

REPUBLIC OF AZERBAIJAN

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ABSTRACT

of the dissertation for the degree of Doctor of Philosophy

**DEVELOPMENT DIRECTIONS OF EFFECTIVE
PRODUCTION ACTIVITY OF BUSINESS STRUCTURES IN
THE AGRICULTURAL FIELD**

Speciality: 5304.01 - Types of economic activity

Field of science: Economic sciences

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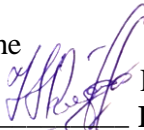
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GENERAL CHARACTERISTICS OF THE WORK

The relevance of the topic and degree of development: As a result of the successful reforms implemented in the agrarian field, favorable conditions for the development of entrepreneurship have been created, and more than 90% of the total product produced in this field falls to the private sector. Business structures operating in this field operate in domestic and foreign markets and continuously receive monetary income from the sale of products is related to efficient production activity. One of the most important principles of market relations is the economic efficiency of production. For this, first of all, economic efficiency of product production in farms should be ensured, production should be profitable. In general, the efficiency of economic activity and production is important for all economic systems. Efficiency is almost the main parameter of the activity of business structures in conditions of free competition. Although raising the economic efficiency of agricultural production in the administrative emirate system was set as one of the important tasks, the losses of economic entities operating at that time were completely covered by subsidies from the state budget.

The sustainability of business structures is directly related to measures to increase the economic efficiency of production in the agrarian field, and this should be ensured mainly at the expense of the internal capabilities of the subjects. It is true that measures are continuously implemented by the state in order to ensure the efficiency of the economic activity of agrarian business structures in our country. All this is done in the direction of the regulation of the agrarian field. However, in order to maintain competition and achieve development in the conditions of market relations, it is necessary to achieve efficient operation. From this point of view, the possibilities of business organizations to operate effectively should be investigated.

Currently, increasing the economic efficiency of production in the business structures of the agricultural sector is the main part of the state's agrarian policy. However, the predominance of small farms in the agricultural sector means that the level of use of new technologies and modern means of production in the production of both crop and

livestock products is much lower. Also, the low level of organization of small farms creates difficulties in meeting their needs for resources and accessing the market. Up to 90 percent of the total agricultural output in the country is produced by individual entrepreneurs, family farmers and households, which are considered small farms. Here, the average agricultural land per farm is 42 hectares. In addition, in family peasant and household households, on average, the area of land suitable for agriculture per household is many times smaller, 0.1-5 hectares. Agriculture accounts for 3-4 percent of the existing main funds in all areas of the economy. At the same time, the agricultural field is still one of the labor-intensive fields, that is, despite the fact that 36.3 percent of the employed population works in this field, it produces 5-6% of the country's annual GDP. This means that labor productivity in agriculture is still very low. The number of agricultural enterprises operating in this field (in 2015-2019) decreased by 12 percent, and the number of those working with profit decreased by 13 percent. The total profitability of the mentioned enterprises was 16-27 percent. Especially in the field of animal husbandry, the level of profitability varied between 3-10 percent. This is a clear example of the very low efficiency of production in this area. Also, the weak organization among the producers causes them to have a low efficiency of the stimulating measures implemented by the state in the agricultural field and to participate very poorly in the formation of the agrarian policy.

It should be noted that the liberation of our territories from occupation and the high level of agricultural potential of those territories bring to the fore the issue of efficiency of the production activity of business structures in the agrarian field. All this confirms the relevance of the topic of the completed dissertation.

The efficiency of the production activity of business structures in the agrarian field has been the focus of attention of economists of our republic and foreign countries. In the previous farming system, measures aimed at increasing the efficiency of production were implemented with centralized financing and investment programs, and the research conducted in this regard was performed according to the requirements of the existing system. In the current period when market

relations are being formed, the researches conducted in this field were mainly carried out one-sidedly in separate fields. Azerbaijani economist-scholars A.I. Mammadov, A.Ch. Verdiyev, R.A. Balayev, S.V. Salahov, I.H. Ibrahimov, B.Kh. Atashov, I.V. Ahmadov, M.C. Huseynov and foreign economist-scholars like E.N. Krylatykh, L.L. Chalbayev, L.I. Abalkin, I.A. Borodin, I.M. Subkov, K.G. Lugovski, A.M. Esikov and others have conducted studies in various directions of economy in this field. However, since the conducted research is not comprehensive, we have fully and comprehensively investigated the problems related to the issue based on the opinions of the mentioned economists.

Object and subject of the research: The object of the research is the farms and agribusiness structures operating in the agrarian field of the republic. Determining the directions of efficient production activity of business structures operating in the agrarian sphere is the subject of the research.

