



## Article

# Theoretical Foundations of Organizational and Economic Development of the Food Industry

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**Abstract:** This article reveals the theoretical foundations of organizational and economic development of the food industry. That is, the opinions of foreign and domestic scientists on the main directions of accelerated organizational and economic development of the food industry were thoroughly studied and critically analyzed. The author's views on these theories are presented, and scientific proposals for the organizational and economic development of the food industry are developed.

**Keywords:** Food Industry, Food Products, Climate Change, Export, Raw Materials, Works, Processing, Chemical Additives

## 1. Introduction

There is no balance between the increase in demand for food products in the world and its production. Especially in recent years, due to the geopolitical situation, the global pandemic, climate change, and rising high inflation and unemployment, more than 690-780 million people in the world are facing the problem of food [1]. In particular, 55 percent of the food problems occurred in Asia, 38 percent in Africa, 6 percent in Latin America and the Caribbean, and the rest in North America, Europe and Oceania [2].

Eliminating the food shortage observed in the world and ensuring food security is the main and strategic task of each state, and its optimal solution is the sustainable development of the food industry, including agriculture. The development of the food industry is important not only for providing the population with food products, but also for a highly profitable industry and increasing employment. In particular, in the food market, China accounts for 1630 billion, the USA - 1011 billion, and Italy - 201.7 billion. US dollars, while Germany's trade turnover in packaged food products alone amounted to 114.9 billion. US dollars. Also, 7.6 million people in Canada and more than 2 million people in Russia are employed in the food industry [3].

In Uzbekistan, providing the population with food products is one of the pressing issues, and by further developing the food industry in our country and joining the ranks of major exporters of food products, it is possible to turn the food industry into a profitable sector and thereby make additional investments in the country's economy.

In recent years, intensive reforms have been carried out in our country in the areas of increasing the volume of production and processing of food products and expanding the export of finished products. In particular, by the Decree of the President of the Republic

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of Uzbekistan dated September 11, 2023, No. UP-158, the "Uzbekistan - 2030" Strategy was adopted. It defines such important tasks as food processing, increasing the share of technological products manufactured in industry from 25 to 32 percent, doubling labor productivity in the processing industry, and ensuring that the processing rate of agricultural products exceeds 25 percent. Ensuring the fulfillment of the above tasks, as well as the organizational and economic development of the food industry, requires scientific research and determines the relevance of the research topic.

### **Literature review**

For many years, continuous scientific research has been conducted on food products, their composition, and the development of their production.

In particular, according to the research of S.Sardak et al., "food" includes [4]:

- collected natural plant products (for example, seaweed, mushrooms, berries, etc.);
- natural products of animal origin (fish and seafood, eggs of wild animals, etc.);
- plant products grown (at home and in production conditions);
- products of animal origin (at home and in production);
- artificially produced food products (for example, certain types of non-alcoholic and alcoholic beverages);
- combined products (food products of industrial production).

In general, food is a set of food products (natural and processed on an industrial or culinary basis) suitable for direct consumption [5].

According to D. Kulev et al., food products consist of food raw materials, agricultural products, and beverages [6].

According to A. Shishikin, the food industry is the most important priority area for ensuring food security [7].

It is known that most of the food raw materials are products grown in agriculture and obtained directly from the sea (oceans, seas, rivers, lakes, reservoirs, canals, and other bodies of water), and most of them are processed industrially. Worldwide, on the basis of this process, food products are produced, and the safety of providing the population with food products is ensured.

In general, the food industry is the production of finished or semi-finished food products, as well as silk, soap, tobacco products, and detergents. Therefore, the food industry is considered one of the most important and significant branches of industry, as it produces food products necessary for people [8].

In other words, the food industry, as a branch of the economy, characterizes the features of the development of productive forces and production relations of food production sectors that provide the country's population with basic food products.

In other words, the food industry is one of the sectors that provides for the procurement, transportation, storage, processing of agricultural raw materials, and the sale of the final product [9].

According to Y. Gusarova, the food industry is a unit of consumption goals of the final food products produced, as a rule, a part of the entire industry, uniting enterprises for processing agricultural raw materials. Also, the role and importance of the food industry is determined by its production of food products [10].

Therefore, the food industry plays an important role in meeting the needs of society for the availability, distribution, and quality of food products. The food processing industry has the characteristics of relatively perishable, bulky, and seasonal food products [11].

Based on this, it should be noted that the food industry is not only an agricultural and seafood processing industry, but also embodies several stages in the chain of

providing the population with food products. That is, the food industry consists of several components.

## 2. Material and Methods

Theoretical analysis, tabulation, comparative analysis, expert evaluation, analytical comparison, logical reasoning and observation methods are widely used in this research. Also, the researches of foreign and domestic scientists on this topic were analyzed and their scientific views were deeply studied.

