



**STRENGTHENING THE COMPETITIVE POWER OF  
UZBEKISTAN'S FRUIT AND VEGETABLE  
PRODUCTION SECTOR BY BOOSTING THE  
EFFICIENCY OF MARKETING ACTIVITY IS A KEY  
FACTOR FOR GUARANTEEING FOOD SAFETY**

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Table 1

## Key macroeconomic trends of Uzbekistan in 2011-2013 and projections of those till year-end of 2015, as percentages

Indicators	2011	2012	2013	2014	2015
GDP growth rates	8.3	8.2	8.0	8.2	8.2
GDP deflator	16.1	14.7	13.0	12.6	12.2
Investment growth rates into the main capital	7.9	11.6	9.3	9.4	9.7
Share of investments in the GDP	23.1	22.8	22.6	22.9	23.2
The manufacturing sector's growth rates	6.4	7.7	8.4	9.1	9.3
The share of the manufacturing sector in GDP	24.0	24.0	24.2	25.2	26.8
The agricultural sector growth rates	6.6	7.0	6.0	5.2	5.1
The share of services in the GDP	50.5	52.0	53.0	54.0	54.0
Exports growth rates	15.3	11.6	14.0	15-18	18-20



The ultimate objective of the above priority tasks implemented will be to achieve the **following targets of economic development** by the year 2015:

- The assurance of sustainably-high rates of economic growth, with an average growth rate equal to **no less than 8.0 to 8.2 per cent a year.**

- Accomplishment of qualitative structural shifts in the economy on the basis of advanced development of manufacturing industries and services' sector to increase their shares **in die GDP to 26.8 and 55 per cent respectively by the year 2015;**

- The increased economic contribution of small businesses and private entrepreneurship, by increasing their **share in the GDP to 57.5 per cent by 2015;**

- The assurance of an increase in the attraction of investments **to 9.3-9.7 per cent annually;**

- A significant increase in the banking sector's contribution to the invocation of investment processes, by increasing the gross capital of commercial banks **by 1.52 times**, and that of credit investments **by 1.73 limes**, during the period of 2013-2015



## Development trends in the global food market.

**Growth in demand for products of vegetables, horticulture and viticulture in domestic and foreign markets, utilization of Uzbekistan's reserves and capacities for that purpose.**

- in excess of 840 million people today suffer from malnutrition, that is, practically every eighth person, while more than 30 percent of the population of our planet endures problems connected to undernourishment and shortage of key microelements and vitamins.

- For this very reason, over 160 million children suffer from growth delays, physical and intellectual development.

- the consumption of fruits and vegetables is particularly low – as 150-200 grams a day per person – in the developing nations instead of the recommended minimum 400 grams a day.



## Indicators of production and export of food products in Uzbekistan

Food product	Measurement unit	2013	Growth rate, against 2012., by %	Forecasting for 2014
<b>Production of finished products</b>				
Canned fruit and vegetables	mlnstandard cans	530	111.3	565
Fruit juice	mlnstandard cans	185	114.2	210
Tomato paste	mlnstandard cans	32.5	104.5	33
Dry fruits	thousand tons	138.5	107.8	143
Sausage products	thousand tons	30.5	113.4	32
Canned meats	mln standard cans	3	120	3.6
Milk and dairy products	thousand tons	550	119.2	648.7
Cheese, including bryndza	thousand tons	8.7	133.8	10.6
Butter	thousand tons	9.2	127.8	11.2
Vegetable oil	thousand tons	260.7	100.4	266
Of which: non-traditional crops	thousand tons	24.1	100	32.8
Margarine products	thousand tons	35.11	113.2	37.1
Sugar	thousand tons	356.47	110.3	400
Confectionery products	thousand tons	47.6	108.9	49
Beer	mln decaliters	24.8	103.3	30
Non-alcoholic beverages	mln decaliters	57.3	104.4	58
<b>Export of finished products</b>				
Canned fruit and vegetables	thousand tons	7.7	111.6	8.3
Fruit juice	thousand tons	29.5	101.4	31
Tomato paste	thousand tons	5.62	114.7	6.4
Dry fruits	thousand tons	121	105	110



Uzbekistan has every reason to be confident in the high rates of production of food crops.

Thus, the production of vegetables in 2004-2013 in terms of value, in dollars,

increased **7.7 times**,

of fruits and vegetables **grew 5.1 times**,

of melons **7.8**,

grapes **8.7 times**.

Our forecasts:

in 2020 the production of fruits and vegetables, grapes and melons compared to the year 2014 is envisaged to increase at least **2.3 times**.



In Uzbekistan, in the sphere of agricultural production **about 400 enterprises** are created with foreign direct investments **from 50 countries**, such as

**Germany,**  
**the Netherlands,**  
**Austria,**  
**USA,**  
**Switzerland,**  
**China,**  
**South Korea,**  
**Italy,**  
**Spain and others.**

They carry out their activities starting from production of fresh goods to manufacturing food products on the basis of deep processing of local crudes.

