International Journal of Economic Research

ISSN : 0972-9380

available at http: www.serialsjournal.com

Volume 14 • Number 7 • 2017

Improving Competitiveness of Basic Segments of Food Market in the Context of Import Substitution

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ABSTRACT

The article estimates the state of providing the population of the Russian Federation with food. Specific conditions that provide for the specificity and level of competitiveness on the regional market of food are defined. Peculiarities of its functioning are considered. The need to improve its competitiveness is shown. On the basis of the current analysis of the state of the competitive environment, the reserves of competitiveness improvement are defined, and the role of state in developing the regional market of food in the context of import substitution is stipulated. The article shows that after introducing economic sanctions by countries of the European Union and the USA, and counter-moves of Russia, the index of prices for food changed. In spite of the fact that the prices for food increased, due to the constructive actions of the Government of the Russian Federation and state structures, Russia managed to avoid a considerable growth of prices for food.

Keywords: Competition, competitive ability, food market, economic environment, national producers, agro-industrial complex.

1. INTRODUCTION

The state of the food provision is an important indicator of the social development quality: advantages and disadvantages of the current social and economic system are defined according to the level of prices and availability of food (Zinina, Gluhova, 2014). At the present time according to the level of expenses for food and degree of inflation of food prices, Russia is not a favorable country: the share of expenses for food in the budget of Russian households is on average twice higher than that in the European Union. Above 15 mln of Russians (11% of the population) have the revenues that are lower than the poverty level calculated on the basis of the "market basket", with the share of food being 50%. According to some estimates, adequate food is not economically accessible for 20% of Russians, and after introducing counter-sanctions for food import and growth of prices for it, this share will only grow. According to the "weight" of food in the dynamics of consumer prices (32%), indicators in Russia are 1.4 times worse than those in Poland, 3.4 than those in Germany, and 4.5 times worse than those in the USA (Buzdalov, 2015). The population's real revenues go on decreasing, and prices for food continue growing. It is duly reflected on the structure of consumption: since February 2014 to February 2016 the share of funds spent for buying food has increased by one third and reached 30%. For the first time since 2008 food, beverages, and tobacco products have become the largest category in the total goods turnover. Their share was 50.1%. According to the Rosstat, the index of consumer prices for the first quarter of 2016 increased by 8.4% as compared to the first quarter of 2015. Prices for non-food goods grew by 9.7%, and food – by 6.9%. To some degree, this is a positive tendency (according to the results of the first quarter of 2015 the growth was 16.2% and 22.4% respectively). At the same time over the recent three years the consumption of meat and meat products, milk and dairy products, and fruits has decreased. In 2016 the number of consumers who started saving on food reached 48% (according to the data of the poll made by the Fund of Public Opinion, consumers save above all on meat and poultry (25%), cheeses and sausages (24%), fruits (21%), and fish and sea products (19%)). Judging from the state of the system of food provision, it is possible to state that the national food market functions not effectively enough.

At the modern stage Russia has got special conditions that stipulate the specificity and level of competitiveness in separate segments of the food market:

- Membership of Russia in the World Trade Organization and participation in many regional integrational unions on the economic space of the CIS and beyond it that considerably increase the openness of the national agro-food market and its separate food segments,
- Continuing difficult internal macro-economic conditions and system problems in the development of the agrarian area of economy aggravated by strengthening of the global political and economic instability and the global food crisis,
- Gradual transformation of the Customs Union into the Euro-Asian Economic Union in the context of abruptly heightened political and economic confrontation of Russia and the West that caused the introduction of various foreign sanctions, comparatively quick refusal from imported food supplies from 31 countries in the volume of above USD 9 bln. and embargo for purchasing import food,
- Increase in the competiveness on the internal and global agro-food markets in the context of strengthening the globalization and integrational processes in the CIS economic space and in the global agro-food area,
- Increase in the differentiation of the participation of Russian regions in the food provision under the unfavorable change of the global situation in the food, economic, and political areas that disadvantages the national system of food provision,
- Strengthening of the monopolization of separate product segments of the agro-food market due to expending and aggravating the presence of trading chains and transnational corporations on it in the context of the absence of a developed system of preventive measures in the country

to regulate the internal and external trading with agricultural products, raw materials and food, and

– Intensification of the role of the state regulation of basic food segments of the internal agro-food market and supporting the establishment of the developed infrastructure and system of commodity distribution, and pursuing efficient state and sale policy (Altukhov, 2014).

