

## BASIS FOR THE DEVELOPMENT OF THE REGIONAL FOOD MARKET

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### ABSTRACT

*In the period of deepening economic reforms, it is important to develop a scientific and methodological framework for the formation and development of markets at the regional level, including the food market, and to conduct in-depth analysis. The main purpose of the formation, development and management of the regional food market is to ensure sustainable development of the region to meet the needs of the population. Economists have expressed different views and opinions on the concept of a regional market system. The system of regional markets is a set of entities of different forms interconnected. These entities are actively involved in the process of production, sales and consumption.*

**KEYWORDS:** *Region, Food, Regional Food Market, Agriculture, Development Mechanism, Concept, Economic Methods, Administrative Methods, Prospects.*

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### INTRODUCTION

In the context of the transition to a market economy, it is necessary to take organizational and economic arrangements by the republican government and local governments to ensure the formation and sustainable development of the regional food market system and its adaptation to changing conditions. [1]

During the transition period, the state will form the structure and management of market processes at the regional level, its forms and methods through national economic policy and regional economic policy, which takes into account the specifics of regional development at different levels. [2]

**Main part.** In the context of the operation of many economic entities based on different forms of ownership based on their economic interests in the economy, indirect influence on these processes in the field of market trade is the optimal option of government management.

During the transition to a market economy, this management takes into account certain links in the organizational and economic mechanisms of formation and development of the regional food market. The growth of investment and the effective use of the economic potential of the region will lead to an increase in the volume and quality of market services provided to all entities. This is due to the creation of a favorable economic environment in the region. As a result, a two-way result is achieved in the region's economy: on the one hand, to support the development of existing enterprises, on the other hand, to attract new investors. This will lead to an increase in the total volume of investments in the region's economy and stimulate the growth of the region's full economic potential, including the potential of the regional food market and market infrastructure, through the action of the feedback mechanism. Accordingly, there are other links

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in the region's economy: the development of existing and new enterprises - the basis for economic growth in the region, employment growth, income growth of the population and enterprises, an increase in the regional budget. As a result, additional financial opportunities will be created for the implementation of regional infrastructure and market development programs. The organization of interregional and foreign economic activity for the openness of the food market in the region will primarily increase the revenue of the regional and national budgets, have a positive impact on attracting investment in the region and serve as an important factor in developing regional food market potential. At the same time, economic growth in manufacturing will create additional demand in the regional food market and stimulate its development. [3]

Ultimately, the organizational and economic mechanism of the regional food market represents key links. It allows investments to have a multiplier effect on the development of existing capacity and the growth of incomes of businesses, the population and the regional budget by creating an optimal economic environment. [4]

Regional governments, on the other hand, will contribute to sustainable economic growth in the region and its individual entities by activating the food market and its economic potential. [5]

This requires regional governments not to invest in the formation and development of food markets at the expense of the budget, but rather to use administrative and economic methods of economic mechanisms, including factors and incentives to attract private investment in the development of regional markets. [6]

It is necessary to use a system of economic and administrative methods to ensure the effective development of regional markets in the context of market reforms and liberalization of the economy. The process of managing food markets at the regional level should be improved, first of all, by gradually adapting them to market principles, namely:

- management of the regional food market, market infrastructure and the socio-economic environment in general should become the main task of regional governments;
- it is necessary to use a wide range of financial and economic methods for the effective management of market processes, which determines the specifics of taxation in the region;
- the regional authorities influence the entities operating in the food market through economic methods. This will allow to use the mechanisms in terms of the needs and requirements of the population without interfering in their production, technological and financial activities.

The purpose of management is to strengthen production, entrepreneurship, social support of the population, increase its welfare. The management system is effective only when it is clear and sufficient for each producer. [7]

In the context of the transition to a market economy, the formation of monitoring the effectiveness of the management system of public functions will be aimed at improving the mechanism of market activity based on its results. The effectiveness of management depends directly on the extent to which it is implemented within the regions, and the development of agriculture, including food markets, which is an integral part of it, largely depends on the effectiveness of the management system at the stage of its formation. In this regard, the study of the experience of foreign countries in the transition to a market economy, theoretically and practically, serves as an important source in the formation of a regional food market.

