

REPUBLIC OF AZERBAIJAN

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ABSTRACT

of the dissertation for the degree of Doctor of Philosophy

**FORMATION OF MARKETING ACTIVITY IN
AGRICULTURAL-PROCESSING INSTITUTIONS OF
LANKARAN ECONOMIC DISTRICT**

Specialization: 5312.01 - "Field economy"

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GENERAL CHARACTERISTICS OF THE WORK

Topic relevance and development rate: The relevance of the research is determined by the need to ensure the development of the non-oil sector in Azerbaijan. The role of agro-processing enterprises in accelerating the development of that sector in the country, ensuring balanced regional and sustainable socio-economic development, meeting the population's demand for food products, and raising their standard of living is undeniable. The successful implementation of the four adopted State Programs on the socio-economic development of the regions played an important role in the restoration of the agrarian sphere and the agro-processing enterprises, which are considered its locomotive, and their raw material base, and in ensuring food security.

Numerous laws, state programs, strategic road maps adopted on the development of agriculture and its agro-processing enterprises in Azerbaijan over the past 20 years, Azerbaijan 2030: National Priorities for social and economic development, the Social and Economic Development Strategy of the Republic of Azerbaijan in 2022-2026 and other normative acts strengthened the legal base of the mentioned sphere as a whole. Based on them, within the framework of large-scale economic reforms continued in Azerbaijan, the production infrastructure in the agricultural sector has been renewed, cooperation relations and integration processes have been accelerated, reducing the specific weight of the import of agro-processing products in the domestic food market and expanding export opportunities, and the development of agribusiness has been further accelerated. As a result of the implementation of all these, the share of agricultural and agro-processing products in the total production and export of the agricultural sector has noticeably increased, and the level of self-sufficiency of the population in many food products has increased.

Despite the achieved achievements, an industrial-oriented agro-industrial complex integrated into the value chain system, based on high technological development, has not yet been organized in the agrarian sphere. It is as a result of these that the amount of finished

product balance in the warehouses of the country's processing industry enterprises has increased.

On the other hand, agro-processing enterprises have a high share among a number of business entities that have closed their operations in recent years. Lankaran economy studied*There are many other resources that can be used in agriculture and agro-processing enterprises in the district.

Development problems of the regional economy and agrarian sector in Azerbaijan, food security, structural changes in the agricultural sector, its modernization, investment guarantee, development of entrepreneurship in this field, its state regulation, problems of competitiveness of agro-processing enterprises: Z.A. Samadzade, AFAbbasov, BXAtashov, V. A. Gasimli, E. A. Guliyev, Faquliyev, A. Kh. Nuriyev, SV Salahov, I. H. Ibrahimov, RP Sultanova, T. H. Huseynov, Sh. T. Aliyev, G. A. Ganjayevev, A. I. Gurbanzade and other people's works have been examined and scientifically based, important recommendations have been given.

The theoretical and practical aspects of the organization and management of marketing in Azerbaijan are S.A. Akhundov, I.H. Aliyev, T.A. Guliyev, T.I. Imanov, TNAliyev, F.A. Guliyev, FVGuliyev, ZMHuseynova, researchers from the CIS countries. - YAQolikov, TPDanko, SADyomin, VAAleksunin in distant foreign countries - M. Porter and others have sufficiently investigated and contributed to economic science.

Without diminishing the importance of those studies, it should also be noted that the cultivated areas of agricultural crops in the Lankaran economic region are decreasing year by year. Markets are not studied because enterprises do not have an authorized marketing service, the process of assimilation of new types of products is also weak, and their export opportunities are low. In the economic district, the maintenance of beef and dairy cows, sheep and chicken breeds is poorly carried out. It is difficult to consider the organization of fruit, vegetable, meat, milk, egg, wool, and crab fruit supply points

*) Note: With the Decree of the President of the Republic of Azerbaijan dated July 07, 2021, it is called the Lankaran-Astara economic district without changing its composition and scope.

here as satisfactory. In the administrative regions, the infrastructure to support the innovative development of agribusiness is not formed at the required level, the interests of producers, intermediaries and consumers of agricultural and agro-processing products are not properly balanced. All of this brought to the fore the need for a comprehensive study of the issues of forming marketing activities in the agro-processing enterprises of that economic region, conditioned the development of scientifically based recommendations and the relevance of the topic.

The object and subject of the research. The object of the research work is the agro-processing enterprises operating in the status of OJSC, LLC in Lankaran economic district. The subject of the research work is economic relations and processes on the formation and development of marketing activities of processing enterprises in the agrarian sphere.

Research goals and objectives. The main goal of the research work is to develop scientifically based methodical and organizational-economic recommendations on the effective organization and management of marketing activities in the agro-processing enterprises of the Lankaran economic region.

In order to achieve that goal, the following tasks were set in the research work and performed in a logical sequence:

- Studying the theoretical and methodological bases of the efficient organization and management of marketing activities in agro-processing enterprises based on the study and summarization of the works of the scientists of the Republic and foreign countries on the researched topic;

- Interpretation of theoretical aspects of the organization of logistic support of marketing activities in agro-processing enterprises;

- Analyzing and evaluating the current state of the organization of marketing activities in the agricultural processing enterprises of Lankaran economic region and in the process of production and sale of agricultural products acting as their raw material base, based on the data of multi-year statistical, preliminary

accounting and reporting documents, revealing the relevant reserve opportunities;

- Developing a marketing strategy for agro-processing enterprises of the economic region in accordance with the goals of the socio-economic development strategy;

- Determination of opportunities for expansion of marketing activity as a result of the creation of agroparks, clusters and industrial service districts in the studied economic region;

- Development of practical recommendations on expansion of production and export potential in agro-processing enterprises, efficient organization of marketing.

Research methods. Economic statistical grouping, interview, observation, comparative analysis, graph, systematization and expert evaluation methods were used in the research process.

The main provisions defended:

1. Based on a systematic and complex approach, taking into account the specific characteristics of the agro-processing sphere, it is necessary to improve the theoretical-methodological base of marketing organization and management, to formulate a development-oriented marketing concept and to determine ways to achieve strategic goals aimed at its implementation.

