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Abstract

After Azerbaijan gained its independence, free entrepreneurship began to develop in the country, and it affected agriculture. Later, Azerbaijan has implemented agrarian reforms in agriculture. The diversity of climate in Azerbaijan contributes to the growth of many crops. Agriculture plays a major role in the development of non-oil sector of Azerbaijan. The implementation of innovative projects for the development of agriculture and the use of modern technologies in the production of products are essential. In this thesis, the international market has been investigated, and the dynamics of imports and exports of countries around the world, how the prices are shaped, have been noted by the governments of different countries in various ways to support the agricultural sector. There are several competitive products in Azerbaijan which have an important role in the agrarian sector in the country. The strategic road map illustrates the country's agricultural sector and measures taken. The key priorities and targets set forth here help the development of the agricultural sector and determine the future development path. “Made in Azerbaijan” concept should be expanded within the framework of international marketing that will be expanded to expand ties in the country and Azerbaijani products should be introduced to the world. For this reason, the companies and products of the country known by other countries of the world are placed on the country's main portals. Control over the implementation of adopted and implemented state programs and projects should be increased. Also favorable conditions for agrarian business owners should be created. There are both positive and negative aspects in the country's agricultural sector. At a certain level, they affect agriculture in different ways. The gaps in the agricultural sector of Azerbaijan should be identified and eliminate the vulnerabilities to the development of the sector. There is a need for substantial measures to improve infrastructure in the country.

Introduction

The actuality of the subject. While the economy of Azerbaijan is currently dependent on oil, there is a sufficient resource for the development of the non-oil sector in the country. Important role of the agricultural sector plays an important role in the development of non-oil sector of Azerbaijan.

Object and subject of the thesis. The object of thesis is Azerbaijan's participation in international of agricultural products. The subject is ways of increasing the export potential of Azerbaijan's agricultural sector.

Structure of the thesis. Thesis consists of 3 chapters. Each chapter is subdivided into two sub-chapters.

The first chapter reviews the international market and provides general insights on agriculture. In some countries, the export-import dynamics of agriculture is shown worldwide. By governments of some countries of world have taken measures to support and develop the agricultural sector was noted.

The second chapter examines the evolution of the historical development of agriculture in Azerbaijan. The country's export-import dynamics and statistical data were recorded there. Following the research, competitive products from Azerbaijan's agricultural products were selected. The expediency of implementing measures appropriate to Azerbaijan was emphasized on the basis of state-owned groups in the field of agriculture in the countries of the world.

The third chapter outlines the state of the infrastructure for the work to be done and how the implementation of the "Made in Azerbaijan" conception of our competitive products was recorded worldwide. Also within the concept of Made in Azerbaijan ways to increase the international marketing of Azerbaijani products are shown. While studying this chapter, strategic road map on national economy and key sectors of economy of Azerbaijan was used.

Scientific innovation of the master dissertation. The main innovation of my scientific work is to ensure Azerbaijan's branded products are recognized on the world markets by developing competitive products through improving Azerbaijan's international marketing in agrarian sphere and improving infrastructure.

Methodology. The basic research methodology is based on literature review and empirical research. The inductive method was used in the research on the thesis. Initially, the agricultural sector was studied in different countries around the world and then the agricultural sector of Azerbaijan was investigated. The country's major agricultural products have been selected as the most competitive products. Data is collected for the literature list in the research. This information plays an important role in statistical analysis. Secondary data were used during the research. The data collected during the study consisted of more articles and lists of literature referenced in books. Various resources – journal, article, book, sites and statistical sites are reviewed. Qualitative data collection has played an important role in the research work. The obtained statistical and theoretical data as well as graphs and tables were analyzed. The main purpose of analyzing the data is to analyze the data in the thesis and to find useful data and to achieve the ultimate outcome in the study.

Chapter 1. Specifics of functioning of international market of agricultural goods within the globalizing economy

1.1. Modern state of international market of agricultural goods and its trade flows

For decades, agriculture has been linked to the production of essential nutrients. Today, the basic of agricultural goods are dairy products, bee keeping, poultry and others. All over the world, part of the field of agricultural sector in the producing and distribution of plants and livestock. Agriculture has played a major role in the economy for a long time. Agriculture is the basis of the economies of certain countries. Agriculture produces food, feed, fiber and other products through plant breeding and livestock breeding. Also, agricultural is known as “Farming”, scientists, investors and others engaged and to improving farming methods. There are types of agricultural. Subsistence farming- Mainly practiced tropic zones especially in Africa, in tropical South Central America, and in South-East Asia. Strong subsistence is mainly applied to monsoon soils of Asia applied in those agricultural lands. Its main features are the use of soil intensive use, overwork, agricultural machinery, or modern means. It is used manures in this region. Features of agricultural products are related seasonal production and Scattered Production. Seasonal production – most of agricultural products produce certain season. For example, the food crops, paddy, wheat etc.; cash crops such as sugarcane, tobacco, jute and vegetables, potato and fruits are produced in certain seasons. But some products- fish, dairy products, eggs etc. are produced every season. Scattered Production- it is produced most of agricultural products in all part of country which except some limited products. When farmers are scattered throughout the country, mediators supply agricultural products and to markets. Also, it can be noted seasonable products affect agricultural market. Agricultural marketing- major marketing of agricultural marketing are include: Perishable products, Bulky products and Quality and quantity variation. Bulky products - Most of the

agricultural products are heavy. Thus, the cost of transport and storage is higher than the cost of these products. Quality and quantity variation- Quality and quantity of products is become different according to the productivity of land, season and climate of region. Perishable Products - The majority of agricultural products in a short period of time include some products, fish, milk, meat, fruit, vegetables, etc. Such products are supplied to market as quicker and possible. It is need cold storage for such products to keep fresh and safe. Food crops such as rice, wheat, mustard etc, remain usable for long time. Agricultural marketing is field which study of all the activities, policies and agencies also, agricultural marketing system is connection between farm sectors and non-farm sectors. Its include organization of agricultural raw materials supply, evaluation of demand for farm inputs and raw materials, and is the policy relate with the marketing of farm products and inputs. According to the National Commission on Agriculture (XII Report, 1976), agricultural marketing is a process which starts to decide producing products and involved all aspects of marketing structure which include pre-reaping and post-reaping operations, combining, classification, storage, carrying and distribution. Agricultural marketing system involve two system product marketing and input (factor) marketing. The first system contain of farmers, village/primary traders, wholesalers, processors, importers, exporters, marketing cooperatives, regulated market committees and retailers. But the input includes input manufacturers, distributors, related associations. Agricultural marketing plays an important role not only in stimulating production, but also in speeding up economic growth. An efficient marketing provides higher level of income and encourages farms to investing . At the same time, the efficient agricultural market system promotes the development of agro-based industries and stimulates the development of the economy.

According to ec.europa.eu website, let's look at the indicators that have taken place in the export and import of agriculture in the last 10 years, both in some developed and emerging economies. Agriculture plays an important role in

the world's developed and developing. Let's consider statistic indicators on separate regions in agriculture. First, it should be noted that some regions play a major role in international trade. For example, one of the major global players in goods trade may be shown in China and the EU. Agro-food products are mostly produced and consumed within the EU, but are exported to third countries. It should be noted that exports between EU countries are the basis of EU-28 agriculture-food exports. During 2005-2016, exports to EU countries increased by 72% to 350 million euros in 2016. Export to third countries rose from 57.6 billion euros to 129.1 billion euros in 2015. This shows that a growing portion of agricultural production is exported to third countries. Since 2006, exports of agro-food and imports from third countries have doubled. Today, agro-food sector EU is 7.5% of its exports in 2016. EU is also the largest importer of agricultural products and 6.6% of imported products. Also, EU is first trade partner of Least Developed Countries (LDCs). EU imports "big-5" importers (the USA, Russia, Japan, China, and Canada) alone. In 2016, EU's key export targets are the USA, China, Switzerland, Japan and Russia. In 2016, 54.5 % of EU agro-food exports consist in agricultural food and feed products 34.4 % are products of the food and drink industry while the remaining 11.1 % are non-edible products. Main import products consist of tropical fruit, nuts and spices, unroasted coffee and tea in bulk, oilcakes, fruit excluding citrus and tropical fruit, palm and palm kernel oil and soya beans.

U.S is one of the world's largest manufacturer-exporter and one of the importers of agricultural products. The agricultural sector plays a major role in the US economy. We will analyze US exports and imports of agricultural products based on recent statistics. Exports have a critical role for the US agriculture's achievement. The value of US exports to agriculture has dropped in 2015. At the same time, imports grew, but slowed down compared to previous years. Leading US exports are grains / feeds, soybeans, livestock products, and horticultural products. The largest U.S. imports are horticultural and tropical products.

44% of U.S imports are horticultural products. These products are: fruits, vegetables, tree nuts, wine, essential oils, nursery stock, cut flowers, and hops. Sugar and tropical products, such as coffee, cocoa, and rubber products, accounted for 20% of US imports in 2015. Imports of vegetable oils, processed grain products, red meat and dairy products have also grown over the last few years. In separate regions of US, for example, Canada and Mexico are the largest suppliers of horticultural products, red meats, and snack foods, mostly consumer-oriented products. In South America-Brazil, Chile, and Colombia-averaged \$13.7 billion in U.S. imports over the past 3 years, horticultural, sugar, and tropical products in which it has a comparative or seasonal advantage. East Asia and North America U.A 2013-2015 accounted for 62% of agricultural exports. East Asia and North America U.A 2013-2015 accounted for 62% of agricultural exports US, Mexico, Canadian exports accounted for 28% of world exports in 2012-2015.

Graphics.1

U.S. fiscal year exports, import and trade balance



As it is seen in the graph, USA has been export-import and trade balance for 2014-2018. The biggest difference between import and export in 2014 was the difference

in 2016. In 2018, a higher trade balance has resulted which in lower imports. Overall, \$ 140 billion in exports in the current year was \$ 120 billion in imports.

Table.1

Lates U.S.agricultural trade data.

| | Fiscal years | | | | Fiscal year to date | | March |
|----------------------|-----------------|---------|---------|---------|-----------------------|--------|--------|
| | 2014 | 2015 | 2016 | 2017 | 2017 | 2018 | 2018 |
| | Billion dollars | | | | | | |
| Agricultural exports | 152.326 | 139.761 | 129.617 | 140.471 | 77.416 | 74.839 | 12.855 |
| Agricultural imports | 109.258 | 114.235 | 113.037 | 119.140 | 59.201 | 63.932 | 11.686 |
| Trade balance | 43.068 | 25.526 | 16.580 | 21.331 | 18.215 | 10.907 | 1.170 |
| | Calendar years | | | | Calendar year to date | | March |
| | 2014 | 2015 | 2016 | 2017 | 2017 | 2018 | 2018 |
| | Billion dollars | | | | | | |
| Agricultural exports | 149.990 | 133.070 | 134.714 | 138.397 | 36.052 | 35.548 | 12.855 |
| Agricultural imports | 111.835 | 113.633 | 114.477 | 121.014 | 30.373 | 33.229 | 11.686 |
| Trade balance | 38.155 | 19.438 | 20.237 | 17.383 | 5.679 | 2.319 | 1.170 |

Source:www.ers.usda.gov

As you can see in this table, the statistics for the last 5 years are given. During the fiscal year 2014, export products totaled \$ 152.326 million. But in the fiscal year 2017 there has been a decline compared to 2014. However, the import fiscal year was \$ 119,140 million in 2017, though it was 109.258 million U.S dollars in fiscal 2014. It is possible to see that by March 2018, there is an increase compared to 2017. Imports by the end of March 2018 have dropped by 2017.

USA's major agricultural products include: livestock, meat and livestock products, poultry and dairy products, animal oils, essential oils, fruits, nuts, vegetables, sowing seeds, sugar and sugar, coffee, cocoa, tea. As you can see, USA

grows almost all kinds of agricultural products. However, the US has some competitive products. The export potential for those products is high. USA exports these products and other products are more likely to be imported, although it is also grown in their own country.

Table.2

**U.S. agricultural exports, year-to date
and current months**

| Item | Feb. 2017 | Mar. 2018 | Change Feb.-Mar. | Oct.-Mar. | | Change 17-18 |
|-----------------------------------|------------------------|--------------|---------------------|-----------------------------|--------|-----------------|
| | <i>Million dollars</i> | | <i>Percent</i> | <i>Million dollars</i> | | <i>Percent</i> |
| Agricultural export value | 11,305 | 12,855 | 14 | 77,416 | 74,839 | -3 |
| Major bulk products | 3,775 | 4,424 | 17 | 30,952 | 26,485 | -14 |
| High-value products | 7,530 | 8,432 | 12 | 46,464 | 48,353 | 4 |
| Volumes | | | <i>Percent</i> | <i>Thousand metric tons</i> | | <i>Percent</i> |
| Red meats & products | 362 | 391 | 8 | 2,204 | 2,336 | 6 |
| Poultry meats | 287 | 311 | 8 | 1,772 | 1,816 | 2 |
| Nonfat dry milk | 68 | 72 | 7 | 339 | 363 | 7 |
| Wheat | 1,397 | 2,120 | 52 | 12,262 | 10,234 | -17 |
| Rice | 320 | 347 | 8 | 2,197 | 1,718 | -22 |
| Coarse grains | 4,498 | 7,485 | 66 | 31,744 | 26,662 | -16 |
| Corn | 3,769 | 6,490 | 72 | 28,049 | 22,981 | -18 |
| Sorghum | 718 | 986 | 37 | 3,626 | 3,611 | 0 |
| Soybeans | 4,213 | 3,239 | -23 | 44,424 | 38,140 | -14 |
| Oil meal | 1,139 | 1,297 | 14 | 6,178 | 6,353 | 3 |
| Vegetable oils | 208 | 221 | 6 | 1,601 | 1,266 | -21 |
| Fruits, fresh | 255 | 279 | 10 | 1,506 | 1,475 | -2 |
| Fruits, prepared or preserved | 49 | 56 | 15 | 344 | 314 | -9 |
| Fruit juices | 45 | 58 | 29 | 332 | 303 | -9 |
| Vegetables, fresh | 184 | 210 | 14 | 1,207 | 1,175 | -3 |
| Vegetables, prepared or preserved | 197 | 230 | 17 | 1,644 | 1,396 | -15 |
| Nuts & preparations | 155 | 167 | 8 | 1,102 | 1,139 | 3 |
| Cotton & linters | 433 | 509 | 18 | 1,737 | 1,868 | 8 |
| Major bulk | 10,876 | 13,728 | 26 | 92,454 | 78,701 | -15 |

Source: www.ers.usda.gov.az

The table.2 shows statistical indicators for export products for the period February-March and October-March 2017-2018. The main products mentioned here are crops meat cotton fruits and vegetables fruit juices. The exports of these products for the

months of February-March 2017-2018 and the export of agricultural products for October-March were \$ million. It also outlines the value of exports of general agricultural products.

