Personal subsidiary plots as agricultural producers in the modern regional agrarian economy

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Abstract. Federal Law 264-FZ of December 29, 2006 “On the Development of Agriculture” in article three defines the concept of “agricultural commodity producer”, which recognizes an organization, an individual entrepreneur engaged in the production of agricultural products, their primary and subsequent (industrial) processing (including on leased fixed assets) in accordance with the list approved by the Government of the Russian Federation, and the sale of these products, provided that the share of the total income of agricultural producers from the sale of these products is at least seventy percent during the calendar year. The following are also recognized as agricultural producers: citizens running personal subsidiary plots, in accordance with the Federal Law of July 7, 2003 No. 112-FZ “On personal subsidiary plots”.

1 Introduction

The definition of the concept of agricultural commodity producer is set out in the Federal Law “On Agricultural Cooperation”, which states that an agricultural commodity producer is an individual or legal entity engaged in the production of agricultural products, which in value terms constitute more than 50 percent of the total volume of products produced, including fishing artel (collective farm), the production of agricultural (fish) products and the volume of catch of aquatic biological resources in which in value terms amounts to more than 7 percent of the total volume of production. According to Federal Law No. 83-FZ, adopted on July 9, 2002, “On the financial recovery of agricultural commodity producers”, agricultural commodity producers-organizations, peasant (farm) farms and individual entrepreneurs, the share of revenue from the sale of manufactured products in the total revenue from the sale of products (performance of work, provision of services) for the previous year amounted to at least 50 percent.

In the Tax Code of the Russian Federation, part two, article 346.2, 25 agricultural producers are recognized as organizations and individual entrepreneurs producing agricultural products, carrying out their primary and subsequent (industrial) processing.
(including on leased fixed assets) and selling these products, provided that in the total income from the sale of goods (work, services) of such organizations and individual entrepreneurs, the share of income from the sale of agricultural products produced by them, including the products of their primary processing, produced by them from agricultural raw materials of their own production, is at least 70 percent. In fact, the phrase agricultural commodity producer is used in many legal acts that directly or indirectly regulate relations in the field of agricultural activity.

The purpose of this scientific research is to analyze the concept of agricultural commodity producer in relation to personal subsidiary plots. The objective of the work is to assess the compliance of the concept of agricultural commodity producer as set out in the Federal Law “On the Development of Agriculture” with the rules of legal technology.

The scientific novelty of the study is due to a new approach to analyzing the content of the concept of agricultural commodity producer [1-5].

2 Materials and Methods

Methods of researching the topic: analysis; grade; legal technology; statistical.

3 Result

The concept of agricultural commodity producer has appeared in science in the context of modern transformations in the agricultural sector of the economy since 1990. This concept was developed in agricultural legislation and other legal acts regulating certain relations in the field of agricultural activity. However, it should be noted that the definition of the concept of agricultural commodity producer reflects different approaches to its content. First of all, this concerns the establishment of percentages in the field of sales of manufactured products, because in one legal document this figure is 50 percent, and in another 70 percent. Such discrepancy in laws indicates that the rules of legal technology were not taken into account when developing legislative acts, which may affect the quality of legal regulation of essentially similar relations in the agricultural economic system.

When defining the concept of agricultural commodity producer, the legislator focuses not only on the production of agricultural products of plant and animal origin, but also on the processing of agricultural raw materials into food products, moreover, industrially. This approach requires a more subtle delineation of agricultural production from industrial production, which refers to the processing industry, which has its own distinctive features in the system of sectors of the country's economy. If we look at it more carefully, food industrial production, although it belongs to the agro-industrial complex, can hardly be classified as an agricultural activity.

Therefore, it becomes obvious that it is advisable to make specific changes to the concept of agricultural commodity producer in terms of dividing the processing of agricultural raw materials from the conditions of such work within a production agricultural organization to a special-purpose industrial organization. Considering a personal subsidiary plot as an agricultural producer, it should be noted that private subsidiary plots, according to the Federal Law “On Personal Subsidiary Farming”, are a form of non-entrepreneurial activity for the production and processing of agricultural products. The sale by citizens running a private subsidiary plot of agricultural products produced and processed during the establishment of a private subsidiary plot is not an entrepreneurial activity. However, if we literally follow the norm of this legislative act, the question arises of how to ensure the sale of agricultural products produced in private household plots and processed, in the amount of 70 percent, and in some cases 50 percent, in the total share of such products to be sold. Obviously, this can
be done in the conditions of running commercial personal subsidiary plots, that is, in the conditions of entrepreneurship, which would make it possible to have a larger volume of agricultural products than just to feed the owner of the private plot and his family. In such conditions, there is a violation of the norms of the Federal Law “On Personal Farming”, which entails legal liability for violation of the law.