For the system of food provision to function efficiently, it is important to maintain proportions on the national and regional food markets between own-produced and imported goods within the unified economic space of the state. It makes it inappropriate for every region to focus on the maximum food provision above all at the expense of own, inter-regional production. It causes the violation of the existing territorial and sectoral allocation of labor, irrational use of production resources and bio-climatic potential of territories, fall of production and appreciation of agricultural products, worsening of their quality, and deepening of the differentiation of regions in the level of food consumption by the population (Altukhov, 2015). According to meat products - 25 regions, and according to dairy products – 11 regions are characterized by extremely low indicators of the level of self-provision (less than 50%). Their population is respectively 47.9 and 22 mln. people. Herewith, in 15 subjects of the federation the level of the average consumption of meat and meat products per capita exceeds the average Russian indicator, while the consumption of meat products in 50 regions (78.2 mln. people) and dairy products in 48 regions (87.8 mln. people) as calculated per capita is lower than the average in Russia (Gonova, 2010, Gonova, Buturlina, 2015).

This situation is also explained by the under-development of the infrastructure of the agro-food market (especially wholesale and logistics centers), impossibility of the majority of agricultural producers to access it (Altukhov, 2015). Regional food producers, as a rule, cannot independently resolve issues related to defining their tactic and competitive positions, revealing opportunities to position goods of local production on the market, improving their attractiveness for consumers. Therefore, products made in the region are uncompetitive as compared to the imported and more popular products from other regions. Thus, solving actual problems of forming and improving competitive environment on the regional food market must contribute to increasing the level of food provision, establishing and improving inter-regional food relations, and achieving the food safety of the Russian population and regions.

2. METHOD

Theoretical and methodological issues of developing and regulating the food market were researched by Altukhov A.I., Abalkin L.I., Boyev V.R., Brianskih E.A., Burobkin I.N., Gataulin A.I., Gordeev A.V., Dobrynin V.A., Zinchenko A.P.,Ushachev I.G., Bespakhotny G.V., Krylatyh E.N., Kuznetsov V.V. and many others.

Works of Gusev V.V., Zlobin E.F., Mishin V.N., Pustuev A.L., Fillipov N.N., Belkina E.N., Vorokov S.S., Kamalian A.K., Kovalenko N.Ya. Kurnosov A.P., Novoselov A.S., Yasyreva E.A., Sergienko E.S. et. al., were devoted to peculiarities of developing regional food markets. In their works Firsenko S.S., Ermolov A.A., Ganiev R.I., Ivin V.V., Arseniev D.V., Kunov A.H., Vingert V.V. et. al., considered problems of estimating the competitive environment of the food market.

However, the above researches do not sufficiently traverse the issues on developing the competitiveness and inter-regional exchange that provides efficient functioning of separate product segments of the internal food market.

When researching theoretical and methodological provisions, general scientific and special methods were used, including analytical, abstract and logical, comparative methods, and method of export estimates. The theoretical basis of the research included fundamental developments of national and foreign researchers, publications in periodicals, materials of research and practical conferences devoted to problems on developing regional food market. The informational basis of the research include materials of the Federal Service of Statistics of the Russian Federation and its Territorial Body in the Republic of Buryatia (RB), the Ministry for Agriculture of the Russian Federation (RF), the RB Ministry for Agriculture and Food, data of periodicals, results of expert estimates, and Internet databases.

3. RESULTS AND DISCUSSION

Due to the agricultural import limitation, there is a need to activate and rationally allocate internal reserves above all at the expense of developing inter-regional production relations. According to the data of the Rosstat, in 2013-2014 the Siberian macro-region achieved the balance between the resources and the use of food only through the import, although in a number of Siberian regions eggs, milk, vegetables, and meat are produced with excess. Opportunities of the Siberian Federal District (SFD) allow to form a unified Siberian food market if the agro-food and trading policy is focused on the inter-regional integration.

The SFD agro-food market is characterized by a number of considerable peculiarities that to a great extent are stipulated by social and economic factors and regional differences. Its development is restrained by

- Strong differentiation of production and consumption of agricultural products and food,
- Different volume of state support of the agrarian production,
- High level of animal products import,
- Low dynamics of the innovational development of the agro-industrial complex, and
- Under-development of the market infrastructure (the lack of logistic centers, wholesale markets, commodity markets, etc.).

