution or other reorganization mostly applies to the companies with very unstable financial standing, due to which earnings of the residents employed there were low and very restricted funds were allocated to maintain the infrastructure even during their operation. In this regard, this issue occurs both in the areas where agricultural enterprises have been completely wound up and in the regions where companies continue in operation, but demonstrate poor financial performance. Third, preservation of assets of agricultural companies in the areas of their operation. This issue is due to the practice of selling dissolved company's assets by auction, after which the new owner by no means always uses the assets acquired for their intended purpose. It is feasible to continue operation of the fixed assets intended to produce agricultural commodities in the same form and in the same place. Fourth, there is a need to create and implement a mechanism that would ensure proper consideration of land relations when agricultural companies are being dissolved. If an enterprise is reorganized (merged with another enterprise, wound up, sold by auction) with land matters ignored, in the longer run, this may result in major deterioration of financial and economic conditions for each and all participants of reorganization. Fifth, the integrity of the agricultural companies undergoing reorganization may be preserved as much as possible [7, pp. 38-48]; [10, pp. 200-205]; [20, 228 p.]. In case of bankruptcy, all the process participants have to make efforts that will result in sale (or other form of reorganization) of the entire enterprise. Partition of the title to the enterprise may only occur if company's complete reorganization turned out to be impossible for objective reasons. Benefits of maintaining integrity of an agricultural

company in case of its sale, merger or a different form of reorganization: firstly, the company keeps its focus on the manufacture of particular types of goods (if feasible); secondly, the price of the entire company will be higher than in case of its split and further sale of stakes in ownership; last, but not least, the funds required to identify and eliminate social implications of the company's dissolution are minimal [6, pp. 34-46].

Bankruptcy of agricultural commodity producers implies that enterprises are dissolved as the very last resort only, and companies undergo rehabilitation in all other instances [26, 318 p.]. It should be noted here that rehabilitation is only feasible for the companies that are very likely to restore normal operation subject to external support. If the company cannot reach the operating efficiency that will secure her compliance with market requirements even with improved management decisions, these enterprises should be dissolved. Attempts to preserve all the Russian enterprises that produce agricultural goods should be abandoned.

Tasks tackled by the bankruptcy mechanism:

Task No. 1 – elimination of “dummy” companies. There are two “dummy” production models in agriculture: “absent debtors” and “duplicates”. A key peculiarity of the former is the absence of the facts that help ascertain any activity whatsoever conducted by the company. These enterprises do not submit any accounts, which is due to the absence of performance indicators. As to “duplicates”, they are set up for debt evasion by any agricultural commodity manufacturer. “Duplicates” have considerable debt commitments with virtually no assets. This approach helps companies reduce the debt burden for some time, although deep-rooted reasons of insolvency remain, which results in reoccurrence of financial insolvency. This is why bankruptcy is supposed to identify and dissolve “duplicate” companies and foster the conditions that would prevent occurrence of new such enterprises as much as possible.

If a company may be recognized as one of the former “dummy” organizations, it is feasible to subject it to simplified bankruptcy. This step is possible as such enterprises do not own assets that are important to the local community at all. Nevertheless, when such enterprises undergo bankruptcy, a number of complications occur, the most important of which is significant excess of bankruptcy proceeding over the bankruptcy estate. This complication may be resolved by way of amicable settlement agreements.

Considering that regional (and state) budgets may be creditors in bankruptcy, it would be logical to add a clause into the amicable settlement agreement that would enable service of the formerly owned socially important infrastructure and land estate by special purpose municipal undertakings. Of course, members of a cooperative or a company engaged in agricultural commodity production are not liable with their own and shares; however, the decision to contribute a portion of their estate may help observe their interests as residents of the municipal formation where the company used to operate. This procedure is deemed feasible only in case of bankruptcy of “dummy” companies of the latter category. Amicable settlement agreement is also viewed as best solution of the problem here. An advantage of this step is that the bankruptcy estate cannot cover all the claims lodged in the course of bankruptcy proceeding, while the amicable settlement agreement allows to avoid bankruptcy

proceeding. There is the following difference from the procedure proposed for “dummy” enterprises of the former category: as company’s operation is quite unimportant socially, bankruptcy has to be immediately followed by dissolution.

Task No. 2 – bankruptcy of agricultural companies with core assets preserved.

