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NICHE CROPS FOR REVITALIZATION OF AGRIBUSINESS IN THE PERIOD OF UNCERTAINTY

НІШЕВІ КУЛЬТУРИ ДЛЯ РЕВІТАЛІЗАЦІЇ АГРОБІЗНЕСУ У ПЕРІОД НЕВИЗНАЧЕНОСТІ

Niche crops are an important instrument for restoring agribusiness in war and post war periods since they contribute to diversification, stimulate innovations and ensure additional profits. They can allow reducing risks related to changing conditions and assist in creating a more sustainable and efficient agrarian sector. Growing niche crops allows broadening a variety of food products that is especially important in the context of food security when it is necessary to provide population with food products in the country which is under martial law. The study looks at the importance and economic potential of growing niche crops. It highlights the main advantages and certain challenges of production. Growing niche crops can be less competitive, since they are not widespread or require specialized knowledge and equipment. It allows farmers to occupy their niche on the market and reduce direct competition with large producers.

Key words: niche crops, revitalization, agribusiness, economic potential, diversification, drought-resistant crops, medicinal plants.

Нішеві культури є важливим інструментом для відновлення агробізнесу у воєнний та повосенний період, оскільки вони сприяють диверсифікації, стимулюють інновації та забезпечують додатковий прибуток. Вони можуть допомогти зменшити ризики, пов'язані зі змінами умов, і сприяти створенню більш стійкого та ефективного аграрного сектору. Вирощування нішевих культур дозволяє розширити різноманітність продуктів харчування, це особливо важливо в контексті продовольчої безпеки, коли необхідно забезпечити населення продуктами харчування у країні, яка перебуває у стані війни. Метою статті є дослідження сучасного стану виробництва нішевих культур та їх значення для ревіталізації агробізнесу у період невизначеності. У статті розглянуто значення та економічний потенціал вирощування нішевих культур. Висвітлено основні переваги та певні виклики їх виробництва. У цілому окремі нішеві культури є досить високомаржинальними, що однак можливо забезпечити лише за умов дотримання технології та високої їх врожайності. Вирощування нішевих культур також може бути менш конкурентоспроможним, оскільки вони не є широко поширеними або вимагають спеціалізованих знань та обладнання. Це дозволяє фермерам зайняти свою нішу на ринку і зменшити пряму конкуренцію з великими виробниками. Культивування нішевих культур може бути вигідним і одночас викликати певні труднощі. Проте, для диверсифікації бізнесу та уникнення найпоширеніших ризиків вирощування нішевих культур є досить вигідною та оптимальною альтернативою поряд із традиційними страховими сільськогосподарськими культурами – соняшником, ячменем та іншими агрокультурами. Успішне виробництво нішевих культур вимагає ретельного дослідження ринку, оцінки ризиків та ефективного управління. Знання і розуміння специфічних вимог вирощування кожної культури є ключовими для досягнення успіху в цій галузі. Важливо ретельно планувати, досліджувати та здійснювати необхідні кроки для досягнення успіху у виробництві нішевих культур.

Ключові слова: нішеві культури, агробізнес, економічний потенціал, диверсифікація, посухостійкі культури, лікарські рослини.

Formulation of the problem. Nowadays modern agribusiness requires not only implementation of technological innovations, but also a change in the paradigm of managing production. 10-15 years ago it was possible to make steady profits, growing only grain and oilseed crops, at present this strategy does not work in many cases. It became one of the factors which determined the interest of agribusiness in producing niche crops.

Growing niche crops can ensure considerably higher profits in small areas under crops. This direction of economic activity is suitable for both small and medium agribusinesses which currently suffer from low prices for products and problems related to providing them to end consumers.

