

Conceptual Foundations of Marketing Organization and Logistics Management in Agribusiness

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ABSTRACT

Objective: This study aims to explore the impact of marketing and logistics systems on the efficiency of agricultural product production, storage, and sales, focusing on the challenges faced by agricultural producers in Uzbekistan. **Methods:** The research employs a systematic analysis of the agricultural supply chain, evaluating the role of marketing and logistics in managing the flow of goods, determining production volumes, and assessing market capacities. Data is gathered through literature review, case studies, and qualitative analysis of existing agricultural practices. **Results:** The findings highlight significant inefficiencies in the current agricultural logistics system, where the lack of proper marketing strategies and logistics infrastructure leads to high production and transportation costs, imbalances in consumer markets, and low competitiveness. The study identifies key areas where improvements in the marketing-logistics framework can reduce costs by 10-15%, enhance production planning, and better align supply with consumer demand. **Novelty:** This research introduces a comprehensive approach to integrating marketing and logistics systems in agricultural production, emphasizing the importance of strategic coordination between resource suppliers, producers, and market demands. It provides insights into developing a more efficient, market-responsive agricultural sector in Uzbekistan.

INTRODUCTION

As a result of the increase of economic entities in agriculture, the intensification of production, the increase in the volume and quality of the produced products, the issue of the flow of products and the proper organization of sales channels became complicated. Also, industrialization of production, i.e. industrial production of agricultural products, on the one hand increases the economic potential of producers, and on the other hand, puts the task of storing manufactured goods and delivering them to consumers in the shortest possible time. However, the fact that marketing and logistics services are not organized at the required level in the system of production, storage, transportation and sale of agricultural products in our Republic today creates unique problems in managing the flow of goods. That is, the fact that the sale of manufactured goods to domestic or foreign markets is not systematically organized is causing various imbalances in the consumer markets. From the beginning, it is advisable to conduct a short-term and long-term analysis of the consumer markets in the entities producing agricultural products and to develop a strategy of the economy based on the results of the analysis, as well as to take into account not only the volume of the product, but also the change in the state of the financial markets in the future when determining the production strategy. must According to researches, if the coordination of the sale and transportation of agricultural

products is the main link of logistics, the marketing system ensures the coordination of the production, storage, transportation and sale processes, as well as determines the volume of product transportation by analyzing the capacity of consumer markets

RESEARCH METHOD

The research methodology used in the study focuses on a combination of qualitative and analytical approaches to evaluate the marketing and logistics systems in agricultural production. The study begins with a comprehensive analysis of the existing challenges and inefficiencies in the flow of agricultural products, particularly in the context of Uzbekistan's agricultural sector. It incorporates a review of literature from various scholars, including J.P. Evans, B. Bepman, P. Drucker, and F. Kotler, to understand the theoretical foundations of marketing and logistics. Additionally, the research involves a detailed examination of the current practices in production, transportation, storage, and sales channels within the sector, identifying gaps in market research, resource supply, and consumer demand management. The study also draws upon case studies of agricultural clusters to explore the potential for integrating marketing and logistics systems in enhancing production efficiency and competitiveness. Through this method, the research aims to offer strategic recommendations for improving the organization and management of agricultural flows, with a focus on reducing costs, optimizing resource use, and ensuring alignment with market demands.

RESULTS AND DISCUSSION

According to research, today our republic relies on market principles in the production of agricultural products, that is, farmers and agricultural enterprises producing products for the free market independently determine the volume of production. Also, the "marketing-logistics system" is not given much importance in the industry. Because most economic entities produce products on a small scale and the flow of goods is carried out by informal intermediaries. On the one hand, this frees producers from excessive spending, on the other hand, it creates the basis for the formation of a sharp increase in the prices of consumer goods and relatively low prices for the products grown by farmers and farms.

