

changed at random which represents the structural and dynamic instability.

There is a classification of the variants of economic system development, based on decomposition of the output growth (setback) rate:

1. Innovation economic growth takes place when the growth rate is significant, and the components of inertial growth (π_1) and growth caused by the structural changes (π_2), are comparable in volume.

2. Extensive economic growth is characterized by the correlation $\pi_1 \gg \pi_2$. An inertial component of growth prevails here, which proves unexpressed efforts to balance production and needs and insufficient use of innovations, so growth rate N can be relatively significant. This takes place when it is defended from external competition and becomes a monopolist on the internal market. As a result, such development turns into stagnation.

3. Stagnation implies extensive management and appears due to absence of innovation, resources deficiency and obsolete ways of organizing economic processes etc. This variant is characterized by the following conditions: $N \approx 0$; $\pi_1 \approx 0$; $\pi_2 \approx 0$. To overcome stagnation is often a serious economic problem.

4. Structural crisis is represented by the following condition: $\pi_1 \ll 0$ and $N \approx 0$. Elements of the structural crisis include reduction of the traditional production capabilities, complicated changes in technology, assortment and structural unemployment increase. However, it creates conditions for gradual increase of the

replacement influence by the growth rate component, based on the structural changes. As a result, such replacement begins to completely compensate the decline of traditional production capabilities, then the growth starts and parameter N becomes $N \gg 0$.

Thus, sinuous economic development is continuous fluctuations in business activity, alternation of the extensive and intensive types of the economic growth. The main factor, influencing the length and depth of the cyclic fluctuations is the investments movement. Crisis forms a base for the new mass investments because the main capital devaluation leads to conditions for the production renovation on the new technological base, allowing to reduce expenses, restore the pre-crisis profit rate and then increase it. That is why strategically oriented investments policy allows to influence the cyclic development of an economic system and raise it from the critical states to the growth phase using intensive factors.

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FORMATION OF REGIONAL WHOLESALE FOOD MARKETS SYSTEM

The management structure and the infrastructure of regional wholesale food market, the scheme of agricultural products and foodstuffs movement to the end-consumer are offered. The place of the wholesale market in the system of food supply is defined.

Keywords: food supply, wholesale food market, system.

The organization of physical distribution plays an essential role in the system of population food supply of any region. Population food supply of any region of the country is defined first of all by the condition of food producing and serving branches. The agricultural commodity producers' share in the price of agricultural products decreases every year (15–18 %), a considerable part falls at processors, trade and middlemen. In 1990 commercial structures and black money structures had 0.5 % of costs in the final goods price. Today these figures are 25–28 %. The organizational unit of the food resources promotion system from the sphere of their production to the sphere of their final consumption, that provides increase of commodity producers' share in the

final price of agricultural products, is the wholesale food market.

The notion of "the wholesale food market" is treated differently in scientific literature. The wholesale food market is a managed and operated system of goods promotion with a proper infrastructure [1; 2]. We consider that "the wholesale food market" has two meanings: first, it is one of the structures of the mechanism of a large goods consignment concentration and delivering from producers to consumers; second, it is an organizational form that solves certain problems and carries out corresponding functions in the subsystems of food resources formation and distribution. The main advantages of such form of the organization in the

physical distribution system are: it takes into account end-consumers' interests, it directs a commodity producer to the market requirements, it promotes funds receipt to the local budget at the expense of shadow trade structures liquidation, and it creates prerequisites for the retail price decrease with simultaneous increase of the commodity producer's profit.

Establishment of wholesale markets allows decreasing retail prices in a trading network by 10–20 % on average [3]. It is possible to influence pricing of particular kinds of foodstuffs and to stimulate their production through regional wholesale markets. A commodity producer can choose different types of sale having wholesale food markets at his disposal: to sell the goods in the wholesale market independently; to deliver the goods to a wholesaler for sale; – to send the goods directly to the shop.

Highly organized wholesale markets lighten the work of Russian Federal Consumer Rights Protection and Human Health Control Service, controlling units that prevent the receipt of poor quality products to a trading network, provide stable food supply and protect a commodity producer and processor. Mutual settlements of accounts between transactions participants simplify considerably. A bank accreditation in the wholesale market provides payments between purchasers and sellers.

At present there is no organized system of wholesale food markets in Buryatia, though there has been formed a network of wholesale centres and individual businessmen realizing their own interests or the interests of firms which they represent through these centres. Agricultural commodity producers and the system of consumers' cooperation of the republic are out of the established wholesale food market yet. The problem of local foodstuffs sale and creation of wholesale channels of their distribution to consumers has not been solved.