## 3. Results and Discussion

As is known, the global population is growing rapidly. In particular, according to the analysis of the United Nations (UN), the world population in 2024 was 8.1 billion people, and by 2050 this figure is expected to reach 9.7 billion people [12]. In addition, due to the geopolitical problems that have occurred and continue over the past 10-15 years and the impact of global climate change on the economy, structural changes in economic processes, as well as factors such as the reduction of irrigated lands and the increase in drought, many countries are facing the problem of not being able to provide the population with food products.

In particular, according to the Food and Agriculture Organization of the United Nations (FAO), 2.4 billion people are currently not sufficiently provided with food, and about 735 million people are facing the problem of food insecurity [13].

In our opinion, in the context of the rapid growth of the world's population, environmental and climate change, and other negative factors, the food industry plays an important role in fully providing the population with food products. Most of the products that humans eat are based on agricultural and marine products, and these products serve as a raw material base for the food industry.

In general, it should be especially noted that the important role of the food industry in the chain of providing the population with food products is that industrially processed food products (based on such methods as cooking, frying, smoking) can not only change the shape and properties, but also another important positive feature is that industrial processing allows food products to be stored for longer periods. This ensures the effective and long-term use of food products (raw materials) with a short shelf life in their natural state. In short, the food industry is an integral part of the food supply chain.

In this regard, international food industry companies also emphasize: the food industry is not an entire industry, but a combination of several types of industries that produce various food products. It also covers agriculture, food production, food processing, storage, packaging, distribution, retail trade, and public catering. The food industry includes the following components [14]:

1) Agriculture. This is the process of producing food, feed, fiber, and other necessary products. He also engages in crop production, soup production, and fish farming. In addition, it includes the production of agricultural machinery, fertilizers, and seeds of agricultural plants to facilitate the production of agricultural products.

2) Food processing. Most agricultural products are seasonal and perishable. Processing food products converts raw materials into marketable food products. That is, by packaging seasonal agricultural products, it protects food products from the environment, extends their shelf life, and improves food quality.

3) Distribution of food products. It will handle the transportation, storage, and sale of food products to consumers. In this case, the transport network is used to integrate numerous processes of the food industry.

4) Control. Of course, to ensure quality and safety, there are rules for the production and distribution of food products, which are restrictions imposed by state authorities. For the food industry to function normally, it must meet certain regulatory requirements.

5) Financial services. It will use insurance and loans to facilitate the production and distribution of food products. Insurance policies cover frequently occurring financial losses in industry. Therefore, food accounting specialists must work closely with all sectors of the food industry to evaluate ideas and opportunities.

6) Research and development. Research in any area of the food industry produces relevant information about this industry. Today, the food services sector has the greatest potential for research and development. The object of this research is mainly factors influencing consumer behavior, buyers' purchase choices, attitudes, and opinions [15].

7) Marketing. Marketing is the main and effective means of promoting information about food products. Food marketing describes any form of advertising used to encourage the purchase and consumption of food or activities. This can influence food behavior by regulating the sociocultural elements of the food environment.

Based on the foregoing, the following points should be noted:

Firstly, if the food chain is the complete stages of providing the population with food products, then the food industry is the central and important stage.

Secondly, perishable and seasonal agricultural and marine products - food raw materials - are processed on an industrial basis, and high-quality finished food products are produced from these food raw materials. Another important aspect of this process is that the industrial processing of food raw materials makes it possible to extend their shelf life. This will make it possible to constantly meet the population's demand for seasonal agricultural and seafood products.

Thirdly, the processing of food raw materials based on the food industry leads to an improvement in their quality. In addition, today the choices and desires of consumers are diverse (individual demand), and it is precisely to meet these individual demands that the types of food products are produced on an industrial basis.

Thus, in general, the food industry is not only the main, but also the most important pillar of the food chain.

Meanwhile, the effective and stable functioning of the food industry is an important factor in ensuring food security in the country, as well as in establishing its export. That is, it is advisable to develop the food industry both organizationally and economically. So, what is important in the organizational and economic development of the food industry?

According to B. Tolipova [16], the production of food industry products requires compliance with high quality standards, low cost, and efficiency. Observance of hygiene rules in the process of food production and the effective use of production technologies ensure the constant quality of the product. Regardless of the level of the food industry, the stability of production can be ensured through automated high-quality technologies.

It should be noted that the issue of technical and technological renewal in the field of food production, its further development, directly affects the production of products and their cost [17]. This shows that by increasing the economic potential of food industry enterprises, it is possible to achieve wider satisfaction of the need for food products by reducing the cost of finished products.

