

**REPUBLIC OF AZERBAIJAN**

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**ABSTRACT**

of the dissertation for the degree of Doctor of Philosophy

**DIRECTIONS FOR STIMULATING AGRIBUSINESS  
ACTIVITIES**

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## GENERAL CHARACTERISTICS OF THE CASE

**Relevance of the topic and degree of development.** The current state of production relations in the agricultural sector requires a more complete development of agribusiness, including the results of production, distribution, exchange and consumption. It is known that the main goal of the agricultural sector is to create competitive products aimed at solving socio-economic problems and ensuring food security of the country. In this regard, ensuring sustainable economic growth in the agricultural sector and creating favorable conditions for long-term economic growth are key issues. Strengthening the innovative direction of agricultural policy in order to achieve its goals, prioritizing structural changes, technical and technological support, addressing the diversification of production; restructuring of business entities, development of corporate institutions, stimulating cooperation and integration of the agro-industrial sector, stimulating the development of small and medium-sized businesses; Defining and implementing measures such as creating an effective advisory and information service is one of the priorities.

One of the most important aspects of achieving the goals set at the present stage of agricultural development in the country is to solve the problems of agribusiness. Agribusiness is also affected by global changes in the economy, providing high economic interests to achieve its goals. Therefore, special attention should be paid to organizational and legal measures conducive to the development of agribusiness, promotion of various types of entrepreneurship and other forms of business, more effective areas and conditions of sales, export and competitive products.

It is no coincidence that the main objectives of the Action Plan to support the development of agribusiness in the Strategic Roadmap for the production and processing of agricultural products in the Republic of Azerbaijan are in the foreground. Thus, the Strategic Roadmap says that by creating agribusiness incubators in Azerbaijan, it is possible to increase the production and processing of existing and processed unprocessed export products, as well as to revive traditional crop production and import-substituting products.

This measure will also increase the efficiency of state investments in the physical and social infrastructure, increase competitiveness in the logistics center of Azerbaijan, and attract various investors in the food industry and agriculture. different goals can be achieved.

The experience of the market economy shows that the main factors in the dynamic development of the agricultural economy and its effectiveness are not only the market itself, but also the subjects of agribusiness, which are its integral part. At the same time, international practice considers the formation of a business environment in the agricultural sector, the formation and development of agribusiness entities, the creation of a competitive environment between these entities and the determination of the most suitable model of agribusiness incubators, taking into account the characteristics of the country, as the main sources of economic development. These facts confirm the relevance of the research topic and justify the importance of agribusiness in the agricultural sector at the present stage of economic development.

Summarizing the scientific, theoretical and practical issues of the formation of agribusiness in agriculture, the definition of basic concepts and categories is one of the issues on which economists are always in the spotlight. Scientific ideas about agribusiness, the study of problems associated with agribusiness, are more often found in local and foreign literature.

In general, the problems of agribusiness and its development have been the focus of attention of economists at different times. A. Nuriev, I. Aliyev, B. Atashov, A. Verdiev, I. Ibragimov, R. Balaev, A. Mammadov, H. Khalilov, A. Abbasov and others conducted various studies on this subject in our republic. The problems of studying various aspects of agribusiness in foreign countries are encountered by A. A. Apishev, A. Danilov, A. V. Chayanov, L. P. Dashkova, E. I. Barsuchenko, M. P. Mazolin, D. Clark, L. Hoffman, P. Schumpeter and others.

However, although the problems of creating and developing agribusiness in agriculture are still under development, there are practically no studies to stimulate agribusiness. Work on these issues is episodic in nature and is based on a consideration of legal issues.

**Object of research.** Agricultural enterprises of Azerbaijan, including agribusiness structures were selected as the object of research.

**Subject of research.** The subject of the dissertation is the problems of development of agribusiness in agriculture and stimulation of agribusiness activity.

**The purpose and objectives of the study.** The main purpose of the dissertation is to study the economic nature of agribusiness, its functions, features, methods of agribusiness, assessing the role of agribusiness in the development of the agrarian economy, identifying urgent economic problems in agribusiness, as well as stimulating agribusiness.

In accordance with the purpose of the work, the following tasks are set:

- the study and synthesis of scientific and theoretical views and ideas related to the formation of agribusiness;
- determination of the features of the development of agribusiness in agriculture;
- determine the role of stimulating agribusiness in the development of the agricultural sector;
- analysis of the level of agricultural development and assessment of the current situation;
- analysis and assessment of the current state of agribusiness;
- Study of internal and external factors affecting agribusiness;
- determination of the role of marketing services in the development of agribusiness;
- identification of the main directions of state support for agribusiness;
- Definition of directions for stimulating agribusiness.

