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THE ECONOMIC ESSENCE OF THE INNOVATION POTENTIAL OF SUSTAINABLE DEVELOPMENT OF AGRICULTURAL ENTERPRISES**Kachula S.V. / Качула С.В.***d.e.s., prof./д.е.н., проф.*

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Abstract. *The paper explores innovation as a key factor in economic development and enhancing the competitiveness of agricultural enterprises, as well as an important tool for addressing societal issues and improving the quality of life for the population. Proposed directions for enhancing the innovative potential of sustainable development for agricultural enterprises involve a comprehensive approach that considers various aspects of this sphere.*

Key words: *innovations, innovation potential, economic essence, sustainable development, agricultural enterprise.*

Анотація. *В роботі розглянуто інновації, як ключовий фактор розвитку економіки та підвищення конкурентоспроможності сільськогосподарських підприємств, а також важливим інструментом для вирішення суспільних проблем і покращення якості життя населення. Запропоновані напрями підвищення інноваційного потенціалу стійкого розвитку сільськогосподарських підприємств за допомогою комплексного підходу, що враховує різноманітні аспекти цієї сфери.*

Ключові слова: *інновації, інноваційний потенціал, економічна сутність, стійкий розвиток, сільськогосподарське підприємство.*

Introduction.

The implementation of innovations in the activities of agricultural enterprises is an important component for increasing efficiency in the agricultural sector. On the one hand, many agricultural enterprises actively adopt innovations in their operations. New technologies, production and management methods, the use of modern agro technologies – all of these indicate that the agricultural sector is progressing. However, it can be argued that in many cases, innovations in agriculture are not fully utilized to their fullest potential. Financial constraints often hinder the implementation of cutting-edge technologies. Insufficient access to information about innovations and their benefits also slows down the implementation process. Some farmers may encounter difficulties in adapting to new methods or feel a lack of support from authorities and regulatory bodies. Although the implementation of innovations in agriculture may be marked by the presence of some progressive solutions, its potential is far from being fully utilized. The development and support of innovation in agriculture remains an important task to ensure sustainable and productive development of this sector.

Main text.

The implementation of innovations in agriculture is a pertinent issue, and assessing its sufficiency can be complex and contingent upon various factors. On the one hand, many agricultural enterprises actively adopt innovations in their operations.

New technologies, production and management methods, the use of modern agro technologies – all of these indicate that the agricultural sector is progressing in many countries. However, it can be argued that in many cases, innovations in agriculture are not fully utilized to their fullest potential. Financial constraints often hinder the implementation of cutting-edge technologies. Insufficient access to information about innovations and their benefits also slows down the implementation process. Some farmers may encounter difficulties in adapting to new methods or feel a lack of support from authorities and regulatory bodies.

Innovation is the process of introducing new ideas, products, services, technologies, or approaches that bring improvements or changes to the economy, society, or people's lives. Innovations can be technological, social, economic, or organizational [1;3]. They encompass the development of new products or services, improvement of existing products or services, changes in business models, introduction of new processes or technologies, as well as the implementation of new management and organizational methods. Innovation can be a key driver of economic development and company competitiveness, as well as an important tool for addressing societal issues and improving people's quality of life.

Innovative sustainable development of agricultural enterprises involves the implementation of a wide range of components. Among these are the utilization of advanced technologies such as modern agro technologies, drones, sensors, artificial intelligence, and machine learning for monitoring crops, soil, and water resources. Efficient resource utilization, including water and energy, achieved through irrigation technologies, energy-efficient equipment, and waste management, is also a key component. An important aspect is the adoption of agro ecological approaches such as agroforestry, mulching, mixed cropping, which contribute to soil fertility conservation and biodiversity. Supporting small agricultural enterprises through creating favorable conditions for their development, providing access to financing, training, and consultations, is also essential [2;4;5]. Additionally, the development of rural tourism and agro marketing can serve as additional sources of income for agricultural enterprises. The implementation of digital management tools, such as digital platforms, assists in resource accounting, production planning, and product sales. Lastly, the development of agricultural cooperatives contributes to cost reduction and increased competitiveness, creating opportunities for joint procurement of equipment, materials, and product sales.

