ABOUT CONTEMPORARY ECONOMIC POTENTIAL OF THE FRUIT-VEGETABLE PRODUCE MARKET OF UZBEKISTAN

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Annotation

Abstract

In this article it is briefly characterized the contemporary condition of economic potential of the market of such important sector of agricultural system of Uzbekistan as fruit-vegetable production. The author emphasizes its importance both in economy and in satisfying the growing demand of the population of the republic in valuable grocery products produced by this sphere. Special attention in this article was given to problems of further growth of economic potential of the market of Republic of Uzbekistan of fruit-vegetable products (strengthening its social infrastructure, optimization of volumes of production, implementation of achievements of scientific-technical progress, creation of new institutional forms, and development of marketing).

MAIN PART

In Republic of Uzbekistan there is developed and being implemented a large-scale program of social-economic development, in which central place is given to improvement of the welfare of the nation, and for the purposes of achieving this goal there was made a stipulation of effective functioning of the systems of markets, which are intended for satisfaction of various needs of people.

In realization of the put forward goal the great importance is given to satisfaction of the growing demands of the population in fruit-vegetable and grape products which constitutes a considerable part of the fruit-vegetable market of the country. The solution of this issue is assigned to a fruit-vegetable and grape sub-system of the agricultural system of the republic.

The role and value of the fruit-vegetable and grape sub-system is not only in satisfaction of demands of people in valuable grocery products, but also in its solving such important social issue as employment of the population. Taking into account the steady growth of a population, especially in rural areas, the last mentioned issue has a special importance in Uzbekistan.

It is necessary to mention, that during the years of economic reforms there has occurred big changes in a fruit-vegetable and grape sub-complex of agrarian and industrial complex of the republic. There were established market forms of doing business and were put on new goals on stable satisfaction of demands of the population in its products and on effective functioning of this field in conditions of the process of liberalization of economic relations.

The market of fruit-vegetable and grape produce of Uzbekistan represents the set of branches, spheres and kinds of activities of the various forms of property, united by the nature of their purposes, closely connected with each other in technological, organizational, and economic aspects. Thus each of the participant of market relations pursues an aim - to realize his economic interests, which do not always coincide and sometimes have controversial character. Thereupon, the goal of the market of fruit-vegetable and grape produce consists in considering more completely the coincident economic interests of the participants and to apply market levers that would promote an effective combination of interests for the sake of achievement of the ultimate goals.

At that, special distinguishing features of the market of fruit-vegetable and grape produce are taken into account, particularly, large number of manufacturers and consumers, seasonal nature of manufacturing, great dependence on weather-climate conditions, especially in the fields of gardening and wine
growing, small transportability of produce and difficulties of its storage.

These and other features reflect on the organization of a fruit-vegetable and grape sub-complex, and on its economy.

In maintaining the operation of fruit-vegetable and grape sub-complex also take part the social infrastructure, which includes research and development organizations and middle and higher special educational organizations, which provide employees for this sub-complex.

All these and other members of the functioning of a fruit-vegetable and grape sub-complex co-operate with each other by the means of mechanisms of organizational-economic relations, among which special place is taken by contracts, which play an important role in the activity of participants of a sub-complex.

As a criterion of efficiency of functioning of the market of fruit-vegetable and grape produce was taken the degree of satisfying of the demands of population and society, as a whole, in vegetables, fruits and grapes by quantity, quality, assortment and cost.

The analysis of the condition of the market of fruit-vegetable and grape produce of the republic and of its development during 1990-2008 shows us steady development of this sub-complex in the given period. For example, the land areas for crops of vegetable cultures have increased during these years for 9,9 %, and of fruit and grape plants - for 8,5 %.

Regarding the average crop effectiveness, in 2008 for vegetable cultures it has increased for 67,1 %, as compared to 1990, fruits - for 75,5 %, and grapes - for 1,6 %.

Thanks to these positive changes there has considerably increased the total manufacture of: vegetables - for 83,5 %, fruits - for 124 %, grapes - for 6,2 %. Only for grapes growth of total manufacture for 1990-2008 was lower than the rates of the growth of population which constituted 31,5 %.

The condition of the market of fruit-vegetable and grape produce is best described by indications of its actual manufacture counted per person of the population of Uzbekistan and their comparison to available standards of consumption.

As we can see, the problem of production of vegetables and grapes for satisfaction of internal demand in the republic is generally solved. Though obvious backlog is observed in fruits, and this issue should be taken into account when perspectives of further development of gardening are being developed.

