

АГРАРЕН УНИВЕРСИТЕТ – ПЛОВДИВ
ФАКУЛТЕТ ПО ИКОНОМИКА
КАТЕДРА „МЕНИДЖМЪНТ И МАРКЕТИНГ“

АНАСТАСИЯ САШО МИТРЕВСКА

**STRATEGY FOR THE DEVELOPMENT OF MARKETING CHANNELS
IN AGRIBUSINESS IN THE REPUBLIC OF MACEDONIA**
(Стратегия за развитие на маркетинговите канали в агробизнеса на
република Северна Македония)

АВТОРЕФЕРАТ

на дисертационен труд за присъждане на образователна и научна степен
„доктор“ по научна специалност
„Организация и управление на производството“

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I. Обща характеристика на дисертационния труд

The results of the research show that developed market economies contribute much more importance to marketing channels in the agribusiness system compared to our country. Marketing channels are a necessary prerequisite for efficient agriculture, rural and overall economic development. The structural changes that have occurred in developed countries are characterized by a significant shift in the relationship between participants in marketing channels. These changes are particularly marked by the strengthening of the position of retail entities.

In the Republic of North Macedonia, the analysis of the development of agribusiness in most cases is reduced to looking at the comparative, but not the competitive advantages. The low level directly reflects the competitiveness and profitability in the marketing channels for the structure and volume of the export of agricultural and food products from the Republic of North Macedonia. Presented marketing channels in function of selected agricultural products with quantitative data at the level of subjects of the marketing channel indicate that the most common form of sale of agricultural products is the natural consumption in the family to satisfy one's own needs. Research has shown that a very significant influence on such a situation is insufficiently developed marketing channels and a lack of long-term connection with producers and processors.

The main conclusion of the conducted research is that the survival of Macedonian agriculture at the global level should ensure synchronized production in the competitive market and its integration with agricultural and food products within short and long food supply systems according to developed economies. Hence, the paper primarily deals with organizational problems in the domain of modern agribusiness, and aims to point out the need to transform the role that modern trade has in connecting different participants in the modern food supply chain.

Key words: agribusiness system, family farming, strategy, marketing channels, competitiveness

II. Основно съдържание на дисертационния труд

Producers of agricultural products, regardless of the modalities of

internal organization (companies, holdings, limited liability companies, cooperatives, development cooperatives/clusters), their production-business policies must be defined in accordance with marketing principles. Marketing orientation, in all its manifest forms, is an indicator of the high degree of professionalism in the implementation of business activities of enterprises.

Marketing is a philosophy that, in addition to putting the customer at the center of the business, is also a business function that encompasses a series of activities that must be performed to deliver value to the customer.¹ If it is the so-called social definition of marketing, that is, it represents a social process by which individuals or groups come to do what they need production, sale, purchase or exchange with other persons. Kotler and Keller² states how marketing is "The art of selling products" and defines it as a managerial definition of marketing. The same authors convey irrigation to the theorists of management Peter Drucker, marketing should have a role of directing and familiarizing consumers with the products and services that suit them the most in such a way that they buy with pleasure.

Definitions of marketing start from the point of view that marketing activities must be in accordance with the needs of the target groups in the markets that are the subject of interest.

The purpose of marketing, as stated by Vlahović³ is not just selling products and thus satisfying the needs of consumers, but to manage the entire, very complex, production process, in accordance with market laws. Marketing is the key to achieving the company's goals, it serves to determine the needs and requirements, consumption and delivery of the desired pleasures, more efficiently and effectively than the competition.

Production, as well as turnover in agribusiness due to the specificity of the product, requires adaptation in accordance with world trends. Consumer needs are related to healthy, health care safe food, which binds producers to specific production conditions. The placement of the product takes place through several marketing channels: the market, the processing industry and through trading companies, which also have to follow the conditions related to high food safety standards.

Due to the unfavorable structure of the agricultural stop in the Republic of North Macedonia, they are much lower than in the EU, but they are similar to some in the SEE countries. In general, the agri-food sector faces difficulties in developing food distribution chains, marketing and quality, veterinary and phyto-

¹Jobber, D., Fahy, J. (2006): Osnovi marketinga, Data status, Beograd

²Kotler, P., Keller, KL (2006): Marketing management, Data status, Belgrade.

³Vlahović, B. (2011): Tržište i marketing agro-food products, Poljoprivredni fakultet, Novi Sad.

sanitary standards compared to EU standards. On average, the prices of agricultural producers are significantly higher in the Republic of North Macedonia than in the EU countries. It shows that producers in the Republic of North Macedonia continue to face weak price competitiveness. In the future, a strategy for agricultural trade must be developed, which will be based on market analysis, which will enable local producers and processors to better exploit market opportunities, but also stabilize employment and income. Competitive agriculture requires up-to-date knowledge, information and management services. Further training, counseling and technical and agricultural/business management and information on the agricultural market in accordance with the specific needs of the country are prerequisites for creating growth in agricultural production and increasing the efficiency and competitiveness of the sector. Advancement of research in agriculture will lead to facilitation in the creation of sustainable__production systems, especially in terms of new challenges such as climate changes, biodiversity, the increase in the prices of food and biofuels.

The Republic of North Macedonia should start the schemes for agro-ecological payments that offer support for the sustainable use of natural resources; especially sustainable land use practices in agricultural production with high natural values. A commitment to support such agriculture will improve the provision of positive externalities and environmental services through agricultural practices. Also, more attention should be paid to areas with limited agricultural opportunities. Knowing that most of the agricultural holdings are very small, it is necessary to find ways to develop such agricultural holdings. To strengthen the production and marketing of Macedonian "small" farmers, support for the creation of producer organizations would be the single most important measure for the fruit and vegetable sectors. Due to the large variations in production and prices, the Republic of North Macedonia should start with mechanisms for prevention and risk management, through the support of accounts from private insurers. In order to increase the competitiveness of Macedonian products on the domestic and export markets, the long-term promotion of agricultural-food products, in combination with tourism and gastronomy, should enjoy constant support.

Taking the above into account, this paper analyzes a very important issue of the turnover of agricultural and food products as integral components of the total process of reproduction in agribusiness. Trade and other marketing channels in the observed sector perform an increasing number of functions with a relatively reduced number

of labor productivity. It is recognized by the reputation of developed market economies

the importance of marketing channels of agricultural products, as a prerequisite

for the economic development of this area as a whole, but also the business success of agricultural entities as a result of vertical integration. Moreover, as in developed market countries, significant changes in marketing channels in recent decades, above all,

in the direction of promoting relations between their participants and strengthening the role of trade (especially retail stores) in them, and in Macedonia the emphasis should be placed on expected reform interventions, especially in the sphere of the integral food supply chain.

Some of the identified limiting factors for effective inclusion in the international market of agricultural and food products are:

- Slow adjustment to market business criteria, i.e. introduction of modern management and marketing;

- Absence of long-term solid contractual relations between the food industry and producers of raw materials (farms, cooperatives, agricultural companies);

- Lack of economic-market connection of primary agricultural production and industry that uses agricultural products;

- The development policy is still incompatible with the global world, the trends in the food supply chain, such as the concentration of capacity and highly sophisticated technology, in order to increase productivity, economy of production and competitiveness.

As a result of the previously mentioned restrictions, there is a legitimate tendency to increase the participation of the subjects of the marketing channel in the total selling price of agricultural and food products on the market. They point to this conclusion numerous studies conducted in the European Union, the United States and other developed market economies (Pache, Gilles, 2007., Terry L., Esper & Alexander E., Ellinger & Theodore P., Stank & Daniel J., Flint & Mark Moon, 2009.)

Theoretical content

In order to answer the question the issue of the influence of distribution channels on the sale of agricultural products and increasing the competitiveness and efficiency of their placement, the doctoral dissertation is expected to consist of six chapters and separate introduction and concluding observations.

In the first chapter of the paper, the basic characteristics and specifics of the farmer and his basic functions are analyzed. The definition of an agrarian is often general and imprecise, and may include one or more of the following activities: tilling the soil, growing and harvesting, raising livestock, raising other animals (poultry, beekeeping, artificial fish farming), animal production agricultural products, production of seeds and plants, work in forestry and forest

protection, primary processing of agricultural products. The specifics of agribusiness as well as the specifics of the sale and supply of agricultural products are further analyzed.

Within the framework of the second part of the dissertation, theoretical considerations related to marketing and agriculture will be covered. The decision-making process during the purchase of agricultural products is analyzed. At the end of this chapter, the 4Ps of marketing are analyzed from an agribusiness perspective.

The third part deals with the concept, meaning and types of marketing channels of agricultural products. Namely, the successful operation of the market channel in a competitive market implies an independent market actor, who will unite the individual resources of other market actors in order to achieve collective goals through an interconnected system. Furthermore, the specificities of distribution channels in agriculture are analyzed. This is necessary to analyze, bearing in mind that the distribution channels of agricultural products are specific and completely different from the distribution channels of industrial goods. The specificities of the distribution channels arise above all from the peculiarities of agriculture itself, as well as the existence of a large number of entities that are connected and exist from it.

In the fourth part, we will analyze the distribution channels in agriculture in developed countries. In that way, we will be able to see what the trends are, that is, through which channels agricultural products are distributed in the countries of the near and far neighborhood, which are members of the EU and countries which are in different stages of joining the EU. In this way, it will be possible to see how the different degree of development of agriculture and the different regulatory framework have an impact on the structure of the sales channels.

