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ABSTRACT

Doctor of Philosophy degree of the dissertation
submitted to receive

**DEVELOPMENT OF THE SUPPLY SYSTEM IN THE
AGRICULTURAL FIELD AND STATE REGULATORY
MATTERS**

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Plaintiff: **Orujova Hajar Ajdar**

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Dissertation work was carried out at the "Economy" department of Ganja State University.

Academic supervisor: Doctor of Sciences in Economics,
Professor

Aliyev Isa Huseyn

Official opponents: Doctor of Sciences in Economics,
Professor

Hasanova Pari Amirahmed

Doctor of Philosophy in Economics,
Associate Professor

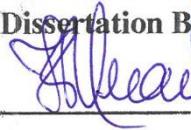
Mammadova Sevda Binyat

Doctor of Philosophy in Economics,
Associate Professor

Hasanov Parviz Samad

ED 1.10 Dissertation Council operating under the Institute of Economics of the Ministry of Science and Education of the Republic of Azerbaijan of the Higher Attestation Commission under the President of the Republic of Azerbaijan

Chairman of the
Dissertation Board:



Doctor of Economic Sciences,
Professor

Wazim Muzaffarli (Imanov)

Scientific secretary of the
dissertation council:



PhD in Economics
Seyidova Sevda Mammad

Chairman of the
scientific seminar:



Doctor of Economic Sciences,
Professor

Mammadov Elshad Yagub

GENERAL CHARACTERISTICS OF THE RESEARCH WORK

Relevance of the topic and degree of elaboration. The development of the agricultural sector, which is considered one of the important and priority sectors of the national economy, is considered one of the most important issues, as it has always been, and effective state regulation. It is very necessary to optimally determine the demand and supply processes formed in the agrarian field, and to correctly develop and implement the appropriate priority development directions. In the state regulation of the agrarian field, it is important to pay attention to the qualitative indicators in addition to the quantitative aspect. Because it is also required by objective market laws.

That is why the state, to one degree or another, constantly implements an appropriate policy in the direction of ensuring efficient and purposeful development of agriculture.

On the whole, the objective necessity of purposeful regulation of the agrarian field can be connected with the possibility that it may fall into a crisis situation due to various natural and economic reasons. It should be noted that further strengthening of the stimulating role of the state in the economic regulation of the agrarian field necessitates the consideration of the specific characteristics of this field. From this point of view, the regional characteristics of agriculture in our country, as well as the significant dependence of product producers on natural factors in regions with different natural and climatic conditions, the seasonal nature of the agricultural production process, and other such oriented processes are considered as aspects.

Observations show that the development of the agrarian sector (according to the results of the development programs of the regions) is being observed in the conditions where our state attaches great importance to the development of the non-oil sector.

Also, in the current conditions where quality-oriented work is being carried out, it is necessary to purposefully form and develop an efficient supply system in this field in order to increase the

production volume of agricultural products, improve their existing quality level, especially to improve the financial capabilities of people, most of whom are micro, small and medium producers.

In connection with the above, it is of great importance to investigate the importance of the relevant measures implemented in the direction of solving the current issue, as well as to develop a new methodological approach in the field of in-depth study of its essence and content elements.

All these mentioned made it necessary to develop the dissertation topic.

As it can be seen from the conducted researches, various theoretical-methodological, as well as applied features of the problem we are studying are of interest to both local and foreign scientists. However, as a result of the reforms and structural changes in the agrarian field, the solution of this issue has been relatively put into the background. In addition, at different times, Sh.M. Muradov, I.H. Ibrahimov, E.R. Ibrahimov, E.A. Guliyev, A.T. Ahmadov, G.A. Ganciyeu, A.Ch. Verdiyev, I.H. Aliyev, Sh. A. Jabrayilov, V. M. Niftullayev, I. Sh. Garayev, A. S. Gasimov, N. A. Gasimov, H. A. Khalilov, V. T. Novruzov, R. T. Hasanov, R. A. Balayev, M. C. Huseynov, V. A. Gasimli and others by studying various aspects of the mentioned problem, they put forward a number of interesting proposals that are of great importance in the direction of a more efficient and modern oriented solution of the problem.

At the same time, Y.I. Akhirbov, A.M. Babashkina, N.S. Belkina, V.D. Goncharov, L.V. Kalyagina, N.A. Kovalenko, N.Y. Kovalenko, I.D. Kotlyarov, N.A. Popov, G.A. Petryanova, V.G. Fyodorov, N.V. Fyodrova, Y.A.Likhovtsova, I.A.Minakov, A.N.Romanov, I.I.Stolyarov, N.A.Serova, G.I.Shmeliev and other well-known scientists such as Fyodrova, Y.A.Likhovtsova, I.A.Minakov, A.N.Romanov, I.I.Stolyarov, N.A.Serova, G.I.Shmeliev also studied the problems of organization, regulation and improvement of the supply system in the agricultural field. .

At the same time, it should be noted that in the works of these and other scientists mentioned above, the development of the supply system in the agricultural sector and the issues of state regulation in

accordance with the conditions of the new era, including in the conditions where the development of the non-oil sector is more dominant, have not been studied sufficiently and in detail, especially Many issues that concern the producers of agricultural products in this direction have not been investigated properly. That is why, taking into account the relevance of the mentioned issues, it is necessary to study these issues in detail in the current dissertation work.