We will note that according to the basic types of agricultural products, the level of self-provision of the SFD regions greatly differs (potatoes are the only exclusion; based on the minimally recommended norms, its level of self-provision is very high (everywhere except for the Republic of Tyva – 98.2%)). The Omsk Region and the Altay Territory are entirely provided by the basic types of agricultural products and have a considerable export potential. In terms of milk, the highest level of self-provision is in the Altay Territory – 166.9%, the republics of Altay – 129.4 and Khakassia – 104.7, the Omsk Region – 103.8%. The Republic of Altay (by 162.5%), the Altay Territory (123.4%) and the Omsk region (by 120.0%) are best of all provided with meat. Other regions need to import animal products. As for vegetables, almost all subjects in the SFD suffer deficit except for the Omsk region that provides itself by 110% (FSBU SD AS, 2016).

Besides, a specific increase in the inflation level contributed to unequal satisfaction of the population's needs in basic food (data of Table 2.1 shows it).

Table 2.1
Level of Inflation on the Consumer Market of the Russian Federation, SFD and RB (in percent) ("Social and Economic Position of Federal Districts" Statistical Bulletin, 2015)

	Prices index			
	For consumer goods		*For food*	
	2015	*2014*		*2011*
RF	15.0	11.4	12.9	6.1
SFD	10.3 – 12.5	10.8	13.0	6.2
RB	10.3 – 10.9	10.7	10.4	5.6

The results of the research show that the index of prices for consumer goods in the SFD according to the 2015 results fluctuated from 10.3 to 12.5%. However, in 2014 the index of prices for consumer goods in the RF was 11.4%. It is higher by 0.6% than that of the SFD. Since 2014 the hasty growth of prices for almost all types of food has been observed. The basic reasons that caused the increase in the inflation became economic crisis, the increase in the dollar and euro rate in 2014, as well as the introduction of economic sanctions by the European Union countries and the USA and Russian counter-actions.

Along with it, in Buryatia the inflation is on the level of 10.3-10.9 % as compared to other regions of the SFD. Herewith, the Republic happened to have the lowest level of growth of prices for food – 10.4% in 2015. During the year prices for separate food products decreased. In particular, poultry became cheaper by 0.8%, and sugar – by 3.2%. At the same time the prices for grain and legumes increased by 7.6%, milk and dairy products – by 8.3%, bread and bread and flour products – by 9.8%, butter – by 10%, fruits and vegetables – by 12.2%, alimentary products – by 12.2%, eggs – by 12.9%, and fish and sea products - by 20% (Informational Service of the RB Ministry for Economy, 2016).

The lowest level of inflation in the RF was noted in 2011. It was 6.1%. In 2015 the growth of the consumer prices in the RF in per year terms increased by 3.6% from 11.4% as compared to 2014. The inflation was caused by considerable weakening of the ruble rate. It affected the state of the food market in Russia accordingly. Thus, in 2015, prices for food increased by 1.2% as compared to 2014 (Nagovitsyn, 2016). However, according to the experts' forecasts, prices for food must cease growing by the end of 2016. At the same time under the low consumer demand, it is expected than in 2016 the inflation will remain on the level of 10.3% with the subsequent slowing down to 6% by 2016 (Government of the RB, 2016).

In spite of the fact that in the context of geo-political instability it is difficult to forecast the social and economic development, the decrease in inflation and stabilization of the economic growth will provide the increase in real revenues of the population in 2018 by 2.8% as to the level of 2017.

As a whole, in spite of the consequences of the financial and economic crisis that especially strongly affected some sectors of the republican economy, the social and economic development of the Republic of Buryatia for 2008-2015 is characterized by the advanced growth of basic macro-economic indicators as compared to the average Russian ones.

The state of the competitive environment of basic segments of the food market has a considerable impact not only on the development of agro-food areas and enterprises but also on the level of life of the region population. It directly depends on the following factors: elasticity of the market demand, number of competitors, behavior of economic entities on the market, level of the consumer demand of the population, etc. Taking into account specific peculiarities of the regional food market, in the group of factors that have an impact on competitiveness it is necessary to single out objective (external), subjective (internal), stable (tough) and changing (soft) factors in order to reveal the reserves of its increase.

Peculiarities of the food market functioning in Buryatia are related to its position in the territorial allocation of labor, volumes of the agro-industrial production, level of merchantability and competitiveness of products, and opportunities to extend boundaries.