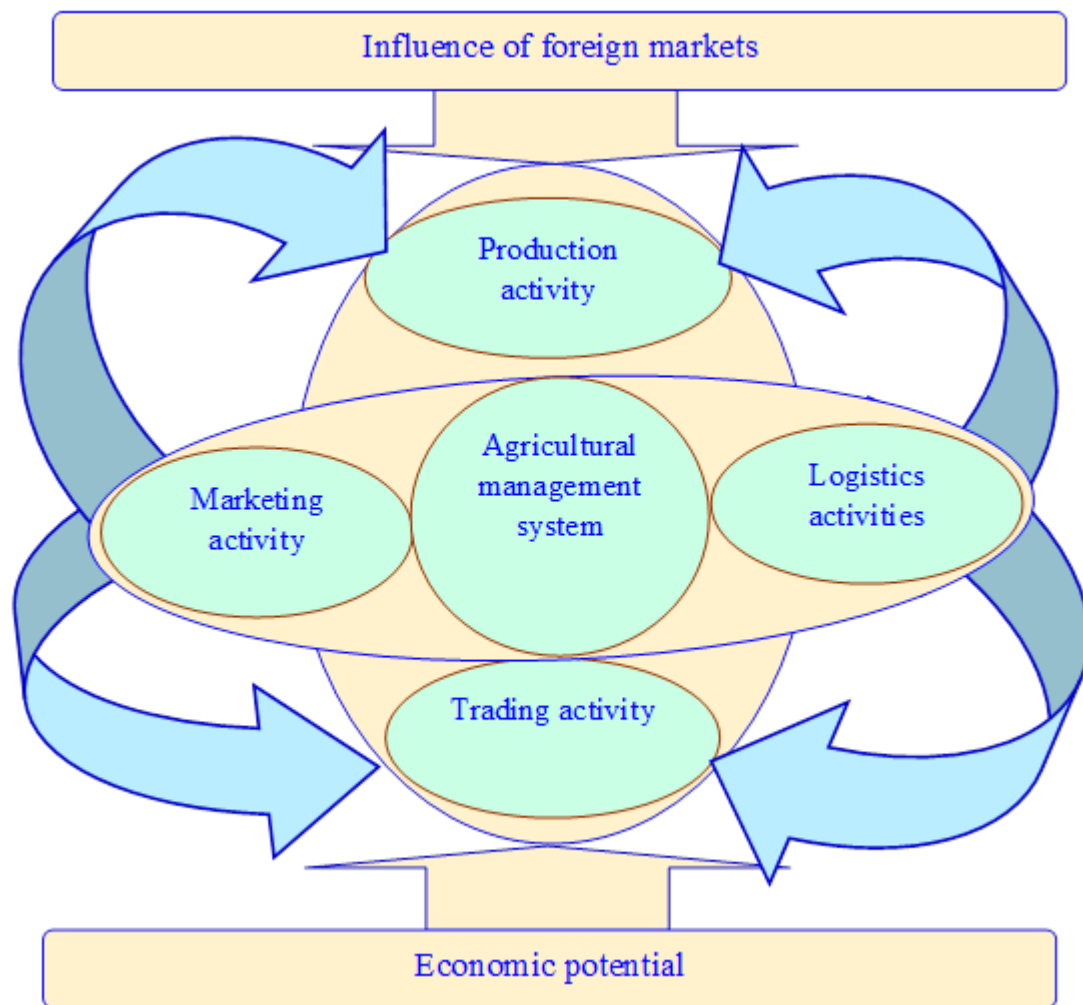


Figure 1. Marketing-logistics system in the production of agricultural products.

From Figure 1, we can see that the production, sales-storage-transportation system, as well as the production management process, are embodied as a single system. In fact, the logistics and marketing system in agriculture is an integral part of management and a link that drives production and ensures high efficiency. Because, today, high efficiency is achieved by choosing the right channels of sales of manufactured products. At the same time, it is important to correctly choose the consumption channels and assess the market capacity in the successful management of the activities of agricultural producers. Because it is through these factors that it is possible to choose the right production volume, as well as to adjust the price of products in the consumer markets.

