

Creation of Logistics Systems in the Agricultural Sector

Yusif Humbatov

Doctor of Economics, Associate professor

Azerbaijan Technological University

Ganja, Azerbaijan

humbatov-1964@mail.ru

Abstract—When we look at the experience of countries developing through a market economy, it is observed that the creation of logistics systems in agro-industrial complexes is of great importance. The reforms implemented in the agrarian sector of our country, the expansion of international economic relations, the storage, packaging and transportation of agricultural products have necessitated the creation of modern logistics systems. If we consider the experience of foreign countries in using logistics, we see that they are gaining opportunities for the application of its methods and new technologies. Market dynamics and the uncertainty of demand make it necessary to create large production reserves.

In the agricultural sector, which is the object of our research, there should be a special temperature regime for storing fresh fruits, vegetables, meat products, bread and flour products, and fish. Therefore, special attention should be paid to the storage and transportation of agricultural products, taking into account their physical and chemical properties.

Keywords— *international economic relations, logistics systems, temperature regime, infrastructures, state support, export potential*

I. INTRODUCTION

The advent When we talk about the agricultural sector, we mean a complex socio-economic, production and market infrastructure system with its own specific characteristics, which brings together production, sales, procurement, processing and consumers. In our republic, in the conditions of a modern market economy, this system is not yet fully formed in terms of ensuring the use of infrastructure factors and efficiency, it is at the initial, initial stage of development. (4, pp. 196-199)

The successful implementation of reforms in the agrarian sector in our republic, the presence of a high-quality material and technical base It depends on the language of the infrastructure. The development of new economic relations and organizational forms of production in this area requires the formation of a production-oriented market infrastructure, the implementation of a financial, credit and price policy that can meet the requirements of the formation and development of a system of entrepreneurship and free enterprise.

Today, in our country, although warehouses of this type are being built and put into operation in the regions for this

purpose in the agricultural sector, the storage of quality agricultural products and the year-round supply of these products to the domestic market have not yet been organized at the level of modern requirements.

Looking at the experience of countries developing through a market economy, it is observed that the creation of logistics systems in agro-industrial complexes is of utmost importance. We conclude that the creation and development of logistics systems in this area, as a continuation of the reforms implemented in the agrarian sector of our country, is one of the important issues awaiting solution today.

It is from this perspective that a new scientific field called "Logistics" has been created all over the world. The wide scope of the tasks it performs has made it necessary for this science to be in the interest of all fields in our country today.

The current economic situation of the agricultural sector of our republic can be generally characterized as follows:

- despite the fact that a certain amount of time has passed since independence, there is still a complete lack of flexible and efficient delivery of products produced in this sector to consumers;

- implementation of production, packaging, and storage of manufactured products in accordance with the requirements of the modern era;

- Despite the favorable natural and climatic conditions of our country, this sector is still unable to supply the domestic market with some products, etc. (1, pp. 112-115)

The successful resolution of these and other issues in this area necessitates the creation of logistics systems that can meet modern requirements. The breakdown of past traditional ties, the decline in payment discipline, technical and economic backwardness and other such problems have had a mainly negative impact on the agrarian sector of our economy. This, in turn, requires the scientific substantiation of the agrarian sector in modern economic conditions and the creation of modern infrastructures.

Each sector forms its external relations through its infrastructure units and creates functional interrelationships between internal units. The management of the sector's financial, material and labor resources is essentially carried out with the help of infrastructure. The above is reflected in the organization and management of production logistics (creation of flexible production-logistics systems, organization of the transport-warehouse subsystem within production, creation of (buffer) reserves, impact of logistics on production programs, etc.).

The technical, economic, and social elements of structural

policy in the agricultural sector have created conditions for increased efficiency.

The formation of market infrastructure in Azerbaijan in accordance with modern requirements, the study of management logic and its organizational principles is an extremely urgent issue. (3, pp. 246-252)

The increase in the number of collective enterprises within production structures is associated with the difficulties that arise during individual entrepreneurial activity in the agricultural sector. Therefore, due to the weakness of the sales and production infrastructure in the agricultural sector and the lack of a market for material and technical resources that meets the requirements of the specific characteristics of this sector, families who have received land shares prefer to engage in joint entrepreneurial activities in collective enterprises (2, pp. 96-98).

