

## **ORGANISATIONAL AND ECONOMIC DRIVERS FOR SAFETY PROVISION AND QUALITY UPGRADING OF CORE LIVESTOCK PRODUCTS IN UKRAINE**

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### **Abstract**

Basic provisions of the risk assessment methodology in the activities of livestock market are problem in Ukraine, or have to be upgraded because in modern conditions the safety of most livestock products is controlled by out-dated standards and requirements, and the control process is ineffective. According to the EU-Ukraine Association Agreement, which entered into force on September 1, 2017, Ukraine must form a system of sanitary measures in the production and exchange of livestock products and feed. A risk-oriented approach to controlling the safety of livestock products in Ukraine has not yet been implemented. In conditions of high corruption risks, failure to implement this approach can lead to excessive administrative pressure on market participants. The aim of the research is to substantiate organizational and economic measures and tools aimed at ensuring the safety and improving the quality of livestock products in Ukraine.

The methodological basis of the research is a comparative method. Its application allowed to determine the specifics of European and Ukrainian models of guaranteeing safety and quality of livestock products based on a comparison of technical regulations and EU directives on safety of livestock products with Ukrainian technical regulations. The mechanisms of government control of livestock products safety of Ukraine and the EU were also compared. The information base for the development of the author's concept of risk assessment methodology in the activities of market operators (process and capacity risk) was the data of expert survey of agricultural enterprises, slaughterhouses, food industry enterprises of Vinnitsa and Cherkassy regions, specialists of the Main Department of State Food and Consumer Services in Cherkassy region and state enterprise Cherkassy research and production centre for standardization, metrology and certification. The expert survey concerned the mechanisms of inspections of market participants by specialists of the State Food and Consumer Service, the grounds for such inspections, the frequency of their implementation, results and consequences, as well as the satisfaction of market participants with the level of cooperation with representatives of the State Food and Consumer Service. The authors proposed a method of calculating the annual effect of reducing the operating costs of agricultural producers due to the introduction of programs-prerequisites for the safety of livestock products and the HACCP plan. Exogenous data were the volume of gross production of basic livestock products at actual prices, the level of profitability of livestock products production in agricultural enterprises and households, profit or loss from production in agricultural enterprises. Based on the calculations, endogenous data were obtained - the minimum level of costs for the production of basic types of livestock products.

A set of risk categories of processes and capacities, risk assessment criteria has been developed, which, in contrast to the provisions of existing methods, make it impossible for processes or capacities for meat and milk production and processing to automatically fall into the high-risk category. The implementation of the developed provisions will allow avoiding excessive pressure of regulatory authorities on market participants in the conditions of corruption risks and rent-oriented behaviour of regulatory authorities. A number of organizational and economic measures and tools were submitted, aimed at improving the quality of livestock products in the transition from horizontal (product) to vertical (process) approach to ensuring safety and quality. The scope of application of prerequisite programs of the HACCP system in Ukrainian animal husbandry has been detailed. According to our own methodology, the annual effect of reducing the operating costs of agricultural producers in Ukraine due to the introduction of programs-prerequisites for the safety of livestock products and the HACCP plan.

The instruments of state support of production in Ukraine of organic livestock products, as well as livestock products with protected designation of origin (PDO), protected geographical indication (PGI), traditional specialty guaranteed (TSG) are substantiated.

Within the framework of this study, the authors improved the basic provisions of the risk assessment methodology in the activities of livestock market operators as a basis for determining the frequency of inspections by regulatory authorities within the risk-oriented approach to safety guarantee. Within the framework of the research, mechanisms for promoting the export of Ukrainian high-quality livestock products, which have a high share of value added, were further developed. The authors propose ways to optimize the mechanisms of providing commodity guarantees to exporters of livestock products, insurance of risks of livestock producers, providing credit guarantees to exporters and their information and advisory support.

**Key words:** *Livestock production, Organic products, Safety prerequisite programs, Protected Designation of Origin (PDO), Protected Geographical Indication (PGI), Traditional Guaranteed Features (TSG), Safety, Socio-economic factors.*