U.S exports some agricultural products along with the export of agricultural products The following table shows the products imported for 2017-2018.

Table.3

**U.S. agricultural imports, year-to-date
and current months**

| Item | Feb. 2017 | Mar. 2018 | Change Feb.-Mar. | Oct.-Mar. 2017 | 2018 | Change 17-18 |
|-------------------------------|-----------------------------|--------------|---------------------|-----------------------------|--------|-----------------|
| | <i>Million dollars</i> | | <i>Percent</i> | <i>Million dollars</i> | | <i>Percent</i> |
| Agricultural imports | | | | | | |
| Imports (c.i.f.) | 10,989 | 12,265 | 12 | 62,290 | 67,068 | 8 |
| Imports (customs value) | 11,802 | 11,686 | -1 | 59,201 | 63,932 | 8 |
| Volume | <i>Thousand metric tons</i> | | <i>Percent</i> | <i>Thousand metric tons</i> | | <i>Percent</i> |
| Wine | 100 | 116 | 16 | 629 | 639 | 2 |
| Malt beverages | 307 | 355 | 15 | 1,864 | 1,937 | 4 |
| Cattle & calves | 154 | 199 | 29 | 988 | 998 | 1 |
| Beef & veal | 75 | 86 | 15 | 454 | 474 | 4 |
| Dairy products | 20 | 22 | 9 | 159 | 149 | -6 |
| Processed grains, ex. Feed | 210 | 337 | 60 | 1,399 | 1,599 | 14 |
| Fruits, fresh or frozen | 1,114 | 1,248 | 12 | 6,199 | 6,283 | 1 |
| Fruits, prepared or preserved | 126 | 140 | 11 | 750 | 804 | 7 |
| Vegetables, fresh or frozen | 915 | 1,035 | 13 | 5,052 | 5,428 | 7 |
| Vegetable oils | 516 | 496 | -4 | 3,664 | 2,982 | -19 |
| Sugar & related products | 296 | 403 | 36 | 1,943 | 2,045 | 5 |
| Cocoa & products | 134 | 135 | 0 | 811 | 708 | -13 |
| Coffee & products | 137 | 144 | 5 | 840 | 788 | -6 |

Source: www.ers.usda.gov.az

In this table, statistical indicators for imported products were provided during the period from February to March and from October to March 2017-2018.

It is impossible to deny the role of the agricultural sector in the economies of Asian countries. The Central Asian region has been studied in Asian countries. First of all, consider the importance of agriculture in the Central Asian region . Also, the role of

international trade in the food supply in Central Asia will also be analyzed. Let's note that over the past 10-15 years, the region has undergone substantial changes in its economic structure, trade patterns and policies. There are Kazakhstan, the Kyrgyz Republic, Tajikistan, and Uzbekistan. Trade in the agricultural sector of Turkmenistan will be analyzed. [N: 33]

After 2000, the economic growth of the Central Asian countries began to grow. As a result of this growth, Kazakhstan and Uzbekistan caused a dramatic improvement in terms of piracy. Agriculture, with the exception of Tajikistan, has grown slower than other economic areas. In Kyrgyzstan, agricultural production has shown a negative growth despite the per capita income. As a result, agriculture, which is one of the most important economic sectors in all these countries, gradually loses its central position. This is especially evident in Kyrgyzstan and Uzbekistan. Let's look at these for different countries separately.

Table.4

Kazakhstan-Total market size(in USD millions)

| | 2015 | 2016 | 2017 |
|------------------------|------|------|------|
| Total Market Size | 530 | 525 | 530 |
| Total Local Production | 200 | 250 | 260 |
| Total Exports | 20 | 25 | 29 |
| Total Imports | 350 | 30 | 300 |
| Imports from the U.S. | 350 | 300 | 300 |

Source:export.gov

Agriculture accounts for about 6% of Kazakhstan's economic production. About 25% of the country's land resources are suitable for agricultural production. The main products of the country are wheat, barley, cotton, and rice.

Tajikistan is a scattered area. Tajikistan is the second or third largest wheat flour market in Kazakhstan, which has reached a peak of around 460,000 tonnes in 2007 and 2008, but has dropped to 240,000 tonnes since 2012. Cotton production is a majority. As in Tajikistan, it is a mountainous area in Kyrgyzstan. It specializes in livestock farming. Vegetable products dominate exporting. Potato production also dominates and exceeds 800,000 tons of wheat per year. In Turkmenistan, two products are exported to cotton and wheat which consumed abroad. Agriculture accounts for 14% of GDP.

Table.5

Uzbekistan - Agricultural Sector Unit: USD Thousands

| | 2014 | 2015 | 2016 | 2017 (Estimated) |
|------------------------|------------|------------|------------|---------------------|
| Total Local Production | 16,005,630 | 16,293,025 | 16,334,266 | 13,600,546 |
| Total Exports | 2,719,300 | 2,107,200 | 1,707,000 | 1,395,913 |
| Total Imports | 1,509,900 | 1,585,200 | 1,439,700 | 1,473,439 |
| Imports from the US | 2,006 | 2,383 | 557 | n/a |
| Total Market Size | 14,796,230 | 15,771,025 | 16,066,966 | 13,678,072 |
| Exchange Rates | 2309 | 2595 | 2965 | 3982 |

Source-export.gov

Agriculture plays an important role in the economy of Uzbekistan and accounts for an estimated 17.6% of GDP. Cotton and grain are the main products produced in the country. It should be noted that exports of agricultural products in Uzbekistan in 2016 amounted to 13.6% of Uzbekistan's foreign income.

1.2 State support of agricultural in some countries and its influence onto the international market

Agriculture is an important economic sector in many countries and is a critical source of life in those countries. Some of the natural disasters that occur in the world of agriculture are exposed to adverse events such as climate change, and as a consequence increases in economic spending. Farmers engaged in agriculture in the countries have developed risk management with the help of the government. Governments support their country with some economic policies to protect the agricultural sector. Agricultural insurance is one of the major financial tools for those engaged in this sector. With this help countries are protected from natural disasters. Agriculture is particularly important for developing countries. Two-thirds of the world's agricultural value added is estimated to be created in developing countries (World Bank 2008). Agricultural economies, for example, constitute 29% of the average GDP in the Sub-Saharan Africa. The world's estimated 2.9 billion population lives in rural areas. Agriculture is the main source of life for 86% of these people (World Bank 2008). Many developing countries have pursued policies for the modernization of the agricultural sector over the past 20 years. Governments have traditionally emphasized marketing boards, quotas, price support mechanisms, input subsidies, and other mechanisms as a tool to stabilize producer revenue. Governments see agricultural insurance as a means of supporting these listed mechanisms [№:18Page 17-18]

Generally, developed countries and governments in developing countries are using some of their economic policies and strategies in their sector of agriculture. First, let's take a look at the current economic policies and strategies in the world. In 2001, many developing nations - Brazil, China and India opposed agricultural subsidies in the US and EU at the World Trade Organization's Doha Round. They thought that high subsidies would lower the prices of global commodity prices and damaging small farmers and continue poverty in developing countries. Nevertheless, 12 years later, developing countries have rapidly increased agricultural subsidies. Brazil,

Russia, India, Indonesia and China have grown rapidly. For example, China's agricultural subsidy in 2012 amounted to \$ 160 billion in the EU with a \$ 19 billion US \$ 67 billion.

Main factors of the importance of agricultural sector are involved: 1.Source of Livelihood- Agriculture is the source of livelihood for most people. Approximately 70% of the world's population live with agricultural. It should be noted, however, that the population in developed countries is not engaged in agriculture. They provide their agricultural needs through imports from developing countries. 2.Contribution to National revenue- In developing countries, agriculture is the main source of income. 3.Significance to the International Trade- Sugar, tea, rice, spices, tobacco, coffee etc are responsible for the export of those countries in agricultural dependent countries.If agriculture is properly developed then exports will be increased by reducing imports. This helps to reduce countries unfavorable balance of payments and saving foreign exchange. This amount can be used to import essential inputs, machinery, raw material, and other infrastructure to support economic development of countries. 4.Source of Raw Material- Agricultural is main source of main industries of as cotton and jute fabric, sugar, tobacco, edible as well as non-edible oils məhsullarının əsas sənayelərdə əsas mənbəyi kənd təsərrüfatıdır.5.Foreign Exchange Resources- The nation's exports are largely dependent on agriculture in developing countries .For example, 18% of total exports jute, tobacco, spices, oilseeds, raw cotton, tea as well as coffee products. As seen from here, main source of agricultural products is source of earning a country foreign exchange.6.Economic Development- This is a stimulus for the development of the economies of these countries as many people work in different sectors of agriculture. 7.Food Security- The main need of each country is food security and sustainable agriculture is the main source of this.

In the agricultural sector have some institutions and funds: FAO-Food and Agricultural organization of the United Nations, IFAD-International Fund for Agricultural Development, AIAEE-Association for International Agricultural and

Extension Education, EAAE-European Association of Agricultural Economists, IFSA-International Farming Systems Associations-Europe Groups and etc. Fao is organization which have 194 member nations, two associate members, and the European Union. The goal of FAO is to provide food security for everyone and ensure regular access to high quality food products to ensure a healthy and healthy lifestyle. There are also projects implemented by FAO: Adapting irrigation to climate change, Central Asian countries Initiative for Land Management and etc. As well as, one of the projects of FAO are other projects which implementing with Azerbaijan.

The International Fund for Agricultural Development (IFAD) implements sustainable development of rural poor people who are struggling with hunger in low-income regions of the world. This organization solves micro-level issues of rural poor people: such as access to land and water; sustainable agricultural production, including forests, fisheries and livestock; land and water management and irrigation (mainly smallscale); rural financial services; rural micro-enterprises; storage/processing of agricultural produce; marketing and access to markets; research, extension and training; small-scale rural infrastructure and etc.

In recent days, food crises and climate change have raised concerns in the agricultural sector on top of the international agenda. Governments, international organizations discussion and they defined targets for to prevent hunger in the Group of Eight (G8), the Group of Twenty Finance Ministers and Central Bank Governors (G20) and Rio+20 summits in 2012 FAO has invested long-term investment in agriculture. The first edition of the Food and Agriculture State, published in 1947, identified the need for more investment in agriculture to produce food for open areas and announced the financial objectives of the investment needed for the reconstruction of agriculture after the Second World War of 1949 (FAO, 1947, FAO, 1949). There are three questions about investment in agriculture:

- Who invests in agriculture?
- Why invest in agriculture?

-How to invest in agriculture for a better future?

Investors are classified as public or private and foreign or domestic in agricultural. Most private or foreign investors are farmers which they consider by the largest source of investment in middle or low-income countries in agricultural sector. Farmers are investing in feeding their families, increasing their income and further diversifying them. Agricultural research and market infrastructure consider among important types of agriculture investment. In many low-income countries, farmers do not have sufficient investment in productivity and income, and poor poverty reduction. To attract investors, need to consider these:

- create favorable investment for attract investors;
- private investment, especially large-scale investment management;
- Canal expenses aimed at providing basic, high-revenue public goods;
- eliminating the limitations faced by small owners in savings and investments.

[№: 38.Pages-3-6]

Globalization refers to the growth of financial, inputs, output, and information actions in major geographical areas. Globalization increases net income in many places and increases food security by ensuring that poverty is declining. Globalization can greatly increase the role of agriculture as a growth engine in low-income countries, allowing agriculture to grow faster than domestic consumption. Globalization has allowed agricultural production to grow faster than the past. A few decades ago, rapid growth was slightly less than 3 percent per year. Now it is 4-6% [125]. However, this high speed of growth is a significant change in composition. Domestic demand for high value livestock and horticulture will increase rapidly due to increased exports of high value agricultural goods and increased per capita income [126]. Hence, in very low-income countries, almost half the increase in agricultural production will be in high-cost vegetation and livestock for both export and domestic use. As a result, the role of grain production will be relatively less important.. (Mellor, J. 1992.)

Generally, low-cost countries (favourable agricultural conditions and/or big farms often with a high level of technology) choose open market policies, especially when they are dependent on exports, because they can easily compete with other high-value agricultural countries (less favoured areas and/or many small farms often with a low level of modern technology). When we look at EU countries, we see that many EU countries are unable to survive without the protection of farm population from low-cost imports. Countries with more value-added agriculture have been reluctant to pursue an open trade policy without government support. The best way to protect agriculture has been to take measures that have high levels of exchange rates or tariffs that protect the domestic prices at a certain level on world prices. When domestic production exceeds the domestic demand, export subsidies are applied to eliminate the gap between the world market prices and the domestic price. In some countries, some import restrictions are imposed on some products. Previously, some countries in developed countries followed the policy of farmers to guarantee their prices. Some countries, for example, Switzerland, Norway, and some of the very few member states of the EU, like Finland, Italy, Greece, Spain, Portugal, and the part of Great Britain believed they believed that agriculture could not survive without protecting. Some developing countries have followed, in particular, the policy of import substitution of wheat, milk, and livestock products. However, domestic producers have often paid less than import substitutes import prices (adjusted for internal marketing costs). Governments are generally trying to get food at a price lower than the world price. For this purpose marketing agencies have been created. Farmers were given legal rights to sell their products elsewhere. Trade, exchange rate, fiscal, and monetary policies have a significant impact on the agricultural sector in developing countries. These are generally the main sources of bias against agriculture. This prevents the growth of real income in rural areas, where poverty is very high. [№: 36. Page 61,66]

Trade is important for all sectors of the US economy and is not an exception in agriculture. The volume of all agricultural products exported in the USA has

increased in the last half century. Today, it has grown eight times in comparison with the 1950s. In history, wheat, rice, coarse grains, oilseeds, cotton, and tobacco were the majority of US exports. In terms of favorable land reserves and investment, the United States is far better than any other country. At the same time, the stagnancy in imports in some markets has increased the share of oil seeds and grains in US exports.