During the years analyzed (i.e. 1990-2009) in Uzbekistan there were essential changes in social-organizational structure of manufacturing of fruit-vegetable and grape products. If, for instance, in 1990 in manufacturing of such products the main producers of the republic were agricultural companies in the form of “sovhozes” (state farms) and co-operative societies (collective farms), and to some degree individual agricultural companies, in 2007 they were totally replaced by farming companies and individual agricultural companies. The share of manufacturing of vegetables by the farming companies in 2007 was 33,2 %, of fruits - 45,7 %, and of grapes - 54,5 %. The share of almost all of the remaining total manufacturing belonged to individual agricultural companies. Generally we can conclude that in a fruit-vegetable and grape sub-complex of agrarian and industrial complex of republic there has been completed the social and economic transformation for the benefit of a private sector. Now the degree of satisfying of the demands for fruit-vegetable and grape products completely depends on the functioning of farming and individual agricultural companies.

Currently great attention is given to issues of optimization of the production of fruit-vegetable and grape produce by specialization of the farming companies, what would allow rational usage of industrial resources. Also there is put a question about increasing the sizes of small farms that are functioning ineffectively because of the lack of conditions for them for rational use of modern achievements of scientific and technical progress, and also intra-industrial cooperation of the fields, that would allow to maintain fertility of soil.

In this connection we believe it would be expedient to organize profound scientific research on the problems of optimization of
the agricultural production based on a private form of ownership.

Giving due to agricultural and farming companies in supplying the population with fruit-vegetable and grape produce, it is necessary to acknowledge the factual necessity in formation of such forms of business as co-operative societies, agro-firms, various associations and associations of agro-industrial nature and servicing sub-complex, since separately taken farming and agricultural companies due to their economic weakness are lack of ability to rationally organize half-finished products, transporting, storage, and industrial processing of fruit-vegetable and grape row materials and to achieve maximum effect.

Therefore there is a necessity in creation of larger infrastructural divisions on servicing of a fruit-vegetable and grape sub-complex which should be given all-round organizational support, to provide the favorable financial and credit conditions, to help in providing the qualified specialists, marketing developers and help with recommendations. Their development will promote integration agricultural and industrial production, and thereby solve important socio-economic problems of employment of rural population and increasing their welfare.

In the future the created agro-firms and agro-industrial associations should become a kernel of a fruit-vegetable and grape sub-complex of the agrarian and industrial system and play the major role in increasing the economic efficiency of its functioning in the conditions of market economy.

In effective functioning of any market, including the market of fruit-vegetable and grape production the important role belongs to an exchange and sale.

The analysis of the existing system of sale of fruit-vegetable and grape produce in Uzbekistan shows in particular the necessity of creating co-operative societies on a voluntary basis for production and sale of fruit-vegetable and grape produce. They can use the method of production based on contracts, have their own infrastructural divisions, specialized stores in agricultural bazaars and in other places of cities and settlements.

Of certain help to agricultural companies would be establishment of markets of small retail sale of fruit-vegetable and grape produce.

One of the major factors providing steady and effective functioning of the market of fruit-vegetable and grape produce is marketing, as a set of actions aimed on effective organization of production and sale activity.

At the present time the organization of marketing activity in the republic is at the stage of formation and development, and yet it does not totally cover all branches of the market of fruit-vegetable and grape produce, especially its basic branch – agricultural and farming companies. Many of them do not know well the conditions of the market of a concrete kind of fruit-vegetable and grape produce, and for that reason they suffer losses of profit.

In this connection we consider that it would expedient to create at the Ministry of water management of Uzbekistan the Republican centre of marketing researches and market conditions forecasting on main directions of branches of agrarian and industrial complex, including a fruit-vegetable and grape sub-complex, and to assign to it performance of the main functions on marketing, including coordination of marketing activity of separate subjects of business and regions.

At the regional and local levels it would be expedient to establish an independent centre of marketing services for carrying out marketing services by orders of manufacturers of fruit-vegetable and grape produce, for certain payment.

The roles of foreign economic relations are important in effective functioning of the market of fruit-vegetable and grape produce. It is important to mention, that the republic has a large potential to expand the market of fruit-vegetable and grape produce by strengthening and developing the foreign economic relations with the countries of near and far abroad. But it must be paid great attention to improving the quality of the made products, for example, producing them in the packaging that would meet international standards, and to improve advertising and organization of their sale according to the laws of market.

We believe that all these and other measures will promote the further increase of
effectiveness of the market of a fruit-vegetable and grape sub-complex of Uzbekistan.