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**PROSPECTS OF DEVELOPMENT OF RISKS INSURANCE IN  
AGRICULTURAL PRODUCTION IN UKRAINE BASED ON THE  
ANALYSIS OF INTERNATIONAL EXPERIENCE**

**ABSTRACT**

Agricultural production is characterized by a high level of risk, as it is performed in unregulated and uncertain climatic conditions, the effect of which, in many cases is impossible to control. In addition, farmers are faced with risks such as price fluctuations, changes in productivity, inconsistent government policies.

Agricultural risks can be identified as one of the varieties of business risk arising in the agricultural sector and farmers is a threat of loss of their income.

An effective tool to support and ensure continuity of the reproduction process serving insurance, which, offsetting losses incurred, stabilizes production and ensures the financial stability of households, which guarantees the continuity of agricultural production and can serve as a source of investment in agricultural production.

World Agricultural insurance experience consists of a large variety of models and forms of interaction between market participants, which is formed according to objective conditions and traditions specific to each country's economy. On the whole, there are two models of insurance that can be called "American" and "European." The sign of the "American" model is the broad participation of the state in supporting agricultural insurance risks. "European" model can be described as private. This means minimal government intervention, and that farmers buy insurance at its full price. However, both models have their drawbacks. Thus, the defects of "American" system is the high administrative costs

and complexity for the insurer to control moral hazard. As for the "European" model, among its shortcomings can be called vulnerability of insurers and limited possibilities of the system. The largest and best agricultural areas of insurance risk are characterized by Spain, Canada and the USA.

The feasibility of establishing an effective system in Ukraine agricultural insurance with state support, establishes an effective system of agricultural insurance in the voluntary form, creation and development of the societies of mutual insurance.

To create a system of agricultural insurance initially and for the further implementation of the functions of government oversight and support it is necessary to develop all phases of agrarian formations and its implementation structure to be carried out only at the national level.

The development of agricultural insurance in the country can have a major positive social impact, as if agricultural producers are confident that in the event of partial or complete loss of a crop they can expect appropriate compensation, they can confidently continue to engage in agricultural business. This will help preserve jobs, reducing migration of rural population and improve the social structure.