The object and subject of the research. Enterprises included in the agro-industrial complex were selected as the object of the research. The subject of the research is supply-oriented subjects in agro-industrial enterprises, for this purpose, the study of world experience, the effect of the effective implementation of the supply process on the country's economy, and the issues of implementation of state support for strategic products.

Research goals and objectives. The main purpose of the study is to examine the theoretical methodological bases of the essence, main principles and ways of state regulation in the agricultural field, to review the content elements of the supply system as an important factor of this process, to comprehensively analyze and evaluate the current state of supply activities in the indicated direction, in addition to this, in accordance with the current requirements of market economic relations determination of priority directions for further improvement of the agrarian supply system.

In order to achieve the above-mentioned goal, the following tasks were set and fulfilled in the research process:

- the essence and content elements of state regulation have been fundamentally investigated;
- the main principles and ways of the analogous activity process in the agricultural field are defined;
- the development of the supply system as one of the main factors of the processes of state regulation in the agricultural field was comprehensively studied, along with this, the past and current situation in that direction, as well as the relevant experience gained by a number of countries, were studied;

- the current situation of the agricultural sector, which is one of the priority areas of the country's economy, has been studied in detail;

- the modern state of the supply system in the state regulation of the agricultural sector was analyzed and evaluated;

- directions for accelerating the development of the agricultural supply system according to market requirements have been correctly identified and developed;

- the directions for raising and improving the efficient organization of a favorable agribusiness environment in the specified area have been determined;

- modernization of agrarian entrepreneurship activities in connection with the sustainable development of the supply system in the agricultural sector is justified, etc.

Research methods. Observation, comparison, analytical economic analysis, economic statistics, induction and deduction, as well as econometric analysis methods were used in the implementation of scientific work.

The main provisions defended:

1. The main trends of sustainable development, which is considered one of the main and priority directions of the non-oil sector in modern times, ensuring a healthier and more competitive agrarian sector, should be strengthened;

2. In terms of the proper implementation of State Programs, strengthening and expanding the local export potential in the agricultural sector increases the specific weight of supply activities in this sector, as well as the real volume of efficiency criteria;

3. Development of the main principles of the mechanism of further strengthening of the analogous economic regulation process has an important role in accordance with the directions of closer coordination of the mutual principles and relations of the supply institutions and large producer subjects in the agrarian field.

4. There is a need to implement necessary and complete measures in order to support the optimal formation and improvement of the supply system in agriculture, and at the same time, to establish a system of proper analysis and evaluation of the indicated activity;

5. In accordance with the directions of improvement of supply activity in the agricultural sector, it is important to expand the favorable agribusiness environment and develop effective state entrepreneurship (at the same time, public-private cooperation) relations.

Scientific novelty of the study:

1. The influence of the state on the economy, their interaction mechanisms, especially the essence, objective bases and content elements, forms and methods of state regulation in the conditions of market relations, contemporary trends in this direction have been classified and studied in terms of scientific theoretical criteria;

2. The main mechanisms of state regulation in the agrarian field have been investigated and evaluated in terms of increasing the efficiency of economic activity in this field;

3. The main directions of activity of the supply system in the agrarian field according to the conditions of market relations have been determined, and its main and important principles have been revealed;

4. In accordance with the requirements of the modern post-oil era, the current state of the national agrarian economy, the main aspects and characteristics of its efficient and sustainable development are shown;

5. In accordance with the effective state regulation of the agricultural supply system, the formation of favorable and fertile conditions based on mutual trust and confidence among them, as well as the regularity of ensuring the sustainable development of the supply system that ensures producer satisfaction, have been determined;

6. The basic principles of the mechanism of further strengthening of the analogous economic regulation process have been developed in accordance with the directions of closer coordination of the mutual principles and relations of supply institutions and large producer entities in the agricultural field;

7. An effective mechanism for providing the domestic market with high-quality and ecologically clean products has been determined by determining the optimal supply prices;

8. In order to effectively organize the supply process in the field of agrarian industry, the formation of relevant infrastructures - business incubators, clusters, venture funds, various service links considered possible to participate in the production and consumption chain is justified;

9. The need to apply appropriate innovative and corporate management in the organization and management of the supply system in the agrarian field has been determined;

10. Proposals and recommendations on the directions of forming a favorable agribusiness environment, which encourages the more effective establishment of the supply system in the agricultural field and the expansion of its application possibilities, have been determined.

Theoretical and practical significance of research. Scientific provisions of scientists conducting research in the field of agrarian economy, scientific research works of foreign economists dedicated to the supply system in the agrarian field and generations of state regulation in this field, etc. contain. The laws of the Republic of Azerbaijan, decrees and orders of the President of the Republic of Azerbaijan, decisions and orders of the Cabinet of Ministers of the Republic of Azerbaijan, normative-legal acts directly related to the field of activity, including state support programs for the development of agrarian entrepreneurship in the Republic of Azerbaijan were used in the implementation of the dissertation work.

The theoretical results obtained from the research work are used in the teaching of agricultural economy, macroeconomics, microeconomics, trade, agricultural marketing, in solving problems related to the development of the supply system in the agricultural sector and state regulation, in the preparation of programs related to the development of the agricultural sector, and at the same time, the state intervention in this direction. can be used in making decisions about optimization.

