

REPUBLIC OF AZERBAIJAN

On the rights of the manuscript

ABSTRACT

of the Dissertation for the Degree of Doctor of Philosophy

**STIMULATING THE EXPORT OF AGRICULTURAL
PRODUCTS**

Specialty: 5312.01 - Field Economics

Field of Science: Economic Sciences

Applicant: **Elbrus Hasan Akbarov**

Baku – 2024

Dissertation work was performed at the Agricultural Research Center under the Ministry of Agriculture of the Republic of Azerbaijan.

Scientific leader: Doctor of Economics, Professor
Rasul Anvar Balayev

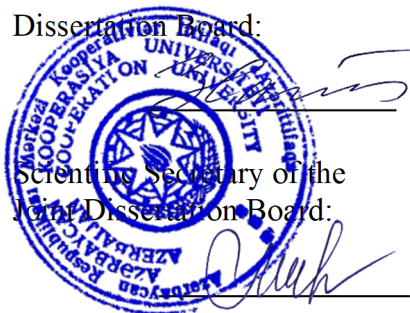
Official opponents: Doctor of Economics
Arzu Najaf Hasanov

PhD in Economics, Associate Professor
Azer Maarif Panahov

PhD in Economics, Associate Professor
Adil Sheyruz Huseynov

Joint Dissertation Council of Azerbaijan Cooperation University and Baku Business University ED 2.46 of the Supreme Attestation Commission under the President of the Republic of Azerbaijan operating at the Azerbaijan Cooperation University

Chairman of the Joint
Dissertation Board:



Full member of ANAS,
doctor of economic sciences,
professor
Ziyad Aliabbas Samadzadeh

Scientific Secretary of the
Joint Dissertation Board:

doctor of philosophy in economic
sciences, associate professor
Samira Yashar Mammadova

Chairman of the scientific
seminar:



doctor of economic sciences,
professor, honored agricultural worker
Islam Haji Ibrahimov

GENERAL DESCRIPTION OF THE WORK

Relevance of the topic and degree of development. Agriculture has a special place among the areas covered by the socio-economic reforms implemented in Azerbaijan. The attention and support for the development of this field comes from its importance. As everyone knows, agriculture is the basis of ensuring food security in the country, increasing the employment and welfare of the population, as well as the base for raw material of the light and food industries of the economy. The decrease in foreign currency income of our country in the frame of sharp drop in the price of oil in the world market in 2015-2016 once again raised the issue of effective use of agricultural opportunities. One of the Strategic Road Maps approved by the Decree signed by Ilham Aliyev, the President of the Republic of Azerbaijan, on 06 December 2016 determined the goals and priorities for increasing the production and processing of agricultural products. Specific steps related to import substitution, export promotion and maximum use of existing export opportunities are stipulated here.

However, the task of developing agriculture and expanding its export potential is still in focus in "Azerbaijan 2030: National Priorities for socio-economic development" approved by the Decree of the president of the country dated 02 February 2021. It should be emphasized that among the five priorities for the socio-economic development of the country for the next decade in the National Priorities, namely: a) inclusive, dynamic, society based on the principles of social justice, b) competitive human capital, turning it into a place of modern innovations, including three, c) stable growing competitive economy, d) return to territories freed from Armenian occupation, as well as e) having an ecologically clean environment and becoming a country of green growth, the priorities are directly related to agriculture. Undoubtedly, the achievement of sustainable development of the national economy as a whole and its separate sectors, in turn, compels the expansion of foreign trade and various levels of integration relations, and the gradual improvement of the market position of national agri-food sector enterprises in foreign markets. In fact, this is the main direction of efficient economic

activity and sustainable development. It should also be noted that the limitation of the activities of agricultural producers with the local market puts its own development behind a number of potential opportunities. The increase in the production of exportable products and the expansion of agricultural processing enterprises, on the one hand, lead to an increase in the incomes of the population and the state, and on the other hand, the country is better known through its products.

The possibility of exporting agricultural products to foreign markets, unlike other spheres of the national economy, depends on the level of effective utilisation of the available potential. The fact is that the realisation of opportunities for foreign trade in agricultural products is not always at the desired level. More effective utilisation of the existing potential is associated with an increase in agricultural export opportunities. Internationalisation of economic activity in this sphere raises the question of a comprehensive study of problems in a wide range of aspects: from the profitable use of resources to achieving competitive advantage in foreign markets. In the period of dynamic development of the national economy, the analysis of opportunities for access to foreign markets and the development and implementation of a strategy in this direction, the study of the conditions of access to foreign markets for entrepreneurs engaged in the production of agricultural products in Azerbaijan, as well as the definition of a favourable algorithm in making decisions on the entry of these market subjects to foreign markets, improving the work on further stimulation of access of agricultural products to world markets and a number of other issues are awaiting their solution.

Identifying opportunities for agricultural products to enter the world markets in the republic, strengthening these opportunities, export-oriented support of the agricultural sector, especially the food sector, have been acknowledged as one of the priority directions of the state's agrarian policy. As a result of the formation and development of appropriate scientific support for the implementation of these listed issues, research on the access of agricultural products to world markets should be continued comprehensively and intensively. Such issues allow us to determine that the researched topic is quite relevant.

On the other hand, the fact that a certain part of our land, suitable

for both productive and fertile agriculture, has been occupied and left out of the agricultural cycle for 30 years has caused a lot of damage to the agriculture of our country. The beginning of the processes of socio-economic development in the liberated lands, as a result of the heroism shown by the Azerbaijani army determined the formation of new objective realities. This, in turn, has significantly increased the potential for expanding the volume and variety of agricultural products manufactured. As a continuation of this, it is necessary to take large-scale measures in the direction of branding and export of national agricultural products to foreign markets.