Aims and objectives of the research: The aim of the dissertation work is to develop theoretically based practical proposals and recommendations for the development of business structures in the agrarian field and to ensure efficient production activity. In accordance with the purpose of the study, the following tasks were defined:

- to determine the theoretical basis of efficient production activity in business structures;
- to determine the factors affecting the formation of efficient production activity in business structures;
- to analyze the current situation of the production activity of business structures in the agrarian field;
- to assess the economic efficiency of production activities in various business structures;
- to analyze the financial results of business structures in the agrarian field;
- to determine the efficiency aspects of the activity of agribusiness structures and directions for its improvement;
- to determine directions for improvement of mutual relations between state and agribusiness structures;

- to determine the perspectives of formation and development of agribusiness strategy.

Research methods: Economic-statistical, comparative, grouping, generalization, constructive calculation, analysis, analysis and synthesis methods were used in the implementation of the dissertation work.

The main provisions defended:

- general provisions related to the theoretical and methodological bases of business structures operating in the agrarian field and factors affecting the formation of efficient production activities were determined;

- the factors determining the economic efficiency of the activity of various production and business structures have been determined;

- production activity and economic efficiency of business structures were evaluated;

- the financial results of production and business structures in the agricultural sector were analyzed and evaluated;

- efficiency aspects of the activity of agribusiness structures were discovered;

- prospects for increasing the economic efficiency of agribusiness structures have been determined.

Scientific novelty of the research: The scientific novelty of the research consists of the following:

- the possibilities of the influence of the factors determining the formation and development of efficient production activity of agribusiness structures on agrarian development are economically justified;

- on the basis of the evaluation of the socio-economic development factors of the agrarian sphere, the priorities for the development of mutual activity directions between agribusiness subjects and state institutions were determined;

- with the aim of forming a favorable agribusiness environment and strategy, the main directions of state support measures in economic, organizational and social directions have been defined;

- the need to define priority strategies for ensuring efficient production activity of agribusiness structures is substantiated.

Theoretical and practical importance of the research: The theoretical importance of the research is characterized by scientific-theoretical provisions related to the formation of efficient production activity of production and business structures in the agricultural field.

The provisions and proposals obtained as a result of the research can be used in determining the development directions of agribusiness, achieving the optimal parameters of business structures, making maximum use of the existing potential related to efficient production activity, and determining measures to increase economic efficiency.

Approbation and application of the results of the dissertation work: It was presented at international and republican level scientific-practical conferences with the scientific-theoretical provisions of the formation and development of efficient production activity of business structures in the agrarian field and the results obtained. The proposals made as a result of the research were approved and accepted for use by the Shamkir State Agrarian Development Center of the Ministry of Agriculture of the Republic of Azerbaijan (Reference No. 08, May 15, 2021).

The name of the organization where the dissertation work was carried out: The dissertation work was carried out at the Azerbaijan State Agrarian University.

Dissertation volume and structure: Dissertation introduction (9221 marks), 3 chapters (Chapter I – 80382 marks, Chapter II – 69036 marks, Chapter III – 47534 marks), conclusion (10144 marks) and 115 references. It covers 128 pages, consisting of a list, 17 tables and 1 picture are given in the dissertation work. In total, the volume of the work consists of 201698 characters, excluding tables, pictures and the bibliography.

The content of the dissertation work

Introduction

Chapter I. Theoretical and methodological bases of efficient production activity of business structures in the agricultural field

1.1. Formation of business structures in conditions of market relations and theoretical bases of efficient production activity

1.2. Factors affecting the formation of efficient production activity in business structures

1.3. A system of indicators reflecting the economic efficiency of production

Chapter II. Analysis of the current state of production in business structures and economic evaluation

2.1. Analysis of the current state of production activity of business structures

2.2. Evaluation of the economic efficiency of production activities in different business structures

2.3. Analysis of financial results of business structures

Chapter III. Efficiency of production activity of agrarian business structures and prospects for its improvement

3.1. Efficiency aspects of the activity of agribusiness structures and directions for its improvement

3.2. Improvement of mutual relations between state and agribusiness structures

3.3. Prospects for formation and development of agribusiness strategy

The result

Reference list

MAIN CLAUSES DEFENDED

1. General provisions related to the theoretical and methodological bases of business structures operating in the agricultural field and factors affecting the formation of efficient production activities have been determined.

The system of economic relations, which includes the production, distribution, exchange and consumption of agricultural products, is characterized as agribusiness. Agribusiness is an integral subject of the economic system. It is connected in the form of socio-economic relations, economic mechanism, mutual relations with various enterprises and organizations, households and state bodies. The main role of agribusiness is determined by the strengthening of the production potential of agriculture and the impact on the development opportunities of the agrarian economy. From this point of view, it can be said that agribusiness can have a significant impact on the solution of socio-economic problems.

The formation of new production relations requires efficient operation of producers, regular increase of their own income and formation of competitive production structures. In such circumstances, regardless of the form of ownership and the type of farming, ensuring efficiency in production and business activities is considered one of the most important tasks.

