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THE ROLE AND IMPORTANCE OF AGRICULTURAL COOPERATIVES OPERATING ON THE BASIS OF COOPERATION IN THE AGRIBUSINESS VALUE CHAIN

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Abstract. This article examines the role and importance of agricultural cooperatives in a multi-structured economy within the agribusiness sector, as well as the principles of their organization. The study discusses the results obtained during the research process and presents conclusions and analytical opinions based on these findings.

Keywords. agribusiness, international certification, export, international standards, Organic, Global G.A.P. requirements, multi-structured economy, joint entrepreneurship, high-quality agricultural products, means of production, price elasticity, agricultural cooperatives, horizontal and vertical cooperatives.

Based on a bibliographic analysis conducted using materials from foreign countries, the following scholars can be included among those who have studied this topic: Adolf A. Berle and Gardiner C. Means, Robert Solow, Michael C. Jensen and William H. Meckling, John R. Boatright, Stephen Bainbridge.[1]

In the context of economic digitalization, agricultural production, product quality, export orientation, and competitiveness require continuous improvement. It is necessary to introduce certification systems based on internationally standardized agricultural practices such as Organic and Global G.A.P., regularly increase export volumes, enhance the consumer-oriented nature of the agribusiness value chain, and actively apply advanced foreign experience.

Under such conditions, an important factor in ensuring sustainable economic growth and implementing structural economic changes is the effective use of various forms of хозяйствование (economic management) based on regional natural-climatic and socio-economic conditions.

The transition to a multi-structured economy and the legal consolidation of equal rights for various forms of хозяйствование based on private and joint entrepreneurship principles create opportunities for the free selection of economic activity forms and conditions. Within the overall transformation of society, various forms of agricultural cooperation play a significant role.

Low wage levels in agriculture, along with high price elasticity of agricultural products and production inputs, encourage rural populations to expand production in household plots and supply

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high-quality products. This, in turn, stimulates the formation of agricultural cooperatives within the agribusiness value chain.[3]

Cooperatives, as historically established and continuously evolving forms of socio-economic activity, serve as a means of meeting society's economic needs at different stages of development.

The National Cooperative Business Association of the United States highlights the distinctive features of cooperatives compared to investor-oriented enterprises:

- Cooperatives are democratically governed by their members (users or purchasers of cooperative services/products), not by external investors. Members elect a board of directors from among themselves. Key decisions follow the principle of "one member – one vote," regardless of capital contribution.
- Surplus income is distributed among members in proportion to their use or participation, not their investment share.
- Cooperatives aim to satisfy members' needs for affordable and quality goods rather than maximize profit.
- Cooperatives exist to serve their members.
- Cooperatives pay taxes on retained earnings used for investment and reserves.

A **cooperative** (from Latin "cooperation") is an association of individuals formed for joint production and sale of goods, procurement and consumption of services, housing construction and maintenance, and other purposes.

A cooperative is a voluntary, self-governing public organization aimed at improving the living and working conditions of its members. It operates as a legal entity while conducting socio-economic activities based on members' property.

Through cooperation in the agro-industrial complex, it becomes possible to accelerate the provision of modern equipment and resource-saving technologies, reduce production costs, implement innovative technologies, and expand the production of food and consumer goods.

In agriculture, cooperation can be observed in four main forms:

1. As a production enterprise where members unite for a specific purpose and work collectively to achieve shared economic benefits.
2. Based on vertical integration, where agricultural producers cooperate with storage and processing enterprises while maintaining independence.
3. As alliances (coalitions) of cooperating enterprises and firms.
4. Through contractual relationships between agricultural enterprises and related organizations.

Globalization of the world economy necessitates expanding cooperation between cooperatives, governments, interest groups, and the private sector, diversifying economic activities, and improving management systems.

In new-generation cooperatives, ownership rights are linked to delivery rights, tradable among member-clients. Membership is often limited and closed, with investment proportional to

delivery rights. Supply is regulated through market agreements. This model enhances incentives by allowing members to contribute risk capital.

In our view, a cooperative is a voluntary, self-governing association of individuals aimed at improving members' living and working conditions, operating as a legal entity based on shared ownership.

A cooperative is formed through voluntary association of individuals based on equal share contributions and operates on the principle of self-financing.

At the same time, cooperative entities independently choose the most rational legal form of their activities.

Therefore, one of the key problems in agricultural economics today is the insufficient theoretical and methodological study of the formation and functioning of cooperative associations. This often leads to underestimation or overestimation of their role. Studying the role, formation, and development of agricultural cooperatives based on cooperation is both theoretically and practically significant.

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