**Research methods.** At the initial stages and in the implementation process, the following research methods were used: monographs, calculation design, economic-statistical, analytical, comparative analysis and so on.

**The scientific novelty of the study is as follows:**

- theoretically, the importance of agribusiness in the development of the agricultural economy is justified [2];
- the organizational structure of agribusiness entities in agriculture has been determined [4];
- It is proposed to create new agribusiness structures that take into account the specifics of agricultural production and meet the interests of local producers [6];
- determined the influence of internal and external factors on the results of agribusiness [8];
- the importance of marketing services and marketing research in the development of agribusiness has been determined [11];
- identified the main directions of state support for the activities of the agro-industrial complex, taking into account local characteristics based on international experience [7];
- the priorities for promoting agribusiness have been identified [12].

**Theoretical and practical significance of the research.** The suggestions and recommendations made as a result of the study can be used to determine prospects for improving and developing agribusiness, ensuring the effectiveness of agribusiness, and developing measures to stimulate agribusiness.

**Approval and application of research.** The main research results were reported at national and international scientific conferences, regional scientific and practical conferences and published in the conference materials for their adoption. The main results and research proposals were presented by the Ganja branch of the National Academy of Sciences of Azerbaijan No. 90-003 dated January 5, 2018 and reference No. 17 dated January 25, 2019 from the Samukh State Center for Agrarian Development of the Ministry of Agriculture of the Republic of Azerbaijan adopted. Publications based on the results of the study are reflected in 12 scientific articles and conference materials.

**The name of the organization in which the dissertation was completed.** The dissertation was completed at the Azerbaijan State Agrarian University.

**The total volume of the dissertation.** The dissertation consists of 1 page of title page, 1 page of table of contents, 5 pages of introduction (9577 characters) and 3 chapters (Chapter I 82460, Chapter II 71192, Chapter III 71313 characters). The result is 6 pages (11487 characters), the list of used literature (107 titles) is 7 pages, the total volume is 139 pages. The general text of the dissertation (16 tables and figures, excluding the list of references) consists of 246,029 characters.

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## BASIC PROVISIONS FOR PROTECTION

Basic provisions of protection. The main provisions of the dissertation on the development of agribusiness in agriculture and the study of the problems of stimulating agribusiness are as follows:

### **1. Methodology for the formation and development of agro-industrial activities.**

The agrarian economy is a very important part of the country's economic system, and economic policy must always pay attention to its dynamic development. First of all, this is the basis of the country's food security, and the provision of the population with food products depends primarily on the development of this sector. Of course, a certain amount of work has been done in this direction, there are certain advances in the development of the agricultural sector, including the AEC as a whole. Privatization in the agricultural sector has been completed in accordance with the requirements of a market economy, agricultural entrepreneurship has expanded, and the material and technical base of production has significantly increased. However, economic analysis shows that the agricultural sector and the AEC as a whole are facing very important and urgent tasks. From this point of view, in order to ensure both stable and intensive development of the agrarian sector in a market economy, deep structural changes are required, a system of significant measures should be developed and implemented to increase the production of food and strategic goods.

Analysis of the level of agricultural development plays an important role in analyzing the level of demand for local consumption. Thus, this indicator, on the one hand, helps to assess the current state of production, and on the other hand, to determine the level of dependence on imports. Studying the level of local demand for food is of particular importance for the country's food security. Analysis of the level of satisfaction of the basic needs of the population in local food products at the expense of local consumption shows that Azerbaijan still cannot satisfy the demand for other products, with the exception of a number of products. We must remember that it is impossible to satisfy the demand for wheat



production, which is important for us. Wheat is imported from other countries, especially from Russia, Kazakhstan and Iran, which naturally reflects Azerbaijan's dependence on imports to meet the demand for this product. Unfortunately, the dynamics of some products, including potatoes, shows that it was not possible to satisfy demand through local production. At the same time, there has even been a slight decrease in the share of local production in potato production over the years. This also indicates that amid declining potato production, increased demand has led to an increase in domestic production paid for by imports. Given that the import of cheaper potato products from abroad at that time and, in particular, in 2016, significantly weakened the activity of local potato consumers.

