ASCSESSMENT OF THE LEVEL OF PAYMENT OF FOOD SUPPLY TO LOCAL PRODUCTION IN AZERBAIJAN

Abstract. Agriculture differs from other sectors of the economy to a number of features. The peculiarity of this area stems from the fact that agricultural production depends heavily on a number of natural factors. Acceleration of erosion processes of land and Water Resources, non-proportional change in the rate of demand-supply to agriculture and food products, crisis, disparity in agriculture and etc. creates additional difficulties for the agrarian sector. All this requires the implementation of a flexible Agrarian Policy in modern times. In order to ensure sustainable and sustainable development of the agrarian sector, to create a reliable basis for the country's food security, as well as to keep up with the growing competition of national producers in the world markets, modern agrarian policy should create a solid base for the agrarian sector to be competitive in the global market.

Keywords: food security, food supply, local production, import, export.

In order to adapt to the global climate in the world economy and to the changing dynamics of the global consumer market, the main goal of the agrarian policy should be to harmonize both the legal and regulatory framework in the agrarian sector and the production relations with international norms and requirements, thus ensuring the competitiveness of national production. To achieve this goal, in my opinion, the implementation of the following areas as priorities of Agrarian Policy and as a single strategy can give good results: modernization of the national legislative base on agrarian sector; reduction of dependence on imports; food security (health) measures; efficient use and protection of land and water resources; support of scientific research; modern personnel in the village. Each of these components of
Agrarian Policy is very important and requires a system of serious measures to be developed and implemented consistently. [1].

The production potential and range of agricultural and food products from the Republic of Azerbaijan to the global market are very wide. The agro-climatic conditions, land and water resources of Azerbaijan are a good basis for the production of products in accordance with modern requirements and international standards. But in order to achieve this, or rather, to re-establish this potential, fundamental renewal of the legal and regulatory framework and harmonization with the legislation and the legal and regulatory framework adopted on a global scale is one of the important conditions. This issue should serve not only as a condition, but also as a normative function, but also to create a legal and normative base that conditions the production of competitive products in the global market. The harmonization of the legislative base with the legal norms adopted at the international level is important for the agrarian sector of Azerbaijan directly because the country is able to mobilize all its opportunities and use them effectively.

At present, there are serious needs for safe and quality food products in the global food market and this demand is growing. By modernizing the legal-normative base of Azerbaijan on agrarian sector, by raising the national production level both qualitatively and quantitatively, it becomes possible to fill this gap in the world market. The modern world has already recognized the importance of ecologically clean food and agricultural products and is constantly increasing the consumption of such products. Azerbaijan can take a wide place in this segment of the global market by adapting its national production to the requirements of international standards. The modernization of the legal-normative base requires more efficient use of the existing its potential, which in turn creates ample opportunities for the overall development of the agrarian industry. The harmonization of the legislative framework with the experience of developed countries of the world is very important for the reliable solution of the issue of food security of Azerbaijan itself.

The main objective of food security is to ensure the population of the country a sustainable, reliable supply of agricultural products, raw materials and supplies. To achieve this goal, sufficient physical availability of safe food products for life
and health should be ensured in the domestic consumer market. The population should have the opportunity to obtain this food. In a generalized form, food security is physically and economically viable for the consumer.

Food security is one of the important directions of the reintegration of the concept of economic development of the state and combines the intensive development of agricultural production and allows the provision of food products. Being an important part of the economic security of the state, it reflects the economic and political power of the state in a globalized environment. Four key factors are of particular importance in ensuring food security. These factors include the availability of production facilities, the implementation of production, the quality of the product and the purchasing power of the population. The creation of state reserve funds at the expense of local production has a special economic importance in ensuring food security in the country. [2].

The successful implementation of the agrarian policy of the state, the increase in agricultural production and the improvement of its quality indicators are highly dependent on market relations.

One of the main factors influencing the formation of reliable food supply of the population is the creation of sufficient food resources in the country and the achievement of competitive production. From this point of view, in order to ensure adequate food security of the country's population in the conditions of market relations, it is of particular importance to identify and implement all possible effective forms and directions of the formation of the state's food reserves. The economic strength of the state is assessed on the basis of the level of development of the regions. It is directly related to the improvement of the domestic food market, ensuring food security of the country and achieving reliable food supply of the population. The creation of an agrarian infrastructure to create a permanent supply of the country's population with agricultural products has enabled to eliminate seasonality in the supply of agricultural products and, as a result, increase the economic efficiency of production. [3].

