

of satellite communications and computer technology. Such information is available to producers, wholesalers and marketers to determine current market prices for specific commodities. Market research can be an important function of the government as it transitions to a market system.

As emerging democracies strive to create democratic institutions and market oriented economies, the agriculture and food system is a critical component. It is not easy to transform a structure in which the government has controlled the production, transportation, handling, processing, distribution and market driven process where supply and demand control price, and the consumer is the queen.

The government can play a legitimate role in agriculture. But it should not:

- tell the farmer what, when and where to grow;
- artificially prop up prices the farmer receives;
- control transportation, handling, processing and distribution;
- set consumer prices;
- own and control the retail markets.

Market forces do a better job than government in rewarding efficiency, encouraging productivity and allocating resources. The government's role must change from a traditional one of total control of production, distribution and marketing to a partnership with emerging private sectors at all stages of the process. This should include activities such as those I have described: research and extension, environmental and conservation programs, regulation of food safety and animal and plant health, and market research and information dissemination.

Changing any system is not easy. But it is not impossible and it is necessary. The people here are bright, determined and capable. You will succeed if you work to constructively make it happen.

Problems of State Support of Agricultural Producer Incomes in the Republic of Belarus

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1. State control over the agricultural producer incomes is being carried out within many countries. The measures of income support policy could be classified in accordance with those economic variables that they interact with. (table 1.)

2. The increase and income stabilisation of agricultural producers — is an important objective of agricultural policy of a transitional period. The extent of

the achievement of this objective is one of the main criteria and political measure should be valued in accordance with that.

Even in case when political measure provides increase of agricultural incomes, it should be analyzed from the point of view of other economic policy objectives.

Firstly, a particular measure of agro-policy should be considered in the context of the main macroeconomic policy objectives (economic increase, employment, price stability, foreign economic balance); secondly, in the context of assistance in agro-policy task implementation, those as increase efficiency production, competitive agricultural markets stabilization and development, production restructuring, social guarantees insurance to people employed in agricultural sector. It is necessary to take into account the contradictions of the process aimed to achieve the objectives simultaneously. The viability of State interference should be determined by the correlation of state regulation of agricultural expenditures with the profit it guarantees.

3. This kind of attitude to the income support policy value in the Republic of Belarus shows its contradictions and deficiency .

Following some of these policy measures facilitates the development of outdated economic structures, prevents the industries from restructuring, intensifies macroeconomic instability and reduces the sector efficiency. Alongside with it, the State considerably orientates enterprises to increase production volumes — not to achieving maximum profit, which results in the inefficient allocation of resources between different sectors.

The absence of detailed financial planning for agriculture, expenditure priorities, strict regulated terms of receiving State support leads to considerably reduced budget discipline.

The donation costs calculation are not accurately being made (from both financial economical points of view), which makes the donation system inefficient.

Multiple subsidies very often serve to preserve political power and very rarely to increase agricultural production efficiency.

Prices on agricultural production are considerably distorted by State interference, which does not generate positive solutions on volumes of production, long-term investments, etc.

4. The improvement of agricultural producer support policy in the Republic of Belarus can be achieved by the following direction:

- economically setting a viable pace of reform and optimal allocation of limited financial resources to the programmes of stabilization and reform.

Table 1. Classification of measures to support incomes in the agriculture of different countries.

Measures aimed at increasing production efficiency		Measures not connected with the increase of agricultural producer efficiency
Measures aimed at reducing production expenditures	Measures aimed at increasing the gross incomes of agricultural producers	
<ul style="list-style-type: none"> • subsidizing the capital (means of production and means of increasing soil fertility supply) • state stimulation of production factors • payments to maintain state living and communal services • state financing aimed at reducing taxes • state support aimed at repaying interest on credit for low-efficient or non-efficient enterprises 	<ul style="list-style-type: none"> • increasing the volumes of agricultural production • Subsidies to producers (through the system of guaranteed prices and payment per unit of production) • Import control • Control over agricultural demand (system of quotas, withdrawal of lands, producing excess qualities, etc.) 	<ul style="list-style-type: none"> • the system of direct donations • State expenditures for rural development • Financing the development of non-agricultural activities in rural areas

Procedures Dealing with Formal Accepting and Managing of Agricultural Property in State Treasuries

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Governors and ministers closely watch the state enterprises including agricultural. The agency can accept agricultural enterprises only after their liquidation, i.e. withdrawal from the list. It can take place: at the governor's initiative agreed with the Agency and evaluated by the Council of workers; at the mutual proposal by the director of the enterprise and the Council of workers