
Economic processes management at microlevel

Cite This Article:

Bryk G. V., Cic'ka N. E., Poverlyak T. I. Theoretical and practical aspects of accounting agricultural land [Online] // *Economic Processes Management: International Scientific E-Journal*. 2017. № 1. Available: http://epm.fem.sumdu.edu.ua/download/2017_1/epm2017_1_4.pdf

Received
February 20, 2017

Accepted
March 5, 2017

Published online
March 9, 2017

UDC 332.3:631.162

JEL Classification: M 40

**THEORETICAL AND PRACTICAL ASPECTS OF ACCOUNTING
AGRICULTURAL LAND**

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The role of agricultural land as an important object of accounting is showed. The features of agricultural land as the main means of agricultural sector and as a major biological asset are characterized. The state of the current system of synthetic and analytical accounting of agricultural land are reflected, the proposals to adapt this accounting information for management are analyzed. The need of accounting agricultural land to the disclosure of qualitative indicators are established, the possibility and feasibility of tax rules to them are suggested. Directions for improvement of accounting agricultural land to ensure rational land using and uniform taxation.

Keywords: *land resources, agricultural land, accounting objects, accounting of agricultural land, land valuation.*

Introduction. Ukraine is among to the largest producers of agricultural products due to the high availability of fertile land. Ukraine's Land Fund consist of lands with diverse functional use. As of January 1, 2015 the land fund in our country was 60 354.8 thousands ha, or nearly 6% of territory of Europe, which 42.78 mln hectares – is agricultural land. In

particular, agricultural land is about 19% of general European, including arable land – almost 27%. Indicator of area of agricultural land per capita in Ukraine is the highest among European countries – 0.9 hectares, including 0.7 hectares of arable land. According to various estimates the total area of black soil in Ukraine are from 15.6 to 17.4 mln. hectares, or about 8% of world reserves [7, p. 585].

In connection with the holding of land and agrarian reforms, there were changes in land relations in Ukraine that led to revision of property relations on agricultural land. Question of land accounting in the formation of land market become especially important due to the needs for users to obtain accurate and reliable information about the condition, quality and evaluation of land resource, their efficiency of use etc. [3, p. 56].

In accounting, appeared a new object consisting of fixed assets – lots of land. Therefore particularly acute was the problem of forming of accounting information about cost-physical indicators of agricultural land using. Purpose of accounting of land resources is receiving the information about the land, needed for the external (creditors, investors) and internal users for management decisions directed to ensure the rational and efficient use of land.

Analysis of recent research and publications. Problematic issues of land resources and land relations involved in a number of prominent Ukrainian scientists and specialists. In particular, the accounting and evaluation of agricultural land exploring by P. Sabluk [12], A. Tretyak [8], V. Zuk [4], Y. Osadcha S. [3], Ostapchuk [9] and other economists. Despite countless researches and publications issues of accounting and evaluation of agricultural land remains relevant.

Previously unsettled problem constituent. Despite the sufficient amount of research on the methodology of assessment and accounting of agricultural land, the analysis of these researches indicate that the theoretical aspects and methodological support of that area are registered in its formative stages and require further scientific research and practical implementations. According to the academician P. Sabluk: «for agricultural economists currently no task more accountable, than the question of reflection in the accounting system, balance all components of the agricultural capital, account of ground rent and its distribution» [12, p.46].

Main purpose of the article. The purpose of the article is the study and improvement of methodological approaches to the assessment and accounting of agricultural land as the basis for obtaining the necessary information for making effective management decisions.

Results and discussion. Based on the experience of developed countries, most scientists consider land reform as a part of Ukraine's transition to a civilized market economy. It will allow to form a transparent market of agricultural land, which will provide an opportunity to realize the constitutional rights of land owners and improve the welfare of rural residents; stop the shadow movement of agricultural land and put it in the legal framework; improve lending and investment climate in the sector; to protect soil and civilized land usage [2, p.40].

Land is the fundamental national wealth that is under special state protection. In agriculture, land is the most important economic resources, which is essential for the production process. Organizing accounting of land in enterprises should consider the main

features of the land as an object of accounting (Figure 1).