In the fifth part, the market of agricultural products in the Republic of North Macedonia will be analyzed, with reference to the distribution channels. We will analyze through which channels agricultural products are marketed, what are the trends in the market, as well as the importance they have.

In the sixth part of the doctoral dissertation Empirical research in an analytical way using a survey we will try to show the role of distribution channels on the sale of agricultural products. Empirical research will have a central place in this chapter with the help of a questionnaire that we will send to farmers and consumer clients. This approach to the study of this specific issue aims to answer the question of how similar or different the Macedonian agricultural market is to more developed countries, in terms of the operation and role of distribution channels.

At the end of the paper, the conclusions derived from the entire paper

are given, abstracting the most important knowledge in theory and practice in order to see the role of channels for the distribution of agricultural products in the Republic of North Macedonia.

Subject of the research

Development of agricultural production and transformation of agriculture from traditional to modern are strategic goals of the social economic development of the Republic of North Macedonia. Creation of modern, efficient agriculture is based on a comprehensive analysis of the following factors:

- a) demand for agricultural products, both on the domestic and world markets,
- b) available natural resources and
- c) total production potential for agricultural production.

The issue of the development of agriculture in the Republic of North Macedonia, and besides of indisputable importance, so far not enough attention has been paid both in production-technological, socio-economic and marketing terms. Marketing channel development stands out as a particularly neglected area.

Taking into account the mentioned facts, a thorough elaboration of a more complex approach is necessary, which would enable a faster growth of the turnover of agricultural and food products originating from the Republic of North Macedonia, both in the country and on the international market.

If we take into account the newly adopted strategic development document National Strategy for Agriculture and Rural Development 2021-2027, our country has a great potential in terms of development opportunities for agricultural production. However, compared to the advantages, they should grow into competitive advantages in the market, which is possible precisely by putting emphasis on the research of different marketing channels.

In researching the topic, the fact that different participants in the agricultural sector (family farming model and agribusiness model) have certain specificities that should be the starting point in building efficient marketing channels for agricultural and food products in the Republic of North Macedonia.

The subject of this paper is focused on a comprehensive research of the marketing channels of agricultural and food products. A comparison of different was made experiences in the development of agribusiness in Western market economies, based on which it is gave an overview of previous experiences in this domain in the Republic of North Macedonia, as well as proposals for improving the competitive position of the agricultural sector. Departure the premise of the work is that agriculture should be developed and organized accordingly with solutions in the European Union.

Objectives of the research

The strategy for the development of agriculture should enable an increase in the competitiveness of agricultural products, as well as adaptation to the standards of the European Union and the World Trade Organization. The primary task in the current phase of increasing the competitiveness of production agriculture is the construction of an appropriate structure of marketing channels on the domestic and international markets, as a key missing element. The research in the dissertation is aimed at finding an answer to the question of what are the optimal marketing channels for certain types of products.

The main goal of the marketing channel is the delivery of agricultural and food products from the primary producer and availability to the buyer in the shortest possible period of time, with minimal costs and preservation of usable properties of products intended for consumers.

The aim of the research was to show how the specificities of agricultural and food products and their purpose affect the choice of marketing channels, as well as to indicate the effects of the organization of channels for marketing agricultural products for the competitiveness of the agricultural sector of the Republic of North Macedonia on the world market . Specifically, the aim of the dissertation is to design the structure of marketing channels for certain types of selected products that are typical for smaller, family and large, agribusiness farms, both for the domestic and international markets. In parallel, the changes that took place in the structure of the marketing channel and the entire agribusiness system in our country were investigated, which affected the functioning of the trade so far and which will shape further structural changes in the future.

Primary and auxiliary hypotheses

Considering the importance of distribution channels in insurance and the specificities of distribution channels, the main hypothesis of the dissertation is based on the assumption that

Ho: Cooperation in marketing channels is a key assumption for the competitiveness of agribusiness in the Republic of North Macedonia

The following auxiliary hypotheses will also be set:

H1: In the Republic of North Macedonia, farmers use online sales of their products

H2: Marketing channels influence the improvement of the experience when buying agricultural products

H3: Solving certain challenges and implementing strategies to improve distribution can improve the efficiency and effectiveness of the sale of agricultural products and the business as a whole.

H4: Performing constant monitoring and analysis of problems, will be able to determine the performance of marketing and distribution and will have a better idea of where improvements should be made to increase the performance of the work.

H5: If improvements are made in the marketing and distribution of agricultural products, as well as the introduction of new channels and interactive tools for consumers, then consumers will have a better experience when buying our products and may become more loyal customers.

Research methods and techniques

In accordance with the previously defined hypotheses, as well as in accordance with the basic goal and object of the research, an appropriate theoretical and methodological framework has been set. The theoretical framework is conditioned by the methodological framework, which will determine the way of conducting research and collecting scientific facts as a set of methods. Examining the validity of a defined hypothetical framework requires the use of research methods and techniques that will provide access to relevant data, as well as their processing and connection with certain thought procedures and conclusions.

During the preparation of the theoretical work, numerous modern scientific and professional literature dealing with issues of distribution of agricultural products were consulted: books, collections of works, textbooks, many professional articles published in foreign journals whose topic is insurance, as well as researches that they handle distribution channels in agribusiness.

The development of the empirical part is foreseen based on the analysis of data from primary and secondary sources, as well as the survey method intended to be conducted among respondents - users of insurance services. Based on the results of the survey, appropriate graphs and tables will be constructed and they will be commented and analyzed.

In addition to the above, the following research methods will be used: logical-dialectical method, descriptive method, comparative, analytical-synthetic method, concretization method, abstractions, generalization methods, proof and refutation methods.

All the results obtained with the research were classified, in order to indicate important connections and relationships, and the method of comparison led to the knowledge of the desired goals, ways and directions for the cooperation of partners from different sectors. By applying the deductive method, the results of the research shaped in the form of development models were achieved.

Research ethics

In this research, special emphasis is given to the respect of the basic

ethical principles and rules that are necessary for the preparation of a master's thesis. Data collection and analysis will be approached honestly and responsibly. When contacting the relevant entities, care will be taken to preserve their anonymity. The entire doctoral thesis was prepared independently, without hiring other people or using texts from other researches.

Expected results

Taking into account the subject and purpose of the doctoral dissertation, as well as the previous research that we have carried out, the following results that the research should offer could be stated:

The scientific contribution is reflected in the establishment of a relationship between strengthening the positions of marketing channels of agricultural and food products as inseparable components of the reproduction process in agriculture and the food industry. Solving these challenges and implementing a strategy to improve distribution can improve efficiency and success. of sales and business in general

THEORETICAL ANALYSIS

Defining the agrarian and his basic functions

In economic theory, the agrarian can be defined differently depending on the context, and some theorists describe it without considering its relationship with industry and manufacturing. The definition of an agrarian is often general and vague and may include a range of activities such as working the soil, raising plants and animals, producing agricultural products, seeds and plants, working in forestry and forest protection, as well as primary processing of agricultural products.

Rimando describes agrarianism as the systematic cultivation of plants and animals under human management⁴, while Abellanosa sees it as the cultivation of plants and animals to meet human needs⁵. Rubenstein defines it as an attempt to change part of the earth's surface through the cultivation of crops and livestock to meet the needs of the population or for economic gain⁶.

The Oxford Dictionary describes it as the science and practice of farming, which includes the cultivation of soil to grow crops and the raising of animals to provide food, wool and other products⁷.

⁴Rimando TJ 2004, Crop Science 1: Fundamentals of Crop Science. UP Los Baños: University Publications Office.

⁵Abellanosa AL and HM Pava 1987, Introduction to Crop Science. Central Mindanao University, Musuan, Bukidnon: Publications Office.

⁶Rubenstein JM 2003, The Cultural Landscape: An Introduction to Human Geography

⁷<http://www.oxforddictionaries.com/definition/agriculture>.

Agrarian can also be seen as a science, art or practice that involves tilling the soil, producing crops and raising livestock, as well as preparing and marketing the resulting products.⁸.

Some theorists, especially in France, describe agrarian as a science that integrates two parallel sciences: plant production and animal breeding. But the most accepted definition of agrarian is that it is an economic activity that combines the production of plant and animal products and includes domestic processing of agricultural products. Essentially, agrarian is based on systematized knowledge and skills, including tilling the soil to grow plants and raising animals in order to meet the needs of people.

An agrarian has many different aspects and functions. The first group of functions includes environmental protection, such as conservation of natural resources and maintenance of ecosystems. The second group refers to the economic functions of the agrarian, where food and other products are produced to create economic gain or profit. The third group of functions is social, where the agrarian provides jobs and social stability in the community.

It is important to note that the agrarian not only meets the basic food needs of man, but also contributes a variety of products such as clothing, tools and jewelry. On the other hand, the agrarian also focuses on the creation of economic gain or profit and has a significant share in macroeconomic aggregates such as Gross Domestic Product, income and employment. The basic functions of the agrarian can be grouped into three groups: environmental protection, economic and social group of functions⁹.