In 2005, the government spent \$ 20 billion in support of agriculture in the United States. In addition, USA puts some barriers on the market, and these barriers increase local prices for products compared to world prices. USA has support programs for agricultural commodities. This support is based on the New Deal law, which follows the agricultural depression of the 1920s and 1930s . These programs have been created to protect prices and revenues for producers of cotton, milk, wheat, rice, corn, sugar, tobacco, peanuts, and other crops and other product manufacturers during most of the US agricultural business. In the United States, producers of bulk commodities, such as cash grains, cotton, oilseeds, and peanuts, and producers of several other products are suitable for commodity support in various forms, including fixed direct payments and marketing loan program benefits. Dairy, sugar, and (until 2004) tobacco prices are also supported through production and import control programs.

[№:34.Pages-174,178]

According to recent data, The US Department of Agriculture (USDA) has allocated \$ 25 billion in subsidies to the agricultural business. Most agricultural subsidies are made of wheat, corn, soybeans, rice, and cotton. Some farm programs come with price supports and are opposed to reverse fluctuations in production. Other programs subsidize insurance coverage, product marketing, export sales, research and development, and other activities.

Many Asian countries provide food safety to ensure the self-sufficiency of a productive product. As a result, Asian countries have slowly started applying agricultural support policies in the form of input subsidies (subsidy programs, direct payments to farmers) and output (market price protection). Some countries have

started to apply unstable agricultural subsidies because the need to reduce budget deficits has forced governments to stop providing assistance to farmers. Developed countries, Japan and South Korea, have long been supporting farmers. Direct subsidies to farmers are relatively low in Japan and Korea, and government support for production is in the form of market price support and import quotas. As well as, it can be noted that Vietnam as Japan and Korea, supports agriculture. First of all, it should be noted that Japan is relatively wealthy and its economy has subsidized of agriculture. In Vietnam, poor and export-oriented agriculture plays an important role in its economy. Both countries are characterized by the production of rice as the main crop. Asia has followed industrialization with dynamic comparative advantages. Japan is recognized as a regional leader which is the fastest-industrialization country. If we look closely at the policies of the governments of both countries to support agriculture, we will see that Vietnam is following the export-oriented industrialization. Also, Vietnam's agricultural imports are rapidly increasing and following Japan's growing import patterns.

In the early 2000s, the Chinese government started a support program in support of rural farming, including tax reductions, direct subsidies, price supports, policy loans, expenditure on infrastructure, and intergovernmental transfers. In 2004, China began to apply a government support program for agriculture to increase production, including input subsidies, procurement prices, direct payments to farmers. Agricultural support programs have been continuing to grow since 2004.

China's agricultural support is currently wider and larger. In 2012, the Chinese Finance Ministry said budget expenditures on agriculture reached \$ 75 billion. Including other costs include subsidized loans and storage of commodity reserves of \$ 9.8 billion. China's largest strategy has been to increase the export of fruits, vegetables, and aquatic products to protect grain and oilseed producers from import competition. [№: 20. Pages 6]

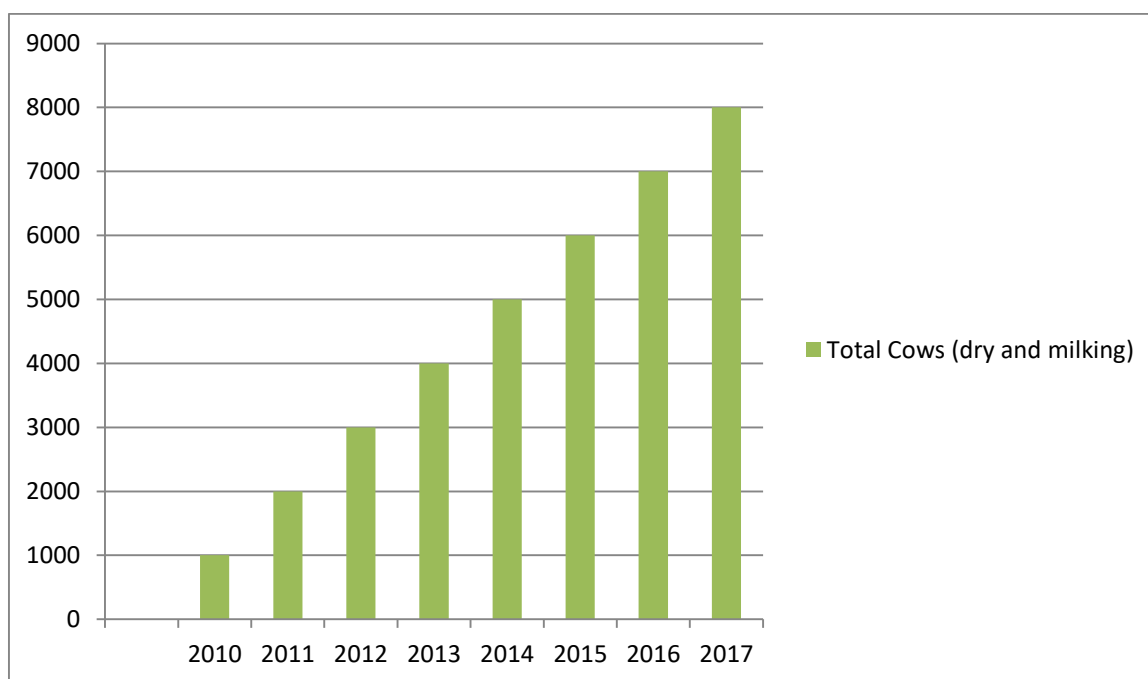
The main purpose of the Russian agricultural policy since the 2000s was the development of animal husbandry. Subsidies continue to benefit the livestock

sector. In the Russian agricultural policy, preference is given to livestock breeding among consumers and cereals. In 2009, the government raised the quota tariff for poultry imports by 95%. Such a high tax raised domestic poultry prices.[№:30]

Agriculture is as the world's leading strategic sector in Turkey. Since 2010, Turkey has been trying to increase the production of meat products as a result of increased prices for meat products due to drought. According to the Ministry of Food, Agriculture and Livestock statistics in Turkey, heeling products have increased in 2017 compared to previous years.

Graphics.2

Dairy Cow numbers and milking cow numbers 2010-2017



Source: Turkish Statistical Institute (TurkSTAT) and MinFAL, 2017

As can be seen from the diagram, the total meat production has increased over the next seven years compared to 2010. The National Agriculture Project has been implemented by Turkey to achieve development in Turkey. One of the important signs of this project is the "The Model of Subsidizing Livestock Domestic Production". The aim of this project is to increase livestock resources in Turkey and reduce imports of food products. 1.5 million livestock farms registered in Turkey. [№: 37.Page-3,4]

It is protected by agricultural support policies and such programs are applied in Turkey. The Turkish government has supported agriculture with tools such as product supports, input support, and low-interest credit implementations. The country has been supporting the various agricultural products, for example, to obtain more productivity in livestock, to protect gene assets, and to have alternative sources of income. The Turkish government has also allocated 50% grant support to these support projects. Livestock farming has been more prominent among the country's agricultural policies and over the past 10 years. The ratio of support for this sector in 2004 was 8.2% and 29.7% in 2014 .[№: 9.Page-238]

Removing bureaucratic barriers to agricultural policies and improving farmers' training will increase the effectiveness of agricultural policies implemented in the country.

Chapter 2. The place and role of Azerbaijan in the international market of agricultural goods

2.1 The state and dynamics of import/export of agricultural goods in Azerbaijan

Today, one of the main goals of Azerbaijan is to overcome its dependence on oil. Looking at the statistics, it can be seen that agriculture needs to be developed in the country to overcome dependence on oil. Accordingly, the country's other objective is to create a framework for the development of economics in the agricultural lands. As a result of agrarian reforms since 1995, the country's economy, the country's market relations, the agrarian sector's field structure has improved, and entrepreneurship has been formed. There have been fundamental changes in the agricultural sector. Looking at GDP in 2007, it is possible to see that the share of additional value added in the field of forestry and hunting was 7.1%. In comparison with 2005 the area of hunting and forestry increased by 0.9%, vegetation decreased by 0.8%, livestock products increased by 2.9%. Investments in the growth areas increased by 42% compared to 2005 and amounted to AZN 32.3 million. These statistical data are based on the portal azerbaijan.az.

Agriculture is one of the most important sectors in Azerbaijan's economy. Today the agricultural sector is 37% of the active workforce. The abundant water, fertile soil and climate diversity in the country create favorable conditions for agriculture. Azerbaijan plans to develop food industry and agriculture as one of the leading agricultural producers in the CIS. In addition, Azerbaijan accomplish intensive trade of agricultural products with other countries. Traditionally, the main target and main consumer of agricultural and food exports were CIS markets. However, in recent years this market has expanded and some European countries, Asian countries and America have also been included. Major agricultural products in Azerbaijan are fresh vegetables and fruits, vegetable and animal oils, sugar products, tea, beverages, tobacco products, cotton and others. Rapid economic growth in the national economy has led to a sharp increase in consumer taste in food and beverage sectors. In many categories, the consumption of agricultural and food products have

increased by 50% in the last 10 years. However, domestic production of basic food products cannot meet market demand. A number of measures have been taken to encourage producers, subsidies, improve business and investment environment in order to reduce the dependence of domestic food products on imported products. For this purpose, the State Program on Reliable Foods for Population for 2008-2015 was established. The purpose of this program is to increase the quality and quantity of agricultural and food products to ensure the country's food security. [№:2. Page 7,12,15]

The agricultural sector has good potential to contribute to economic development, diversification of Azerbaijan, poverty reduction, and employment in rural areas of Azerbaijan. However, it is necessary to develop more markets. At present, the main issue for Azerbaijan is to reduce its oil dependence on oil and spread economic growth to rural areas. Agriculture can help the country achieve these goals because it is the second largest economy after oil. Let's look at the history of agriculture in Azerbaijan. The agricultural sector took place during transition. Azerbaijan has favorable conditions and climate. However, within the Soviet economy, the agricultural sector was pumped to an artificial diet of heavy subsidized inputs such as fertilizer and irrigation. After the collapse of the Soviet Union, these subsidies were declining when sowing areas and productivity dropped and the agricultural GDP was cut half. In 1996, he started the privatization program. The economic sector of the state's agricultural sector was privatized and prices for agricultural products were adjusted. 99% of land is in private hands with agricultural purposes. New policies have been undertaken by the government to promote domestic agriculture through financial mechanisms and market service. Agricultural landscapes suffered as a result of land privatization and reforms. After the large-scale reforms made after 1997, agriculture was reviving. By the end of the 1990s, the development of individual farms led to the growth of farmers' incomes and poverty reduction. It should be noted that the demand has changed during the transition period. In the early 1990s, exports dropped dramatically and Azerbaijan

became an importer of agricultural products. At the same time, due to the falling prices at home, the domestic demand dropped and the meat switched from luxury products such as sugar to potatoes and grains. The Azerbaijani government has begun taking appropriate steps to make use of new market realities. Along with land reform, the government has increased the power of agricultural policy, along with business consulting and rural credit services, through the World Bank-funded Agricultural Development and Credit Project (ADCP). Increase investments in small rural infrastructure in the rural infrastructure of small rural infrastructure through the World Bank-funded Azerbaijan Rural Investment Project (AZRIP). [№: 27. World Bank 2005]

As mentioned above, Azerbaijan has great potential for the non-oil industry development. Since the agricultural sector has a big share here, it is necessary to consider the agriculture of the regions of Azerbaijan. First of all, it should be noted that the regions of Azerbaijan have a natural potential for development as attractive landscapes are mineral resources and mineral water resources of importance, as well as productive soil cover and areas intended for use. However, for a long time, the relatively poor agrarian sector in rural areas could not fully meet domestic demand. Despite the significant increase in this area in the first half of 2014, these problems are typical for the current period. The Aran region accounts for 30% of the agricultural GDP, thanks to a larger area than any other region. There is a more advanced irrigation system in the region due to the availability of a canal system and a collector-drainage network. The main agricultural products are cereals, mainly wheat, vegetable, fruit, grape, sugar beet, watermelon, melon, soybeans, cotton etc. Ganja-Gazakh region specializes in grape, potato, wheat, fruit, vegetable products. Guba-Khachmaz and Lankaran-Astara regions are specialized in producing fruits and also vegetables. Located in the south, Lankaran-Astara is known as subtropical fruits (lemon and orange) and the main tea producer. The territory of Nakhchivan is suitable for the production of sugar beet grape and horticultural crops. In recent years, fruits and vegetables in all regions have been making more products as wheat,

animal husbandry distributes 4.8% of all agricultural products and most of the demand for livestock products can be repaid. [№: 14.Pages-48]

Since Azerbaijan's independence in 1991, Azerbaijan has undergone significant transformation and development in the economy. The diversified economy of Azerbaijan collapsed with the collapse of the Soviet Union, and in 1995 the Gross Domestic Product (GDP) accounted for 37% of the events that took place in 1989. However, despite the 49 per cent poverty rate in 2001, Azerbaijan will soon be able to earn \$ 7,350 (2013), per capita gross national income (Atlas method), an average GDP per person in 2013 is \$ 7,912.5 (2013), poverty the level is only 5%. Since 2010, the "high human development" within the framework of the Development Development Index (HDI)

The government's economic goals and objectives are expressed in three major programs and plans. The State Program on Poverty Reduction and Sustainable Development (SPPRSD) includes 9 strategic goals, including macroeconomic stability and balanced development of the non-oil sector in 2008-2015 and the expansion of income-generating capacities. SPDR (2009-2013) focuses on employment aspects of other priorities in the regions and Azerbaijan 2020: vision for the future, data market economy, country competitiveness and diversification of economic structure. Summary, various programs and plans aim at achieving sustainable economic development, diversified economics and balanced development with the non-oil sector. [№:16.Pages-1, 2]

The population of Azerbaijan is the most populous country in the South Caucasus. Most of the population lives in rural areas. Since 2013, the agricultural sector accounted for 5.3% of GDP. In comparison with the same year, the agriculture, forestry and fishing industry accounted for 6.7 percent of the country's fixed assets. The agricultural sector dominated the 4.2 million population engaged in entrepreneurship. Since then, exports of agriculture have amounted to \$ 910 million and 53.5 percent of total non-oil exports. This shows that agriculture plays an important role in the national economy of Azerbaijan.