The land in agrarian sphere while functioning as the subject of work and as a means of labor. Therefore, it, like any means of production is unacceptable approach as priceless resource. According to the Law of Ukraine «On Accounting and Financial Reporting in Ukraine» and the Law of Ukraine «On Land Valuation», land as an object of accounting have to have money (expert) assessment and its cost, and the right to use it, must necessarily reflected in accounting.

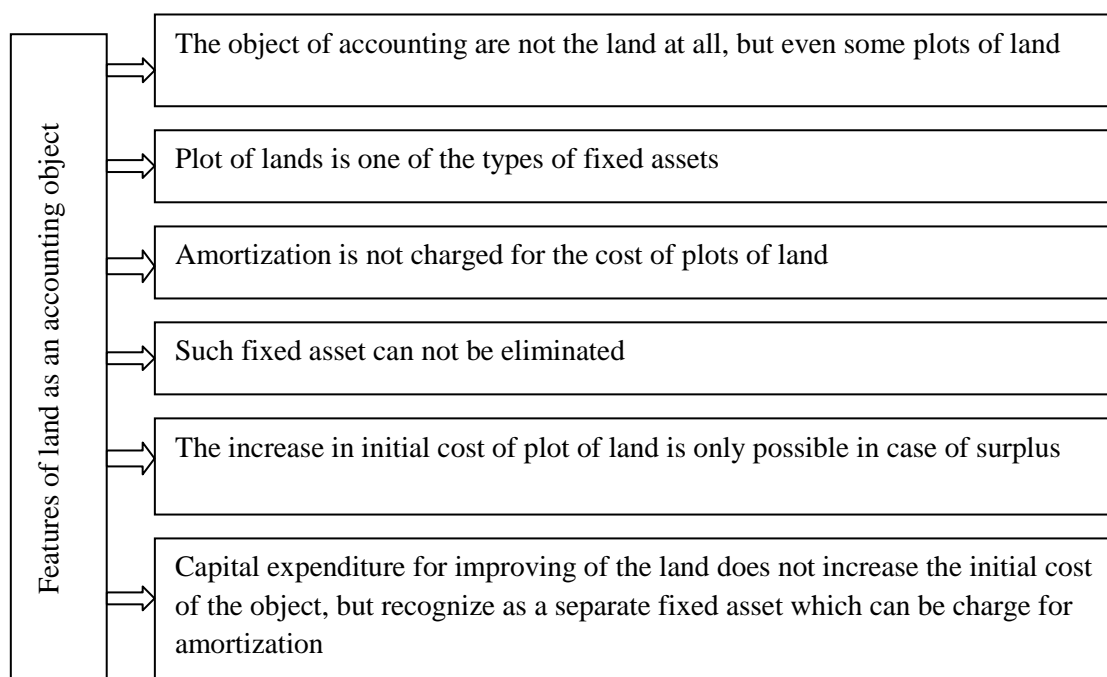


Fig. 1. Features of land as an object accounting

Source: [4]

The assignment of land to agricultural formations balance requires clear and reliable account information, which provided by the following objects of accounting of lots of land and land relations (Figure 2).

Exept these objects of the balance accounting, very important is accounting of leased land, which should be reflected on off-balance sheet accounting. For this purpose, according to L. Sulimenko, we should use 01 account «Leased fixed assets», analytical account «Leased agricultural plots of land». The reason for off-balance sheet of land is agreements of lease. For proper organization of accounting and control of leased land is advisable to develop the registry of leased land in the context of landlords in terms of their performance and the rent [13, p. 268].

A very important issue, which appears to land accounting and land relations is improvement of the regulatory framework of the areas of accounting, which would have to be clear, understandable and accessible, especially for farmers practicing. However, neither International Standards of Accounting and Reporting, not domestic accounting standards

does not have clear legislative regulation of land account with a different purpose, as well as rights to use them, refer them to the balance of businesses and organizations of different ownership. According to S. Ostapchuk: «today there are two ways of creating effective accounting methodology that would allow to attract agricultural land for economic exchange and provided coverage of priority capital value of land of companies of agricultural sector:

- 1) amendments to IFRS;
- 2) to develop its own industry standard» [9].