In the context of the geopolitical tension, due to the introduction of economic sanctions, worsening of external trading conditions, and fall of prices for oil, many regions of the country need to develop measures aimed at increasing the competitiveness of their products and import substitution.

Analyzing the state of the competitive environment of the food market, it is necessary to note that the Republic of Buryatia is characterized by a vaster spatial location of agrarian production, concentration of many processing enterprises and basic consumers of food in cities. It creates unequal opportunities for creating a normal competitive environment and defines the objective need to develop the intermediary activity. In this connection, the producers located closer to the sales market where the infrastructure is more developed have competitive advantages on the food market (Dugina, 2010).

The food industry of the RB considerably competes with producers from other Russian regions. The agrarian sector of the republic yet cannot meet the needs of the internal market and competitors' food products fill out the occurred gap. In Buryatia there are areas where the production meets the needs of the market. Nevertheless, even in this sector there are competitors from other regions. The main reason is that in Buryatia the industry is rather power-consuming, and the price of power is high as compared to the closest competitor – the Irkutsk Region. One more aspect is the deficit of the own raw materials. In the context of unstable market competitive environment, it is impossible to block the access of the imported products to the regional market. That is why it is necessary to produce local competitive food at affordable prices, with the relevant quality, packaging, etc.

The basic goals of the food and processing industry include the following:

- Modernization of the industry enterprises,
- Implementation of the resource-saving technologies,
- Creation of own raw materials base,
- Introduction of new competitive products to the market, and
- Extending the range of food.

Herewith, it is necessary to note that Buryatia has all pre-requisites to successfully solve the tasks of the agro-industrial area. One of the main tasks is to provide the population with the high quality food and considerably reduce supplies from other regions and foreign countries of those types of food that cannot be produced in the republic. The basic supplies of raw materials are agricultural enterprises, subjects of small and medium-sized business, and private farm holdings. Taking into account risks of unfavorable nature and climate conditions, in the RB agriculture they forecast the growth of production volumes in 2018 on the level of 5.6% as compared to 2015 (Informational Service of the RB Ministry for Economy, 2016).

When forming this indicator, it is necessary to take into account the following factors:

- Financial opportunities of producers,
- Dynamics of global and internal prices for agricultural products,
- Resources acquired by the agriculture, and
- Nature and climate and economic conditions.

Then it is necessary to note that the state of the food market has been the most prominent indicator of the social and economic development of the Republic of Buryatia over the recent year. That is why favorable economic environment that was formed in 2010-2015, stable growth of salary and pensions, the volumes of goods introduced to the retail, which are required to provide the consumer demand of the population, contributed to meeting the needs of the population of the republic and growth of the turnover of the food retail. Thus, in 2015 the food turnover as compared to the level of 2012 increased by 19.5%. Herewith, the demand of the population with different levels of revenues calculated by the RB Ministry for Economy according to basic groups of food is satisfied for the following types of products:

- Bread and bread products – by 98.8%,
- Meat and meat products – by 78.0%,
- Milk and dairy products as calculated as milk – by 66.3%,
- Eggs – by 98.5%,
- Fish and fish products – by 47.3%,
- Sunflower oil – by 88.1%,
- Potatoes – by 266.2%, and
- Vegetables – by 191.8% (Nagovitsyn, 2016).

Under the existing conditions the activation of policy related to agricultural products and food import substitution becomes the most important task for the agro-industrial complex. In order to do it, within the action plan it is planned to establish private animal farms in the Ivolgiskiy and Zaigraevskiy Regions, two feed yards in the Dzhidinskiy and Khorinskiy regions, to construct vegetable stores in the Ivolginskiy and Mukhorshibirskiy Regions, slaughterhouses in the Tunkinskiy and Eravninskiy Regions, a greenhouse complex in the Selenginskiy Region (RB Government, 2016).

Besides, it is planned to implement investment projects on constructing the second line of the "East-Siberian" pigs complex, "Buryatptitseprom" LLC poultry complex, "Buyan" LLC dairy and trading farm, as well as a production and logistics complex on producing and bottling the juvenile water of the Baikal Lake. As a consequence, the food and processing industry will maintain the tendency of moderate growth of production. Herewith, the average annual tempos of production growth will make up 1.1-4.2% (Buryatstat, 2015) (*Or:* Level of Life of the Population of the Republic of Buryatia and Regions of the Siberian Federal District, 2015).