The sector of agricultural commodity production is represented not only by dummy organizations, but also by the companies that are actually engaged in statutory activities, but do it with the performance that does not meet market requirements. All these enterprises must undergo bankruptcy and the companies that may increase their operating efficiency through management decisions may undergo reorganization. In the course of companies’ observation and rehabilitation, the court-appointed receiver has to make up the list of causes of insolvency and give recommendations to exclude these causes. If the court-appointed receiver performs these tasks in full, there will be a chance to preserve the enterprise in its previous form (with the same focus and core activities). It should be noted that the expected number of such companies is very small; however, one cannot completely ignore possible efforts with regard to these enterprises.

Integrity of the agricultural company’s structure may also be preserved at the bankruptcy proceeding stage. Federal laws in bankruptcy require top-priority putting out the entire complex as a whole to tender. If the tender is successful, reorganization will only imply change in the company’s corporate owner.

This is why, preparation for sale of the entire property of an agricultural company has to include accumulation of all land shares owned by the organization in its share capital. If a company operates on a land plot not owned by it (taken on lease), no title to this land will pass to the new owner. In this regard, immediately after acquisition, the new owner has to renegotiate all the lease agreements in order to ensure production operation, which brings about the decreased appeal of the asset put out for sale. This negatively affects the value of the entire complex (it goes down) and likelihood of its sales success. Besides, the risk that the new complex owner will use the asset in pieces (for example, for subsequent sale) remains.

In addition to what was said above, sale of the entire enterprise as the single complex is also beneficial to debtor’s owners. If a company is split before sales and is sold in pieces, it is very likely that it will never produce agricultural commodities again.

Task No. 3 – tackling the problem of employment of the population of rural municipal formations. This task has to be settled by creating and implementing educational and conversion training programs. Besides, mechanisms supporting credit co-operation have to be elaborated here.

Since virtually all agricultural companies have the status of backbone rural enterprises (most of the employable population of the municipal formation work there one way or another), their dissolution will cause a number of complications that will need prompt and precise impacts.

Below is the list of measures that, in our opinion, will help solve the problem of elimination of agricultural companies.

First, a municipal formation needs to keep the subsidies paid to the company undergoing dissolution for a certain period of time. This step will help prepare the financial foundation for the implementation of all other measures.

Second, conditions have to be created to encourage local communities to be engaged in business activities. It should be understood that PSPs (personal subsidiary plots) that are sometimes formed on the territories of agricultural enterprises being dissolved have a limited potential as they cannot yield stable income for the territory. This is

why all the entrepreneurial initiatives put forward by local communities need to be supported.

Success stories of business activities not related to agriculture should be accumulated and disseminated among the rural population. Normally, these lines of activity do not need much investment to start a business and may yield good income in the longer run. Considering that any business needs a start-up budget, a small loan system has to be improved concurrently with the dissemination of information.

Third, promoting operating conditions in the territory that would appeal to employees. In this respect, the success of attempts to draw attention of industrial and service companies to the possibility to hire the workforce vacated after the dissolution of agricultural companies as its staff has to be examined. Of course, this step will require time and money on conversion training, due to which this possibility only exists when there is confirmed demand for workforce.

Fourth, payment of compensations, arrangement of community service. Community service may be arranged when a municipal formation has not other ways to make up a source of income for the population. These activities have to focus on low-skilled workers that may, for example, be engaged in wood-felling, preparatory work for the construction of roads and gas mains. This may also include creation of infrastructural utilities required for the life-sustaining activity of the municipal formation.

Besides, the issue of social rehabilitation of population exists and has to be tackled. This is due to the fact that winding up of a company that used to employ several populations of most families residing in a particular settlement will bring about negative social-psychological trends. To prevent it, a social security program has to be elaborated and implemented. This measure will help normalize social situation in particular settlements, identify the sources of civic initiative and accumulate them.

Fifth, all the above measures will require personnel with the new qualification, which will bring about the need for conversion or advanced training. This will help reduce dependence of local communities on single company's operations. Focus here should be on regular activities for conversion training of the population that would not be limited by one-off events. This step will empower rural communities to implement their work efforts, improve their vocational education and look for profitable sources in a more active way. Specific activities to implement this measure may include as follows:

- dissemination of success stories of activities not related to agricultural production traditional to settlements (creation and implementation of corresponding literary sources, engagement of printed and online media, issue of focused television programs may be used here);
- revision of the teaching concept for secondary educational institution students in settlements (shifting the focus from the essentials of agricultural activities to the development of the skills that will enable conduct of other activities);
- provision of subsidies from the budget in order to conduct workshops, training sessions and courses aimed at systematic training of the population in order to develop the skills that will enable conduct of other activities not related to agricultural product manufacture;
- adoption of special programs to develop rural settlements, their implementation with the involvement of agricultural higher educational institutions.