Management of the regional food market is carried out through economic and administrative methods. [8]

The experience of developed countries shows that a network of small manufacturing enterprises is widely developed in agriculture and industrial processing.

In the United States, for example, small and medium-sized firms produce 80% of agricultural products. They are cooperatives, agro-industrial concerns, which receive great support from the state. Small businesses are also widespread in Denmark and France. Small businesses are a way to achieve high results, using less power and resources, using not only production that uses a small number of people, but also advanced, relatively efficient ways of organizing and managing production. Their advantages are rapid adaptability to changing market conditions, rapid reorganization of production and not being afraid of commercial risk. [9]

In developed countries, the state management of arable land, which is an important link in the food market, is the basis for the production of agricultural products and the level of prices for agricultural products, as well as the formation and operation of scientific advisory centers. Currently, both in the United States and in the member states of the Economic Council of Europe, the transition to legal and economic management of the production of the most important types of agricultural products. [10]

The development and implementation of a system of regular (monthly, quarterly or annual) monitoring plays an important role in the economic mechanisms of regulation and management of the regional food market by state and local (provincial, and district) authorities.

The objectives of food market monitoring within the regions are:

- study the needs and requirements of the population for food products;
- identification of factors and causes of changes in the food market;
- identification of inconsistencies and problems;
- in-depth analysis of internal and external factors affecting the food market, risks and development of measures to prevent them;
- Dissemination of information on the current state of the food market to farmers, companies and dehqan farms, small businesses and private entrepreneurs through the media.

Regular monitoring and diagnostics of the regional food market is important, especially in the prevention of external risks affecting the region. It is necessary to control the import of low-quality products from abroad and the export of food products from the region and to develop preliminary measures against the existing risks based on the analysis of their impact on the food market in the region.

In order to carry out such monitoring and diagnostics, it is expedient to establish a special center for the study of food market conditions in the regional administration.