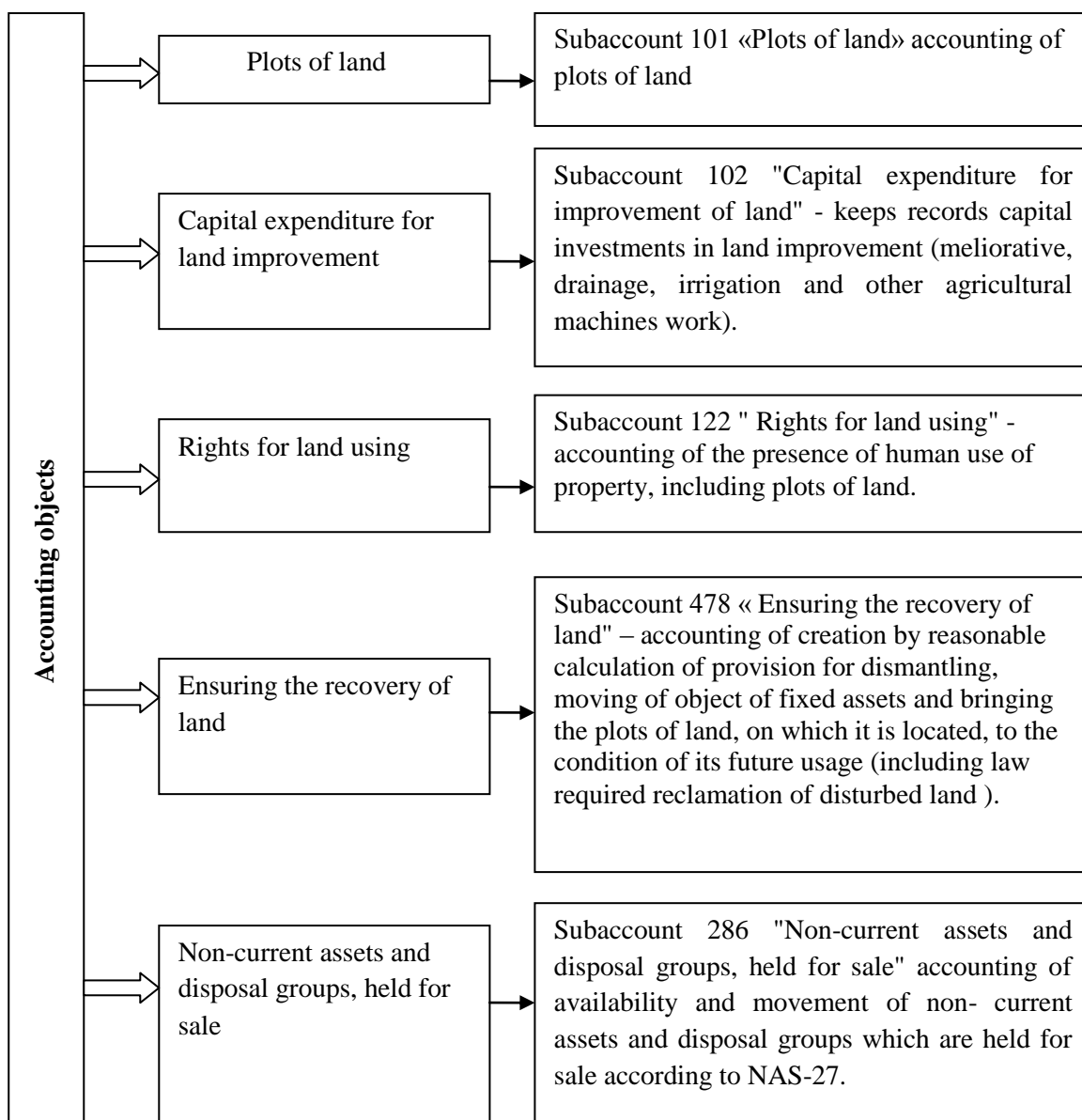


Fig. 2. Objects of accounting of land and land relations

* Source: [11]

Therefore, we share the view of economists about the need to develop and introduction

of national standard of land accounting and land relations in agricultural units, which have to take into account the specificity of agricultural production, combining the best features of national and foreign experience. This legal act, in our view, should include both economic and ecological subsystems, which have to be inextricably linked to national interests.