Task No. 4 – settlement of the problem caused by the need to maintain various objects of infrastructure. If an agricultural commodity manufacturer is undergoing bankruptcy, in many cases, a problem of further maintenance of various objects of infrastructure that the agricultural manufacturer used to be in charge of is very relevant. In order to solve this complication, the infrastructure has to be transferred to local authorities, which will result in major decrease in the scope of bankruptcy-related activities. Current bankruptcy laws establish the need to include these objects into bankruptcy estate and further attempts of their sale during bankruptcy proceedings. It is obvious that it is virtually impossible to sell this property by tender. This means that this property has to be transferred into the ownership of other constituents before the agricultural producer acquires the status of an insolvent company.

When the title to various infrastructure objects that used to belong to agricultural enterprises is transferred, budget planning has to be revised due to the need to make budget outlays to support operation of these objects. Many subsidies granted by local budgets are in fact used to support the production enterprises, the solvency of which is very doubtful. This is done to keep a certain minimum level of operation of infrastructure of various applications (social, technical, production) [15, pp. 786-789]; [21, 238 p.]. It is deemed feasible to directly provide funds to the organization focused on infrastructure operation and development rather than supporting inefficient enterprises, a part of funds of which is spent to maintain infrastructure.

Task No. 5 – preservation of the assets owned by legal entities of the agricultural commodity sector.

If an agricultural enterprise is split into parts before its sale, the probability of decrease in the number of companies in the sector of agricultural commodity production and sale increases. In most cases, high-liquidity assets (for example, machinery that may be used to manufacture agricultural products) are sold to the enterprises that have nothing to do with agriculture. Due to the above, this has to be prevented and avoided.

The existing procedure of competitive bidding guarantees that the property owned by a debtor will further on be used by agricultural companies. Nevertheless, we believe that the list of companies, the activity of which allows them to use the pre-emptive right to buy assets of a company being dissolved or otherwise reorganized must be extended. Today, federal laws recognize enterprises that produce and/process agricultural products and own the land immediately adjacent to the land of the production enterprise being reorganized as such companies [20, 228 p.]; [22, 608 p.]. Since agricultural commodity producers often hold land by lease instead of ownership, it is deemed feasible to extend the list of the companies that enjoy the pre-emptive right to acquire land property from a company being reorganized to include all the agricultural organizations operating in the same constituent of the Russian Federation.

Promotion of the conditions that would favor attracting of investments from the outside is task No. 6, the implementation of which needs the bankruptcy mechanism. Depending on the level of decrease in insolvency of the company being reorganized, external investors will show very different interest in the acquisition and subsequent

management of the comprehensive agricultural production complex. If insolvency-decreasing activities are successful, the amount of budget costs on the settlement of bankruptcy-related issues will decrease.

Many European countries (for example, Germany, Austria, France) have unambiguous and clear rules used for the bidding of property of agricultural production enterprises. Since transparency of conditions is the main driver of investment into the agricultural sector of economy from the outside, Russia needs to take into account and adopt the experience of advanced countries as far as possible [23, pp. 31-37]; [24, pp. 84-89]; [25, 602 p.]. Besides, in order to have high chances to be sold as a unified whole, agricultural production complexes must have land property in their bankruptcy estate.

It will be observed here that all the measures proposed may be implemented subject to a committee, members of which will take care of reforming agricultural enterprises unable to perform their obligations. The task of this committee that represents AIC management public authorities is decrease in insolvency of all the companies operating in agriculture.

The sanitation model described hereunder (sanitation is understood to mean the financial rehabilitation mechanism, with which funds to remedy the situation are provided to all the stakeholders – from owner to credit companies) includes the following actions:

First action. A local tax authority willing to identify indebted companies provides the committee set up for the purposes of reforming financially insolvent agricultural enterprises with the data on the companies that do not submit accounts of their performance. This is when the “duplicate” companies intended to help the parent company evade debts are also identified. After review of the accounts submitted by all agricultural producers of the region, the committee may find out what enterprises have been set up for this particular purpose.

Second action. The committee makes up lists of dummy companies and submits them to the local tax authority. The latter, in its turn, initiates simplified bankruptcy proceedings.

Third action. The enterprises with operating efficiency rated as “very low” are subjected to simplified bankruptcy. According to the study authors, dissolution is only feasible with regard to the companies that are financially and economically insolvent; in other cases, reorganization has to be undertaken to enhance management efficiency. Agricultural enterprises should not be grouped before bankruptcy is launched; otherwise, it will result in infringement of companies’ rights and push to corruption practices.