Research approval and implementation. The main provisions of the conducted research work and the obtained results were published in a number of scientific journals and publications in the form of 13 (thirteen) scientific articles and theses, and were

presented at various scientific-practical conferences and seminars. The main results of the research were reflected in 4 (four) specialized scientific journals in the country, including 2 (two) scientific articles and 2 (two) theses published abroad.

The name of the organization where the research work was performed. Dissertation work was performed at Ganja State University.

The total volume of the dissertation with a sign indicating the volume of the structural sections of the dissertation separately. The dissertation consists of 127 pages and 250,000 characters including the introduction (7198 characters), chapter I (68357 characters), chapter II (97798 characters), chapter III (71319 characters), conclusion (5328 characters) and the list of references. 127 titles of literature are shown in the list of used literature.

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BASIC SCIENTIFIC PROVISIONS SUBMITTED TO THE DEFENSE

CLAUSE 1. The main trends of sustainable development, which is considered one of the main and priority directions of the non-oil sector in modern times, ensuring a healthier and more competitive agricultural sector, should be strengthened.

The purposeful state regulation of the agricultural sector, which is considered one of the important and priority areas of the national economy, creates favorable conditions for ensuring the strategic interests of the state in a coordinated manner, as well as for ensuring a more modern and efficient development of the agricultural sector in accordance with the requirements of the new era.

In our opinion, one of the most important elements reflecting the need for state regulation of the agricultural sector is related to the country's level of self-sufficiency in this field. This is due to the fact that each country should try to organize its population to produce the necessary basic agricultural and food products. It is true that the provision of products that do not correspond to the natural climatic conditions of that country and therefore can be produced at high prices (or cannot be produced at all) must be paid for by imports. Although sometimes certain price inconsistencies may occur, it should be taken into account from the point of view of food and economic security as a whole.

The mentioned aspects allow us to say that the connections between the self-regulation of the agrarian sector and the state regulation of the agrarian sector, as well as the state aid to this sector, are related to certain conditions. Such a fact, which confirms the importance of state regulation and state aid (aid) of the specified area, shows that in certain emergency situations (drought, military conflict, etc.), the processes of purchasing the most necessary agricultural and food products and providing them to the population are food-economic national security. accelerates the implementation of its principles.

Thus, the current state of the agrarian sector in the conditions of the market economy and the directions of sustainable development

are implemented in the context of effective state regulation in this field. In general, the goals and objectives of the state regulation of this important field in each country are determined by the development concept derived from the development characteristics and specifics of that country. The main goal of the state regulation of the agrarian sector is to achieve efficiency in the process of activity on all links of the value chain and ensure sustainable development.

Currently, in accordance with the importance of the superior development of the non-oil sector and the sustainable development of the agricultural sector, certain works are being carried out in the direction of the development of the supply system of agricultural products. Of course, the issues of efficient organization and improvement of state regulation of those processes should be approached more optimally, new innovative methods should be used in the organization of society's needs on the basis of supply, such as raw materials, products, and food fund.

At the same time, it is necessary to take more deliberate steps in the direction of more effective operation of the agricultural product supply system and its acceleration as an important element of state regulation.

It is a well-known fact that scientific and technical innovations and innovations in the agricultural field play a very important role in the modern conditions where the non-oil sector is highly developed. Of course, without them, the indicated area cannot be developed sustainably. Unfortunately, there are still a number of factors that have a negative impact on the effective development of these processes. In this direction, for example, the existing technical and technological conditions in agriculture still cannot fully meet the requirements of the modern era, the lack of interest of product producers in the direction of timely acquisition of existing innovations and scientific and technical innovations, or the effective relations of the parties involved in the field of agricultural innovation activities. , as well as the lack of necessary legislative documents and normative acts regulating their responsibility, etc.

CLAUSE 2. In terms of the proper implementation of State Programs, strengthening and expanding the local export

potential in the agricultural field increases the specific weight of supply activities in this field, as well as the real volume of efficiency criteria.

The main task of product supply in the agricultural field is related to the correct determination of the optimal level of production in the analogous field. At this time, the product supply intervention (intervention) process is also widely used. The indicated process gives a strong impetus to the efficient and sustainable development of the agricultural sector, and is considered one of the important parameters of the effective intervention of state institutions in the agricultural sector.

In general, supply intervention in the agrarian field is carried out in cases where the market prices of agricultural and food products are less than the level of guaranteed prices in operation of the state, as well as when the volume of demand for the products produced by producers in the specified area (which they want to put on the market) decreases. At this time, it is important to pay attention to several points related to its implementation in accordance with the necessary parameters (conditions). So that:

- supply intervention - due to the large volume (abundance) of agricultural products and, at the same time, the supply exceeding the demand, it is the process of implementing a more complete and guaranteed supply process in accordance with the rules, preventing the current price indicators from falling;

- supply intervention is carried out in order to reduce the supply of agricultural and food products, which is higher than the demand in the current agrarian market, as well as to stabilize the indicators of the similar market situation, and at the same time to adjust the price indicators to the interests of the producers of agricultural products.