The economic essence of the innovative potential for the sustainable development of agricultural enterprises is determined by a comprehensive approach to the utilization of innovative technologies, management methods, and strategies aimed at enhancing production efficiency, optimizing resource utilization, expanding market outlets, and ensuring sustainable economic growth. Innovations in agriculture may involve the implementation of advanced crop rotations, the use of modern plant varieties and hybrids, the adoption of efficient methods for harvesting and storing crops, as well as the implementation of automated farm management systems [6;7]. These innovations contribute to increased yields, improved product quality, reduced production costs, and increased profitability of enterprises. At the same time, innovations foster the creation of new market outlets, expand economic opportunities

for farms, and enhance their competitiveness in the international market. Additionally, innovative approaches can contribute to improving working conditions on farms, reducing environmental impact, and ensuring the sustainable development of the agricultural sector as a whole.

The economic essence of the innovative potential for the sustainable development of agricultural enterprises manifests itself in many aspects of their activities. Firstly, it involves the adoption of modern production technologies, which allow for the optimization of processes and increasing production capacity. New technologies enable the enhancement of product quality, reduction of production costs, and improvement in resource utilization efficiency.

Secondly, the development of new products and services contributes to the diversification of enterprise product portfolios, catering to evolving consumer needs and enhancing their competitiveness in the market. This may include the development of new crop varieties, the adoption of organic production, or expanding the geography of sales.

Furthermore, optimization of production processes allows for reducing production costs, increasing labor productivity, and minimizing negative environmental impact. This may involve the use of more efficient soil cultivation methods, optimization of irrigation systems, as well as the adoption of energy-efficient technologies.

Finally, the establishment of infrastructure for sustainable development, such as renewable energy systems, water purification, and waste management, is a crucial element of modern agricultural enterprise activities. These measures contribute to resource conservation, reduction of negative environmental impact, and enhancing the long-term resilience of enterprises.

Enhancing the innovative potential for the sustainable development of agricultural enterprises is achievable through a comprehensive approach that considers various aspects of this field. Firstly, it is important to conduct continuous monitoring and analysis of market trends, cutting-edge technologies, and innovative practices. Furthermore, investment in research and development aimed at improving agricultural methods, processes, and products is a key element. The development and implementation of innovative technologies, such as modern irrigation systems, automated production and monitoring processes, and the use of artificial intelligence for data analysis, can significantly enhance the efficiency and competitiveness of enterprises.

It is also important to develop innovative approaches to resource management, including the use of agro ecological methods and balanced utilization of natural resources. Providing support and incentives for the implementation of innovative solutions in the form of grants, loans, or tax incentives also contributes to activating the innovative potential of agricultural enterprises.

Moreover, the development of education and training systems aimed at enhancing the qualifications of professionals in the field of agriculture can ensure sustainable innovation growth in this sector. All these measures together can contribute to creating a favorable environment for innovation and ensure the sustainable and successful future of agricultural enterprises.

Conclusions.

Therefore, while the implementation of innovations in agriculture may be marked by the presence of some progressive solutions, its potential is far from being fully utilized. The development and support of innovation in agriculture remain crucial tasks to ensure sustainable and productive development of this sector. The economic essence of the innovative potential for the sustainable development of agricultural enterprises lies in their ability to integrate innovative solutions into all aspects of production, management, and market activities to ensure efficiency, sustainability, and competitiveness of the agricultural sector. Thus, the economic essence of the innovative potential for the sustainable development of agricultural enterprises is manifested in their ability to adapt to changes in market conditions, ensure efficient resource utilization, and reduce negative environmental impact, thereby promoting their sustainable development and competitiveness. A set of measures is proposed that can contribute to creating a favorable environment for innovation development and ensure the sustainable and successful future of agricultural enterprises.

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