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## **Ensuring Market Stability: The Role of Agromarketing Services in Azerbaijan's Food Market**

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**Abstract:** The satisfaction of the population's demand for food products is significantly dependent on stabilizing prices in the food market and ensuring that the products available meet consumers' needs. The balance between demand and supply in the food market, in principle, directly contributes to maintaining social stability in society. Ensuring market stability in the food market should be approached as a macroeconomic problem. The solution to this problem depends directly on several factors, including the state's agricultural policy, the continuous development of agriculture and processing industries, stimulating consumers' purchasing power-demand, and effectively addressing fluctuations in the food market. The food market operates with a more liberal character under globalization conditions, which reflects various interventions in these markets. In fact, these interventions are not considered administrative interventions but arise in the face of global threats in the context of globalization. Therefore, eliminating the destructive manifestations in the food market, first and foremost, depends on the effective organization of agromarketing services.

**Keywords:** food market; stability; marketing; agromarketing; market infrastructures

The organization of agromarketing services primarily involves studying fluctuations that may occur in the food market. Agromarketing service aims to study both internal market fluctuations and processes occurring in external markets. It is impossible to consider the internal food market of any country separately because changes occurring in external markets, such as global food market changes, and political factors do not bypass the food market of any country. It should be noted that food markets in developing countries, especially, do not possess agile characteristics, meaning that the special weight of intermediaries in the food market is higher, leading to a decrease in the share of producers in the food market and the intermediaries benefiting more from price increases. The prevention of this process and normalization of the situation depends on scientifically based and practical measures.

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## 1. Introduction

One of the areas most affected by the globalization process and economic activities is agriculture, including the food market. Global changes, including global climate changes, other destructive manifestations resulting from globalization, including depopulation policy, increase in the prices of imported goods, and other such situations, further disrupt the stability of the food market. This process does not pass without adversely affecting the social life of society. Because people are forced to consume food products to protect their minimum physical existence. Therefore, the harmful manifestations of global changes exacerbate the disruption of balance in the food market. In addition to destabilizing balance, the harmful manifestations of global changes also negatively affect the country's food security.

Ensuring balance in the food market in conditions of globalization requires the implementation of necessary institutional measures. Among these measures, the organization of agromarketing services and the formation of agricultural market infrastructures are also important issues. Agromarketing primarily investigates processes related to the short and long-term intersection of demand and supply in the food market. The implementation of necessary agromarketing measures eliminates harmful changes. The organization of agromarketing processes has not been developed much in our country. This process has its own reasons. Because the economic capabilities of the majority of local agricultural producers in our country do not allow them to establish agromarketing services within themselves. In such a condition, agricultural producers are both unaware of fluctuations occurring in the internal market and external food markets and suffer from fluctuations, meaning that agricultural producers' farms, financial activities, and overall economic sustainability are adversely affected by the free flow of agricultural products, particularly under conditions of globalization.

## 2. The Social-Economic Nature and Characteristic Features of Agromarketing

Firstly, it should be noted that measures related to the study of the market in the agricultural sector in the conditions of globalization are quite relevant, and all these make the organization of agromarketing services an objective necessity. In some cases, in the global economic space, agromarketing is also referred to as global food marketing. Agromarketing, or food marketing, in modern conditions, is considered as a service structure that studies the changes occurring in the food products market and in the agricultural market as a whole, and predicts future trends and fluctuations in consumer demand and market conditions. In the conditions of globalization, agromarketing reflects the adaptation of the food industry to changing market conditions and modern technologies, as well as forecasts the competitive environment in agricultural food markets, the future of agricultural production and logistics processes. The deepening of the globalization process, in terms of its nature, also leads to changes in agromarketing, or rather, to its broader coverage, which ultimately leads to the departure of agromarketing from the specific borders of a particular country. In the conditions of globalization, agromarketing reflects the study of global agricultural food markets. This actually stems from the nature of the globalization process. Because national economies, as well as agricultural food markets, form close mutual relations, so that global changes occurring in any country, especially global changes, primarily affect the agricultural food markets of the country. This influence, especially, is more relevant to countries dependent on import channels, and in these countries, the organization of agromarketing services serves to inform agricultural producers about the fluctuations in the market situation. Although agromarketing is a significant component of marketing activity as a whole, it differs from other types of marketing in its peculiar socio-economic characteristics. This is primarily due to the specific features of agriculture and the processing industry, which form the object of agromarketing. It should be noted that

agriculture is highly dependent on natural climatic conditions. In addition, seasonality of production and the limited area of land, as well as other factors, also affect agromarketing processes. Therefore, the most important task of agromarketing is to provide necessary support to agricultural producers, to increase the profitability of agricultural production, to improve the quality of agricultural products, to expand their sales volume, and ultimately to create favorable conditions for ensuring food security in the country. The author's interest in this issue arises from the fact that agromarketing, first of all, serves to increase the turnover of agricultural production, directs to the expansion of sales channels, which ultimately contributes to the increase in the profitability of agricultural activities. However, the overlooked point is that, in fact, agromarketing should also provide necessary information to agricultural producers about the fluctuations in agricultural food markets, including global markets, and this tendency aims to eliminate the dependence of agricultural producers on fluctuations in the market situation. When approaching the problem from this aspect, it can be considered that, in addition to its economic nature, agromarketing also has social orientations.

