Ways to increase the economic efficiency of food industry enterprises

Abstract: The article examines the ways to increase the economic efficiency of food industry enterprises. The author analyzes the indicators of the efficiency of the use of economic resources in the food industry of the Bukhara region and develops proposals for the development of innovative processes to reduce the efficiency of the food industry in the modern economy.

Key words: food industry, efficiency, resources, labor, fixed assets, production, performance indicators.

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Introduction

It is known that the development of human life, his health, the ability to work productively depends primarily on the food consumed, its nutritional value and richness in various minerals. This connection requires the constant satisfaction of the growing needs of the people, given the primary importance of the issue of continuous food supply in the country. At each stage of the development of society, the state pursues its own food policy based on the conditions of economic development.

The role and importance of the food industry is explained by the fact that it produces food products that are necessary for human life. From the point of view of human life, of all humanity and of its civilization, all other branches must serve it and be secondary. The food industry is an integral part of the total industry, which on the one hand indicates that this sector is one of the most important sectors of the economy, on the other hand, it is the final link and foundation of the agro-industrial complex.[1]

The solution to the problem of providing the population with uninterrupted and quality food products requires special attention to the development of the food industry of the republic. Today, the Republic has a modern food industry, rich in traditions, which plays an important role in the national economy. This industry is mainly based on the processing of local raw materials. The food industry includes dozens of interconnected industries. Most of them are based on the processing of agricultural raw materials. Consequently, the quality of products produced in the food industry, productivity and, in general, the main technical and economic indicators of the industry directly depend on the work of employees in this sector, which supplies raw materials.

Literature review

Many scientific views have been expressed on the development of the food industry and its specific features.

In particular, according to the World Food Organization, “The role and importance of the food industry is explained by its production of food products necessary for human life. From the point of view of human life, of all humanity and of its civilization, all other branches must serve it and be secondary. The food industry is an integral part of the total industry, which, on the one hand, shows that this sector is one of the most important sectors of the economy, on the other hand, it is the final link and the basis of the agro-industrial complex.[3]
According to the UN FAO, the food industry is developing along with all sectors of the national economy. These networks are closely interconnected. Increasing the level of development of the food industry creates opportunities for agricultural development, on the other hand, the growth of agricultural production creates favorable opportunities for the food industry, as well as many other sectors, and serves as a basis for food production for the population.

American economists D. Conway and E. Barber argue that "in any case, the provision of food to the population of the country guarantees their active lifestyle."[4]

Russian scientist V.I. According to Nechaeva, "The food industry is one of the strategic sectors of the economy, the development of which will create great opportunities in the economy, increase agricultural productivity, create additional jobs and improve the living standards of the population. The liberalization of the economy and the improvement of living conditions for consumers will create new opportunities for the diversification of this sector."[5]

Uzbek economist A. Artikov said, “The food industry includes dozens of interconnected industries. Most of them are based on the processing of agricultural raw materials. Therefore, the quality of products in the food industry, productivity and, in general, the main technical and economic indicators of the industry directly depend on the work of employees in this sector, which supplies raw materials.[6]

N. Ziyavitdinova: “The food industry is a part of the whole industry, which includes several sectors. These are: meat and milk, butter, flour, cereals, fruits and vegetables, canned food, wine and others. All of this is combined in a common feature, which has a single target character, which means that all of these industries ultimately produce food."[7]

According to Professor M. Tursunkhodjaev: “The food industry has its own characteristics, and taking into account these features, acting as one of the components of the national economy will allow it to address many issues that are currently very important. The food industry is a traditional part of the national economy, one of the industries with great potential for economic growth today, it is an industry that produces innovative products and products that can be exported abroad, which is an important part of the country's export potential.

S.M. According to Turobjanov is considered “The food industry is a traditional part of the national economy, one of the industries with great potential for economic growth today”.

**Methodology**

Economic efficiency is determined in order to solve two main tasks: 1. Evaluation of the efficiency of the enterprise (using general (absolute) indicators of efficiency); 2. Evaluate the effectiveness of the proposed options for production development and select the most optimal option from them (relative indicators are used).

1. To assess the efficiency of an enterprise or the level of use of a particular type of resource, general efficiency indicators are used, in which two groups of indicators differ from each other: aggregate indicators and specific indicators.

1. Aggregate indicators show the efficiency of the general activity of the enterprise or its separate divisions. These indicators include:
   - growth rate of production volume;
   - profit growth rate;
   - profitability of production;
   - Product costs of 1 soum.

The growth rate of product volume is determined as follows:

$$T_{V} = \frac{V_{\text{ср}}}{V_{\text{баз}}} \cdot 100\%$$

here: $V_{\text{ср}}$, $V_{\text{баз}}$ – production volume in the reporting and base years, respectively.

The rate of profit growth is determined using the following formula:

$$T_{\Phi} = \frac{\Phi_{\text{ср}}}{\Phi_{\text{баз}}} \cdot 100\%$$

here: $\Phi_{\text{ср}}$, $\Phi_{\text{баз}}$ – profit for the reporting and base years, respectively.

Production profitability is determined as follows:

$$R_{\mu/\eta} = \frac{\Phi}{\Phi_{\text{ср}} + \text{HАМ}} \cdot 100\%$$

here: $\Phi$ – profit;

$\Phi_{\text{ср}}$ – average annual value of fixed assets;

$\text{HАМ}$ – average annual value of normalized working capital.