The first task of farmers who decided to grow niche crops on their farms is to examine the demand for these crops on the market. It is also necessary to determine potential buyers and find opportunities for selling their products. They should select varieties of niche crops which meet the requirements of the market and ensure high quality products. After harvesting farmers should continue monitoring the market and evaluating changes in the demand and competition. It will help them adapt their strategy for growing niche crops, solve problems with sales and develop their business.

Analysis of recent research and publications. Growing niche crops has been one of popular directions in the development of agriculture in Ukraine and a research subject for a number of scientists. In particular, Udova L.O. and Prokopenko K.O. consider the value and economic potential of niche crops which are capable of diversifying grain-oilseed directions and reducing dominance of sunflower and rapeseed in crop rotations, since excessive production of these crops considerably depletes topsoil. They established that small farms do not have possibilities to enter foreign markets with traditional crops, however, they can increase their profitability due to the quality and niche specificity of their products, since the demand for such products is continuously rising on the global market [1]. Kucher L.Yu. and other scientists deliver the results of the research on the essence of niche and ultra-niche crops, the current state and prospects of developing economy of production and export of such crops in the context of sustainability and competitiveness of agrarian enterprises. Scientists analyze the current state and prospects for production of niche crops in the world, in particular, in the leading countries using the example of growing peanut and sorghum and investigate the impact of the scale of production of these crops on the formation of sustainable competitiveness of agrarian enterprises of Ukraine using mass statistical data [2]. Karasova N.A. also examines the tendencies of the development of the global market of niche agricultural crops and substantiates promising directions of realizing their export potential in Ukraine. Other scientists determine the main conditions for the development of export-oriented production of niche commodities by small and medium enterprises of the national agrarian sector [3].

Volodin S.A. analyzed the state of a niche segment of the agrarian market and groups of niche crops and their impact on the agrarian sector of economy, considered the issues of science and industry problems of producing these crops, investigated market tendencies and their impact on the development of the agrarian sector and suggested using the fast-plant technology for the development of niche business [4].

Murach O.M. and Onychko T.O. consider the issue of developing and improving technological aspects of growing bare seed pumpkin [5]. The main results of the research conducted by Baidala V.V. and other scientists are as follows: generalization of the arguments for economic appropriateness of developing the production of safflower and mustard highlighting their versatility characteristic of most niche industrial crops; detailed description of the advantages of the above crops whose value is increasing in the context of exacerbated food security; presentation of the economic value of niche industrial crops as a complex characteristic covering the closely connected economic, agro-technical, ecological, agroeconomic and socio-economic components [6].

At the same time production of niche crops in the conditions of the Russian aggression, when a considerable portion of farmland is in the occupied territories or mined, determines the necessity to conduct further research.

Formulation of the purpose of the article. The purpose of the study is to explore the current state of production of niche crops and establish their value for revitalization of agribusiness in the period of uncertainty.

Presentation of main material. Recently Ukrainian producers have paid more attention to growing niche crops. They involve not only grain crops, but also vegetables, fruit and berries. This trend is determined simultaneously by several facts. Firstly, farmers' interest in manufacturing such products is explained by an increase in the demand for it in the country, since most of these crops enter the list of the so-called "healthy products" and consumption of them is actively promoted by supporters of a healthy lifestyle [7–12].

Production of niche crops is becoming more popular in agriculture. It includes production of various rare, exotic or the above-mentioned crops aimed at obtaining high-quality products and beneficial market opportunities.

The main advantages of production of niche crops are as follows:

- they have a higher price on the market in comparison with traditional crops that can ensure higher profits made by farmers;
- since production of these crops is not common, competition on the market can be lower that contributes to increasing profits;
- production of niche crops can provide access to new markets which can be less intensive and more accessible for emergence of new products;
- some niche crops can be more suitable for growing in certain climatic conditions or regions that allows reducing the amount of chemical plant protection products and increasing environmental sustainability.

