

# Analyzes of Consumption of Food Products in Gross Domestic Production in Uzbekistan

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**Abstract:** *The article analyzes the total consumption of food in Uzbekistan. In addition, proposals and recommendations were developed for the analysis of total food consumption.*

**Keywords:** consumption of gross domestic product, consumption structure, structure, consumption level, rational consumption level, consumer market, trend, factor analysis, activity.

## 1. Introduction

Great attention is being paid to the fulfillment of principles of economy in the period of modernizing and diversifying the economy of Uzbekistan. Because of this the idea of population about the rules and order of living and working in the condition of market economy is changing. We must also say that the main ideas of the market economy are being carried out in accordance with the demands of basic tasks of the Strategy of Actions of Development of the Republic of Uzbekistan.

The market in our Republic is becoming saturated with goods; the stable structure infrastructure are being formed; economic players are getting more independent; good conditions for the development of food industry entrepreneurship is being developed. All of these show that objective legal and democratic basis of the market is getting more solid and as a result of this positive conditions are being created for market transforming into the next phase of development. This new phase of the market is the market of customer and the market of quality. In this phase the goods in the full sense of the word is evaluated by the notions which fully correspond to the imagination of the customer. Only if the customer finds the goods to be of high quality, the act of purchase takes place.

So, the market is the basic factor of evaluating the corresponding of the manufactured and offered goods to the modern demand, and the degree of lucrativeness of the production costs. At the same time, an integration process aiming at acceleration of relations among all partners taking part in production of such products, mainly meat and dairy products is speeding up in the current condition of producing and consuming such them in the new system of economic relations. [5] Creating a new stable and mutually related type of system of production – processing – delivering – selling – consuming chain with convenient conditions for economic players and entrepreneurs, providing economical food products security of the Republic of Uzbekistan is and objective necessity. Namely, priority directions on raising the effectiveness of reforms which are being carried out in accordance with the Presidential Decision 2492 “On Arrangements for improvement of food industry management” of February 18, 2016, Presidential Decree PF 5308 of the President of the Republic of Uzbekistan of January 22, 2018, and the Presidential decree “About

Strategy of Actions of further development of the Republic of Uzbekistan” of February 7, 2017, creating conditions for thorough and fast development of the state and society [1], modernizing the country and liberalization of all the fields of social life, developing small business and private entrepreneurship and production and consumption level.

## 2. Analysis of Literature on the Topic

Such foreign scientists as M. Desai, P. Gompers and J. Lerner recommended the following indicators in order to find out the capacity of production food products: company’s factors of entering and leaving the market, average size of the company (measured according to the average age and size). [8] In their works J. Robinson and G.B. Fairchild put forward the idea that there are institutional and social barriers for new players to enter the market [13]; R.P. Kolsa and J.N. Yula approached scientifically, practically and theoretically to the rate of consumption in the US market. [10]

According to A.A. Kudryashova and O.P. Presnyakov those countries which achieved food independence can provide in full their population with current consumption and reserve for emergency purposes for the account of national production network. These countries – Canada, New Zealand, USA, France, Germany, Italy and Spain produce 80-90% of food products [12]. At the same time majority of researcher claim that the food independence of a country can be achieved when national production is not less than 80%. Namely, the scientific researches of V. Denisov investigated types of food and the ways of organizing them.

One of the economists of our country D.J. Jalolov investigated the ratio of consumption of food product in the market of consumption [9] and I. Boboyev learned the issues of strategy of production of competitive products on the basis of localization the food industry of the Republic of Uzbekistan [7]. Another scientist, A. Abdullayev, investigated the ways of creating food industry regional cluster in the region of Khorezm [4] and B. Berkinov, U. Ahmedov analyzed food consumption demands of the population according to rational and medical norms [6]. However, the ratio of consumption of food products in Uzbekistan has not been investigated well enough.

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### 3. The Methods of the Research

During the research, with the purpose of finding out the food products consumption analysis such methods as thinking, induction and deduction, dynamic lines, economic statistics, time trend, comparison and others were used.

