

**DEVELOPING THE PRICE OF CEREAL PRODUCTS AND THE MARKET LEARNING DIRECTIONS**

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***Abstract.*** This article discusses the market study of grain product prices. In today's economic conditions, prices are determined based on market principles, that is, they are determined by the law of supply and demand, and it is impossible to predict how much a product will be sold for today or a few days in advance. Food security and ensuring price stability in the markets are issues that concern countries around the world today.

***Keywords:*** entrepreneurship, demand, supply, grain, flour products, price, grain, wheat, cluster.

***Login.***

Agriculture and play an important role in ensuring food security of the population. In today's conditions of globalization and market economy, a deep analysis of the demand for grain products, price dynamics and competitiveness is one of the urgent tasks. From this point of view, market research in the formation and stabilization of grain prices requires scientifically based approaches.

Nowadays, as changes occur in all sectors, the systems in these sectors are also changing. The new system also affects the prices of flour and bakery products. In this case, the farmer does not bear part of the state costs and provides the entrepreneur with wheat at a low price. Manufacturers buy wheat and flour products through the exchange at free prices and determine the price of the finished product themselves, based on their costs. In this process, it is possible that some entrepreneurs will take advantage of this and sharply increase prices[1].

Uzbekistan has introduced the sale of grain and flour products at free prices through stock exchanges. With the resolution of the President of the Republic of Uzbekistan "On additional measures to introduce the market principle in the production and sale of grain" dated May 28, 2022, the state purchase and sale of grain was switched to market prices, and grain clusters and farmers were given the right to completely freely sell wheat at market prices[1].

This allows farmers to sell their products at market prices for clusters.

Therefore, on the instructions of the Head of our state, a Republican Headquarters headed by the Prosecutor General was established to monitor the transparency, full-fledged and fair functioning of the new system. Currently, the headquarters, consisting of heads of 21 ministries and departments, has fully operational territorial departments in all regions. Every day, they work to ensure the interests of wheat growers in the purchase and sale of grain, prevent the growth and shortage of flour and grain products in the domestic market, and promptly eliminate problems[2].

As a result of the reforms being carried out in our country, the state does not set the price of grain and flour products on the market - it is determined by market demand itself. In this process, the main task of our country is to increase supply, to this end, more entrepreneurs will find their place in the market economy, participate in stock exchanges and freely sell their products, and help reduce their costs. Because when there is more supply than demand in the market, price stability is ensured and a healthy competitive environment is formed[3].

***Literature review.***

Our study of the literature on the subject shows that the issues of analyzing the grain market and formulating pricing policy have been studied in depth by many economists, agricultural policy

analysts, and marketing specialists. Below is an analysis of important scientific research conducted in this area .

That is, Uzbek economists (A. Abdurakhmanov, B. Jabborov, M. Qodirov, etc.) in their studies have emphasized that the formation of the price mechanism in the agricultural sector is influenced by factors such as state intervention, underdeveloped infrastructure, and poor marketing services. In particular, Abdurakhmanov A. in his work entitled "The Mechanism of Price Formation of Agricultural Products in a Market Economy" systematically analyzed the factors affecting grain prices.

Also, in studying the international grain market, reports and analytical materials from organizations such as FAO (Food and Agriculture Organization of the United Nations) , World Bank and OECD play an important role. For example, FAO reports indicate global grain price volatility, climatic conditions, energy prices and logistics problems as the main factors. At the same time, it is noted that the stability of grain prices is directly related to food security.

In addition, classical marketing theory (Kotler F., Armstrong G.) extensively discusses methods of price formation based on supply and demand, market segmentation and price differentiation. These theoretical approaches can also be applied to the grain market. In particular, it is emphasized that through price differentiation, it is possible to price products based on customer categories and maintain a competitive position in the market.

#### **Analysis and results.**

It is known that, according to the new system, the initial price of one kilogram of grain will be 3,000 soums starting from June 1, 2022, and in the future, based on exchange prices, an additional payment to this price will be accepted with enthusiasm by all farmers, peasants, and clusters.

Currently , 3 large enterprises are processing grain and grain products in Namangan region. By 2022, 22,155 tons of grain are planned to be supplied to "Namangandonmahsulotlari" JSC for the cultivation of grain crops in districts, including 1,440 tons for seed, 17,304 tons for commodity grain, 4,851 tons for temporary storage (for sale on the exchange), while 15,855 tons of grain are planned to be supplied to Namangan region, including 3,220 tons for seed, 9,868 tons for temporary storage (for sale on the exchange), 2,767 tons for temporary storage (for sale on the exchange). The total grain grown in Kosonsoy and Yangikurgan districts will not be allocated for seed. These grains will be directed only for commodity grain and exchange sales.