2. In the context of the improvement of the methodological aspect of the transition to the marketing orientation, at the initial stage of the establishment of agro-processing enterprises, the need to develop the algorithm of the general activity, to formulate an appropriate strategy for the classification and implementation of their operative and strategic functions was created.

3. In the context of improving the logistic support of marketing activities in agro-processing enterprises, the implementation of the appropriate strategy, which includes the integration of marketing, logistics and management functions, will directly participate in solving the problems of the agro-processing enterprises in the region.

4. In the context of the provision of raw materials of the agro-processing enterprises of the studied economic region, the evaluation of the current situation of the production of products in the agro-processing enterprises, reserves, and the organization of their sale on

domestic and foreign bases, the discovery of reserve opportunities in every direction and their efficient use, the efficient use of production capacities there, will allow to reduce the finished product balance to a minimum, increase the level of self-sufficiency of the population with food and non-food products.

5. As a result of the formation and implementation of the strategy for increasing the competitiveness of agro-processing enterprises of the economic region in accordance with the goals of the country's long-term socio-economic strategy, it will allow to increase the production volume and variety of agro-processing products, reduce dependence on imports, and increase export opportunities.

6. As a result of the creation of specialized and mixed-type agroparks, agro-industrial clusters and supply points in the administrative regions of the Lankaran economic region, it will create an opportunity to create new jobs, increase the level of self-sufficiency by creating an abundance of basic types of agro-processing and food products.

7. There is a need to develop practical recommendations in the direction of expanding the production and export potential of the region's agro-processing enterprises and reducing dependence on imports.

Scientific novelty of the research. The scientific novelty of the research work is mainly due to the fact that as a result of the successful reforms carried out in the country, views that will ensure the acceleration of the formation of this field have been expressed and suggestions and recommendations have been put forward for its development. The main scientific innovations of the research include:

- On the basis of a systematic and complex approach, taking into account the specific characteristics of agro-processing enterprises and the agrarian sphere as a whole, the concept of marketing as a socio-economic category according to the calls of the modern era has been specified (7. p. 65-67);

- The existing management problems in the organization of marketing in agro-processing enterprises are ranked according to the degree of risk (6. p. 191-192; 7. p. 64-66);
- Marketing strategy implementation approaches are classified (16. p. 318-320);
- Organizational-economic and social factors influencing the process of expanding the activity of agro-processing enterprises in the conditions of the re-formation of the agricultural sector in the economic region were discovered and evaluated (11. p. 99-101);
- An algorithm for developing and implementing a competitive strategy in agro-processing enterprises was proposed (13. p. 133-135);
- The expediency of creating new agro-processing enterprises, clusters, agro-parks and industrial-service districts in the economic region was justified, their possible number for each administrative region and their impact on the future socio-economic development of the economic region was determined (5. pp. 40-42; 17. pp. 103-106);
- The main directions of the production and export potential of agro-processing enterprises in Lankaran economic region along the value chain were determined (4. p. 176-177; 9. p. 181-183; 13. p. 133-135; 19. p. 46-47).

Theoretical and practical significance of research. Analyzes and assessments conducted in the research work, the results obtained in the research work create important opportunities for determining the modern development directions of this field. From the results of the research, the development of long-term socio-economic development plans for the development of the agricultural sector in the Lankaran economic region and its administrative regions, the preparation of innovative development programs, the formation of the regional marketing system and the development of the development concept, the production of new products at agro-processing enterprises in the direction of the formation of agribusiness infrastructure in the design of targeted investment projects, in the development of regional innovation programs, in the preparation of recommendations on the expansion of the production and export potential of field enterprises, in the current economic

situation of the region can be used to analyze and evaluate the situation.

Approval and application.The main provisions of the research work are reflected in scientific journals and conference materials recommended by AAK in the form of 19 (nineteen) articles and theses, three of which were published abroad by the author. The main results of the research were reflected in 5 (five) specialized scientific journals in the country, including 2 (two) scientific articles published abroad and theses presented at 2 (two) International Conferences.

The total volume of the dissertation with a mark, noting the volume of the structural sections of the dissertation separately.The total volume of the dissertation is 292391 marks. Including title page and table of contents 2078 characters, introduction 18578 characters, chapter I 60672 characters, chapter II 100792 characters, chapter III 77196 characters, conclusion 12453 characters, reference list 19639 characters and list of abbreviations 982 characters. The volume of the work is 251,206 characters, excluding pictures, tables, graphs and the bibliography. 171 sources were used in the thesis, consisting of 168 pages, 28 pictures, 30 tables and 12 diagrams were prepared according to the content of the work.

THESIS CONTENTS

INTRODUCTION

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- 3.1. Formation of the marketing management mechanism in accordance with the goals of the socio-economic development strategy
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CONCLUSION

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LIST OF ABBREVIATIONS AND TERMS

BASIC SCIENTIFIC PROVISIONS SUBMITTED TO THE DEFENSE

Clause 1. Based on a systematic and complex approach, taking into account the specific characteristics of the agro-processing sphere, there is a need to improve the theoretical-methodological base of marketing organization and management, to formulate a development-oriented marketing concept and to determine ways to achieve strategic goals aimed at its implementation.

Our research shows that although marketing has evolved and improved since the beginning of the last century, its organization and management. In the modern economic literature devoted to the importance and essence of marketing, various views of economists and experts are expressed. Despite the fact that marketing has been implemented for a long time in economically developed countries, there is still no unambiguous explanation or specific definition of marketing in these countries. In general, marketing is a complex socio-economic category and has many aspects. Organizational, technical-technological, management, economic, social, political, ideological and other aspects can be attributed to them.

The majority of marketing experts consider marketing as a business philosophy and as a methodology of the enterprise's market activity. From this point of view. There are many definitions of marketing. Even according to experts who deal with the scientific-theoretical and practical aspects of marketing organization, management, the definition of marketing is as many as those who do marketing. Many of the approaches overlap, some take into account field characteristics, others approach it from a philosophical point of view, and a group of scholars examines marketing and logistics on the same level and notes their organic relationship with each other.

F. Kotler rightly pointed out that marketing management should be based on a single concept for the performance of a number of tasks necessary to achieve the desired level of sales in various markets. In the work of that scientist, the formation of the marketing concept for commercial organizations is based on five main

approaches. Guided by it, it was preferred to design the structure of the concept of marketing management in the work (Figure 1).

