

Socio-Economic Significance and Functions of the Food Market

Sotvoldiev Nodirbek Jurabaevich¹

Annotation: The article divides the research that reveals the essence of the food market into groups and summarizes modern approaches. An independently improved authorial definition of the food market has been developed. Based on the functions performed by the food market, it is segmented and hierarchical levels are defined.

Keywords: food market, agrarian markets, agricultural market, agro-industrial complex, network characteristics, research, segmentation.

¹ Associate Professor, Namangan State University, Doctor of Economics (DSc)

The food market should provide the population with the opportunity to purchase the required amount and a wide range of food products. In this regard, the provision of the population with quality food products on the basis of the formation and development of the food market has become a pressing issue for the social policy of the state. The food market, first and foremost, solves and should serve socio-economic and political problems. These challenges include improving the well-being of the population based on a healthy and sensible food supply.

Some aspects of the solution of these problems are reflected in the research of foreign and domestic scientists. In particular, the research areas of the food market can be divided into several groups: theoretical and methodological research; issues of public administration; organizational-legal and institutional bases; agromarketing issues; indicators of food consumption assessment; integration of agro-industrial complex; regional governance issues; within separate segments and so on. In these areas, scientific concepts specific to their time were developed and practical recommendations were developed.

Research conducted in foreign countries shows that consumer decisions in the food market are similar regardless of the age, gender, ethnicity and social status of the population. In this regard, in the food market, on the one hand, a free competitive environment is formed, on the other hand, the degree of saturation of demand is high [1]. The food market represents human existence, social and economic development, peace and well-being of the country [2]. The food market is one of the pillars of national food security and its development depends on the income of the population [3]. Food market research identifies points and stages where food safety can be controlled [4].

Research in the Russian Federation shows that the food market, like other markets, is a socially necessary market that affects the formation of regional conditions of reproduction, determines the economic environment and in many respects the living standards and quality of life [5]. The food market is a single dynamic system based on the rational formation and distribution of primary and secondary processed food resources. It is a system that determines the interaction of sellers and buyers, ensuring the achievement of the required quality and price in the volume and composition of production [6]. In many cases, the food market is seen as a complex system that forms a complex. In particular, the food market is a system of economic relations that shapes the demand and supply of food products among producers, market infrastructure entities and consumers, as well as within these groups [7]. In particular, the food market is seen as a complex system of organized socio-economic relations between agriculture and processing industry, food enterprises and infrastructure entities, production and exchange, distribution and consumption between the population and the state [8].

Research in recent years has shown that the food market is a spatially integrated reproductive system that is a relatively independent part of the national economy that interconnects economic relations between the subjects of food production and consumption, performing specific economic, social and political functions. [9].

The concept of the food market formed in foreign countries and the Russian Federation is of particular interest in the scientific literature and practice, and the research can be summarized as follows:

the food market differs from other markets by its specific quality and generality of goods [10];

The food market includes the market of agricultural products and products of its processing. The

formation and development of the food market takes place through the interaction of different sectors of the economy, and their commonality is the agro-industrial complex, which traditionally combines three sectors [11];

The food market creates a “production-consumption” chain, within which it performs functions such as collection, sorting, transportation, storage, processing, financing and redistribution to deliver the product from the field to the final consumer [12].

The above research and modern approaches do not allow to give a single definition of the “food market”. In most cases, the food market is interpreted as part of an agro-industrial complex or equated to the concept of agrarian markets.

In our view, agrarian markets are an integral concept and are directly linked to all sectors of the agro-industrial complex and land resources. At the same time, the market mechanism cannot equate the demand and price of agricultural products with other sectors of the economy. This situation is explained by the mobility of agricultural products. The mobility of agricultural products is determined by the specifics of the industrial sector. In particular, the industrial sector makes it difficult, slow and sometimes impossible to transfer resources from agriculture to lucrative sectors. This is due to the fact that agricultural lands, agricultural crops, livestock and other agricultural products are not used in other sectors of the economy.

Therefore, it is necessary to make a scientific analysis from a conceptual point of view, comparing the concepts of "agricultural market" and "agricultural markets". These markets in a general approach link production to consumption. In the structure of agrarian markets there are markets that are interconnected and have different commodity objects, or the object of purchase and sale may be land, labor, material, technical, financial and other agricultural resources. The market for agricultural products is reflected only in goods transferred to the processing industry.