In our opinion, the proper organization of the flow of agricultural products provides several advantages:

1. Reducing the cost of products due to the reduction of losses in the processes of storage, transportation and sale of products, as well as achieving alternative transportation costs; - reducing the cost of products due to the reduction of losses in the processes of storage, transportation and sale of products, as well as achieving alternative transportation costs;
2. Taking into account the capacity of the domestic and foreign consumer markets, by determining the production volume, on the one hand, reducing the production of

- surplus products, on the other hand, increasing the competitiveness of goods by producing products based on specific consumer requirements;
3. Due to the reduction of transport and storage costs, it is possible to prevent a sharp increase in consumer prices and to reduce the consumption of excess resources. Today, the cost of transportation and storage of agricultural products is about 15-25% of the total cost. Also, the systematic organization of production of agricultural products and delivery to consumers in the conditions of the market economy ensures relatively high efficiency. Because the manufactured product is profitable only after it is sold. It should be noted that most producers of agricultural products do not fully use their potential, and only 35-40% of their available resources are considered effective, and the rest of the technologies are hardly effective. Because the seasonality of production, as well as the single purpose of the techniques, allows to use the existing techniques once or twice during the year. This leads to higher costs for farms for maintaining and repairing equipment that is used for a short period of time. For this reason, the implementation of marketing and logistics systems in the production and sale of products, on the one hand, allows the full use of the potential of existing equipment and resources, and on the other hand, it creates the basis for reducing the costs of saving excess resources and their maintenance.

In our opinion, in the process of production and sale of agricultural products, marketing and logistics systems are developed, first of all, as their institutional basis, according to the Decree of the President of the Republic of Uzbekistan dated October 23, 2019 "On approval of the strategy for the development of agriculture of the Republic of Uzbekistan for 2020-2030" No. PF-5853 given the task of reducing the costs of agricultural, food products marketing and transportation in international markets, the development of this field creates the basis for the growth of not only agriculture, but also the exploration potential of the state. It also envisages the widespread introduction of market principles in the purchase and sale of agricultural products, the development of quality control infrastructure, the promotion of exports, and the promotion of the production of competitive, high-added-value agricultural and food products in the target international markets. The implementation of market principles in the production of agricultural products, the independent choice of the type of produced products by farmers, conducting marketing research in the field and the development of agricultural logistics in the proper management of the flow of goods have become an urgent issue. Today, most of the products grown in our republic (more than 80% in agriculture, more than 90% in animal husbandry) are grown on farms, so households do not pay enough attention to market research and alternative transport costs. This creates the basis for the higher costs of transportation, storage and sale than the production of the product.

In the production of agricultural products, market research and proper organization of the flow of products, on the one hand, improves the quality of production, and on the other hand, it encourages the offering of products taking into account the needs of consumers. Because, if the demands are placed on the product quality to the producers,

then the demand is placed on the logistics providers to deliver the products in a short period of time and at the expense of low costs. The high level of urbanization in our republic imposes a number of demands on improving the supply of products:

1. The short delivery time of the product based on the order, the packaging of the product;
2. The expiration date and production dates of agricultural products are indicated;
3. High priority is given to aspects such as the description of the purchased product.

In fact, while much attention is paid to the variety and region of cultivation of the products sold at farmers' markets, in modern supermarkets more attention is paid to the preservation and packaging of the products. This segmentation of consumers raises the issue of proper organization of the flow of goods. However, the fact that most of the producers involved in this process produce products on a small scale and have limited opportunities to present their brands to consumer markets, limits the possibility of conducting marketing research, and complicates the systematic transportation of products. That's why it requires a general and specific approach when defining marketing strategy in agriculture.

In our opinion, marketing aims to carry out not only the system of selling products, but also the processes of production planning, organization and transportation and storage of the grown products at the lowest cost in the form of an integrated system. The development of production is ensured due to the interdependence of these processes and their complementing each other. Today, as a result of the establishment of cluster activity in agriculture and state support, production in the agrarian sector is increasing, which provides a great opportunity to conduct marketing research and develop logistics systems. Agricultural clusters are not only producers of raw materials, but also complete processors of products and ensure that their products reach the final consumer in consumer markets. In this case, the main goal of the cluster is to conclude contracts with farmers for the cultivation of products that meet market requirements, as well as to create high added value through deep processing of raw materials and to create a brand for their manufactured products.