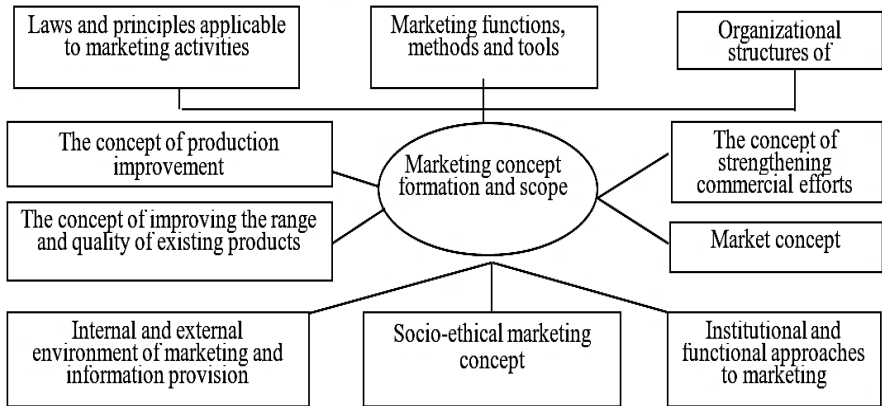


Figure 1. A systematic approach to the concept of marketing organization and management (designed by the author).

A marketing concept is a goal. In order to reach it, it is necessary to achieve the expected result of increasing the level of sales in various segmented markets. This means that the concepts reflected in figure 1 have not lost their importance until now. Each of them covered different periods and differed with their own characteristics. Here is the principle structure of the formation of the development-oriented marketing concept.

However, the new concept of managing the production and sales activities of agro-processing enterprises differs from traditional concepts in its characteristics.

In this work, the scope of those concepts, the classification of the goals necessary to achieve the goals aimed at its implementation, developed by us, are reflected in the form of a scheme. The successful implementation of those strategic goals will ensure the sustainable development of agro-processing enterprises in the studied economic region. We believe that it is the marketing concept in enterprises should be formed as a result of GZIT and ABC analyses.

The full recovery and development of tea and rice cultivation for the Lankaran economic region should become the main goal of the long-term cycle by reducing the import and increasing the export of those products by forming a member component of the marketing concept.

The development of the agro-processing sphere in terms of the marketing concept depends on the extensive use of the work experience of advanced countries in the field of proper organization and management of production and processing processes.

Clause 2. In the context of improving the methodological aspect of the transition to marketing orientation, it is necessary to develop an algorithm of general activity, classify and implement an appropriate strategy for the classification and implementation of agro-processing enterprises at the initial stage of creation of agro-processing enterprises.

The marketing system acts as one of the effective tools of the economic mechanism that changes in the conditions of market relations, and incorporates the policy of market accessibility and regulation. During the research conducted by us in recent years in the agro-processing enterprises operating in the Lankaran economic district, it was clearly determined that there are still a number of gaps in the efficient organization and management of marketing activities in those enterprises, which leads to an increase in the balance of finished products in the warehouses of food and beverage production enterprises. caused the cessation of activities of many business entities.

The managers of those enterprises are responsible for choosing the management structure of the micro and small enterprises they have established, preparing construction project-estimate documents, developing a business plan, conducting construction, purchasing equipment, their installation, commissioning, material and technical equipment, logistics, organization of marketing activities and other organizational tasks. - they are usually incompetent in solving legal issues. In order to provide them with practical and methodical help in this field, it was preferred to describe the general algorithm of

activity in the initial stages of creating agro-processing enterprises (Figure 2).

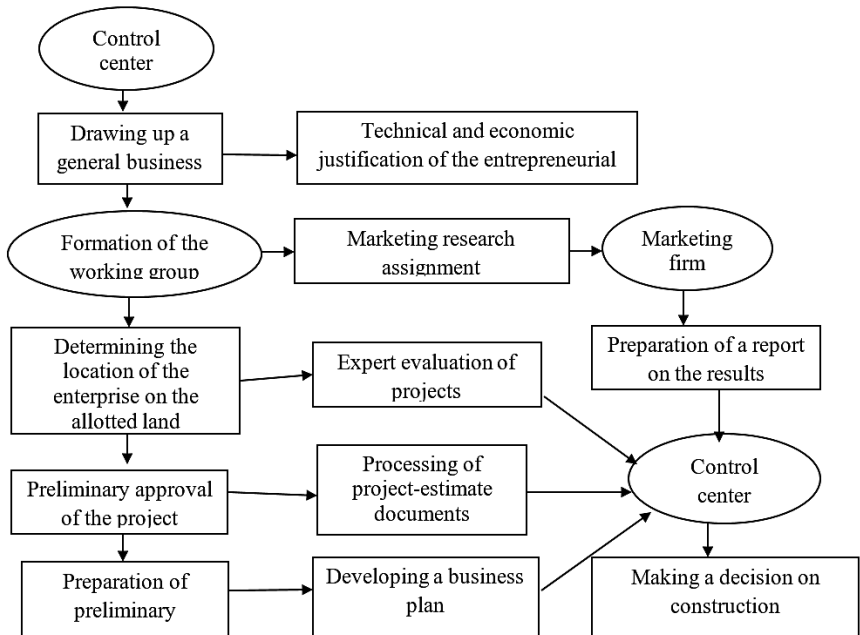


Figure 2. General algorithm of activity at the initial stage of creation of agro-processing enterprises (developed by the author).

On the basis of studying and summarizing the work experience of many advanced companies on the creation of new enterprises, the mentioned stages have been classified by us as follows: 1. Pre-financing stage; 2. Funding stage; 3. Post-investment stage; 3. Business stage.

Here, the content and characteristics of those stages, the scope of strategic and marketing functions for each stage have been formed.