The function of environmental protection in agriculture refers to how agriculture can have positive or negative impacts on the natural environment. It is important for the farmer to help maintain and optimize the biological and physical aspects of the natural environment. This includes the farmer's ability to cope with the consequences of climate change, preserve biological diversity and maintain the quality and availability of water resources, as well as help reduce pollution. For this, it is necessary to stimulate sustainable agricultural production, the intensification of agricultural activities, the transition to ecological production, the development of biodiversity, the improvement of soil fertility, the maintenance of pollination, the control of pests and the maintenance of water resources. It is also important to reduce the agrarian's dependence on fossil fuels.

The economic function of the agrarian refers to his role as a basis for the growth and development of the entire economy, including highly industrialized

⁸<http://www.merriam-webster.com/dictionary/agriculture>

⁹Food and Agriculture Organization of the United Nations, Netherlands Conference on the Multifunctional character of Agriculture and land

countries. Evaluating the various aspects of this function requires an analysis of the farmer's benefits in the short-term, medium-term and long-term perspective. This depends on the complexity of the market and institutional development. The main economic function of the agrarian is the production of various goods and products, including food, raw materials for energy, medicines and other products. This production has a significant impact on the national economy and provides income through trade and volume of products. Agriculture remains an important part in the maintenance and growth of the entire economy, including the increase in employment.

The social function of the agrarian refers to the impact of the agrarian sector on the survival of rural communities and the lives of the people who live in them. The maintenance and development of rural communities is key to maintaining agro-ecology and improving the quality of life in rural areas. The main challenges include combating poverty, hunger and malnutrition in rural communities, as well as creating opportunities for new incomes and improving living conditions. The relative importance of all these functions depends on strategic decisions at the local and national level and should be evaluated over a long period of time.

The place of the farmer in economic development

The agricultural sector, as the oldest activity in the economy, has been the object of numerous researches and changes. Industrialization has had a significant impact on the agrarian sector, which has put it in the background, and theorists are now talking about the industrialization of the agrarian.

During the time of the Roman Empire, many people were concerned with agrarian issues, trying to find the optimal balance between agricultural lands and the labor needed to cultivate and grow crops. In the Eastern Roman Empire, a collection of selected works on the agrarian of significant historical importance was created.

With the emergence of large migrations of peoples and the creation of new states, the agrarian sector experienced significant changes and backwardness. Therefore, it was necessary to create written documents with guidelines for efficient cultivation of agricultural lands.

In the period from 1600 to 1800, significant reforms took place in the agrarian sector, and many thinkers at that time advocated its development, while also supporting industrialization and trade.

The scientific approach to the agrarian begins at the time of the physiocratic school. According to physiocrats, the agrarian is the main source of wealth, and the wealth of farmers is the basis for the wealth of the state. Physiocrats also worked out the assumption of the benefit of owning large capital

agricultural holdings in relation to small small holdings, as well as the delineation of income from net income. The theory of land rent, profit, wages of agricultural workers was put forward by Adam Smith, who is a representative of classical political economy.¹⁰ David Ricardo, in turn, has worked out the issue of dividing the income from the land into a part for the land owners, a part for the owner of the capital and a part for the worker.¹¹ Comparative analysis was developed by Arthur Young as a result of numerous trips through European countries and is considered the founder of agricultural economics. Among other things, he introduced double bookkeeping, and all in order to enable the economic results of the agrarian to be seen, he managed to establish the first Ministry of Agriculture in England in 1793.¹² Albert Daniel Thaer (Albrecht Daniel Thaer) was a doctor but also a respected landowner who systematized agricultural science in five parts, namely: agriculture, land, soil cultivation and plant nutrition, plant and livestock production¹³. Theoreticians with great influence in the development of agricultural economics have historically been researchers and teachers in many European faculties. Karl Marx, for example, made a deep analysis of socio-economic relations in the capitalist system and determined that small agricultural holdings tend to collapse compared to medium and large ones. He also researched the importance of technical-technological development in agriculture and how it affects productivity. Marx's theory included conceptions of rents such as absolute, differential and monopoly rent.

Friedrich Engels and Lenin worked on issues related to the peasantry, and Lenin analyzed the development of the agrarian sector in Russia. He reviewed various aspects of agrarian development, including the role of cooperatives and associations.

Stalin continued the work of Lenin, but with an emphasis on collectivization and large associations of state farms. This model proved ineffective, which affected the economic development of the USSR.

In the 60s, 70s and 80s, at a time when the challenge of food security existed, theorists proposed strategies to encourage the development of the agrarian sector as part of its development. The differences between the various approaches were related to whether to give priority to the industry or the agrarian sector, or to develop them in parallel. In the end, many theorists proposed a balanced development where the two sectors work together depending on the conditions of economic development. Investments in the agrarian sector are

¹⁰The Wealth of Nations, Adam Smith, 1776

¹¹On the Principles of Political Economy and Taxation, David Ricardo, 1817

¹²The Farmer's Letters to the People of England, Arthur Young 1768; The farmer's guide in hiring and stocking farms. London, Arthur Young 1770.

¹³Albert D. Thaër. Tr. by William Shaw and Cuthbert W. Johnson. The principles of agriculture. London, Ridgway, 1844.

considered crucial, as it can lead to increased productivity and improvement of the economic status of rural areas.

Each of the mentioned approaches has its own explanations, especially regarding the priority of the industry or the agrarian sector. This includes aspects of employment, increasing exports and the need for investment. Within the framework of the concept of balanced development, economic theorists recommend parallel development of both areas, with the possibility of priority depending on the degree of economic development of the state.

Considerable resources are being invested to improve agricultural production, especially in the United States, where a large number of scientists are working on research in this field. Many European countries follow the recommendations and results of scientists and researchers in the United States. Nowadays, the problem with the placement of produced food is becoming more relevant, especially with the growing demands for ecologically clean food. To solve these challenges, they are directed towards finding more economical ways of production, while satisfying strict quality criteria.

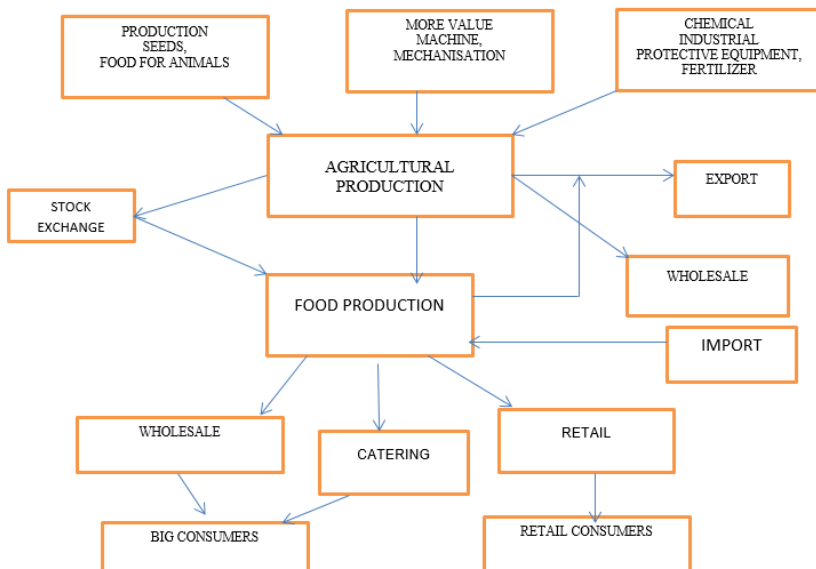
The agricultural sector has a hidden influence on the economic development of the country, because it contributed to the formation of Gross Domestic Product (GDP) and employment. It is a source of raw materials for industry, including the food and machinery industries, plant protection chemicals and agricultural trade. The agricultural sector plays a key role in the optimization of resources and the provision of healthy, safe and quality food, which becomes especially important in underdeveloped countries where living conditions have deteriorated and there is a lack of food.

This issue becomes even more relevant today, where food safety is in focus. The European Union and other countries are devoting themselves to the research of new methods for agricultural production and improving the quality of products. Subsidies and support for the development of the agricultural sector are important for reducing unemployment and supporting the workforce. These investments are aimed at improving technologies, infrastructure and scientific research work, thus increasing the productivity and efficiency of agricultural operations, while ensuring better protection of the agrarian sector and prevention of potential challenges.

To ensure the food needs of its population, the European Union invests significant funds in researching new types of agricultural products and in developing laboratories for testing the quality of products. It also offers direct aid to underdeveloped countries, especially in Africa, to ensure sufficient food. The Common Agricultural Policy of the EU aims to ensure healthy and quality food, not only for the population of the EU member states, but also for the candidates for membership and underdeveloped countries.

The EU subsidizes not only primary agricultural production, but also the processing of products, as well as the import and export of agricultural products. The Republic of North Macedonia follows the strict criteria of the EU regarding agriculture and increases investments in the development of the agrarian sector and biodiversity. The agricultural sector plays an important role in employment, especially in developing and underdeveloped countries where agriculture is the main source of income. Highly industrialized economies are dependent on the agricultural sector as a source of raw materials for industry, so they invest in its development.

Figure 1 -Elements of agribusiness



Source:Leko Šimiš, M., Kristiž, V., Marketing in food production, Economic faculty, Osijek, 2007., p.