In different spheres of the economy, efficiency indicators have different meanings. Business subjects try to maximize profits during economic activity. An efficient subject compares not only the total level of income and costs arising from the next economic operation, but also the continuation of such a series of production, i.e., the marginal income and marginal costs related to the current action, which is considered as a change in income and costs during the occurrence of that activity, respectively. .

It is important to take into account the bioclimatic potential, geographical conditions, land resources and the current state of labor resources of each region when studying the economic efficiency of production in business structures in the agricultural field from the point of view of their development. In particular, the strengthening of land reclamation measures to improve the quality of agricultural lands, the

increase in the number of qualified personnel in the labor force, and the application of modernization in the right direction can be considered as the main means of increasing the economic efficiency of agricultural production.

2. Factors determining the economic efficiency of various production and business structures have been determined.

The efficiency of production in agribusiness structures brings to the agenda the justification of its direction, what kind of products to produce, specifying the methods of organizing the relevant production process, determining the volume of production according to market requirements, and predicting other such necessary factors in advance. Economic, social, market, institutional, innovative technological, natural-climate, ecological, information-consulting, etc. factors affecting the formation of efficient production activity can be attributed.

Since the economic efficiency of production in the agricultural sector is complex and multifaceted, its determination is more difficult than in other categories. Economic efficiency as an economic category characterizes the level of use of land, material and labor resources, as well as production costs in technological, economic and social spheres that interact with each other. When assessing the level of economic efficiency of agrarian production, it includes separate agricultural areas, business structures (farms), farms, intra-enterprise divisions, etc. scale, as well as technological processes, socio-economic measures should be assessed. Such measures include the improvement of production-economic relations, the reconstruction of financial-credit, tax, insurance relations, the formation of material and technical supply and agroservices markets, the liberalization of sales rules and the price mechanism, the implementation of reconstruction works in processing enterprises, the implementation of supply rules, raw materials and final products. efficient organization of maintenance, etc. belongs to. All this, along with the increase in product production, creates conditions for lowering the labor and resource consumption of the product unit and increasing the economic efficiency.

3. The production activity and economic efficiency of business structures were evaluated.

The main goal of the reforms implemented in the agrarian field is to form an agricultural system with progressive and efficient economic activity, to reliably satisfy the needs of the country's population for food products and raw materials for industries. From this point of view, increasing the production of agricultural products, raising the specific weight of local production in the food market requires accelerating the socio-economic development of the regions. It should be taken into account that most of the regions of our country are specialized in agricultural production. In this way, the acceleration of the socio-economic development of the regions, the adaptation of the production and market infrastructures to modern requirements is considered an important tool for increasing the production of agricultural products. It should be noted that these are reflected in the socio-economic development strategy of the Republic of Azerbaijan for 2022–2026, approved by the decree of the President of the Republic of Azerbaijan, and at the same time, the tasks set in this direction are being successfully implemented.

Our research shows that as a result of the measures implemented in agriculture in recent times, generally positive trends are observed. Thus, looking at the total production, it is known that in recent years, compared to 2017, in 2021, the volume of the total product in agriculture for all economic categories increased by 39.3% and amounted to 9163.4 million manats, including From \neg , the volume of the total crop production increased by 49.4% to 4511.0 mln. manat, increased by 30.6% to 4652.4 mln. was manat. In the comparable period, the increase in the volume of the total product was also observed in the agricultural enterprises.

In 2021, the share of individual entrepreneurs, family farmers and households in the structure of the total agricultural product by economic categories was 90.3%, and the share of agricultural enterprises was 9.7%. This indicator was 90.2% and 9.8% respectively in 2017. (table 1)

Table 1
Gross agricultural product (in actual current prices, million manats)

Indicators	Years					in 2021 compared to 2017
	2017	2018	2019	2020	2021	
All economic categories	6580,0	7010,0	7836,7	8428,9	9163,4	139,3
Including:						
-plant breeding	3019,0	3186,0	3751,2	4028,4	4511,0	149,4
-animal husbandry	3561,0	3824,0	4085,5	4400,5	4652,4	130,6
Agricultural enterprises	645,2	660,9	713,2	834,5	885,9	137,3
Including:						
-plant breeding	238,5	262,1	321,0	438,0	467,3	195,9
-animal husbandry	406,9	398,8	392,2	396,2	418,6	102,9
Individual entrepreneurs, family farmers and households	5934,6	6349,1	7123,5	7594,4	8277,5	139,5
Including:						
-plant breeding	2780,5	2923,9	3430,2	3590,1	4043,7	145,4
-animal husbandry	3154,1	3425,2	3693,3	4004,3	4233,8	134,2

Source: Agriculture of Azerbaijan. Baku, 2022. P. 59

From the research, it can be concluded that although the share of agricultural enterprises in the structure of the total product in agriculture has increased to some extent in recent years, the share of the private sector has been significantly higher. Therefore, the private sector occupies a superior position in agriculture, and the agrarian sector as a whole is subordinated to the principles and laws of the market economy system.