**Table 1. The level of local demand for basic food products, %**

<b>Indicators</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>
<b>Total cereal</b>	64,5	63,8	66,3	74,1	67,3
<b>Wheat</b>	54,8	52,9	58,1	64,8	57,2
<b>Barley</b>	95,1	101,7	94,4	103,1	100,2
<b>Corn</b>	54,1	71,1	70,7	82,7	80,0
<b>Oats</b>	93,1	85,7	90,1	89,2	90,9
<b>Other types of cereals</b>	6,3	32,0	20,4	82,3	88,2
<b>Legumes</b>	69,3	68,4	73,7	72,0	76,1
<b>Potatoes</b>	89,1	85,5	89,2	90,8	87,8
<b>All kinds of vegetables</b>	103,4	105,4	115,2	115,0	112,0
<b><i>A vegetable garden</i></b>	100,0	100,2	100,2	99,7	100,8
<b>Fruits and berries</b>	113,7	116,4	122,4	123,2	123,1
<b>Grape</b>	93,1	89,2	93,4	92,5	94,3
<b>All types of cattle and fowls</b>	94,7	87,9	84,7	82,7	82,5
<b>Beef and meat products</b>	91,8	93,5	86,3	85,1	86,1
<b>Mutton (goat) and meat products</b>	99,3	98,7	98,0	98,1	97,6
<b>Fowls and meat products</b>	98,6	79,1	79,7	75,9	74,6
<b>Milk and dairy products</b>	84,3	87,7	86,1	86,7	86,3
<b>Egg</b>	99,7	98,8	100,5	101,5	101,8

Priority attention should be paid to the development of grain growing, cotton growing, viticulture, horticulture, vegetable growing, tea growing, animal husbandry and sheep breeding. To this end, during the transition to the market, the main direction of the

state's agricultural policy should be to increase the production of all types of crop and livestock products through reclamation and irrigation measures.

At the same time, the formation of a multi-sectoral economy to increase food reserves, ensuring the superior development of peasant (farmer) farms, along with other structures, is a task facing the science of economics and management of the agricultural sector. In addition, for the development of the agricultural sector and the organization of production in accordance with modern requirements, one of the most important issues is the creation of production cooperatives on a voluntary basis and the consolidation of small farms, taking into account the specifics of this field, foreign experience and the advantages of large production. . World experience shows that this is one of the most advanced forms of organization of agricultural production at the present stage.

The existing infrastructure to support the development of agribusiness is based on the creation of centralized, large-scale and export-oriented agro-parks, agribusiness incubators and startups located close to agricultural production areas and major trade facilities. By creating several agro-parks in Azerbaijan, the physical and social infrastructure will increase the efficiency of state investments, strengthen the competitiveness of Azerbaijan in the logistics hub, attract various investors to the food industry and agricultural production sectors, etc. it is possible to achieve various such goals.

## **2. Mechanism of stimulation of agribusiness activity, assessment of factors influencing agribusiness activity.**

It is important to work to differentiate state aid to agricultural producers in Azerbaijan by region and product in accordance with modern requirements. In particular, the preparation and adoption of a relevant law to eliminate the fragmentation of normative legal acts that form the basis of activities in this area, the full formation of a differential subsidy mechanism, support for the import of pedigree animals and their transfer to breeding farms, high-yield seeds of agricultural producers It may be important to consider improving the state support mechanism in order to strengthen the supply of

seedlings, as well as modern machinery and equipment, agrochemicals. At the same time, this priority includes improving and making transparent the mechanism of preferential sales of irrigation water to agricultural producers, increasing the effectiveness of tax and customs benefits, developing and implementing incentive action plans for farms operating in high mountainous areas and winters, promoting grape and tea plantations. It is important to conduct a feasibility study on the continuation of subsidies for elite seed production.

One of the important directions of agribusiness is the effective sale of manufactured goods. Since the effectiveness of sales results directly depends on the price level, it is important to observe the tendency of prices to change in agribusiness, to determine the most favorable time of the price threshold, to sell at a time when it is more economically viable.