Table .6**Role of agricultural sector in the economy in Azerbaijan**

| Indicators | 2014 | 2015 | 2016 |
|--|--------|--------|--------|
| GDP - billion AZN | 58.9 | 57.4 | 57.7 |
| Total value-added, generated in agriculture, forestry and fishing: | | | |
| - billion AZN | 2.6 | 2.8 | 3.1 |
| - Share of agricultural sector in the GDP, % | 5.1 | 5.1 | 5.3 |
| Total employment (1000 people) | 4375.2 | 4445.3 | 4521.2 |
| Employment in the agricultural sector (1000 persons) | 1657.4 | 1673.8 | 1677.4 |
| - thousand persons | 37.9 | 37.7 | 37.1 |
| -share in employment, % | | | |
| Total exports - billion US dollars | 21.8 | 11.4 | 24.0 |
| Non-oil exports - billion US dollars | 1.5 | 1.6 | 1.7 |
| Export on agriculture and agricultural products processing sector: | | | |
| - billion US Dollars | 0.74 | 0.86 | 0.91 |
| - Share of agricultural sector in the non-oil sector, % | 49.3 | 53.8 | 53.5 |

Source: The State Statistical Committee of the Republic of Azerbaijan

The government is now focusing on the economy's diversification and agriculture as well as the non-oil sector, and it is providing food security. It has the third place in the economy of Azerbaijan after oil and construction. (37.1% of the employed population was employed in agriculture and only 1% in the oil sector in 2013). [№: 12.Page-12]

According to the Azerbaijan Journal of Economics and Social Studies, over the last decade, exports of vegetables have increased 1.5 times, fruits by 2,8%, sugar and sugar confectionary 1,3 times, soft and strong drinks by 11,2% and animal hides (skin) by 37,5%, while vegetable oil has decreased by 45,7%, tea products by 17,8%, tinned fruit and vegetable, and juice by 70%, tobacco by 68,2% and raw cotton by 74%. Fruits account for 27,4%, vegetables for 11,4%, vegetable oil and fat for 19,1%, sugar and sugar products for 26,4%, soft and strong drinks for 3,2%, tea products for 2,4%, tinned fruit and vegetable for 1,3%, tobacco products for 1,1 %, cotton for 2,4% and animal hide (skin) for 1,5 % of total agricultural and food exports from Azerbaijan.

Deputy Minister of Agriculture, Special Interview with Agriculture in 2017. Ilham Guliyev has been held. In that interview, the Deputy Minister of Agriculture highlighted the government's top three priority areas for agriculture development. He said: *"In the Republic of Azerbaijan, he said:" The strategic roadmap for the production and processing of agricultural products in the Republic of Azerbaijan "aims to achieve competitive and sustainable development of the agrarian sector in the country. From this point of view, the three major priorities of the government may be the development of the market infrastructure of agricultural products, improving agricultural security and financial system, and substantial modernization of agricultural science and education systems. This field needs to be attracted to banks and insurance companies for the development of agriculture. Financing and insurance of agriculture is currently a priority. Deputy Minister of Agriculture, Mr. Ilham Guliyev said: "Within the framework of the Strategic Road Map, extensive measures have been taken to improve the financing of agriculture and improve insurance mechanisms. Thus, measures can be created to create "Credit Guarantee Fund" for agricultural loans, increase financial literacy of agricultural producers, etc".* The level of our country's participation in export markets has significantly increased over the last year. For example, the volume of exports of agricultural and food products has increased. From 2001 to 2015, exports of basic agricultural products increased by 11.1 times and agricultural production by 14.7 times. Exports of basic agricultural products increased by 20.7 percent in 2016 and 69.7 percent compared to the first two months of 2017. Agricultural products exported from Azerbaijan in 2016 includes fruits (57 percent), vegetables (30 percent), cotton, tobacco and leather products (10 percent) These products have high competitiveness in Azerbaijan's products. It should be noted that comparative advantages of traditional agricultural products such as cotton, tobacco and raw silk are high in Azerbaijan. Therefore, great success has been achieved since 2016 to increase the production of these products. With the increase in the production of these products, Azerbaijan's presence in the world market will also be expanded.

Table 7**Export/ Imports of main commodities of Turkey in 2016**

| Commodities | Import Quantity Value, thsd. US dollar | |
|--|---|---------|
| Live poultry, thsd. Units | 1603.1 | 523.5 |
| Poultry meat and its additional products, tons | 3,129.9 | 1,825.1 |
| Fresh and frozen fish, tons | 203.2 | 547.6 |
| Milk and cream, tons | 1,079.6 | 1,840.4 |
| Cheese and curd, tons | 347.7 | 1,378.4 |
| Eggs, thsd. Units | 39,463.9 | 5,122.7 |
| Potatoes, tons | 656.7 | 280.3 |
| Tea, tons | 43.5 | 312.8 |
| Wheat flour, tons | 15.3 | 12.4 |

Source: The State Statistical Committee of the Republic of Azerbaijan

Over the years, Azerbaijan has had trade relations with neighboring countries and with other countries. Most agricultural products in the country include some countries in Russia, Turkey, Iran, Georgia, Europe and Asia. Russia and Turkey can be mentioned in neighboring countries Azerbaijan-Turkey business forum was held on February 23, 2017. In this forum, Minister of Agriculture of Azerbaijan made some proposals based on trade relations between the two countries on the agrarian sector. He noted that Turkey exported \$ 100 million worth of agricultural products to Azerbaijan in 2016. *This is a good indicator of bilateral relations. The country is also ready to provide all the necessary conditions for Turkish businessmen, the Minister emphasized.* Minister also noted that Azerbaijan has recently invested in the development of agricultural products and companies with Turkish capital are involved in these projects, and they are presenting the knowledge used in

Azerbaijan's agricultural sector, "Minister said. Trade turnover between Azerbaijan and Turkey amounted to \$ 1.67 billion in January-September 2016. The State Customs Committee reported. The countries are planning to bring trade turnover to \$ 15 billion in the coming years Azerbaijan goes to the markets of Russia and Central Asia. Turkey goes to the markets of Europe and the Balkans.

Fruit and vegetable, pasta and sugar exports are among the products exported to Turkey other than Turkey's imported products. Unlike Turkey, the share of export potential in the agricultural sector of Azerbaijan has a higher share in Russia. Some products of Azerbaijan, in particular fruit and vegetable products, are in great demand in the Russian market. Export of tea potatoes from Russia to Azerbaijan also has a high share. The European Union and Azerbaijan are very important to each other. Head of the European Union Delegation to Azerbaijan, Kestutis Jankauskas, said in his speech at the first international conference titled "Azerbaijan's Digital Trade Center: Prospects for Development" in Baku on October 19, 2017. The EU is the main trade partner of Azerbaijan. Currently, the EU is about 50 percent of Azerbaijani exports and about 25 percent of imports. The EU and Azerbaijan are important economic and trade partners. The EU-Azerbaijan trade relations are based on the Partnership and Cooperation Agreement, which came into force in 1999. The trade patterns of the EU and Azerbaijan are as follows:

- One of the main trade partners of Azerbaijan is the EU and accounts for 48.6% of Azerbaijan's common trade.
- The major part of Azerbaijan's exports and imports are EU countries and 31.8% of the total imports of Azerbaijan and 60.7% of Azerbaijan's exports.
- EU countries import mostly mineral fuel, machinery and vehicles, chemicals, food and livestock from Azerbaijan

Table 8**European Union, Trade with Azerbaijan**

| Indicator | Unit | Period | Import | Export | Total Trade |
|-----------|------|-----------|--------|--------|-------------|
| Balance | | | | | |
| Last year | % | 2017 | 9.410 | 1.711 | 11.122 |
| | % | 2017 | 37 | 70 | 44 |
| | % | 2017 | 0.5 | 0.1 | 0.3 |
| | % | 2016-2017 | 23.7 | -9.0 | |
| | % | 2013-2017 | -10.0 | -17.7 | |

Source: Eurostat Comext - Statistical regime 4

Table. 9**Production of agricultural products, tons**

| Products | 2012 | 2013 | 2014 | 2015 | 2016 |
|-------------------|----------|----------|----------|----------|----------|
| Wheat | 1847424 | 1893359 | 1449129 | 168768 | 1851429 |
| Tobacco | 4278.3 | 3451.7 | 2857.6 | 3466.1 | 3585.0 |
| Cotton | 56957 | 45155 | 40970 | 35192 | 89442 |
| Potatoe | 968545 | 992780 | 819319 | 839795 | 902396 |
| Tomatoe | 471612 | 500686 | 481395 | 515160 | 502769 |
| pomegranate | 141640.7 | 149826.4 | 153422.7 | 158101.6 | 145140.7 |
| Garlic | 20669 | 20705 | 20249 | 20794 | 21114 |
| Sugar | 173848 | 187923 | 173287 | 184280 | 312605 |
| Hazelnut | 29623.8 | 31201.9 | 30039.0 | 30039.0 | 34270.7 |
| Grape | 150986.6 | 148535.1 | 147701.0 | 157076.4 | 136499.0 |
| Fruit and berries | 810021.7 | 853757.2 | 850802.9 | 888415.8 | 882800.0 |

Source: www.stat.gov.az

According to the statistics of five years, the most agricultural productivity was on wheat and pomegranate. Grain increased by 0.22% from 2012 to 2016, grape decreased by 9.6%, pomegranate increased 2.47%. In nutrition and cotton, productivity has been increasing over the years. Cotton production is expected to grow by 36.32% from 2012 to 2016. The hazelnuts increased by 13.56%. Tobacco is gradually reducing productivity. Although potato production is high in Azerbaijan, there has been a decline in productivity in recent years. There was a decline in grape

productivity, although there was a decline.

Table.10

Main animal production, (1000 tons)

| Years | Meat (in slaughtered weight) | Milk | Eggs, million units |
|--------------|---|-------------|------------------------------------|
| 2012 | 276.0 | 1695.6 | 1226.7 |
| 2013 | 286.9 | 1796.7 | 1401.5 |
| 2014 | 291.2 | 1855.8 | 1562.7 |
| 2015 | 298.6 | 1924.5 | 1552.9 |
| 2016 | 302.2 | 2009.9 | 1609.8 |

Source:www.stat.gov.az

As it is seen from the statistics, milk production increased by 18.54% from 2012 to 2016. It is also possible to see an increase 31.23% in egg production compared to 2016. Meat (slaughtered weight) increased by 9.49%

Table.11

Meat: production(1000 tons)

| Years | Cattle | Buffaloes | Total | of which | | |
|--------------|---------------|------------------|--------------|-----------------|----------------------------|--------------|
| | | | | cows | dairy buffaloes | Total |
| 2012 | 2378.5 | 269.4 | 2647.9 | 1143.7 | 128.3 | 1272.0 |
| 2013 | 2412.3 | 265.9 | 2678.2 | 1162.6 | 126.6 | 1289.2 |
| 2014 | 2442.4 | 260.9 | 2703.3 | 1177.7 | 123.9 | 1301.6 |
| 2015 | 2445.2 | 252.3 | 2697.5 | 1179.6 | 119.6 | 1299.2 |
| 2016 | 2466.0 | 242.3 | 2708.3 | 1187.6 | 115.4 | 1303.0 |
| 2017 | 2484.3 | 214.2 | 2698.5 | 1196.2 | 102.8 | 1299.0 |

Source:www.stat.gov.az

Looking at statistics for meat production in 2012-2017, cattle has also grown. However, after the buffaloes 2012, production declined. Decrease in production of cows and dairy buffaloes has been observed. However, the production of beef and

buffaloes decreased from 2012 to 2017, but the cows and dairy buffaloes increased from year to year in 2017. On the website of the Statistical Committee of the Republic of Azerbaijan in 2016 food balance was given to livestock products. According to the data, in the country at the beginning of the year was the most sought after milk and dairy products. At least production was pork products and fish products. At the end of the year, most eggs were eggs. In the same year the most exported livestock products were livestock and poultry meat and meat products, milk and dairy products, and milk and dairy products in imports.

Total area under agricultural crops, ha

Table.12

| | 2012 | 2013 | 2014 | 2015 | 2016 |
|--|----------------|----------------|----------------|----------------|----------------|
| Total on Republic | 1647121 | 1684248 | 1613811 | 1585389 | 1628306 |
| Baku city | 674 | 636 | 477 | 530 | 717 |
| Absheron economic region | 4016 | 3810 | 3105 | 2849 | 4184 |
| Ganja-Gazakh economic region | 197524 | 207887 | 194919 | 187208 | 195866 |
| Sheki-Zagatala economic region | 201812 | 207931 | 192652 | 186099 | 193992 |
| Lenkaran economic region | 116663 | 117713 | 117344 | 113686 | 117364 |
| Guba-Khachmaz economic region | 127749 | 127799 | 125701 | 114161 | 115933 |
| Aran economic region | 681107 | 697283 | 690643 | 684218 | 695906 |
| Daghigh Shirvan economic region | 123291 | 127056 | 104097 | 115250 | 120634 |
| Nakhchivan Autonomous Republic | 60118 | 60127 | 60829 | 61414 | 601526 |

Source: www.stat.gov.az

Azerbaijan is a milieu located in the Caucasus region of the Caspian Sea Plains and plains cover 57% of the country's territory. But mountainous areas make up 3.5%. Climate conditions of the country are located within the limits of temperate and subtropical climatic zones. From this point of view, the regions of the country differ in terms of climatic conditions. According to the statistics of recent years, the total area of agricultural products is given in ha. As you can see from the table, there has been an increase in the overall republic since 2010. Sheki-Zagatala by regions has the highest share of cropland, but at least the share of Baku. By 2016, Ganja-Gazakh was at least the capital of Baku.

According to UN Comtrade statistics, Azerbaijan's main imported products are grains (23%), tobacco (20%) and sugar (10%). The main source countries for grain are Russian Federation (90%) and Kazakhstan (5%). Sugar imports from Brazil are raw materials in Brazil. Tobacco is imported from the Russian Federation (65%) and Ukraine (30%). Livelihoods are dominated by the increase in total exports. Also, vegetables (90% of tomatoes and potatoes), sugar and confectionery and animal and vegetable oils are also imported. Vegetables are mainly exported to the Russian market. The Russian market is the main market in Azerbaijan's fruits. But Germany and Italy can also be mentioned as other markets for Azerbaijan's fruit export. The main export market of animal and vegetable oils is Georgia and Iraq.