Since individual entrepreneurs, family peasants and households occupy a dominant position in agriculture, this trend also manifests itself in the structure of product production. Individual entrepreneurs are individuals who carry out entrepreneurial activities without creating a legal entity. Farms of this type are engaged in the production, processing and sale of agricultural products on land and property owned and leased. In family peasant and household households, in addition to private

homesteads, the rural population also has allotment lands acquired as a result of land reform, and vegetable and animal husbandry products are produced on the land given to the family for permanent or temporary use.

Table 2
Dynamics of production of main agricultural products by individual entrepreneurs, family peasants and households, (thousand tons)

Products	Years					In 2021 compared to 2017
	2017	2018	2019	2020	2021	
Grain	2665,1	2861,9	3025,4	2737,8	2791,2	104,7
Cotton	194,9	205,2	271,1	306,9	258,9	132,8
Tobacco	5,3	6,2	6,0	6,7	6,2	116,9
Sugar beet	375,0	178,1	123,5	85,3	27,4	7,3
Sunflower	28,6	22,3	31,2	22,2	23,0	80,4
Potato	903,2	880,8	990,9	1020,6	1053,4	116,6
Vegetables	1286,6	1431,4	1615,7	1630,6	1698,1	131,9
Watermelon products	434,3	398,8	444,3	443,4	457,3	105,3
Fruits and berries	918,3	965,7	1050,5	1083,4	1133,0	123,4
Grapes	131,6	140,9	176,7	182,4	188,4	143,2
Green tea leaf	0,37	0,43	0,59	0,63	0,72	194,6
Meat (cut weight)	253,1	265,3	281,4	293,3	297,4	117,5
Milk	1942,5	1994,6	2064,8	2095,6	2133,6	109,8
Eggs, a million pieces	929,6	1032,1	1055,5	1103,4	1172,7	126,1
Wool (in physical weight)	15,7	15,5	15,8	15,8	15,8	100,6

Source: Agriculture of Azerbaijan. Baku, 2022. P. 78, 88, 93, 94, 102.

The dynamics of the production of the main types of agricultural products by individual entrepreneurs, family farmers and households shows that in 2021, compared to 2017, grain production increased by

4.7% to 2791.2 thousand tons, cotton production increased by 32.8% to 258.9 thousand tons, tobacco increased by 16.9% to 6.2 thousand tons, potatoes increased by 16.6% to 1053.4 thousand tons, vegetables increased by 31.9% to 1698.1 thousand tons, melon products increased by 5.3% to 457, 3 thousand tons, fruits and berries increased by 23.54% to 1133.0 thousand tons, grapes increased by 43.2% to 188.4 thousand tons, green tea leaves increased by 94.6% to 0.72 thousand tons. has been done. In the comparable period, sugar beet production decreased by 92.7% to 27.4 thousand tons, and sunflower for grain decreased by 19.6% to 23.0 thousand tons. Like most fields of crop production, the volume of crop production increased in animal husbandry during this period. (table 2)

When examining the structure of agricultural products production by farm categories, except for a few products (sugar beet, green tea leaves, meat production, eggs), the share of agricultural enterprises in the total production cannot exceed 5-10%.

Table 3
Farm categories of agricultural products production structure (percentage of all farm categories)

Products	Agricultural enterprises			Individual entrepreneurs, family farmers and households		
	2019	2020	2021	2019	2020	2021
Grain	14,5	15,9	17,0	85,5	84,1	83,0
Cotton	8,1	8,9	8,8	91,9	91,1	90,2
Tobacco	0,0	2,9	3,2	100,0	97,1	96,8
Sugar beet	43,5	63,5	84,5	56,5	36,5	15,5
Sunflower	7,4	7,1	8,7	92,6	92,9	91,3
Potato	1,4	1,6	0,8	98,6	98,4	99,2
Vegetables	5,8	6,2	6,5	94,2	93,8	93,5
Watermelon products	0,7	1,0	0,6	99,3	99,0	99,4
Fruits and berries	4,5	4,3	6,0	95,5	95,7	94,0
Grapes	12,4	12,3	10,2	87,6	87,7	89,8
Green tea leaf	36,6	32,3	39,0	63,4	67,7	61,0
Meat (cut weight)	16,2	15,2	16,8	83,8	84,8	83,2

Milk	4,0	4,4	4,1	96,0	95,6	95,9
Eggs, a million pieces	42,2	42,1	36,3	57,8	57,9	63,7
Wool (in physical weight)	1,9	1,9	1,9	98,1	98,1	98,1