**Table 2. Financial indicators of agricultural enterprises**

<b>Indicators</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>In 2019 compared to 2015, %</b>
<b>Number of households, units</b>	1 659	1 592	1 608	1 641	1 471	88,6
<b>Of these: at a loss</b>	129	104	96	81	95	73,6
<b>%</b>	7,8	6,5	5,9	4,9	6,4	X
<b>Total revenue (at actual prices), thousand manats</b>	84 990	119 130	115 025	163 990	190 080	2,2 dəfə
<b>Net profit, thousand manats</b>	39 763	75 246	62 815	96 917	92 696	2,3 dəfə
<b>Profitability for all financial and economic activities, %</b>	11,3	20,3	14,1	20,1	17,2	X
<b>Income from the sale of agricultural products, thousand manats</b>	39 840	71 711	57 661	77 725	79 276	198,9
<b>Including: plant-growing</b>	20 241	40 268	32 235	56 577	68 795	3,4 dəfə
<b>cattle-breeding</b>	19 993	31 330	24 356	19 048	10 481	52,4
<b>Profitability of agricultural products, %</b>	11,3	19,4	12,9	16,2	15,3	X
<b>Including: plant-growing</b>	36,0	43,5	25,5	40,4	35,7	X
<b>cattle-breeding</b>	7,1	11,8	8,0	5,9	3,4	X

As you can be see, the income from crop production is higher. Thus, 3.4 times more income was observed in crop production. In animal husbandry, one of the reasons for the relative decline is due to faster spending. Observations of increases in cost have a direct effect on profits. The effect of revenues was also observed. This is due to the fact that the decline in profits has led to the fact that enterprises engaged in the production of livestock products are less likely to invest in this area.

### **3. Ensuring the efficiency of agribusiness and a mechanism for influencing the development of foreign trade relations.**

According to the research, it is important to use the methods and concepts of agribusiness assessment developed and applied in international practice in order to manage the agribusiness activities of agricultural enterprises and to effectively assess its value.

From this point of view, the study of the influence of internal and external factors on the activities of agribusiness should be given a wide place both at the level of enterprises and in terms of import-export. Agricultural exports, as well as the impact of imports on the domestic market and local production, are naturally important factors in determining the economic position of enterprises and play an irreplaceable role in determining the development strategy of enterprises.

**Table 3. Dynamics of exports of basic agricultural and food products**

Name of goods	2015		2019		In 2019, in % compared to 2015	
	Quantity	Amount, thousand US dollars	Quantity	Amount, thousand US dollars	Quantity	Amount, thousand US dollars
Potatoes, tone	36 712,0	20 950,2	61 785,1	26 851,8	168,2	128,1
Fresh vegetables, tones	83 312,5	70 690,5	221 195,1	214 130,2	2,6 dəfə	3,1 dəfə
Fresh fruit, tones	172 980,9	220 087,2	336 342,0	361 368,3	194,4	164,1
Tea, tone	4 287,5	19 501,5	1 505,9	9 510,3	35,1	48,7
Canned fruits and vegetables, tons	2880,1	3 945,7	6 927,8	9 190,3	2,4 dəfə	2,3 dəfə
Fruit and vegetable juices, tones	6 727,2	6 911,0	9 870,2	11 183,6	146,7	161,8
Tobacco, tone	1 944,4	7 431,8	6 488,5	13 598,0	3,3 dəfə	182,9

Of course, when studying the level of exports, attention should be paid to the impact of imports on the domestic market. Analysis of the data shows that the dynamics of imports in the country is different in terms of product units.

**Table 4. Imports of basic types of agricultural and food products, thousand tons**

Name of goods	2015		2019		In 2019, in % compared to 2015	
	Quantity	Amount, thousand US dollars	Quantity	Amount, thousand US dollars	Quantity	Amount, thousand US dollars
<b>Cattle meat, tons</b>	5 059,3	10 899,7	8 810,5	28 092,0	174,1	2,5 dafə
<b>Poultry and its by-products, tons</b>	7 372,7	6 240,9	37 713,4	43 818,1	5,1 dafə	7 dafə
<b>Milk and cream, tones</b>	8 835,2	5 761,7	9 022,7	14 374,4	102,1	2,4 dafə
<b>Bird eggs, thousand pieces</b>	51 381,3	8 609,1	20 576,0	4 731,8	40,04	54,9
<b>Potatoes, ton</b>	124 763,8	11 204,9	193 016,7	51 816,0	154,7	4,6 dafə
<b>Fresh vegetables, tones</b>	25 489,9	6 149,3	19 457,8	10 478,8	76,6	170,4
<b>Fresh fruit, tones</b>	57 881,1	33 299,5	110 327,1	112 997,4	190,6	3,3 dafə
<b>Tea, tone</b>	7 460,8	16 319,9	14 095,9	55 049,0	188,9	3,3 dafə
<b>Wheat, thousand tons</b>	1 353,1	296 831,0	1 585,0	340 533,1	117,1	114,7
<b>Corn, tons</b>	181 652,7	31 202,6	71 068,9	18 434,6	39,1	59,08
<b>Rice, tons</b>	26 638,8	8 031,5	48 654,6	38 746,5	182,6	4,8 dafə
<b>Tobacco, tone</b>	3 053,1	10 333,1	6 299,2	46 171,4	2 dafə	4,4 dafə