It should be emphasized that the main task of the supply intervention is related to the organization of the necessary product reserves in the agricultural sector in a purposeful volume and at an optimal level. It should be taken into account that at this time, measures for the organization of necessary product reserves should be regulated more efficiently by state institutions. At this time, the

implementation of the following measures by the state may be considered important:

1) determining the conditions for the occurrence of a negative balance between both import and export of agricultural products in the state's aggregate balance of payments;

2) stimulation of domestic product producers under favorable conditions in accordance with necessary economic parameters;

3) protection of the national agricultural market and the competitive process of local product producers from possible negative trends and other subjective factors;

4) as a result of the correct application of the guaranteed prices of products in the agricultural field, reduction of the impact of inconsistencies in the existing interests of producers and consumers of agricultural products, etc.

It is known that the efficient and sustainable development of agricultural supply areas in modern times is closely related to the correct organization of innovation activities. As a whole, innovation processes in the agricultural field include the formation and development of modern farming structures, as well as adequate institutional processes. Especially in the case of economic entities, innovation processes combine agricultural logistics, supply, as well as information technology directions more.

Of course, it is important to keep in mind and correctly apply innovative innovations in the agricultural supply system. From this point of view, we believe that it is necessary to create a favorable economic mechanism in the direction of managing existing innovation processes and regularly stimulating this activity at all stages of the supply process in the agricultural sector.

The working economic mechanisms of the state's agrarian policy are primarily focused on agriculture and its interrelated fields. At this time, the main goal is to eliminate existing problems in the field of agriculture. The state's agrarian policy includes measures aimed at regulating existing economic relations in agriculture. This process can have a significant impact on increasing the economic efficiency of production in the agricultural field. Implementation of

measures aimed at regulation of economic processes in agriculture in our country is justified by various factors.

Clause 3. In accordance with the direction of closer coordination of the mutual principles and relations of supply institutions and large producer subjects in the agricultural field, the development of the main principles of the mechanism of further strengthening of the analogous economic regulation process has an important role.

The experience of developed countries shows that although the agrarian sector is considered one of the important components of the economic mechanism as a whole, at the same time, it differs from others due to its unique characteristics. This can be mainly explained by the fact that this field, which responds quickly and adequately to certain climate changes, is closely related to natural phenomena. Taking into account the sudden and unexpected situations that may occur, it is of great importance to protect this area, which meets the most necessary and vital needs of society members, from negative manifestations and to pay special attention to its development directions. From this point of view, since agriculture is considered a directly subsidized field in most countries, targeted state aid to this field is implemented in many cases.

As it can be seen, in accordance with the requirements of free market relations, the special place and role of the state in the purposeful regulation of the agricultural sector is of great importance. As it has been emphasized, this is due to the fact that it is necessary to achieve socio-economic stability and ensure sustainable development by preventing certain crisis situations that may occur in the process of activity and the development of the agrarian sector. In addition to these, increasing the income of local agricultural and food product producers, their flexible adaptation to the changes occurring in accordance with the current market situations, stimulating the production and processing processes of ecologically clean products, and most importantly, more effective than the unfavorable pressures of unhealthy competition processes of the domestic market. ensuring its protection is also of great importance.

As can be seen from the conducted analyses, the main direction of the state regulation of the agrarian sector in the conditions of globalization is to achieve the stability and stability of the domestic market by bringing production and economic relations to a new quality level in this field, to choose progressive forms and methods of state patronage in the mentioned field, and to fulfill the obligations assumed by the country on an international scale. is closely related to the fulfillment. In general, the important task of state intervention in the agricultural sector is directly related to the regulation of the current economic, including export policy, and the minimization of the market volume of agricultural and food products imported into the country.

The point of attention in the mentioned process is that it is necessary to approach the determination of the boundaries and extent of state regulation in the agricultural field in a methodologically optimal way. Because both the state and the market take on the functions that they can effectively perform. However, the interest of the private sector to take more income and the lack of consideration of social and environmental efficiency in this area imposes additional responsibilities on the state. Unlike the private sector, in such a situation, economic interest becomes a secondary task for the state. The state should not interfere in the business activity of companies in the agricultural sphere, creating an equal competitive environment for each economic entity. That is, this means that the joint activity of the market mechanism and the state regulatory system cannot be fully realized without state intervention.

We believe that the main problem in the agricultural sector is the inability of society members to fully meet their demand for agricultural products through local production, if possible. From this point of view, it is necessary to show that the state's support and care for the agrarian sphere must enter a qualitatively new stage. So, the main content of this support and care should be derived from the state's approach with the aim of benefiting and taking income, as in previous years. This will be possible with the intervention of the state, which has a sufficient property share, financial resources, access to natural resources, economic policies and, finally, extensive

relations with the international world. At this time, it is purposeful that the main tasks facing the public sector should be covered by the following issues:

- in-depth study of the composition, quality and other indicators of agricultural products imported into the country and comparison with the potential of the agrarian sphere;

- taking continuous measures to improve the socio-economic situation of the village in parallel with the agrarian sphere;

- introduction and expansion of the concessions applied by the state in connection with the production of agricultural products into a qualitatively new system;

- increasing state support for the expansion of investment and leasing services necessary for the development of the agricultural sector, especially the entry of foreign enterprises based on advanced technology into the specified sphere under favorable conditions, etc.

For example, the creation of favorable conditions for the production, supply, processing and sale of similar types of products, the stimulation of the mode of saving the resources used, the implementation of agricultural and environmental protection measures, and in addition to these, various state regulation measures in the direction of increasing the necessary infrastructure facilities in rural settlements. Issues such as implementation should be resolved regularly.