Regarding the degree of development of the dissertation, it should be noted that, the issues of access to foreign markets and at the same time the issues of expanding the export potential and opportunities of agricultural producers have been focused on in the research works of economists of our Republic, including a number of foreign countries, and researches in this direction are being continued. In this regard, the scientific researches of Z.A. Samadzada, E.A. Guliyev, B. Kh. Atashov, I.H. Ibrahimov, I.A. Aliyev, S.V. Salahov, A.Sh. Shakaraliyev, R. A. Balayev, V.H. Abbasov, A.F. Abbasov, M.J. Huseynov, A.K. Alasgarov, E.M. Hajizada, G.A. Ganjiyev, V.I. Ismayilov, E.I. Emir-Ilyasova, S.I. Valiyeva, N.J. Gafarova, F.A. Ganbarov, V.A. Gasimli, among the well-known economists of our republic, and others can be specially mentioned. In the scientific works and researches of our mentioned scientists, compilations were made on the investigated issue, suggestions and recommendations of scientific-practical significance were given on the ways of its solution.

In the works of scientists and researchers specialized in the relevant field of foreign countries, there is a wide scope for addressing topical issues. It can also be noted that the scientific opinions of the representatives of the classical economic school about the theoretical basis of the research topic are still timeliness. In addition, the activities of P. Samuelson, F. Kotler, M. Porter, E.B. Stradubseva, J. Lawrence, R.D. Piter, A.R. Kulov, I.I. Dyumulen, V.V. Filatov, E.A. Mazeina, T. Moilanen, O.M. Tyukarkina and others are quite useful and undeniable.

In addition to the aforementioned, it should also be noted that scientists of our country conducting research in this field, as well as

researchers from foreign countries, did not prioritize the discovery of more efficient ways to increase access to the foreign market of agricultural products and their implementation as a priority. Therefore, there are a number of economic problems that are still waiting for their solution in the direction of increasing the access of agricultural products to the world markets. All of these are mainly related to the presence of entities that are already dominant in the foreign market, the complexity of competing with brands, obstacles related to membership in the World Trade Organization, changes in the international market, fluctuations in the exchange rate, etc.

The object and subject of the research. The object of the dissertation is a set of subjects engaged in export of products of the Azerbaijani economy. The subject of the research is the potential and possibilities of exporting agricultural products, as well as the organizational and economic mechanism, methods and tools of realizing those possibilities.

The purpose and duties of the research. The purpose of the research is to determine the scientific-theoretical basis of the promotion and stimulation of the export of agricultural products in accordance with the strategy, program, strategic road maps and concepts adopted in our country, to assess the territorial and geographical structure of the export, to make a based suggestion on the effective use of stimulating economic means in this process and consists of preparing recommendations. In order to achieve that purpose, the realization of the following main tasks is considered:

- identifying of conceptual issues related to strengthening the export potential of agricultural products;
- a comparative approach to modern views on ensuring national food security and their summary;
- justification of the objective necessity of marketing research in the formation and stimulation of the strategy of export activities for agricultural products;
- analysis and evaluation of the factors affecting the current state of efficiency of agricultural production and the volume of export of agricultural products;

- comprehensive analysis of changes in the geographical and commodity structure of export of agricultural products;
- allegation of the effect of creating national brands on increasing product exports in the agri-food sector;
- determining directions and means of stimulating the export of agricultural products, taking into account modern realities and challenges, including additional potential at the level of forming new economic regions.

Research methods. In the course of the research work, the scientific-research works of well-known economists who are engaged in researching the current problems of the agricultural sector of Azerbaijan and foreign countries, dedicated to the problems of organizing and increasing the export of agricultural products, the relevant decrees and orders of the President of the Republic, the relevant laws, decisions and other legal documents adopted in this field in the country were used.

The methodological basis of the research work is made up of reasoned and generalized scientific provisions on the mechanism of regulation of foreign economic activity aimed at stimulating foreign trade with agricultural products, innovative organization of production in the agrarian field, substitution of imports and stimulation of exports.

In the research process, observation, generalization, comparative analysis and synthesis, as well as relevant statistical and mathematical methods were used.

The main provisions of the defence. The following provisions are defended in accordance with the purpose, scientific innovations and final results of the dissertation:

- ✓ to determine and expand the opportunities for the export of agricultural products to foreign markets on the basis of the study of the conceptual issues of the development of the agricultural products market, as well as to develop effective management mechanisms in terms of the importance of gradually strengthening the position of national entrepreneurs in the foreign market is essential;
- ✓ the selection of tools and elements for determining the main ways and advantages of providing access to foreign markets for

real assessment of market access potential in a justified form can be useful for all subjects;

- ✓ it is incumbent to conduct marketing research in the system of international trade relations of agricultural product manufacturers, to ensure efficient operation principles and increase their competitiveness;
- ✓ it is required to take regulatory measures aimed at adapting the geographical and commodity structure of agricultural exports to market demand, as well as improving the state support mechanism for agricultural exporters;
- ✓ there is a need to implement consistent and effective measures to stimulate the activities of the manufacturer of the agricultural products in order to access foreign markets and strengthen their market positions;
- ✓ it is necessary to improve the directions and mechanisms of exporting agricultural products to foreign markets in a larger volume and geographical area, in view of the additional opportunities and prospects created by the liberation of our lands, which have a wide potential for the production and export of agricultural products.