Source: Agriculture of Azerbaijan. Baku, 2022. P. 67

In 2021, 83.0% of the country's total grain production, 90.2% of cotton production, 96.8% of tobacco, 91.3% of sunflower for grain, 99.2% of potato, 93.5% of vegetables, 99.4% of melon products, 94.0% of fruits and berries, 89.8% of grapes, 61.0% of green tea leaves, 83% of meat, 95.9% of milk, 63.7% of eggs, and 98.1% of wool went to individual entrepreneurs, family farmers and households. The main reason why 63.9% of egg production falls on the share of private farms is related to the important role of poultry complexes in our republic. (Table 3)

During the examination of the economic efficiency of production in individual entrepreneurial farms, it is known that in 2019, compared to 2015, the number of these farms was 624 units, or 40.7%, of which 613 units, or 40.3%, were operating at a profit, and the number of those operating at a loss was 11. unit, or decreased by 78.6%. In the comparison period, the total production of individual entrepreneur farms increased by 15.3%, and fixed assets increased by 13.4%. During this period, the number of family members participating in production in the mentioned farms decreased by 54.8%, and the land area used for agriculture decreased by 58.5%. Despite the decrease in the use of labor and land resources by almost 50%, in addition to the total production, the amount of profit in these farms increased by 1%, and the amount of gross profit increased by 4.4%.

As a result of our calculations, in the comparable period, the total production per 1 ha of agricultural land increased by 178%, profit by 143.4%, and total profit by 152.2%. During this period, labor resources were also effectively used in individual entrepreneurs' farms. Thus, the total product per 1 average annual worker increased by 11.6%, profit by 123.1%, and total profit by 130.7%. As mentioned, the growth of the total product and the main funds are very close to each other, the indicator of the total product per 1 manat of the main fund remains unchanged in the last five comparable years.

As mentioned above, the gross product and the growth of the main funds are very close to each other. The gross product indicator per 1 manat of the main fund remains unchanged in 2019 compared to 2015. However, the amount of profit and gross profit decreased by 25%.

Table 4
Economic efficiency of production in individual entrepreneurial farms

Indicators	Years					In 2019 compred to 2015 in %
	2015	2016	2017	2018	2019	
Number of holdings, unit	1534	1468	955	907	910	59,3
- those who work for profit	1520	1465	951	904	907	59,7
- those working at a loss	14	3	4	3	3	21,4
Total agricultural product (in actual prices) thousand manats	25776	25648	23198	21784	29717	115,3
Basic funds, thousand manats	19988	39014	35651	16704	22662	113,4
Number of family members involved in product production, people	5973	5666	3665	3532	2703	45,2
Land suitable for agriculture, ha	32530	29780	16631	15297	13494	41,5
Amount of profit, thousand manats	7417	8691	4676	6303	7494	101,0
Total profit, thousand manats	7104	8641	4619	6234	7419	104,4
1 ha. to the land suitable for agriculture, man.						
Total product	792	861	1395	1424	2202	278,0
Profit	228	292	281	412	555	243,4
General benefit	218	290	278	408	550	252,2
1 person per average annual worker, man./person						
Total product	4315	4527	6330	6168	4817	111,6
Profit	1242	1534	1276	1785	2772	223,1

General benefit	1189	1525	1260	1765	2744	230,7
1 man. falling into the main background, man.						
Total product	1,3	0,7	0,7	1,3	1,3	100,0
Profit	0,4	0,2	0,1	0,4	0,3	75,0
General benefit	0,4	0,2	0,1	0,4	0,3	75,0

Source: Basic economic guidelines of agricultural enterprises and individual entrepreneurs. Baku, 2020. P. 21

Our research shows that in 2019, compared to 2015, the total product production, profit and total income indicator increased more in agricultural enterprises compared to individual entrepreneur farms. However, one point should be noted that to achieve this growth, agricultural enterprises used 40% more labor resources, 1.2% more agricultural land, and 2.5 times more capital funds were involved in production (table 4). .

What has been mentioned shows that in the current conditions, the more efficient use of resources in the agricultural sector, which is more sensitive to external influences than other sectors, is one of the most important issues. This is even more relevant in connection with the recent coronavirus pandemic that has occurred all over the world. It is known that a number of measures are being taken by the state to prevent the pandemic. Such conditions are intended to make more efficient use of available resources and to make effective technical and technological decisions that ensure the satisfaction of the ever-increasing public demand.

4. The financial results of production and business structures in the agrarian field were analyzed and evaluated.

The current economic conditions, as in all fields, make it necessary to flexibly and widely use the value categories of finance, tax, price, credit, rent payments, insurance and other economic categories in agriculture. World experience shows that the economic management of production in the agricultural sector is one of the powerful tools for the development of this sector.

Our research shows that in the comparison period, the level of profitability of crop production in agricultural enterprises increased by 26.2 points, and that of livestock products by 0.5 points. In this period, the highest indicator of the level of profitability of crop production was

51.7% in 2021, and the lowest indicator was 25.5% in 2017. The highest level of profitability of livestock products was 9.5% in 2020, and the lowest was 3.4% in 2019 (Figure 1).

