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Efficiency Of The System Of Providing Consumers With Agricultural Products.

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Abstract: . The article analyzes the current situation in the production, storage and export of agricultural products. Also, the existing problems in production costs and sales channels for farmers and farms were analyzed scientifically. At the same time, the problems related to the sale of manufactured products were analyzed, and scientifically based suggestions and recommendations were given for their solution

Keywords: farmers, manufactured products, consumer, market, vegetable crops, households, economic mechanisms, service, purchase, statistical data, product description, product packaging.

Introduction.

It is worth noting that, in most cases, the cultivation of agricultural food products with perishable and unusable characteristics and ensuring their continuous delivery to consumers of high quality and on time is mainly characterized by the effectiveness of existing economic mechanisms formed in the sales system. Already, as mentioned above, "most manufacturers prefer to sell their products through intermediaries. Because they don't want to spend extra money to analyze consumer markets and improve sales mechanisms¹. It is known that researching markets, analyzing consumer demands and opportunities, improving sales mechanisms, along with qualified personnel, also require additional costs.

It is established by law that producers of agricultural products, regardless of their physical and legal status, have equal rights in wholesale markets². However, after the production stage, the products are "under the control of the middlemen" involved in wholesale and retail trade. Because they have constant information about the market situation and are able to better analyze the market capacity compared to the manufacturers. In order to ensure the continuous supply of products to consumers and the stability of the prices of agricultural products in the markets, the order of the President of the Republic of Uzbekistan dated August 21, 2017 "Delivery of the material and technical resources required for the placement and planting of August onion and garlic and vegetable crops in the ninety-first method for the harvest of 2018 in a timely manner" According to the decision No. PQ-3230 "on activities" it is forecasted to produce 3561.4 thousand tons of products for sale in domestic and foreign markets. As noted in paragraph 2.2 of this work, sharp changes in consumer prices are observed more often in the spring season. However, not only producers, but also intermediaries do not have the opportunity to fully determine the market capacity and consumer



¹F. Kotler. Basic marketing. 1991 358 st.

²Decision of the Cabinet of Ministers of the Republic of Uzbekistan "On the formation and development of the system of wholesale markets for the purchase and sale of agricultural products".

demand at the beginning. According to our research, currently, agricultural products are mainly delivered to consumers in the following sequence of steps (Figure 1).

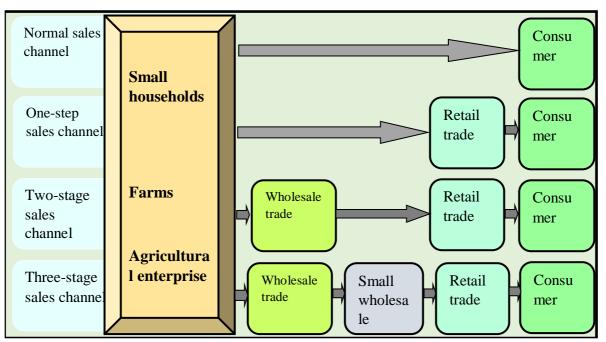
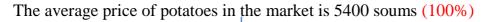


Figure 1. The process of step-by-step sale of products in the market organizational system of participants and channels

Usually, if the volume of products produced for the market is large and there are no prearranged direct economic relations with consumers, the sales process becomes more complicated and two or three-level sales channels are used. Existing organizational and economic mechanisms formed in the system of delivery of cultivated products to consumer markets significantly affect the cost of products and, therefore, their price. According to studies, there is an average difference of 5-6 percent between prices at farmers' markets. However, prices at large supermarkets and retail stores are 17-21 percent higher than at farmers' markets. However, these outlets also source their produce from wholesale farmers' markets. In particular, if we pay attention to the analysis of the figures related to the price presented in Figure 1 below, it can be seen that, for example, in 2017, when comparing the wholesale price at which producers sold their products in the field to the consumer price, buyers spent almost 1.4 times more for potatoes.



