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**M.J. Huseinov**

researcher,  
Azerbaijan State Agrarian University,  
Ganja, Azerbaijan

**V.T. Amrahov**

researcher,  
Azerbaijan State Agrarian University,  
Ganja, Azerbaijan  
[l-hasan@hotmail.com](mailto:l-hasan@hotmail.com)

**SECTION 31. Economic research, finance,  
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## ABOUT ACADEMIC ISSUES OF NECESSARY FACTORS FOR DIVERSIFICATION OF PRODUCTION IN AGRARIAN SECTOR

**Abstract:** *As in the other spheres of economy, integration to the world economic systems conditions the production of competitive goods in agrarian sector and makes necessary adopting the production process with market requirements. Due to the changes in market requirements, entities which produces the same or similar competitive goods for a long time starts to change their production structure.*

*It makes necessary the substantiate of diversification process in various production parts, such as identification of appropriate production parts taking into account climate conditions and potential of recourses and building more economically productive structure.*

**Key words:** *market, diversification, structure, potential of recourse, demand.*

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### Introduction

Integration to the world economy and transformational changes in economic relations makes necessary adopting the production process with market requirement by producing competitive goods in agrarian sector. In turn this cause with abandon from traditional manufacturing, in order to take permanent and reliable place in the competitive struggle with manufacturers.

Thereby, due to the change in market demand, manufactures that were busy with producing the same or similar products for a long time change their production structure. That's why the substantiate of diversification process in various production parts, such as identification of appropriate production parts taking into account climate conditions and potential of recourses and building more economically productive structure considered to be one of the most important tasks [10].

Today the main trend of the diversification in agriculture considered to be the market conjuncture and the priorities of the diversification of agricultural products being identified depending on the changes in market conjuncture [4].

These contain objective characteristics of the relationship between business entities and markets at the different stage of the diversification process of

development of agriculture.

Changes happening in economy in different directions requires structural changes in accordance with market requirements. This direction which is specific for all fields of economy is especially necessary in the global economic transformational conditions. Because in such condition in order to protect internal market, measures should be applied for developing more competitive fields regarding to open market principles as well as the protection of agrarian sector which have complicated specification should be ensured.

### Materials and Methods

In terms of mentioned here, the structural changes in agrarian production should directly ensure the long-term economic interests of the state from the point of view of the requirements of society. For this purpose, it's important to pay attention for solve of below issues:

- the measures intended to be implemented in agrarian sphere should be more sustainable for decreasing negative impact of imported goods which are more competitive;
- due to the direct impact of import-export operations to the development of agrarian sector and also the opportunity for keeping other countries



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depending on the goods exported by the countries which achieved innovative economic progress, structural changes should be provided in conjunction with agrarian sector and other spheres of the economy [9].

- the economic essence of structural changes directed to the growth of agrarian sector also requires the identification of potential external markets in terms of competitive opportunities. From this point of view formation of strategic structural policy is extremely important.

Despite of the specialization in traditional production for a long time, the trend of change in economic process makes inevitable transition to new production fields. For this purpose, following matters should be taken into consideration and investigated by producers:

- analyzing the current situation of agricultural production;
- investigating the current situation of the recourse potential and use of them in accordance with the production direction;
- identifying the economic efficiency for different production fields;
- identifying the more economic efficient production fields taking into consideration market demand;
- Identifying the directions for improving economic efficiency of production and identifying more economically efficient production fields using recourse potential during diversification process.

The direction of diversification process is formed under the influence of complex factors and diversity of these factors plays important role for increasing the profit of producers. Therefore, in time scientific valuation of negative and positive aspects of economic changes before and after the diversification process and economic and scientific justification of measures which should be held are the important issues for producers [8].

The scientific basis of diversification strategy is the justification of its economic indicators, justification of its relation with logistic systems, harmonization of relations between fields being diversified and the economic valuation of diversification activities.

And it means that, before the changes in production structure, required information about possible outcomes of diversification process should be prepared and factors which can affect economic efficiency during production activity should be identified and taking into consideration of the positive aspects of these factors and the

implementation of measures for minimization of negative aspects are the main issues.

As in the other spheres of economy, integration to the world economic systems conditions the production of competitive goods in agrarian sector and makes necessary adopting the production process with market requirements.

Due to the changes in market requirements, entities which produces the same or similar competitive goods for a long time starts to change their production structure. It makes necessary the substantiate of diversification process in various production parts, such as identification of appropriate production parts taking into account climate conditions and potential of recourses and building more economically productive structure.

### Conclusion

Analyze of the possible changes in the structure of agrarian production and factors for diversification shows that, there are number of matters which should be analyzed and taken into consideration:

- the structure of land recourses should be analyzed, provision of agriculture with suitable land should be investigated and the level of use of this land should be identified;
- the structure of labor recourses should be analyzed, the skills of employed peoples should be identified and factors which influence the employment should be valued;
- current situation of provision with water recourses should be investigated, level of use of this recourses should be identified;
- production direction of processing entities, processing capacity and the level of use of processing capacity should be investigated;
- the ratio, dependency, difference between cost and price and the factors influencing them should be valued;
- with identifying the production fields and cost of the product of field structure of agricultural goods and the role of the production costs and prices in formation of field structure should be identified and level of dependency between this indicator should be valued;
- efficient use of agricultural potential and current problems with developing economically efficient agricultural sector should be identified;
- requirement of the markets of agricultural goods should be identified, trend of change of demand depending on the consumption norm and population also the level dependency between supply and demand should be identified and etc.

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