

# Conceptual bases for creation of logistic innovative centers for agricultural production

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## Abstract

The current economic and political situation has raised a topical issue of food sovereignty and creation of import-substituting production of agricultural products in Russia. It is supposed to support the construction of logistics centers for Russian agricultural products. Although many of the existing and being created logistic centers were declared to be innovative, they have no such modern logistics innovation as the integration. The conceptual basis for the creation of a logistics center is integration with transformation of a center according to the business concept of Supply Chain Management (SCM). The paper presents a number of main possible ways of cooperation between enterprises for the organization of inter-firm integrated logistics: 1. Conducting joint business following the example of the experience of Japanese firms which create the so-called "keiretsu": a group of companies working together, but without a formal partnership. Analysts argue that the concentration of production, capital, and modern technologies in a functionally-integrated conglomerates "keiretsu" helps to reduce costs by increasing productivity and achieving economies of scale; groups intensively compete in all areas that stimulates the desire to penetrate in new markets. 2. Creation of syndicates which is a form of alliance business related mainly with products sales. The main purpose of the syndicate is to expand and hold position in markets, adjust the volume of output within the syndicate and the price of external market outlets. As a rule, a syndicate organizes a single selling service to which the members of the syndicate must hand over at a predetermined price and quota their products for joint sales. In some cases management of the syndicate arrange the purchase of raw materials and other products for the members of the syndicate at the expense of incomes raised from the sale of their products. Creation of innovative logistics centers for agricultural products will: 1. contribute to addressing the issue of food sovereignty and the establishment of import-substituting production of agricultural products; 2. provide low-cost, environmentally friendly agricultural products of own production; 3. create more jobs; 4. collect additional tax revenues to the budget; 5. receive a powerful stimulus to revive and support domestic agricultural producers.

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## Keywords

Inter-Organizational Logistics Organization, Logistics Center, Supply Chain Management