### 4. Analysis and Results

The process of production food products can be seen in table 1 in changes of consumer goods production in the Republic during the period 2010-2017

**Table 1:** Rising ratio of production food products (costs of the years shown, billion sums) [14]

No.	Description of goods	2010	2011	2012	2013*	2017**	In 2017 correlated to 2010
	Total consumption goods	11780,5	15166,5	18292,7	22665,3	56159,4	4,8 times
Including:							
1	Food products	4010,1	5573,6	6513,1	9158,8	25408,1	6,3times
2	Nonfood products:	6862,9	8501,9	10502,7	12078,7	28775,1	4,2times
	-goods light industry	897,7	1251,6	1653,6	1831,4	2345,7	2,6times
3	Alcohol products	907,5	1091,0	1276,9	1427,8	1976,2	2,2times

We can see in the analyzed material that during the period of 2010-2017 the ratio of food product manufacturing rose. Inclusive, in 8 years the production of consumer goods production increased 4,8 times, manufacturing of food products increased 6,3 times, nonfood products 4,2times alcohol and production of beer increased 2,2 times.

When we analyzed gross production of food products in the Republic of Uzbekistan on the basis of the method of time trend, we found out the following changes. Namely, during the period of 2003-2017 the production and consumption of such main types of food products as meat, dairy products, watermelons and vegetables increased, flour, bread and breads almost all them increased. But when the volume of production of food products was investigated, during the period when meat, dairy products, watermelons and vegetables increased, some institutional changes took place.

As a result of this meat production volume increased 2,3 times in 2017 in comparison with 2003. The meat production volume increased the least in 2004 according to chain increase rate and made up 9,5. This happened because the number of cattle in the 90s of the last century decreased, cost of cattle breeding rose and its effectiveness fell. All of these resulted in relatively slow increase of production capacity, and decrease of meat production because of high cost price. But the number of cattle in the Republic increased by 34,2% in 2013 than 2006, that is from 2006 the increase of cattle took place mainly at the expense of farmers. In 2008 a rapid increase in meat production took place.

Including meat and meat products according to chain connection increased by 2,44 times during the period 2003-2017. At the same time the consumption amount of meat products produced by the entrepreneurs of the Republic increased by 11,8% than the basic year in compared evaluation.

**Table 2:** Time trend analysis of the production and consumption ratio of some food products [14]

Groups of products	$Y_t - Y_0$ correlated to base year	$Y_t - Y_{t-1}$ chain connection	$I_p = Y_t / Y_0$ correlated to base year	$I_p = Y_t / Y_{t-1}$ chain connection
	Production increasing rate (thousand ton)		Production increasing rate	
Meat and meat products	588,7	89,6	1,109	1,118
Milk and dairy products	2597,4	403,5	1,113	1,121
Potato	948,2	145,3	1,164	1,174
Fruit and berries	1047,7	154,0	1,174	1,190
Watermelons	400,6	88,3	1,133	1,130
Vegetables	3486,3	542,1	1,166	1,168
Egg	1913,0	403,8	1,357	1,365
Flour, cereals (including legumes), bread and bakery products, pasta	801,1	146,9	1,070	1,093
Vegetable oil	49,7	9,7	1,064	1,066
	Gross consumption (billion sums)		Rate of consumption increase(ratio)	
Meat and meat products	2395,0	401,1	1,336	1,337
Milk and dairy products	163,8	24,3	1,261	1,253
Potato	277,2	49,9	1,364	1,282
Fruit and berries	1019,2	149,7	1,323	1,337
Watermelons	200,0	39,4	1,134	1,149
Vegetables	665,0	96,7	1,290	1,272
Egg	433,1	75,9	1,513	1,541
Flour, cereals (including legumes), bread and bakery products, pasta	1713,8	255,6	1,273	1,313
Vegetable oil	280,5	40,2	1,266	1,245

The demand for dairy products of the Republic of Uzbekistan comprises 10083,5 thousand tons. In the

Republic 403,5 thousand tons of dairy products were produced according to chain connection during the period of

2003-2017 with the difference of 2597,4 thousand tons. At the same time, the rate of average relative growth increased by 2,4 times and chain growth by 12,1%. The cost of gross consumption increased by 6,4 times in 2017 in comparison to 2003 and by 25,3% according to chain connection.

Production of vegetables increased by 16,6% in 2017. This happened because the territory of fruit gardens has been reduced in the last few years. At the same time when we take the increase of the cost of average gross consumption in comparison with the base year we can see that it increased by 7,7 times and in the succession of years by 27,2% (table 2).