In the near future Uzbek companies are to open a transport and logistics center in the Baltic port of Liepaja with a daily storage capacity of **1.5 thousand tons**, through which fresh fruits and vegetables will be delivered directly **to customers in Northern and Western Europe.**



Table 3

## Dynamics of fruit, grape, vegetables, cucurbits crops and potatoes production volume during 2000-2013 years in Uzbekistan

Product	Years						Change value against 2000	
	2000	2005	2010	2011	2012	2013	(+,-)	in percentage
<b>Vegetables</b>	2644.7	3464.4	6346.5	6994.0	7766.5	8496.1	5851.4	321.3
<b>Cucurbits crops</b>	451.1	615.2	1182.4	1294.8	1418.4	1523.7	1072.6	337.8
<b>Potatoes</b>	731.1	924.2	1694.8	1862.6	2056.1	2278.4	1547.3	311.6
<b>Fruits</b>	790.9	949.3	1710.3	1878.8	2052.6	2306.4	1515.5	291.6
<b>Grapes</b>	624.2	641.7	987.3	1090.2	1204.6	1296.2	672.0	207.7





Table 4

## Dynamics of fruits, vegetables, cucurbits crops, potatoes and grapes production volume during 2003-2012 years in Uzbekistan

Product	Years						Annual norm for one person, kg	Change value against 2013	
	2000	2005	2010	2011	2012	2013		(+,-)	in percentage
Vegetables	108.0	133.1	226.6	240.2	262.8	283.3	109.2	174.1	259.4
Cucurbits crops	18.4	23.6	42.2	44.5	48.0	50.8	24.8	26.0	204.8
Potatoes	29.9	35.5	60.5	64.0	69.6	76.0	54.6	21.4	139.1
Fruits	32.3	36.5	61.1	64.5	69.4	76.9	65.3	11.6	117.8
Grapes	25.5	24.7	35.3	37.4	40.8	43.2	13.9	29.3	310.9



**PROBLEMS** to prevent large crop losses of foodstuffs, especially vegetables, fruits and grapes, on the way from the field to the consumer.

And above all, to solve many problems associated with **underdevelopment and network storage refrigerators, logistics and travel costs.**

Many fruits and vegetables grown by us **are not used by consumers in fresh state**, but as canned, processed or dried, when products lose their consumer quality, taste and useful properties from the medical point of view.

Uzbekistan do not has all the infrastructure, resources and capabilities, necessary modern technologies, such as shock freezing, storage in a neutral gas environment, to keep products fresh, ensure the stability and predictability of prices, reduce dependence on seasonal factors.



**Well organized marketing activity** should be a key factor for boosting fruit and vegetable production efficiency.

In order to get that done, several issues should be solved, such as, raising interest of employees in using the company resources efficiently, improving product sales system, strengthening material-technical base of enterprises, developing the market infrastructure, well organization of advertising etc.

Among them:

- to study and summarize the theoretical foundations of marketing and to study the special aspects of using marketing tools in fruit and vegetable production sector of agro-industrial complex;
- to review and systemize the approaches to assess the economic efficiency of using marketing measures in fruit and vegetable production businesses;
- to analyze and assess the efficiency of fruit and vegetable production in various forms of businesses;
- to study the sales channels of fruit and vegetable products in agricultural enterprises of the region;
- to work out recommendations for establishing and running marketing departments in the enterprises of fruit and vegetable production sector;
- to suggest ways for improving product strategy and pricing policy in the fruit and vegetable production sector.



The following important research studies should be conducted in order to develop the marketing activity to boost of production efficiency in the fruit and vegetable production enterprises of Uzbekistan:

-to improve the infrastructure serving the fruit and vegetable production enterprises.

-to establish marketing divisions in big agricultural enterprises and boost their performance in the framework of researches aimed at studying fruit and vegetable products market and in the framework of researches aimed at working out measures for improvement of production and sales of fruit and vegetable products;

-to determine a pricing policy taking into account the correlation of production volume and product price for a particular period;

- to work out concepts to be used in analyzing the development of regional fruit and vegetable product markets. It requires not only to conduct an in-depth research on fruit and vegetable production and sales, but also in-depth study of the market by using several indicators such as supply and demand volume, market conjuncture structure etc.



We recommend the following key suggestions aimed at the development of processing system agricultural products by introducing the modern and advanced technologies to the sector:

- contractual relationships should be strengthened between the reception centers of existing and newly established freezing rooms that are constructed in collaboration with dekhan farms and processing enterprises;

- taking into account the fact that price of processed fruit and vegetable products is relatively high;

- in order to export finished products abroad in required volume, the producer should find the purchaser beforehand on the basis of collaboration with related enterprises, and issue a contract;

- organization of production should be in accordance with the demand of foreign consumers on apple juice, canned apple, red vine, tomato paste, tomato juice and the like.



**Thank you for attention!**