Another essential problem in the way of proper organization of accounting of land in farms is reliability of data of the amount of land for their views. So, in our view, important step in resolving this issue is a requirement for an inventory of agricultural land available to all entities. According to paragraph 1.4 of Methodological recommendations of inventory of fixed assets, intangible assets, inventories, cash, payments and unfinished production of farms is recommended to inventory fixed assets, including plots of land, once per every three years. In addition, it is advisable to carry out in the types of agricultural land: arable land, pastures, meadows, forests, water, land, stock, etc., with simultaneous checking of availability of founding documents, leases, rights or certificates or other documents evidencing the ownership or use of land. However, it should be noted that these terms and conditions of practice no one follows, and take inventory formally, on paper. At the same time, in an inventory should take into account their quality, that is, except for land suitable for agricultural production particularly valuable to allocate land, to indicate little use, land unsuitable for agricultural purposes, disturbed land. The results of the inventory should be reflect in the forms of annual financial statements, the annexes to the annual financial statements, forms statistical survey, meaning of them should be advisable to extend and specify the number of indicators [4, p.118]. Of course, all these measures require significant financial costs and time-consuming. To reduce these costs, is advisable to involve graduated students of agricultural universities during inventory work.

According to the Land Code of Ukraine [5] the subjects of land relations, which include physical and legal entities may have land ownership, the right to possess, use and dispose of land and land use, that may be permanent, without term and temporary restrictions – under the lease.

Despite the fact that Ukraine has a moratorium on sale of agricultural land, which once again extended, this time to January 2018, the land, like any other economic asset should be reliably estimated. Land valuation is reflected in the accounting not only for the immediate implementation of civil law contracts connected with land in a market sector (purchase and sale, lease, inheritance, admission to the share capital, compulsory withdrawal), but when time calculating of land tax, in determining the total value of the property – buildings on land, in the case of formation of investment policy and restructuring of agricultural enterprises, if economic justification for effective and efficient use of land, for insurance real estate and more. That is why monetary evaluation should be the final stage of the complex technical and economic measures to assess the assets of the company, which will allow a sufficient degree of probability to set the price of land of a certain quality [1]. Estimated value of the land today is determined by a prescribed method of valuation of land subject coefficients of functional use. This evaluation estimated by experts of land evaluation.

Comparing the cost of land in Ukraine and countries, which produce agricultural products is shown in Fig. 3.