In order to strengthen the competitiveness of food enterprises, the Republic of Buryatia implements the target comprehensive program related to supporting producers. Thus, in 2012-2015 the republic implemented a number of investment projects: development of capacities on producing sausage and delicatessen products in "Buryat Meat Processing Company" LLC, organization on processing milk in the Dzhidiskiy Region, expansion of production capacities on processing meat in "EcoFood" LLC, and technical re-equipment of waffles production in JSC "Conditerprom" (RB Government, 2016).

Besides, food enterprises reconstructed and modernized production capacities in "Kudarinskoe" LLC, "Bichurinksiy Butter Plant" LLC, "Petropavlovskiy Meat Cutting Plant" LLC, and JSC "Milk". These measures resulted in an increase in the production of agricultural and food products on average by 2.5-3%. Thereby the production for all goods groups was increased.

The establishment of integrated production structures in the agro-food area of the region: "Dzhidinskaya Meat Company" LLC, "APO Dzhidinskoye" LLC, and modernization of JSC "Nikolaevskiy", "EcoFood" LLC, etc. will contribute to strengthening the competitiveness of basic segments of the food market of Buryatia. Due to it, the RB Government took the decision to provide the following organizations with state guarantees to implement investment projects:

- "Guarantee-2" LLC – RUB 21 mln.,
- JSC "East-Siberian Pig Complex"– RUB 623.7 mln., and
- JSC "Togtuuri" – RUB 10.5 mln.

Over the recent years new productions were established in Buryatia:

- "Selenga" meat processing factory,
- "Pikata" LLC, "Pishchevik" SPoK (Dzhidinskiy Region),
- "Peresheek LLC (Kiahtinskiy Region), and
- "Nadezhda" LLC (Yeravninskiy Region).

In the context of import substitution the competitiveness among economic subjects strengthens. It contributes to extending the range of products for basic segments of the food market at the expense of optimal use of internal reserves, above all, strengthening the investment activity in the real sector of economy and improving the quality of state support.

Thus, the improvement of competitiveness of basic segments of the regional food market is possible on the basis of creating favorable conditions to implement the program of import substitution, to activate the investment attractiveness of the region, and to efficient use of the agro-resourceful potential, nanotechnologies, etc.

The implementation of large investment projects will allow to considerably increase the volumes of producing meat and meat products, dairy products, and vegetables. It will improve providing the population of Buryatia with basic own-produced food products.

At the same time regional powers continue supporting small and medium-sized business that performs the activity in the agro-industrial sector. According to the data of the analysis made by the Buryat Office of the Federal Antimonopoly Service of Russia, the aggregate share of trading chains (the largest representatives such as Absolut, Titan, Nadezhda, Sam, Nikolaevskiy, Liberty) in the republic did not exceed 26%. Herewith, they cannot create discriminating conditions for producers and must stipulate the selection of suppliers economically and technologically. It provides equal conditions of the access to the Ulan-Ude market for local producers. In the urban area the competition in food retailing is not developed. The organization of raveling mobile shops will allow to improve the competitive environment on the market.

In order to contribute to promoting meat and meat products from local farmers, the RB Ministry for Agriculture and Food together with the parties in interest performs work on creating farmer shows (at the present time in Ulan-Ude 15 farmer shows operate). Besides, in 2015 the RB Government launched "Food Certificate" social project on supporting local agricultural producers by stimulating the consumer demand of the population. Under the prepayment conditions, the buyers of the certificates obtained the opportunity to buy 170 kg of vegetables: 105 kg of potatoes, 40 kg of cabbage, 10 kg of carrot, and 15 kg of beetroot. The "Gazar" Agricultural Production Co-operative and the "Vikhrev" Modernized Farmer Incubator – agricultural companies specializing in supplying products to trading chains and social establishments of the region – became pilot participants of the social project. The chain of agricultural consumer cooperatives on supplying, selling and processing agricultural products goes on developing. Within this area grants were given to seven agricultural consumer cooperatives on procuring and processing milk and to one on processing lamb (the amount is RUB 16.795 mln. from the federal budget and RUB 5 mln. from the republican budget).

3 operating innovational enterprises obtained state support in the amount of RUB 348 thous. They are "MIP Bifit" LLC (production of dairy products, ferments to produce fermented milk), "MIP BaikalEcoProduct" LLC (production of cedar oil), and "MIP Baikalia" LLC (production of powders from wild berries to further use them in functional food).