In fact, through the development of marketing and logistics systems in agriculture, the market position of the economic entity is strengthened through the production efficiency, high value added to the product, and the creation of the brand of the produced product. At the same time, on the one hand, negative situations such as sharp changes in consumer prices as a result of the actions of informal intermediaries operating in the market will be reduced, and the cost of products will be reduced, and on the other hand, farmers and farms producing small-scale products will have a reliable buyer in selling their products. , will also have a quality resource supply in the organization of production.

When analyzing the conducted research, marketing or product logistics in agriculture was studied as a separate object, but in the organization of production, supply of resources, storage of products, transportation, sale and segmentation of consumers were not studied as a whole system. According to scientists J.P. Evans and B. Bepman,

the marketing and logistics system is interpreted as the parts of the distribution and sale of goods, while P. Drucker put forward the opinion that it is the proper organization of goods storage and trade activities. Such approaches not only do not fully illuminate production and sales systems in agriculture, but also do not reveal the tasks of marketing and logistics. because, along with clearly defining the tasks of each economic process, it is necessary to fully reveal their specific characteristics.

In fact, as a result of the rapid development of production, from the second half of the last century, a sharp development of economic processes related to the supply of resources and the transportation of goods was observed, but the economy was based on the administrative-command system, and the organization of production without taking into account market requirements had a negative impact on the development of agriculture. Since the 1990s, as a result of the liberalization of the economy and the strengthening of the position of consumers in the processes of production, sale and transportation, as a result of the market principles, there was a need to research and study consumer markets..

Initially, scientific research on the organization of the distribution of goods, i.e. supply, was presented in the researches of F. Kotler and his teammates, in which a great deal of attention was focused on the organization of production through the collective distribution of goods. Kotler gave a thorough explanation of marketing research on a scientific basis. He also gave his opinion on how to provide the production processes with resources and achieve the alternative of transport costs by organizing the flow of goods properly.

According to Hans Hapshgen and his colleagues, supply development is defined as the diversion of capital flows from the forces of production to the direction of consumption. This idea given for the logistics system, while having a general character, does not fully cover the processes of development of the repair system, because the logistics system includes not only the transportation of products, but also the delivery of goods in the shortest possible time through the creation of consumer markets and advertising of goods. Accordingly, it includes important processes such as packaging, storage, and ensuring that the quality of goods is not damaged until they reach the consumer.

In fact, if the processes of selling products in agriculture begin after the production of goods, and the supply system precedes the sales system, that is, if the supply of resources is initially established during the organization of production, then the process of organizing the flow of goods begins after harvesting. Therefore, marketing and logistics systems are constantly complementing each other. It should not be forgotten that today's marketing-logistics system does not take into account the differences between goods and products, that is, it treats both equally. It is known that a product is recorded as a commodity only when it is put on the market for sale, in the logistics system, goods are transported regardless of the location of consumption, and in the marketing system, only products released for consumer markets are studied.

According to D. D. Kottogolov, one of the European scientists, the marketing-logistics system in agriculture is the organization of the flow of goods and products in the most alternative way, regardless of consumption. This definition fully describes the activities of small distributors, but in agriculture supply is divided into two types, resource and finished product distributors. This requires a deeper study of the marketing-logistics system.

Also, the economist Genpi Accel described the processes of distribution of goods as "... economic processes during the period from the production of goods to the consumer." According to him, the development of the wholesale and retail trade system has put forward the idea that it correctly manages the flow of goods based on the demands of consumer markets. However, they have not paid enough attention to the impact on demand in consumer markets, as well as the fact that markets fluctuate during sudden changes in demand..

The definition given by F. Kotler from the researcher is important. According to him, first of all, the firm maximizes its profit, and it is important to determine the "market limit", that is, the manufacturer should evaluate how much a change in the product capacity in the market by one unit affects its value.