On the website of the State Statistical Committee of the Republic of Azerbaijan by 2016 export and import of products belonging to the country's agricultural sector dynamics. On the website of the State Statistical Committee of the Republic of Azerbaijan, the following tables show the dynamics of export and import of agricultural products for only 3 years. First of all, we will consider export dynamics of agricultural products for 2014-2016. These indicators are clearly visible in the table in Table 13. The table shows the amount of agricultural products. In addition, the value of these products in USD is also shown. First of all, let's look at the dynamics of export of agricultural products.

Table.13**Dynamics of main commodities exports (tons)**

| Commodities | 2014 | | 2015 | | 2016 | |
|----------------------------|-----------|-------------------------|----------|-------------------------|----------|-------------------------|
| | Quality | Value,thsd US.dollar | Quality | Value,thsd US.dollar | Quality | Value,thsd US.dollar |
| Meat bovine animals. | 4,444.2 | 9,938.1 | 5,059.3 | 10,899.7 | 5,257.9 | 13,782.6 |
| Poultry meat | 9,217.5 | 7,017.6 | 7,372.7 | 6,240.9 | 24,435.4 | 20,366.9 |
| Fresh and frozen fish | 12,690.5 | 7,989.4 | 9,898.3 | 6,868.7 | 9,371.0 | 13,657.8 |
| Milk | 9,960.6 | 7,525.9 | 8,835.2 | 5,761.7 | 5,463.1 | 8,034.1 |
| Butter | 9,839.3 | 25,118.6 | 13,793.9 | 22,392.6 | 14,365.1 | 48,383.9 |
| Eggs, thsd. Units | 54,744.9 | 10,513.4 | 51,381.3 | 8,609.1 | 46,132.9 | 6,213.7 |
| Potatoes | 129,445.6 | 8,641.8 | 124,7638 | 11,204.9 | 182,9861 | 33,789.2 |
| Fresh fruits. | 14,118.8 | 10,000.5 | 57,881.1 | 33,299.5 | 72,165.4 | 63,573.8 |
| Tea. | 8,183.0 | 18,992.0 | 7,460.8 | 16,319.9 | 12,609.5 | 44,734.3 |
| Wheat, thsd | 1,195.7 | 293,942.8 | 1,353.1 | 296,831. 0 | 1,599.6 | 295,018.2 |
| Fresh vegetable | 22,749.5 | 2,390.5 | 25,489.9 | 6,149.3 | 45,913.5 | 18,271.9 |

Source: www.stat.gov.az

The website of the State Statistical Committee of the Republic of Azerbaijan exported agricultural products until 2016. The table lists the main products imported to the country for 3 years. The quantity and value of products for years. Here we can look at the fact that the least grain imports for 2014-2016 are imported and the most imported corn is corn. The import of meat, rice, milk, vegetables and tea products is small. By 2016, the most imported cereals are potatoes. The largest increase in imports was in tea production.

Table.14**Dynamics of main commodities import (tons)**

| Commodities | 2014 | | 2015 | | 2016 | |
|-------------------------------|-----------|-------------------------|-----------|-------------------------|-----------|-------------------------|
| | Quantity | Value, thous. US dollar | Quantity | Value, thous. US dollar | Quantity | Value, thous. US dollar |
| Potatoes,. | 49,475.6 | 31,968.5 | 36,712.0 | 20,950.2 | 38,229.4 | 15,789.1 |
| Fresh vegetables,. | 76,661.5 | 66,847.8 | 83,312.5 | 70,690.5 | 124,519.6 | 113,195.4 |
| Fresh fruits. | 156,600.7 | 191,952.5 | 172,980.9 | 220,087.2 | 214,349.9 | 243,434.9 |
| Tea. | 5,440.5 | 31,245.1 | 4,287.5 | 19,501.5 | 1,137.7 | 6,178.8 |
| Wheat flour | 44.3 | 23.0 | 57.0 | 20.5 | 24.0 | 7.2 |
| Vegetable oil | 27,400.2 | 78,976.0 | 23,469.2 | 55,930.5 | 10,253.6 | 10,711.2 |
| Sugar, thsd | 230.4 | 221,205.2 | 220.8 | 212,087.9 | 108.4 | 62,030.0 |
| Canned fruits and vegetables. | 5,606.4 | 8,087.9 | 2,880.1 | 3,945.7 | 5,768.3 | 5,150.0 |
| Fruit juice and vegetables. | 8,415.6 | 9,055.3 | 6,727.2 | 6,911.0 | 6,121.2 | 6,264.9 |
| Tobacco. | 3,486.5 | 12,415.2 | 1,944.4 | 7,431.8 | 2,217.9 | 7,982.7 |

Source: www.stat.gov.az

The website of the State Statistical Committee of the Republic of Azerbaijan issued the import of agricultural products until 2016. The table below shows exports of fresh fruits in 2014-2016 and the least exported product. Only in 2016, the lowest percentage of exported products was tea and vegetables. For three years, fresh vegetables have grown by 37.57%, wheat flour has dropped by 45.82%, and tobacco has dropped to 36.39%.

2.2 Evaluation of Competitiveness of agricultural goods Azerbaijan in international markets

The Azerbaijani government currently prefers non-oil sector, including agriculture, diversification of the economy and food security. The Azerbaijani government is working to increase domestic production to achieve food productivity. [№11. Page 1]. In the previous section, some key products were reviewed in Azerbaijan.

In literature, Balassa's index for comparative advantage is widely-used, which is called 'revealed comparative advantage' index. The index is calculated using 'the ratio of the export share of the good 'I' in the country 'J's total exports to the share of the same good in total world exports'. Using the same indexing method, we can easily derive how important that good is to the country concerned in terms of its exports relative to the total world exports. If Balassa's index is greater than 1, it reveals a comparative advantage for the country; and if less than 1, it reveals a comparative disadvantage. [№ 1. Page-10, 11]

The productivity of these products in the country and exports to other countries and the imports from other countries were analyzed. According to the Balassa method, agricultural products have more competitive advantages than pomegranate, tea, wine growing and wine and tomatoes. Let's review each of these products individually

Tea- Azerbaijan is also known as the country of tea. Tea is one of the main symbols of the country's culture. The history of tea in Azerbaijan dates back to the 19th century. The history of tea in Azerbaijan dates back to the 19th century. Currently, small enterprises and companies are engaged in tea making in Azerbaijan. There is a need for big businesses to achieve high productivity and efficiency. It should also be noted that the government supports the participation of foreign partners in the industry to attract new technologies and know-how that will enable the competitiveness of domestic products and the production of high quality species [№:2. Page 12]

Table.15**Tea: cultivated area, gross harvest and yield, by farm categories**

| İllər Years | Cultivated area | of which at fruitbearing age | Gross harvest | Yield from 1 ha |
|------------------------|----------------------------|---|--------------------------|----------------------------|
| | 1000 ha | | 1000 tons | 100 kg |
| 2012 | 0.9 | 0.5 | 0.57 | 10.5 |
| 2013 | 0.9 | 0.5 | 0.57 | 12.0 |
| 2014 | 1.0 | 0.5 | 0.47 | 10.1 |
| 2015 | 1.0 | 0.5 | 0.58 | 12.4 |
| 2016 | 1.0 | 0.7 | 1.02 | 14.1 |

Source: www.stat.gov.az

The table outlines the volume of tea production for 201-2016 according to farm Classifications has been made Statistics show that in recent years the volume of tea production has increased relative to previous years.

Table.16**İncluding plantings at fruit bearing age – tea, ha**

| | 2012 | 2013 | 2014 | 2015 | 2016 |
|---|-------------|-------------|-------------|-------------|-------------|
| Total on Republic | 543.3 | 472.6 | 471.6 | 468.6 | 663.8 |
| Sheki-Zagatala economic region | 60.0 | 60.0 | 60.0 | 60.0 | 60.0 |
| Zagatala region | 60.0 | 60.0 | 60.0 | 60.0 | 60.0 |
| Lenkaran economic region | 483.3 | 412.6 | 411.6 | 408.6 | 603.8 |
| Astara region | 165.7 | 193.5 | 195.0 | 192.0 | 187.0 |
| Lenkaran city | 312.6 | 214.1 | 211.6 | 211.6 | 411.8 |
| Lerik region | - | - | - | - | - |
| Masally region | 5.0 | 5.0 | 5.0 | 5.0 | 5.0 |

Source : www.stat.gov.az

The website of the State Statistical Committee of the Republic of Azerbaijan has published a report on the area of tea growing in the regions by 2016. In the Shaki-Zagatala region, besides the Lankaran economic region, there are also favorable land resources available in rural areas such as Balakan. About 200 hectares of land were used. Confirmation has been made to spread the riverblock to more areas.

The results of the research have shown that in the southern part of the Greater Caucasus there is a very important agro-climate potential for tea plant. These may serve as a basis for further expansion of tea plantations in Azerbaijan. Tea is one of the highest in Azerbaijan's export potential. There are good companies in the country producing tea. One of them is Sun Tea Factory, produced by Azersun Holding. The factory with the average annual capacity of 15,000 tones packages and markets black and green leaf teas, tea bags and a variety of fruity blends and herbal infusions. Using the selected sources in the best tea plantations in Asia, the main tea brand of the company, this product aims to increase the influence of the Azerbaijani tea on international markets. In addition, other companies that have been successful in the production and sale of tea in Azerbaijan also operate. For example, "Cahan TeaLLC", "Pasha Tea", "Beta Tea" and "Butam Tea" can be displayed, even though they have started new activities. According to the State Program on Tea Industry Development for 2018-2027, approved by President of Azerbaijan Ilham Aliyev on February 12, tea production in Azerbaijan will be increased by 20 times by 2027. Implementation of the state program will be possible. Tea plantations up to 3,000 hectares and tea harvest – up to 8,500 tons. In addition to increasing import dependence and export potential of this sector, restoration of tea production in Azerbaijan is a current food security program. Observations prove that the population of Azerbaijan is at the highest level for use among the tea producers. About 2-2.5 kg of tea is consumed per capita, which is a large amount of dry tea for a country with a population of 10 million. Tea, as a strategic food, plays an important role in the table of the Azerbaijani population. Local tea is exported to almost all CIS countries, Russia to Central Asia, as well as to Europe and America. First of all, it is important to evaluate the "Plan for Rehabilitation and Improvement of Tea in Azerbaijan" to ensure the revival and further development of tea production in Azerbaijan. Involvement of foreign investors in this plan, raising the stability of the Azerbaijani River in the face of competition, etc.

Tomatoe- In 2017, Russia has become a major market. In the same year, the main export product of the non-oil sector was tomatoes and the total volume of purchases in foreign markets was \$ 151.6 million. An important part of vegetables grown throughout Azerbaijan falls to greenhouse complexes throughout the year. The growing interest in vegetables, especially the tomatoes in Azerbaijan, and the enlargement of the vegetation have had a positive impact on economic activities. In 2008, the highest production capacity for tomato production reached 27,212 hectares. Today, the export of tomatoes is one of the most profitable sectors in the non-oil sector. Has brought \$ 128 million to the country in the first eight months of 2017, almost 60 percent. One of the leading companies in Azerbaijan is Buta Group. This company represents two companies in the field of agriculture: “Aztomato” and “Ismailly Terevezleri”.” Under the Aztomato brand, the Zira Greenhouse complex consists mainly of tomatoes. This enterprise uses the latest Dutch technology for growing vegetables in greenhouses. High quality products are exported to Russia, which has a leading position in the market. Another company can say Building Agro. The company started operating in the agricultural sector in 2011. Greenland has been built in “Bina” and has started its first activity on 24 ha area. The company uses modern technologies in its activities to produce healthy and productive foods and these foods are fruits and vegetables that meet all standards. Tomato products are grown with modern technology in these hotels. Products produced by Bina-Agro LLC are required in many countries, mainly in the European Union, such as Russia and the UAE”Bina-Agro” brand is the leader in the agricultural sector of Azerbaijan and it is a quality and innovation standard. By the end of 2016, tomatoes were the second export product and brought \$ 94 million to Azerbaijan. In 2017, the main export product of the non-oil sector was tomatoes and the total volume of purchases in foreign markets was \$ 151.6 million. Zira, grown in Zira greenhouses for the best tomato production tomatoes are counted.

Table.17**Sown area of tomato, ha**

| | 2012 | 2013 | 2014 | 2015 | 2016 |
|---|--------------|--------------|--------------|--------------|--------------|
| Total on Republic | 25579 | 26005 | 25556 | 25744 | 23819 |
| Baku city | 198 | 233 | 116 | 140 | 231 |
| Absheron economic region | 150 | 146 | 146 | 208 | 366 |
| Ganja-Gazakh economic region | 3501 | 3666 | 3767 | 3518 | 3474 |
| Sheki-Zagatala economic region | 1668 | 1644 | 1677 | 1675 | 1750 |
| Lenkaran economic region | 3792 | 3964 | 4098 | 4234 | 3549 |
| Aran economic region | 9055 | 9068 | 8034 | 8134 | 6894 |
| Daghligh Shirvan economic region | 471 | 441 | 466 | 452 | 388 |

Source :www.stat.gov.az

By 2016, statistical data has been provided by a regional tomato farmer. The largest number of tomato sown in 2016 is in the Aran economic zone. It seems that there are favorable climatic conditions in the region for the production of tomatoes.

Table.18**Production of tomato, tons**

| | 2012 | 2013 | 2014 | 2015 | 2016 |
|---|---------------|----------------|---------------|---------------|---------------|
| Total on Republic | 471612 | 500686 | 481395 | 515160 | 502769 |
| Baku city | 7694 | 11306 | 2627 | 3497 | 8043 |
| Absheron economic region | 4045 | 3849 | 4664 | 5467 | 38582 |
| Ganja-Gazakh economic region | 71996 | 73850 | 75710 | 75911 | 75401 |
| Aran economic region | 945148 | 1052732 | 141003 | 154995 | 135633 |
| Daghligh Shirvan economic region | 3382 | 3218 | 3421 | 3519 | 3386 |

Source:www.stat.gov.az

In the statistical data, tomatoes were produced by 2016. However, as far as this table is concerned, the highest crop capacity in the Absheron economic region. Thus, there was an increase in the production of tomatoes 9.5 times. In Aran economic zone, tomato grown by 6.9 times from 2012 to 2016. The lowest growth was in Daghlig Shirvan economic region and Ganja-Gazakh region.

