

# ECONOMIC NATURE, FEATURES AND CHARACTERISTICS OF COMPETITIVENESS OF AGRICULTURAL PRODUCTION

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**Abstract** The goal of science her article is a study of the theoretical and practical aspects of improving the competitiveness of the agricultural production of the Republic of Uzbekistan and the development of recommendations to improve the effectiveness of the activities of these enterprises. In accordance with this goal , the following tasks were set in the study : To study and generalize the theoretical and methodological prerequisites for the formation of a competitive environment in a depressed region; Investigate the current level of production and factors affecting competitiveness, evaluate the effectiveness of various types of competition taking into account their characteristics in agriculture; To study the state, trends and problems of the development of competition in a transition economy; To develop a system for diagnosing the state of competitiveness of enterprises and their products for the production and processing of agricultural products; To develop the main directions of increasing the competitiveness of agricultural production in the republic and the formation of effective market structures. Subject of study. The subject of the research is the analysis and evaluation of the effectiveness of increasing the competitiveness of the agricultural production of the Republic of Uzbekistan.

**Keywords:** agricultural production, economic nature, competitiveness.

## 1. INTRODUCTION:

As a result of untimely economic reforms in the Republic of Uzbekistan, the forms and methods of state regulation of the agro-industrial complex have changed, and the planning and administrative methods of managing the economy have been replaced by economic ones. The transition to a market economy posed new challenges to market actors. Having become legally independent producers, they began to experience difficulties in financing, lending, organizing the promotion of goods to consumers, analyzing and taking into account market conditions, studying supply and demand, and planning production in accordance with demand and resources. Unresolved issues lead to a decrease in the efficiency of agricultural production.

For the development of more efficient forms of management, competition is important, which stimulates the production of those types of products that the consumer needs. As a result of its action, higher efficiency parameters of the economic system are established: the types and methods of production, the level of costs and consumer prices are determined, and scientific and technological developments are improved.

## 2. LITERATURE REVIEW:

The works of many scientists are devoted to competition problems – A. Smith, D. Ricardo, K. Marx, D. Robinson, F. Hayek, P. Samuelson, M. Porter, V. Leontiev, S. Shatalin, A. Livshits, N. Petrakov and others. They were the scientific basis for substantiating the competitiveness of production. The issues of managing certain factors of the competitiveness of agricultural production were investigated by G.V. Bepokhotny, I.N. Burobkin , A.V. Glichev , AM Gataulin , T.N. Grudkina , I.I. Dudanov , E.M., Dusaeva , P.S. Zavyalov, V.A. Klukach , N.D. Kondratiev, E.N. Krylatykh, V.V. Merciful, A.S. Mindrin , V.V. Ostropilov , K.I. Pankova, N.F. Prokopenko, V.V. Regush , A.A. Semenov, E.I. Semenova, N.G. Tarasov, V.A. Tikhonov, V.I. Frolov, A.A. Chernyaev, A.Yu. Yudanov and others. At the same time, it is required to clarify the content of competitiveness as an economic category, justify the system of competitiveness indicators and study the features of its increase in agricultural production in the republic.

## 3. MATERIALS AND METHODS:

Theoretical and methodological foundations and information base of the study. In the research process, the theoretical developments of domestic and foreign scientists were used on the principles of a systematic approach to competition and production competitiveness.

The information base of the study is normative documents, legislative acts and decisions of the government of the Republic of Uzbekistan on urgent problems of competitiveness of agricultural production of the republic, the Program of economic and social development of agriculture of the Republic of Uzbekistan for the period up to 2019, materials of the State Committee of the Republic of Uzbekistan on Statistics.

A set of methods of economic research is applied in the work: abstract-logical, analytical, monographic, computational-constructive, economic-mathematical, etc. All research methods are united by a systematic approach to studying the competitiveness of agricultural production in the republic.

The basis for the sustainable existence of any society is material production, which depends on the composition of its material and technical base. At the same time, as noted above, one of the main branches of material production is agriculture, which under the conditions of privatization includes various forms of management, including agricultural production. In a market economy, these forms ensure the rational use of land, labor, financial and technical resources.

From our point of view, the common definitions of competition suffer from one drawback - they more indicate the importance of competition on the day of market development and the consequences in the absence of it and weakly reflects its economic nature. We consider competition as economic relations, creating favorable conditions for market development, as a condition for the effective functioning of the market. The basis of the economic nature of competition is economic freedom, the equality of business entities in rivalry in the market of products, goods, services, in sales results, in profit. But economic relations largely depend on the regulatory role of the state, therefore, in the formation of competition to the state, its laws should play a decisive role.

The issues of competition formation in the agro-industrial complex were investigated by some scientists. So, Semenova E.I. notes that the entire diversity of emerging competitive relationships can be considered at three levels (Table 1).