In our opinion, the correct assessment of the market capacity in agriculture, that is, the determination of the "Market Limit" creates a basis for determining the volume and assortment of manufactured goods. Also, by determining the market limit, the entities operating in the system have the opportunity to regulate the economic relations that arise in their activities. As a result, in organizing the production of agricultural products, it becomes possible to manage the supply of resources and the flow of goods, as well as to correctly assess the demands of consumers. At the same time, the activities of producers and suppliers in agriculture are ensured, and the volume of production and the movement of goods are coordinated. Of course, it is necessary for agricultural enterprises to have a large production capacity, sufficient financial resources to carry out logistics support and marketing research. Taking into account the fact that the production of agricultural products in our republic mainly corresponds to the contribution of peasant farms, and therefore the production volume is relatively small, it is necessary to form an independent economic entity for the development of the organizational and marketing system in the field.

In fact, today there is a private sector engaged in the logistics and marketing system in agriculture, but this system is limited to serving the existing production. That is, market changes in the future do not guarantee the systematic operation of supply chains for new products. The existing system is mostly managed by informal intermediaries operating in the production processes. Because of this boom, there is not a strong economic interdependence between the supply of resources, the flow of products, and the sales channels in the production of agricultural products.

In general, we can divide the logistics system into two parts: resource providers and goods flow organizers. In the fight for competition and in order to ensure high efficiency, ensuring the compatibility of both logistics systems, on the one hand, reduces production

and supply costs, and on the other hand, minimizes the costs of selling products. It also reduces losses in production organization and product transportation. Coordination of supply of resources, flow of goods and sales of products, integration of producers of agricultural products as a mutually integrated system represents the functional efficiency of the logistics and marketing system..

In fact, it is difficult to demonstrate the functional efficiency of any system in the organization of production processes in the modern economy, because according to Dj. O'Shaughnessy and his colleagues, one of the scientists who conducted research in this field, the functions of entities in the production process are divided into three main groups: "stimulation, mediation and service ", and their individual functional effectiveness has not been fully revealed. Also, D.D., who conducted research in this direction. Kogotlodov and L.M. According to the Kharipovas, functional approaches to production are divided into 4 groups: 1) organization of production by determining consumer requirements; 2) alternative circulation of goods by proper management of the flow of products; 3) mutual harmonization of economic relations between suppliers of resources and products; 4) formation of movement of goods on the basis of reasonable market requirements. From these studies, we can see that Kogotlodov's analyzes are mainly focused on the proper management of the volume of production and the flow of goods. It is also aimed at choosing alternative options for suppliers of resources and transportation channels for the production of production.

To sum up, the following results will be achieved through the development of logistics and marketing services in the system of production and sale of agricultural products:

1. Production is planned on the basis of full market principles, and the supply of goods is established based on the requirements of consumer markets;
2. It is possible to minimize the costs of transportation, storage and sale of the produced products by at least 10-15 percent;
3. Through the introduction of modern management methods into the processes of production organization in the agricultural sector, the cost of manufactured products will be reduced due to the reduction of management costs by at least 20 percent.

CONCLUSION

Fundamental Finding: This study emphasizes the critical role of marketing and logistics systems in improving the efficiency of agricultural production, storage, transportation, and sales, underscoring the need for a coordinated approach that accounts for market demand, resource availability, and transportation costs. **Implication:** The implementation of an integrated marketing-logistics framework can significantly reduce operational costs, enhance competitiveness, and ensure more reliable product delivery to consumers, particularly for small-scale agricultural producers. Moreover, it could contribute to the development of a sustainable and market-responsive agricultural sector. **Limitation:** The study primarily focuses on the organizational aspects of logistics

and marketing systems in agricultural production, with limited exploration of technological advancements or broader economic factors affecting global agricultural markets. **Further Research:** Future research could delve into the impact of digital technologies, such as blockchain and AI, on optimizing agricultural supply chains, and investigate the long-term effects of policy reforms on the development of integrated marketing-logistics systems in different agricultural sectors.

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