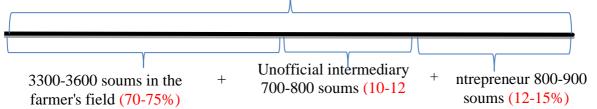


Figure 2. The system of tracking the price of potatoes in consumer markets³.

Therefore, due to the lack of knowledge and skills of farmers and farm communities in the system of selling products, they own only 45-52 percent of the total market price, including the profit they receive, and the next 48-55 percent of the premium prices are formed by buyer intermediaries. In practice, in many cases, peasants and farmers find it beneficial to wholesale their products at once. Because it is more important for them to recover production costs faster. It is precisely from this



³Calculated by the author based on monographic observations.

situation that middlemen take advantage of this situation by buying the products of several farmers and farms (about 15-17 tons on average) and selling 200-300 kg to middlemen who buy about 1-2 tons in wholesale farmers' markets, and these middlemen sell 200-300 kg to small retailers. through to the consumer markets. According to the results of the monographic study, despite the fact that 1 kg of potatoes grown in 2017 was sold in consumer markets for 3,500-4,000 sums, informal intermediaries paid farmers and peasants an average of 3,300-3,600 sums for 1 kg of potatoes.

In the following years, the sharp increase in the price of potatoes was caused by the purchase of seeds of agricultural crops from foreign countries at high prices, their republic's natural climate and soil conditions and non-compliance with the requirements specified in the quality certificate, as well as the high cost of chemical plant protection agents and the failure to combat pests directly affect the increase in costs, on the other hand, they lead to a decrease in the volume of cultivated products.

In current practice, it is desirable not only to increase the volume of agricultural food products in farmers' and peasant farms, but also to consider and analyze the factors affecting the efficiency of the activity of buyers and sellers based on the interests of this category of subjects. They are, firstly, the growth of the population creates the basis for the growth of consumption requirements; secondly, the growth of the population's income encourages them to purchase relatively high-quality goods, and increases their demand for additional services during the purchase period; thirdly, it includes directions such as convenient organization of the location of sales branches and service time, taking into account the wishes of consumers.

So, first of all, it is necessary to recognize that it is of great economic and social importance to provide the constantly growing population with the level of medical standards (Table 1) and to improve their quality indicators in this process.

Therefore, the main place in the annual food products required for population consumption based on medical standards is potatoes, which are considered "second bread" (1755.2 tons), and the next places are vegetable products (except red beets and carrots) (1111.6 tons) and tomato and cucumber products (1023.7 tons). According to the analysis carried out on the basis of statistical data, the agricultural products grown in our republic are significantly higher than the requirements of the established medical standards. Therefore, while acknowledging that the population of our country is fully provided for by internal capabilities, it should be emphasized that this positive trend is a product of the structural, organizational and economic reforms carried out in our republic in recent years.

Table 1.

Nº	Name of products	Standards for one person		Annual demand for the total population, tons
		in 1 day, gr	in 1 year, kg	(32.1 million people in 2021)
1.	Potatoes	149,7	54,68	1755,2
2.	Cabbage	44,5	16,25	521,6
3.	Tomatoes and cucumbers	87,3	31,89	1023,7
4.	Radish and carrot	72,7	26,55	852,3
5.	Other vegetables	94,8	34,63	1111,6
6.	Melons	53,7	19,61	629,5

The level of medical standards established for agricultural food products for population consumption and the total annual demand ⁴

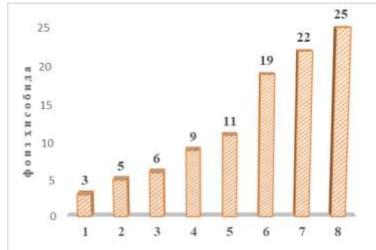
⁴ The standard approved by the Ministry of Health of the Republic of Uzbekistan on November 12, 2003.