The support of the agricultural sector through subsidies and aid by the state has a feedback effect on economic development. Investing in infrastructure, employment and education increases the purchasing power of the population and the demand for agricultural products. This contributes to increasing production, improving quality and increasing labor productivity in the agrarian sector. At the same time, investing in new technologies and researching new types of products improve the agrarian sector and provide them with support in the global market.

For the successful development of the agrarian sector, direct assistance and support from the state is needed, including subsidies by products, support of arable area and per head of profit. This will not only improve productivity, but also increase the value of the products and the length of their life. At the same

time, economic development also means the development of markets for agricultural products and increased consumer power, which contributes to the introduction of new technologies, packaging and mechanization, research into new types of products and production methods.

Analysis of agribusiness in the world

Agribusiness represents the interaction of elements in the production process and the sale of agricultural and food products to the final consumer. The changes that occurred in the market of consumer goods, demographics, changes in the value system, in the attitudes and behavior of the consumer affected the requirements of the demand for food supply.

End customers have less and less free time, and the level of education is in increase. As for demographic changes, there we find a lower birth rate, families are smaller and there are more employed women. Everything is wasted they care more about the impact of food on health, which leads to a change in the way of eating. Because of all the above, the food supply must have a profitable system differentiated structure. Marketing channels in each country are correlated with the economic situation in that country. Marketing channels in Macedonia in the last two decades have survived turbulent changes and are completely different from channels in developed countries. We are in the company of European countries with the smallest assets. Traditional agrarian structure, insufficiently designed land policy and Irregular inheritance rights are the causes of fragmented estates. It is in the European Union In 1957, the average farm size was 4.8 hectares. Today, thanks to the measures of the agrarian policy, the average size of the farm has increased and in some countries it is as much as 70 hectares¹⁴. In France it is 43.4 hectares, Denmark has 50 hectares, and in Great Britain it is 70 hectares, while in Greece it is under 10 hectares¹⁵.

The small average size of the property in Macedonia and its disorganization represent a limiting circumstance for the use of modern agricultural machinery.

The consequence of this is the existence of uncultivated holdings. The agricultural sector is a sector of great opportunities but also of problems, it is necessary to take measures, agrarian policies affect the consolidation of the

¹⁴In northern Europe, farms are larger, while in the south they are smaller and farmers work with limited resources during working hours.

¹⁵ Alizadeh, A. Nomikos, N. 2005. Agricultural reforms and the use of market mechanisms for risk management. A study commissioned by the Futures and Options Association. March 2005. London, UK, Center for Shipping, Trade Finance, Cass Business School. Taken from www.foa.co.uk/publications/agriculturalreport 2005.pdfpg 67

property and its arrangement. One of the measures that farmers should take is mastery in the final stages of the production cycle. A higher degree of finalization of the product will increase the market realizable value. This implies a series of specialized stages of processing and finishing of agricultural products (refrigerators, dryers, can factories...). Namely, the higher degree of processing achieved by such companies, the more products will be sold with a higher degree of added value and bring more gain. Our country exports most of its agricultural products as unprocessed raw materials.

The experiences of developed countries indicate an effort to a certain extent to concentrate funds to finance agriculture. These funds are mostly found in banks that are qualified to finance these specific branches of the economy. For these reasons, most European countries have their own agricultural banks whose activity is based on agricultural production financing (France, Holland, Denmark, Greece...). The state has a strong influence in the development of agricultural banks and their training for the implementation of agrarian policy.

Specificities of agricultural production

Agricultural production has specificities that make it special and complex. One of the main specificities is the direct influence of natural factors.

1) Agricultural production includes plant and animal production, which makes it organic in nature. Since agriculture is a biological process, the method of production differs from industrial processes. For example, a seed planted in the ground grows and increases in mass through the production process. Natural conditions, such as climate and soil quality, have a significant influence on the types of plants or animals that can be grown in a given area.

Although with the progress of technology, the dependence of agriculture on nature is decreasing, the influence of natural conditions is still present, especially in the distribution of different types of agricultural production. Agriculture is susceptible to risks such as drought, flood, hail and other natural disasters, which makes it exposed to high risks compared to other economic activities.

Although there are technologically advanced methods, the unpredictability in the success of agricultural productions puts farmers at considerable risk. The results of agricultural efforts are largely subject to the vagaries of nature.

2) Agricultural production depends on several specific characteristics, one of the most basic of which is the land. Land is an unchangeable and immovable resource in agriculture, it is also the object of labor in this industry. In its natural state, earth contains nutrients and other elements necessary for plant growth and development. This irreplaceability of land means that it cannot be produced arbitrarily, which means that agricultural areas are limited and there is

no possibility of unlimited expansion. According to developed countries, agriculture is carried out on smaller areas, although the space for agricultural activities is still limited.

Agricultural lands are constantly affected by interrelated factors such as the construction of roads, industries and residences, which means that the quality of agricultural lands decreases. With the constant growth of the world's population, the ratio between the number of people and the agricultural area is becoming more and more challenging. Also, the quality of agricultural lands varies, and better conditions for certain types of agricultural production (such as climate and soil conditions) are necessary for the successful growth of certain crops. Climatic and soil characteristics of agricultural areas have a key role in determining the most appropriate crops for a certain area, which has a significant impact on the structure of agricultural production.

Land ownership is an important aspect of agriculture and has historical roots, going back to the creation of the first states. This ownership brings several economic challenges such as land inheritance and fragmentation of agricultural plots. Agriculture, due to the large number of different producers and agricultural units, is organized in a complex way. Agricultural land is a limited resource that can be exploited or abused, and it also degrades over time, so preserving its fertility is at the heart of agricultural concern.

Agriculture is organized around living matter, meaning it is a process with a growing season or reproductive season for animals. This feature of the organic character of production creates a need for special attention and care for the production process that goes through different stages of development. The seasonal nature of agricultural production calls for specific measures and planning due to the dependence on natural conditions. Production in agriculture does not take place like in industry, where the starting material is transformed into the product in the same work shift.

It takes considerable time to see results from investments in agriculture due to the timing characteristics of production and the varying period of return on investments, which can be 10-20 years. The time required for production is significantly longer than the time of labor invested in it. The seasonal aspect of production can make production time tight, and this is an important factor for agricultural producers.

Production time refers to the entire period of time from the beginning to the end of the production process, including all interruptions in the process, regardless of the reason for them. On the other hand, labor time or working period covers only the time when use value is created. For example, the production time of wheat may be several months, but the labor time to gather it may be only a few days. Mechanization reduces labor time, further widening the

gap between production time and work period. Therefore, diversified agricultural production and non-agricultural work are needed to use labor time evenly and ensure sufficient income.

Agricultural production has a seasonal character and depends on the limitation of production factors, which limits the possibility of specialization in production. Workers in agriculture need to have a broader qualification than those in industry, because the production process is very different and complex. The agricultural worker should know all the stages of the production process for several types of agricultural products, because the quality and quantity of production depend on the correct execution of all operations.

4) Agricultural products have their own shelf life and use, both fresh and processed. This specificity is mitigated through measures such as monetary-credit policy, support of stocks, creation of commodity reserves and adjustment of production according to domestic needs and export possibilities.

5) Agriculture only produces the reproductive material, such as seeds and plants, through the production process. Agricultural holdings create and reproduce the necessary material for reproduction, as well as food for animals. This means that agriculture can be both a producer and a consumer of reproductive assets, which is significant for the efficiency of production in agricultural holdings.

6) The regional distribution of agricultural production is critical due to the dependence of agriculture on natural conditions such as geological and climatic factors. Each region has its own natural characteristics that determine what can be successfully grown there, such as grains, vineyards, different types of fruit, etc. Agricultural production is specialized in certain regions, where unprofitable crops are left and the production of profitable crops is increased. This helps in better use of natural resources and increases productivity. Regional settlement is an important investment for better use of nature and profitable agriculture, according to natural conditions. Agriculture refers to natural conditions and dependence on them and is part of modern development, and the agrarian policy should support this reionization of agriculture. 7) Agriculture has an advantage due to the use of solar energy, which is an unlimited source of energy. Solar energy can be used for organic production, but is underutilized. In order to use more amount of solar energy, additional investment in high technology in agriculture is needed. The specificities of agriculture put it in a disadvantageous position compared to industry and other sectors of the economy, and this contributes to its less slow development in the national economy.

The special characteristics and specificities of agriculture put it in a disadvantageous position in relation to industry and other non-agricultural sectors in the national economy. All that contributes to agriculture as an

economic sector developing relatively more slowly compared to other sectors in the national economy.

Application of the marketing concept in agribusiness

In the early periods, that is, during mass industrial production, there was a tendency to adapt the product based on economic propaganda. Today it is completely the opposite, that is, the consumer represents the starting and final point in the business philosophy.

The fundamental problem facing modern business is less a lack of goods, services and money than a lack of buyers. That is, it can be said that the lack of the market, not buyers, is felt more and more. Rajić¹⁶ indicate that market demands have the greatest effect on the structure of production.

Marketing is a discipline that deals with market issues, market needs and how to satisfy those needs. The modern marketing concept through consumer research obtains valuable information about these needs, desires and habits, which represents a good basis for formulating quality business decisions, which should ensure complete consumer satisfaction and profitable operation.