At the same time, if the attachment of the manufacturer to the buyer on the basis of a state order is a content distribution relationship, the payment for the delivered product is an exchange relationship. Of course, the unreasonably low setting of prices on the state order distorts the real economic content of market relations, and the distribution takes on a predominantly monopsonic character. Under these conditions, the mechanism of functioning of agrarian markets and agricultural markets will be formed.

In the context of Uzbekistan, the food market has been studied as a category that characterizes a particular type of economic relations of commodity production [13]. Marketing research has been conducted in terms of the development of the farmer market [14]. Seasonal price fluctuations in the farmers' market have also been studied [15]. There is also research on the development of the food market in the structure of the consumer goods market [16]. In most cases, food market research has been conducted on certain segments of it [17].

Currently, the following research can be observed in some sectors of the food market:

Analysis of fruit and vegetable production indicators, export opportunities, problems hindering access to foreign markets, external factors affecting the volume of production and processing [18];

Organization of the system of cultivation and export of fruits and vegetables on farms, optimization methods related to the provision of benefits [19];

placement of additional food production facilities and industrial enterprises in accordance with

market requirements [20];

ensuring the adaptation of the grape industry to the requirements of the world market, modernization of the processing industry, strengthening the organizational and economic mechanism and legal framework of the export process [21];

to approach the sale of horticultural and viticultural products as a whole system and to organize all the processes in a comprehensive manner, to ensure their compatibility with each other [22];

Given the general situation in the world food market, each country should ensure its economic independence, the formation of state grain reserves in Uzbekistan and change the order of distribution [23].

These studies are network-specific and general. Socio-economic indicators and outcomes are also based on general conclusions.

In our view, the development of the economy based solely on the sectoral principle does not yield the expected result. Improving the functioning of the food market is also associated with the transition from the sectoral level to the level of interregional cooperation. At the same time, all socio-economic results are reflected at the regional or oblast level. Analysis of socio-economic results at the regional level reveals the importance, potential, opportunities, activity and problems of the regions in the formation of the national economy. In this context, research is needed to improve interregional commodity flows.

To date, it is possible to follow the dissertation research, which is directly described in the food market in Uzbekistan. In this case, the food market includes consumer sectors and infrastructure sectors designed to support and manage the sustainable development of market relations in the production and sale of food [24]. Also, the formation of the food market is directly related to its participation in the organization of wholesale trade, which is seen as a system that ensures the sale of goods by agricultural producers with different forms of ownership [25].

In general, summarizing the research conducted in Uzbekistan, we can distinguish different approaches that reveal the essence of the food market. Including:

with the help of exchange relations, economic relations are established and food is traded and processed;

Given the fact that food products are produced directly in agriculture, the food market is an integral part of the agricultural market;

food market - an intermediary between agriculture, processing industries and food consumers;

provides an opportunity to obtain the necessary tools to continue the production cycle in the food market of basic agricultural products;

The food market covers the sphere of production and consumption, as well as the sphere of infrastructure that serves to ensure and manage the normalization of market relations for sales.

It can be seen that the food market is interpreted as an integral part of the agro-industrial production and agricultural products market. It should be noted that the main buyer in the market of agricultural products is the third sector of the agro-industrial complex. The participation of intermediaries leads to the formation of wholesale and retail trade in the markets. However, if agricultural products go through a processing process (the final product of the agro-industrial complex), they become an industrial product or other market activity occurs.

In our opinion, the agricultural market and the food market differ significantly from each other in terms of the subjects covered and the sectors of the economy. This is because the agricultural market operates within the agro-industrial complex and connects producers with intermediate consumers. The food market, on the other hand, links agricultural and food production to human consumption.

The definition that the food market is an “intermediary” between agriculture, the processing industry, and food consumers also limits its activities. This is because, although the food market stems from the nature of production, it also has independence and actively influences all reproduction processes, their results and efficiency. It begins a new scope of the production cycle without ending with the stages of distribution and exchange. It also describes a process that involves a system of social relations. This relationship will be under the constant influence of supply and demand, regional characteristics and management decisions. It is a self-regulating system and is in a state of continuous development.

Thus, the concept of ‘food market’ differs radically from the definitions corresponding to the generally accepted concept of ‘market’ in a number of its respective features. In particular, it differs from other markets by the presence of constant demand in the food market, the determination of daily and weekly production by human needs and its invariance, the constant purchase of food products regardless of price, and other socio-economic conditions. The food market includes a system of social relations along with the conditions of trade.