Marketing management should be based on a systematic approach, because various obligations of marketing activity: - purpose, function, object, method and means ensure the effective implementation of the marketing concept in the enterprise. That

systemic approach includes the following, which interact with each other:

1. Information system of marketing (external information on marketing, internal report, marketing studies);
2. Marketing management system (analysis of market opportunities, marketing environment, markets, competitors, rules, selection of target market, development of marketing complex, implementation of marketing measures);
3. Principles and methods of management (methods of analysis, methods of planning and forecasting, methods of control and stimulation, as well as the principles of expediency, economy and adaptability).

All this shows that the marketing management system is a purposeful set of management principles implemented during the practical implementation of marketing functions and the formation of a marketing structure.

To that classification the phase of conducting marketing research should also be included. Here is a classification of the models that are considered necessary to use in the process of those studies.

Clause 3. In the context of improving the logistics support of marketing activities in agro-processing enterprises, the implementation of the corresponding strategy, which includes the integration of marketing, logistics and management functions, will directly participate in solving the problems of the agro-processing enterprises in the region.

As a result of the study, pThere is an urgent need to implement value-added measures in the direction of expanding the network of service enterprises, supporting the development of agro-industrial integration, further improving the competitive environment in the market of sales and production equipment, and increasing access to export markets.

For this purpose, marketing and logistics in agro-processing enterprises it is important to organize them effectively and establish mutual relations between them. Here, the scope of marketing logistics, the main functions of the modern marketing concept, the

integration of the elements of the "marketing-logistics" system into its management function are shown in table No. 1 compiled by us, and their interaction is reflected in No. 3.

Table 1.

Integration of logistics, marketing and management functions in the main activities of agro-processing enterprises

The nature of the functions	Logis- tics	Marketi ng
Placement of the enterprise	+	+
Development of the product, assortment, production structure and packaging	+	+
Production process management	+	
Selection of equipment and development of technological processes	+	
Planning of production and economic activity of the enterprise	+	
Planning of transport-warehouse network	+	+
Internal and external transport system management	+	+
Management of material resources	+	
Management of finished product stocks	+	+
Material and technical support of production	+	
Preparation of products for the production process	+	
Choosing a transport model in the distribution system	+	+
Scheduling of services provided	+	+
Service system management	+	+
Production dispatching	+	+
Supply dispatching	+	
Sales dispatching	+	+
Designing the capacity of production and transport-warehouses		

*) The table was compiled by the author as a result of systematization of the literature on the topic

In our opinion, this algorithm can be used as a methodical approach for managers and specialists of agro-processing enterprises, which have been declining in production - economy, supply, service and sales in recent years. The involvement of scientists of regional science centers and universities in the process of developing marketing, logistics and competitive strategies in agro-processing enterprises will also encourage the expansion of the relationship between science and production.

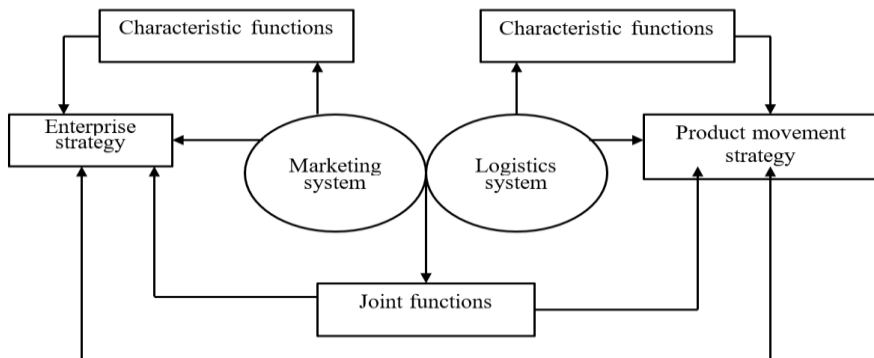


Figure 3. Functional interaction of marketing and logistics in the process of strategic decision-making (drawn by the author).

Clause 4. In the context of the provision of raw materials of the agro-processing enterprises of the studied economic region, the evaluation of the current situation of the production of products in the agro-processing enterprises, reserves, and the organization of their sale on domestic and foreign bases, the discovery of reserve opportunities in every direction and their efficient use, the efficient use of production capacities there, will allow to reduce the finished product balance to a minimum, increase the level of self-sufficiency of the population with food and non-food products.

The production potential of each economic region (district) is characterized by a certain quantity and quality of the volume of agricultural and industrial products based on local resources in the conditions of the formed production relations. From this point of view, the main elements of the production potential of agro-processing enterprises - material, labor and land resources, entrepreneurship and capital can be attributed. Their effective use depends on the geographic-economic, natural resources, climate, habits of the population and their level of employment of each region. For this purpose, the main scheme of the area and functional structure of the agro-industrial complex was given in the work, and the priority directions of the economy in the Lankaran economic region were classified, the structure of the regional domestic product,

the composition of it and the industrial product by administrative regions, and the specific weight of the main types of agricultural products produced at the national level were determined. .

The production potential of each region is characterized by a number of key indicators. They include the volume of industrial and agricultural products, construction works, retail trade turnover, the number of employed population, operating enterprises and individual entrepreneurs, the value of paid services provided to the population and other indicators. The change in the dynamics of those indicators was formed as follows (table 2.).

In the studied economic region, the amount of capital funds and investments directed to capital, the number of employed population and the level of employment, the changes in the area of agricultural crops cultivated there, as well as the productivity of agricultural crops were analyzed and evaluated by the administrative regions of the region, the number of animals, birds and the change in the number of bees was analyzed and their effect on the activity of agro-processing enterprises was shown.

The analysis of the indicators characterizing the production and economic activity of agro-processing enterprises in the studied economic region was carried out and it was determined that 130 industrial enterprises operate in the economic region. Among them, bread-bakery, milk processing, canning plants, and tea factories, equipped with modern equipment and technology, produce a wide variety of products. There are 1,531 individual entrepreneurs engaged in industrial activity in the economic district, whose number has increased by 3.9 times during 2010-2022. However, their growth rate is higher in individual administrative regions. Calculations show that in 2022, 36.3% of all private entrepreneurs engaged in industrial activity in the economic region will be in Masalli, 26.6% in Lankaran, 19.5% in Jalilabad, 8.2% in Astara, 6.1% operate in Lerik, and 3.6% operate in Yardimli district.

**Production potential of Lankaran economic region
main characterizing indicators**

Table 2.