The scientific innovation of the research. The scientific innovation of the research work can be given in the following sequence:

- the economic and social effects of efficient use of production and export opportunities of agricultural products are substantiated from a scientific and theoretical point of view;
- the necessity of a marketing approach to promote the export possibilities of agricultural products is substantiated;
- the factors determining the change of ratios of import-export of agricultural products to ensure food security in the country and the expected results from the foreign market access strategy, as well as the opportunities of potential export countries were analysed and evaluated;
- the possibilities of expanding state support of agricultural entities producing export-oriented products in all possible variants, the direction and degree of influence of factors

determining the change in the commodity structure of exports was analysed, as well as the dependencies between the factors that determine the export stimulation was evaluated by econometric methods;

- export of agricultural products was assessed in terms of geographical and commodity structure, and the system of factors affecting their change was analysed;
- the mechanism of effective use of natural and economic potential of the regions created on the territories liberated from occupation in connection with the new economic zoning in the direction of increasing and stimulating the export of agricultural products has been established.

The theoretical and practical significance of the research. The general results and justified proposals obtained as a result of the research, identifying and evaluating the factors that determine the development of the manufacture of agricultural products, expanding access to foreign markets, as well as using economic regulation tools effectively in these processes may be useful in working out mechanisms of use in accordance with the tasks of ensuring food security and expanding the export of agricultural products in our country.

In addition to the abovementioned, the suggestions and recommendations can be used to achieve the goals and priorities set for the stimulation and expansion of the export of agricultural products, to conduct marketing research in the relevant segment of the domestic market, and to eliminate existing and foreseeable experimental problems.

The results and main provisions of the research work can be used in the preparation of lecture texts on appropriate subjects taught in economics-oriented higher and secondary educational institutions.

Approval and application of the research. The main theoretical provisions of the research work, as well as the results and suggestions, were reflected in foreign and local journals recommended by the Supreme Attestation Commission under the President of the Republic of Azerbaijan, and in the materials of countrywide and international scientific-practical conferences. The author published 10 scientific

works, including 3 in abroad, including 5 articles (one in abroad) and 5 international conference materials (two in abroad). Among them, the conference materials, such as "Ways to transform Azerbaijan into a regionally important logistics center" (Baku, 2018), "Importance of marketing researches in formation of commodity market" (Baku, 2020), "Стимулирование экспорта сельскохозяйственной продукции в Азербайджане" ("Stimulation of the access of agricultural products to foreign markets") (Penza, 2022), and the articles, such as "Development of the agricultural products market and issues of increasing export potential" (Baku, 2019), "The place of food security in the national security system" (Baku, 2020), "Основные направления повышения эффективности экспорта сельскохозяйственной продукции в Азербайджане" ("Main directions of increasing the efficiency of agricultural exports in Azerbaijan") (Moscow, 2022) were published.

The name of the organization where the dissertation work was performed. Dissertation work was performed at the Agricultural Research Center under the Ministry of Agriculture of the Republic of Azerbaijan.

The volume of the structural sections of the dissertation separately and volume with the sign, in total. The Dissertation consists of 254924 characters, in total, including Introduction (19570 characters), Chapter I (88110 characters), Chapter II (66220 characters), Chapter III (50116 characters), Conclusion (11496 characters) and 145 list of used literature. The Dissertation consists of 217268 characters excluding tables, schemes, diagrams, graphs and list of used literature.

THE MAIN CONTENT OF THE RESEARCH

The relevance and degree of elaboration of the topic, the goals and objectives of the research, the object and subject, the main provisions of the defence, the scientific innovation and practical importance of the research, approval are interpreted and justified in the introduction of the dissertation.

The conceptual foundations of strengthening the export potential of agricultural products, modern prospects of ensuring national food security and development of the agricultural products market, the role and significance of marketing research in increasing and stimulating agricultural exports is being studied in Chapter I of the thesis entitled **“Theoretical and Methodological Foundations of Agricultural Product Export Stimulation”**.

Studies show that the formation of agricultural production and its development, the reorganization of the market of agricultural products are directly associated with the relevant implementation of its regulatory policy. In order to achieve the strategic goals defined as the target of the agricultural products market, various influence tools of the state regulatory policy are used, and the successful results of strengthening the export potential are related to these influence tools. The study and analysis of the nature of the market of agricultural products and the conceptual issues of strengthening the export potential are of great scientific and practical importance in this regard.

The thesis notes that the activities carried out under the state programme for the socio-economic development of the regions since 2003 are already bearing fruit. Three programs have been implemented in the republic in this direction, and the state program on socio-economic development of the regions of the Republic of Azerbaijan dated January 29, 2019, covering the next period, is currently being successfully implemented. The programs listed created favorable conditions for the socio-economic development of the regions. The logical outcome of the above is that diversification of the economy, effective integration into the world economic system, increase of living standards have been achieved in the country, and at the same time, due to the development of the non-oil sector, the

creation of new enterprises and jobs, reduction of poverty, etc. issues are already being resolved. The dissertation shows that before starting the implementation of measures in the field of development of the market of agricultural products and strengthening of the export potential, important areas of agriculture should be determined and steps considered important should be taken. In terms of developing the market for agricultural products and strengthening export potential, the followings are the most important points in this area:

- achieving sustainable development of the agricultural products market and strengthening the export potential;
- implementation of state support in agricultural production and regulation of the food security problem in accordance with the requirements of the time;
- further development of infrastructure areas in villages;
- bringing the income of those working in the agricultural sector closer to the national average;
- ensuring ecological balance at the level of protecting the environment from harmful waste;
- increasing the level of knowledge, skills and professionalism of those working in agriculture;
- implementation of ecologically clean food policy in the country.