Viticulture-winemaking. One of the products that has competitive advantage in Azerbaijan is gardening and wine production. Good climatic conditions and suitable soil are factors that contribute to the development of viniculture and pomegranate in Azerbaijan. Gardening is one of the traditional sectors and has great investment opportunities. According to the “State Program for the Development of Vine Production in the Republic of Azerbaijan for 2012-2020” adopted on December 15, 2011, the agricultural areas of technical grape varieties are expanding year by year. Every year about 200 hectares of winery are growing at the regional level. Under the State Program, the total area of vineyards should reach 50,000 hectares in 2020 and 500,000 tons for grape production. At present, enterprises in Azerbaijan produce wines, natural wine, sparkling wine, liquor, brandy, vodka, ethyl alcohol, cognac and others. Produces. These products are exported to USA, France, Italy, Spain, Germany, Canada, Sweden, India, Vietnam, China, Japan, Russia, Ukraine, Belarus, Georgia and the Baltic countries. Domestic wine products are highly.

Appreciated in Russia’s largest wine market. One of the first steps for the development of the winery market was the law adopted in 2002 on the topic of “Wine and Wine”. The results of this policy have been effective. At present, wine production in Azerbaijan is higher than imported wines. Tariff state programs have been developed, price, credit and tax systems have been upgraded, licensing and certification rules have been revised to strengthen the legal framework of the winery industry. As a result of these strategies, Azerbaijan becomes one of the most developed wine-producing countries, and Azerbaijan’s wines are becoming more popular in the world. In the country, wines produced by enterprises such as

Absheron Sharab, Aspi Winery, Az-Granata, Caspian Coast, Vinagro Goygol, Sharg Ulduzu are operating in the country. According to the State Statistics Committee, the grape production in the Republic in 2016 amounted to 136499.0 tonnes. The basis for the development of production is the following: Grape production in the country increases by year's significant reforms.

Pomegranate. Pomegranate is one of the main symbols of Azerbaijan. Because of climate diversity in Azerbaijan, all types of pomegranate can be grown There are “Gyulosha Azerbaijan”, “Kyrmyzy-kabuh” and “Nasik-kabuh”. Goychay, one of the beautiful regions of Azerbaijan, specializes in pomegranate products. Here is an example of **AzNar**. This company produces all kinds of pomegranate and products are made with modern technology. Today AzNar products are mainly exported to all continents and exported to many countries such as USA, Canada, Israel, Poland, Czech Republic, Hungary, Australia, New Zealand, Belarus, Kazakhstan, Russian Federation and others.

Table.19

Production of pomegranate, ton

| | 2012 | 2013 | 2014 | 2015 | 2016 |
|--------------------------|-------------|-------------|-------------|-------------|-------------|
| Total on Republic | 141640.7 | 149826.4 | 153422.7 | 158101.6 | 145140.7 |
| Baku city | 1087.0 | 1058.0 | 1028.2 | 839.3 | 612.6 |
| Absheron | 48.8 | 81.1 | 66.8 | 86.0 | 81.8 |
| Ganja-Gazakh | 18327.0 | 18415.3 | 16507.6 | 16962.6 | 16141.8 |
| Sheki-Zagatala | 1348.1 | 1377.5 | 1340.3 | 1362.3 | 1707.1 |
| Lenkaran | 1086.9 | 1093.3 | 1090.4 | 1184.6 | 734.3 |
| Guba-Khachmaz | 505.8 | 534.1 | 931.9 | 810.6 | 754.1 |
| Aran | 111716.6 | 117949.0 | 121654.1 | 125526.5 | 113201.1 |
| Daghligh Shirvan | 4971.2 | 7180.1 | 8903.4 | 9289.4 | 9577.5 |

Source :www.stat.gov.az

Table 19 shows the production of tomatoes. As can be seen from the table, Pomegranate production is at a high level in almost all regions of the country. Pomegranate in the Aran economic region and Ganja-Gazakh region at high level are.

After analyzing the main products in Azerbaijan, one can conclude that in spite of the developmental products in the country, the Azerbaijani government should implement measures and prepare projects to bring these products to the world market and bring more income to the country. Many state programs have been developed and implemented in this area. If we look at the government support of other governments in the field of agriculture and the protection of the industry by the state, the most suitable for Azerbaijan is the measures that China and its neighboring country have done to support Turkey in this area. Like China, Azerbaijan is also able to reduce taxes on agriculture, direct subsidies, price support, policy credits, infrastructure costs and inter alia, the implementation of such measures to support agriculture, including intergovernmental transfers, will lead to the country's development in this area. Includes pledge subsidies, purchasing prices, and direct payments to farmers here. Turkey supports agriculture with tools such as product support, access support, and low-interest credit applications. With the same measures being implemented in Azerbaijan, positive results will be achieved.

According to Azernews, Azerbaijan in 2017, compared with 2016 exported more agricultural products. In 2017, fruit and vegetable products exported \$ 306.5 million. This figure exceeds the volume of exported goods in 2016. When analyzing these two years, it can be seen that the production of agricultural products increased by 2.8%. Most exported products have increased tomatoes, fruits and vegetables, and grapes. Looking at the fact that Azerbaijan's exports to the world market can be seen, most exporting Russian federations are Georgia and other CIS countries.

According to statistics, agricultural productivity has increased in recent years. The highest productivity falls on the Aran economic region, but the Nakhchivan Autonomous Republic. The next places belong to the Absheron economic zone and Ganja-Gazakh region. There are also a number of associations in the agrarian sector in Azerbaijan. One of them is Ganja Agribusiness Association (GABA) located in Ganja. (GABA)- Ganja Agribusiness Association's main mission is to promote sustainable development of the country's agrarian sector through human potential development, knowledge and resource transfer. This organization has supported small entrepreneurship development in Azerbaijan since 1999. In Azerbaijan GABA is the main organization promoting organic agriculture. GABA expands Azerbaijan's agricultural potential in regions farmers are already active and started organic farming. GABA provides information and instruction to farmers. Choosing organic agriculture gives farmers the option to set up a good sustainable production system without needing a lot of external input. Many farmers are therefore increasingly interested in organic farming. GABA names organic and sustainable agriculture, biodiversity and nature conservation, marketing, advocacy and community development as the key objectives. GABA has had significant and successful project management experience. One of the main goals for Azerbaijan is to overcome economic dependence on oil and ensure economic development in rural areas. The largest share of employment in agriculture (40% of total employment in agriculture and only 1% in the oil sector), despite the third largest oil and industry sector in the economy of Azerbaijan. GABA, in turn, plays a major role in the country's economy.

Chapter 3. Main directions of expansion the participation of Azerbaijan in international market of agricultural goods

3.1 Escalation of international marketing of Azerbaijani agricultural goods within the framework of “Made in Azerbaijan” concept

Recently, “Made in Azerbaijan” has taken many steps. I would like to note that Azerbaijan has already become a exporting country from the importing country. Bu, kənd təsərrüfatının müxtəlif sahələrində əksini tapmışdır. President of the Republic of Azerbaijan, Ilham Aliyev, signed a decree to encourage the promotion of the *“Azerbaijan production”* brand in foreign markets. This has become a turning point for stimulating entrepreneurship in the country. However, there are a number of considerable steps for the business. First of all, Azerbaijani products should be of high quality to carry this name. This is a prerequisite for the whole workflow. Secondly, foreign markets and opportunities should be analyzed and purposeful steps need to be taken. Third, international certificates should be obtained for the products produced in the relevant business areas. Local businesses can find partner companies in host countries to manage processes. National companies must actively participate in exhibitions and festivals held abroad. This will allow them to get acquainted and will provide products to an international audience. One of the most successful companies, Azersun Holding, is Azersun Holding, which has a high international reputation – with high quality export products. The company has made major decisions and steps. All in all, it should be said that all the products are handled with care and meet international standards. Therefore, the leading company, Azersun Holding, makes significant contributions to the country’s export potential. In recent years, the company has integrated its activities on the basis of new factories and factories in local and foreign markets, as well as innovative products with a wide range of new products.

The potential of Azerbaijan’s agricultural sector is quite promising. For economic development and diversification, “Azersun Holding” conducts large-

scale reforms and activities in the agricultural sector. Azersun Holding, an Azerbaijani company, is actively involved in import and export dynamics in the country. Examples of “**AzGranata**” and “**AzNar**” are another company. These companies have so far achieved many achievements. These companies have a great role in creating “**Made in Azerbaijan**” brand. Some unnamed companies also have an indispensable role in the development and promotion of products in the agricultural sector of Azerbaijan.

There are opportunities for development of agrarian sector in Azerbaijan. Using these opportunities, it is possible to achieve development through competitive products of the country. For this, it is necessary to expand the country’s marketing. With the promotion of international marketing of Azerbaijan, we can identify products in foreign markets. While there are a number of measures to be taken, there is still a need for more measures to develop this field’s marketing. First of all, let’s look at the situation of domestic markets.

Internal market means the transportation, storage, distribution, consumption and security of products and services within the country’s borders. It is possible to get comfortable information on consumer demand and marketing trends in the domestic market. Domestic markets are considered less risky and require less financial resources than international markets. By carefully analyzing the internal databases, the agro will provide an opportunity for domestic demand and competitiveness to be increased. [№: 25. Page 44]

Another factor of the increase in the marketing of agricultural products in Azerbaijan is the existence of wholesale and retail markets. Increasing productivity in the agrarian sector by promoting wholesale markets in the country. Wholesale markets play an important role in ensuring equity supply and pricing, unlike retail markets. By increasing wholesale markets, it also reduces marketing costs in the domestic market. Currently, there are 63 wholesale markets and 87 retail markets in Azerbaijan. In retail markets, consumers can easily access the markets. Low marketing margins allow consumers to buy products at lower prices.

Table.20**Number of wholesale and retail markets for farm commodities**

| Type of market | City | Number of markets |
|--|--------------|-------------------|
| Wholesale market for livestock | Baku | 10 |
| | Sumgayıt7 | 3 |
| | Other cities | 23 |
| Wholesale market for fruits and vegetables | Baku | 3 |
| | Other cities | 27 |
| Retailer markets for all farm commodities | Baku | 16 |
| | Ganja | 6 |
| | Shamkir | 4 |
| | Astara | 3 |
| | Göyçay | 3 |
| | Xaçmaz | 2 |
| | Sumgayıt | 2 |
| | Goranboy | 2 |
| | Tovuz | 2 |
| | Gazakh | 2 |
| | Kürdemir | 2 |
| | Jalilabad | 2 |
| | Masallı | 2 |
| | Other cities | 39 |

Source: www.fao.org

In the table, wholesale and counterfeit sales on separate regions of Azerbaijan information on the number of markets. Looking at the table carefully, these markets can be seen all over the country. In many cities, there are more wholesale and retail markets.[№: 25.Page-56]

It can also be noted that some factors in the agricultural sector are consumers affect their needs. One of these factors is the growth of the population and the growing demand. As the population of the country increases, consumption is growing at a certain point. Most of the population live in urban areas, while the rest live in rural areas. The demand for products depends on population growth, household income, product cost, consumer taste and expectations. However, because agrarian products are important products, the population growth rate is more influenced by the student. As the population increases, demand for agricultural products is growing.

One of the measures taken for the development of agriculture in Azerbaijan the concept of “environmentally friendly products”. Finished products believe that consumers are organic and clean. How can you increase the potential of local markets for organic products? First of all, it should be noted that these products are sold in wholesale and retail markets as well as at small grocery stores. Although these products are not certified, there is mutual trust between producers, traders and intermediaries. Consumers have more confidence in the crops grown in the eco-friendly farms. Some imported organic products are being sold in supermarkets. Bio branded organic dairy products imported from Germany are being sold in supermarkets in Baku. Other similar imported organic products are sold in Azerbaijan and people have confidence in imported products. Also, if the population believes that the products are of high quality, they are ready to pay higher prices for these products, even though they have lower incomes. In this regard, it is necessary to increase confidence in local products in the field of agriculture. For this you need to pay attention to the following:

1. We need to improve the quality of our products. First of all, it is necessary to develop the knowledge and experience of farmers in this area and to use new technical means.
2. To promote domestic products both on the foreign markets and in the domestic market it is important to carry out ream measures to increase.[№: 25.Page-57,58].

One of the steps taken to boost the international marketing of Azerbaijan's agricultural sector is the creation of the country's e-commerce portal. Azexport.az portal was created on 21 September 2016. The main mission of this portal is to provide information about products of Azerbaijani origin and to ensure that they are a useful platform for sale on the domestic and foreign markets. This portal has been instrumental in increasing the export potential of the country's agricultural products. Through its Azexport.az portal, it offers its products anywhere in the world to buyers. Most of the export potential of Azerbaijan falls on Russian markets. With the creation of this portal, other foreign markets can also be acquainted with Azerbaijan's agricultural products. Provides the direction of export of products from Russia and other neighboring countries to other lucrative markets in the world. In this case, this portal introduces "Made in Azerbaijan" brand to the whole world.

Azerbaijan has also participated in several agricultural projects.

1. PAPA-The Participatory Agriculture Project in Azerbaijan
2. Agricultural Competitiveness Improvement Project and etc.

PAPA-The Participatory Agriculture Project in Azerbaijan can be marked. This scheme was based on a grant agreement with USAID until June 2003. \$ 2.99 million for the planned 39-month period of the project. About 80 percent of them are provided by USAID, and 20 percent by Land O'Lakes or other partners. The project focuses on two sectors of the agribusiness economy: livestock and nuts. Geographically, PAPA's activities are concentrated in northern Azerbaijan, including Oghuz, Gakh, Gabala, Balakan, Shaki, Zagatala and Guba. The project activities and budget focused on three specific areas. Approximately 40% of the project was spent on the development of the community within the overall budget, livestock, dairy and hazelnut sector. The Union of Azerbaijani Dairy Farmers also participated in this project. This union has 26 trilogy and is one of the strongest associations established within the framework of the project. Members of this association have about 70% of all processed milk products sold in the country. This

project also organized three Regional Livestock Farmers' Unions. This project has shown Azerbaijan's good influence. [№: 15.Page-3]. Another project in Azerbaijan is the Agricultural Competitiveness Improvement Project. The purpose of this project is to facilitate the access of agricultural producers to markets by strengthening the sanitation and phytosanitary services, increasing the value chains and providing financial services to agribusinesses. The project implementation period covers the years 2014-2018 and the budget is \$ 53.25 million. Goals:

- Agrobiznes value chain development
- Investment support for entrepreneurship development
- Seed sector development

The sustainable agriculture of Azerbaijan has decreased since the rapid expansion of oil factors. In addition, soil degradation has led to a decline in productivity by 20-30%. Soil erosion and sanitation have become even worse for the country after irrigated agriculture. Politicians call for increased co-operation with research organizations such as the International Center for Agricultural Research (ICARDA) in land areas to ensure sustainable agriculture and food security in Azerbaijan. Deputy Minister of Agriculture of Azerbaijan Ilham Guliyev underlined that *"the main focus of the sector is to increase productivity and to achieve sustainable development thanks to it"* Azerbaijan is at one stage in its capacity to maintain its development potential, with the development of traditional agricultural products and favorable soil conditions dominates the production of higher value products. Agriculture is rapidly developing in Azerbaijan and this can be further developed.