Summarizing and supplementing the above analysis, the food market can be described as follows. The food market is an indicator of the well-being of the private sector and society, which determines the regional conditions of reproduction, aimed at providing the population with a wide range of food products. In the food market, the object of trade is ready-to-eat food products produced in agriculture and the final product of the agro-industrial complex (food industry). In this sense, the food market represents a process that depends only on the consumption of the population.

The essence and importance of the food market is also reflected through its functions. The main tasks of the food market include:

Satisfaction of the population's demand for high quality food products in the full range;

sale of a part of gross social product for personal consumption. This allows for the production and exchange of food, covering social labor costs. In the process of accomplishing this task, food sales are generated, monetary resources are generated for a new production cycle, and funds are created to expand reproduction;

formation of the type and quality of products that provide maximum satisfaction of the population's demand for food products. In-depth analysis of population demand and product supply allows the formation of quantitative measures that provide a balance between the type and quality of food products;

Production incentives. This forces production to adapt to changing demand, using the feedback of trade, which represents the interests of the consumer.

Thus, the main functions of the food market are to provide links between all stages of reproduction. In this case, trade emerges as an integral part of the process of reproduction as a stage of distribution and exchange.

The food market is segmented according to the functions it performs and by different brands. According to the regional sign, the world market, international markets, the domestic market of the country can be distinguished. Within domestic markets, national, regional and local markets differ. The level of supply is divided into the markets of countries that are food exporters and the markets of countries that are food importers. The movement of goods is divided into wholesale market and retail market by forms and stages. It is possible to differentiate the food market from countries or regions with different opportunities in terms of per capita income levels and composition. It is also divided into the market of durable and perishable goods in terms of shelf life and sale. It is possible to determine the specialization of the food market by product brand (Table 1).

In this regard, an important task today is to identify the conditions that determine the level of development of the food market and the factors that affect it at different hierarchical levels, to develop measures to eliminate internal and external threats.

It is known that the food market has a serious impact on the state of the economy and the social stability of society. Therefore, the development of the food market is constantly monitored in all countries, from the level of scientific research to the level of government decisions. Based on the analysis of links specific to market conditions, strategic directions of food market development will be developed and the state food policy will be put into practice.

Table 1: The main features and segmentation of the food market

№	The main characters	Segmentation
1.	Regional coverage	World market International markets (EU, CIS, etc.) National markets Regional markets Local markets
2.	Level of food security	Market of exporting countries Market of importing countries
3.	Forms and stages of movement of goods	Wholesale market Retail market
4.	The level and composition of income per capita	Market of low-income countries The market of middle-income countries Market of high-income countries
5.	Terms of storage and sale of goods	Long-lasting goods market Perishable goods market
6.	According to the product label	Grain market Potato market Fruit and vegetable market Sugar market Meat and meat products market Milk and dairy products market Vegetable oil market and others

It should be noted that the formation and development of the food market depends on the specific characteristics of each country under the influence of political, socio-economic,

demographic, historical-economic, regional, natural factors. Accordingly, it is necessary to create the necessary conditions to bring the volume of food production in Uzbekistan to a level that can meet the needs of science, and to maintain the ability of the population to pay adequately for a reasonable diet.

In the regulation of the food market in our country, its structural mechanism should be comprehensively developed. It should be noted that the measures being developed in our country and many years of experience are aimed at supporting food producers, ie stimulating supply. However, in order to achieve market equilibrium, it is expedient to regulate not only aggregate supply but also aggregate demand, taking into account shifts in it, sharp rises and falls.

In general, the regional food market is based primarily on the existence of agriculture and the food industry, which provide for participation in interregional economic relations. This, of course, does not mean that the agricultural and industrial sectors should provide the region with a full supply of food. They must be in a position to meet the demand of the population for basic foodstuffs and the share of the region in the formation of food stocks is constantly growing.