Thus, as can be seen from the main goals, the development of the market of agricultural products and the provision of increasing the export potential are based on the achievement of national goals.

Food security and agricultural market research has received a fair amount of attention. In order to achieve the necessary level of food security, food products must be sufficient, at the same time everyone must be able to use food according to their needs, and their supply must be kept relatively stable. Food security should create the opportunity to have enough food products for the members of the society. One of the main criteria for achieving food security is the condition that the quantity, volume, quality, and variety of food should be in the necessary quantity and volume in terms of normal physical activity and social development of each individual. At the same time, all this opens wide avenues for the formation of a healthy gene pool of the nation, for ensuring the participation of the population in broad

reproduction and, finally, for the democratic development of society. The concept of food security at the national level in the country is not only limited to ensuring the country's own food supply, but at the same time, the necessary amount of food products must be produced in order to meet the domestic demand, and also, if necessary, the necessary amount of food products must be imported from foreign countries. Improving the supply of food products to the population and solving the food problem at the same time is important for the development of the country as a whole and is also an important socio-economic issue. Ensuring the food security of the population as one of the main directions of the state policy contains national, social, ecological, economic and demographic issues, as well. Crises, radical changes in certain social structures, disasters, wars, natural events, etc. is among the factors that cause food shortages. Another importance of food security in the country's national security system is related to environmental security.

Marketing services and research occupy an important place in the successful operation of agricultural economic entities, whose activities are aimed at meeting the needs of both the domestic market and foreign markets. It is impossible to start an activity, gain a position and strengthen it without conducting thorough market research.

Marketing is a set of various market research tools, including agricultural market analysis tools, sales forecasting techniques, applied with a deeper, scientific approach to analysing supply and demand.

The work examines the managerial functions of marketing - market analysis, production research, marketing and finance, and comparatively analyses operational marketing and strategic marketing. The author analyzes the role of marketing in the market and justifies the importance of creating a marketing department in the enterprise. Marketing research directions include: customer and consumer research; market research; competitor research; study of the company's product policy; price policy research; product distribution and sales channel research; study of sales promotion system and advertising; marketing environment research, etc. These directions listed are also directions for conducting marketing research of

economic entities engaged in export activities. Enterprises engaged in the production of agricultural products pay more attention to studying the market and competitors, researching product distribution and sales channels, and monitoring the marketing environment. The study of advertising activity and sales promotion system is not given much attention by enterprises and farms producing agricultural products. The geographical location of the market, the tendency of the level of indicators characterizing its conjuncture, the capacity of the market, the attitude of consumers to agricultural raw materials and food products, etc. can be studied during the research of the market of agricultural raw materials and food products. The study of market capacity among the listed is important from the point of view of export of agricultural raw materials and foodstuffs.

Mindlessly offering products in this market without market research means that businesses are losing out on the revenue they want to achieve. Special attention was paid to the solution of this mentioned problem in the “Strategic Road Map for the production and processing of agricultural products in the Republic of Azerbaijan”.

The analysis of the current state of agricultural production and its efficiency, analysis and assessment of factors affecting the export potential, analysis of the geographical and commodity structure of the export of agricultural products is being studied in Chapter II of the dissertation, entitled “**Analysis and Assessment of Factors Affecting the Export Potential of Agricultural Products**”. In recent years, the total volume of production of agricultural products in our republic has increased significantly, and currently most of the population's demand for agricultural and food products is met due to local production. Total output in all economic categories of agriculture increased by 45.3 per cent in 2015 and 2.2 times in 2020 compared to 2010. In 2022, the figure is 1.9 times higher than in 2015. Most of the total production of agricultural products falls on the share of individual entrepreneurs, households, peasants and family farms, and a small part of enterprises operating in the agrarian sector.

Vegetable production occupies the largest specific weight in the structure of crop production. In recent years, its production has been steadily increasing. Cereals and legumes took the second place in the

structure of crop production. The specific weight of these products in 2022 was 12.7%.

Increasing productivity by improving the breed composition of livestock, improving management in livestock, expanding intensive and semi-intensive storage methods, creating a strong feed base by efficiently using natural resources are considered the main directions of strategic activity in the development of animal husbandry in our country, at present. Such measures, as importing high-yielding cattle and leasing them to producers, improving the genetic potential of existing animals through artificial insemination, and at the same time supporting the initiatives of importing breeding animals by the producers themselves, etc. are implemented in this regard.

The structure of the total product in the agriculture of the republic in 2022 is analyzed, the tendency of the specific weight of individual products to change is investigated in the dissertation. Calculations show that the value of the multifactor correlation coefficient, which characterizes the combined effect of the number of employees, the value of fixed capital and the volume of investments in fixed capital, on the production of agricultural products is equal to 0.998. The coefficient of determination (R^2) equal to 0.996 indicates that 99.6% of the variation in total product production in the agricultural sector is due to the above-mentioned factors, and 0.4% is due to other factors. The analysis of the correlation table shows that the density of the relationship between production output and the number of employees was equal to 0.985, the density of the relationship between production output and investment in fixed assets was equal to 0.901, the density of the relationship between production output and fixed assets was equal to 0.994. That is, the relationship between the production of agricultural products and the relevant factors is close, according to the interpretation of the regression coefficients, it can be said that when the number of employees increases by 1 person, the output increases by 4.5169 thousand manats, when the volume of investments in fixed capital increases by 1 manat, the output increases by 1.0996 manats, the value of fixed assets increases 1 manat, product output increases by 0.801 manat.