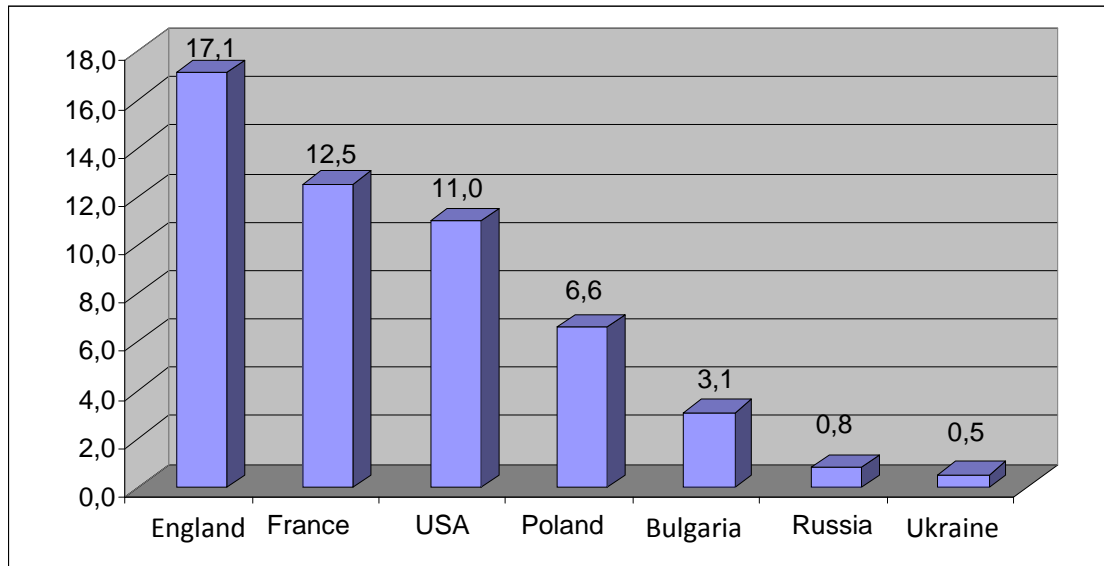


Fig. 3. **The average cost of 1 ha of agricultural land in the world in 2014 ***

* Source: [6]

These figure show that despite high soil quality and favorable land for agricultural production climatic conditions, the average cost of 1 ha of agricultural land in our state is one of the lowest in the world. Of course it is understated cost. Therefore, in our opinion, it is necessary to review and improved methodology of determining regulatory monetary value of agricultural land for the formation of market prices for agricultural lands.

Conclusions and further researches directions. Therefore, improvement of information and analytical support for agricultural development is to create an effective system of formation, processing and transmission (receipt) of accounting and analytical data of the accounting for the timely adoption of effective decisions at all levels of the development of the agricultural sector. A specific object of accounting is agricultural land and land relations arising in the course of its use. Information base that exists today is not completely perfect and not worked; not developed primary documents reflecting the peculiarities of accounting of land, of their assessment and subsequent display on the accounts. Features of agricultural land requires to classifying them as a separate group of fixed assets and the development of specific methods of accounting and evaluation of assets and rights to use them. To ensure this requirement, it is advisable to carry out their quantitative and qualitative display by accounting regulation of agricultural land through the introduction of a separate national industry standard of accounting.

Prospects for further research is to develop more methods reflect the accounting operations of agricultural land and its legal reflection.

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**ТЕОРЕТИЧНІ І ПРАКТИЧНІ АСПЕКТИ ОБЛІКУ
СІЛЬСЬКОГОСПОДАРСЬКИХ УГІДЬ**

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Визначено роль землі в галузі сільського господарства як важливого об'єкта бухгалтерського обліку. Охарактеризовано особливості земель сільськогосподарського призначення як основного засобу аграрної сфери та як основного біологічного активу. Проаналізовано стан діючої системи синтетичного та аналітичного обліку земель сільськогосподарського призначення, викладено пропозиції щодо пристосування такої облікової інформації для потреб управління. Встановлена необхідність у веденні обліку земель сільськогосподарського призначення з розкриттям їх якісних показників, висловлено можливість і доцільність застосування до них правил оподаткування. Запропоновані напрями удосконалення обліку земель сільськогосподарського призначення для гарантування раціонального землекористування та рівномірного оподаткування.

***Ключові слова:** земельні ресурси, землі сільськогосподарського призначення, об'єкт бухгалтерського обліку, облік землі, оцінка землі.*

**ТЕОРЕТИЧЕСКИЕ И ПРАКТИЧЕСКИЕ АСПЕКТЫ УЧЕТА
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Определена роль земли в области сельского хозяйства как важного объекта бухгалтерского учета. Охарактеризованы особенности земель сельскохозяйственного назначения как основного средства аграрной сферы и как основного биологического актива. Проанализировано состояние действующей системы синтетического и аналитического учета земель сельскохозяйственного назначения, изложены предложения по приспособлению такой учетной информации для нужд управления. Установлена необходимость в ведении учета земель сельскохозяйственного назначения с раскрытием их качественных показателей, обоснована возможность и целесообразность применения к ним правил налогообложения. Предложенные направления совершенствования учета земель сельскохозяйственного назначения для обеспечения рационального землепользования и равномерного налогообложения.

***Ключевые слова:** земельные ресурсы, земли сельскохозяйственного назначения, объект бухгалтерского учета, учет земли, оценка земли.*