**Table 1. Levels of production competitiveness in the agricultural sector**

<b>Level competition nt feasibility production</b>	<b>An object competitiveness</b>	<b>Factors determining production competitiveness</b>
Micro level	Products	Product quality, cost, price, volume sales, etc.
Mesoscale	Branch, enterprise, an association.	Efficiency of using available production resources
Macrolevel	Agribusiness in general, national economic complex.	The state of agriculture, its effectiveness, growth Production invest and climate, fiscal regime, tariff and customs policy, and others.

The factors presented in Table 1. determine the competitiveness in three main directions and, thus, the object of the study is not only competitiveness as such, but also distinctly different aspects of micro, mesa and macro competitiveness. For each of these areas of research, their own approaches and methods, their indicators are used.

Micro- competitiveness should be understood as the ratio of price and quality (technical and economic parameters) of specific goods produced by individual agricultural enterprises. Competitiveness is a property of an object, characterized by the degree to which it satisfies a competitive need in comparison with similar objects presented on this market.

At the micro level, competition exists in three directions: functional - different products satisfy the same need; - specific - goods with certain consumer qualities satisfy the need;

Inter-company - among enterprises, an advantage in the market is one who has attracted the attention of potential consumers with their product.

Based on the analysis of consumer decision-making, F. Kotler identifies four main types of competitors:

- desire-competitors - possible desires of the consumer;
- commodity-tribal competitors - other ways to satisfy any competitive desire;
- commodity-specific competitors - other varieties of the same product that can satisfy a specific desire of the buyer;
- competitor brands - different brands of the same product.

In agriculture, there are other reasons that impede the formation of effective competition. These include the duration of agricultural production, the seasonality of this industry.

An analysis of the competitive environment and production conditions in the agricultural sector shows that business entities and agricultural producers have many different barriers to entry into the market. They can be divided into three groups. The first group of factors of this kind should include the reasons associated with limited land, material and financial resources, leading to the production of small volumes of products, especially in the production of grain, milk, livestock, vegetables and the seasonality of this production. Farms - producers deliver to the market mainly not finished products, but raw materials for processing.

Many types of products of farms - producers belong to perishable products (milk, vegetables, etc.), which do not allow to accumulate it, which requires its quick sale.

By analyzing and summarizing the well-known approaches to the definition of competition and the mechanisms of its manifestation, the following conclusion can be drawn: competition is a special economic relationship, economic environment, rivalry aimed at predominantly satisfying the entire structure of needs, provided there are a sufficient number of sellers and buyers on the market, as well as free entry in the industry and exit from it, this is a struggle for maximum profit.

The competitiveness of the economy of the republic depends, of course, on the competitiveness of enterprises, goods and services, but there is also a special aspect. The size of production, income from sales, use of land and natural resources are the main source of income and taxes. With the availability of products at enterprises and the formation of a normal balance of payments in the region, it is possible to limit the import of products, as well as make changes to local taxation aimed at ensuring employment of the labor force and the production of non-inflationary products of agriculture and industry. In this case, competitiveness will be high. But the benefits of free trade will contribute more to competitiveness; this makes it possible to pursue an economic policy of full employment. If competitiveness is low, i.e. If more expensive products of lower quality are produced, then to control the balance of payments it is necessary to limit imports through protectionism, or a containment policy.

The nature of competition between enterprises in the industry is determined by their goals, the characteristics of the product and pricing policies, sales organization, methods of stimulating product sales, and the financial condition of the enterprise. All this forms the market position of competitors, an analysis that includes a number of interrelated stages (Fig. 2).