According to the findings of Salai and Božidarević¹⁷ (the basis of the marketing orientation of enterprises means planning in the enterprise), and product development is manifested in the appropriate modification and differentiation of products), adapted to the needs, needs and desires of consumers and potential consumers.

In the marketing concept, the starting point is a product, which is the result of market research and is created based on consumer needs, the asset is integral marketing, the goal is profit based on satisfying consumer needs¹⁸.

It can be said that the importance of the marketing concept is of vital importance and that it represents one of the key factors for its successful business activity for the placement of agricultural services.

Marketing management

How marketing management tools stand out in the literature: planning, organizing and controlling¹⁹. Rather than from the perspective of manufacturing and selling products, it is viewed from the perspective of creating and delivering value. From this aspect, marketing is involved in the beginning of the planning

¹⁶Rajić, Z., Milić, D., Kalanović Branka, Trmčić Snežana (2006): Ekonomska justifikacionost investiranja u priža vinograda, Zbornik radova XI Savetovanja o biotehnologiji, Vol 11, Knjiga I, Čačak str. 87-91

¹⁷Salai S., Božidarević D. (2001): Marketing research: informaciona osnova marketing menagementa, Savremena administracija, Beograd.

¹⁸Vlaović, B., Samardžija, P. (2012): Marketing vina Vojvodine, ABM Ekonomik, Novi Sad.

¹⁹Vasiljev, S., Cvetković, Lj., Kancir, R. (2002): Marketing management, Ekonomski fakultet, Subotica

process, or "a tool for understanding consumers".²⁰..A planning process precedes all business activities and determines the organizational criteria. With planning they are formulated objectives, strategies and modalities of operationalization and control of business programs.

The business entity outlines the content of the plans consisting of defined benefits, products, personnel, technical and technological aspects, and marketing competencies, and these plans are derived from the business mission. According to the same authors, the mission has three main characteristics: it focuses on specific goals, expresses the main policies and values of the company, and determines the areas of competition where the company will actively operate. The mission determines the products, market segments, geographical areas where business activities will be shared. This mission represents a vision for the future and conveys the possibilities and aspirations of the business entity. Considering that the mission can change over time, depending on new opportunities or risks in the market, it can cause changes in marketing plans, both operational and strategic. It is important to note that a business entity loses its credibility if it has only one marketing plan, as this limits it as an option in marketing activity.

Planning can be defined as a process of predicting, monitoring and adjusting the future strategies of the organization, as well as the development and growth of the business entity. It involves thinking about the organization's competencies and analyzing environmental factors. Marketing planning can be strategic (involving acquisition, divestment, and diversification), tactical (setting program goals), or operational (seeking relationships with people inside the company). The strategic aspect determines the directions of movement of the company, how to compete in the market and how to develop in the long term. Corporate planning refers to activities such as acquiring other companies, disinvesting obsolete parts, and diversifying by adding new products or services.

To determine the marketing strategy of the business entity, a SWOT analysis is performed, which considers the strengths, weaknesses, opportunities and threats (Strengths, Weaknesses, Opportunities, Threats). This analysis is used by businesses to identify the factors that affect their success. SWOT analysis consists of two parts: internal factors (strengths and weaknesses) and external factors (opportunities and threats).²¹.

The SWOT analysis, carried out by the company's management, aims, based on the relevant information obtained (external environment analysis)

²⁰Kotler, P., Keller, KL (2006): Marketing management, Data status, Belgrade.

²¹Vlahović, B. (2011): Tržište i marketing agro-food products, Poljoprivredni fakultet, Novi Sad.

potential chances and risks for conducting business in the market, taking into account the strengths and weaknesses (analysis of internal factors) of the company, as an organizational unit. The conclusions of the SWOT analysis significantly influence the choice of optimal marketing strategies.

Decision-making process when purchasing agricultural products

In order to successfully market agricultural products, it is necessary to understand how buyers think and what decisions they make when buying them. In the agricultural industry, one of the most applied models for analyzing consumer behavior is the Pilgrim model from 1957. This model refers to early attempts to understand how consumers relate to food.

Pilgrim's model classifies factors influencing food purchasing into three main groups: psychological factors, sensory experiences, and environmental factors. These factors include the influence of taste and representations of food, as well as how they feel when they eat. At the same time, the influence of internal factors such as biological, psychological and sociodemographic aspects, as well as the influence of external factors such as economic, cultural and marketing aspects are also important.

Consumer behavior can be explained and analyzed with this model, which helps in developing marketing strategies and selling agricultural products.

This model points out that when consumers decide to buy agricultural and food products, it is a process that involves several steps. Initially, consumers recognize their needs and then look for information and alternatives. Then they evaluate those alternatives and finally, decide which product to buy. In this process, the most important factors influencing the decision to purchase agricultural and food products include product quality, price, brand, and product freshness guarantees. The invisible attributes of these products, such as warranties, brand, label quality, and geographic origin, have a major impact on consumers.

In the creation of the marketing concept and in the application of marketing decisions, consumers are the primary focus, as they directly influence consumption. It is noticed that in our country, at the moment, little attention is paid to the products and challenges of consumers, although there is progress in ensuring the quality and safety of food.

In the food industry, various technical analyzes are carried out to identify potential risks in business and recognize situations that are critical for consumers. Unpredictable events can happen at every stage of production, from raw materials to end consumers, so attention should be paid to the location of raw materials and the way of system processing.

Consumer research plays a key role in improving the functioning of the world food market, especially in countries in transition. With the transition to a

market economy, the food industry faces competitive consumer behavior and expectations. Understanding consumer behavior and demands is key to future development. Consumers have demands on industry and retail, they seek information, fight against abuse and take an interest in the composition of food as part of their health care. Food research focuses on consumers, market and industry as fundamental aspects.

The role of consumers in sales channels is significant. They affect manufacturers and distributors, as well as their relationships with each other. Because of computer literacy, consumers have access to information about manufacturers, distributors, competition, market structure, prices and supply times. This encourages collaboration between consumers and manufacturers in product development.

Current demands and expectations influence the expression of individual goals and interests and represent a need for functional integration in distribution channels. This integration, based on the principles, leads to the shortening of the distribution channels and a significant factor for economic development, based on the improvement of the competitive position. When buying agricultural and food products, environmental pressure, consumer habits and cultural identity influence.

Changes in diet affect agricultural production and resource use. The quality of food is often seen as a social status, since "tell me what you eat, and I will tell you who you are" (Anre Brije-Severin, "Physiology of taste").

When choosing marketing channels, consumer habits are critical. In the future, it is important to understand that the human race will not stop using food and will continue to change its way of survival. People are focused on food that does not require a lot of preparation and mostly use local products. Consumers usually have more confidence in fresh products and less in processed products. Almost everyone is interested in fresh, local and natural products. Currently, consumers are expected to have loyalty to certain products that they provide in the local market.

Consumers set requirements for the quality and safety of products, including the need to control the content of products and the origin of raw materials. Manufacturers and traders have to meet these requirements and guarantee the origin and safety of the product. Analysis of hazards and control points in the product life cycle is essential, and is left in the hands of supermarkets. If manufacturing defects affecting quality and safety are discovered, companies must withdraw products from the market.

The social structure in different countries has an influence on consumer habits and demands. In countries with a large number of female employees, marketing channels are adapted for weekly supply to large stores, far from the

places of residence. Changes in the countries of Eastern Europe caused a restructuring of social classes and a demand for adaptation of marketing and distribution methods. Companies need to adapt their strategies to new markets and pay attention to cultural and ethnic differences in communities.

In conclusion, consumer habits, demands and cultural differences play an important role in the choice of marketing channels and in the approach to new markets. Quality, safety and consumer loyalty are key aspects to be considered by companies in the food industry.

EMPIRICAL ANALYSIS

Choice of research method

As already introduced, the main objective of this research is to focus on an extensive research of marketing channels for agricultural and food products, as well as to propose improvements for the competitive position of the agricultural sector. To achieve this goal, an appropriate methodological approach was chosen. Choosing a methodological approach for social research is a complex process due to the number of possible methods that are known in theory and practice, as well as their advantages and disadvantages. One of the frequently used methods for collecting data on the attitudes and opinions of respondents is the survey.

In this research, survey was chosen as the research method. A survey is a technical procedure for collecting factual data by combining statistical sampling methods with interview or questionnaire methods. In this context, the survey was a written collection of data on the attitudes and opinions of a representative sample of respondents, using a formalized questionnaire.

The survey was conducted in the period July-September 2023 and was aimed at farmers, beneficiaries of insurance. The research process was carried out in three stages: data collection, sorting and grouping of data and statistical analysis. Data were collected, sorted, tabulated and presented graphically. This method of data processing enabled a detailed analysis of the obtained results, which was the basis for the research and drawing conclusions.

Also, to explore the attitudes of consumers, a survey was conducted among them as well. The research process involved sending questionnaires to farmers, who distributed them to their customers. The results of extensive surveys were analyzed and included in the research process. All these methods and processes were used to obtain objective and relevant data, which were then used for analysis and conclusions in the research.