All the phases from plants selection and planting to delivering to the last consumer should be created and specific features of vegetables produced in the Republic by the entrepreneurs should be taking into consideration, not from the period of their production and selling, but also paying attention to consumer demand. The following should be paid special attention in solving the problems connected with delivering vegetables produced by the entrepreneurs:

- Using effectively natural-climate conditions and organizational-economic potential;
- Deepening farm industry specializations;
- Improving the activity of farms specialized in growing vegetables and whole sale markets;
- Creating better conditions for beneficial work of modern refrigerators for the storage of vegetables;
- Transferring to intensive technologies of growing vegetables and creating sorts of high technologic features and disease resistant plants.

At the same time, problems related to the stable provision of vegetables in the accordance with medical requirements appear not because of lack of production, but as a result of not wisely organized systems of preparing, storage, recycling and selling. This in its turn reflects on high prices in the market and competitiveness of the local product.

We have analyzed the degree of provision of the population of the Republic of Uzbekistan with food product produced in the agricultural establishments. The result can be seen in table 3.

According to the results of calculations the degree of provision of the population of the Republic of Uzbekistan with food product produced in the agricultural establishments. When the agricultural food products were compared per capita consumption norm, this indicator comprised the following in 2017 the minimum consumption norm of Dairy products increased by 2,6 times; fruit and berries increased by 1,4 times; potato by 1,5 times. However, rational medical norm meat products were consumed by 15,5% less and egg by 32,5% less. The reasons of this are significant decrease of population income and the artificial fast rise of prices. However, the consumption of fruit and vegetables and potato was above normal,  $K > 100\%$ . So, the demand for these types of products was met satisfactorily.

If we pay attention to the consumption of the main types of food products produced by domestic producers in the dynamics of 2003-2017, we can see fluctuated demand based on the difference between prices and income of the population. This is why during the period of 2003-2017 when the consumption was lower, the amount of consumption with negative fluctuation of demand according to incomes was advised.

**Table 3:** Per capital consumption degree of food products produced in agricultural establishments of the Republic of Uzbekistan [14]

Goods	Norms for in kg minimum consumption budget	Rational medical norms kg	Annual production per capital, kg				Minimum budget consumption degree compared to the norm and degree of provision, in percents			
			2003	2009	2013	2017	2003	2009	2013	2017
Meat (life weight)	45,6	83,9	36,4	48,8	58,6	70,9	79,8 43,4	107,0 58,2	128,5 69,8	155,5 84,5
Milk	119,3	182,5	156,8	206,4	258,6	313,3	131,4 85,9	173,0 113,1	216,8 141,7	262,6 171,7
Potato	63,5	63,9	32,5	54,7	73,8	93,6	51,2 50,9	86,1 85,6	116,2 115,5	147,4 146,5
Fruit and berries	67,6	87,6	29,8	55,2	74,2	95,6	44,1 34	81,7 63	109,8 84,7	141,4 109,1
Water melons	17,5	98,6	22,8	38,3	51,1	65,1	130,3 23,1	218,9 38,8	292,0 51,8	372,0 66,0
Vegetable	171,5	113,3	128,4	203,9	279,3	355,2	74,9 113,3	118,9 180	162,9 246,5	207,1 313,5
Egg	205	305 <sup>[6]</sup>	62,7	97,0	143,6	205,2	30,6 20,6	47,3 31,8	70,0 47,1	100,1 67,3

Products which were produced more than norm were bread, fruit and vegetables. Meat products constituted the biggest amount of fluctuation ratio. This means that meat products were among the products which did not satisfy the demand. This demand increases and decreases according to the fluctuation of incomes. If we look through the cost

fluctuation of demand for certain products, the most essential one is meat.

### 5. Conclusion and Recommendations

Taking everything into consideration the above said we made the conclusions that it is necessary to do the following:

- 1) To organize production of food products on the basis of local raw material, to provide the population with high quality food products and to strengthen the basis of rational and medical requirements for consumption ratio;
  - 2) To increase optimal sales of private entrepreneur meat sellers corresponding to the annual rational norm in the market;
  - 3) To direct the entrepreneurship of food industry to the production aimed in recycling local raw material taking them into consideration the economical changes and the rate of population increase;
  - 4) To pinpoint in here is local opportunities of import-substituting and competitive goods production;
  - 5) When consumption norms odd products produced in agriculture per capital in the Republic were compared, this indicator comprised the following in 2017 the minimum consumption norm of Dairy products increased by 2,6 times; fruit and berries increased by 1,4 times; potato increased by 1,5 times. However, rational medical norm meat products were consumed by 15,5% less and egg by 32,5% less. The reasons of following are significant decrease of population in the income and the artificial fast rise of products.
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