

## INVESTMENT MECHANISMS IN AGRICULTURE

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Currently in the global economic environment, the primary objective is the development resource potential of agricultural enterprises. This is the main factor to enhance their competitiveness and performance both in strategic and in tactical terms.

Thus a necessary condition for sustainable development of enterprises is the implementation of effective investment policy. This implies the ability to maneuver in all types of investment resources and by efficiently using them to ensure the continuity of the production process and product sales for introduction of achievements of science and technology.

In our time, it is the common understanding of the concept of "Investment" as investment in fixed capital with a view to profit. In this case, the capital must be sufficient to compensate the investor refusal to use available funds for consumption in the current period and to receive remuneration for the risk, to compensate the losses from inflation in the future period. This approach for understanding investments is dominant, both in domestic and foreign economic literature. Within this view there are many modifications about the concept of "investment". Their appearance is due to the specifics and traditions of the various economic schools and directions.

There is also the concept of investment, which is based on production costs. It was first introduced in economic science by the German scientist Erich Schneider in 1973. In his work "Economic calculation. The theory of investment", the scientist deduces in detail the relationship, on the one hand, between investment and movement calculations, on the other – between investment and Finance.

Modern investment theory focuses on the causes of the crisis, its economic nature, the results of its overcoming that actualized Marxist ideas of cyclic development and state regulation.

The concept of "investment", as noted I. Blank is not equivalent to the concept of "capital investments". The last is considered as the

investment in reproduction of fixed assets. However, they may be invested in the growth of the current assets, intangible assets and in different financial instruments.

Administration of investment in companies is included in the General system of financial management and is one of its main functional subsystems, providing sales primary strategic goals. In this context, investment management can be viewed as a set of activities which concern to decisions related about implementation of various investment aspects in the enterprise and aimed to achieve the set goals.

The investment mechanism provides control over long-term, medium-term and short-term investment costs in the investment objects that will be used for more than one operating cycle.

The given specificity of agricultural production, investment costs may include the cost of updating the fixed assets, introduction of agricultural technologies, improvement of soil conditions, purchase of breeding animals, planting gardens and so on.

In our opinion, the mechanism of investment in agriculture should include the investment financing mechanism, the mechanism of formation conditions for investment-innovative activities and investment management mechanism for allocation of investment resources.

The first mechanism focuses on the tools, principles and methods which provide the optimal amounts and ratios sources of investment resources. The second is using methodological tools for creation favorable conditions for investment in the most promising branches. The third mechanism includes the management of investment resources within the enterprise, the efficiency of the investment mechanism, the influence of investment on economic development and on the investment policy.

An architecture investment mechanism depends from the specific functioning conditions of agricultural enterprises and accounting all specificity elements of investment activity. The investment mechanism is constantly evolving and requires the clarification of some of the key moments in scientific research in this sphere.