Indicators	Years				Growth rate in 2010- 2022 in %
	2010	2015	2016	2022	
Volume of industrial output, million manats	49.5	74.7	102.2	361.0	7.3 times
Volume of agricultural products, million manats	385	608.4	602.0	999.7	2.6 times
Volume of construction works, million manats	20.7	31.8	26.1	107.1	5.2 times
Volume of retail trade turnover, million manats	799.8	1266.3	1485.0	2273.7	2.8 times
Cost of paid services provided to the population, million manats	175.1	270.5	285.9	344.7	196.9
The number of people involved in the economy of the region, thousand people	381.0	416.0	423.9	437.4	114.8
Number of enterprises and organizations operating in the economic district, unit	4637	6071	6413	7658	165.1
Among them: Number of small enterprises, unit	3847	4869	5232	6034	156.8
Number of individual entrepreneurs, thousand people	22.5	43.0	64.1	116.7	5.2 times

Source: "Regions of Azerbaijan", Baku, DSK, 2018, pp. 301-306; 2020, p.320-323, 2023, p.25 "Social and economic development", Monthly statistical collection No. 12, Baku, DSK, 2010, p.109-113, 2015, p.115-120, 2016, p.112 -117, 2017, pp. 109-114; 2022, pp. 111-114 <https://www.stat.gov.az/source/lobour/az/009-1>

The increase in the number of industrial enterprises in the economic district in 2010-2020 by 38 units allowed the volume of manufactured products (work, service) to increase by 7.3 times, including the volume of processing industry products by 13.9 times, the specific weight of the latter being 23.3 point, and the share of the private sector in industrial output increased by 22.3 points. It should be noted with regret that the amount of finished product balance in the warehouses of industrial enterprises whose activity was analyzed increased from 2.6 million manats to 19.8 million manats during the analysis period and its volume increased 7.6 times (table 3). In the functional structure of the agro-industrial complex of the economic region, the production of agricultural products occupies the main

Activity of industrial enterprises in Lankaran economic district main characterizing indicators

Table 3.

No	Names of indicators	Years										Growth rate in 2010-2022, in percent in percent (\pm deviation)
		2010	2014	2015	2016	2020	2021	2022				
1.	Number of operating enterprises, unit	92	77	90	95	107	118	130	141.3			
2.	Number of individual entrepreneurs engaged in industrial activity, people	390	871	944	943	1396	1486	1531	3.9 times			
3.	Volume of the product (work, service), million manats	49.5	71.0	74.7	102.2	192.0	340.9	361.0	7.3 times			
4.	Volume of processing industry products, million manats	26.1	41.2	44.6	68.5	128.3	270.3	280.6	10.8 times			
5.	The specific weight of the products of the processing industry in the composition of the entire industrial product, in percent	52.7	58.0	59.7	67.2	66.8	79.3	77.7	+ 25.0			
6.	The specific weight of the private sector in the volume of the gross industrial product, in percent	56.2	58.7	60.6	67.4	68.5	80.3	78.5	+ 22.3			
7.	Volume of finished product balance, million manats	2.6	4.7	2.9	9.0	20.6	19.0	19.8	7.6 times			
8.	The specific weight of the residual product in the composition of the entire industrial product, in percent	5.3	6.6	3.9	8.8	10.7	5.3	5.5	+ 0.2			
9.	Average list number of employees, people	3895	5827	5537	5978	6741	7316	7800	2 times			
10.	Average monthly salary of employees, manat	212.5	285	320	339	416	465	509	2.4 times			
11.	Investments in fixed capital, million manats	10.9	27.4	27.9	28.1	15.8	12.1	32.9	3 times			
12.	The value of the main production funds, million manats	172.4	218	226	237.4	284.4	301.5	322.6	187.1			
13.	Fund transfer, manat	0.29	0.33	0.33	0.43	0.68	1.13	1.12	3.86 times			
14.	Fund capacity, manat	3.48	3.07	3.03	2.32	1.48	0.88	0.89	25.6			
15.	Armed with the fund, one thousand manats	44.3	37.4	40.8	39.7	42.2	41.2	41.4	93.5			

Source: The table was compiled and calculated by the author based on the data of the "Industry of Azerbaijan" statistical collection. Baku, "DSK", 2013, p. 207, 208; 2018, pp. 202; 2020, p. 101-107; 2023, p. 150-158

place, and they act as the raw material base of agro-processing enterprises.

The comparative analysis of the main types of agricultural products per capita for the republic and the studied economic region shows that the level of potato and milk production is higher in the Lankaran economic region. There is a lag in the production of meat, fruits and berries, eggs, and wheat.

In this work, the annual income of the population in the economic region and the ranking of the administrative regions were determined. Calculations show that 2010-2022 The income of the population in Astara region increased by 2.1 times, in Jalilabad by 2.34 times, in Lerik by 1.7 times, in Masalli by 1.82 times, in Yardimli by 1.9 times, and in Lankaran by 2.43 times. Among those administrative regions, the lowest annual income of the population was observed in Yardimli, and the highest income was observed in Lankaran. The rating of the regions on that indicator did not change during the analysis period (table 4).

In Azerbaijan, which has favorable geographical conditions and rich natural resources, the continuous import of large amounts of rice, tea, citrus fruits, potatoes, cereals, and vegetable oils is unacceptable. This fact can be applied to meat, milk and products made from them. In this work, the activities of 15 medium and large agro-processing enterprises operating in the economic region were analyzed in detail and the factors affecting the reduction of the volume and variety of production were classified. In addition to these, taking into account the amount of products produced by those enterprises, as well as the amount of imported products, the stocks of food and non-food products in retail trade enterprises in the administrative regions of the region, the supply of these products to the local population, the ratio of domestic production to imports, the level of dependence on imports, exported agriculture and the volume of food products, as well as the limit of the level of self-sufficiency with the main types of crop and animal husbandry products, complex recommendations aimed at the efficient use of numerous resource opportunities in the direction of production of agro-processing

Annual incomes of the population in Lankaran economic district and administrative ranking of regions (position)

Table 4.

