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INCREASE DIRECTIONS IN COMMODITY OUTPUT PRODUCTION OF SMALL AND MEDIUM-SIZED ENTREPRENEURSHIP

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In this article economic analyses are held of enterprises which are commodity output producers and capable for realizing the products in small and medium-sized farms in Azerbaijan in 2015. Marketing aspect of products is analyzed and suggestions are offered.

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В данной статье анализируется экономический анализ предприятий, которые являются производителями товарной продукции и способны реализовать продукцию в малых и средних фермерских хозяйствах Азербайджана в 2015 году. Анализируется маркетинговый аспект продуктов и предлагаются предложения.

Commodity output – is the part of general products produced by entrepreneurs which are sold by different channels (cost of service). Commodity output include agricultural products, natural seeds, feed, products that are given to employers and other realized products which are sold to organizations, enterprises, markets and other places.

Commodity production – it is the form of production which is not for personal consumption but for markets. Commodity production occurs in case of labor division and is run by producers who have not economic relations with each other. Commodity production means products are produced by different producers who have not any relations, each of them is qualified on a special product and so for public consumption, these products should be sold in the markets.

Analyze of the amount of enterprises which produce different types of products and be able to sell these products per households which were involved to the questionnaire for 2015 in Azerbaijan Republic. The main aim of each enterprise is realizing of products which are produced by them. The level of commodity production is determined. But not the all of enterprises can realize their desires. The main reasons are low quality of products, not meet the rules of agro-technical standards, small amount of storages and processing enterprises and etc.

Table 1

Analyze of the amount of enterprises which produce different types of products and be able to sell these products per households(2015)

Products	Total amount of producer households in Republic	Total amount of seller households	Seller households with %
Grain	2613	2078	79,5
Maize	142	99	69,7
Cotton	98	91	92,8
Potato	269	235	87,3
Vegetables	353	144	40,8
Grape	42	39	92,8
Tea	7	6	85,7
Tobacco	2	2	100

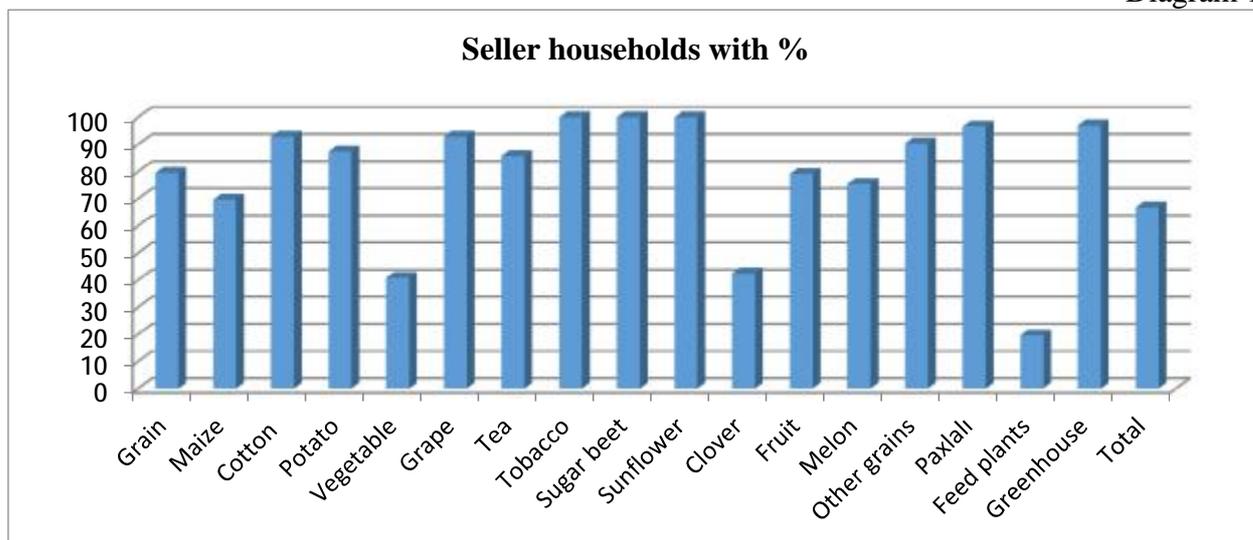
Sugar beet	3	3	100
Sunflower	7	7	100
Clover	1591	676	42,4
Fruit	240	190	79,1
Melon	53	40	75,4
Other grains	42	38	90,4
Leguminous	30	29	96,6
Other feed plants	56	11	19,6
Greenhouses	48	47	97,1
Total	5596	3735	66,7

