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## **EXPENDABLE DOMINANT AS THE FOUNDATION OF FORMATION INCOME OF HUNTING ECONOMY**

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### **ВИТРАТНА ДОМІНАНТА ЯК ФУНДАМЕНТ ФОРМУВАННЯ ДОХОДІВ МИСЛИВСЬКИХ ГОСПОДАРСТВ**

The article examines the costly dominant as the foundation of the formation of the income of hunting farms. The maximum permissible amount of expenditure of funds of hunting farms for the use of agricultural land for the lease of hunting grounds, game breeding and animal protection is presented. It is substantiated that the use of methods of system analysis, namely SVR-analysis and LCC-analysis, allows to combine economic, ecological and social components of expenditure dominants of formation of income of hunting farms and to predict the ratio of income and costs associated with strategic vision of their structure in the context of dynamic influence of ecological and economic factors, which change the level of effective use of the natural landscape of hunting farms and their transformational characteristics. The interdependence of indicators and factors of influence on efficiency of hunting industry is determined. It has been proved that the cost approach allows to accumulate the total amount of resources involved in the economic turnover of hunting farms for updating the biosystem of hunting grounds, protecting varieties of game and animals. The cost-resource dominant of the formation of the income of hunting farms combines the costs of developing agricultural land for hunting grounds and ensuring the optimal density of wild animals per 1 hectare of forest-forest area. The norms of extraction of individual species of hunting animals with their optimal number from the forest-forest area are substantiated. The expenses and income of hunting farms are grouped on average by one forestry region of Ukraine. The share of costs for wildlife protection is determined and the percentage of rent for 1 ha of agricultural land for biomass reproduction and game breeding is ordered. The permissible norms for the use (shooting, trapping) of certain species of hunting animals in the regions of Ukraine have been established. The value-resource dominant value in the formation of revenues of hunting farms is determined, which has a direct relationship between raising funds for the use of leased agricultural land plots for hunting grounds and their distribution in the total costs of hunting farms.

В статті досліджено витратну домінанту як фундамент формування доходів мисливських господарств. Представлено гранично допустиму величину витрат коштів мисливських господарств для використання земель сільськогосподарського призначення під оренду мисливських угідь, розведення дичини та охорони тварин. Обґрунтовано, що використання методів системного аналізу, а саме СVP-аналізу та LCC-аналізу, дозволяє поєднувати економічні, екологічні та соціальні складові витратної домінанти формування доходів мисливських господарств та прогнозувати

співвідношення доходів і витрат, пов'язаних із стратегічним баченням їх структури в контексті динамічного впливу еколого-економічних чинників. Визначено взаємозалежність показників та факторів впливу на ефективність ведення мисливської галузі. Доведено, що витратний підхід дозволяє акумулювати загальну величину залучених ресурсів в господарський обіг мисливських господарств для оновлення біосистеми мисливських угідь, охорони різновидів дичини та тварин. Вартісно-ресурсна домінанта формування доходів мисливських господарств поєднує витрати на освоєння земель сільськогосподарського призначення під мисливські угіддя та забезпечення оптимальної щільності диких тварин на 1 га лісомисливської площі. Обґрунтовано норми вилучення окремих видів мисливських тварин при оптимальній їх чисельності з лісомисливської площі. Згруповано витрати та доходи мисливських господарств в середньому на один лісомисливський регіон України. Визначено частку витрат на охорону диких тварин та впорядковано відсоток орендованої плати за 1 га ділянки земель сільськогосподарського призначення на відтворення біомаси та розведення дичини. Встановлено допустимі норми використання (відстрілу, відлову) окремих видів мисливських тварин в регіонах України. Визначено величину вартісно-ресурсної домінанти у формуванні доходів мисливських господарств, яка має пряму залежність між залученням коштів на використання орендованих земельних ділянок сільськогосподарського призначення під мисливські угіддя та їх розподілу в загальних витратах мисливських господарств.

*Key words: expenses, income, hunting grounds, rent, agricultural lands, hunting farms, wild animals, biodiversity protection.*

*Ключові слова: витрати, доходи, мисливські угіддя, оренда, землі сільськогосподарського призначення, мисливські господарства, дикі тварини, охорона біорозмаїття.*

#### FORMULATION OF THE PROBLEM

The imbalance of the structure of state support for the hunting industry, the lack of reorganization of government structures and budget policy for the development and restoration of hunting farms, encourages the latter to accumulate and use their own economic opportunities for survival in martial law and attract reserve resources to protect hunting grounds and wildlife. In the absence of a rational cost architecture of the state hunting fund, game breeding in hunting farms is reduced. This situation, in turn, leads to a decrease in biodiversity and the decline of the natural complex of hunting farms as a whole. The lack of real support for the state to cover the costs of renting land for hunting grounds and preserving the population of wild animals encourages hunting farms to independently carry out economic activities (the provision of hunting services), which are formed by hunting contributions of game hunting on natural landscapes. However, the coordination of economic, environmental and social needs with proper resource support cannot be implemented without a costly dominant, which determines the price policy and forms the income of hunting farms.