Clause 4. There is a need to implement necessary and complete measures to support the optimal formation and improvement of the supply system in agriculture, and at the same time, to establish a system of proper analysis and evaluation of the indicated activity.

The features of efficient organization of processes and modernization make demands for the more correct formation of the legislative base for the organization of supply in the agricultural sector with innovative methods, the formation of its new content and modern management, as well as other analogous processes. As it is known, supply processes in the agrarian area take place in a specific form, based on the specific characteristics of the studied area. That is why it is important to consider the following in the process of improving agrarian supply processes:

- constantly modernizing the technical and technological support of supply institutions in the agricultural field and keeping their existing levels constantly high;
- constantly developing the modern infrastructure systems of the agrarian supply process;
- creation of favorable conditions for the comprehensive development of intensive innovation processes in the specified field;
- prioritizing the adoption of ecologically clean and healthy products in the procurement process;
- creation and expansion of a centralized information-data network related to the procurement process, etc.

As it can be seen, the main point that attracts attention in the development and further improvement of the agrarian supply system is the implementation of the necessary scientific research in this direction and the necessary impetus to the organic unity of the processes of their practical application. That is, ensuring the theoretical-practical integrity of the analogue process is of strategic importance. It should be taken into account that the supply system of agricultural products is not only limited to the purchase and sale of those products, but also constitutes one of the main conditions for ensuring effective food security. Therefore, the main core of the scientific research conducted in accordance with the indicated directions should be the consideration of regional characteristics and the study and implementation of the process of economic evaluation of various organizational and legal economic forms for individual types of products with the help of a system of indicators. The obtained results should be approved in a practical way and should play the role of the main normative indicators for all economic entities operating in the field of agrarian supply.

The measures implemented in accordance with the indicated directions show that the measures aimed at improving the efficiency of the supply system in the agricultural sector, first of all, the justification of the intended volume of commodity (supplied, sold) products, the determination of guaranteed purchase prices for them, the state in various administrative and economic regions efficient distribution of supplies and others. However, it is necessary to pay

special attention to one point here. It should be taken into account that the application of new, market relations in the field we are studying is an advanced method that has been inherited by us from the past economic system and retains its effectiveness even today, adding new and different shades to the economic, political and social essence of this problem. includes the necessity of applying methods.

Correct and purposeful application of modern techniques and technological processes in the process of agrarian supply also gives a great impetus to the improvement of the efficiency of existing labor activities. It is true that those techniques and technologies give a great impetus to the increase of the obtained economic efficiency, but it should be taken into account that the main issue in the direction of the correct application of any innovation process is the practical implementation of the possibilities of using new techniques and technologies in accordance with the parameters. It goes without saying that the introduction of new technical processes cannot happen spontaneously and thoughtlessly. At this time, it should be considered important to use the level of knowledge acquired by the labor force or specialist personnel in a more deliberate manner.

ARTICLE 5. In accordance with the directions of improvement of supply activities in the agricultural sector, it is important to expand the favorable agribusiness environment and develop efficient state entrepreneurship (at the same time, public-private cooperation) relations.

The forecasts contain a set of measures based on existing quantitative and qualitative parameters in the direction of more efficient and sustainable development of the supply system in the agricultural sector. In fact, as a whole system, it involves the implementation of numerous and diverse activities in the supply chain. At this time, a comprehensive review of the stages up to the supply and even processing of agricultural products should be considered necessary.

The normal, purposeful development of similar structures in the agricultural supply system, as well as the supply of agricultural products, may be possible based on the complex formation of an

effective legal regulatory system and relevant infrastructure elements in this field.

The purposeful measures taken consistently for the quality-oriented development of agrarian entrepreneurship, including agribusiness activities, and in particular the legislative framework adopted for the purpose of proper direction of their activities, have created real opportunities for the increase of the volume of production in this field, and at the same time for the increase of its economic efficiency.

State support measures for the agricultural sector, including tax concessions (except for land tax), granting of concessional loans and subsidies, expanding the scope of agro-leasing services, and measures in other directions, significantly improved infrastructure provision of the agricultural sector.

As can be seen from the analysis of the data in Table 1, sustainable development has been recorded as a result of targeted measures taken in the field of agriculture every year.

Table 1.

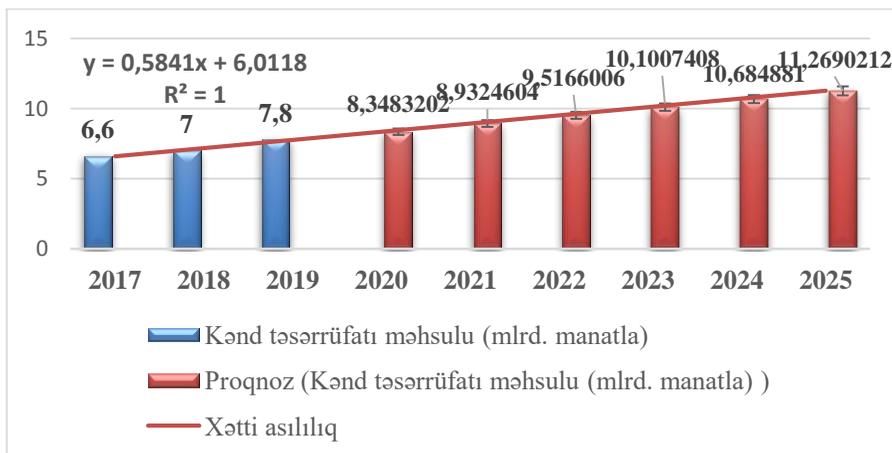
**Agriculture in the Republic of Azerbaijan
gross product (in actual prices), mln. manats**