7.	Pumpkin	14,37	5,25	168,5

As a result of these reforms, in order to create a competitive environment and favorable conditions for consumers in the system of delivering agricultural food products to the population, priority attention is paid to the organization of subjects that provide trade services and diversification of their activities.

According to the analysis, currently, large quantities of products are delivered mainly through farmers' markets, but in the following years, the share of supermarkets and retail stores is expected to increase. For example, from 2018 to 2021, the volume of products delivered through these trade networks increased by an average of 65 percent. After all, the possibilities of creating convenience for consumers in all aspects are widely and rationally used today in these trade channels.

From this point of view, in order to study the factors, conditions and problems that buyers pay a lot of attention to, as well as their opinions, a questionnaire survey was conducted among consumers and its results are reflected in Figure 3 below..

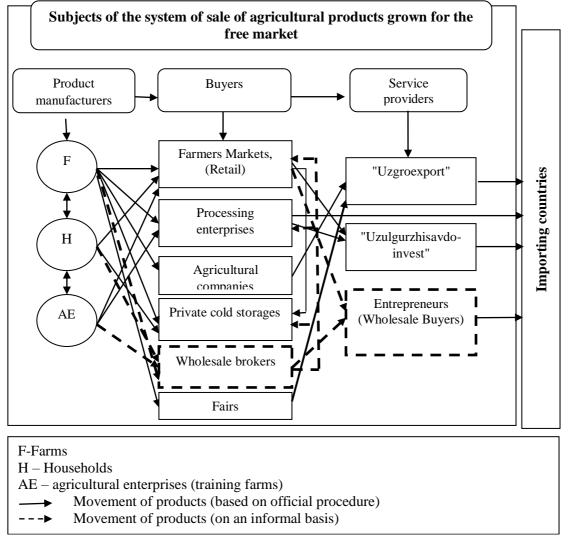


- 1. Product description.
- 2. How it is saved.
- 3. Product alignment
- 4. Product packaging.
- 5. Additional services.
- 6. Location of the sales office
- 7. The price is cheap
- 8. Appearance and quality

Figure 3. the main factors of consumer interest in the agri-food supply system.

In particular, firstly, most producers cannot analyze markets and their capacity, product storage and sorting technologies; secondly, farmers and farms do not have enough knowledge and skills to sell; thirdly, market research requires spending additional funds, for which they do not have sufficient financial capacity. The analysis shows that among the existing sales channels, informal intermediaries are the first, as well as agribusinesses, fairs and farmers' markets, which significantly influence the process of delivering products to consumers (Figure 4).





4-pacm. Subjects delivering agricultural products to consumers in markets and the system of relations between them.⁵

In practice, due to the large number of farms and their relatively high share in the total volume of production, most of the products grown in them are delivered to consumers through intermediaries. The formation of intermediaries connecting consumers and farmers is more influenced by the following factors:

- lack of sufficient information for farmers in the production of agricultural products for the free market;

- high cost of selling small-sized (5-8 tons) products in retail markets;

- due to the limited access to bank loans of farmers without legal status, they prefer to receive initial investment from intermediaries;

- that it is considered beneficial for farmers to sell for cash compared to selling by contract;

- Harvesting of agricultural products requires a lot of time and labor, which limits the possibility of delivering them directly to consumers..

According to the results of the monographic observation, the rapid development of the number and activities of "intermediaries" in the markets of agricultural products, in most cases, is caused by the lack of direct communication and information with consumers. Therefore, it is important to create a system of providing producers with information related to factors such as supply and demand balance in the markets, price level, number of intermediaries, identity, solvency, period of



⁵ Based on research results.

operation and efficiency. Admittedly, the current system serves the interests of intermediaries more than producers. For example, wholesale intermediaries release the type of products to the consumer channels at a price and time acceptable to them. Unfortunately, the producer's share of the marginal profit received in this process is not taken into account. Because they do not know exactly in which market and at what prices their products are sold. In spite of the fact that the "Uz food reserve" association and agro-firms are used in the production and sale of products on the basis of the contract, and the product is marked as "purchased at the market price", due to the complexity of this system, farmers and peasants prefer to sell their products to intermediaries in short periods. This is also caused by the rapid change in quality and loss of taste of cultivated vegetables, fruits and many other types of products. Therefore, it is necessary to widely use modern information and communication tools to ensure mutually beneficial relations of all subjects in the process of delivering products to consumers in reasonable terms (figure 6).