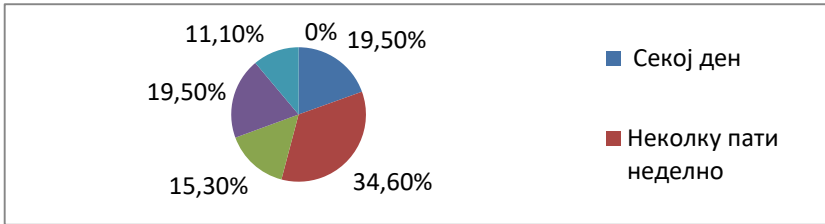
Analysis of the answers

First, we will analyze the results of the research conducted on end consumers, and then on farmers, referring to the above characteristics.

Analysis of responses by end consumers (users)

1. How often do you buy agricultural products?

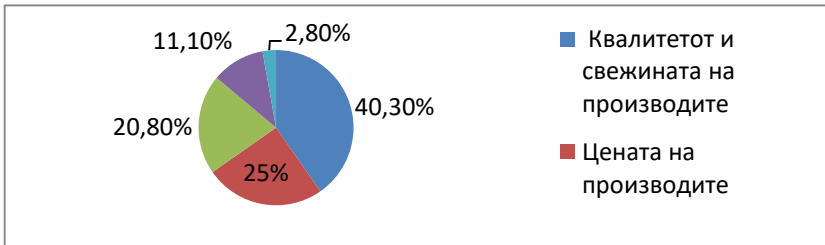
Chart No. 6



The results show diversity in the frequency of purchase of agricultural products among final consumers. The survey also reveals that a significant part of final consumers (54.2%) buy agricultural products on a regular basis (every day or several times a week), which shows a growing interest in these products in their diet. However, there is also a portion of consumers (11.1%) who rarely or never buy agricultural products, perhaps for various reasons such as personal preferences or product availability. It is important for agribusinesses to understand these habits and buying patterns to improve their marketing and distribution approach to end consumers.

2. How do you choose the products you buy? What is most important to you when buying food?

Chart No. 7

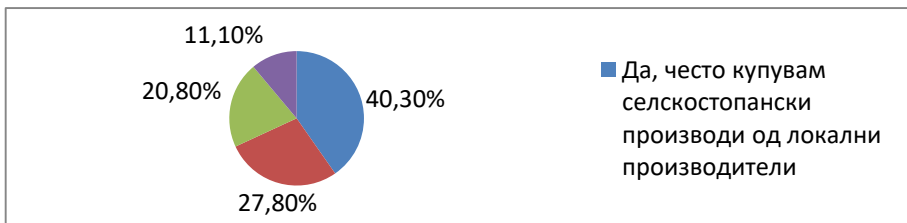


40.3% of end consumers state that the most important aspect when choosing food is the quality and freshness of the products. 25% focus on the price of products as a deciding factor. 20.8% have subjects such as manufacturing process and environmental aspects in mind, which includes sustainability. 13.9% of buyers are focused on brands and the reputation of manufacturers. Only 2.8% respond that marketing and advertising have a significant influence on their decisions. This shows the important factors in the choice of food for end consumers, present in percentages, with an emphasis on quality, price and environmental sustainability as the most significant factors.

This information illustrates how end consumers select and purchase products, with the greatest emphasis on quality and freshness, followed by price and environmental sustainability as important aspects in their decisions.

3. Are you inclined to buy agricultural products from local producers? Why or why not?

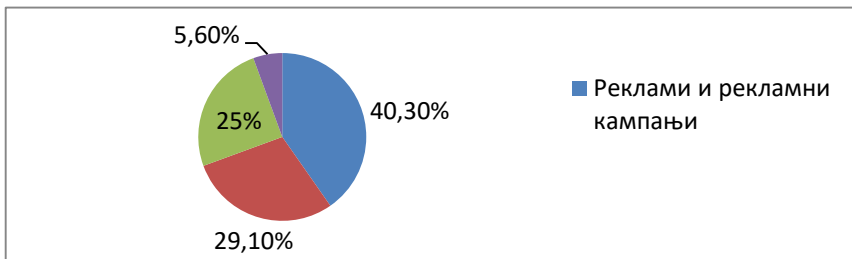
Chart No. 8



Many of our respondents (68.1%) are inclined to buy agricultural products from local producers, because they value the previously mentioned advantages such as freshness, support to the local community and the possibility of direct contact with the producer. However, there is also a section that does not buy such products for various reasons, including inconvenience or cost

4. How do you get informed about new agricultural products and brands?

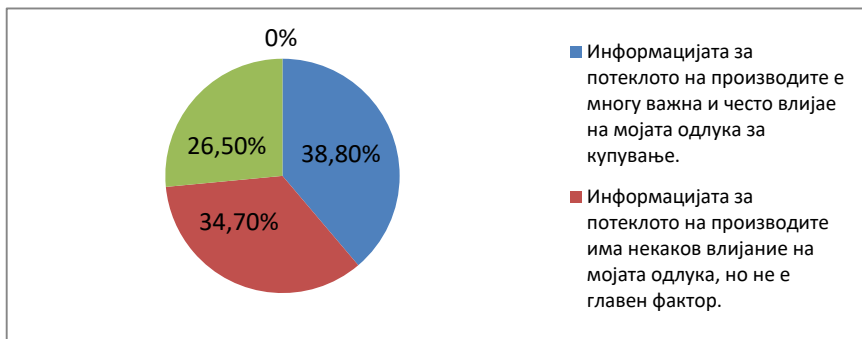
Chart No. 9



End consumers are informed about new agricultural products and brands through various channels. About 40.3% refer to advertisements and advertising campaigns, while 29.1% trust recommendations from friends and family. Furthermore (25%) use online sources such as websites and social media to find information about new products. Only a small proportion (5.6%) refer to traditional media such as television and print media for this information. This illustrates the importance of digital presence and recommendations from personal contacts as important sources of information for consumers.

5. How does information about the origin of agricultural products affect you in your purchase decision?

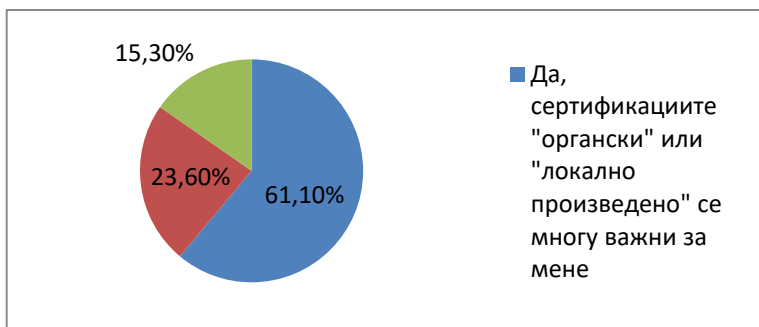
Chart No. 10



Information about the origin of agricultural products has a significant impact on the purchase decision. Namely, approximately 40% of the importance when choosing products is given to the origin of the products. In the responses, consumers pointed out that in order to make sure that they support local producers and choose quality products, the information about the origin helps them to avoid products that are far from their local area or that may have quality problems. This aspect is also important for trust in producers and brands, as I have tried to support those who are engaged in sustainable and ethical production.

6. Are you aware of certifications like "organic" or "locally produced" and how important they are to you when buying agricultural products?

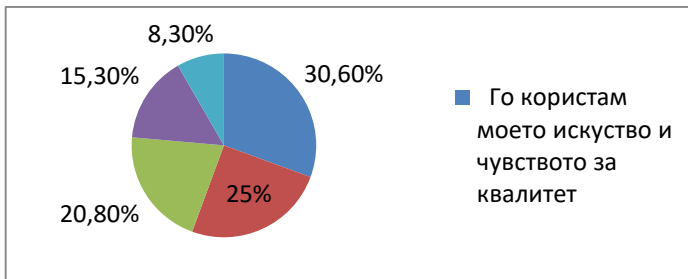
Chart No. 11



Consumers are aware of certifications such as "organic" or "locally produced" and tend to attach importance to them when purchasing agricultural products. About 60% of respondents consider these certifications very important and prefer such products. At the same time, about 23.6% consider them as something important, but not crucial, while 15.3% do not pay much attention to these certifications when buying agricultural products.

7. How do you measure the quality and freshness of agricultural products when you buy them?

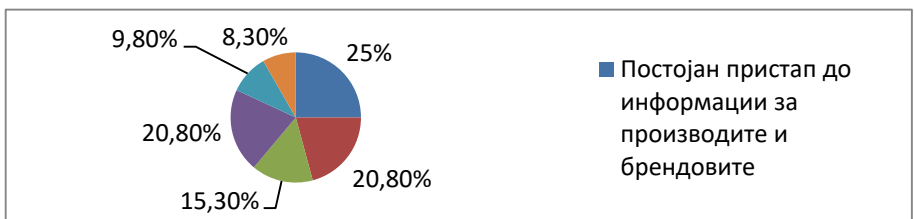
Chart No. 12



When measuring the quality and freshness of agricultural products, many rely on their own experience and sense of quality (30.6%) or check the appearance and condition of the products (25%). Also, a significant part reads information on labels and certifications (20.8%), and some consult other consumers or follow recommendations (15.3%). There are also those who test them on a trial basis (8.3%) before buying. This shows that consumers have different methods of ensuring quality and freshness when purchasing agricultural products.