#### ANALYSIS OF RECENT RESEARCH AND PUBLICATIONS

Significant contribution to the process of formation of expenses of hunting farms, as economic entities, which are an integral part of state structures with natural potential, operating on the basis of the concept of sustainable develop-

ment, reproduction of ecological landscapes and preservation of biodiversity of the country's territory, social and aesthetic needs of the population, as well as an economically weighted cost mechanism, scientists such as N. Berezina made [1], V. Bondarenko, A. Deineka, V. Burmas, P. Hoetsky, V. Khodzinsky [2], Bray, E. Ellis, N. Armihocanto, K. Beck [5], F. Achard, H. Eve, H. J. Stibig, P. Mayo, J. Gallego, T. Richards, J.P. Malingro [11], T. Yavorskaya, V. Lysenko, O. Sobolevskaya, V. Apostolov, I. Ageyeva [12].

#### PURPOSE OF THE STUDY

The study is devoted to the conceptual understanding of the spending dominant as the foundation for the formation of the income of hunting farms.

#### SUMMARY OF THE MAIN RESEARCH MATERIAL

Using the methods of systematic analysis of the costs of hunting farms as a methodological foundation for the resource support of the hunting industry, allows combining the economic, ecological and social components of the industry with the assessment of interdependent indicators and factors of influence. It's not just the current cost level that needs to be determined. At the same time, the cost approach allows accumulating the total amount of resources of economic turnover of hunting farms for updating the biosystem of leased hunting grounds, protecting varieties of game and restoring its population. The cost-resource dominant of the

formation of the income of hunting farms combines the costs of developing agricultural land for hunting grounds and ensuring the optimal density of wild animals per 1 ha of their population area.

The use of the natural potential of hunting farms as a set of agricultural land plots for hunting grounds motivates the subjects of the hunting industry to introduce measures to preserve the complex natural biodiversity, which is determined by the optimal amount of costs per unit area [10]. At the same time, the cost mechanism for the reproduction of the natural landscape provides for the determination of the average level of cost return by calculating the level of coverage of the income received by the share of costs for renting agricultural land plots for hunting grounds [6].

The relationship of regulatory instruments of the natural potential of hunting farms with the cost mechanism implies a complex structure of consumables that should be covered by the income received and provide effective economic activity. The basis of consumable elements of the natural potential of hunting farms is the set of components that affect the formation of income and the scale of economic activity. We will focus on the land use of hunting farms, as the main component of the resource supply of their spending mechanism, since it is the dominant of the sustainable development of the subjects of the hunting industry, taking into account the levers of an ecological, economic and social nature that can provide long-term development in the context of the transformation of public needs. This problem is solved by applying restrictive standards that have a direct effect on the process of reproducing leased land and obtaining the economic benefit of hunting farms [14].

Restrictions should be understood not as a strict prohibition of certain actions on leased hunting grounds, but as a minimization of irrational, impractical and inefficient costs of hunting farms [9]. That is, limit the ability of participants in hunting land use to carry out unexpected and unpredictable costs.

Under the conditions of instability of the reproductive process of a transformational society, the state loses its leverage in the development of the hunting industry. At the same time, new approaches to regulating the consumption tools of land use by hunting grounds have not yet formed as an integral system, accordingly, there are no optimal structural proportions and spatial socio-economic priorities for the restoration of biodiversity, the problem of economic and environmental safety of game breeding, protection of animals from poachers and the preservation of their population is aggravated.

The set of actions that stop the negative processes of increasing the expenditure of resources for the development of hunting economy within the economic, social, natural, raw materials, land and recreational components describes a multifactor model of rational nature management, which includes: "zero level" of consumption of natural resources; compliance of anthropogenic load with the natural potential of hunting grounds; preserving the spatial integrity of the hunting fund as a natural system; preservation of a naturally determined cycle; coordination of production and natural rhythms; priority of ecological optimality in determining the economic efficiency of environmental use [10]. To balance the spending dominant as the foundation of the formation of the income of hunting farms and their effective economic activity, a holistic system of regulatory and legal assets is needed, which regulate the establishment of land use and their lease for hunting grounds [13].