Years	Total	Crop product	Livestock product
2015	5635,3	2761,1	2874,2
2016	5632,4	2577,2	3055,2
2017	6580	3019	3561
2018	7010	3186	3824
2019	7836,7	3751,2	4085,5
2020	8428.9	4028.4	4400.5
2021	9163.4	4511	4652.4

Source: www.stat.gov.az

If we look at the volume of products produced in the field of agriculture in recent years, we will see that in 2017, 6.6 billion were produced in the field of agriculture in the country. manat, 7 billion in 2018. manat, 7.8 billion in 2019. manat products were produced. If

we calculate the forecast indicators of the volume of production in the field of agriculture in our country by the year 2025 according to the MS Excel 2019 software package, we will see that the volume of products produced in the field of agriculture in 2024 will be 10.6 billion. AZN, and 11.2 billion in 2025. will amount to manat. As can be seen from graph 1, the volume of agricultural production is complemented by a linear correlation relationship expressed by the regression equation $y=0.5841x +6.0118$ depending on the time factor based on the trend model.



Source: Statistics compiled by the graphic author for recent years Based on the report based on the indicators, it was compiled based on the MS Excel 2019 software package.

Graph 1. On the volume of products to be produced in the field of agriculture covering the coming years in the Republic of Azerbaijan forecast indicators (in billion manats)

The corresponding correlation coefficient $R=1$ indicates that the relationship between the dependent variable y and the independent variables representing the factors included in the model is strong. The coefficient of determination $R^2=1$ means that the corresponding regression equation is fully explained by the influence of the outcome indicators. The analysis shows that in the regions of our country, including the economic regions, there will be a tendency to increase the production volume of agricultural products in the

coming years. These expected results in the agrarian field, whose development is considered necessary to support, justify a slight expansion of the current approach to the field in the coming years.

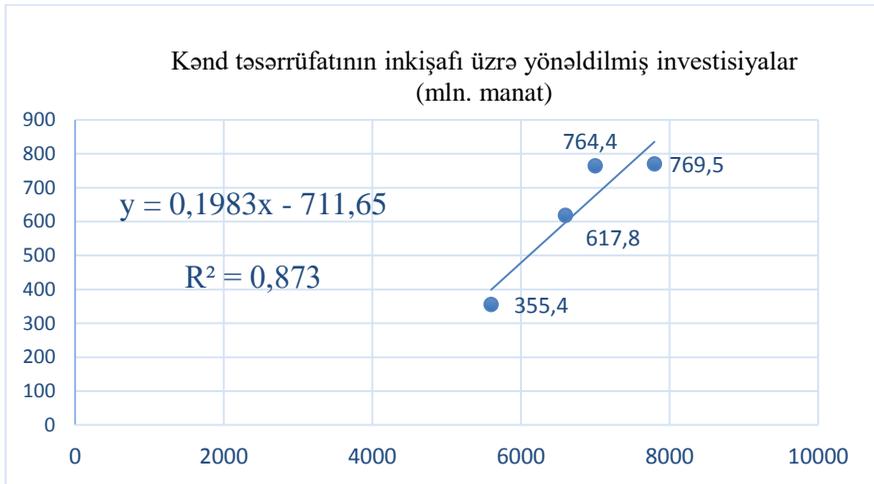
Let's not forget an important point that it is important to effectively use the environmental factor in order for the agricultural products produced and supplied in the country to gain a highly competitive position in the global markets. This is also the reality of today.

As a result of purposeful measures implemented in the field of supply of agricultural products in recent years (construction of cold storages, access to new markets, logistics facilities, etc.), new fertile conditions have been created in the supply and supply of agricultural products. In this direction, it is expected that the positive trend will continue in the next years.

Urgent work should be done and concrete steps should be taken to improve the financial investment opportunities of supply structures in the agricultural sector in accordance with the requirements of the new era. Regarding the measures implemented in accordance with the indicated directions, first of all, the reduction of the profit and value added tax rates obtained by them at the optimal level can have a positive result. It should be noted that those measures can have a positive effect both on increasing the profit indicators of supply institutions and indirectly on increasing the amount of profit tax paid to the budget.

The econometric analysis of the trend line between investments aimed at the development of agriculture in Azerbaijan and the value of the annual agricultural output shows that there is a linear correlation between them expressed by the regression equation $y=0.1983x-711.65$ (Graph 2.). The corresponding correlation coefficient $R=0.93$ indicates that the relationship between the dependent variable y and the independent variables representing the factors included in the model is strong. The coefficient of determination $R^2=0.873$ means that 87.3% of the variance in the corresponding regression equation is explained by the outcome indicators, and 12.7% is explained by the influence of other factors. It is necessary to note that the high coefficient of determination

indicates that the equation of the regression equation expresses the initial data better and that the majority of the resulting factor (87.3%) is explained by the factors included in the model.