While characterizing various opinions about agromarketing, the accepted point is that in all cases agromarketing reflects the study of the market. In this regard, the market is mainly valued as the aggregate of labor-money relations, and this is when exchange, labor and money circulation laws are realized (2). Although agromarketing is considered as a significant component of marketing activity as a whole, agricultural markets are also considered as the most important component of the market. However, agricultural market depends on its broad coverage and circle, as well as on serving more members of society. This is closely related to the fact that, unlike other markets, agricultural markets actively participate in meeting the food demands of members of society. Agricultural markets combine agricultural markets with material-technical resource markets, land capital markets, labor markets, scientific-technical product markets. The components of agricultural markets are closely related to each other, and each of them has its own specific characteristics (3, p.99). It should be noted that as productive forces and production relations develop in society, and as the demand of the population increases, the scope of agromarketing is expanding. This is primarily related to the fact that the volume of agricultural production increases and the level of consumption of the population also rises. At the same time, the level of competition in the food market also increases, reaching global levels of competition. From this perspective, it can be concluded that in modern conditions, the main objectives of agromarketing include the following:

In the realm of agricultural economics, the creation of demand for agricultural industry products and the intensification of their sales are crucial objectives. Equally significant is the formation of consumer needs and establishing mutual agreements among stakeholders in agricultural marketing activities. Moreover, fostering positive perception and consumer trust in brands associated with agricultural enterprises plays a pivotal role.

Agricultural businesses also benefit from comprehensive information dissemination about their products through mass media channels and global networks. However, it is noteworthy that agricultural marketing strategies, while aiming to achieve these goals, may sometimes inadvertently foster unhealthy competition. Mass advertising campaigns may not always correlate with the quality of the advertised products, leading to instances where inferior products are heavily promoted.

Therefore, the primary aim of agricultural marketing should revolve around fostering healthy competition. The formation of a positive brand image for companies depends not only on enhancing product quality but also on the effective organization of advertising activities.

Furthermore, agricultural marketing services constitute a vital component of agricultural market infrastructure and should not be overlooked in the context of advertising efforts. Thus, it is essential to acknowledge that agricultural marketing services possess unique characteristics that significantly influence their organization and effectiveness. These characteristics are directly related to factors such as land quality, climate conditions, and the utilization of fertile land in agricultural production processes.

Another critical characteristic of agricultural marketing is its dependence on seasonal agricultural production. The cyclical nature of production processes, especially in crop cultivation and animal husbandry, poses challenges in aligning production cycles with business cycles. As such, agricultural marketing endeavors must adapt swiftly to ensure the timely placement of agricultural products in markets.

Despite agreeing with the author's arguments, it's essential to note that agricultural marketing faces challenges in the form of industry fragmentation. Limited arable land availability, particularly in our country, coupled with other factors, restricts the establishment of agricultural marketing networks by agricultural producers. Therefore, special attention should be given to the organization of agricultural marketing services, especially in regions like Karabakh, which have undergone significant development transformations. Agricultural marketing plays a vital role in maintaining balance in the food market. Achieving market equilibrium in the food industry is a complex process requiring the implementation of multifaceted measures. It involves balancing supply and demand levels to ensure market stability. This process relies on the ability of agricultural marketing services to anticipate current and future trends in demand and supply. Additionally, determining consumer expectations beforehand is crucial in achieving market equilibrium in the food industry. Different market segments should be approached differently concerning their sociodemographic characteristics and preferences. Analyzing statistical data from the State Statistical Committee of the Republic of Azerbaijan reveals fluctuations in self-sufficiency levels for various agricultural products in recent years. While self-sufficiency has increased for some products, it has declined for others. These trends can be attributed to various factors, including changes in consumer preferences and production efficiency. Furthermore, the dependence on imported goods by some industrial enterprises may be due to their competitive advantage. In such cases, imported goods may be preferred due to their lower cost compared to domestic alternatives. This preference can influence consumer behavior, leading to increased demand for imported goods and affecting market equilibrium.

In conclusion, addressing challenges in achieving market equilibrium in the food industry requires a comprehensive approach that considers various economic, technical, and organizational factors. Enhancing agricultural marketing services and modernizing the agricultural sector can significantly contribute to ensuring market stability and food security.

As mentioned above, the limited financial resources of agricultural producers lead to problems in organizing agri-marketing services, which in turn affects the balance in the food market in one way or another. For example, except for a few years, such as wine and newly established dairy enterprises, almost no producer or processor has organized any marketing service. This problem particularly exacerbates itself in agricultural production. Farmers lack information about market demands, consumer groups, competitors, and distribution institutions. However, consumers neither have the knowledge nor the financial means to collect and analyze such information. Since farmers do not identify specific consumer groups for their products and essentially produce for the market, the quality of their products varies. However, to succeed in competition, a product must differentiate itself from analogous products with superior qualities (11, p. 424). Thus, it is entirely justified to conclude from the author's statements that except for large wine factories and other food enterprises, particularly in agricultural production,

efficient agri-marketing services are not provided in our republic. This results in decreased competitiveness of agricultural products, leading to increased volume of imported food products and the amount of money spent on them. Therefore, within the framework of measures aimed at ensuring balance in the food market, more attention should be paid to organizing agri-marketing services, while also considering consumer expectations to increase the volume and improve the quality of the products produced. Indeed, agricultural production can meet various consumer demands for food products. Hence, attention should also be paid to differentiating the quality of the product.

Summarizing the above, it can be concluded that addressing the complex issue of ensuring balance in the food market is influenced by numerous factors, among which special attention should be given to the organization of agri-marketing services. The process of organizing agri-marketing services should be considered as one of the institutional mechanisms for ensuring balance in the food market.

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