Wholesale food market should take its place in the system of Buryatia population food supply (fig. 1).

The consolidation of economic regions and creation of federal districts open up the possibility of centralized organization and practical implementation of this important and urgent work. Formation of wider markets in terms of territory allows to consider the population needs of the regions, forming a district, predetermines the specification of agricultural production arrangement and specialization, organization of food commodity zones and product formation distribution and trade centers, to increase the food supply level of the districts.

Management of the wholesale food markets system should be carried out by the state. The Ministry of Agriculture and Food, the Republican Service of Consumer Market and License Trade become coordinating authorities of wholesale markets management in Buryatia.

The main tasks of the state authorities in connection with regulation of foodstuffs funds formation and distribution are [4]: formation of wholesale food markets system and coordination of their activity; organization, maintenance and regulation of financial relations mechanism in the wholesale food markets system; development of material and technical basis of products improvement, storage and sale; organization of goods flow movement in the wholesale food markets system; organization of manpower training to work in the wholesale food markets system; rendering assistance in legal, economic and other activities to the participants of the wholesale food markets system, their information servicing.

The possible structure of the republican wholesale food market management offered by the authors of this work is presented in fig. 2.

The work of wholesale food markets is provided by specialized structures that form its infrastructure (fig. 3) [5].

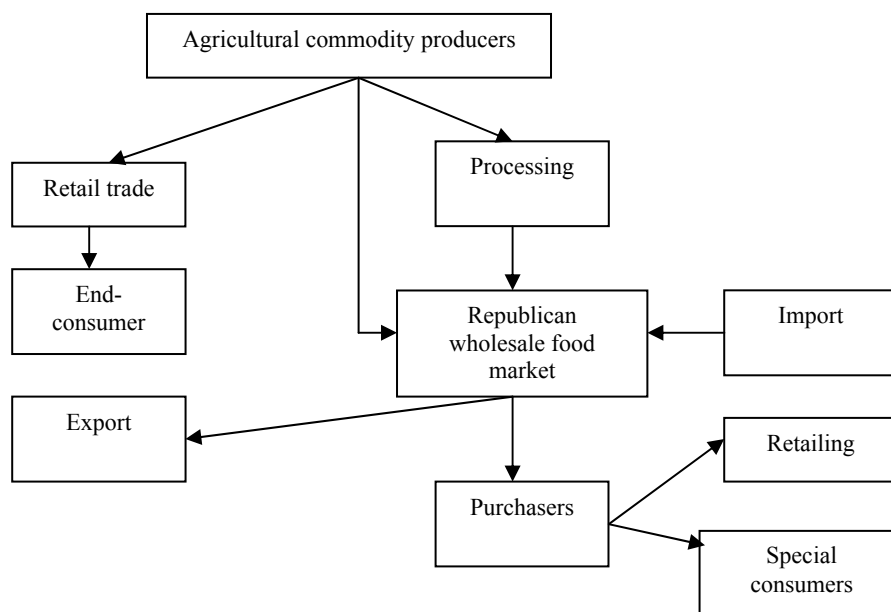


Fig. 1. Republican wholesale food market in the system of food supply

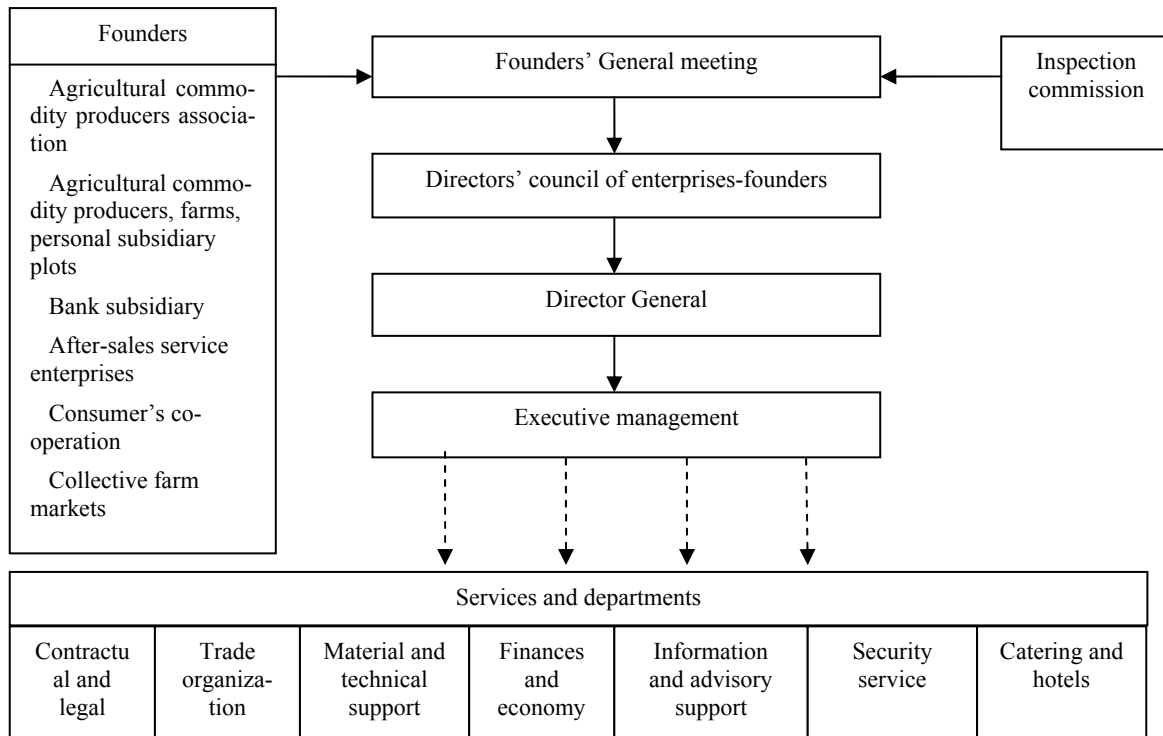


Fig. 2. The structure of the republican wholesale food market management

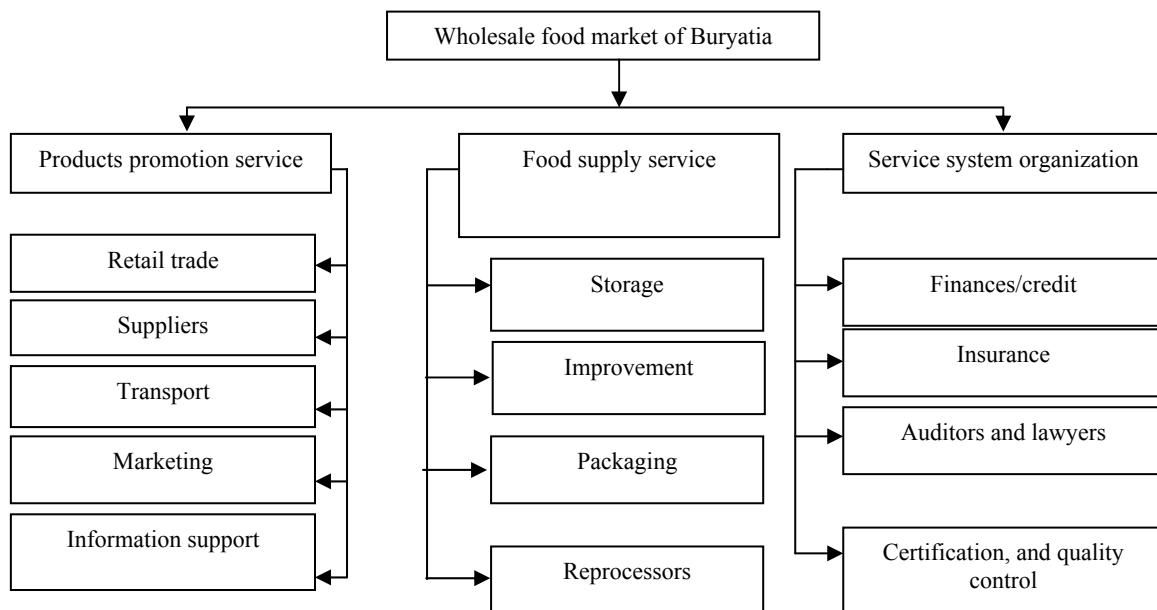


Fig. 3. The infrastructure of the regional wholesale food market in Buryatia

Active work in purchasing, delivery and selling goods of the agroindustrial complex and consumers' co-operation organizations on the basis of interested organizations' funds consolidation with local authorities' support will allow to increase the purchase amount of agricultural products to form the Republic food funds.

The situation improvement in the food market is not necessarily connected with considerable increase of

investments, as the main obstacle for the agrarian production stabilization is its unprofitability caused by purchasing and retail prices disparity. Reorganization of the system of economic relations between agricultural commodity producers and processing, storage and sale branches can decrease this disparity.