Source* Ministry of Agriculture of Azerbaijan Republic

We should know that most part of products by small and medium-sized enterprises are sold in their own area and along the roads as retail, then we can realize that being next to the main roads affects on the product sale and the income level of enterprises.

3735 enterprises of the whole 5596 enterprises which is involved to the questionnaire, can realize their products. Some part of the products of other 1861 enterprises has given to personal consumption and the other part is lost. Enterprises which couldn't realize their products: 535 of grain-growing; 43 of maize; 7 of cotton; 34 of potato; 209 of vegetables; 3 of grape; 1 of tea growing; 915 of clover; 50 of fruit growing; 13 of melon cultivation; 4 of cereals; 1 of leguminous plants; 45 of feeding stuff and 1 greenhouse.

Diagram 1



According to the diagram 1, it is obvious to see that 79.9% of grain growing enterprises 92.8% of cotton enterprises, 96.6% of leguminous plants and 85.7% of tea growing enterprises could realize their products. This indicator was 100% about tobacco, sugar beet and sunflower.

Comparing to these ones the indicators about vegetables, clover and feeding stuff was lower. The indicators are 40.8%; 42.4% and 19.6% correspondingly.

Accordingly incomes for grain growing were 2903.49; for clover 1197.92; for greenhouses 17193.4; for fruits 1234.31; for potato 992.21; for veggies 928.51 thousand AZN. General incomes from the sale was 25638.4 thousand AZN.

Nowadays providing people's consumption for food and row consumption of light and food industry by the effective usage of lands is one of the important aims.

Development of the society, increasing level of population always caused the problems about providing of food. Although motivating methods were applied the wanted result wasn't got, so agrarian reforms were required. Because of the special property the ownership feeling of food producers was emerged. So he knows what he'll produce where and with which price he'll sell it and he know how to use the income. This circumstance make the property owner produce more. That's why every year the level of plant-growing is increasing.

Table 2

Own consumption and comparative sale of plant-growing products
(Production and natural sale)

	Own consumption, %	As feed stuff, %	Sale, %	Lost, %
Grain	7.1	25.6	67.1	0.2
Maize	1.3	15.1	83.5	0.0
Other grains	4.5	9.4	85.4	0.7
Leguminous	0.1	4.5	95.4	0.0
Vegetable(open field)	2.5	3.0	91.2	3.2
Vegetable(close field)	0.1	0.0	99.3	0.5
Potato	4.4	8.9	85.3	1.4
Melon	4.5	0.0	94.4	1.0
Fruit	2.2	0.2	96.4	1.1
Grape	0.5	0.0	99.3	0.2
Cotton	0.0	0.0	100.0	0.0
Tea	0.1	0.0	99.9	0.0
Tobacco	0.0	0.0	100.0	0.0
Sugar beet	0.0	0.0	100.0	0.0
Sunflower	0.0	0.0	100.0	0.0
Clover	0.0	55.2	44.3	0.4
Other feed plants	0.0	85.5	14.5	0.0

Source* Ministry of Agriculture of Azerbaijan Republic

Agrarian reforms will be productive when the usage of lands is effective for internal consumption and our rivalry-stable products find their own places in the global markets. Effective usage of lands and positive export balance of agricultural products are not available although we can provide our local consumption. Analyses show that 7.1% of grains are consumed by producers own, 25.6% is used as the feed in their own farms, 0.2% lost and 67.1% is sold at the local markets.

1.3% of maize is consumed by producers own, 15.1% for feeding the cattle, 83.5% is sold. 4.5% of other grain products is consumed by their own, 9.4% for feed, 83.5% for local sale and 0.75% is lost. 0.1-0.4% of leguminous plants, vegetable, potato, melon, fruit, grape and tea is consumed by producers own, 0.2-85.5% (55.2% of clover and 85.5% of other plants are used as feed) is used for feeding the cattle, 14.5%-100% is sold at the local markets.