Graph 2. Village in the Republic of Azerbaijan in recent years the value of the product produced in the field of agriculture and the correlation (econometric) relationship between the investments directed to this area (in million manats)

The analysis shows that as investments in the development of the agricultural sector in our country increase, the volume of production in the agricultural sector also increases.

The conducted observations and analyzes show that the composition of the main funds, the level of specialization, as well as the location of the agricultural economic entity in the zone (natural economic area) and other factors have an important impact on the quantitative and qualitative indicators of investment funds in the agricultural sector. It goes without saying that it is an important condition to take into account the unique characteristics of each section of the agrarian area and the existing natural-climatic factors. In this regard, it would not be bad to consider the specific aspects of the fields of crop production and animal husbandry. For example, the main funds in agricultural entities specializing in crop production mainly consist of a number of elements. However, among them, the

weight of existing mechanization means in that direction is relatively high.

The role of the Entrepreneurship Development Fund (SIF, currently the Azerbaijan Business Development Fund) under the Ministry of Economy is also important and important in effectively providing the types of economic activities in the agricultural sector, including the supply system, with the necessary financial and investment funds. It should be especially emphasized that the fund actively participates in the correct implementation of the current economic policy of the state, provides necessary financial support to businessmen, especially agricultural entrepreneurs with concessional loans, promotes specific directions in the field of financing investment projects in various fields, including the agricultural field, in the regions of the country in accordance with the implementation of measures dedicated to the development of entrepreneurship, the strengthening of information provision of agrarian entrepreneurship, the application of modern technologies, the financing of infrastructural projects that support the development of these areas, which provide for the production, supply and processing of competitive products, including export-oriented and import-substituting products, has been successful in recent years. Below is a diagram showing the structural distribution of loans granted by SIF in the last year by sector:

As can be seen from Figure 1, the vast majority of loans granted by SIF, i.e. 79.3%, went to the agricultural sector, 15.2% to industrial sectors, and the remaining 6% to other sectors.

One of the financial mechanisms that plays an important role in the effective provision of investment resources in the area we are studying is the existence of an efficient insurance system. The formation of a reliable financial system that ensures the necessary level of development of production, supply and processing of products in the agricultural field, as well as the establishment of a protection system for agricultural and food producers from the negative effects of various events that may occur, make the creation of a proper insurance system an objective necessity. It should be taken into account that agricultural insurance activity is not only an

important financial source (compensation of damages), but it also creates conditions for timely attraction of other financial resources and high investment opportunities.

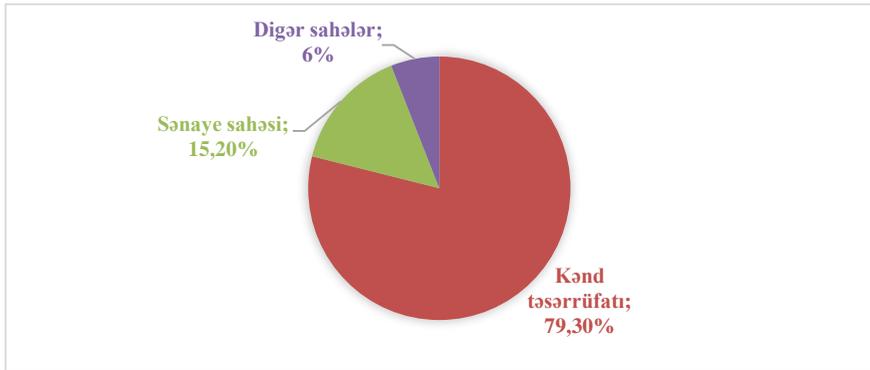


Figure 1. Distribution of concessional loans granted by the Entrepreneurship Development Fund in 2021 (by new jobs)

In modern conditions, the formation of the correct insurance system in agricultural supply activities depends significantly on lowering the level of existing risks in accordance with these directions, as well as on the state regulation of the normal insurance market. In order to ensure the more efficient development of the agrarian insurance system in accordance with the current conditions, first of all, the rules for the sustainable development of the modern insurance system, which are fully justified from a scientific point of view, and at the same time correspond to the current real conditions and meet international standards, are developed and conceptualized. should constitute one of the relevant sections of the new legislative acts that can be prepared on the development of the supply system in the agrarian field.

Agro-leasing relationships also play an important role in the healthy development and improvement of the agricultural supply system, as well as in the more efficient use of investment resources in this process.

CONCLUSION

As a result, the following were determined:

1. In order to properly and efficiently organize the supply system in the agrarian field according to the requirements of the new era, there is a need to develop more efficient methods and methods of the impact on the economy in accordance with the changing trend and specific characteristics of the socio-economic processes taking place in the conditions of market relations.

2. In the conditions of market relations, there is a need to establish more effective relations and a more modern model between the state sector and the private sector of the economy, even if there is a comprehensive and reconciling mechanism of the state's economic policy and state regulation measures.

3. The analysis of the principles and ways of state regulation in the agrarian field shows that in modern conditions, either in accordance with global conditions or at the national (domestic) level, the state influence on the researched field is of great importance, and the tendency and point of view of its approach is gradually changing. This change actually reflects the widespread application of high-quality measures. Taking into account the above, it is necessary to carry out a number of measures with high quality parameters.