If we consider the experience of foreign countries in using logistics, we see that they are gaining opportunities for the application of its methods and new technologies. Market dynamics and uncertainty of demand make it necessary to create large-scale production reserves. At this time, the manufacturer is very interested in receiving even small consumer orders every time. It is precisely in such competitive conditions that an increase in the volume of production is achieved by organizing production processes (including all material and commodity transmission channels and networks) using logistical principles and methods. The separation of logistics processes into procurement, production, distribution, etc., with conventional transportation, and the management of material flows in production, are managed from a single center.

In the logistics system, all operations are formed in a mutually interrelated and interdependent manner. In production, logistics operations are distinguished from the logistics system and logistics operations by their nature and structure. Depending on the composition of the logistics system, it is formed as follows:

- Production logistics;
- Supply logistics;
- Distribution logistics;
- Transport logistics;
- Warehouse logistics;
- Tare logistics;
- Information logistics.

The goal of production logistics is to achieve precise synchronization of logistics operations between the departments of the sector operating within it. More specifically, the object of research, production logistics in the agricultural sector, should be engaged in the study of the regulation of economic flow processes within the sector and create conditions for its regulation. (5 p.47-52)

The main tasks facing production logistics in the agricultural sector are the following:

- To increase the turnover rate of the circulating assets of this sector and or to minimize their production time;
- To create the necessary amount of raw material reserves for uninterrupted production in the industry, to manage free production and logistics capacity;
- To improve the quality of products and increase their competitiveness in order to meet consumer demands.

In general, production logistics in the agricultural sector serves to strengthen relations between producers and to

establish the relationship of this sector with other sectors in the form of mutual interest.

Research shows that one of the important conditions for increasing the competitiveness of the agricultural sector is to find convenient methods of obtaining and shipping the materials necessary for production. For this, it is first necessary to clarify the conditions for ensuring the work related to procurement and shipping of products. The main goal of the procurement process in the field is to efficiently meet the needs of production and service sectors for these or other materials. In general, procurement logistics should perform the following functions:

- establishment of optimal business relations with consumers;
- Planning and organization of material and technical support for the production of agricultural products;
- Procurement of material resources necessary for production and their transportation;
- Management of production reserves in the warehouses of enterprises;
- Organization of control over budget expenditures allocated for equipment, etc.

To solve the above problems, logistics centers should be established in the regions, taking into account the need to establish important market infrastructure for the implementation of procurement activities in the regions. Loading and unloading equipment, sorting and packaging facilities should be established in the centers and their activities should be ensured in the direction of ensuring the sustainable development of the agricultural sector. These facilities should be responsible for the storage, transportation, etc. of products for local producers. By playing the role of an important market infrastructure for the benefit of services, it creates favorable conditions for the development of logistics and market infrastructure throughout the country. The application of management and marketing rules in the field of procurement and supply leads to the creation of an infrastructure for the production, sorting, packaging and storage of high-quality products.

In the agricultural sector, sales or distribution logistics are sometimes equated, but they are components of general logistics. They organize the distribution of manufactured goods.

However, distribution logistics differs from sales in a number of features:

- subordination of the process to the goals and objectives of marketing;
- systematic connection with distribution and procurement processes, etc.

Distribution logistics must perform the following functions:

- logistical movement of manufactured products;
- management of commodity stocks;
- fulfillment of orders in accordance with consumer demand;
- implementation of assembly, packaging and other logistics operations to ensure compliance with consumer demand;
- organization of rational cargo transportation;
- movement of products in accordance with the logistics system;
- logistics service, etc.

The economic efficiency of the logistics distribution system directly depends on the correct selection and precise implementation of the functions it performs.

In general, distribution logistics is created as an independent structure by business partners within the framework of the general logistics system for the timely delivery of products at the required time and the provision of other services.

It has been applied when creating specific approaches to distribution logistics.