8. How can improved marketing channels improve your experiences when buying agricultural products?

Chart No. 13



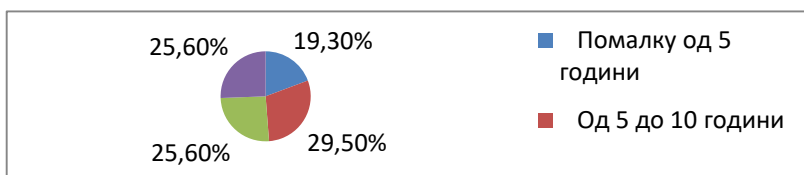
Improved marketing channels can improve agricultural product purchasing experiences in a number of ways. First, access to information about products and

brands (25%) can provide consumers with more knowledge about products, which can help them in their purchasing decisions. Second, personalized recommendations and offers (20.8%) can improve experiences and facilitate the selection and purchase processes. Third, online shopping and delivery options (15.3%) provide convenience and ease for consumers. Fourth, more online review and rating sites (20.8%) can provide them with additional information about product quality. Fifth, improved communication with producers (9.7%) and sharing of production histories (8.3%) can increase trust and the relationship between consumers and producers. These improvements in marketing channels can significantly improve consumer experiences when purchasing agricultural products.

Analysis of responses by farmers

1. How many years have you been in agribusiness?

Chart No. 14



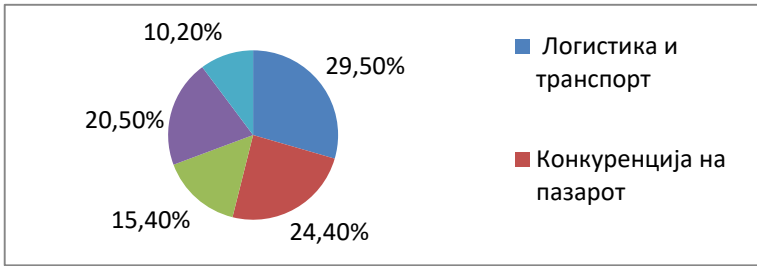
The survey found that agribusiness farmers have different levels of experience. About 20% are new entrants with less than 5 years of experience, while 30% have 5 to 10 years of experience. On the other hand, 25% have experience from 10 to 15 years, and the same percentage have more than 15 years of experience in agribusiness. This diversity in experience can influence their strategies and challenges in business.

2. How do you distribute your agricultural products? What are your main sales channels? (You can give more than one answer)

Agribusiness farmers distribute their agricultural products through various channels. The main sales channels are retail markets and direct sales from the farm, with 69 and 61 participations each. Due to the growth of online shopping, 35 of the farmers are considering using the Internet as an additional distribution channel. This reflects the diversity and adaptability in the ways of selling agricultural products.

3. What are the main challenges you face in distributing your products?

Chart No. 16

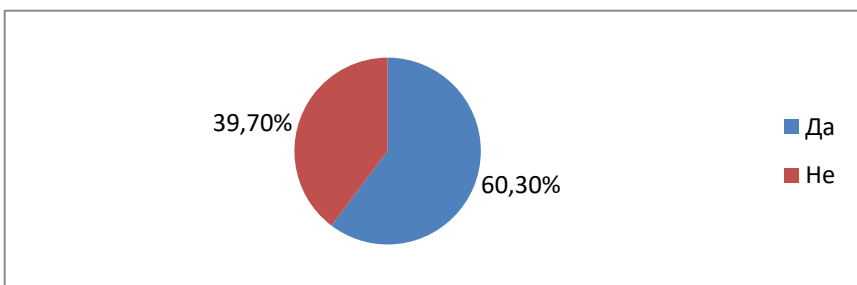


Responses from farmers reveal that logistics and transport are the main challenges for 30% of them, while 25% single out market competition as a significant factor. Regulatory and legal aspects are recognized as a challenge for 15% of farmers, while 20% are focused on maintaining the quality of their products. Losses and costs are the least major challenges, mentioned by 10% of farmers. This shows that every farmer has different challenges that they choose and negotiate in their strategies for successful product distribution.

With this overview of the challenges, farmers can recognize the biggest challenges facing their business and adopt appropriate strategies to deal with them. Logistics and transportation are critical factors in ensuring timely delivery of products to customers, while market competition encourages farmers to differentiate themselves and create unique products. Regulatory and legal requirements require farmers to follow regulations and standards, which can be tedious, but also ensures product quality and safety. Preserving quality is important in maintaining customer loyalty, while cost and loss management helps maintain business profitability. In today's competitive agribusiness, understanding and addressing these challenges is key to successfully distributing and selling agricultural products.

4. Have you considered using online channels to sell your products?

Chart No. 17

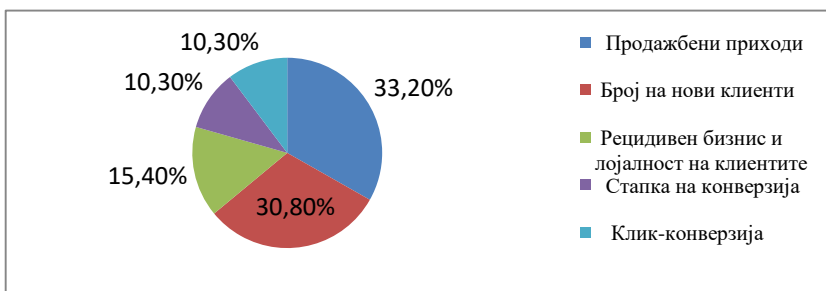


About 60% of farmers are considering using online channels to sell their products. The responses show that a significant proportion of farmers are

considering adapting their business strategies by using online sales channels. This can allow them to directly reach consumers online, which can provide them with a wider market and better use of modern marketing and sales technologies. Adapting to these new distribution methods can be critical to their business success.

5. How do you measure the success of your marketing and distribution?

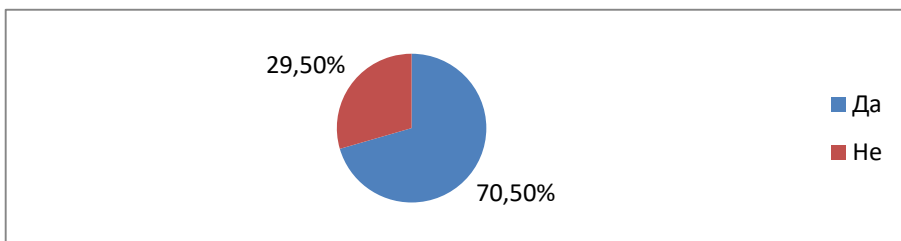
Chart No. 18



Based on the above percentages, we can conclude that the most important metrics for measuring the success of marketing and distribution are sales revenue and the number of new customers, which together make up about 75% of the meaning. Customer loyalty and repeat business follow at around 15%, while conversion rate and click-through rate play a smaller role at around 10%. This gives us the guidance to focus our efforts and improve our marketing and distribution strategies to achieve the desired results.

6. How important is it to you to build a brand and reputation for your products?

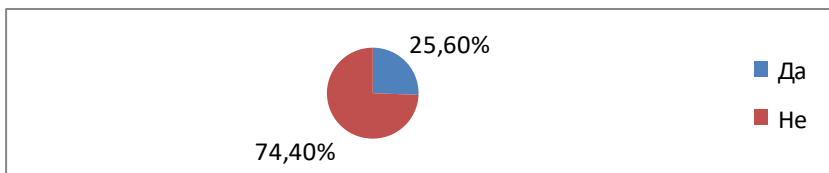
Chart No. 19



For farmers, building a brand and reputation for their products is extremely important, with a significance of 70%. A well-known and good brand, as well as a built reputation, facilitates entry into new markets, increases customer loyalty and provides us with a competitive advantage. They believe that a good brand and reputation influence the successful positioning and sale of their products.

7. Do you have experience selling your products on international markets?

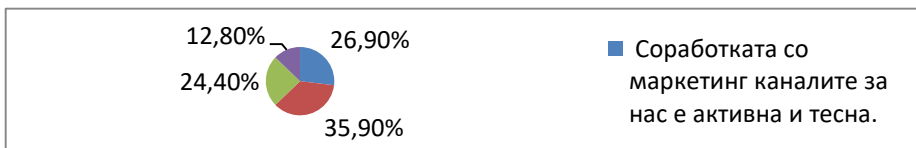
Chart No. 20



With about 25% experiences in selling products in international markets, we can say that the number is very small. Farmers pointed out that they face challenges such as logistics and compliance with international standards, but we also see this as an important step for the growth and development of our business. They recognize the potential of international markets and we are constantly working to improve their ability to successfully participate in them.

8. How would you describe your type of cooperation with marketing channels and how do you see their importance for your business?

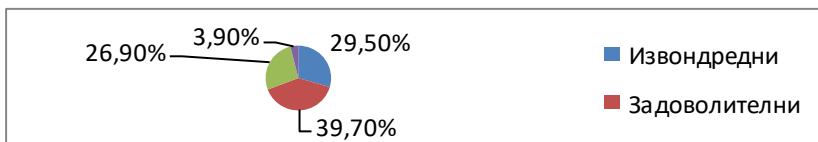
Chart No. 21



Cooperation with marketing channels is an integral part of the farmers' strategy with a significance of approximately 60%. According to the responses, farmers see marketing channels as critical to their business, as they allow them to reach and engage their customers in the most efficient way. The collaboration includes the integration of social media, online advertising and traditional channels to stimulate sales and build increased awareness around our products. They believe that the essential link between them and the marketing channels improves their results and positively affects the growth of their business.

