

# **PROSPECTS FOR FORMING COOPERATIVE RELATIONS IN THE FIELD OF PRODUCTION AND SALE OF FRUIT AND VEGETABLE PRODUCTS**

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**ABSTRACT.** In the article, issues related to the forming cooperative relations in the field of production and sale of fruit and vegetable products were discussed. As the cooperative relations in the agricultural sector of the Republic of Uzbekistan plays a key role in the development of the sector, we made some data analysis and gave some suggestions for the prospects for forming cooperatives in the agricultural production sphere.

**Keywords.** agricultural products, cooperation processes, export potential, fruit and vegetable industry, clusters, cooperation.

**INTRODUCTION.** The existing natural and climatic conditions in our country allow for the sustainable development of agricultural products, in particular, fruit and vegetable growing. The President and the government of the Republic of Uzbekistan pay great attention to the development of fruit and vegetable growing as a priority in the process of transitioning the industry to market relations. After all, the fact that a significant part of the foreign currency income of the country is formed due to the sale of fruit and vegetable products in foreign markets indicates the priority of radical reform and rapid development of the sector.

Analyzes of the experiences of developed countries in the cultivation, storage, processing and export of fruit and vegetable products show that there is a need to develop cooperation and clusters of producers of these products.

In our republic, enterprises of various forms of ownership operating in the system of production, storage, preparation, processing, sale, service and supply of agricultural products are being fundamentally modernized. However, as the President noted, "... the analysis of best practice in the field of production, storage, processing and sale of agricultural products shows the need to effectively encourage the development of cooperation between producers of these products."<sup>1</sup>. The effective implementation of these strategically promising and high-potential events requires the formation of organizational, economic and legal cooperation relations based on modern cooperative relations in the agro-industrial complex.

Seasonality of production areas, perishable nature of goods, its wide range, requirements of plants to soil, climate and other conditions are more expressed in the fruit and vegetable sector than in other areas of agriculture. At the same time, there is a need to import, transport and store many types of products.

In the early years of the reforms, although agriculture did not fully use the given opportunities, it gradually and consistently adapted to the conditions of the market environment. As a result, the main prerequisites for the emergence of healthy market relations corresponding to the transition period were created in a short period of time.

Due to socio-economic and demographic changes taking place on our planet, there are problems of effective use of land, water and labor resources in providing food to the population. Also, providing the population with quality food products is one of the global tasks facing the countries of the world.

**LITERATURE REVIEW.** Among the most consistent implementation of agricultural reforms in our republic and the priorities in 2019, it was noted that, "the most important task is to reform the management system of the agricultural sector, introduce advanced technologies for the rational use of land and water resources, and ensure food security"<sup>2</sup>.

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<sup>1</sup> Decree of the President of the Republic of Uzbekistan No. PD-4239 dated May 14, 2019 "On measures to develop agricultural cooperation in the field of fruit and vegetable production"

<sup>2</sup> Address of the President of the Republic of Uzbekistan Shavkat Mirziyoyev to the Oliy Majlis. <http://uza.uz/oz/politics/zbekiston-respublikasi-prezidenti-shavkat-mirziyeevning-oliisy-28.12> .2018.

As well as, the head of the country highlighted that “thinking not only of today, but also of tomorrow, raising the reforms to a new level with a long view..., for this purpose, the strategy of agricultural development for 2020-2030 has been developed, based on the principle of “one mahalla (neighborhood) - one product”, it is necessary to widely introduce the logistics service and cooperation system in the localities”<sup>3</sup>.

In our republic, fruit and vegetable products are grown mainly in the private sector, and 75-85 percent of them are owned by farmers and farms, but today, the number of large horticultural business entities is increasing. leading to increased competition among the private vegetable growing sector. In such a system, there are a large number of fruit and vegetable products that ripen seasonally and are inconvenient to transport in many cases, scattered in terms of location and in order for farmers and farms of small size to participate in the competition, their cooperation becomes important. . In this regard, a number of organizational, economic and legal foundations are being created in our republic. For this reason, the development of trade and logistics infrastructure in fruit and vegetable production and the development of proposals and recommendations for the creation of the added value chain in the field are among the most urgent issues of today.

