

Regional Features of The Formation and Development of The Food Market

Author(s), SOTVOLDIEV NODIRBEK JURABAEVICH



Abstract:

The article deals with the direct involvement of the state in the formation and development of the food market and the issues of enhancing the activity of regional authorities. To reveal the essence of the regional food market, the sectoral structure of agricultural products and agro-industrial complexes has been analyzed. The specialization of the food market is based on consumer objects, territorial and competitive conditions. Regional peculiarities of the institutional structure and dynamics of the food market are defined. The main objectives of the regional food market are defined. The trends of specialization of the foreign markets of CIS and CIS countries were analyzed. The peculiarities of the activities of the food market in Uzbekistan are revealed.

IJARBAS

Accepted 1 March 2020
Published 10 March 2020
DOI: 10.5281/zenodo.3707880

Keywords: natural economic potential, agricultural products market, agro-industrial complex, food market, region, regional characteristics, specialization,



About Author

Author(s), Associate Professor of Namangan State University
Namangan, Republic of Uzbekistan.



Introduction

Today, the development of the world economy and the position of countries are determined by globalization. The main benefits of globalization are the spread of technological advances, modern management methods, the creation of a single market, the development of international trade, price stability, and improved living standards. In addition, there are disadvantages that one country's economic crisis will have an impact on other countries, with the bulk of the profits remaining in developed countries and transnational corporations, and the sovereignty of the back countries and the national identity system are gone. The food market is a reliable basis for the formation of internal economic factors in the region. Also, the development of stable interregional and international links is closely linked to the state of the food market.

Changes related to the development of market relations and the need to effectively use the natural and economic potential of the regions represent the most important priorities for the intensification of agrarian reforms in the Republic of Uzbekistan. Economic reforms over the past years have shown that the transition to market relations that maximize the use of the existing economic potential of the regions to improve production and welfare does not automatically mean economic development. On the contrary, it was during this period that the need to strengthen the stimulating role of state support in economic regulation of the agro-industrial complex of the regions, to create a favorable environment, including state support for the emerging food market, became clear.

It should be noted that many governmental resolutions have been adopted in order to increase the effectiveness of the use of natural and economic potential, ensure regional employment, improve the welfare of the population and accelerate the socio-economic development of the regions. Particular attention was paid to deepening economic reforms in agriculture, strengthening the financial status of agricultural enterprises, creating conditions for employment of the working population and so on. In line with this, a number of measures have been taken to accelerate market relations in the agricultural sector of the regions, to develop small businesses and private entrepreneurship.



Analysis and results

In the framework of regional decisions, as well as sectoral programs of the republic, a number of projects have been implemented to establish enterprises on the basis of local raw materials, labor resources and foreign capital. The measures allowed to accelerate the process of withdrawal from the region's current impoverishment and improve the economic situation, including the gradual development of the food market.

However, the overall economic situation in the regions requires significant, structural and territorial improvements. This shows the importance of implementing the decisions based on the peculiarities of each region and defining its priorities.

The solution of these issues depends on the direct participation of the state. In particular, technical re-equipment of agriculture, development of production and social infrastructure, irrigation of lands, environmental protection are unresolved issues. On the other hand, it requires the active involvement of regional authorities, economic entities in the effective use of available resources, the proper organization of production, and the full mobilization of local agro-industry.

One of the most important conditions and conditions for addressing the mentioned problems is to increase the role of the state in the development of full-fledged market relations in the agricultural sector, which is an important factor in the formation and development of the regional food market.

In this regard, it is expedient to clarify the structure of the agro-industrial complex and objects of sale of agricultural products to reveal the essence of regional features of the food market.

The main players in the agricultural products market are, first of all, agricultural producers - sellers, as well as buyers, processing enterprises and intermediaries of various fields. The participation of intermediaries leads to the formation of wholesale and retail trade. Although new products are not created in the agricultural products market - storage, sorting and supply chain (Figure 1), new consumer value is generated (Fig 1).