4. Although the issue of the supply of agricultural products has a long historical past, it is necessary to reveal new content shades of the process of proper organization of this activity in the conditions of market relations. In addition to these, in accordance with the current conditions of the current period of economic relations, the effective management and methodological foundations of the supply system in the agrarian field have not been fully formed and have not developed.

5. It is important to create the necessary conditions for entrepreneurial activity and entrepreneurship development in agriculture. Unfortunately, today the agrarian sector, especially the supply activity, has some problems in fully performing its function in modern economic processes. In particular, it is necessary to implement measures on institutional, economic, technical and technological and other aspects. Analyzing trends in the assessment

of the modern level of the supply system in the state regulation of the agrarian sector, it is possible to conclude that although certain measures have been implemented in accordance with the indicated direction, there is still much work to be done.

6. The analysis of the current situation of the development of the agrarian sector in modern conditions, where the sustainable development of the non-oil sector of the country's economy is preferred, shows that significant steps have been taken in these directions recently, and important measures are being implemented in legal, organizational (modern management), technical and other directions. In the regions of the country, it is observed that the agricultural sector is developed more efficiently and in a way that meets the requirements of the day, the existing potential is properly involved in the economic cycle and used in accordance with a number of characteristics, as well as the development of effective mechanisms of the regulatory measures implemented by the state.

7. Further acceleration of the development of the agricultural supply system in accordance with market requirements and constant modernization of this activity are among the issues on the agenda. In accordance with the indicated directions, the sustainable development of a healthy competitive environment in the agrarian supply system and the complete elimination of possible local monopolistic tendencies have not been realized.

8. Increasing the effective organization of the correct and favorable agribusiness environment in the agricultural field is considered one of the important directions that stimulate the modern development of the supply process. Therefore, in order to support agribusiness, expand its effective activity and effectively organize the agribusiness environment, first of all, the improvement of the normative-legal framework related to this field is partially implemented.

9. Accelerating the measures of modernization of the agrarian investment environment related to the development of the supply system is also of great importance. It should be noted that the agrarian investment processes as a whole include financial-investment processes of a similar type in the formation and

development of modern farming structures. Therefore, there is a serious need to implement measures in accordance with the indicated directions.

Suggestions

Taking into account the results obtained at the end of the study, the following optimization suggestions can be made:

1. In accordance with the changing trend of socio-economic processes taking place in the conditions of market relations in accordance with the requirements of the new era in the agricultural sector, more efficient methods and methods of the state's influence on the economy should be developed and applied, and the state's economic policy and state regulation measures should be implemented in the indicated directions. integral and matching mechanism should be properly ensured.

2. It is important to correctly identify highly effective agribusiness measures in the agricultural field, to implement consistent measures in the direction of their sustainable organization and improvement, and to regularly update state support for the development of agricultural products along the value chain based on innovative criteria;

3. In order to further stimulate the existing activities of natural and legal entities producing agricultural and food products, to create comprehensive conditions for the increase of their income and to increase the level of employment of the population living in the village and to accelerate the opportunities to earn, in time for other stimulating measures suitable to local conditions (environment) ensuring the development of the supply system.

4. Production, processing, service, etc. of the agricultural sector with the state in the direction of sustainable development of agriculture and increasing the production volume of quality products. on the basis of the formation and development of fertile conditions based on mutual trust between the institutions, ensuring the sustainable development of this area, as well as maximally increasing the fiscal and monetary policy measures to protect the interests of local product producers should be taken into account.

5. In order to fully ensure the quality level of the supply of products in the agricultural sector, to stimulate and expand the process of supplying agricultural products, as well as to meet the needs of state (budget) organizations for food products, import-export operations should be carried out if necessary, and agricultural and food products will be supplied on time, should be properly maintained and the possibilities of modernization of the supply of consumers should be expanded.

6. There is a need to adopt ecologically pure, cleaner and healthier agricultural products in the agrarian supply system, to expand and improve the network of flexible and operational information systems related to the modern supply system.

7. The expansion of stimulating measures that motivate economic entrepreneurship in the field of proper and favorable agribusiness activity in the agricultural field and, in connection with this, the implementation of necessary financial - investment assistance will lead to the expansion of production.

8. Taking advantage of the experience of more efficient and modern forms of agrarian supply structures on a global scale, in particular, the experience of similar private subjects, in addition to the existing internal investments in accordance with their organization in our country, the possible use of foreign investment resources should be considered.

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

1. Orucova H.A. For the efficient development of the agricultural sector in the multifaceted development program. // GSU, 1st international scientific conference of young scientists, 1st part. Ganja 2016, p. 156-157;

2. Orujova H.A. Improving the supply system in the agricultural field stimulates production and processing. // GSU, II International scientific conference of young scientists, Ganja 2017, p. 126;

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13. Orujova H.A. The need for state support to the supply system in the agricultural sector. // International scientific-practical conference on the occasion of the 25th anniversary of the Chamber of Auditors of Azerbaijan on the topic "Problems from audit formation to evolution, challenges of the new era", Baku 2021, , p. 65-66.

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Address: AZ1143, Republic of Azerbaijan, Baku city, H. Javid avenue, 115, Institute of Economics of the Ministry of Science and Education of the Republic of Azerbaijan.

E-mail: economicscomaz@gmail.com

It is possible to get acquainted with the dissertation in the library of the Institute of Economics of the Ministry of Science and Education of the Republic of Azerbaijan.

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Shueba Orucova H. J.

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