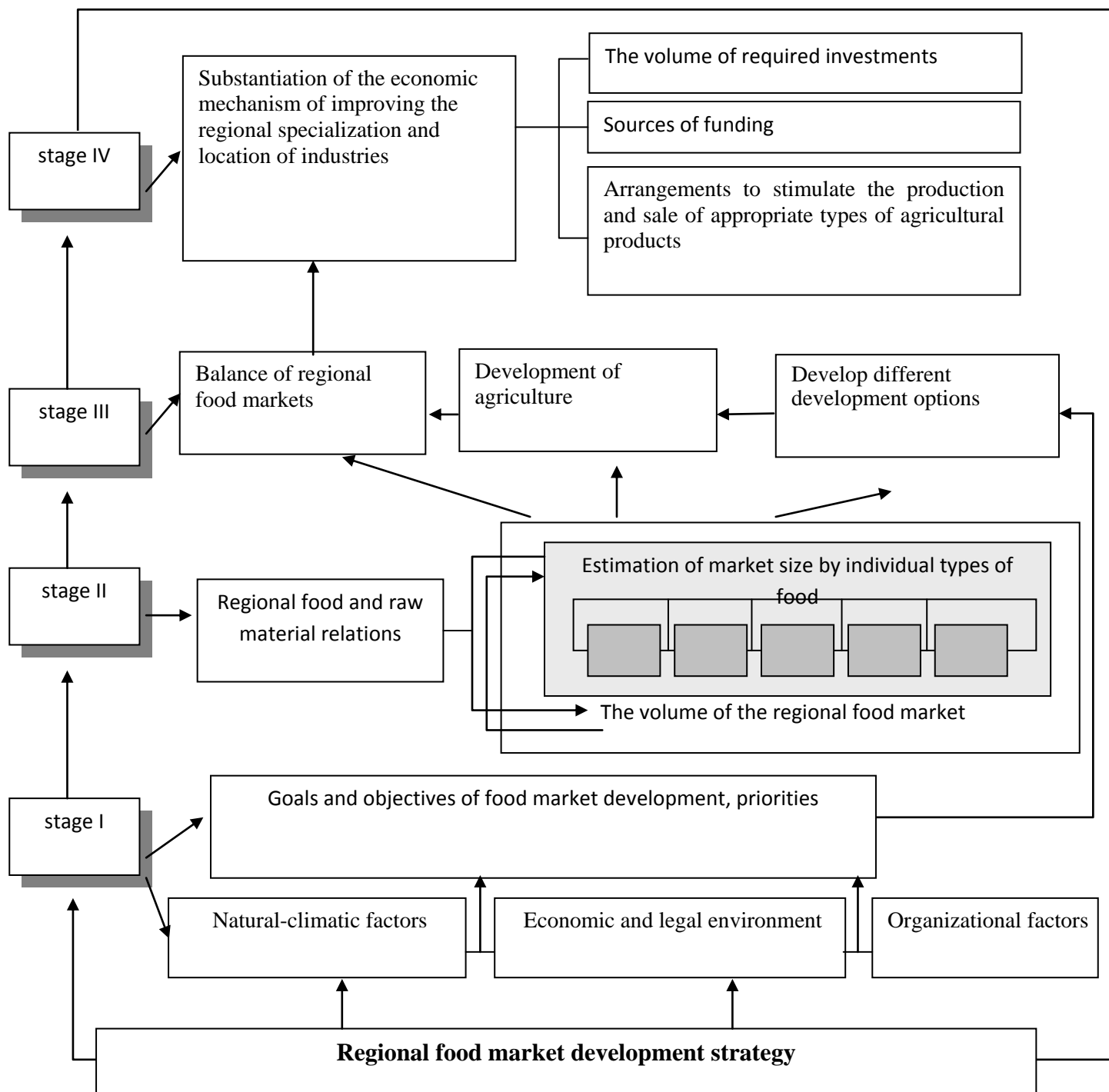
Another proposed management mechanism is to develop a long-term concept for the development of the regional food market.

The concept sets out a strategy to ensure food security for the provincial government and local governments with a clear goal in mind. The concept also outlines future population growth and

changes in food demand, efficient use of limited water and land resources as a factor in sustainable agricultural development, implementation of advanced scientific achievements, key areas of economic integration with neighboring regions and foreign countries.

It is advisable to develop the concept in the following four stages (Figure 1).

Figure 1. The concept of development of the regional food market



In the first stage, the goals, objectives, factors and priorities of the food market development are determined;

The second step is to calculate the size of the region's food market. At this stage, based on the assessment of the prospective size of the market, the directions for improving regional ties will be identified.

In the third stage, alternative options for the long-term development of the regional food market will be based and balance calculations will be made.

In the fourth stage, economic mechanisms for the sustainable development of the regional food market will be developed.

The sequence of these stages covers regional food integration and the formation of regional wholesale markets and modern methods of trade in the consumer market (a network of specialized and universal stores, associations, etc.). As part of the deepening of market relations, it is planned to adequately develop the infrastructure that serves the food market.

The method of making balance sheets on products is widely used in determining future performance. The proposed concept can be developed for the next 10-15 years at the initiative of the regional government in conjunction with research centers, business centers.

Through the introduction and continuous improvement of these economic mechanisms, it will be possible to achieve solutions to the problems of the regional food market in the region and to form a full-fledged market relations in the future.

## CONCLUSION

In the context of the transition to a market economy, the development of the food market requires the development of a long-term regional concept through the improvement of its management mechanism. The concept serves as a key resource for local governments in the region in defining a clear food security strategy, efficient use of available limited resources and key areas for economic integration with other regions and foreign countries. The development of this regional concept is expedient in four stages and requires the development of a comprehensive infrastructure package that will ensure the functioning of the regional food market and its integration. Although the formation and development of the regional food market in the transition to a market economy is initially carried out with the priority of state-managed economic mechanisms, it creates ample opportunities for the formation of relations in line with market mechanisms and ultimately serves as an important tool for a full regional food market.

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