In some cases the food market is interpreted as an integral part of the agricultural market. It is true that the agricultural products are ready for consumption. Currently, these types of products are the subject of research in the agricultural market. In our view, food prepared for agricultural use reflects the food market in terms of selling to the public. After all, the food market is a key indicator of personal consumption and the well-being of society. The third sector in the agro-industrial complex (processing enterprises) is the main buyer of agricultural products.

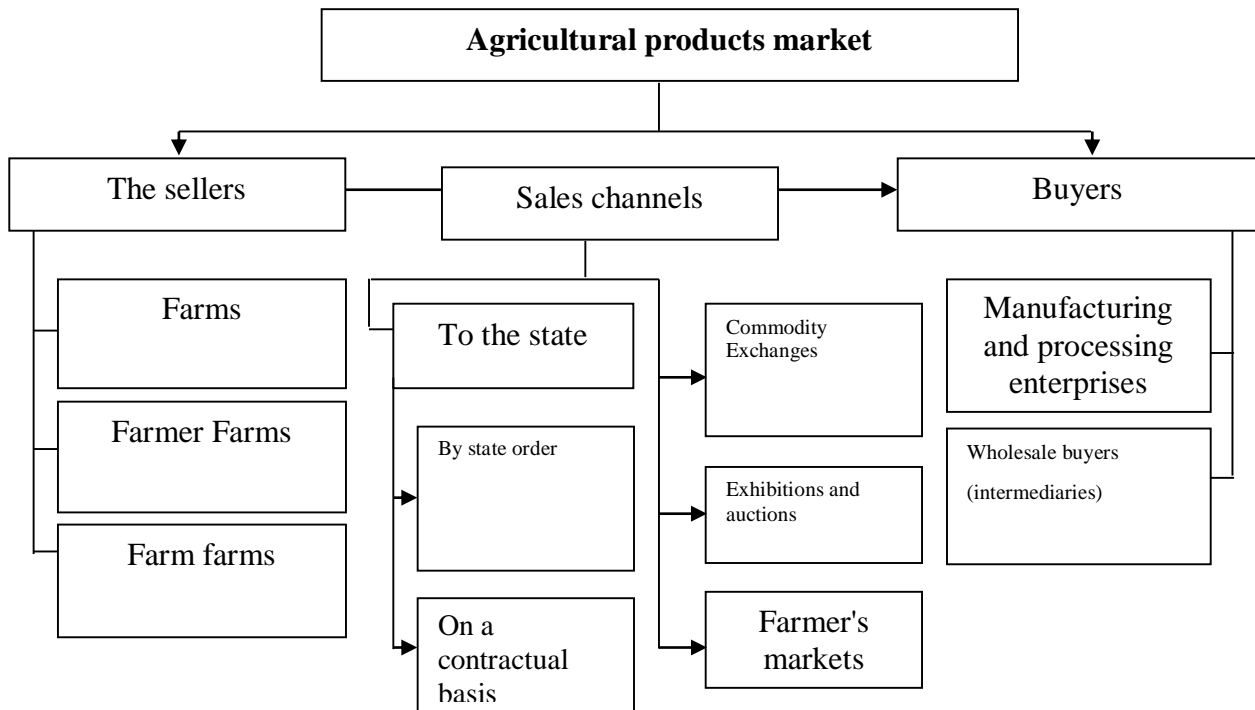


Fig 1. Structure and main subjects of the agricultural products market

1

¹ Developed by the author.

In addition, in the study of the agricultural market, the emphasis will be on the promotion of supply. However, when agricultural products go through processing (the final product of the agro-industrial complex), they become the products of the food industry or the activity of the food market occurs. In this regard, the food market depends on the interconnection of intersectoral relationships and is distinguished from other markets by these features.

In general, agriculture is in direct and indirect contact with agro-industrial production and covers other markets where products are delivered to consumers. The food market is very important in solving these problems. In this regard, food market theory is of particular interest in scientific literature and practice. This theory serves as a methodological basis for the study of the agro-industrial complex.