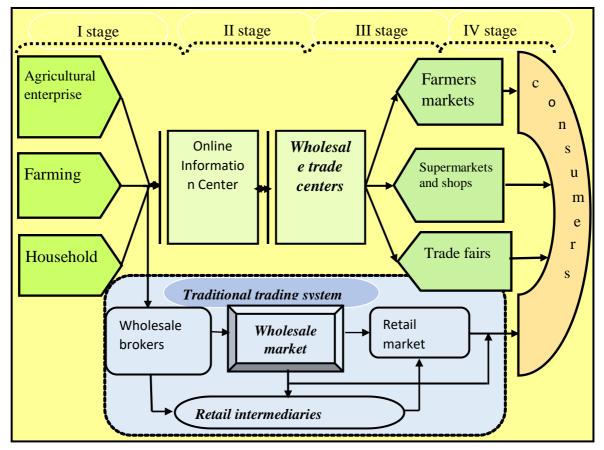


Figure 6. Recommended organizational and economic mechanism of delivery of agricultural food products to consumers.

Organization of regional online information centers that meet the requirements of world standards for agro-food producers and all market participants related to their activities in this important area and information on monitoring the market movements of each type of product through the "Online" information distribution program. in the future, it will serve as an organizational and methodological-practical basis for further developing the marketing system and increasing its effectiveness. In fact, if the current traditional sales system is formed only after the products are grown, the organization of online information centers allows, firstly, to correctly plan the cultivated areas, and secondly, to forecast the total volume of products and market prices.

In conclusion, we can say that providing the food market and its segments with products in their original form and consumer goods obtained as a result of their processing, necessary for the



population at the level of medical standards, requires, first of all, to increase the efficiency of production of agricultural products based on modernization and diversification. is enough. However, it should be noted that in the conditions of constantly increasing consumer taste and demand, it is necessary to recognize that increasing the efficiency of production of agricultural products depends not only on the quantity and cost, but also on the quality of the innovative approach.

Also, several factors directly influence the formation of prices of agricultural products in the markets. In particular, production costs and existing market capacity, customer taste, consumer income, the fact that the buyer pays more attention to its appearance and storage technology in the conditions of strong competition also affect the price formation. In general, all factors are directly reflected in the relationship between producers and consumers within the framework of the marketing system.

However, the prices offered by consumers also include costs associated with storage, transportation and sale of goods. Accordingly, it is not appropriate to draw a conclusion on the formation of market prices, focusing only on production costs. After all, market prices are formed as a result of mutual balance of supply and demand. Most producers prefer to sell their products at wholesale prices when the crop is ripe. However, producers are not very interested in seasonal changes in prices of agricultural products, because on average only 50-60 percent of the prices paid by consumers go to producers, and the rest goes to intermediaries. Also, in practice, it is desirable not only to increase the volume of agricultural food products in farmers' and peasant farms, but also to take into account and analyze the factors affecting the efficiency of the activity of buyers and sellers based on the interests of this category of entities. From this point of view, in the research process, a questionnaire was conducted among consumers in order to study the demands and opinions of buyers. According to it, 25% of the respondents said that the appearance and quality of the products they buy, 22% the price, and 19% the location of the store are of great importance. Therefore, in the current system of providing consumers with agricultural food products, the current activities of all organizations, institutions and sales channels related to trade processes are not able to fully satisfy the regularly growing demands of the population. Therefore, in our opinion, in the future, one of the priority tasks should be to organize and develop a marketing system that covers not only sales processes, but also all stages of agricultural food production and delivery to consumers.

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