The scheme of agricultural products and foodstuffs distribution in the system of the main food markets offered by the authors is given in fig. 4.

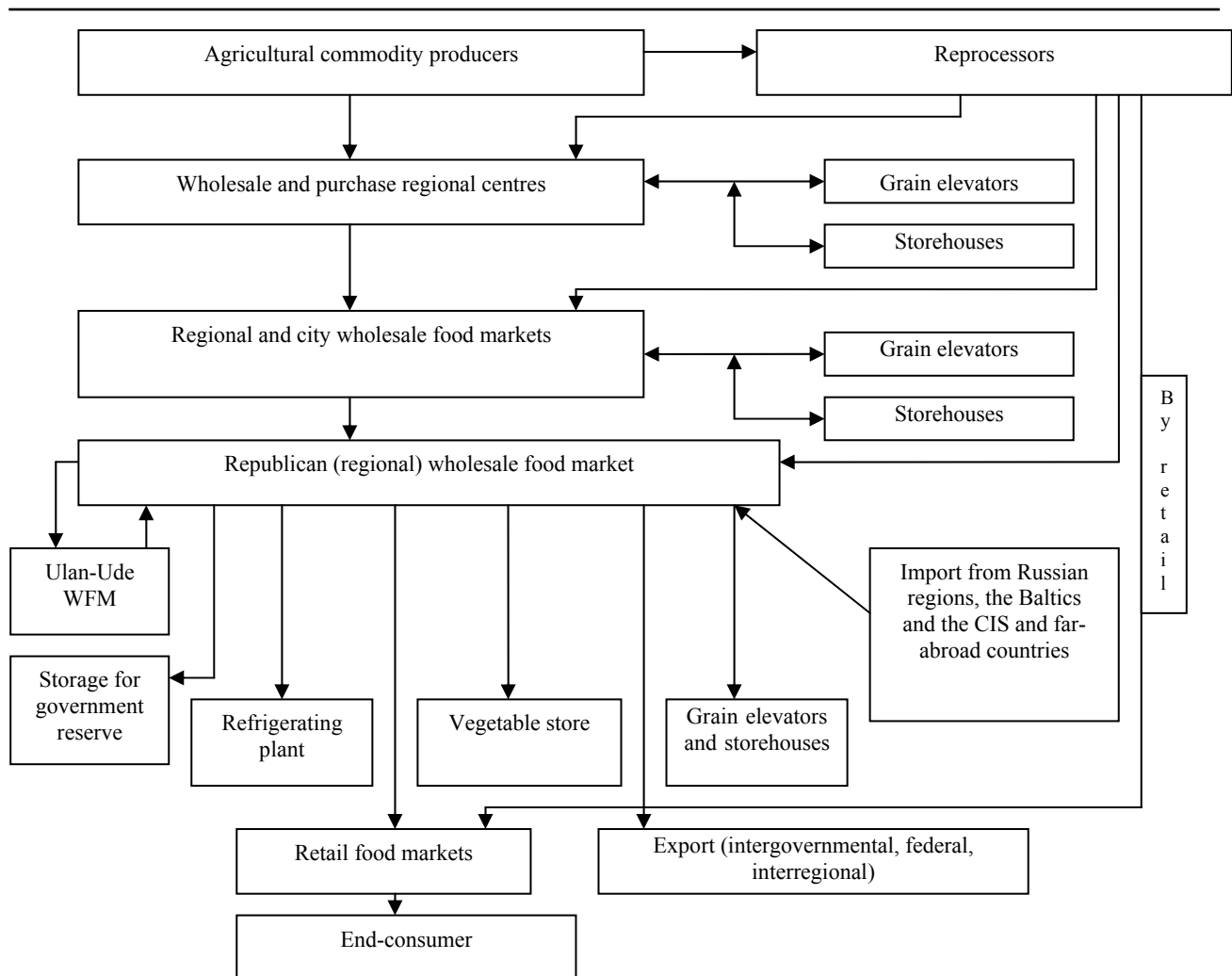


Fig. 4. The scheme of agricultural products and foodstuffs distribution in the system of Buryatia wholesale food markets

The economic basis of the wholesale food market activity is predetermined by its organizational and legal form, which influences both the principles of its initial capital formation and the results of its economical activity. In case of its establishment as a state enterprise the authorized capital stock is formed only at the expense of the state budget and the property of appropriate authorities.

The wholesale market can be organized both on profitable and unprofitable basis. From the point of view of the economic strategy and the wholesale food market purpose, when the market is not the product owner, it is established on the unprofitable basis. In this case its incomes should provide the expenses for the market staff wages, market services, its material and technical basis maintenance and development [6]. All of them should be built into the tariffs.