No	Names of regions	2010		2015		2022	
		Income of the population mln. Man.	Ranking of regions according to the income of the population	Income of the population mln. Man.	Ranking of regions according to the income of the population	Income of the population mln. Man.	Ranking of Regions according to the income of the population
1.	Primer	142.5	4	204.0	4	304.3	4
2.	Jalilabad	337.6	3	524.5	1	720.2	2
3.	Lerik	91.3	5	117.8	5	155.6	5
4.	Fairy tale	371.8	2	483.2	2	676.4	3
5.	Helpful	64.2	6	84.0	6	116	6
6.	Lankaran	373.4	1	519.2	2	908.6	1

Source: Table by the author https://www.stat.gov.az/course/system_nat.../az/035.xls compiled and prepared by the information of the source.

products, formation of reserves, self-sufficiency with agricultural and processing products were given.

Clause 5. As a result of the formation of the strategy for increasing the competitiveness of the agro-processing enterprises of the economic region in accordance with the goals of the socio-economic strategy of the country for the long term and its implementation, it will allow to increase the production volume and variety of agro-processing products, reduce the dependence on imports, and increase the export opportunities.

In Lankaran economic region, the appropriate marketing strategy has been formed in order to properly use the numerous resources revealed in the organization and management of marketing in the agro-processing sphere.

For the implementation of that strategy, it is considered important to consider the algorithm of developing a competitive strategy in agro-processing enterprises in the context of effectively using the raw material base of the "marketing-logistics" relationship. In our opinion, the implementation of increasing the competitiveness in that sphere in three stages will allow to eliminate the existing gaps. (Figure 4.)

Measures considered necessary to increase competitiveness in agro-processing enterprises can be classified as follows:

- Continuous use of innovations created in the international experience in the field of agro-processing;
- Searching for advanced forms of manufactured agro-processing products;
- Using high-quality raw materials and materials, agricultural products;
- Increasing the production volume and variety of agro-processing products that meet the requirements of national and international standards;
- Conducting continuous marketing research in domestic and foreign markets;
- Studying the activities of competitors, considering their positive and negative aspects as a result of the analysis;

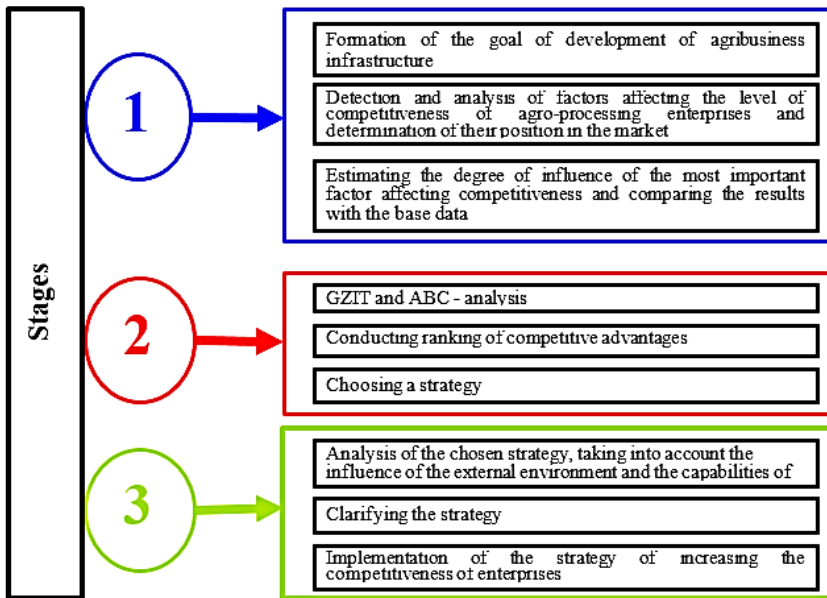


Figure 4. Algorithm for forming a strategy for increasing the competitiveness of agricultural production and processing enterprises (used by the author).

- Using the most effective types of advertising;
- "Trade mark" for manufactured products, registration of "brand product";
- Finding out the demand for your own product and the products produced by the competitor's company based on the price factor, conducting actions on adjusting (lowering) the price, duration and warranty;
- Training, retraining and training of personnel;
- Employee motivation and workimprovement of raiti;
- As a result of all this, achieving the technical, economic and quality indicators that ensure the competitiveness of the products produced in agro-processing enterprises in the market.

We believe that as a result of effective use of those measures, agro-processing enterprises will not only increase their competitiveness, but also ensure their financial stability.

One of the directions that determines the formation of a successful marketing strategy in agro-processing enterprises is the development of the logistics infrastructure for agricultural products. Wholesale and logistics centers of agricultural products that meet modern requirements should be created in Lankaran economic region, and retail sales networks should be expanded in settlements and large villages. In order to solve this important issue, within the framework of public-private partnership, the opportunities of "Food Products Supply and Supply" OJSC should be widely used. Among the important elements of the logistics infrastructure for agricultural products in the economic region, we consider it important to organize new slaughterhouses in accordance with high veterinary-sanitary requirements and cold warehouses for storing fruits and vegetables, potatoes and melons. In our opinion, the construction of small and medium-sized refrigerating warehouses in one of every 2-3 large rural territorial circles (about 20 units) and settlements (13 units) of the administrative regions will satisfy the population's demand for those products throughout the year, and will ensure uninterrupted work of processing enterprises, import increasing prices will be prevented by reducing the volume. In our opinion, the establishment of "Green market" and "Farmer's store" networks in 13 settlements of the economic district and large rural territorial circles, using preferential loans based on the projects presented by local entrepreneurs, will give a substantial impetus to the supply of products. In the context of the "Electronic Agriculture" portal (program), which has been successfully implemented in our country, the creation of an electronic database in the agricultural departments of the economic region and the formation of an information-advisory service network, the improvement of the accounting system for trading products will ultimately play an important role in serving consumers.

Clause 6. As a result of the creation of specialized and mixed-type agroparks, agro-industrial clusters and supply points in the administrative regions of the Lankaran economic region, it will create an opportunity to create new jobs, increase the level

of self-sufficiency by creating an abundance of the main types of agro-processing and food products.

The fact that almost half of the country's population lives in rural areas insists on the continuous development of all sub-fields of the agrarian sphere there. For this purpose, the construction based on those strategic innovative criteria, including the creation of agroparks and agro-industrial clusters, is one of the main goals.