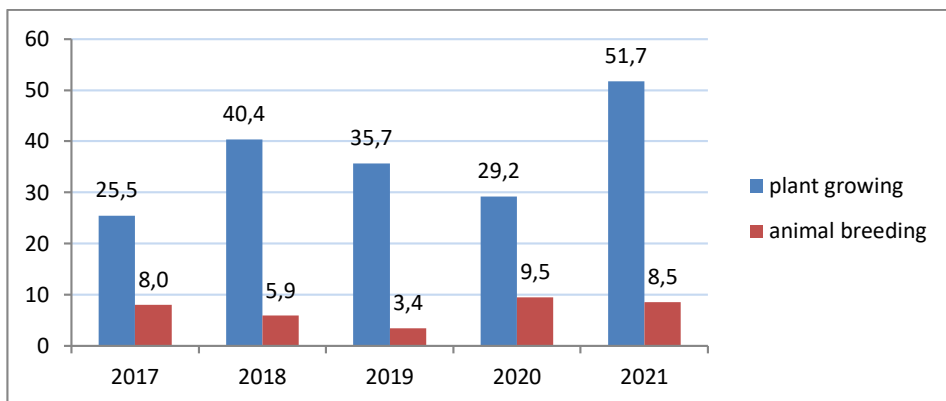


Figure 1. Profitability level of crop and livestock products in agricultural enterprises, in %.

Source: Basic economic guidelines of agricultural enterprises and individual entrepreneurs. Baku, 2022. P.26

Our research shows that in 2017, the profitability of crop production in individual farms was 49.9%, while this indicator decreased by 12.1 points to 37.8% in 2021. A similar situation was recorded in livestock products. Thus, in 2017, this indicator was 51.9%, and in 2021, it decreased by 9.2 points to 42.7%. Unlike agricultural enterprises, the profitability of livestock products decreases in individual entrepreneurial farms, but in some years (2017-2020 in the comparative period) this indicator is considered satisfactory if it exceeds 50.0%. This indicator can be considered an acceptable situation in terms of the stability of financial opportunities in the mentioned area (Figure 2).

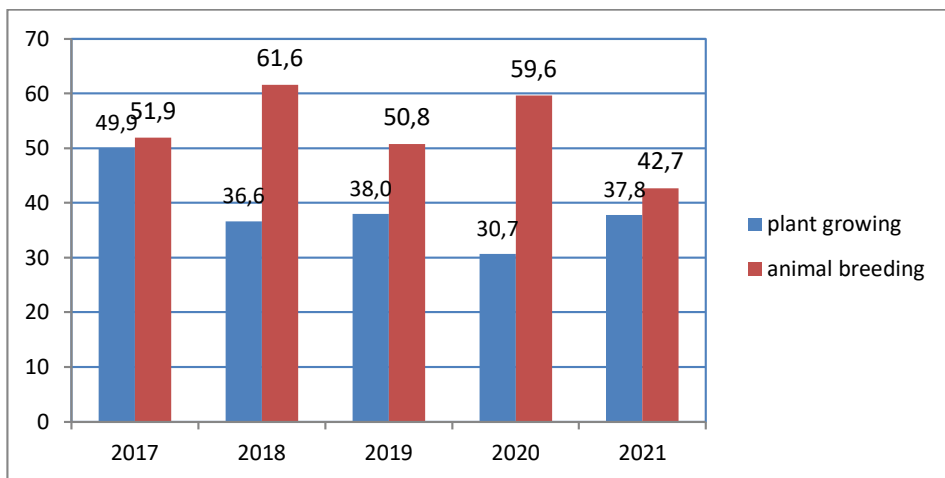


Figure 2. Profitability level of crop and livestock products in individual entrepreneurs' farms, in %.

Source: Basic economic guidelines of agricultural enterprises and individual entrepreneurs. Baku, 2022. P.31

What has been mentioned shows that in the current conditions, it is important to use resources more efficiently in the agricultural sector, which is more sensitive to external influences than other sectors. From this point of view, in our opinion, the return of the existing resource potential in our territories freed from occupation will seriously affect the efficient use of resources in the agricultural sector. Thus, we believe that the main problems that have arisen in the economy, social processes, and the environment can be successfully solved only thanks to an innovative development strategy. At the same time, there is a need to improve mutual relations between agribusiness structures and the state and to form a new agribusiness strategy.

5. Efficiency aspects of the activity of agribusiness structures were revealed.

The goals set by the structures operating in the agribusiness sphere are aimed at ensuring the efficiency of the planned measures by covering various processes. For modern agribusiness structures, priorities in the direction of increasing efficiency are of particular

importance in this regard. Because by ensuring efficiency, the range of activities of existing structures is expanded, multifaceted agricultural fields are created, and horizontal and vertical cooperation and integration processes develop.