The main goal of intensification of Agriculture was the comprehensive payment of the ever-growing demands of the population by increasing the volume of production and improving its quality.
Research shows that some changes have taken place in the structure of product sales through various channels in the agrarian sector of the Republic. In recent years, the sale of products through individuals (this includes the sale of products directly in the markets and through company stores) has been well developed. The sale of agricultural products in the agribusiness system in the country in modern economic conditions to intermediary commercial institutions has not been widely spread, and this is mainly due to several reasons. Work on a system of complex measures carried out in connection with the strengthening of positions of farms in the domestic and foreign markets. The system of complex measures implies an increase in competitiveness. Increasing competitiveness involves the process of reducing the costs incurred on a concrete product and improving its quality.

Agricultural producers in Azerbaijan are mainly engaged in the processing of their own products, and in some cases also in the processing of agricultural products purchased from outside. Thus, the concept of "produced product" here has two meanings: in the first case, the production of agricultural products by agricultural producers; in the second case, the production of food products obtained from processing and recycling of agricultural products in processing enterprises, agricultural producers and households is planned. To do this, let's look at the food balances of Azerbaijan on crop and livestock products separately. At present, when talking about the state food resources in our republic, it is possible to talk only about the state grain fund. In fact, many products that form the basis of the consumer basket should be created, through which the food market can avoid artificial price increases.

In recent years, the growth dynamics of food production in the agrarian sector in the regions of Azerbaijan is more evident in livestock production. Last year, the level of self-sufficiency of the country's population with livestock products rose significantly.

The volume of imports and exports refers to the amount of products entering and leaving the country as a result of the transactions carried out by persons living in the country or enterprises operating in the country. According to international experts, the indicators of food security in the Republic of Azerbaijan have improved
considerably compared to previous years and are assessed at a moderate level. The source of food resources created here is also of great importance. In particular, it is necessary to eliminate dependence on foreign countries in food production, to create opportunities for maximum satisfaction of food demand of people at the expense of local production. [5].

Table 1

| Years | Meat total | Meat including |  |
|-------|------------|----------------|---|
|       |            | beef           | Lamb and goat meat | pork | poultry meat |
| 2010  | 244,9      | 112,4          | 70,0               | 0,8   | 61,7         |
| 2011  | 254,9      | 115,5          | 70,1               | 0,7   | 68,6         |
| 2012  | 276,0      | 118,4          | 70,4               | 0,7   | 86,5         |
| 2013  | 286,9      | 120,8          | 70,9               | 0,7   | 94,5         |
| 2014  | 291,2      | 122,4          | 68,7               | 0,7   | 99,4         |
| 2015  | 298,6      | 129,8          | 70,9               | 0,7   | 97,2         |
| 2016  | 302,2      | 131,0          | 75,2               | 0,5   | 95,5         |
| 2017  | 316,8      | 132,9          | 79,1               | 0,5   | 104,3        |
| 2018  | 326,0      | 135,6          | 80,8               | 0,5   | 109,1        |
| 2019  | 335,7      | 137,9          | 85,3               | 0,5   | 112,0        |

By determining the annual consumption volume, it is possible to determine the ratio and competition between production capacity and imports. It is impossible to determine the level of food supply of the population by an international standard. All factors should be taken into account here, from the geographical location of the community to the national mentality. Let's consider the level of self-sufficiency in our republic. Of course, against the backdrop of the annual increase in food production, the increase in import volumes can be explained in part by the increase in the level of consumption of the population. However, despite this, the process of reducing import volumes and parallel expansion of exports should be considered one of the main tasks facing the country's economy.

The level of self-sufficiency and dependence on foreign trade (imports) are indicators calculated on the basis of balance sheet data. In their calculation, the methodology recommended by the UN Organization for Agriculture and food
(FAO) is used. To calculate the level of self-sufficiency: 
\[
\text{Self-sufficiency} = \frac{\text{production}}{\text{production} + \text{import-export}} \times 100.
\]

When we look at the import and export process in our country, we see that the growth rates of export volumes are higher than import. This will allow for major positive changes in the import-export balance in the coming years. The level of dependence (coefficient) on foreign trade (imports) is calculated by the ratio of the volume of imports to the absolute quantity received after subtracting the volume of export from the sum of production and imports: 
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\text{The level of dependence from import} = \frac{\text{import}}{\text{production} + \text{import - export}} \times 100.
\]

The analysis shows that the potential food security available in our country can be paid at the expense of local production. Full and efficient use of land resources at this time is one of the main conditions. It is possible to organize the feed base of animal husbandry at the expense of the lands returned to the agricultural turnover and thereby achieve production of competitive livestock products in our republic. Currently, the lack of a feed base causes the cost of livestock products, which cannot continue to compete with imported products. [4].

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