One of the principal issues of agriculture in modern conditions is to increase the production efficiency with increasing the capacity of the total product production. The efficiency of agriculture is characterized by the degree of solution of the important duties of this sector. It reflects the system of national interests on one hand and collective and individual economic interests on the other hand.

The essence of the efficiency of agriculture consists of formation of a complex of conditions for provision of land and natural potential basing on important production for the society. The efficiency in agriculture has technological, social, ecological and economic types. All types of efficiency are interrelated with each other and these are analyzing widely in the work.

The factors affecting to the export market of agricultural products are analyzing in dissertation and it is noted that, the provision of dynamic development of agriculture, especially strengthening of export potential is one of the important issues posed by the President of the country I.H.Aliyev. It is considered to take measures in the direction to enlarge the geography of export markets, to support the strengthening our positions in traditional export markets, to promote the “Made in Azerbaijan” branding, to keep farmers informed about potential export markets, to identify potential exporter farmers, to improve the certification system and to provide international standards, to provide support for obtaining export documents (table 1) in priority 6.3 and measure 6.3.2 in “Strategic Road Map for the production and processing of agricultural products in the Republic of Azerbaijan”.

As it seems, the markets of Central Asia and CIS countries, EU countries, Persian Gulf countries and Ukraine were selected as export markets with high potential along with the Russian markets. The important works are being carried out to export cucumbers, apples, dates, strawberries, pomegranates, tomatoes, fruit juices, etc. along with the above-mentioned products to the market of Russia and other markets, as well. The war between Russia and Ukraine affected significantly to the structure of export markets.

Table 1.

Main export products and geography of potential export markets

On markets	Main priority fields	Level II priority areas
Market of Russia	Chocolate and processed coffee, alcohol obtained on the basis of grape wine, in-shell nuts.	Peach and cherry.
Market of Ukraine	Tomato and black tea.	Chocolate and processed coffee, alcohol obtained on the basis of grape wine.
Market of Central Asian and CIS countries	Sunflower/safflower oils, Margarines not in liquid form, Chocolate and processed coffee and Cherry.	Peach, Fresh fruits, not specified in other sources (currants, dates).
EU	In-shell nuts; Cherry; Sunflower/safflower oil; Fruit juice; Chocolate and processed coffee; Sugar cane, refined.	Fresh fruit, not specified in other sources (currants, dates).
Market of the Persian Gulf countries	Chocolate and processed coffee	Sunflower seed/safflower oil.

Source: *The Strategic Road Map for the production and processing of agricultural products in the Republic of Azerbaijan [p.109]*

The growth dynamics of export of the main agricultural and food products in the republic is given in Table 2:

As it seems from table, the export of fresh fruit and fresh vegetable products exported is preferred among agricultural products exported from country.

In comparison with 2021, though the decrease has been observed in the quantity and statistical value of the main goods exported on the country in 2022 for potatoes, sugar, fats and oils of vegetable and animal origin, vegetable and fruit processing products, cotton fiber and cotton yarn, but the growth has been for other products. As it seems,

Table 2.

**Export dynamics of products in the agrarian area in the republic
in 2015-2022. (with thousand USD)**

Names of products	2015	2019	2020	2021	2022
Potato	20950,2	26851,8	33786,2	40077,74	35121,6
Fresh vegetable	70690,5	214130,2	219968,5	200306,58	359988,96
Fresh fruit	220087,2	361362,9	349886,2	430061,23	307587,27
Tea	19501,5	9510,3	9461,4	8491,73	11516,73
Wheat flour	20,5	185,7	-	339,8	75,0
Vegetable oils	55930,5	7399,4	12238,3	32230,20	30572,69
Margarine, other mixtures suitable for food	47846,5	3606,9	4215,1	3159,4	-
Sugar	212087,9	26880,1	26904,3	32093,8	38806,38
Canned fruits and vegetables	3945,7	9190,3	8727,8	25030,72	24717,02
Fruit and vegetable juices	6 911,0	11183,6	15779,5	14629,32	31031,7
Grape juice, as well as natural grape wine, thousand decalitres.	3794,7	7 339,9	4038,0	-	4453,7
Dark alcoholic drink with 100% alcohol, thousand decalitres.	20139,0	7 339,9	3 585,3	-	-
Tobacco	7 431,8	13 598,0	12 081,3	16097,2	5707,6
Cotton fibre	5014,2	122365,6	131930,2	210919,04	175496,27
Cotton yarn	14390,2	30155,1	18951,3	58115,09	33119,79

***Source:** Prepared by the author based on the information of Azerbaijan SSC.
<http://www.stat.gov.az//>*

the special weight of export continued on growth dynamics in the last three years in foreign trade turnover. In 2022, Italy, Turkey, Portugal, Israel, Ukraine, Greece, Georgia, Thailand, Russia was the main countries in the export of the republic. Though there was a growth in the export of the republic in 2021 in comparison with 2020 in the last three years, the decrease was observed in 2022 in comparison with 2021.

Azerbaijan has every chance to change the structure of export of agricultural products in favor of the processed agricultural products in modern conditions and it is one of the main priorities of the state policy. As a result of it, agro-parks having a strong processing potential have been established in the regions and support has been provided by the state to production of cotton, tobacco, wine, sugar beet and other agricultural products that can be processed.