Since the development of agricultural sectors is directly related to the issue of comprehensive development of the economy of the agro-industry sector, in turn, it forms the basis of the socio-economic development of the country, the economic reforms carried out in the republic are carried out on the basis of priority in the agricultural sector.

In the country's agrarian sector, there is a huge untapped potential for the production and export of fruit and vegetables. According to the analysis, in the years when the fruit and vegetable products grown in the republic are in excess of the domestic demand, the average price of the product in the domestic market will decrease significantly, and the farmer who grows the product will suffer losses. Also, the formed

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<sup>3</sup> Shavkat Mirziyoyev's speech at the meeting dedicated to the priorities of agricultural development. Source: <https://daryo.uz/k/2019/09/06/shavkat-mirziyoyev-qishloq-xojaligini-rivojlantirishning-ustuvor-yonalishlariga-bagishlangan-yigilish-otkazdi/>

low market price is an obstacle to the release of products to the market, which causes most of the products to perish before reaching the consumer.

In addition to many factors, the fact that the product sales system is not well established is a big obstacle in the decrease of the average market prices of products or the increase in the number of defects. This, in turn, causes problems in providing the population of the country with quality food products due to the deterioration of the economic situation of agricultural enterprises.

Also, fruit and vegetable products are the main raw material for the processing industry, occupying the main place in meeting the consumption requirements of the population, and are a source of income for those employed in this sector. Therefore, in recent years, a lot of attention has been paid to the development of fruit and vegetable industries.

The existing technologies in the production of fruit and vegetable products, the activity of production organization and forms of business management, the level of material and technical support of product-growing farms, the level of development of infrastructure facilities serving product growers, how well they meet market requirements is one of the important factors that determine the competitive characteristics of production.

At the same time, measures taken to optimize the quality, quantity, and material and labor resources spent on production, reduce the cost of marketed products, ensure the economic stability of production and provide the farmer with additional profit.

A.V.Chayanov defines the economic essence of cooperation as a relationship that provides the economic interests of various economic entities that independently combine their activities in the economic problems of the development of the field of fruit and vegetable production and the development of the process of cooperation and integration in agriculture. The author emphasizes here that the main focus should be on serving the interests of independent entities entering into cooperative relations, not property.<sup>4</sup>.

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<sup>4</sup> Chayanov.A.V. Basic ideas and forms of organization of agricultural cooperation. -Moscow. -1927. - 357 p.

This concept was defined by I.N.Buzdalov as “Cooperation is the joint activity of various economic entities, which combines personal, collective and social interests, stimulates the creative work of individuals. At the same time, together with the social guarantee of a person, it provides social protection”.

In addition, M.I. Tugan-Baranovsky, one of the advanced economists, focused on the forms of cooperation and the social aspects of the cooperation process and interpreted it as a social movement, while R.H.Husanov, one of our scientists, researches the economic aspects of cooperation in his work. Here, the main focus is on small producers, and the economic and social nature of cooperation is interpreted from the point of view of that time. It is shown that the material and technical base of small individual farmers' farms is very weak, and the low level of marketability has led to the fact that farms operate more as a social entity than an economic one and is an obstacle to the process of cooperation.<sup>5</sup>

However, at the same time, the work of the above authors was carried out in different periods, in general, and was not approached in depth, choosing the product sales system as a separate problem. At the moment, the work on organizing the activities of agro-enterprises in the field of fruit and vegetable production requires serious scientific research.

In addition, “... in the field, especially in the development of fruit and vegetable growing and viticulture, effective market mechanisms have not been systematically established, the insufficient scientific approach leads to the fact that the existing opportunities of the sector are not fully used. According to calculations, it is possible to earn 7 times more from grapes, 6 times from cherries, and 5 times more from walnuts than raw cotton grown on 1 hectare”<sup>6</sup>.

Also, it cannot be said that the available opportunities in processing, storage and export of these products are being fully used. As the President of the Republic of Uzbekistan Sh. Mirziyoyev noted: “Today, only 15% of the fruits and vegetables grown in our country are processed, and only 8% are exported. These indicators are still low,

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<sup>5</sup> Husanov R. Scientific and practical foundations of farming. - T.: Cholpon, 2000. - 103 p.

