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VALUE-ADDED AGRICULTURAL BIO-BUSINESS DEVELOPMENT

The decline in natural resources, population growth, climate change and other global and economical challenges in recent years have encouraged the traditional economy transfer into a bioeconomy. According to the Organisation for Economic Co-operation and Development (OECD), bio-based economy by 2055 will be the main driving force of the European economy, with a special focus on agriculture (Lietuvos ...santrauka, 2017). Multifunctional, value-added and biotech-based businesses have become increasingly viable, as it can help key sectors of the economy (agriculture, health, etc.) solve the problems of limited resources, environmental concerns and more (Vilmantas, Melnikas, 2014).

It is evident that in the international market (USA, EU) further economy growth plans will also focus on bio-business (Hassan et al., 2015). Future science and policy programs expect companies to adopt business models, based on the circular economy and providing added-value (Leipold and Petit-Boix, 2018). Therefore, it is appropriate to analyse the development of high value-added agricultural bio-business.

The aim of the research is to analyse value-added agricultural bio-business concept and its development aspects. **The object of the research** is value-added agricultural bio-business development. **Methods of research** are scientific literature analysis, document analysis, statistical data analysis.

Results. The research analyses the development and characteristics of value-added agriculture bio-businesses in the international market, including theoretical insights of value-added bio-business, value-added agriculture bio-business trends and development opportunities, exploring the perspectives of agricultural bio-business. It was found that

there is no well-established definition of bio-business in the scientific literature. It is treated differently by different authors. In this research, bio-business is understood as a business involving the use of biological processes in the energy, forest, agricultural or chemical industries and transforming natural resources into goods or services. All bio-businesses can be perceived as certain processes consisting of five stages: research, development, testing/registration, production and marketing (Kiskis and Limba, 2016).

The development of bio-businesses makes a significant contribution to the international economy and creates added value. The global biotech market has been growing in recent years, reaching around \$ 250 billion USD in 2019, and it can be assumed that the growth will continue (Bumelis, 2018). Analysing bio-business trends internationally, it could be seen that there are three largest biotech markets in the world: the US (45.5%), Europe (28.8%) and Asia (24%). The strongest countries dedicate at least 2% of GDP to R&D, provide business support and develop innovation-friendly policies (Biotechnology ... country, 2019). The leading fields of the development of biotechnology is agricultural (plant research, food and feed) and medical bio-businesses. EU bioeconomy is expected to develop rural and regional bio-businesses. Although rich in biomass, rural areas are characterised by lower levels of entrepreneurship. It is feared that urban areas with higher potential for innovation will produce higher value-added products, while rural and regional areas will only supply biomass (Tetslaff and Clifford, 2019). It was revealed that it is useful to switch from traditional agriculture to multifunctional and high value added (e.g. cultivating, several times processing and selling online) (Negoro, 2018). High value added agricultural bio-businesses could target biodiversity, pollution control, nature and landscape conservation, and development of bio-business in less-favoured areas.

Analysing expected changes in the structure of the farm statistically, it can be seen there is a tendency that the number of very small farms (up to 1 ha) will decrease significantly in the future. However, the average area of the farm is growing. This means that larger areas are open to more activities. Although the total number of farms will decrease, the area occupied by farms will increase. It can be assumed that there is a possibility for farms to connect and transform into multifunctional farms and to develop agriculture bio-business. The following trends of high value-added multifunctional bio-

business are emerging worldwide (Vitunskienė, 2017):- Increasing demand for biomass;- Increasing need for reuse of bio-waste; - Increasing use of biomass for high value-added products;- Increasing need for CAP investment. A multifunctional bio-business must be able to be flexible at any stage. The chain of high value-added in agricultural multifunctional bio-business must be executed sustainably and multifunctionally, i.e. not only to produce several semi-finished products or products at the same time, but also to sell any product at any stage of the chain, offering related activities (consulting, service, etc.) (Lietuvos ... santrauka, 2017).

Conclusions. Bio-business is treated as a business involving the use of biological processes in the energy, forest, agricultural or chemical industries and transforming natural resources into goods or services. Future trends revealed benefits from switching from traditional agriculture to high value added, multifunctional bio-business. The research revealed that agrobio-business is a viable business area. It is therefore appropriate to promote investment in activities with high added value at international level, promoting the launch of new products and fostering innovation cooperation between industrial sectors, business and science. It is concluded that the successful direction of bio-business development requires choosing the right direction and market entry strategy and anticipating how bio-business prospects may change in the future. The global market for biotechnology is expected to continue to grow, but growth requires a proper innovation policy. While new trends also open new markets, high added value agricultural bio-businesses should offer modern society new services and goods and innovative entry strategies for their business to thrive.

Future bio-businesses can be linked to the production of high value-added products using as many times as possible treated biomass. It is noted that such businesses must be developed in a way that is sustainable (production is based on renewable resources and the environment) and multifunctional. The main directions of bio-business could be not only the production of high value-added agricultural products, but also the search for new sources of biomass or production from bio-waste.

Keywords: value-added bio-business, agriculture.

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ИНСТИТУТ СОЦИАЛЬНОЙ РАБОТЫ И ЕГО РОЛЬ В СОВРЕМЕННОМ ОБЩЕСТВЕ

В современных условиях все более отчетливо просматривается необходимость совершенствования социальной работы, внедрения новых форм и методов, преодоления отживших стереотипов. Исключительно важно использовать все лучшее, что имеет действующая ныне система государственного социального обеспечения, народного образования, культуры, здравоохранения, физкультуры и спорта, не растерять накопленный опыт и традиции, ибо это есть бесценный материал для теоретической и методологической основы социальной работы в нынешних условиях.

Проблема ее совершенствования в нашей стране связана, прежде всего, с формированием системы учреждений социальной помощи и нового механизма защиты населения, включающего как структуры обеспечения условий жизни “слабых” общественных групп, так и структуры воспитательно-профилактической деятельности, развития социальной активности всех слоев населения.

Система социальной защиты населения находится в стадии становления и развития, ведется активный поиск ее оптимальной структуры, важнейших