At the same time, the owner of a private plot, if he has decided to expand the production of agricultural products to the level of commercial production, then in this regard, in order not to violate the law on personal subsidiary plots, it is necessary to register the private plot in a different form of management provided for by modern Russian legislation, for example, into an agricultural production cooperative. This will allow you to legally engage in entrepreneurial agricultural activities, however, it should be taken into account that, unlike private household plots, you will have to pay taxes and fees in accordance with the tax legislation established for the entrepreneurial organization.

Returning to the concept of personal subsidiary farming, it should be noted that in modern conditions of economic activity in rural areas, there are problems in the constituent entities of the Russian Federation in the organization of agricultural production due to a decrease in the number of agricultural organizations or their liquidation during the reform period during modern agrarian reform.

This circumstance affected the employment of rural residents and the maintenance of personal subsidiary plots, since there was no support from agricultural organizations in terms of feed, transport, and other services. Private household plots and agricultural organizations existed in interconnection, which allowed them to function sustainably, producing the necessary volumes of agri-food products in rural areas. Personal subsidiary farming, along with self-sufficiency of food for the owner’s family, performed auxiliary tasks to increase the volume of vegetable, meat, dairy and other agricultural products for an agricultural organization operating in rural areas, thereby replenishing the regional food fund. The use of reserves of personal subsidiary plots to increase the production of agricultural products in them was devoted to the resolution of the Executive Committee of the CLSS and the Council of Ministers of the USSR dated September 14, 1977 “On personal subsidiary plots of collective farmers, workers, employees and other citizens and collective gardening, and truck farming [6] and from January 8, 1981 “On additional measures to increase agricultural production in private plots of citizens” [7]. By adopting these resolutions, the party and government, in conditions of low productivity in organized farms, paid attention to personal subsidiary plots, namely, as auxiliary to the main production in agriculture.

Currently, Russian agriculture, due to scientific achievements and modern scientific and technological techniques and methods in agricultural production, has ensured the country's food security and occupies one of the leading places in the export of agricultural products to the world food market.

Under these conditions, the role of personal subsidiary plots in the agricultural sector of the economy is also changing, especially since over the past five years there has actually been a decrease in their number for various reasons. One of the main reasons is the loss of owners of private household plots due to age or death. Today, many land plots of personal subsidiary plots are gradually turning into horticultural areas, where landscape design is cultivated, but agricultural production is not developed. At the same time, in the Russian Federation as a whole, private farms still supply significant volumes of agricultural products, mainly potatoes and vegetables, to regional food funds. Moreover, it should be taken into account that, in contrast to industrial production using chemicals to increase productivity, personal subsidiary plots essentially produce organic and environmentally friendly products. Therefore, effective government support for private farms producing organic agricultural products is needed. Considering the great social significance of a personal subsidiary plot as an agricultural
commodity producer, it is advisable to change the name of a personal subsidiary plot to a household plot, especially since such a name is present in state statistics documents.

The statistical documents also include the name of individual farms of citizens of rural settlements, which focuses attention on rural areas. The phrase rural settlements is still closer to the concept of agricultural commodity producer, since the definition contains the word rural, that is, the place where agricultural products are grown.

4 Conclusion

Personal subsidiary farming, as a household plot in rural areas of Russia, has undergone several changes in legal regulation during the history of its existence, as a form of farming in rural areas. In the Soviet period, for a long time, this form of management had the status of a collective farm yard, then there were personal subsidiary plots, in which the keeping of farm animals and poultry was limited, the area of the land plot was minimized, and there were other obstacles to rural residents engaged in the production of agricultural products on the local land plot.

Today, in the context of the development of corporate agricultural organizations operating on the basis of private ownership of land and property, personal subsidiary farming as a small form of farming begins to move into a comprehensive position. However, in order to preserve the still functioning private household plots, it is logical to reorient them towards the production of organic agricultural products for consumption within Russia and sales for export.

References

7. SP USSR, department 1, 6, 37 (1981)