Along with an increase in foreign trade turnover, the company faces the task of increasing economic efficiency. To do this, it is necessary to solve such problems as foreign trade relations - material and technical means, modern achievements of scientific and

technological progress, the production of competitive goods and services with a more efficient use of the means of production, ensuring their free access to international markets. The solution of such important, complex and multifaceted issues requires the study of the problems of the formation and improvement of foreign trade relations, the development and application of methods for their assessment and economic and mathematical models.

#### **4. The impact of the use of marketing services on the development of agribusiness.**

It is known that in order to ensure the effective sale of goods produced by agricultural enterprises, it is important to operate successfully in the market, attract new consumers by maintaining existing consumers, increase sales, increase its share in sales by strengthening its market position, and gain a competitive advantage. trying to perform. In the implementation of these tasks, consumers pay attention to price, quality, their consumer taste, national characteristics, etc. It is necessary to create new production areas depending on the market demand, with special importance for the production of goods in accordance with their interests.

The importance of marketing for agricultural enterprises is the ability to increase the income of the enterprise by meeting the needs of buyers, to ensure the profitability and liquidity of the enterprise by meeting the needs of consumers. The main goal of marketing as a system is to combine all the individual components of targeted activities in one technological process. That is, although the individual components of marketing activities are important in themselves, a comprehensive approach to them provides the opportunity to apply marketing as a market management system. Considering marketing as an overall economic function of an enterprise means a systematic approach to production that is purposeful and clearly designed to achieve the goal. A single program-oriented approach allows you to develop an effective "leap" strategy to access markets, identify areas for action, and lay the groundwork for the enterprise to focus its efforts on selected market sectors. The economic importance of marketing is to accelerate the production of enterprises, increase the dynamics of production and

competitiveness of goods, to achieve maximum commercial effect, along with the timely creation and launch of new products on the market. Therefore, the methods of studying the world markets of marketing, identifying new and changing needs of consumers, methods of creating effective channels for the sale of goods and services, ways to conduct complex advertising campaigns with appropriate service systems and management methods are undoubtedly of practical interest.

### **5. The main directions of state support and regulation of agribusiness activities.**

Speaking about state support, it should be noted that it should be carried out mainly by economic methods, including tax regulation, budget financing, social development, government programs, government orders. At the same time, it is necessary to take into account the specifics of the agro-industrial sphere, that is, the seasonality of production, low rates of capital investments, as well as the presence of production risks associated with natural conditions and the location of the country.

The need for state support for agribusiness in the agro-industrial sphere is due not only to its characteristics, but also to the period of its development. The goals and principles of state support in the agrarian sector are formed by the agrarian strategy. This strategy characterizes the main provisions of the state's activities in the agricultural sector, ownership of land and means of production, increasing the production and consumption of food, ways to increase production efficiency, increasing the income of the rural population and environmental protection.

There are serious and numerous reasons for state regulation and economic support of agricultural producers. Specifically, they can be characterized as a need to ensure the stability of the development of agriculture and food production. At the same time, government intervention allows to combine social stability with high economic efficiency.

Considering the activities of the organizational structures of agribusiness, it is clear that in recent years, significant progress has been made in this direction.

**Table 5. Product production dynamics**

Göstəricilər	2018		2019		2020		Compared to 2018, in 2020 compared to Yastibulag LLC in Yalama Agropark, by %
	Yastibulag LLC	Yalama Agropark	Yastibulag LLC	Yalama Agropark	Yastibulag LLC	Yalama Agropark	
sowing area of cereals, ha	460	1048	147	706,1	180	896,5	194,8
production of cereals, tons	1 350	12 126	367	3 492,14	360	5 443,83	4 times
cattle, head count	400	3 000	660	3 017	880	3 322	8.3 times
meat production, tons	6,3	255	3,7	491	4,4	501,7	796.3 times
milk production, tons	10,5	5 800	54,7	7 570	65,7	7 485,3	7128.8 times

The above shows that it is important to know the factors influencing the evaluation of agribusiness activities of agricultural enterprises and to take them into account in the evaluation activities.