- Management of natural resources
- Research-based initiatives
- Technological advancements

Technical innovations have a significant impact on the agro sector in Azerbaijan. Azerbaijan has cooperated with a number of research institutes in this area. For example, cooperation with Azerbaijan's ICARDA and the International Agricultural Research Group (CGIAR) has resulted in improvements in the cultivation of wheat,

50 percent of the land, 20 percent for chickpea and lentils, and 6 percent for barley. Conservation agriculture (5)- is also a solution for sustainable agriculture in Azerbaijan. This method supports minimal crop and crop speed. The protection of agriculture leads to high productivity of agriculture, production costs and improvement of resources. The Azerbaijani government has created several targets for the production and processing of agricultural products. *Some of the goals of Azerbaijan for 2020:*

- Establishment of 20,000 jobs in the agricultural sector
- Establishment of 25 small and medium enterprises
- Development of 100 investment products
- Specialization of 200 farmers on agricultural export
- Five "green markets" and 50 "farm stores"

It is thought that sustainable agriculture in Azerbaijan will increase food security, resource conservation and economic development.

Promoting Azerbaijan's Agricultural Productivity. One of the most important goals for the development of this field is to educate and train professionals. Most farmers in Azerbaijan still have limited information on agricultural technology and marketing. Products can be further improved with agricultural practices. Agricultural Development and Credit Project (ADCP) in Azerbaijan creates a national network of experienced consultants [№: 21.Page-3]. The main objective of this loan project is to increase agricultural productivity and income by increasing access to agriculture and small and medium-sized enterprises to agricultural and financial support services, and agricultural support services. There are some agricultural programs:

1. *Share of common development aid in agriculture..* According to the 2008 World Development Report, the share of agriculture in Azerbaijan's official development aid was only 6 per cent of total loans (all donors). Such a small percentage is in the overall position of the agricultural sector and its key role in the development of Azerbaijan.

2. *The bigger role of agriculture in lending.* Summarizing this subsection, the bank's portfolio would have been given to the sector's strategic importance. But absorptive capacity in Azerbaijan constrained the rate of expansion of the Bank's agricultural support activities. Nevertheless, there was some scope for faster scale-up and more investment in agriculture. Based on completed and largely successful piloting, the scope is now widening and prospects for significantly larger lending to agriculture, or for closely related services such as rural roads, are growing.

3. The agricultural lending program overall. As indicated above, each project has been useful in itself. In concept and in most aspects of design they have been relevant and have implemented well in most respects. Based on IEG reviews at completion or, for ongoing projects, the Region's assessments during supervision, all of the IBRD/IDA projects are rated satisfactory. [№: 21. Page-10]

Among the most important products in the country are tobacco, cotton, potatoes, grapes, vegetables, fruits (including subtropical tobacco) and tea. In addition, cucumbers, tomatoes, cabbage and eggplants and various types of cannabis canned. Fields planted to each product are shown in Figure 5 and the production of each product is shown in Figure 6. From 2001 to 2010, the cereals increased by 27%, 33% and 7% of vegetables, fruits (excluding melons) and vegetables (including corn). The production of grain has changed over the past decade and reached 1%; From 2001 to 2010 fruit production increased by 58% and vegetables by 35%.

After Azerbaijan gained its independence, free entrepreneurship began to develop in the country, and it affected agriculture. After gaining independence, Azerbaijan carried out agrarian reforms in the agricultural sector. Successful reforms in the country required the study of international experience in the context of new economic relationships, the application of modern technologies and the way of working methods and practical experience of various samples. The research, as an element of agrarian reform, plays a major role in the implementation of pilot projects. In 1994-2004 he has implemented the international experience of the republic in agrarian sphere, technologies, market economy and ownership skills,

following projects and programs: 1. TACIS Program: "Organizational Assistance to the Ministry of Agriculture", "Assistance to Family and Trade Farmers", "Privatization of Food Products Sector in Azerbaijan", "Regional Agrarian Reform-1", "Agrarian Area, Organization of Agricultural Credit Organizations", Regional Pilot Agribusiness aid associations";

2. Projects of the World Bank: "Creation of Numerous Agricultural Enterprises", "Agricultural Development and Crediting";

3 "Development of potato seeds and its basis in Azerbaijan" and "Creation of Artificial Fertilizing Services" projects within the Netherlands PSO program;

4. International Fund for Agricultural Development (IFAD) and "Food Security" European Commission project "Mountainous and High Mountainous Areas Development Project"

5. Increasing food products in the Republic of Azerbaijan - 2KR project by the Japanese government;

Azerbaijan produces various products with excellent climate and long-term growth. (potatoes, carrots, carrots, cabbage, tomatoes, cucumbers, grapes, olives, lemons, dough, watermelon, watermelon, raspberries, strawberries, currants, onions and greens), grain (wheat, corn, barley) hazelnut is of high quality, has minimal unified production costs and has a strong brand name in the post-Soviet space. **Azersun Holding, MKT, CTS Agro, Guba Tinning Factor, M-Pro**, Azerbaijan Dairy Corporation and Gilan Holding have switched to European equipment and are interested in buying US equipment. Additionally, AzNar, a pomegranate producing company, has worked with a direct US company to distribute its products in the United States.

3.2 Improving the management of agricultural market and it's infrastructure

Rural areas are closely linked to agricultural development and alternative employment infrastructure. Energy, water and gas supplies as well as weakly developed communications and transport systems hinder entrepreneurship development. The above problems are planned to be eliminated through investments and privatization, especially through the PIP. Most of the country's agriculture depends on irrigation and drainage systems. Public investments are needed to restore most of these systems and make them more efficient. However, efficiency and efficiency also require good management and control of irrigation and drainage infrastructure. Therefore, the "Water User Support" project will further expand in this regard. It is important to apply cost recovery systems to ensure sustainability of public investment. Until the full cost recovery is achieved, it is necessary to allocate public money for the maintenance and maintenance of the infrastructure of the state. At present, our agricultural sector has some problems. These problems are related to infrastructure:

- Problems continue in infra-structure, especially in the most remote rural areas (roads, water supply, irrigation system, drainage system)
- Weak links in the agricultural market and data limitation
- lack of agricultural advisory services
- There are few specialists in the agrarian sector
- Limited loan granting and high interest rates for farmers

There are two types of credits in the agricultural sector in Azerbaijan:

1. Commercial loans issued by some banks

2. Soft Loans

1. Commercial loans provided by some banks are granted on a variety of terms. Until the end of 2017, 47 non-bank credit organizations and 32 commercial banks have been granted loans.

2. Soft loans are provided for the following purposes:

- For the production and processing of agricultural products;
- For the purpose of rehabilitating irrigated lands in agricultural fields;
- Loans for livestock farms;
- In the agrarian field is used different techniques and chemicals. Loans for them.

In 2004, the State Agency for Agricultural Credits was established in Azerbaijan. The purpose of this agency is to provide loans to entrepreneurs in the agrarian sector. Through this agency, various projects and programs in the agricultural sector are financed by state funds. Grant projects and pilot projects have been implemented through this tool. This agency also cooperates with international financial institutions and global, regional organizations and other organizations. [№23. Page 31-33]

Table 21.

Credit types of agricultural sector in Azerbaijan

| Type | Amount(Manats | Period | Grace period of loan repayment (in this period only interest is paid),month |
|--------|----------------|---------------|---|
| Micro | <1000 | up to 2 years | 12 |
| Small | 1000-20 000 | up to 3 years | 18 |
| Medium | 20 000-50 000 | up to 3 years | 18 |
| Large | 50 000-200 000 | up to 3 years | 24 |

Source: agrocredit.gov.az

As can be seen from the table, various types of loans are issued. Micro loans, small loans, medium and large loans can be shown. These loans are issued from 12 to 24 months.

Table.22**Agricultural Credits (in manats)**

| Year | Number of projects | Amount of loans |
|-------------|--------------------|-----------------|
| 2011 | 205 | 16,548,650 |
| 2012 | 227 | 15,007,000 |
| 2013 | 302 | 17,730,000 |
| 2014 | 406 | 14,785,000 |
| 2015 | 540 | 15,720,000 |
| 2016 | 233 | 11,432,900 |

Source: State Agency on Agricultural Credits under the Azerbaijan MoA

Table 22 shows the agricultural sector from 2011 to 2016. The amount of loans issued by the State Agency for Agriculture is shown. Also in the agricultural sector are projects for 2011-2016; the number is shown.

Measures should be taken to address all these problems. In 2016 a strategic roadmap was developed by the decree of the President of the Republic of Azerbaijan.

Strategic roadmap has been developed and pursued for the years 2016-2020. These goals include:

- Strengthening institutional capacity to ensure food security,
- Increasing production capacity of both the domestic and foreign markets of competitive agricultural products and processing industry,
- Facilitating financing opportunities in the agricultural sector, improving financing mechanisms, developing agrarian insurance, and assisting in attracting investments in agrarian sector,
- Development of science, education and consulting services in agriculture,

One of the great successes in the agricultural sector in education was the establishment of a Master Program in this area within the university between the Ministry of Agriculture and ADA University in Azerbaijan. In 2016, 30 students have been trained in this program at ADA University. This program has begun to

expand the training of highly qualified personnel in various fields of agriculture.

[№: 10. Page 8]

Sustainable development of agriculture will depend on the development of human resources through the applied research aimed at increasing the potential for professionals in this area. It is also presented as a potential improvement and modernization and quality of technical education. Agrarian Academy and Agrarian Research / Research Institutes, cooperation with universities abroad, and exchange programs between students and researchers in agricultural science.

The state program "in 2004-2008 Socio-Economic Development of Regions of the Republic of Azerbaijan " was approved by the Decree of the President of the Republic of Azerbaijan dated February 11, 2004. The purpose of this program is to accelerate the development of the non-oil sector, in the agrarian sphere expansion of reforms, increasing employment, poverty reduction, infrastructure modernization, favorable investment climate, modern businesses and new jobs. At the same time, in order to accelerate socio-economic development in the regions additional orders have been signed. Comprehensive implementation of measures aimed at the development of the non-oil sector in Azerbaijan will be possible through the application of relevant economic mechanisms that will accelerate the production of export-oriented products. Development of the country's export potential, extraction of Azerbaijani goods and services to foreign markets, creating favorable conditions for this purpose and ensuring effective integration of the national economy into the world economy will be future priority areas. The following measures are planned to effectively implement the export potential of the country, create a healthy competitive environment in the local market, ensure the protection of consumers' rights, and bring the standardization and metrology area to international standards:

- stimulate exports in the private sector and increase the range of export-oriented products;

- To strengthen the position of national producers in foreign markets and to take appropriate measures to protect their rights;
- Further improvement of services in the field of trade, catering and home service, as well as the implementation of measures to protect the local market within the WTO principles;
- involvement of entrepreneurs and consumers in the development of competition;
- Strengthening the quality and safety of consumer goods.

Reforms in the agricultural sector will be continued and special attention will be paid to the development of mountainous regions. Areas of development of the agricultural sector are as follows:

- improvement of the legal and regulatory framework, scientific and methodological basis and personnel training system in the agrarian sector;
- to develop related production of raw materials and processing areas and to increase the production of competitive products in the agricultural sector;
- to increase the financial support of the agrarian sector;
- Strengthening the material and technical basis of the agrarian sector;
- Support the new structures that serve the agrarian sector and deal with market principles;
- Improvement of irrigation and land reclamation in agriculture;
- to ensure efficient use of land and water resources.

There are some factors that affect Azerbaijan's agricultural products

has a positive and negative impact on its competitiveness. These factors include:

- 1.Availability of favorable climatic conditions in Azerbaijan;
- 2.Sufficient workforce;

The geographical position of Azerbaijan. Close to the international markets is close to Russian markets as well as European and Middle Eastern markets;

A number of opportunities for the development of the agricultural sector in Azerbaijan available:

- The agricultural processing industry is developing in Azerbaijan. With the development of the manufacturing industry, entrepreneurs can process their products and sell those products;
 - Organic agriculture has been growing in recent years. With increasing global demand, increased demand for organic products will lead to the development of organic farming and agricultural exports will increase;
 - As noted, Azerbaijan has close proximity to major markets. (Europe, Russia, Middle East markets). The further expansion of exports will increase the exportability of agricultural products;
 - Development and recognition of regional brands. For example, pomegranates for Goychay, hazelnut for Zagatala, dates for Shamkir;
- Along with these positive factors, agriculture has weaknesses. These vulnerabilities create certain males for the sector's development:
- Low productivity in some products. Particularly in plant products there is low productivity;
 - There is no need for co-operation between farmers. There is a need to create different forms of cooperation between farmers. Pomegranate producers for marketing are marketing corporations and so on.

There are other dangers besides the negative aspects of agricultural development that are more dangerous for the sector:

1. Soils desertification and irregular irrigation;
2. Use of crop areas for non-agricultural purposes; [№: 11. Page 40]

The Strategic Road Map on Production and Processing of Agricultural Products in the Republic of Azerbaijan has identified 9 targets. Some of these targets have been executed, but some have not been implemented. From these targets, simplification of access to finance was not achieved at 54%, and improvement of efficiency of state regulation of agrarian sector and improvement of business environment did not exceed 70%. Although the development of information advisory services in the agricultural sector is crucial, 62% have not

been implemented, but the remaining 38%. Generally, 11% of the targets set out in the strategic road map have been executed and 40% have begun. In order to improve the supply of agricultural equipment manufacturers with machinery equipment in 2017, “Agroleasing” OJSC has supplied 5103 units of equipment to producers in the regions

Development of agriculture is important for the following reasons:

1. Food security, 2. Potential for exports and economic diversification,
3. The majority of economically active people are involved in agriculture.