However, production of niche crops can also pose certain challenges:

- some of these crops may need specific growing conditions such as soil or climatic situations. It can require additional knowledge, resources and skills of a farmer;
- markets for niche crops can be limited and less stable, since consumers can be less aware of these products or they can be seasonal;
- such crops can be more vulnerable to pests, diseases and unfavorable weather conditions that may increase the risk of losses for farmers.

An important argument for diversification of agribusiness through introduction of certain crops into crop rotation is the fact that most of them have a higher market price than common crops. The price for buckwheat can be from 20 thousand UAH/t, its profitability was 54.7% in 2020, and it equaled 100% in the previous years. It also concerns medicinal plants, and also flax and mustard. Niche crops are specific enough in terms of the necessity to be aware of agricultural technologies, since they are capable of ensuring a high level of profitability provided that appropriate technologies are applied. It especially concerns oilseed poppy, peanut, spices and other crops. One more advantage of niche crops is their relatively better adaptation to the present weather and climatic conditions.

Additional advantages of growing niche crops involve a small number of farms producing them. Therefore, competition between them on the market is not high yet. However, there are some risks: certain niche crops require knowledge of specificity of agricultural technologies applied in growing them and use of new equipment and tools for harvesting them. Another aspect of growing these crops is high cost price of production, however, it is compensated by an analogous high price for them on the market. Additional risks can be related to high volatility of the demand for them on the market, that causes a reduction in prices for the products. For instance, the demand for coriander increases with its price in certain years, and other commodity producers have problems with selling it. Thus, taking into consideration the above arguments, we can state that niche crops require application of innovative strategies for growing them [13].

Drought-resistant crops promise better prospects at present. For instance, growing sorghum can become an important agricultural crop in the eastern and southern regions of Ukraine [14], where there will be no irrigation temporarily after the destruction of the Kakhovka dam by the Russian invaders. This crop has a rapidly growing market. 60% of the global consumption of sorghum belongs to the USA, China, India, Mexico, Nigeria and Ethiopia. Moreover, sorghum can be used to produce food products and highly effective feeds for animals. It is suitable for manufacturing bio-ethanol, the use of which is becoming more and more topical.

Sorghum can be a good alternative to corn in an economic aspect, since its productivity can be compared to the productivity of corn. In particular, it is confirmed by multi-year trials in industrial crop areas in different regions of Ukraine. For instance, the world record yields were obtained in the south of Kyiv region – over 150 c/ha [15].

Since the environmental condition of the planet is worsening, more and more people want to lead a healthy lifestyle, and medicinal plants and products made on their basis can help them in it. A considerable number of entrepreneurs are interested in growing medicinal plants which are necessary for different branches of economy and activity. Production does not meet an increasing demand for medicinal plants at present, therefore growing them is a promising and profitable niche for business in the agrarian sector [16].

Like any other agricultural crops, niche crops have both certain benefits and risks for their producers. Starting to grow these crops, agricultural producers should consider these risks in advance and understand if there are more advantages than possible disadvantages of growing them. Generally, certain niche crops, depending on a climatic zone of cultivation and the demand for them on the domestic and export markets, can become an alternative to traditional crops which can be difficult to export in the following year or "lack an appropriate price" [17].

Niche crops often require additional research and the development of new methods for growing, processing and marketing. It can stimulate innovations in agribusiness and contribute to the development of new technologies and practices that can be useful for the entire agrarian sector.

Conclusions. On the whole, certain niche crops are highly marginal that can be achieved only under conditions of applying appropriate technologies and their high yields. Growing niche crops can be profitable and simultaneously pose certain problems in production. However, growing niche crops is a quite profitable and optimal alternative along with such traditional agricultural crops as sunflower, barley and other agricultural crops for business diversification and avoiding the most common risks. Successful cultivation of niche crops requires thorough market research, evaluation of risks and efficient management. Knowledge and understanding of specific requirements for growing every crop is crucial for achieving success in agriculture. It is important to thoroughly plan, investigate and take necessary steps to achieve success in production of niche crops.

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