References

1. Barrenar R. An analysis of the decision structure for food innovation on the basis of consumer age// J. International Food and Agribusiness Management Review. – Corvallis: 2015, № 18 (3). – pp. 149-170.
2. D. John Shaw. Global Food and Agricultural Institutions. – Routledge: Taylor & Finance group, 2009. – pp. 14.
3. Capone R. Food Economic Accessibility and Affordability in the Mediterranean Region: an Exploratory Assessment at Micro and Macro Levels// Journal of Food Security. – Newark: 2014, № 1. – pp. 1-12.
4. Kim S.G. A critical analysis of U.S. food safety policy structure and its characteristics focusing on food safety control systems and information regulations// The Agricultural Marketing Journal of Japan. – Tokyo: 2004, № 2. – pp. 45-55.
5. Стуканова И.П. Маркетинговое управление региональным потребительским рынком продовольственных товаров (на примере Приволжского федерального округа): Автореф. дис. ... док. экон. наук. – М.: РЭА, 2009. – С. 13.
6. Киселева Е.Н., Власова О.В., Коннова Е.Б. Рынок продовольственных товаров (Учебное пособие). – М.: Вузовский учебник, 2009. – С. 22.
7. Зинчук Г.М. Развитие продовольственного рынка: теория, методология, практика: Автореф. дис. ... док. экон. наук. – Йошкар-Ола: Марийский ГТУ, 2009. – С. 8.
8. Улезько А.В., Пашина Л.Л. Рынок продовольственных ресурсов в системе обеспечения продовольственной безопасности Дальнего Востока (Монография). – Воронеж: Воронежский ГАУ, 2014. – С. 24.
9. Шардан С.И. Пространственно-функциональная асимметричность развития агропродовольственного рынка региона и методологические аспекты ее разрешения: Автореф. дис. ... док. экон. наук. – Нальчик: 2015. – С. 24.
10. Dennis R. Between the farm gate and the dinner plate: motivations for industrial change in the processed food sector// J. The future of food: long-term prospects for the agro-food

- sector. – Paris: 1998, № 1. – pp. 111-140.; Бурдуков П.Т. Россия в системе глобальной продовольственной безопасности. – М.: Агро-Пресс, 2004. – С. 85.; Авдашева С.Б. Использование традиционных подходов к анализу рыночных структур в России (на примере рынка молока в Ставропольском крае и Белгородской области)// Ж. Вопросы статистики. – М.: 1997, № 5. – С. 70-76.; Закшевская Е.В. Основные цели и направления регулирования агропродовольственного рынка// Международный сельскохозяйственный журнал. – М.: 2010, № 2. – С. 33-35.; Формирование и развитие региональных аграрных рынков/ Под ред. К.С.Терновых, А.К.Камалына. – Воронеж: ВГАУ, 2005. – С. 33.; Серова Е.В. Структура и функции агропродовольственных рынков в России// Ж. Вопросы экономики. – М.: 2000, № 7. – С. 45-66.
11. Gail L. Cramer, Clarence W. Jensen, Douglas D. Southgate. Jr. Agricultural economics and agribusiness. – New York: 2001. – pp. 15.; Колз Р.Л. Маркетинг сельскохозяйственной продукции (пер. с англ. В.Г.Долгополова, 8-е изд.) – М.: Колос, 2000. – С. 45.; Алтухов А.И. Продовольственная безопасность страны и ее оценка// Ж. Экономика сельскохозяйственных и перерабатывающих предприятий. – М.: 2008, № 5. – С. 1-5.; Серков А.Ф. Обеспечение продовольственной безопасности страны в условиях экономического кризиса// Ж. Экономика сельскохозяйственных и перерабатывающих предприятий. – М.: 2009, № 12. – С. 9-11.; Нечаев В. Механизмы инновационного развития АПК России// Ж. Экономика сельского хозяйства России. – М.: 2012, № 11. – С. 41-48.; Рудой Е. Интеграционные процессы на агропродовольственном рынке Сибири// Ж. АПК: экономика и управление. – М.: 2012, № 9. – С. 64-69.
 12. Negi S. Food Processing Entrepreneurship for Rural Development: Drivers and Challenges// Third International Conference on Sustainability: Ecology, Economy & Ethics. – New Delhi: 2013. – pp. 186-197.; Iram Khalid. Food Security: Understanding Pakistan's National Security Concerns// Journal of Political Studies. – Lahore: 2018, Special Issue. – pp. 121-132.; Вороков С.С. Развитие регионального продовольственного рынка (теория, методология, практика): Автореф. дис. ... док. экон. наук. – Краснодар: ФГОУ ВПО КГАУ, 2004. – С. 10-11.; Пашина Л. Развитие продовольственного рынка как фактор обеспечения продовольственной безопасности// Вестник Воронежского государственного аграрного университета. – Воронеж: 2010, № 4. – С. 131-136.; Иволга И.Г. Функционирование продовольственного рынка России и его адаптация к условиям ВТО: Автореф. дис. ... канд. экон. наук. – Нальчик: СГАУ, 2016. – С. 8-9.
 13. Хусанов Р.Х., Додобоев Ю.Т., Додобоев Д.Ю. Агросаноат комплекси иқтисодиёти (Ўқув қўлланма). – Тошкент: Қувасой тадбиркорлик ўқув илмий ишлаб чиқариш Маркази, 2003. – Б. 94-96.
 14. Иватов И. Развитие дехканского рынка в Узбекистане. – Тошкент: Фан, 1994. – 112 с.
 15. Дехқонов М. Дехқон бозорларида товарлар нарх-навоси ўзгаришини эконометрик тадқиқоти: Иқтисод фан. ном. ... дис. автореф. – Тошкент: ФА Кибернетика ИИЧБ, 2001. – 23 б.
 16. Камилова Ф.К. Потребительский рынок Узбекистана и роль демографических факторов в его развитии: Автореф. дис. ... док. экон. наук. – Ташкент: АГОС, 2003. – 43 с.; Мадияров Ф.А. Истеъмол товарлари бозорида маркетинг тизимини ривожланиши (озиқ-овқат товарлари мисолида): Иқтисод фан. ном. дис. ... автореф. – Тошкент: ТДИУ, 2008. – 23 б.