The economy of agricultural subsidy reforms. Large-scale subsidies to the agricultural sector are a common feature of the socio-economic development policy in emerging and developed economies. Above all, these subsidies were created to insure fair living standards for agricultural producers, as well as to provide fairly reliable, stable and safe food supplies to all consumers. An economic analysis of reforms related to these subsidies is being carried out. In line with the basic microeconomic theory, direct agricultural subsidies can be adversely affected by the agricultural sector. [№: 39. Page-23]. Providing investment breakthroughs by providing tax breaks or soft loans for the recognition of the above-mentioned competitive products in agriculture beyond recognition and recognition in other countries should be created. Figures used in agriculture during the last 10 years based on statistics increased. However, the number of measures being taken in this sector is still at stake. Among the most important factors that hinder the good economic outcomes are small land plot size; the necessity to develop the land market; pressure on common pasture lands; lack of input, such as seeds, water and equipment; lack of market places; weak transport, irrigation efficiency and other key elements of rural infrastructure; the absence of a loan and the absence of collateral for the loan. Generally, first of all, good governance of the country's natural resources is important. This requires better delivery of information to local farmers. Special centers should be created to deliver this information Experienced farmers will be trained to improve their technical and management skills in these

centers. This information is a diverse approach to local soil and agro-ecological condition and will cover the experiences. In order to facilitate farmers' work in Azerbaijan, it is necessary to increase the number of technical and managerial units that provide information on micro-loans. For these purposes, such centers are planned to be built in the country. Centers are based on existing experience of both public and private services, and strengthen connections with national and regional research and academic institutions. Favorable conditions will be created for institutional capacity building of rural microfinance such as credit unions and microcredit banks. In order to improve the financial provision of farmers, it will also be possible to increase the state transfers to agriculture. [№: 29. Page-93,95]

The reforms carried out by the government of Azerbaijan in the agrarian sphere cover the following measures:

1. Increasing the efficiency of land resources;
2. establishment and development of agricultural infrastructure;
3. creation of necessary conditions for crediting of agricultural products;
4. creating economic incentives for any investment in rural areas; [№: 5. Page-25]

In addition to the economic reforms in the agricultural sector, it is necessary to mention some important points. Thus, the development of the non-oil sector is a key priority for the future development of the Azerbaijani economy. In this regard, agrarian sector has been one of the main priorities for the development of the non-oil sector due to recent measures in the field of agriculture, rapid development of cotton, tobacco and silkworm, the increase of Azerbaijan's investments in this field, and favorable conditions for the recognition of local products abroad. Several state programs have been approved and executed. Important steps have been taken to expand exports, introduce intensive production methods and establish Agro Parks. In addition, it is one of the key points in improving the future supply of financial resources to producers and ensuring that they are properly risks's evaluated. [№: 10. Page 3,4]

There are also investment companies in Azerbaijan that have invested in various sectors of the country to promote the country's products both in foreign markets and in the development of this field. One of these investment companies is AS Group Investment Company. This company created AS Agro agricultural business in 2016 due to investing in the agricultural sector. Not only Azerbaijan, but also one of the leading companies in the world. It cooperates with qualified personnel and small and medium-sized enterprises, which can be professional in the company. The main investment direction of this company is Azerbaijan, Georgia and other CIS countries. However, this company is considering investing in other regions.

Absheron-Agro park also plays an important role in the Absheron area for the agrarian sector. In this agro park, there are greenhouses for small and medium enterprises. It should be noted that "Absheron Agro Park" is a pilot project and a modern greenhouse, covering more than hectare, has been built in its territory. This project was launched in 2016. This project will evolve into entrepreneurship development in the Absheron peninsula. The AS group investment has a role in the Absheron Agro Park. These are:

1. Access of Azerbaijani products to foreign markets
2. Attracting domestic and foreign investors to the country
3. Investing in a logistics center to carry out other operations in the refrigerator store.

Absheron Agro Park development concepts are as follows:

- High level logistics services;
- Creating a large scale agrarian chemical consciousness;
- Increasing export potential and providing easy access to the world market;
- Application of technologies meeting the quality standards in the production of products;

Establishment of Absheron Agro Park will result in the following results:

1. Expansion of export coverage;

2. Replacement of imported products of domestic products of the country;
3. Development of qualified farmers in the agrarian sector;
4. High productivity of grown products;
5. Acquisition of professional experience by employing Absheron Agro Park;

Creation of such parks in the future in other regions of the country will help to make agriculture a promising area.

Conclusion

It is clear from studies that agriculture is a large part of Azerbaijan and plays an important role in the country's economy. Thesis review also included statistical indicators on agriculture in the world as well as the agricultural statistics of Azerbaijan. The situation of imports and exports among the countries in which different agrarian products are considered in different countries, as well as the trade relations between them have been hampered by trade balance. In the same way, the statistical indicators on agriculture in Azerbaijan were reviewed in the world as well. The Statistical Committee's website was used as the main source of information on statistical indicators. Azerbaijan's agriculture was first considered. From the moment the country gained its independence, the development dynamics have been recorded so far. Then, Azerbaijan's GDP has been analyzed in recent years. The reforms and programs implemented in this area were recorded in the country. Credit programs have been created in the country for the development of agriculture. Azerbaijan has been cooperating with international organizations around the world and has participated in the projects of these organizations and has also facilitated the implementation of several international projects in the country. One of these projects is "PAPA-The Participatory Agriculture project in Azerbaijan". The use of the latest technologies in companies such as Azersun Holding, MKT, CTS Agro, Guba Tinning Factor, M-Pro, Azerbaijan Dairy Corporation and Gilan Holding has been noted in Azerbaijan. Azerbaijan's relations with other countries, especially with neighboring countries, were discussed. Statistical Committee's website reviews statistics on agrarian products in Azerbaijan. The productivity of these products in both Baku city and separate economic regions has been considered. The productivity of some products in the region was examined and several competitive products (pomegranate, tea, grape, and tomatoe) were selected. When choosing these products, Balassan's index for comparative advantage was used. Trade dynamics of each import and export

potential with other countries were recorded. Some companies have been investigated for these products. It is noted that the policy followed by China and Turkey in the agricultural sector of Azerbaijan is appropriate.

The country has enough resources to develop the agrarian sector. By using these opportunities, we can achieve agrarian development owing to competitive products. To do this, we need to work on expanding the country's agrarian sector. In other words, there is a need for development of the country's agrarian market, though there is a sufficient resource. During the study, the domestic market of Azerbaijan was investigated. In order to increase productivity in the agrarian sector wholesale and retail markets were considered, and each of them was highlighted.

Generally, a number of government programs have been implemented to increase the development of this sector. Also, agricultural projects have been developed and other organizations have signed some successful projects in Azerbaijan. However, in order to overcome some of the problems existing in the country, it is necessary to increase productivity. For this reason, innovations in the field of agriculture can be applied. At present, state subsidies are also low in this area. Lack of vocational and advisory services both in the government and the private sector makes it difficult for the natural resources to be used effectively, so land use is more and more inadequate. Training of practical skills and increasing state subsidies to farmers operating in this area will have positive results in the agrarian sector in the future. It is important for the establishment of corporative farms. Some proposals were made to increase productivity in Azerbaijan's agricultural sector. In order to achieve this goal, it is important to train professionals first of all. At present, farmers in Azerbaijan have little knowledge of agricultural technology and marketing. Later on, the Agricultural Development and Credit Project (ADCP) was recorded and this program facilitates access to finance for small and medium-sized enterprises in the country. This program plays an important role in obtaining income and increasing productivity in agriculture. It

was also recorded in Agro parks created in the country. It was said that the Absheron Agro Park played an important role in the country's future agricultural development. Of course, the role of the AS investment group here is undeniable.

Finally, it can be noted that in the country there is a concept of “Made in Azerbaijan”, it should increase its relations with other countries in order to introduce it to the world. In addition, the state should increase the number of subsidies in this area to increase both productivity and quality of its brand products. It should strengthen its relationships with international organizations to promote its products on the world market. It should increase the control over the application of the adopted state programs and develop the knowledge and skills of the agricultural workers.

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Xülasə

Kənd təsərrüfatının Azərbaycanın böyük bir hissəsi olduğunu və ölkənin iqtisadiyyatında mühüm rol oynadığı tədqiqatlardan aydın olur. Dissertasiyanın nəzərdən keçirilməsi zamanı həmçinin, kənd təsərrüfatının statistik göstəriciləri ilə Azərbaycanın kənd təsərrüfatı statistikalarını da əhatə etmişdir. Müxtəlif ölkələrdə fərqli aqrar məhsulların nəzərdən keçirildiyi ölkələr arasındakı idxal və ixrac vəziyyəti, ticarət əlaqələri ticarət balansı ilə maneə törədilib. Eyni şəkildə, Azərbaycanda kənd təsərrüfatı üzrə statistik göstəricilər də dünya səviyyəsində nəzərdən keçirildi. Bu sahədə həyata keçirilən islahatlar və proqramlar ölkədə qeydə alınıb. Ölkədə kənd təsərrüfatının inkişafı üçün kredit proqramları yaradılmışdır. Azərbaycan bütün dünyada beynəlxalq təşkilatlarla əməkdaşlıq edir və bu təşkilatların layihələrində iştirak edir və ölkədə bir sıra beynəlxalq layihələrin həyata keçirilməsinə də kömək edib. Bölgədəki bəzi məhsulların məhsuldarlığı araşdırılmış və bir neçə rəqabətli məhsul (nar, çay, üzüm və pomidor) seçilmişdir. Digər ölkələrlə hər birinin idxal və ixrac potensialının ticarət dinamikası qeydə alınıb. Bu məhsullar üçün bəzi şirkətlər araşdırılmışdır. Qeyd olunub ki, Çin və Türkiyənin Azərbaycanın kənd təsərrüfatı sektorunda izlədiyi siyasət uyğundur.

Nəhayət, qeyd etmək olar ki, ölkədə "Made in Azerbaijan" anlayışı var və bu, dünya ilə tanış olmaq üçün digər ölkələrlə əlaqələrini genişləndirməlidir. Bundan əlavə, dövlət öz məhsuldarlığını və marka məhsullarının keyfiyyətini artırmaq üçün bu sahədəki subsidiyaların sayını artırmalıdır. Bu, qəbul edilmiş dövlət proqramlarının tətbiqi üzərində nəzarəti artırmalı, kənd təsərrüfatı işçilərinin bilik və bacarıqlarını inkişaf etdirməlidir.

Резюме

Из исследования видно, что сельское хозяйство является значительной частью Азербайджана и играет важную роль в экономике страны. В ходе обзора диссертации он также включил статистику сельского хозяйства Азербайджана в статистику сельского хозяйства. Импортная и экспортная ситуация между странами, где различные аграрные продукты рассматриваются в разных странах, а торговым отношениям мешает торговый баланс. Аналогичным образом, статистические показатели по сельскому хозяйству в Азербайджане также были рассмотрены во всем мире. Реформы и программы, осуществляемые в этой области, были зарегистрированы в стране. В стране разработаны кредитные программы развития сельского хозяйства. Азербайджан сотрудничает с международными организациями по всему миру и участвует в проектах этих организаций и помог осуществить ряд международных проектов в стране. Была изучена продуктивность некоторых продуктов в регионе и выбраны несколько конкурентоспособных продуктов (гранаты, чай, виноград и томаты). Зарегистрирована динамика импорта импортного и экспортного потенциала каждой из других стран. Для этих продуктов были исследованы некоторые компании. Было отмечено, что политика, проводимая Китаем и Турцией в сельскохозяйственном секторе Азербайджана, находится в одном ряду.

Наконец, можно сказать, что в стране есть концепция «Сделано в Азербайджане», и ей необходимо расширить свои отношения с другими странами, чтобы познакомиться с миром. Кроме того, государство должно увеличить количество субсидий в этой области, чтобы повысить производительность и качество продукции бренда. Он должен усилить контроль за применением принятых государственных программ и развивать знания и навыки сельскохозяйственных рабочих.

Report

It is clear from studies that agriculture is a large part of Azerbaijan and plays an important role in the country's economy. Thesis review also included statistical indicators on agriculture in the world as well as the agricultural statistics of Azerbaijan. The situation of imports and exports among the countries in which different agrarian products are considered in different countries, as well as the trade relations between them have been hampered by trade balance. In the same way, the statistical indicators on agriculture in Azerbaijan were reviewed in the world as well.

The actuality of the subject. While the economy of Azerbaijan is currently dependent on oil, there is a sufficient resource for the development of the non-oil sector in the country. Important role of the agricultural sector plays an important role in the development of non-oil sector of Azerbaijan.

Object and subject of the thesis. The object of thesis is Azerbaijan's participation in international of agricultural products. The subject is ways of increasing the export potential of Azerbaijan's agricultural sector.

Scientific innovation of the master dissertation. The main innovation of my scientific work is to ensure Azerbaijan's branded products are recognized on the world markets by developing competitive products through improving Azerbaijan's international marketing in agrarian sphere and improving infrastructure.

The contents of the thesis are compiled logically and include the introduction, chapter 3, results, suggestions and a list of literature. The introduction gives the relevance of the subject, object and subject, scientific innovation and methodology

The first chapter reviews the international market and provides general insights on agriculture. In some countries, the export-import dynamics of agriculture is shown worldwide. By governments of some countries of world have taken measures to support and develop the agricultural sector was noted.

The second chapter examines the evolution of the historical development of agriculture in Azerbaijan. The country's export-import dynamics and statistical data were recorded there. Following the research, competitive products from Azerbaijan's agricultural products were selected. The expediency of implementing measures appropriate to Azerbaijan was emphasized on the basis of state-owned groups in the field of agriculture in the countries of the world.

The third chapter outlines the state of the infrastructure for the work to be done and how the implementation of the "Made in Azerbaijan" conception of our competitive products was recorded worldwide. Also within the concept of Made in Azerbaijan ways to increase the international marketing of Azerbaijani products are shown. While studying this chapter, strategic road map on national economy and key sectors of economy of Azerbaijan was used.

Finally, it can be noted that in the country there is a concept of "Made in Azerbaijan", it should increase its relations with other countries in order to introduce it to the world. In addition, the state should increase the number of subsidies in this area to increase both productivity and quality of its brand products. It should strengthen its relationships with international organizations to promote its products on the world market. It should increase the control over the application of the adopted state programs and develop the knowledge and skills of the agricultural workers.