Agricultural production depends on a single chain, which consists of "material and technical base - production - processing - delivery to the consumer". This single chain is often interpreted as an agro-industrial complex. It is known that the agro-industrial complex covers three areas. The first area provides agriculture with the means of production. The second area provides agricultural production. The third area is the transportation, storage, processing and delivery of agricultural products to consumers. Consequently, the subject of the food market research project may include products of the third sector of the agro-industrial complex (food-related part) (Fig 2).

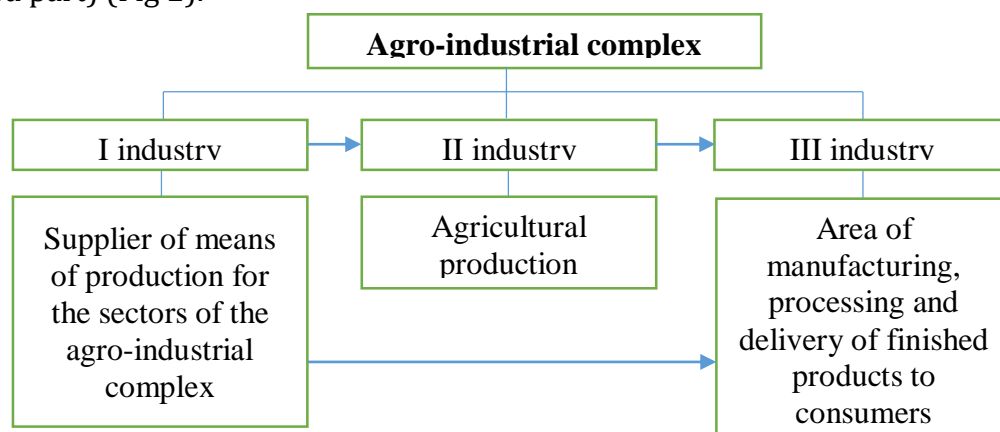


Fig 2. Structure and relationship of agro-industrial complex²

² Developed by the author.

Some studies suggest that the fourth sector in the agro-industrial complex is the presence and market infrastructure. In our opinion, the fourth branch of agro-industrial complex does not exist. This is because market infrastructure is a subsystem that facilitates the trading process. At the same time, market participants use the resources of transport, banking, intermediaries, repositories, information and other sectors as needed. Otherwise, such goods and services may be denied. This means that wherever production takes place, market infrastructure will be formed there automatically.

Of course, market formation and development are related to infrastructure. Market infrastructure does not live at the expense of the value created in the production process, but also creates new value. However, this value is embedded in the material product created during the production process. This creates favorable conditions for agricultural adaptation to market requirements, which means that peasants can strive to improve their product quality, reduce costs, find buyers, optimize pricing and sales methods by competing with others in the production and sale of goods.

Clearly, the formation and development of the food market depends on the interrelationship of intersectoral relationships and their outcomes.

Summarizing and complementing the above analyzes, it can be noted that the final product (food industry) of the food and agro-industrial complex is ready for agricultural consumption in the food market. In this context, the activity of the food market is a process that depends solely on the consumption and income of the population (Figure 3).

The main players in the food market, mainly agricultural producers and food industry enterprises, are mainly the population. Divided into regional, local, regional, national, international and global markets. For example, in Uzbekistan, it is possible to include administrative-territorial units in the regional markets: the Republic of Karakalpakstan, the city of Tashkent, regions and districts. Together, they form the national market.

The scope of the international food market is the integrity of the segment of national markets, covering the macro region and continents. The global market is a synthetic concept that unites all countries. In general, the effects of regional conditions are closely linked to the markets.

Free competition, monopoly competition, oligopoly, pure monopoly and monopsonic markets can be observed. The competitive behavior of not only sellers but also buyers affects the competitive environment. In particular, monopsonic markets buy goods by monopoly buyers. In the oligopsonic market, competition occurs between buyers.