Fourth action. Members of the special committee hold negotiations with creditors in bankruptcy in an attempt to get a discount under debts of the companies being reorganized. This step will help attract more investment into such production enterprises since a part of the funds accumulated as accounts payable will be released and may be used for company’s modernization and development.

Fifth action. To accumulate all land shares in the share capital of indebted agricultural enterprises, members of the special committee start explanatory work with the individuals and companies that own the title to this land. If this activity is successful, the company will be kept whole prior to its sale, which means that this step is mandatory during bankruptcy proceedings.

Sixth action. Instruction for the disposition of the property owned by the company being reorganized is elaborated. This document is made up by members of the special committee; the instruction has to contain a detailed and full account of actions of all bidding-related companies and individuals. Besides, all the bankruptcy-related information has to be covered by mass media (radio, TV, Internet, printed matter).

Seventh action. This is where the norm, according to which all the subsidies that could be obtained by the agricultural production enterprise being dissolved in 3 years are redirected to a territorial formation is legally recognized. This legal change is required to promote employment of the population that have lost their jobs. Subject to particular conditions, the special committee has to elaborate individual areas and rules of application of financial possibilities created.

A part of earmarked funds may be used to set up and further promote business activities among the population of the rural municipal formation. A focus here has to be on setting up the workshops for primary processing of agricultural products, units for primary conversion of timber and promotion of tourist services. Besides, subsidies provided to the territorial formation in place of the agricultural enterprise may be used to grant concessional loans to the rural residents willing to employ other residents. If these funds are in high demand, they have to be allocated on a competitive basis with a number of jobs created for settlement residents being one of the main criteria.

Eighth action. If a new agricultural company set up in the rural area offers jobs to residents of a particular settlement, it has to be exempted from both local and regional taxes during the initial period of its operations. It should be mentioned here that tax deductions may only apply to the performance resulting from activities as part of a particular territory.

In order to keep the settlement infrastructure in the condition, which enables its operation, a reserve has to be established to fund the work, in the course of which the technical and social infrastructure of the territorial formation will be reorganized. The reserve is established using the proceeds received by acquirers of bankruptcy estate components of the bankrupt agricultural enterprise. These funds may be applied as follows: bringing utility networks to the condition compliant with standards and setting up of the municipal undertakings that would take care of infrastructure maintenance and operation.

DISCUSSION

To solve the problem of the transition of the Russian economic sector that produces agricultural products to sustainable growth, it is required to formulate and implement a system of measures to eliminate the reasons why most agricultural enterprises have failed to fulfil their obligations. The solution of the problem mentioned above is impossible without the implementation of at least a set of measures, each of which

will allow, in varying degrees, to reduce the insolvency of Russian agricultural enterprises. The program of influence on the economic sector responsible for the production of agricultural products should both bring production efficiency to a brand new level and help agricultural companies reduce their losses.

The problems to be settled by the Program offered for elaboration and implementation:

- 1) social issues have to be eliminated
 - 2) maintenance of social infrastructure
 - 3) preservation of assets of agricultural companies in the areas of their operation
 - 4) there is a need to create and implement a mechanism that would ensure proper consideration of land relations when agricultural companies are being dissolved
 - 5) integrity of the agricultural companies undergoing reorganization may be preserved as much as possible. In case of bankruptcy, all the process participants have to make efforts that will result in sale (or other form of reorganization) of the entire enterprise
- Tasks to be tackled by the bankruptcy mechanism when implementing the Program:

Task No. 1 – elimination of “dummy” companies

Task No. 2 – bankruptcy of agricultural companies with core assets preserved

Task No. 3 – tackling the problem of employment of the population of rural municipal formations

Task No. 4 – settlement of the problem caused by the need to maintain various objects of infrastructure

Task No. 5 – preservation of the assets owned by legal entities of the agricultural commodity sector

Task No. 6 – promotion of the conditions that would favor attracting of investments from the outside

Implementation of the proposed Program will assist in financial rehabilitation of agricultural enterprises of the Russian Federation.

CONCLUSION

All the activities that were listed and described above will help transform the insolvency institution into a state program that helps financially rehabilitate indebted companies of the agricultural sector. Presently, this task is very relevant as financial insolvency of the companies in the sector of economy under consideration is now acquiring the scale that makes the scenario of Russia’s agrarian catastrophe look quite realistic.

RECOMMENDATIONS

Materials of the article presented to you are of value to research associates of research institutes and centers, teaching staff, postgraduates, candidates for master’s degree, students of higher educational institutions that teach and learn “Crisis Management”.

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