As part of the reproducing approach, the collection of natural resources that are included in the hunting fund of a certain territory and the state of the environment are considered as a starting level of their use, which involves restoring the quality and quantity of hunting grounds taking into account environmental safety. The cost of the natural resource of the hunting fund in this case is defined as a set of costs necessary to reproduce or compensate for the losses of hunting grounds, natural biodiversity and animal species [5].

A balanced cost mechanism, provided that system cost analysis is used, ensures optimal allocation of resources for forming a price policy for hunting farm services according to the concept of sustainable development. We believe that the conceptual methods of estimating the cost system, which form the price policy and income from the provision of hunting services, are the following:

- concept of flow factors; it is it that is traditional for most types of hunting activities. The basis of the concept is functional (operational) and structural factors. Functional (operational) factors are associated with the ability of subjects of the hunting industry to successfully function. These include production facilities and the possibility of their use, as well as the involvement of labor in the process of constant quality management, rationality of planning, configuration of calculations, etc. Structural factors include scale and quantity of investment, horizontal and vertical integration, experience in economic activity and complexity of service delivery. It should be noted that structural flow factors affect the overall level of costs, primarily in the economic sense. That is, the optimization effect is achieved not as a result of

changes in the composition of costs, but due to the rationalization of the use of resources, the growth of their turnover [3; 7].

is the concept of value added. The cost components in the concept of added value of hunting farms are considered at all stages from the purchase of stocks to the provision of services. The essence of this cost estimation method is to maximize the difference (value added) between the acquisition of stocks and their sale [4].

— the concept of the value chain M. Porter. It stems from the need to go beyond enterprises to effectively manage costs and shifts attention away from systemic analysis of costs for processes that occur outside hunting farms. The value chain divides the hunting industry into separate strategic activities, the starting point of such a process is the establishment of the ratio of cost, income and assets for each type of economic activity (chain of values) [3].

— the concept of cost alternatives (or costs of lost opportunities); provides a comparison of alternative cost budgeting scenarios, namely: planning aimed at developing optimal solutions and controlling the achievement of any alternatives. Income and expenses that are not related to decision-making, regardless of when they occur, should not be taken into account [3].

— ABC concept; its platform is the distribution of indirect costs for specific types of hunting services, and their cost is calculated and analyzed in accordance with the type of economic activity. The concept is based on the statement that the implementation of hunting services is not the cause of costs, but is the cause of operations that result in costs.

— the concept of strategic positioning is aimed at forming the costs associated with the development of a strategy for achieving the competitive advantages of hunting farms and includes information and analytical support for system analysis of hunting industry costs [2; 4].

Hunting farms are able to use more progressive methods of cost formation, namely SVR analysis and LCC analysis, etc. CVP analysis is a system analysis and forecasting method based on the relationship between costs, the amount of revenue from business processes and profit based on the division of costs into fixed and variable costs with the hypothetical assumption that the preparatory stages of the provision of hunting services and their sale are consistent. The advantage of this method is that it allows you to determine the volume of sales of hunting services to achieve break-even economic activity or a given effective result [8]. At the same time, the SVR analysis determines the totality of labor costs, development, involvement in the economic circulation of quantitative and qualitative composition of material

resources, as well as the receipt of funds for the reproduction of hunting grounds and for the protection of various species of animals. In addition, the cost-resource component of the cost approach in determining the value (rent) of hunting grounds combines the costs of their development and income from use, thus ensuring a more effective assessment of their safe use. Within the effective approach, the cost of hunting farms is an economic effect obtained from their exploitation. The income from the use of hunting grounds can be both direct and indirect, which is very difficult to estimate. At the same time, hunting grounds, as a resource not used, according to this approach has no value, although it may be in demand in the future [7].

LCC-analysis (calculation of costs by stages of the life cycle), provides for the presence of market conditions for services during the life cycle of hunting farms, which carry out the operating cycle of non-standard types of services and have an unstable position in the market. This method predicts the ratio of income and costs associated with the strategic vision of their structure in the context of the dynamic influence of environmental and economic factors that change the level of effective use of the natural landscape of hunting farms and their transformational characteristics [8].

## CONCLUSION

Thus, the hunting industry should provide a significant contribution to the development of the economy of the state and the formation of a costly policy of sustainable nature management, conservation of the natural landscape and biodiversity of animals. Balancing the cost mechanism, subject to the use of system cost analysis, ensures the optimal distribution of resources in the formation of the price policy of hunting services.

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