When it comes to the activities of the regional food market, the institutional structure and dynamics of such markets are dictated by the specific conditions emerging in the regional economic sectors. At the same time, the institutional structure may be the result of the interaction of a wide range of factors, including the traditions, political and socio-economic conditions in the country and the region, the interests of the sectors and industries.

When analyzing the regional food market, its composition and peculiarities should be taken into account. Because the regional food market is a region of interconnected regions, they are interconnected and naturally have hierarchical effects.

The food market of the region is comprised of parts that are closely interconnected, creating a specific system that directly and indirectly affects each other. The region's food market is a complex process, formed by the interaction of objective factors in the production and consumption of food. These factors can have positive or negative effects. The region is interpreted as a set of relevant modes of regulation and socio-economic processes that have been influenced by the food market's consumption and supply characteristics. An analysis of these economic relationships and trends will help identify the location, factor of the region, and characterize its formation and development.

The peculiarity of the regional food market is that its major parts function in space and cover all stages of production and consumption. The concept of a regional food market is complex and systematic. The formation and development of the regional food market depends on the interrelation of its components. The regional food market is interpreted as an economic mechanism regulated by a systematic approach. The regional food market is an important tool for cooperation and harmonization of economic interest



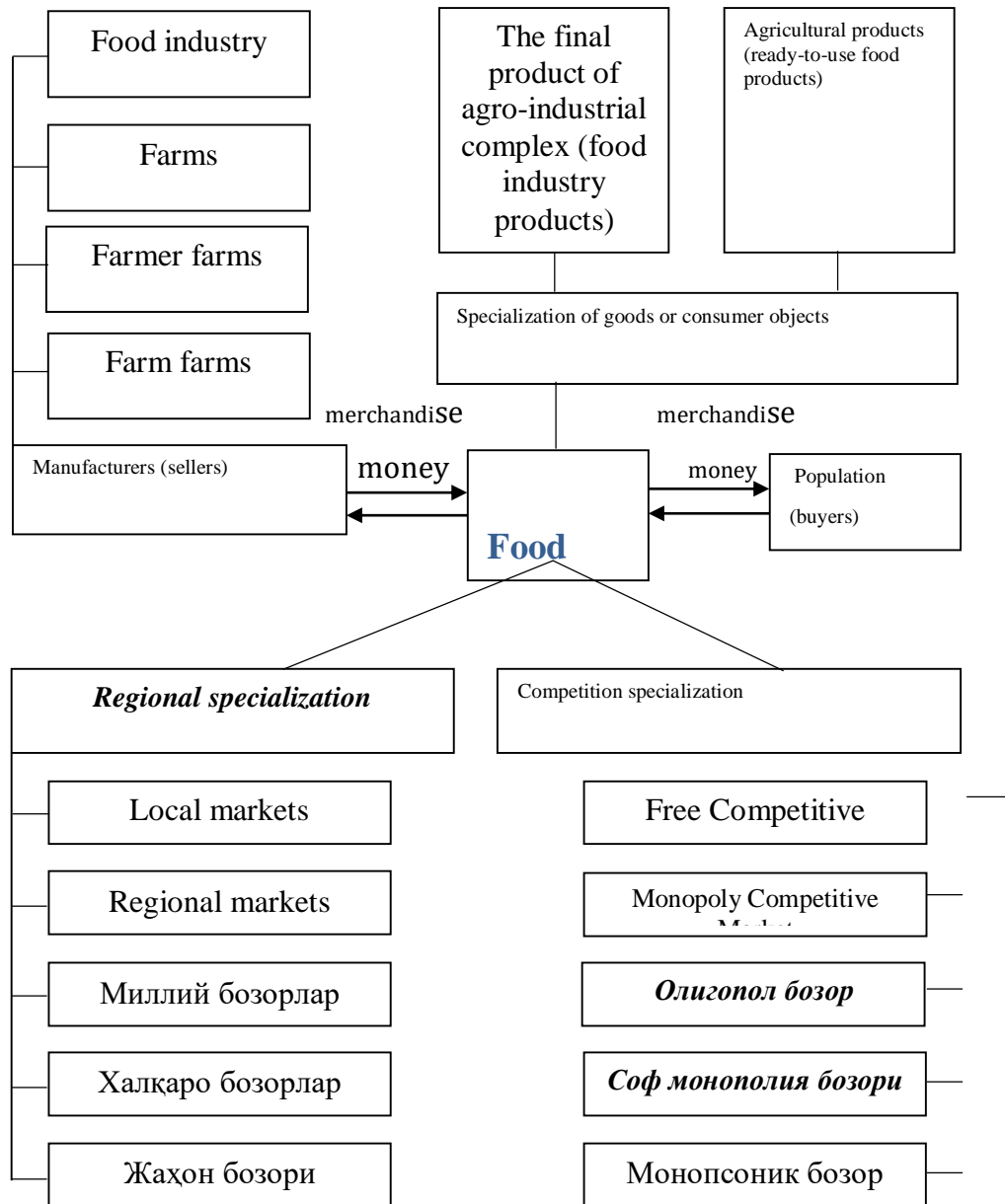


Fig 3. The main features of the food market and specialization ³

The regional food market has the following objectives:

- Establish mutually beneficial and sustainable trade links between the regions;

Ta'minlaydi intersectoral integration between agriculture, the food industry and the modern logistics system;

Ta'minlaydi Provides food to different demographic groups of the region and reflects the needs of the region's population;

- regulates the physical, economic and social opportunities of the population;

- Determines the ratio of price, demand and supply between regions;

- influence on the income of the population and its solvency, as well as on the sustainable development of the economy;

Guruh Groups the market of the country and its regions into groups;

Ta'minlaydi ensure interregional labor distribution;