The wholesale market expenses are provided by the following sources of income: accommodation rent; service rendering payments; the market participants' membership fees; the product quality certification receipts.

Taking into consideration the shortage of means for capital investments wholesale food markets in the

republic should be established on the basis of already existing wholesale trade enterprises, fruit and vegetable depots, distribution cold-storage warehouses, which material and technical equipment satisfies the requirements of wholesale markets. They should also attract the territories budgets.

The mechanism of economic relations of wholesale food markets subjects can be different: from the pricing policy coordination to more complicated relations including various forms of futures contracts, selling operations, use of venture capital of foreign investors and great private entrepreneurs [4].

In the first case the wholesale food market provides the commodity producers with the free sale of agricultural products and foodstuffs without making any agreements with the consumers of these products on a security of the wholesale market. In this case there is free pricing on the basis of supply and demand at the moment of the product sale. The market functions come to organization of the service sector (to provide the information about the situation in the market, the product storage, services for the product sale and delivery, certification, etc.).

So, at the given stage the main task of the wholesale food market is to create operating conditions of the

competitive market which includes: uncontrollable supply (freedom in production) and uncontrollable price that balances demand and supply, which is possible in all kinds of the Republic wholesale food markets. The price itself does not create the demand and supply balance, but its level warns about unbalancing.

The Republican wholesale market can expand its sphere and forms of relations in the process of its position strengthening; for example, conduct selling operations when agricultural commodity producers transfer their titles in the goods to the market for a certain payment on the basis of a commercial concession agreement due to various reasons (remoteness, employment, incompetence). Selling activity is advantageous for both sides: a producer and a wholesaler. It is a source of investment for the market, and profitable product allocation for the proprietor as the product can be sold more expensively and faster, and if it is necessary it can be improved and packed.

Wholesale food markets can use purchase and commodity interventions to stabilize the market of agricultural products, raw materials and foodstuffs. Problem solving connected with the amount of purchase and commodity interventions, the price level on agricultural products being purchased and sold, raw materials and foodstuffs is the prerogative of Buryatia government.

Executive authorities of Buryatia set activity standards of the republican wholesale market regulation for government agents.

Creation of the republican wholesale food market will provide the commodity producers with organized production distribution, will increase their share in the final price of consumer goods, will promote production volume growth and improve product quality will promote filling the markets with local products, improvement of the social and economic situation in the Republic agro-industrial complex.

The government of Buryatia is working out the issue of a logistic company foundation for the goods delivery to social institutions and formation of the state grain and meat reserves to stimulate local agricultural commodity producers to take part in goods delivery for the state needs. The foundation of such food fund will allow to purchase products for the republican and municipal needs and to regulate prices in the food market.

There is also a possibility to carry out joint competitions to purchase agricultural products for the needs of the republican social sphere.

The Republic of Buryatia is in the region of interests of Asian Pacific Economic Cooperation (APEC) possessing real financial capital, technological capabilities, investment intentions and foodstuffs. Their import is necessary in view of the region geographical position. In its turn Buryatia will have a chance to enter the international food market.

At the same time there occur new possibilities of intergovernmental territories formation with special financial and economic mode. In this case interest of

transnational companies in integration of financial, technological and market possibilities of different countries in the local territory raises; the countries-participants' interests in integration for import-substituting and export-oriented policy combination is realized.

It is necessary to develop the system and normative legal acts regulating the relationships of the wholesale food market participants at the level of the Russian Federation and the Republic of Buryatia for the given approach implementation.

Formation and functioning of interstate wholesale food markets is based on the principle of uniform conditions for participating countries, financial and a tax policy, currency transactions, customs regulations, use and conservation of natural resources, an internal infrastructure and management systems. Also it is based on interstate coordination of financial, technological, natural and manpower resources attraction of the participating countries. The state guarantees of the Russian Federation, Buryatiya and other participating countries as well as the system of tax concession and incentives serve as development conditions for domestic and foreign investors.

Transnational companies, city executive boards, large firms of particular countries, governmental bodies, national banks, wholesale markets, associations and corporations can be founders of such wholesale markets.

So, formation of the wholesale food markets system allows to create an effective system of agricultural products and foodstuffs distribution in the region, provides access of agricultural commodity producers to competitive markets and raises their share in the ultimate price of consumer goods up to 60–70 percent, lowers product losses from the field (farm) to the consumer and expenses in the foodstuff distribution system.

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