**Plan for the production of grain from the 2022 harvest in Namangan region and districts<sup>1</sup>**

N	Districts	Commodity grain	Seed grain	Temporary storage (for sale on the stock exchange)	Total
<b>JSC "Namangandonmahsulotlari"</b>					
1	Mingbulak	17304	1440	4851	22155
2	Namangan	9868	3220	2767	15855
3	Kasonsoy	11196	0	3139	14334
4	Turaqurgan	10284	1575	2883	14742
5	Yangikurgan	4273	0	1198	5471
<b>Enterprise total</b>		<b>52924</b>	<b>6235</b>	<b>14837</b>	<b>72557</b>
<b>JSC "Uchkurgandon Products"</b>					
1	Housekeeper	12766	3050	3579	19394
2	Uchkurgan	14814	3337	4153	22304

<sup>1</sup> Prepared based on data from the Namangan Regional Statistics Department

3	Narin	8701	2202	2439	13343
4	Attic	3976	0	1115	5091
	<b>Enterprise total</b>	<b>40257</b>	<b>8589</b>	<b>11286</b>	<b>60132</b>
<b>JSC "Popdonmahsulotlari"</b>					
1	Pop	19063	1270	5344	24407
2	Chust	17815	846	4994	23655
	<b>Enterprise total</b>	<b>36877</b>	<b>2116</b>	<b>10338</b>	<b>48061</b>
	<b>Total by region</b>	<b>130059</b>	<b>16940</b>	<b>36461</b>	<b>180750</b>

Uchi, Uchkurgan, Naryn, and Chortoq districts supply grain products to Uchkurgan Grain Products JSC. Among these districts, Uchkurgan district is the largest supplier of grain, with 22,304 tons of grain according to the plan. That is, it supplies 14,814 tons of grain for sale, 3,337 tons for seed, and 4,153 tons of wheat for temporary storage (for sale on the exchange). Since Chortoq district specializes in forestry, it supplies 3,976 tons of grain according to the plan, 1,115 tons of grain for temporary storage (for sale on the exchange), a total of 5,091 tons of wheat.

Pop and Chust districts are considered suppliers of grain products to "Popdonmahsulotlari" JSC. Pop district is the largest supplier of grain to the enterprise, delivering 19,063 tons of commodity grain, 1,270 tons of seed grain, and 5,344 tons of temporary storage (for sale on the stock exchange), for a total of 24,407 tons.

The total production of grain crops by farmers and agricultural enterprises in the districts of Namangan region in 2021 was 462,912 tons, in 2020 it was 441,607 tons, in 2019 it was 481,311 tons, and in 2018 it was 471,118 tons. The area under grain crops was 76,500 hectares in 2018-2019, but it decreased to 74,000 hectares in 2020 and 67,750 hectares by 2021. From this, we can see that the area under wheat crops has decreased in Kosonsoy, Chortoq, and Yangikurgan districts, and their lands are being converted to gardening. The largest areas for growing cereals in the region are Chust and Pop districts, with a total area of over 10,000 hectares [4].

#### Main factors affecting the price of cereals

No.	Factor name	Impact level (1 – low, 5 – high)	Note
1	Productivity	5	A large harvest lowers the price, while a small harvest increases it.
2	Market demand	4	High demand leads to a rise in price.
3	Import and export volume	4	Domestic prices may rise when exports increase.
4	State regulatory policy	5	Subsidies, quotas, and intervention directly affect prices.
5	Logistics and storage system	3	Efficient logistics contributes to price stability.
6	Climatic conditions	5	Drought and lack of rain have a strong impact on yields and prices.
7	Number of competitors	2	When competition is strong, the price is kept stable.
8	Marketing activities	3	Effective marketing helps optimize cost.

*Source: Prepared by the author.*

❖ In this table, the factors affecting the price of grain products were rated on a scale from 1 to 5. The assessment took into account the role and impact of each factor in price formation:

❖ productivity and Climatic conditions have the highest level of influence (5 points), as these factors directly affect the availability and production volume of grain.

❖ Government policies (subsidies, intervention, tax breaks) also play an important role in price stability and market regulation.

❖ Market demand and foreign trade (import/export) balance can change the price in the short to medium term.

❖ logistics , marketing, and the number of competitors is relatively undervalued, but they are also important factors affecting price formation.

Based on the above table, it is clear that in order to stabilize the prices of grain products, it is necessary to analyze not just one factor, but several economic, social and environmental factors in a comprehensive manner. On this basis, it is necessary to formulate a pricing policy through in-depth market research.

Today, enterprises operating in the region are implementing a number of measures to introduce modern energy-saving technologies in the production of flour products and to supply consumers with high-quality and affordable products.

Special attention is paid to increasing grain yields in the region through the use of modern agrotechnologies, the implementation of agrotechnical measures, as well as the coordination of scientific research on the full relationship between "seeds - grains - flour - bread and bakery products", and the selection of high-quality grain varieties intended for the production of bread and bakery products.

In the country, in cooperation with the State Assets Management Agency, the sale of assets and shares of grain enterprises to investors is being organized based on decisions of the management bodies of joint-stock companies within the system of the "Uzdonmahsulot" joint-stock company[5].

In order to ensure that the prices of flour and bakery products in the region are in line with supply and demand, special attention is paid to the location of enterprises in densely populated areas, the organization of retail trade in bread and bakery products at the enterprise itself or in places close to it, based on working hours aimed at fully satisfying the daily needs of the population. In addition, targeted programs have been developed to organize specialized (special) trade company stores for bread and bakery products manufacturing enterprises to sell a wide range of bread and bakery products in farmers' markets and densely populated areas.

### Conclusion and suggestions.

The Ministry of Economy and Industry is carrying out daily control over the volume of flour put up for exchange trading at the expense of state resources, based on the supply and demand for wheat in the domestic consumer market.

The Antimonopoly Committee, in cooperation with the Republican Commodity Raw Materials Exchange JSC, will introduce a separate trading platform in the electronic exchange trading system for the sale of grain and flour products, including those remaining in the possession of farms and imported grain and flour products. This will allow determining prices for flour and flour products in the markets through supply and demand.

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