In later periods, the consolidation of views and the concept of logistics helped to pave the way for the unification of views.

In the logistics concept, the proper payment (planning, organization and control) of transport-expedition and supply of foreign manufacturers depends on the potential opportunities and means used.

Logistics is carried out in order to meet the demand revealed through marketing services, as well as to adequately respond to changes in demand in the near future.

Transport logistics is an independent sector of the national economy, being one of the main components of the logistics system. With its help, the transportation of passengers and logistics cargo is carried out.

The role of transport in the logistics system is not only due to the high share of transport costs in the total logistics costs, but also because it is impossible to organize the movement of material flows in the modern era without this subsystem of logistics. That is why most Western transport and forwarding companies call themselves logistics companies.

The logistics system ensures the transfer of material flows from one stage to another in a form that meets the requirements of this stage. Warehouses are required to collect and store supplies for any type of resource. Warehouses also regulate the acceptance of materials in terms of quantity and quality, the selection of batches, and their weighing, packaging, sorting, and dispatch to production areas or trade networks in accordance with consumer requirements (5, pp. 369-372). The main purpose of warehouses is the collection, storage, and delivery of material resources to consumers. consists in ensuring the uninterrupted and harmonious fulfillment of orders. Warehouses mainly perform the following functions:

- changing the range of manufactured products to those that meet the requirements of the consumer;
- warehousing and storage;
- consolidation (combining of not too large cargo lots) and transportation of cargo;
- provision of services;
- Ensuring the smoothness of the production phase.

It is from this point of view that warehouses should not be considered in an isolated form, but as an integral part of

the logistics cycle. Each product has its own physical properties, which significantly affect the process of their storage and use. On the other hand, some consumer goods have a certain degree of cold or hot air temperature. After a certain temperature, qualitative changes in its operational properties occur and consumers face economic problems. (5, pp. 469-482)

These issues are more acute in the agricultural sector, which is the object of our research. Thus, there should be a special temperature regime for storing fresh fruits, vegetables, meat products, bread and flour products, and fish. Therefore, taking into account the physical and chemical properties of the products, their storage and transportation in one place is not appropriate.

Taking into account these or other issues mentioned above, packaging materials with various characteristics - pallets - are used. All this information leads to the conclusion that the creation of logistics systems is an important issue for all sectors in the modern era, including the agricultural sector. The growing role of logistics in the organization of market subjects makes the creation of logistics systems necessary. As the application possibilities of logistics systems expand, the creation and development of logistics information systems that allow for the organic integration of practically all logistics subsystems (logistics elements such as procurement, production, distribution, etc.) towards a single goal is of great importance today.

The elements of the logistics system, as well as the various information flows circulating between the logistics system and its environment, form logistics information systems. Information systems collect the information flows necessary for the implementation of the planning, regulation, control, analysis and accounting functions of logistics systems by logistics management.

In the conditions of a modern market economy, the formation and development of the agrarian economy directly depends on the state of infrastructure. Therefore, it has become necessary to create flexible and functional infrastructure that meets modern requirements for agricultural producers.

REFERENCES

- [1] Abasov.V. Aqrar sahədə iqtisadi tənzimləmənin aktual problemləri. Monoqrafiya, Bakı, 2012, 423s
- [2] Aliyev, İ.H. Azərbaycan Respublikasında aqrar sahədə iqtisadi idarəetmə mexanizminin təkmilləşdirilməsi. Dərslük / İ.H.Aliyev–Bakı: – 2003, – 315 s.
- [3] Ataşov B.X. Aqrar sahədə struktur və səmərəlilik problemləri (nəzəriyyə və praktika). Monoqrafiya. Bakı-2017. 536 s. (22)
- [4] Hübətov Y.Ə Azərbaycanca arıçılıq təsərrüfatlarının təşkili və idarə edilməsinin təkmilləşdirilməsi Bakı,“MS-V nəşr”, 2023, 258 s.
- [5] İmanov.T.İ. “ Loqistikanın əsasları” II hissə.Bakı. 2005. 670 s.