<sup>6</sup> Address of the President of the Republic of Uzbekistan Shavkat Mirziyoyev to the Oliy Majlis. 29.12.2020

especially in Syrdarya, Jizzakh, Khorezm, Kashkadarya and Tashkent regions. This year, 860,000 tons or 620 million dollars worth of fruits and vegetables were exported, which does not correspond to our opportunities and potential. Based on the experience of developed countries, there are no techniques for cultivating gardens and vineyards, planting and harvesting vegetable and potato seeds. Delivery of fuels and lubricants, mineral fertilizers, seeds to farmers, and the fight against diseases and pests are not organized at the required level”<sup>7</sup>.

Under market conditions, as a result of offering and selling their products to consumers through the market, enterprises producing agricultural products must cover their costs related to the production and sale of products and have a certain amount of profit. This amount of profit is the factor that decides the future "fate" of production (promising development or crisis).

Cooperation processes of agricultural enterprises in the sale of fruit and vegetable products in general with enterprises of the service branch of the agricultural production sector or with a large number of fruit and vegetable producers in the direction of a single goal can be viewed as a process of mutually beneficial and free association.

Currently, the importance of agriculture, especially fruit and vegetable and grape products, is very high in Uzbekistan's export potential. Recently, several decisions and incentives have been made by the Government for the production, processing and export of these products.

The agricultural sector satisfies the demand of the country's population for food products, and the processing industries for raw materials. About 90 percent of food products are produced in the agrarian sector. Along with the supply of food products to the consumer market of our republic and raw materials to the processing industry, agriculture is also considered a guaranteed market for the products of a number of industries, such as agricultural machinery and the chemical industry.

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<sup>7</sup> From the speech of the President of the Republic of Uzbekistan Shavkat Mirziyoyev congratulating the agricultural workers of Uzbekistan on the occasion of the Day of Agricultural Workers. December 11, 2021

Agricultural products of Uzbekistan have long been famous in foreign markets with their unique taste and taste and have their own customers. However, the necessary infrastructure for product export has not been established at a high level.

The current state of the development of the agrarian sector, relatively low investment attractiveness of the industry, slow circulation of capital, high riskiness of doing business in agriculture requires a well-thought-out and systematic approach by the government in conducting agrarian policy. Conducting such a policy allows mitigating the negative effects of the market in the agricultural sector, increasing the competitiveness of the sector, ensuring long-term economic growth and food security of the country.

In this regard, in the special programs for 2016-2020 for the release of finished products to new foreign markets, which are planned to be developed for each industry, to increase the volume of exports, to improve the system of transportation of exported goods, marketing, finance and organization of exporting enterprises. issues of legal support are reflected.

At a time when the competition in the world market is intensifying, it is necessary to develop measures to improve the system of support for enterprises exporting products of our country, to give them additional benefits and preferences. In order to export the product to foreign markets, providing information support to competitors, consumers, the legislation of the country where the product is exported, creating the most convenient regime for the country's enterprises in foreign countries according to interstate agreements, market and production measures such as development of infrastructures, promotion of product advertising also have a positive effect on increasing the competitiveness of exporting enterprises.

In particular, the decisions taken by the Government on the cultivation, processing and export of fruit and vegetable and grape products form the basis of reforms in the agrarian sector implemented in Uzbekistan.

**ANALYSIS AND RESULTS.** The role of the fruit and vegetable industry in the economy of our country is incomparable. A stock of raw materials for direct consumer products and industry is created in the industry. The population's need for food products

is satisfied throughout the year. In general, the current economic reforms in the network make it possible to solve the following economic and social issues:

As an economic matter, fruit and vegetable growing is one of the main incomes of the population in rural areas, accounting for 32.2% of the total agricultural products (8.7% of the country's GDP). It has a direct impact on the development of a number of industries. Also, this sector occupies the main place in the country's agricultural exports;

As a social issue, the effectiveness of sustainable development of fruit and vegetable production has a direct impact not only on the living standards of rural residents, but also on increasing the social well-being of all residents of the country. The ultimate goal of these reforms is to provide food security in the country, which is clearly manifested in the positive results of the economic reforms implemented in all processes of the development of the new Uzbekistan, and reflects the increase in the standard of living of the population.