In 2020 and 2022, fresh vegetable, fresh fruit, potato has been exported from Azerbaijan Republic to Russia, nut products to the European countries, tea, margarine, macaroni products to Georgia, cotton products to Turkey, tobacco to Belarus, sugar to Turkmenistan. The agricultural products of the country are exporting to CIS and European countries and also to Japan, China, the Gulf countries and Eastern Asia. The processing of the exported products opens wide opportunities for entrepreneurs and inclusion of additional incomes in the budget of the republic.

One of the factors of increasing the growth rate of production of agricultural products and export potential is expansion of sowing areas. In this regard, after the liberation of our lands from Armenian occupation, the successful implementation of the decree of the President of the Republic on 27 April 2021 about “Some issues related to the management of agricultural lands in the liberated territories of the Republic of Azerbaijan” will have positive impact on increase of the capacity of production of agricultural products and in its turn, to export potential. So, sowing area on the republic will increase, irrigation of thousands of hectares of sowing areas by means of water reservoirs with strategic importance in the liberated regions will be possible. Here is a strong potential for production of grain, grape, cotton, potato and other crop products, also for development of cattle-breeding. As a result of efficient use of this potential, as well as expansion of processing industry, the development of export potential of agricultural products may be provided.

According to the “Smart agriculture” project in Aghalı village of Zangilan, the capacity of sowing areas to be used for the production of agricultural products has already been determined and a list of the necessary equipment has been prepared. The use of modern irrigation

systems is envisaged here. One of the projects that will affect the country's export potential is the "Friendly Agropark" project, which is planned to be implemented in Zangilan region. It is planned to build a "Smart agriculture" area around the village and to take all necessary measures for the population to produce agricultural products within the framework of the "Smart village" project in Dovlatyarli village of Fuzuli.

In order to increase the export potential, along with further strengthening our positions in traditional markets, the current conditions and prospects of other markets should be analyzed and access opportunities to new foreign markets should be obtained. According to our opinion, though Russian market has a high trade potential in regard to its size and import of agricultural products grew in the country, alternative markets shall be looked for so that our country does not depend on a foreign market. For example, if earlier tomato has been exported only from Azerbaijan to Russia, now is exporting from Turkey and other countries and tomato is planted in the Russian Federation, i.e. in Dagestan. Moreover, the competition of Azerbaijan for export of its qualitative and tasty tomato in the European markets is possible. For this purpose, the establishment of logistics centers has important significance both in terms of increase of export and benefiting as a transit country.

One of the important issues in analysis of export potential is to analyze the distribution of export of agricultural products on months of the year. In some cases, favorable conditions in terms of time are created for export of the country's agricultural products. That is to say, when the export of products completes in some countries due to climatic conditions, the country's agricultural products are ready for export. For example, though Egypt is the main exporter of strawberries to the Gulf countries, the export of this country stops in April and at this time fertile condition is creating for export of strawberries ripening in April in our republic. Such markets are more prospective for the export of agricultural products of the Republic of Azerbaijan due to geographical proximity and also for knowing and buying our products. At the same time, we would like to note that, besides logistical difficulties, poor marketing and packaging negatively

impact to commodity appearance of products and reduce their competitiveness in global markets.

The promotion of agricultural products produced by republican companies plays an important role in increase of the export potential of agricultural products. In recent years, the participation of our country under brand of “Made in Azerbaijan” in international food exhibitions called “International Green Week”, “Sial China”, “Sial Paris” “Prodexpo”, “Gulfood”, “Worldfood Moscow”, international wine exhibition called “Prowine China” and other fruit-vegetable exhibitions called “Fruit Logistica” is provided.

The development perspectives of the market of agricultural products, the effect of creating of national brands in the agrarian food sector on increasing of product exports, improvement of the system of stimulating of the export of agricultural products by the state in the condition of economic globalization is investigating in Chapter III of dissertation called **“Improving the mechanism for stimulating the export of agricultural products”**.

The market of agricultural products improves the economic condition of rural population, also provides the economic interest of intermediaries. Therefore, consumer market provides the population with food products, also serves to the interests of commodity producers, promotes the formation of prices. In this regard, every state aiming to develop the consumer market shall implement a policy in the direction of formation of prices and reduction of the role of intermediaries according to the demand of consumers in the market.

It is stated in the dissertation that, the large variety of products with different purposes in the agricultural market and the importance of these products for consumers have proven the importance of its regulation. The investigations show that, 20-30% of the market of agrarian products is regulating by the state in the European countries (France, Germany, Italy, etc.). This regulation is provided by help of different economic means. Therefore, the state uses optimal regulation methods in the market of agricultural products and creates a condition for elimination of socio-economic shortages. These methods also affect to decrease of poverty level of the population, to stabilization of the standard of living and sustainability of the competitive

environment in the market, it has an important significance in protection of the economic interests of the state.

One of the important terms in the direction of development of the market of agricultural products is to organize the activity of the market conforming to the modern requirements. The activity of electronic markets has an important significance in this direction. Electronic markets focus a large number of consumers, it allows to sell more products and services. Electronic markets also create a condition to determine the capacity of goods in the market and to learn the level of demand. It prevents unreasonable hesitations of prices on products and causes to reduce the role of intermediaries. The management of markets from single center facilitates the trade operations, also creates a favorable environment for forecasting of demand capacity. The development of electronic markets protects the interests of consumers, also creates a condition for improvement of sales relations, conformity of economic mechanism in the market to the requirements of the modern period and establishment of the competition environment at the desired level.