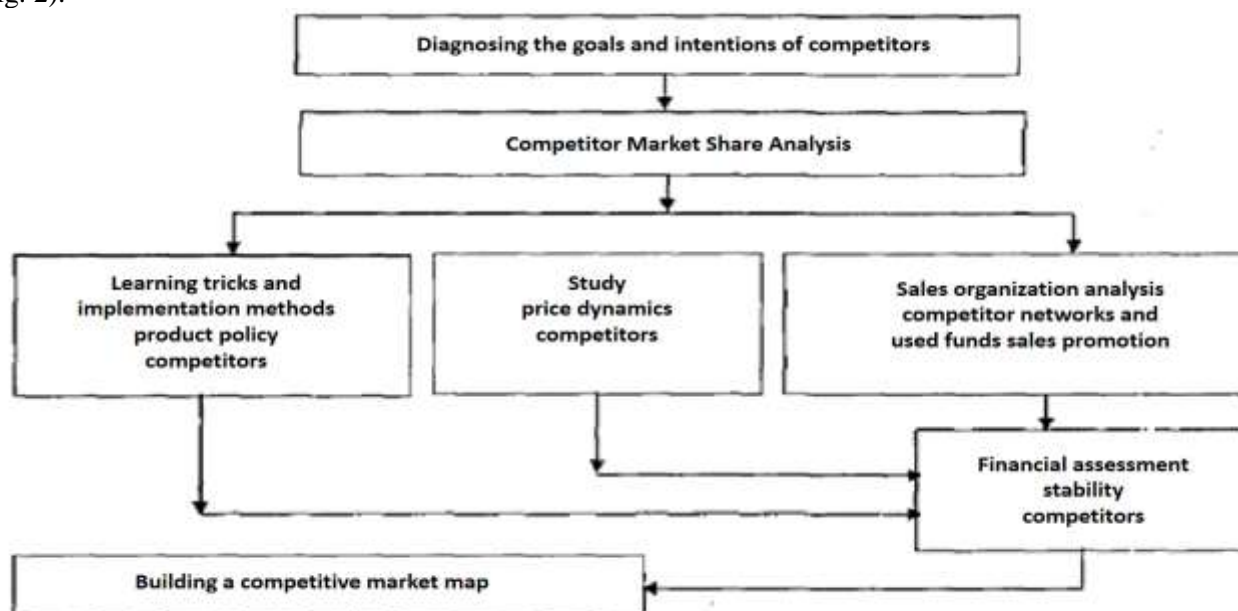


Fig. 2. The structure of the analysis of competitors

In general, an analysis of the activities of competitors should be considered as part of an ongoing market research process aimed at studying the practice of conducting competition in order to provide advantages over competitors. As practice shows, studies of this kind are a prerequisite for the success of the goods, technology, services offered on the market.

They are effective when they are considered not only as an information tool, but also as a tool that provides enterprises with the necessary data to improve the potential of the management system.

The competitiveness of products largely depends on its main component - quality. The quality category includes many components: the quality of its production technology, economic characteristics - purpose, durability, reliability, laboriousness, material consumption, environmental friendliness, hygienic and aesthetic requirements, etc.

When determining quality, it is necessary to take into account the compliance of products with mandatory quality standards.

The competitiveness of products includes marketing and commercial factors on which the sale price or purchase price depends.

Marketing factors form the advantages or disadvantages in the level of competitiveness of products in market research, its nature, supply and demand, product promotion in the market, sales promotion, advertising, selection of a pricing strategy, distribution channels, formation of a sales network, etc.

Commercial components of competitiveness include the seller's competency level in concluding transactions, contracts, determining the price of goods, agreeing on the conditions of supply, payment, etc.

Marketing and commercial factors form the economic efficiency of production and sales of products, its profitability, the cost of funds consumed, energy intensity and labor intensity, cost recovery.

All these components are included in the cost and price of the goods, the level of which also determines its competitiveness.

The indicators characterizing the competitiveness of agricultural enterprises in the market include:

- size of profit per 1 ha, per 1 head and 1 center of production;
- the cost per unit of output;
- labor costs per unit of output;
- price, profit and return on sales.

The competitiveness of products can also be judged by such important indicators as crop yields and livestock productivity (average annual milk yield, average daily weight gain of livestock, weight of 1 livestock head), as well as product quality, since they significantly affect sales and form the price of products.

We believe that it is necessary to consider the internal and external competitiveness of agricultural products. For the agricultural market at the present stage, the most urgent problem is the competitiveness of goods in the domestic market, taking into account the regional distribution of production, transportation costs, product quality, market saturation, and ensuring the country's food security. In addition, it is necessary to take into account the longer term, since the restoration of production may turn out to be more capital-intensive than its maintenance or reprofiling.

As for the competitiveness of products with respect to imported products of similar quality, one should focus not only on world market prices, which are determined, as a rule, on the basis of costs in countries with the most favorable conditions for its production, but also on domestic and retail prices States with comparable economic and natural opportunities. The author notes that it would be fundamentally wrong to talk about the liquidation of the currently unprofitable production as not competitive. In the conditions when 80% of agricultural enterprises became unprofitable and the majority of dekhkan (farmer) households are not able to conduct their main economic activity, it is necessary to introduce significant adjustments to the current agricultural policy, system of economic relations and market regulation.

#### 4. CONCLUSION :

Competition in a market economy performs several important tasks. It helps to organize economic activity and answer fundamental questions: what, how much and how to produce, how to distribute goods and services. In the process of competition, prices are generated that affect the behavior of buyers and sellers, and the distribution of resources. Competition is a mechanism by which it is possible to direct the activities of enterprises seeking profit in the interests of society. Competitive activity is an important factor causing changes in the markets, as it stimulates the economic organization of production and the development of new technologies, products and marketing strategies.

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