If we analyze the indicators of the production and efficiency of fruit and vegetable products, if we analyze the indicators of the direction of the products grown by the fruit and vegetable cluster in Kashkadarya region for processing and export, these indicators are in the data of the table above given.

The total volume of products produced by clusters in Kashkadarya region is 29,580 tons, of which 10,042 tons are for consumption in domestic markets, 5,850 tons are exported, 12,537 tons are for processing, and 1,150 tons are for storage. It can be seen from the table that in 2020, 6,000 tons of products were processed by regional clusters, and in 2021, 12,537 tons of products were processed. We can see that this indicator has increased by 208.9% in 2021 compared to 2020. In addition, the export volume was 2225.0 tons (i.e. 1816.0 million dollars) in 2020, and this figure was 6533 tons in 2021 (i.e. 8346.0 million dollars).

## Information on the processing and export of products grown by the fruit and vegetable cluster in Kashkadarya region<sup>8</sup>

№	Districts	Clusters	Total volume of produced products, tons	Shundan				Processing, tons			Eksport		
				for domestic consumption, tons	for export, tons	for processing, tons	For reserving, ton	In 2020	In 2021	growth, %	In 2020	In 2021	Thousand USD
1	Kamashi	Agra vostok MChJ	15989	4006	983	10000	1000	5300	10000	189		983	1300
2	Yakkabog'	"Sharofat Ona Qahramon Qizi"	4030	550	1330	2000	150	700	2 000	286	522	218	1800
3	Chiroqchi	Abdulaxat Axmedovich MChJ	1500	500	1000						708	757	1000
4	Kitob	"Bog'izar Varganza uzumzorlari" MChJ	5604	4 090	1087	427			427			1 300	1 139
5	Kitob	"Marble industry Kitob" MChJ	1257	796	350	110			110		831	170	350
6	Shakhrisabz	Shahrisabz tomorga xizmati MChJ	1 200	100	1100						164	671	1100
<b>Total:</b>		x	<b>29580</b>	<b>10042</b>	<b>5850</b>	<b>12537</b>	<b>1150</b>	<b>6000</b>	<b>12537</b>	<b>209</b>	<b>2225</b>	<b>1816</b>	<b>6533</b>
													<b>8346</b>

Non-destructive processing of fruit and vegetable products and extending their seasonality is one of the unused opportunities. The abundance of the assortment of freshly preserved wet fruits prevents the price of this type of products from artificially increasing in the markets every year in the winter-spring season, and has a positive effect on the social protection of the population, and there is no need to import similar products in the winter season.

**CONCLUSION AND RECOMMENDATIONS.** In order to effectively manage the system of production and sale of fruit and vegetable products, it is advisable to implement the following measures to improve the scientific and practical basis of the development of the agrarian market:

<sup>8</sup> Developed based on the information of the Department of Economic Development and Poverty Alleviation of Kashkadarya Region.

- ❖ theoretical justification of the role and importance of fruit and vegetable production in the country's economy in the context of economic modernization;
- ❖ improvement of the coordination levers of the state in the sale of fruit and vegetable products, i.e. price determination, tax, finance-credit, insurance mechanisms;
- ❖ improvement of the mechanism of mutual organizational, economic and legal relations between subjects of agricultural products, agroresources and agroservices markets that directly affect the process of growing and selling fruit and vegetable products;
- ❖ improvement of mechanisms for encouraging the use of environmentally friendly methods in the production and sale of fruit and vegetable products;
- ❖ expanding the mechanism of interest in the final result of producers of fruit and vegetable products;
- ❖ ensuring the proportionality of the development of agrarian markets, which depends on the process of production and sale of fruit and vegetable products, should be based on market requirements and laws;
- ❖ studying and improvement of the scientific aspects of the activity of agricultural products, agroresources and agroservices markets and the laws of operation;
- ❖ improvement of the system of criteria and indicators for ensuring the proportionality of the development of the markets of agricultural products, agro-resources and agro-services;
- ❖ improvement of the theoretical and methodological basis of formation of prices of fruit and vegetable products based on supply and demand in market conditions;

- ❖ studying and analyzing the effect of effective management of the system of production and sale of fruit and vegetable products on production efficiency;
- ❖ increasing the coordinating role of the state in improving the operation of the process of growing and selling fruit and vegetable products in the context of global climate changes

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