It is considering advisable in the dissertation to take several measures to develop the market of agricultural products. In this regard, the increase of information about agricultural products of the Republic of Azerbaijan in the global markets, stimulation of export of qualitative products and provision of meeting of the national brands to international requirements is now in the rank of priority issues.

Our investigations show that, first of all, the domestic production shall be increased for meeting of the national brands to the requirements of international standards. Therefore, we consider it advisable to develop a targeted program including a strategy of strategic goals and indicators in order to increase the export and achieve the production of brand products.

The national brand increases the competitiveness of the national economy, combines the unique characteristics, historical and cultural roots of the nation. Creating of national brand and giving a positive image to this brand is one of the most important ways to increase the attractiveness of the country's products. Because the brand causes the country to earn more income and ensures its development. One of the

main features of brand is continuous presence of many loyal consumers. The countries having such brands may attract foreign tourists, also get stronger support in the competitive struggle. The introduction of “Made in Azerbaijan” brand increases the access opportunities of the products produced in the country to the global markets ultimately. The stimulation of export via “Made in Azerbaijan” brand also serves to this purpose. In this regard, the introduction of agricultural products under the name of Azerbaijani brand in global markets causes to the development of non-oil sector of the republic, as well as expansion of export opportunities. Several famous brand names that successfully implementing brand policy in the field of product production have been created, “LaFarella”, “Azerchay”, “Bizim Tarla”, “Milla”, “Final”, “Jala”, “Zolotoy sad”, “Baghdan”, “Natura” may be cited as example.

As a result of the promotion of the “Made in Azerbaijan” brand at the high level in the international world, the composition of agricultural and food products exported from our country to foreign countries under various brand names is expanding day after day. Table 3 shows some of the agricultural and food products exported by domestic companies under different brand names.

In recent years, many necessary steps have been taken in the direction of increase of the volume of export of agricultural products in our republic, introduction of products under the brand of “Made in Azerbaijan” in foreign states.

We think that, the capacity of income obtained from export can be increased by hundreds of millions of manats by using the resources more efficiently in the liberated territories. The establishment of institution by using the new technologies of “Isti-su” mineral waters in Kalbajar region may be cited as example for it.

Agro-parks have important significance in increasing of the production and export potential of competitive agricultural products by promoting the development of entrepreneurship in agriculture in a larger form. Agro-parks focus the production, processing, logistics and sale of agricultural products and create a condition for decrease of production costs and prime value of those products. Increasing the number of agro-parks causes to increase of the capacity of agricultural

Table 3.

**The composition of agricultural and food products exported
from Azerbaijan Republic to foreign countries under different
brand names**

	Names of companies exporting a product	Names of products exported	Exported country (s)	Name of brand
1	“Avrora” firm	Grain products	Russia	“LaFarella”
2	“Az FP Co LTD” LLC	Milk and dairy products	Afghanistan, Qatar, Sudan, UAE	“Milla”
3	AzNar” CJSC	Fruit juices and concentrates	Russia	“Grante”, “Granat”
4	“Goychay- Sud” OJSC	Pomegranate juice	Estonia, Poland, Russia, Belarus	“Souti”, “Qarnet”, “4U”
5	“Gilan Holding”	a) Fruit juices	Pakistan, Turkmenistan, Malasia,	“Jala” “Zolotoy sad” “Baghdan” “Natura”
		b) Chips	Tajikistan, Russia, China, Ukraine, UAE, France, Poland, Czech, Italy, Japan, England, Germany	“Cipsim”
6	AZERSUN HOLDING	a) Oils	Russia, Georgia, Kazakhstan Turkmenistan, Uzbekistan, Iran, Irag, Tajikistan, Kyrgyzstan, China, USA, Germany	“Teksun”, “Final”, “Sultan”, “Zoloto”, “Zeytun Baghlari” “Mocuze”
		b) Teas		“Azerchay”, “Final”
		c) Canned products		“Bizim Tarla” “Saville” “Blendo”
		Salt		“Salute”
		Sugar		“Final”

continuation of table 3

7	“Arzuna” LLC	Potato crisps, grain products	Turkmenistan, Georgia	“List”, “3 Korochki”
8	“Veyseloglu-Yayjili Gardashlari” LLC	Confectionery	Russia	“Ulduz”
9	“A+Co” LLC	Wine	China	“Sarvan”
10	“Ayan” LLC	a) Sunflower seeds	Russia, Turkmenistan	“Chiko”
		b) Lemonade		“Gizil Guyu”
11	“Caspian Coast Vinery And Vineyards” LLC	Wines	Russia	“Золото Азербайджана Баку”, “Солнечный Баку Шемаха”, “Каспиан Коуст Матраса”, “Солнечный Баку Золотой Шербет”, “Золото Азербайджана Ленкорань”, “Солнечный Баку Матраса”, “Золото

Source: Prepared by the author.

products processed. Also, agro-parks provide the export of processed agricultural products to foreign markets according to value chain and determine the entry of more currencies to the republic. We would like to note that, manufacturing agricultural products allows to get income more than 4 times in comparison with commodity.

Looking at the composition of the market subjects engaging in the export of agricultural and food products in our republic, it is possible to see that, their number is very small and several products are exported by only one market subject. Also, in some cases, separate entrepreneurs themselves act as exporters. That is to say, a small

number of individual relations, not a collective one, have a priority in the organization of export. Cooperation is stronger in export activity in foreign states.