International experience shows that state support of the economy as a whole cannot be achieved through legal and administrative means alone, as this may either lead to financial irregularities or severely restrict the activities of economic entities. In such a situation, it can lead to administration and monopolies.

## CONCLUSION

Based on generalizations, the following results were obtained:

1. A consequence of the growing role of agribusiness in recent years is that the effectiveness of the use of key factors of production - land, labor and capital, largely depends on the use of business skills and efforts. At the same time, the development of the agricultural sector should be carried out by increasing the interest of business entities in their work. Effective results can be achieved by creating favorable macroeconomic conditions in the country and ensuring equal rights and legal guarantees for agribusiness for various forms of agriculture. Therefore, there is a need for continuous improvement of legislative measures and legislation related to the promotion of agribusiness.

2. Analysis of agribusiness activity showed that the development of all forms of farming is one of the main goals of agrarian policy. However, the establishment of large-scale, including new



cooperative farms, requires significant capital investment, so it is important to pay attention to the legal aspects of the creation of joint cooperatives, as well as to encourage existing farmers and family (peasant) farms.

3. Analysis of the efficiency of enterprises in the agro-industrial sphere shows that currently the process of attracting investment in the agricultural sector is not at a satisfactory level. There is also little interest in credit investments. Therefore, the use of investment insurance practices and the expansion of soft loans to stimulate investment and credit in this area can have positive results in this direction.

The creation of preferential conditions for priority areas of foreign investment, the development and implementation of legislation and other legal acts in this area can play a positive role in meeting the demand for financial resources in the industry.

4. It is very important to ensure the balance of credit investments in the economy, referring to the real sector lending opportunities in the country's economy and related foreign experience. For this reason, it is necessary to establish a specialized bank serving agriculture, which could have a positive impact on a significant increase in the share of the agricultural sector in credit investments. When lending at the expense of the bank, the collateral can be wider and loans can be issued to low-income groups. Establishment of the bank may be possible with the participation of reliable foreign and local investors.

5. The analysis showed that the state allocates significant funds for the development of entrepreneurship. In recent years, more than 2 billion manat has been provided to entrepreneurs on preferential terms. However, control over these loans should be strengthened and business projects should be reconsidered. That is, in previous years, preference was given to large projects - the creation of agricultural parks, but now in the portfolio of soft loans should be given priority to micro, small and medium enterprises. This direction should be taken into account, as the gross domestic product of developed countries is largely formed by micro, small and medium enterprises.

Therefore, the share of micro, small and medium enterprises in the structure of preferential business loans should be increased.

6. Analysis of the current state and level of development of agricultural enterprises showed that the promising areas of their activities may be: the establishment of financial and industrial groups, the organization of large trade and financial institutions and industrial groups that can be a strategic investor in agriculture, remittances and services , expansion of the transfer of functions of full production and sales cooperation to joint-stock companies created in the process of privatization of processing enterprises.

7. The analysis of the agribusiness system showed that today the production-sales relations are formed mainly in certain areas. The practical application of these economic relations allows the creation of joint-stock companies with certain qualitative characteristics, which allows for the pre-modeling of these relations. Therefore, modernization and involvement of innovations in this process can be considered as key measures.

8. The implementation of more advanced measures to provide subsidies from the budget to the activities of enterprises to promote the use of innovations in agriculture in order to adapt agrarian structures to the requirements of market relations and ensure their effective operation will achieve positive results. Especially in this area, the natural and climatic features of the regions, the provision of resources, etc. It is necessary to apply a differential approach.

9. The current situation shows that the manufacturer's interest in insurance, as well as risk mitigation mechanisms are not working at any level. Therefore, the development of factors such as the responsibilities of the state in the field of agrarian insurance, agrarian insurance body, agrarian insured, the subject of insurance, insurance risks, insurance premiums based on best practices can accelerate the formation of agricultural insurance system and ensure sustainability of agricultural production . At the same time, it will create a legal basis for improving the legal framework for regulating agricultural insurance and creating infrastructure in this area.