We believe that, guided by the experience of Russia and Belarus, which allows achieving high economic results, it can be highly effective to create agroparks based on the principle of joint use of shared lands in the administrative territorial circles of the studied economic region. In the existing administrative territorial circles of Lankaran economic region, the number of employed population is at least 1200 people, and the maximum is 4200 people. In order to effectively use this potential and prevent their rapid migration, it is possible to create different types of agricultural parks in the studied economic region by implementing targeted projects on the basis of state support or by actively attracting investors. However, this complex process is possible in stages, on the basis of conducting extensive educational work among farmers and applying concessions. The Small and Medium Business Development Agency, the Entrepreneurship Development Fund of the Republic of Azerbaijan, as well as the National Confederation of Entrepreneurship Organizations and, if necessary, foreign companies can be involved in solving this important issue. Considering the above, it is recommended to create 13 agricultural parks in Astara district, 15 in Masalli, 10 in Lankaran, 17 in Jalilabad, and 18 in each of Lerik and Yardimli districts in accordance with the agricultural structure of the economic region. Researches show that 6 million manat worth of products are produced in the currently operating agricultural parks in the country, and if we take into account the creation of an average of 80 jobs, then after the completion of the organization of agroparks, the additional volume of agricultural products in the economic region will be 546 million manats and 7280 jobs. will have increased.

In economic literature, agroparks are often equated with clusters. However, it is difficult to agree with this idea, because the agropark performs the local function of a small number of clusters. Agro-industrial clusters containing the value chain should act as a guarantor of the sustainable development of the agro-processing complex, and its core should be made up of enterprises engaged in the production, processing and sale of agricultural products, which are well-known in the domestic and foreign markets, reputable, appreciated by buyers, distinguished by their modernity. should do. As an alternative option, a large innovation-oriented agro-processing enterprise can act as the core of the cluster. In this work, its algorithm has been worked out, the classification of area clusters that can be created by economic region is given (Fig. 5.) and the generalized principle structure of the agro-industrial cluster, as well as the industrial service districts of medium size, based on the local raw material base and labor resources, that meet modern requirements in administrative regions the suitability of its creation is justified.

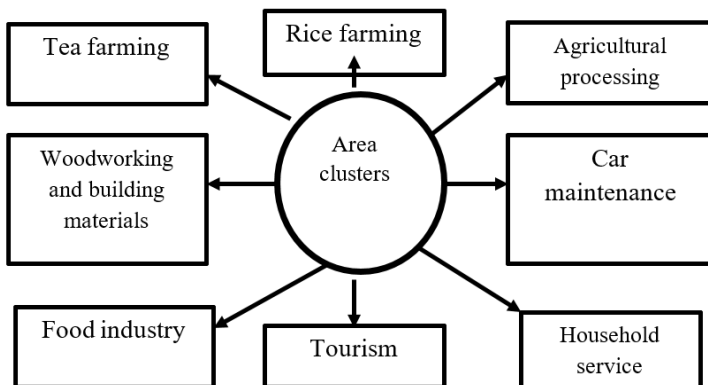


Fig. 5. Classification of the area clusters that can be created in the perspective of Lankaran economic region (developed by the author).

In our opinion, in the near future, as a result of the creation of the above-recommended business infrastructures, the formation of a reliable "production-sale" value chain based on the "farm-to-table"

principle in the agricultural areas of the economic region, the creation of a competent marketing structure in enterprises, the production of a variety of products, the continuous operation of enterprises throughout the year, the internal market fertile conditions will be created for full supply of food products, increase of exports, minimization of losses, improvement of service.

Clause 7. There is a need to develop practical recommendations in the direction of expanding the production and export potential of agro-processing enterprises of the region and reducing dependence on imports.

In order to ensure sustainable and balanced development of the country's economic regions, it requires efficient use of local natural resources, reliable protection of the environment, and efficient use of existing production potentials. From this point of view, the following can be included among the measures that must be implemented:

- Wide application of the latest achievements of scientific and technical progress in the field of production and processing;
- Expansion of production capacity;
- Stimulation of the attraction of local and foreign investors in the agro-processing sphere;
- Carrying out effective specialization in the production of products suitable for domestic and international conjuncture in that sphere;
- Adaptation of local agricultural products to international standards;
- Increasing the export volume of local agricultural and food products.

In our opinion, the existing opportunities for expanding the production potential of agricultural and food products in the studied economic region should be re-evaluated and innovative development plans or regional innovative development programs should be developed for each administrative region. In the economic district, the value chain of melon, vegetable and fruit products (cultivation - primary processing - recycling - sale) should be shown and an improved mechanism of sales stimulation should be developed. In general, the organization of the production of agricultural products

should be viewed from a three-dimensional spatial perspective, which includes the elements of "economic region - diversified product - value chain". In order to raise the level of self-sufficiency in agricultural and food products of the population in the country, including in the economic region, to reduce dependence on imports and to increase export opportunities, activities should be strengthened in the direction of production of wheat, potato, farash vegetable products. The establishment of supply points for making a wide variety of drinks, jams, dried fruits, and natural medicinal plants from forest products and handing over the raw materials collected with their help to processing enterprises will allow ensuring food security and strengthening the export potential of the economic region.

Taking into account that poultry meat and eggs per capita in the Lankaran economic region are lower than the national average, there is a need to implement effective measures for the production and export of these food products. For this purpose, preference should be given to keeping new breeds of chickens in the economic region. We believe that in order to minimize the level of dependence on imports of beef and meat products in the economic region, the process of keeping beef-dairy small and large horned animals should become intensive. In the conditions where it is realized, it is necessary to actively involve individual entrepreneurs and micro-enterprises in the process of collecting animal skins by applying an effective incentive mechanism.

By using the horizontal, multi-channel, combined marketing system, as well as the trademark and brand of the franchisor companies in the agro-processing industrial enterprises of the economic region, it is possible to increase their access to foreign markets and their export potential.

Conclusions and recommendations formed on the research work

As a result of our systematic analysis and evaluation in agricultural products production and processing enterprises in the administrative regions of Lankaran economic region, it was revealed

that there are many unused reserve opportunities of an organizational-economic, technical-technological, social-ecological nature. We consider it appropriate to implement the following practical recommendations on their effective use.