Product costs of 1 soum are determined by the following formula:

$$MX_{\text{сср}} = \frac{T_{V}}{V}$$

here: $T_{V}$ – cost of production volume;

$V$ – the volume of product produced.

2. Specific indicators describe the level of use of the main types of resources. The following indicators of efficiency in the use of resource types are distinguished:

- labor - labor productivity and labor capacity;
- fixed assets - stock return and stock capacity;
- material resources - material return and material capacity;
- capital investments - return on capital and capital capacity.

Labor productivity (MU) represents the volume of product produced by a worker per unit of time and is determined by the following formulas:

$$MU = \frac{V}{\text{сср}}$$

or

$$MU = \frac{V}{M_{x}}$$
In 2020 the share of food production in the total volume of consumer goods was 61.2%. Compared to food production, wine and vodka and beer accounted for 7.1% (7.9% in 2019).[2]

In terms of regions, the highest share of consumer goods in the total volume of the republic is 22.3% in Andijan region, as well as 18.4% in Tashkent region, 9.8% in Samarkand region and Fergana. The region was 6.3%. The growth rate of consumer goods is higher than the national growth rate (103.6%) in Samarkand (115.4%), Bukhara (113.5%) and Surkhandarya (111.7%) regions and the Republic of Karakalpakstan (110.0%) were recorded.

In 2020, the highest share of food production in the country in terms of regions fell to the city of Tashkent - 21.7%, as well as Tashkent region - 16.4%, Samarkand region - 10.5%. The highest rates of growth in food production were recorded in Bukhara (117.1%), Samarkand (115.1%) and Tashkent regions (112.1%).

When analyzing the indicators of food production in Bukhara region, in the structure of consumer goods in the region in 2020 food production reached 2571.2 billion soums, the share of total consumer goods was 38.8%, including non-food production. 4063.3 billion soums, the share of total consumer goods was 61.2%. Compared to food production over the next five years, the largest share of this indicator in the total volume of consumer goods falls on 2016 (2016 - 49.3%, 2017 - 44.2%, 2018 - 39.8%, 2019 year - 37.2 percent and 2020 - 38.8 percent). The level of utilization of available resources in the food industry in Bukhara region was analyzed using resource-related efficiency indicators (Table 1).

**Table 1. Indicators of efficiency in the use of economic resources in the food industry in Bukhara region**

| Indicators                     | 2016 y. | 2017 y. | 2018 y. | 2019 y. | 2020 y. |
|--------------------------------|---------|---------|---------|---------|---------|
| Labor productivity, mln. sum   | 169.2   | 176.3   | 196.7   | 258.1   | 260.2   |
| Capacity of work, man          | 0.59    | 0.56    | 0.51    | 0.39    | 0.38    |
| Fund return (effect), soums    | 2.21    | 2.28    | 2.36    | 3.36    | 3.37    |
| Fund capacity, soums           | 0.45    | 0.44    | 0.42    | 0.30    | 0.29    |
| Material return, coin          | 1.66    | 1.68    | 1.73    | 2.36    | 2.37    |
| Material capacity, coin        | 0.60    | 0.59    | 0.56    | 0.42    | 0.41    |
| Capital return, UZS            | 2.55    | 1.33    | 1.14    | 1.52    | 1.53    |
| Capital capacity, soums        | 0.39    | 0.75    | 0.87    | 0.65    | 0.64    |
Labor productivity in the food industry of Bukhara region in 2020 will reach 260.2 billion soums. soums, fund return - 3.37 bln. The decrease in material capacity by 0.41% and the decrease in capital capacity by 0.64 soums was due to the implementation of measures to effectively use the existing economic potential of the region.

Conclusions
The final indicator of the activity of the food industry is its income. Revenue is the total amount of money received by an enterprise as a result of the production and sale of goods and services over a period of time. Revenue as an economic concept represents the economic efficiency of the enterprise, the correctness of its management policy, strategic and tactical decisions. The amount of income, its change (efficiency of the enterprise) provides information about the public recognition of the products produced by the enterprise, the place and role of the enterprise in the relevant markets. The income of an enterprise is inextricably linked with its profits. [9] Modern economic theory interprets profit as a benefit derived from the expenditure of factors of production - labor, land, capital, and entrepreneurial ability. “The efficiency applied to a particular business unit does not match the efficiency indicators at the community level. If an enterprise carries out its activities on the basis of minimal consumption of all factors of production, it is called the efficiency of production or the efficiency of a particular economic unit.[8]

In the modern economy, the efficiency of the food industry can be achieved through the development of innovative processes, the use of new production technologies, the application of new methods to ensure the competitiveness of the enterprise. The search for and use of innovations is a pressing issue facing businesses. Innovations provide an opportunity to apply new technologies and organizational and technical achievements, improve management principles, adapt enterprise activities to market requirements, modernize production processes and provide additional strength to ensure economic growth.[10]

Innovations, by their nature, include not only technical or technological developments, but also changes that can update any area of scientific production activity. Constant updating of equipment and technologies makes innovation processes an important condition for the production of competitive products, the ability of the enterprise to occupy and maintain its position in the market, increase labor productivity and increase the efficiency of the enterprise.

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