The acceleration of scientific, technical and technological changes, the needs arising from the more complete satisfaction of the demand for the products of this field, lead to the formation of more flexible and appropriate management structures, as well as the organization of more effective organizational structures. Thus, the need to use new forms of activity that will increase competitiveness in both domestic and foreign markets in the optimization process, which involves ensuring the efficiency of agribusiness structures, shows its relevance significantly.

What has been mentioned shows that the effectiveness of agribusiness structures acts as an indicator of the level of implementation of the principles that determine their activity directions. In addition, efficiency depends on the degree of influence of interrelated elements and the possibilities of ensuring interaction of those elements to achieve overall economic efficiency. Therefore, the most common goal of developing business structures is the optimization of its activities aimed at ensuring economic efficiency. In this matter, the development of interaction between state and business structures is particularly relevant.

6. Prospects for increasing the economic efficiency of agribusiness structures have been determined.

The stability and specific characteristics of various spheres of the economy, including agriculture, in conditions where market institutions are formed, the role of the state in socio-economic processes is constantly increasing. As a result, in terms of the efficiency of various areas of the agrarian economy, mutual interests stand out both in business and in state structures. The above confirms the development of structures that interact with numerous small-scale business structures in the formation of an optimal agricultural production system. The mechanism of operation of different forms of management shows that there are agribusiness structures that operate more efficiently, regardless of their organizational and legal form.

The current economic situation reveals the urgency of increasing production efficiency in agriculture. Because despite the dynamic growth in production in recent years, a number of enterprises in agriculture are still operating with low profitability or losses. Also, in terms of economic security, self-sufficiency for some products has not been fully ensured, and import dependence has not yet been eliminated. However, there is sufficient resource potential in the agrarian sphere for the solution of these issues. Therefore, it is required to prepare a modern development strategy that will meet the modern challenges of the socio-economic space in the world and implement measures to increase the efficiency of agricultural production. The mentioned ones are especially typical for the agribusiness sphere. Thus, in some cases, there are problems related to the sale, distribution, storage, and export of agricultural products to foreign markets. Therefore, it is an objective necessity to formulate a scientifically capable agribusiness strategy based on international experience for the development of agricultural production and increasing its efficiency.

The result

1. The analysis of economic efficiency aspects of the activity of business structures in the agrarian field shows that it is almost impossible for these entities to fully use their comparative competitive advantages. In this regard, first of all, there is a need to implement stimulating measures aimed at expanding public-private sector cooperation, fully realizing the corporate capabilities of agribusiness subjects, and improving the logistics chain aimed at the efficient sale of finished products.

2. The establishment of new technical, economic and management relations, which includes different forms of management, is significant in the full use of internal resources in terms of production and sales potential of agribusiness structures. In this direction, it emphasizes the intellectual and innovative aspect of the technical and technological base of the production activity as a system of corporate relations, the general information service system and the commercial activity. In such conditions, modern information technologies determine the pace of development of the agricultural sector as a whole. Therefore, from the point of view of the efficiency of the

activities of agribusiness entities, the widespread use of new information technologies in the production and sales process can be considered as one of the priorities.

3. Economies of scale are more widely manifested in conditions of expanding international integration. In this regard, the economic conditions formed in the value chain links of agricultural products - production, processing, marketing, sales, etc. requires a new approach. The scale effect can be a driving factor for the economic development of the agrarian sector by conditioning the development of properly planned and successfully operating business structures. Therefore, it is necessary to pay special attention to the formation of more effective and optimally sized business entities focused on innovations and increasing efficiency.

4. The process of specialization and diversification of production, based on scientific and technological progress, deepens the cooperation of business subjects, reduces risks and increases efficiency in various types of activities. In this direction, the creation of systematic integration, material and technical supply, sales and service areas becomes a criterion for the development of effective network-type organizational structures. The formation of network-type organizational structures, in turn, requires the transition from mass production to flexible production, the introduction of new management methods, and the reduction of uncertainties.

5. The provision of material and technical support to agricultural production plays an important role in the more efficient use of resources and the production of quality products, being the main conditions for the sustainable development of the agrarian economy. Especially in the territories freed from occupation, the application of innovative technologies to the resource and the restoration of production potential due to financial support can serve as the basis for technological, organizational and economic achievements, as well as the creation of comparative competitive advantages. Of course, the liberation of our territories from occupation opens wide opportunities for business structures in the agricultural sector. From this point of view, there is a need to create production, service and social infrastructure in order to ensure the efficiency of business structures in

those areas. At the same time, the involvement of land in crop rotation, the implementation of modernization measures using new techniques and technologies in production processes, the use of new seeds and animal breeds, and ensuring the accessibility of business structures to preferential loans can be considered as necessary issues.