In order to effectively use the production potential:

- Minimization of the volume and variety of residual products due to the optimization of the scale (volume) of the manufactured products;
- Maximum satisfaction of the population's demand for various types of food (food) products in the area where the enterprise is located;
- Production of high-quality products that meet the high demand of consumers;
- Production of a variety of import-substituting and export-oriented food products;
- Realization of exchange of inter-regional food products.

On the improvement of the marketing structure:

Depending on the scale of agro-processing enterprises (small, medium and large), it is appropriate to use the following organizational forms of marketing service: functional, production-functional, market regional.

However, when choosing an organizational structure, the principle of minimum management costs should be observed. In small agro-processing enterprises, it is advisable to entrust the marketing function to a marketer (specialist) who is competent, but has broad authority and is able to make decisions in uncertain conditions.

In order to rapidly develop industrial and agricultural sectors in the economic region:

- Creation of a honey processing and packaging enterprise in Astara region;
- Supporting the development of tea growing in Lerik region and creating new agro-processing enterprises;
- Expansion of tea plantations, citrus and mulberry gardens, rice fields in Lankaran and Masalli regions;

- Restoring the work of industrial and agro-processing enterprises that have stopped operating in Masalli district;
- Development of hazelnut fields in Yardimli district and organization of a small-scale hazelnut processing enterprise;
- Supporting the production and processing of agricultural products in all areas of the economic region, strengthening the material and technical base of the infrastructure serving them.

In order to effectively use the natural resources and economic potential of the economic region and achieve sustainable socio-economic development, using the advanced work experience of the CIS countries:

- Creation of specialized and mixed-type agroparks (agro-city) in the territories of villages and settlements of the administrative region, according to the characteristics and structure of their economy;
- Being a medium and large agro-processing enterprise, with the participation of science, education, insurance, finance-credit, communication, leasing, construction and other necessary organizations, 2 in each of Lankaran, Astara, Masalli and Jalilabad districts, and 2 in each of Lerik and Yardimli districts. 1 creation of agro-industrial clusters;
- Creation of industrial-service quarters in large settlements of the economic district;
- Creation of agroparks and clusters in each administrative region will ultimately enable the successful implementation of the "supply → processing → sales → transportation → storage → staffing" scheme;
- In order to improve the supply of raw materials to agro-processing enterprises, the establishment of supply points for the collection of fruit, vegetables, milk, eggs, meat, chicken and other food products left over from the use of the population in all large settlements and villages of the administrative regions of the economic region;
- Joint ventures with the aim of improving investment security of agro-processing enterprises of the economic region, increasing innovation activity, increasing product range, achieving

import-substituting, export-oriented product production, facilitating access to foreign markets, providing access to the use of the product brand of leading companies, and raising the production culture as a whole. (activity) organization;

- Development and implementation of progressive labor, material, electricity and thermal energy norms to replace the Technical Conditions (TS), which were widely used in agro-processing enterprises that previously operated in the economic district and were later privatized, with international standards;

- Applying innovative technologies and prioritizing the use of advanced experience in the cultivation and processing of tea and rice;

- In order to strengthen scientific and personnel potential in the fields of production and processing of rice, tea, citrus fruits in the economic region, implementation of personnel training in marketing and logistics specialties in higher and secondary specialized institutions operating in the economic region;

- In order to stimulate the production and export of agro-processing products, conditions should be created for national regional products in foreign markets, an export crediting system should be developed, a passport of export products in the economic region, a technical support program for them, development of a strategy for supporting the movement of national brands;

- Provision of open access to information technology, credit, investment and material and technical resources market for sustainable development of micro and small enterprises and farms operating in administrative regions with the help of local executive bodies.

- Extensive use of information and communication tools and technologies in the process of supply, sale, storage, and transportation of products at all management levels of the agrarian field, in the functional divisions of agro-processing enterprises.

The main content of the research is reflected in the following works published by the author:

1. Aliyev TN, "Ways of effectively using the industrial potential of the Lankaran economic region", materials of the Republican Scientific Conference on "Problems of the development of natural and humanitarian sciences", "LDU", 2017, pp. 44-45.

2. Aliyev TN, Salimov HF "Ways of effective use of existing potentials of processing industry enterprises in Lankaran economic region". "Labor and social relations" Scientific-practical journal No. 1(7). Baku, ESMA, 2017, p. 86-90.

3. Salimov Kh.F. "Improvement of marketing organization in agricultural and processing enterprises". Materials of the 16th International Scientific Conference on "Problems of Enterprise Development: Theory and Practice" Samara, November 16-17, 2017, part 3, p. 87-89.

4. Salimov HF "Study of sales of agro-processing products in domestic and foreign markets". Materials of the Republican Scientific Conference on "Actual problems of integration and science in the modern world". Lankaran, "LDU", December 22-23, 2017, p. 176-177.

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15. Salimov Kh.F. "The state and ways of rational use of production potential of agricultural processing enterprises in Azerbaijan". International scientific-practical journal – economic relations (Impact factor ПИИИ: 0.368) №2, volume 9, M, 2019, p. 779-794.

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ensuring regional development: realities and modern challenges", materials of the Republican Scientific Conference, "MSU", 2020, p.318-320.

17. Salimov HF "Possibilities of expanding marketing activities as a result of the creation of agricultural parks and clusters in the Lankaran economic region", news of ANAS, Economy series #5, Baku, "Elm", 2021, p.101-110.

18. Salimov HF "Analysis of the geographical and economic characteristics of the Lankaran economic region, the impact on the structure of the production potential and the supply of raw materials of agro-processing enterprises", on the topic "Azerbaijan in the new stage of development - food and food security in the era of globalization and post-pandemic: current situation, challenges, perspectives" (online - in remote format) Materials of the International Scientific-Practical Conference, "LDU", 2021, pp. 352-357.

19. Salimov HF "Expanding the production and export potential of agro-processing enterprises of the Lankaran-Astara economic region", "Scientific-practical conference materials on "Heydar Aliyev's national economic development model is the basis of Azerbaijan's economic independence", LSU, 2023, pp. 45-47.

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