The work is performed on creating the regional brand. For this purpose, the republican campaign "Made in Buryatia", and the "Best Trading Enterprise on Selling Goods of Local Producers" regional contest are carried out (according to forecasts, the share of local products in separate segments of the food market must increase from 5 to 20%). The entry of local trading chains ("Absolut", "Nikolaevskiy" and "Nadezhda") into markets of the Irkutsk Region and the Zabaikalye Territory will contribute to it (in 2015 the "Absolut" trading chain acquired 10 new trading objects that retail in the Irkutsk Region).

Herewith, according to the data of monitoring the state of the competitive environment on the food market of the region, the majority of consumers are rather satisfied by the level of the achieved indicators (Table 2.2).

Table 2.2
Results of Monitoring Competitive Environment of the RB Food Market in 2015
(Informational Service of the RB Ministry for Economy, 2016)

Indicators of the competitive environment estimation	*Satisfied*	*Rather satisfied*	*Rather unsatisfied*	*Unsatisfied*	*No answer*
Level of prices	16.2	33.0	23.0	12.3	15.4
Quality of goods	11.1	37.7	21.5	11.5	18.0
Opportunity to select goods	13.8	34.1	20.3	12.8	18.0

33% of the responders are "rather unsatisfied" by the level of prices, 37.7% – by the quality of goods, and 34.1% - by the possibility to select. However, 25.6% of the responders think that in the RB, as compared to other Russian regions, the prices for food (grain, flour, dairy and meat products, and sugar) are higher. The competitive advantage that can be used by the republican producers is the trust to the quality of food products that is thought to be green (it says about the need to further develop and promote the Baikal brand).

4. CONCLUSIONS

In order to increase the level of the food and national safety in the SFD as a whole, it is necessary to create a unified agro-food market, and to develop an import substitution strategy that takes into account competitive advantages of Siberian regions and the need to establish inter-regional relations. For example, the Republics of Buryatia and Tyva have large feeding resources and opportunity to grow the animal production, especially lamb. At the present time their share is about 68% of the total number of sheep and 54% of the lamb produced in Siberia. It allows not only to meet the needs of the local population but also to export products to other regions of the country and abroad.

A low level of the loading of the production capacities on processing agricultural products in the SFD as a whole and in the Republic of Buryatia in particular is a serious problem. In the RB it is 16.4% for grain, 50% – for milk, from 48 to 93% for meat and meat products in relation to various types of products (Table 2.3).

Table 2.3
Using Production Capacities in the Meat Industry and Presence of Local Producers on the Consumer Market of the Republic of Buryatia (Polozova, 2015)

Products	*Annual capacity*	*Produced in 2014*	*Using capacities in 2014, %*	*Ratio of local producers on the market in 2014, %*	*Planned ratio of local producers on the market in 2020, %*
Meat and by-products, *t*	25,000	11,947	48	62	80
Sausage products, *t*	19,300	13,858	72	91	94
Meat preserves, tubes	36,000	24,988	69	99	99
Self-service meats, *t*	15,600	14,491	93	92	95

At the present time food enterprises can process up to 40 thous. tons of meat per year, and almost entirely provide the republic with self-service meat, sausage and delicatessen products. However, they have a serious problem related to supplying raw materials. The above investment projects must bring results by 2020. Structural transformations of the processing industry are also required. They include the achievement of the rational correlation of primary processing of agricultural raw materials and enterprises with the profound processing of products, territorial zoning with approximating the processing to zones of agricultural specialization, organization of clusters in the agro-food sectors that include enterprises of various specializations and sizes, and improvement of the competitiveness of the issues products as compared to the foreign one.

It is necessary to increase the efficiency of the sales and goods movement system. In order to do it, it will be necessary to create a logistics center, an inter-regional food fund, and a digital trading platform, whose tasks will include informational provision of the inert-regional food market. The marketing communications center will have to promote the digital resource and provide methodic help when bringing goods to buyers.

To our mind, meat preserves and sausage products will become the most promising area of the development of inter-regional and inter-state relations for the Republic of Buryatia. If the unified inter-regional agrarian policy is based on the use of unique competitive advantages, it will allow to use embargo as a positive factor of developing regional food markets.

Acknowledgments

This work was made within the grant "Young Researchers of the East-Siberian State University of Technologies and Management". The authors express their gratitude to the management of the East-Siberian State University of Technologies and Management for their comprehensive support of the research activity of its employees.

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