In the current context of high state support for the agricultural sector, farmers are also waiting for new proposals from insurance

companies to achieve results in the development of agricultural insurance. That is, there is a need to insure the product individually, not complex. In some foreign countries, the purchase price of seeds and plant protection products includes insurance premiums. If the product of the buyer of seeds and plant protection products is damaged, the insurance company reimburses the costs. The implementation of such an initiative in the national agricultural sector could help develop the insurance market and provide farmers with confidence and a positive experience.

**10.** Under the new subsidy rules, farmers will be able to cash 25% of the funds directly, and 75% on the ground without cashing, simply by purchasing fertilizers, pesticides, seeds or seedlings. According to a survey of farmers, at best, farmers spend about 200 to 100 manat on fertilizers, pesticides, biohumus, seeds and medicines. The 50 manat portion is used for agro-technical maintenance - plowing, plowing, etc. not enough work. In other words, 150 manats of non-cash funds are more than needed, and the cash part is less than needed. It can be concluded that it would be more expedient to equalize the cash and non-cash parts, ie to determine 50% -50%.

**11.** Studies show that Azerbaijan lags behind other CIS countries in the production and consumption of basic foodstuffs per capita, except for Tajikistan. For this reason, the government should determine the annual per capita food norm on the basis of the recommendations of the World Health Organization and the FAO, of which Azerbaijan is a member. to fully meet the food needs of the population in accordance with the nutritional standards set by the World Health Organization.

**12.** One of the existing problems in agribusiness is the definition of short-term goals as a result of research. However, it is important to identify short, medium and long-term priorities for enterprise development. From this point of view, the application of the results of scientific research in production, as well as the coordination of production with science can be considered an important measure in the development of the agribusiness system of enterprises.

**The main content of the dissertation is reflected in the following scientific articles:**

1. Mehdiyev F.S. Directions of stimulating agribusiness // Innovative development of agrarian science and education: world experience and modern priorities. Materials of the international scientific-practical conference, volume III, October 23-24, 2015, Ganja, ADAU Publishing, Azerbaijan, p. 381-384

2. Mehdiyev F.S. Directions for the development of agribusiness // Proceedings of the International Scientific Forum of Youth on the Integration Processes of World Science in the XXI Century, October 10-14, 2016, Ganja, Khazar University, Azerbaijan, p. 264-267

3. Mehdiyev F.S. The potential of agribusiness and its effectiveness // Scientific and Practical Journal "Young Researcher" ANAS, Volume II, No. 1, Baku, Science Publishing, 2016, Azerbaijan, p. 85-884. Gadzhieva R.T. The main agrochemical and physico-chemical properties in plant soils // Ganja branch of ANAS. Ganja: Nauka Publishing House, 2016, No. 2 (64), p. 66-70

4. Mehdiyev F.S. The role of financial resources in improving the efficiency of the agro-industrial complex // News of the Institute of Economics ANAS 2, Baku, Science and Education 2017 Publishing House, Azerbaijan, p. 193-199 (co-author - R.M. Aliyev)

5. Mehdiyev F.S. Expansion of the agricultural sector, agro-industrial complex // Economics and Business Theory and Practice No. 1, Moscow. Novosibirsk, Agro-Siberia Printing House 2017, Russia, pages 75-78

6. Mehdiyev F.S. Factors that develop the infrastructure and shape the infrastructure of agribusiness // Economics and Entrepreneurship No. 2 (2), Moscow, Rospek. Magazine »2017, Russia, p. 706-708

7. Mehdiyev F.S. The main directions of state support in agribusiness // Ministry of Agriculture, Scientific and Theoretical Journal of Scientific Works of the Research Institute of Agricultural Economics 2, Baku, KTETi Publications Section, 2018, Azerbaijan, p. 161-164

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9. Mehdiyev F.S. The Importance of Marketing in Agricultural Production // Scientific Publications of the ADAU, Ganja, 2018, No. 4. ADAU Publishing, Azerbaijan, p. 133-135

10. Mehdiyev F.S. The importance and stabilizing role of insurance in the agricultural sector // News of the Ganja branch of ANAS, Ganja, 2019 No. 1 (75), ANAS Publishing House, Azerbaijan, p. 119-122

11. Mehdiyev F.S. The role of marketing in the development of agribusiness // Management of the innovation system of agricultural production on non-economic and regional uranium, international interdisciplinary conference, Voronezh 2019, Box 1, Russia, p. 161-165

12. Mehdiyev F.S. Practical directions of organizing business in the agricultural sector of Azerbaijan // Strategic trends and trends in socio-economic disaggregation by region, Moscow 2019, Russia, p. 90-95

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