The regional food market is strongly interconnected with political, natural and socio-economic factors and allows the following regions:

Tabiiy Natural factors influence the cultivation of cereals and are cultivated throughout the world in all regions except the North. Specialized wheat growing regions are formed in Western Europe, USA, Canada, Australia and Kazakhstan. The United States is the # 1 exporter of corn and wheat and the second largest in the export of rice. Farming and cattle breeding have developed in France, the Netherlands and Germany, particularly in Iceland. Denmark is the world's No. 1 exporter of meat and eggs².

Idan Of the CIS countries, Russia, Belarus, Ukraine and Kazakhstan are the leading sectors in the agricultural production. The crop also produces wheat, potatoes, sugar beets, as well as vegetables and melons, potatoes, gardening, viticulture and other products. Livestock farming is the most advanced country in Moldova, Georgia, Armenia, Azerbaijan, Turkmenistan, Tajikistan, Kyrgyzstan and so on. In crop production subtropical and technical crops, horticulture, viticulture, vegetable growing, melon growing and rice are the most important.

Agro-industrial complex is one of the leading sectors of the economy of Uzbekistan. As a result of the economic reforms, an effective structure of agricultural crops was formed. Rice cultivation, gardening, viticulture, vegetable growing, melons, potatoes are also widely used in

³ Developed by the author.

agriculture. Livestock, sheep, goats, horse breeding, camel breeding and poultry play an important role in livestock production. The natural conditions of Uzbekistan allow the production of a wide range of agricultural products at relatively low costs. These products are rich in nutrients and vitamins, making them available in foreign markets.

The diversity of agricultural production in the regions of the Republic of Uzbekistan plays an important role in its socio-economic development. In these conditions, the regions effectively use their existing potential and create economic links between them.

Conclusion/Recommendations

The specifics of the food market in Uzbekistan today are:

Jiddiy Substantial changes, development and improvement of the relations in the food market as a result of the reforms carried out in the country;

Yuzaga emerging imbalances between the supply and demand of the market, and the implementation of measures to eliminate them;

Jarayonida Increase in the production of meat, milk, fruits and vegetables from high-nutritious products, and to maximize market supply due to the increase in the population's living standards;

Katt Capacity of the country to grow and sell foodstuffs in large regional regions;

Mintaqaviy The regional position of the food market is determined by the fact that many measures are being taken to improve its size and functioning mechanisms.