95.4% of leguminous plants; 91.2% of open and 99.3% of close field vegetables; 85.3% of potato; 94.4% of melon; 96.4% of fruits; 99.3% of grape; 100% of cotton; 99.9% of tea; 100% of tobacco; 100% of sugar beet; 100% of sunflower; 44.3% of clover and 14.5% of other feed plants are realized at the local markets. Analyzes show that most part of grains (67.1% especially) and feed plants are used for consumption of their own households. It means they run these farms firstly providing their own consumption and then sell remain products. If farms work for only providing own consumption there won't be any improvement. So producers should think not only about own consumption and also about producing rivalry-stable products at the global markets.

Table 3

Correlation of sold products to the general production						
	0	0-10	10.01-25	25.01-50	50.01-75	75.01-100
Grain	11.0	1.1	2.6	17.3	26.1	41.9
Maize	2.0	0.0	0.1	5.7	14.8	77.5
Other grains	2.3	0.0	0.0	4.8	11.3	81.7
Leguminous	5.2	0.0	0.0	4.6	12.6	77.6
Vegetable(open field)	2.0	0.1	0.3	3.7	5.6	88.4
Vegetable (close field)	0.1	0.0	0.0	0.0	0.1	99.7
Potato	0.6	0.0	0.0	2.7	18.6	78.1
Melon	0.3	0.0	0.0	1.0	1.0	97.8

Fruit	0.2	0.0	0.0	0.2	3.2	96.5
Grape	0.0	0.0	0.0	0.0	0.0	100.0
Cotton	0.0	0.0	0.0	0.0	0.0	100.0
Tea	0.0	0.0	0.0	0.0	0.0	100.0
Tobacco	0.0	0.0	0.0	0.0	0.0	100.0
Sugar beet	0.0	0.0	0.0	0.0	0.0	100.0
Sunflower	0.0	0.0	0.0	0.0	0.0	100.0
Clover	37.0	0.0	1.8	11.3	11.9	38.1
Other feed plants	64.8	0.0	24.6	7.5	0.3	2.9

Source* Ministry of Agriculture of Azerbaijan Republic

11% of grain producers didn't do any sale and used all of products for their own consumption. 1.1% of producers sold 10% products; 2.6% sold 10-25%; 17.3% sold 25-50%; 26.1% sold 50-75%; 41.9% sold 75-100% of products at the local markets. 2% of maize producers didn't sell any products, 0.1% of them sold 10-25% of maize products; 5.7% sold 25-50%; 14.8% sold 50-75%; 77.5% sold 75-100% products at the local markets. 85.4% of other grains; 95.4% of leguminous plants; 91.2-94.4% of vegetable and melons; 85.3% of potato; 96.4% of fruits are realized and it means their aspect of marketing is high. Most of them are realized for getting more income. 99.3% of grape, 99.9% of tea and the all cotton, tobacco, sugar beet and sunflower are sold for processing. Sale is high because of all the products are technical plants. Marketing aspect of clover and other feed plants is low because these products are directed for own consumption.

In conclusion of analyzes it is obvious that husbandry consists of small farms. And these ones are created for fulfilling their own consumption. Main farms are qualified for: grain-growing; feed; fruit; vegetable; potato; meat and milk. 70% of workers are family members, because households are derived from family labor. Milk and meat production levels are high in each region in the field of husbandry. Meat production is over than 50% except Khojavend and Ismailly. Except Khojavend and Ismailly in each region the milk production is approximately 35%, but in Khojavend this number is 55.1% and in Ismailly this number is 43.6%. Analyzing of indicators shows that feed production is weak in husbandry regions. Because of feeding system is not strong enough, it is difficult to get positive results from the development of husbandry. So cattle-breeding producers buy feed from other producers and it causes more expenses. Cattle-breeding producers will get more effects if they improve their own feed plant production.

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Ключевые слова: производство, товарная продукция, продажа, производительность, аграрные реформы.