The development of the land market and promotion of joint farming and joint enterprises among villagers on the basis of voluntariness principle, expansion of the activities of organizations engaging in leasing activity, establishment of agrarian banks, stimulation of insurance in agriculture, regular improving of the implementation of flexible tax policy and other measures may be considered necessary in the direction of supporting the sustainable development of the agricultural sector, as well as its financial support.

CONCLUSION

The summary of the principal results and scientific approaches, suggestions and recommendations received in the course of research may be given as follows:

1. It would be appropriate to bring to the fore the analysis of the competitive environment in the target sales markets, the purposeful use of existing marketing opportunities and the analysis and evaluation of the results of the activities of agricultural enterprises and economies in the foreign market in order to increase the efficiency of the decisions adopted about the export of agricultural products to the foreign market.

2. The gradual decrease of operation (transaction) costs and simplification of documentation process may increase considerably the interest of producers and exporters in order to simplify the operations on export of agricultural products and taking of measures for expansion of their export to foreign markets and to improve the stimulating mechanism of export.

3. The increase of production of agricultural products, application of innovation and technologies, utilization of the resources of the liberated territories, application of cluster approaches and others have an important significance in terms of increase of export. The supervision over dynamics of import shall be strengthened, production of export-oriented products in the country shall be increased. Taking

of measures such as performance of adaptation measures to conjuncture of global and regional markets to increase the export potential of producers of agricultural products, decreasing of negative impact of all possible potential risks to export potential, increasing the competitiveness of the domestic producer, granting of tax and credit facilities to producers not having high financial and economic indicators is considering advisable.

4. The increase of the efficiency of foreign trade activity with agricultural products shall be brought to the fore in order to reduce the dependence on import in the food market. In this regard, the limit of effective diversification of export activity shall be determined, public support shall be provided to local producers in foreign markets in order to strengthen their market positions, the process of creating of national brands shall be accelerated. The access rates of fresh and processed agricultural products to foreign markets shall be optimized, the opportunities of “public-private” cooperation shall be effectively used in appropriate decision-making and implementation. The export stimulating measures of the state shall have systematic character and credit, tax, subsidy, customs tariffs, etc. shall serve the interests of the producer-exporter.

5. It is necessary to take measures to expand the potential for production, processing of agricultural products and export geography of competitive products as national brands and commodity structure, also export to foreign markets in the territories liberated from occupation after our victory in the Patriotic War, having a large production potential and favorable natural and climatic conditions. Taking of “smart village” approaches into consideration in these territories, basing of production and processing on the newest technologies is considering necessary. The export of ecologically fresh fruits, vegetables and honey may be expanded considerably in these territories.

The main provisions of the dissertation work, the results obtained and proposals are reflected in the following works published:

1. “Ways to transform Azerbaijan into a regionally important logistic center”// International Scientific-Practical Conference held at Azerbaijan Engineering University. Baku: 02-05 October, - 2018, - p. 34-36.

2. “Issues of agricultural products market development and increasing of export potential”// Baku: Azerbaijan State University of Economics (UNEC) “Scientific News” journal Year 7, Volume 7, - April-June 2019. - p.71-85.

3. “Dynamics of production of agricultural products and its efficiency” // Baku: “Silk Road” scientific journal of Azerbaijan University, - 2019. № 4, - p.18-31.

4. “The place of food safety in the national security system”// Baku: “Economics of Agriculture” journal of the Agricultural Research Center, - 2020. № 3 (33), - p.50-59.

5. “Directions of development of the agricultural products market”// Baku: “Cooperation” journal of Azerbaijan Cooperation University, - 2020. № 1 (56), - p.39-46.

6. “Importance of marketing researches in formation of commodity market” 55th International Scientific Conference on Economic and Social Development was dedicated to Azerbaijan State University of Economics 90th anniversary Baku, 18-19 June 2020. 756 p, Pp. - 129-135.

7. “The directions for improvement of commodity structure of agricultural export in Azerbaijan” 70th International Scientific Conference on Economic and Social Development Baku, 25-26 June 2021. 1224 p, Pp. - 652-659.

8. “The ways to increase agricultural production and export potential” 3rd International Scientific and Practical Internet Conference, Integration of Education, Science and Business in Modern Environment: Summer Debates, August 11-12, 2021. – Dnipro, Ukraine, 2021. – 477 p. - Pp. 8-9.

9. “Main directions for increasing the efficiency of the export of agricultural products in Azerbaijan” “Financial Economics”– All-Russian scientific and analytical journal. № 11, 2022, 47 p. - p. 419-421.

10. “Stimulating the export of agricultural products in Azerbaijan” new scientific research: collection of articles of the IX International Scientific and Practical Conference. – Penza: “Science and Education” International Center for Scientific Cooperation. – 2022. – 272 p. - p.96-98.

A handwritten signature in blue ink, consisting of stylized cursive letters, likely representing the author's name.

The defence of the dissertation will be held on 29 May 2024 at 16:00 at the meeting of the Joint Dissertation Council of Baku Business University and Azerbaijan Cooperation University ED 2.46 operating under Azerbaijan Cooperation University of Higher Attestation Commission under the President of the Republic of Azerbaijan.

Address: 93, Najaf Narimanov str., Baku city, Azerbaijan Republic, AZ1106

The dissertation is accessible in the library of the Azerbaijan Cooperation University.

Electronic version of the Abstract is available on the official website of the Azerbaijan Cooperation University (www.aku.edu.az).

The Abstract was sent to the required addresses on 27 April 2024.

Signed for print: 24.04.2024

Paper format: 60x84 1/16

Volume: 45483 sign

Number of hard copies: 20 copies.