17. Мухиддинова У.С. Иқтисодийни модернизациялаш шароитида мева-сабзавотчилик маҳсулотлари бозорини ривожлантириш йўналишлари: Иқтисод фан. док. ... дис. автореф. – Тошкент: БМА, 2010. – 37 б.
18. Курбонов Ж.Қ., Зокиров Ш.Э. Ўзбекистоннинг мева-сабзавотчилик соҳасидаги салоҳиятидан янада кенгроқ фойдаланиш имкониятлари// Ж. Иқтисодий ва инновацион технологиялар – Тошкент: 2016, № 4. http://www.iqtisodiyot.uz/sites/default/files/maqolalar/3_J_Qurbonov_Sh_Zokirov.pdf.
19. Абдувоҳидов А.А. Мева-сабзавот маҳсулотлари экспортини оширишда фермер хўжаликлари фаолиятини ривожлантириш// Иқтисодийни модернизациялаш шароитида қишлоқ ишлаб чиқариш инфратузилмасини инновацион ривожлантириш: республика илмий-амалий анжумани материаллари тўплами (I қисм). – Гулистон: ГулДУ, 2015. – Б. 102-106.
20. Исмоилов О.Ш., Салохов Х.Х. Озиқ-овқат саноати корхоналари жойлашувининг муҳим омиллари// Профессор-ўқитувчилар, ёш олимлар, магистрантлар ҳамда иқтидорли талабаларнинг олий ўқув юртлараро илмий ишлар тўплами. – Тошкент: ТДТУ, 2012. – Б. 236-237.
21. Шафқаров Б. Узумчилик маҳсулотларини экспорт қилиш тизимини такомиллаштириш йўналишлари// Ўзбекистоннинг қишлоқ ҳудудларида ер ресурсларини рационал ва табиий тақдор тикланиши иқтисодий масалалари: халқаро илмий-амалий семинар материаллари тўплами. – Тошкент: ТошДАУ, 2016. – Б. 131-134.
22. Эргашев Э.И., Муродова М.Ч. Боғдорчилик ва узумчилик маҳсулотларини сотиш тизимини такомиллаштиришнинг асосий йўналишлари// Ўзбекистонда иқтисодийни модернизациялаш ва озиқ-овқат хавфсизлигини таъминлаш муаммолари: республика илмий-амалий анжумани материаллари тўплами. – Наманган: НамДУ, 2011. – Б. 134-137.
23. Рахмонов Д.Р., Ганиев И.М. Халқаро озиқ-овқатлар бозори ҳолати ва Ўзбекистонда ғалла бозорини ривожлантириш хусусиятлари// Озиқ-овқат маҳсулотлари бозори ва унинг амал қилиш механизмининг такомиллаштириш: илмий-амалий конференция материаллари тўплами. – Наманган: НамДУ, 2015. – Б. 263-269.
24. Носиров Б.З. Минтақавий озиқ-овқат бозорини шакллантириш ва ривожлантиришнинг хусусиятлари (Андижон вилояти мисолида): Иқтисод фан. ном. ... дис. автореф. – Тошкент: СИСМ, 2004. – 23 б.
25. Мамаев Б.С. Озиқ-овқат товарлари бозорларида маркетинг тадқиқотларини такомиллаштириш (Ўзбекистон Республикаси мисолида): Иқтисод фан. ном. ... дис. автореф. – Тошкент: ТДИУ, 2004. – 24 б.