In general, natural factors affect food production and changes in market conditions, which requires efficient use of natural resources. In this regard, economic, organizational and legal measures of the state can have a negative or positive impact on the activities of market entities. Therefore, the development, improvement and practical application of legal and regulatory acts that stimulate and regulate market activities are crucial.

References:

- Decree of the President of the Republic of Uzbekistan dated January 16, 2018 N UP-5303 "On measures to further ensure food security of the country".
<http://lex.uz/docs/3506750>
- Karimov I.A. Uzbekistan's own path to independence and development / Uzbekistan towards a great future. - T.: Uzbekistan, 1999. p. 34.
- Kuznetsov VV, Malyuga A.L. Problems of innovative development of agricultural production // Prospects for the development of agriculture of the Russian Federation: innovative and technological parameters, forms of territorial organization: materials of an international scientific and practical conference. - Rostov-on-Don: 2016.S. 127-130.
- Khamraeva S.N. Analysis of trends and trends in innovative development of agriculture // J. Scientific e-journal of economics and innovative technologies. - T.: 2016. No. 2.
http://iqtisodiyot.tsue.uz/sites/default/files/pages/33_S_Hamrayeva.pdf
- Kaparova M.A. The main directions of innovative development of agriculture in the region (based on the materials of Northern Kazakhstan): Dis. ... can econ. sciences. - Novosibirsk: 2014.-- S. 18-23.
http://www.sibniesh.sorashn.ru/fileadmin/sibniesh/text/Dissertaciya/Kaparova_M.A._Dissertacija.pdf
- Gomelko T.V. Regulation of the food market in conditions of innovative development (theory, methodology, practice): Author. dis. ... cand. econ. sciences. - Bryansk: BSU, 2011.S. 10-15. <http://dissers.ru/avtoreferati-dissertatsii-ekonomika/a16.php>.
- Novoselov S.V., Mayurnikova L.A., Bolkhovitina E.N., Makovskaya I.S. Product distribution model of new food products in the context of innovation // J. Polzunovsky almanac. - 2011. No. 2. - S. 170-178.
http://elib.altstu.ru/journals/Files/pa2011_2/pdf/170novoselov.pdf
- A new look at food security and nutrition: Forty-fourth session of the Committee



on World Food Security. - Rome. Italy, October 9-13, 2017

<http://www.fao.org/3/a-mu263r.pdf>

Muratov N.V. Ensuring food security of Russia in the face of negative external economic impact: Dis. ... can econ. sciences. - M.: 2016. -- S. 39-45.

<https://www.ranepa.ru/docs/dissertation/muratov-n-v-dissertation.pdf>

Musaev D., Yakhshilikov Y., Yusupov Q. Food Security in Uzbekistan. - T.: UNDP, 2010. p. 16-32.

Khinkis L.L. The World Food Program and the actions of countries within the framework of the universal declaration on the elimination of hunger and malnutrition // J. Tavrichesky scientific observer. - 2015. No. 4.

<http://tavr.science/stat/2015/12/Hinkis.pdf>

Tribushinina O.S. The global problem of food supply of the population // Correspondence electronic conferences. - 2014.

<http://econf.rae.ru/pdf/2014/03/3277.pdf>

Cite this article:

Author(s), SOTVOLDIEV NODIRBEK JURABAEVICH (2020). **Title**: "Regional Features of the Formation and Development of the Food Market". **Name of the Journal**:

International Journal of Academic Research in Business, Arts and Science, (IJARBAS.COM), P, 55-68. DOI: [www.doi.org/ 10.5281/zenodo.3707880](http://www.doi.org/10.5281/zenodo.3707880), Issue: 3, Vol.: 2, Article: 5, Month: March, Year: 2020. Retrieved from <https://www.ijarbas.com/all-issues/>

Published by

