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**OIL-FAT INDUSTRY AS A COMPONENT OF FOOD INDUSTRY**

***Summary.***In the article author analyses the concept of industry and classification of branches of the national economy and considered fat-and-oil industry as a component of the food industry. Also, the characteristic of some corporate associations, which occupy the leading places in the market of the oil industry.

***Key words****: the industry, competition, corporation, oil-fat industry, sunflower oil.*

**Problem statement.** In terms of the new trade rules, conditions of dynamic changes in domestic and foreign markets, food and energy resources, important is to define the basic concepts of the industry in general and the oil industry in particular. **Analysis of the latest researches and publications**. Theoretical and practical aspects of forming and effective functioning of the oil and fat industry are the subject for many national researches and scientists: L.V. Babenko, V.I. Boyko, O.H. Voloshchuk, V.M. Hawryluk, O.H. Derev'yanko, N.V. Kalinchyka, S.P. Kapshuk, A.A. Waterside, P.T. Sabluk, I.I. Chervena, V.M. Yatsenko and others.

An important contribution to the study of the competitiveness of oil and fat businesses made ​​by such scholars as W. Iliinskyi, J. Luchkova, I. Salkov, L. Tymoshenko, K. Trofimov, I. Tsober, V. Shipulina et al. However, there is not enough attention paid to the question about the level of competition in the market of sunflower oil, but in some works of these scholars reveal the organizational and economic features of the functioning of the industry and assess trends in their development.

**The objective of the thesis** is to analyze the current state of enterprise operation and features oil and fat industry and determine the prerequisites for their further development.

**Basic material statement**. Industry is a basic structural unit of the economy, which is a combination of enterprises, institutions and organizations that perform the process of social reproduction of the same socio-economic functions irrespective of territorial location and subordination. Accordingly, the branch structure is a classification of industries.

Group of homogeneous sectors of the economy creates a sphere of the economy. Thus, in accordance with specific production and distribution and redistribution of wealth allocated production manufacturing and nonmanufacturing sectors.

Prior to the production sector of the economy are all industries that produce tangible products, and to non-production sectors  industries that produce non-production services. Depending on the use of financial products and the specifics of its creation of productive sectors are divided into industry, agriculture and construction.

By heavy industries include: power, fuel industry, metallurgy, chemical and petrochemical industries, wood and others.

To light industry contents textiles, clothing, footwear, fur.

Until the food industry include: canning, dairy, fat, macaroni, confectionery, wine, brewing and soft drinks, fish, salt, sugar .

Agriculture, in turn, includes crop and livestock production.

In general, the set of all structural units is the macroeconomic structure of the economy. [1]

Vegetable oil production industry in Ukraine is a powerful agro-industrial complex, which brings together producers and seed -oil production. This industry is mainly focused on the production of sunflower oil and its related products.

Oil and fat complex specializes in producing crop oilseeds. The main oil crop in Ukraine is sunflower. Grow it precisely in order to obtain seeds, and oil out of it, while other oil crops - flax, hemp - are cultivated to produce fiber and seed are already sideline products. Therefore, the share in production of sunflower oil is 98%.

The main areas of its production are steppes of Donetsk, Lugansk, Dniepropetrovsk, Zaporizhya, Kirovohrad, Mykolaiv and Kherson regions.

Major crops like sunflower thermophile culture concentrated in the southern regions of Ukraine. The biggest sunflower fields prevalent especially in the northern and central areas of the steppe. It is a little less than the area of the southern forest-steppe and steppe. Just a small portion of the culture there are at Polessya and foothills of the Carpathians.

Oil and fat industry is represented by oil extraction and oil- pressing, margarine and soap factories and oil and fat and fat factory. Production of oil belonging to the material-costs so they are located in areas of growing sunflowers. About a third of all oil produced is used to make margarine and soap. In Ukraine margarine factories are located in Kyiv, Donetsk, Uzhgorod.

Enterprises -oil industry of Ukraine can be divided into three categories. The first category includes companies that produce vegetable oil: fat- and little-extract plants. The second category includes small producers of vegetable oil in companies where vegetable oil is not the main activity. These processing companies are more dependent on the situation on the domestic market, as they launched production of small lots of vegetable oil and used for the needs of the rural population.

Ukraine is almost the only country in the world where people prefer unrefined sunflower oil, and not just because it is cheaper. But recently there has been an increasing tendency toward bottled and refined sunflower oil.

Agricultural businesses use their own seed processing mill in order to obtain cash for current payments. Small manufacturers produce 30 % of the total oil. The third category includes producers of oil and fat products - margarine factories, soap factories.

As a result, the processing of oilseeds receive primary processing products (vegetable oil and meal ), deeper processing products (mayonnaise , margarine , soap, confectionery fats, linseed oil ) and stone crumb obtained after processing of fruit seeds, sunflower meal and protein acid.

Ukrainian oil and fat industry represented by companies that are members of the association "Ukroliyaprom" as well as large companies such as Group of Companies (CG) "Kernel", CG "Cargill", CG "Creative", Company "Bunge Ukraine" and others.

Thus, in 2014 to foreign markets have been exported more than 20 % oil GC "Kernel", 12.08 % - GC "Cargill", 11,48 % - GC "Creative". The major exporters are: GC "Vioyl " - 5,89 % fat Zaporozhya Plant - 8.3% , the company " Bunge Ukraine " - 5.1% of the total production in Ukraine [2 ].

Nowadays, the main instrument of the state regulation of oil industry are lending and regulation of exports and imports by raising or lowering of customs duty on the import or export of sunflower seeds and sunflower oil.

It’s still quite problematic for many producers of sunflower seeds the finance future harvest. Interest rates are very high in Ukraine. Getting a loan is difficult for farmers because of lack of mortgage loans and loans secured by land [3].

**Conclusions***.* Due to the high demand for oil and fat industry, the market began to grow steadily. This is due primarily to global trends: consumption growth is outstripping the growth of acreage under oilseeds; growing demand for biofuels, which leads to a reduction in vegetable oil used in food. Also affecting the market price. Dynamics of prices of sunflower oil most dependent on yield performance of sunflower seeds in Ukraine, as well as the total stock of oil price dynamics of commodity groups in the global markets, primarily from changes in prices of palm oil and soybean oil.

Thus, the oil market in Ukraine is by far one of the most promising sectors of agricultural production. Vegetable oil products are in demand both in the domestic and global markets in which Ukraine is a leader position. In order to ensure sustainable development of promising oil and fat industry need to restructure Ukraine and technical resource base of the industry, to introduce state regulation of oil and fat products, intensify work to strengthen and expand its position in world markets [4].

Basis for effective development of the sector should be a restructuring of enterprises, management systems, balancing raw materials and production capacity, settlement of financial issues.

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