6. In order to create a stable production and sales system of business structures in the agricultural field, it is especially important to ensure the formation of food reserves. In this regard, there is a need to continuously implement the necessary measures to fully satisfy the needs of consumers and to ensure the proper functioning of the market of agricultural and processing products, taking into account price fluctuations. In particular, the inelasticity of agricultural products, the high intensity of production related to energy, labor and capital requirements, natural and climatic risks, uncertainty and fluctuations in the world market require ensuring the country's food security, including economic and social stability. Therefore, regulation of economic processes by the state through regulatory measures maintains its relevance.

7. Currently, despite the application of innovative technologies in the field of production of agricultural products, the rational use of resources is almost not fully ensured. Therefore, in these processes, based on international experience, it is necessary to pay attention to the following features of technologies: production and processing technology of products, technologies that ensure efficient and economical use of resources, technologies that ensure high productivity and quality, management technologies, means and resources used for the purpose of implementing state support measures and so on.

8. Inconsistencies between imports, domestic production and exports can cause negative trends in the structure of the agrarian economy. In order to ensure balance in the indicated field, it is necessary to conduct scientific justifications regarding the level of demand and the existing potential in the domestic and international markets. In this regard, it is necessary to determine the measures aimed at increasing the efficiency of the economic activity of the subjects of the agrarian field and to solve the following tasks in this direction:

determining the ratio of income and prices based on the demand of the population for agricultural products in accordance with medical norms; determining the level of equilibrium prices; development of optimal value chain links based on the network cooperation model of production, processing and sales; regulating the volume and prices of imported products to increase the resistance of local producers to monopolies and create a competitive economic environment; balancing supply and demand in the domestic market, as well as state orders, import-export activities, taking into account protectionism policy, etc.

9. In order to minimize or prevent the negative effects of possible fluctuations in connection with the expansion of international economic relations, it is necessary to ensure efficiency in the activities of agrarian business subjects. The importance of the development and implementation of agribusiness development strategies covering the realization of this goal is evident. Agribusiness strategies aim to ensure that priority tasks are solved in a specific product and production area, as well as at the production-sales stages. Therefore, it is important to pay special attention to these issues.

The main provisions of the dissertation are reflected in the following scientific articles:

1. The role of the agricultural sector in ensuring food security / Innovative development of agricultural science and education: World experience and modern priorities. Materials of the international scientific-practical conference. Printing house of ADAU. Volume II, Ganja October 23-24, 2015. P. 410-413

2. The role of agro-parks in ensuring food security in the conditions of globalization / Materials of the scientific-practical conference of Mingachevir State University. Mingachevir 2016 P.223-225

3. Some issues of the development of business structures in the agrarian field.// Azerbaijan Cooperation University No. 3(42). Baku 2016 P.95-98

4. Formation of efficient production activity in business structures. //Agrarian Science and Informatics Consulting Center.

Scientific works of the Economic Research Institute of Agriculture. Baku 2017 P.151-154

5. Factors affecting the efficient economic activity of business structures in the agrarian field

6. The role of cooperation in the formation of efficient activity in agricultural farms // ADAU printing house, No. 1 Ganja 2019 P.133-136

7. Analysis and direction of improvement of financial and credit provision of small business subjects in Azerbaijan // Economics and business, Moscow #1(102) 2019 P.724-728

8. Main directions of modernization of the agricultural industry in Azerbaijan // Economic Relations, International Scientific and Practical Journal, Moscow 2019 Volume 9, No. 2 P.795-808 <https://1economic.ru/journals/eo/archive/81500>

9. The effect of increasing the level of specialization on the economic efficiency of production / Actual scientific research in the Soviet Union, Pereyaslav-Khmelnitskiy, Ukraine 2019 Issue 10(54) Part 4-S. 38-42

10. Analysis of the current level of production in business structures in the agrarian field // ADAU's printing house, No. 1 Ganja 2020 P.66-72

11. Different aspects of effective activity of structural agricultural business The world of science and innovation//Proceedings of x international scientific and practical conference May 5-7 London 2021 P.378-384

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12. Analysis of the financial results of business structures in the agricultural field / Post Pandemic economy: realities and forecasts Virtual Republican Scientific Conference DIA Baku June 3, 2021 P.72-74 <https://dia.edu.az/post-pandemiya-iqtisadiyyati-realliq-lar-v%99-predictions/>

13. Prospects for the development of mutual relations between agribusiness and state structures // ADAU's printing house, No. 2 Ganja 2021 P.55-58

14. Prospects for the development of agribusiness in the lands liberated from Armenian aggression / Modern scientific challenges and trends Wydawnictwo Naukowe "iScience" Warsaw, Poland November 16-17, 2022, #8(53) P.64-67 https://sciencecentrum.pl/wpcontent/uploads/2022/11/MODERN_SCIENTIFIC_CHALLENGES%2053%20%28web%29.pdf

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