9. How would you rate your relationship with end consumers and do you have any plans to improve this relationship?

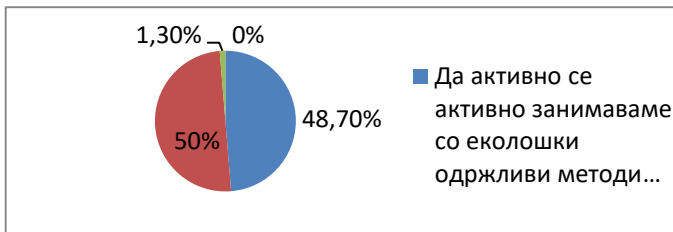
Chart No. 22



Approximately 40% of farmers evaluate communication with end consumers as satisfactory. They have plans to improve relations with increased marketing and effective communication with consumers. From the answers we can conclude that in order to meet the needs of their customers and provide them with high quality products. They have plans to improve this relationship through the application of marketing, fast and efficient communication with customers and accountability in case of complaints or questions. Their goal is to retain and build loyalty among end consumers.

10. Do you engage in environmentally sustainable methods of production and distribution of your products? How does this affect your marketing and sales strategy?

Chart No. 23



About 50% of farmers are engaged in ecologically sustainable methods of production and distribution. This has a positive impact on their marketing and sales strategy, as consumers are more inclined to buy environmentally sustainable products. This engagement positively affects their marketing and sales strategy. In marketing, they point out that the environmental aspects of their products are essential, which attracts consumers who support environmentally sustainable brands. In addition, this allows us to target market segments that are inclined towards environmentally conscious products. In sales, the environmental aspects of products allow their negotiators and sales managers to reason with customers and convince them of the benefits of environmentally sustainable products. It gives them a competitive edge in the market and helps us meet the needs of customers who value a sustainable lifestyle.

These answers represent an overview of the attitudes and challenges faced by farmers in agribusiness in the Republic of North Macedonia. They illustrate the importance of thinking and adapting marketing strategies to meet the needs of end consumers and improve the distribution and sale of agricultural products.

CONCLUSION

Application of the marketing concept in the operation indicates that the production and processors of agricultural services are organized as strategic autonomous business units, and their focus is the market operation. Commercial operations require monitoring of activities and analysis of all marketing instruments. Based on the research, decisions are made with the aim of producing a product, making it available on the market, with appropriate incentives, with which the entire production and sales process is monitored. The marketing concept imposes the way of thinking according to which the production unit decides to produce only what consumers want and need. Insisting on high market standards and putting emphasis on product quality, market placement and profit making is becoming certain.

Production, as well as turnover in agribusiness due to the specificity of the product, requires adaptation in accordance with world trends. Consumer needs are related to healthy, health care safe food, which binds producers to specific production conditions. The placement of the product takes place through several marketing channels: the market, the processing industry and through trading companies, which also have to follow the conditions related to high food safety standards.

Due to the unfavorable structure of the agricultural economy in the Republic of North Macedonia, they are much lower than in the EU, but they are similar to some in the SEE countries. Generally, agricultural-the food sector faces difficulties in developing food distribution chains, in marketing and quality, veterinary and phyto-sanitary standards compared to EU standards. On average, the prices of agricultural producers are significantly higher in the Republic of North Macedonia than in the EU countries. It shows that producers in the Republic of North Macedonia continue to face weak price competitiveness. In the future, a strategy for agricultural trade must be developed, which will be based on market analysis, which will enable local producers and processors to better exploit market opportunities, but also stabilize employment and income. Competitive agriculture requires up-to-date knowledge, information and management services. Further training, counseling and technical and agricultural/business management and information on the agricultural market in accordance with the specific needs of the country are prerequisites for creating growth in agricultural production and increasing the efficiency and competitiveness of the sector. Advancement of research in agriculture will lead to facilitation in the creation of sustainable production systems, especially in terms of new challenges such as climate change, biodiversity, increasing food prices and bio-the fuels.

Keeping in mind the subject of research and the set hypotheses, we

conducted research by way of survey. At the same time, farmers and consumers were interviewed, in order to make the implementation of a strategy for the development of marketing channels in agribusiness in the Republic of North Macedonia more successful.

The responses of consumers and farmers in the Republic of North Macedonia emphasize the importance of developing marketing channels in agribusiness as a strategic priority. For consumers, the quality and freshness of agricultural products are the biggest determinants in the purchasing process. Also, information about the origin and certifications play a significant role in their decision, a matter of trust and attitude towards producers.

For farmers, developing efficient marketing channels facilitates market access and stimulates competitiveness. Building a brand and reputation for products is an important component in this strategy, as is a commitment to environmentally sustainable production methods.

In the light of these answers, the strategy for the development of marketing channels in agribusiness in the Republic of North Macedonia should be oriented towards improving quality, active communication with consumers and fostering environmental sustainability. With this, farmers can increase their presence in the market, and consumers can have more confidence in the quality and origin of agricultural products.

Apart from quality and freshness, consumers also attach great importance to the origin of agricultural products. This allows them to connect with the history and makers behind the products, which can create a stronger sense of trust. The importance of local producers and organic certifications suggests that consumers are aware of healthy and sustainable eating and are trying to make informed choices.

Farmers, on the other hand, should focus on efficient distribution of their products and consider the potential of online sales channels. Collaboration with marketing channels is key to successful sales and building brand reputation. The environmental aspect of agribusiness is not only ethically important, but can also attract consumers looking for sustainable and responsible products.

In a complete picture, the development of marketing channels in agribusiness in the Republic of North Macedonia requires a complex and integrated approach. This includes improving the quality of products, increasing the presence of local producers in the market, active communication with consumers, and investments in environmentally sustainable methods of production and distribution. Marketing and marketing channels play a key role in these strategies and can contribute to the success and growth of agribusiness in the country.

It is also important for farmers to consider the possibilities of

transitioning to online channels for selling their products. The online market can provide them with wider visibility and access to consumers, especially the young generation who are prone to online shopping. Website and social media development as part of a marketing strategy can help attract new customers and retain existing ones.

Especially in agribusiness, where agricultural products have their own natural cycle and seasonal limitations, marketing channels need to be flexible and adaptable. For farmers, managing available inventory and predicting market demand through detailed marketing and consumer analysis can be of great value.

With all this, the conclusion is that a successful strategy for the development of marketing channels in agribusiness in the Republic of North Macedonia requires an integrated approach that includes product quality, local and environmental sustainability, online presence, and active communication with consumers. This strategy can create value for farmers and increase the presence of Macedonian agricultural products on the national and international market.

The implementation of a successful strategy for the development of marketing channels in agribusiness in the Republic of North Macedonia takes place through several steps and activities:

1. **Market Analysis:** The first step is a detailed market analysis, including consumer research, competition and agribusiness trends. This will provide important information about the target group of consumers and their needs.

2. **Identification of the target group:** In the light of the market analysis, the target group of consumers who are most likely to buy agricultural products should be identified. This could be the general population, restaurants, hotels, or other specific market segments.

3. **Developing a marketing strategy:** The core strategy should include improving product quality, exploring online sales options, building a brand, and increasing environmental sustainability. This should be done in collaboration with marketing professionals and experts in the field.

4. **Implementation of marketing channels:** According to the strategy, appropriate marketing channels should be built and developed. This may include creating websites, managing social media, negotiating with local supermarkets and restaurants, researching options for online sales platforms, etc.

5. **Monitoring and analysis:** Monitoring the effectiveness of marketing and distribution through regular analyzes and evaluations. This allows adaptation and improvement of the strategy in real time.

6. **Building relationships with customers and partners:** Building trust and relationships with customers and appropriate channels of collaboration with

partners and distributors is critical to long-term success.

This integrated strategy for the development of marketing channels will help improve the market presence and growth of agribusiness in the Republic of North Macedonia. With commitment and a strategic approach, farmers and other agribusiness participants can create excellent conditions for success and sustainable growth in the industry.

III. Справка за приносните моменти в дисертационния труд

В дисертационния труд могат да се открият следните приносни моменти с научен и приложен характер:

- Изяснена е същността на земеделския сектор като мултиаспектно понятие и система);
- Изяснена е същността на аграрения маркетинг като инструмент за управление на земеделското стопанство;
- Разработена е обективна методика за анализ и оценка дистрибуционните канали в земеделието на Република Северна Македония;
- Проведено е полево изследване за идентифициране на факторите за избор на дистрибуционни канали в земеделието

IV. Публикации

1	Modern management in the conditions of global business	Статия в списание	2024	Journal of Bio-based Marketing, vol.3, 2024, 39-47 https://journalbbm.wordpress.com/wp-content/uploads/2024/08/article_5.pdf
2	The significance of corporate management in empowering corporate social responsibility	Статия в списание	2024	Journal of Bio-based Marketing, vol.3, 2024, 22-30 https://journalbbm.wordpress.com/wp-content/uploads/2024/08/article_3.pdf
3	The strategic role of executive management in the internationalization process	Статия в списание	2024	Journal of Bio-based Marketing, vol.3, 2024, 77-86 https://journalbbm.wordpress.com/wp-content/uploads/2024/08/article_9.pdf