According to Yu. Gnatovskaya, the food industry is characterized by a number of specific features, that is, the specifics and nature of the development of food production are determined by a number of features [18]:

- mass production and product diversity;
- seasonality of individual industries, leading to uneven use of production capacities;
- maximum shelf life of raw materials and finished products;

- the presence of high requirements for the quality of products and their types (assortment);
- dependence of quality on the properties of raw materials, etc.

According to Y.Gnatovskaya, the food and processing industry is a type of industry with its own peculiarities and difficulties in innovative development. As can be seen, without the introduction of innovations, it is impossible to increase production efficiency and strengthen the competitiveness potential, but the transition to an innovative path of development largely depends on the possibilities of technological modernization of industry, the intensification of agricultural production, and other conditions [19]. However, these are alternative views on the new concept of organizing food production, which raise doubts about the possible benefits of introducing new technologies, and it is necessary to take into account both sides of the issue, such as possible negative consequences, such as high costs and unforeseen negative consequences of certain technologies [20].

Therefore, issues requiring additional research are related to defining priority areas for the innovative development of food industry enterprises on a global and national scale. The scientific idea of such research should be that new technologies and innovations in the food industry should be aimed at the production of high-quality and safe products, increasing attention to the issues of rationality towards consumers, society, and the environment, as well as ensuring the benefits of economic activity [21].

Precisely for this reason, at the present stage of development of agricultural raw materials and the food industry in many countries, intensive work is being carried out to improve the system for ensuring the quality and safety of food products.

Of course, in the context of innovative development of the food industry at the national level, it is advisable to consider targeted research areas in the form of innovative projects with further solutions, for example, the production of specialized products, territories allocated for the production of privatized products, the state of deep processing of raw materials and the use of secondary processed products [22].

World experience shows that in order to ensure the effective functioning of the food raw materials and food product control system in regulating the quality and safety of products, the organization of effective interaction and coordination between government bodies is of great importance [23].

In our opinion, the main factor influencing the organizational development of the food industry is precisely "issues of effective cooperation and coordination between government bodies," that is, institutional actions. Because the organizational and effective functioning of food industry enterprises depends on the effective integration of the raw material base - enterprise - market and transport infrastructure. As a rule, the effective integration of this process largely depends on the institutional factor.

Currently, the most pressing problems for many food industry enterprises are restructuring and organizational processes. In practice, there are no organizational conditions adapted for any enterprise, reformed depending on its characteristics, changes in the external and internal environment.

It should be noted that market relations require food producers to choose the most rational forms of ownership for given economic conditions in entrepreneurial methods that correspond to the interests of raw material suppliers and product manufacturers. For example, it is possible to create joint-stock companies with the right of free use. The location of raw material suppliers, processing enterprises, and finished food product manufacturers is also important [24].

Economist M. Rudnev notes that the effective organization of industrial production of agricultural products depends on a rational balance of land, technical and other means of reproduction, labor and financial resources, optimal integration of production sectors

and auxiliary spheres, which is the main condition for ensuring the development of food production. Also, the choice of a production activity strategy and management strategy adapted to the conditions of a developed market economy requires changing the organizational mechanism by replacing some components with others or introducing new elements. For example, the development of an organizational structure suitable for large enterprises of the food industry, adapted to modern conditions of a market economy, will allow ensuring the effectiveness of the enterprise's activities [25].

Solving such complex problems is possible only through the implementation of comprehensive development of all parts of the food chain system. The instability of the food and processing industries is primarily due to the lack of an effective economic mechanism for regulating the food market. It is also characterized by a high level of depreciation of fixed assets, insufficient investment, and slow pace of enterprise restructuring.

In our opinion, the organizational and economic development of the food industry depends, first of all, on the economic reforms being carried out throughout the country. At the same time, inflation, a sharp increase in the cost of means of production, credit resources, non-payments, a decrease in financial assistance, a decrease in the purchasing power of the population, and other negative factors also have a negative impact.

Of course, if an effective strategy for the development of the food industry is implemented, opportunities will be created to solve such problems as ensuring food security in the country, increasing the volume of agricultural production, eliminating dependence on imported food products, optimizing the composition of food products, and improving the quality of raw materials and finished products.

#### 4. Conclusion

In general, the development of the food industry infrastructure is achieved on the basis of comprehensive support for local food-producing enterprises and the creation of necessary conditions. In this respect, the infrastructure of the food industry is a complex and multi-stage process. Studies show that if all processes in the food chain system are closely interconnected, it is advisable to develop these processes in parallel. If any process within the system is ineffective, it leads to inefficiency in the entire food chain system. Therefore, when developing programs for the development of food industry infrastructure, it is important to take into account a full range of organizational, economic, and legal aspects.

Based on this, it is expedient to propose the following main directions for the development of the food industry:

- strengthening, modernizing, improving the material and technical support of food industry enterprises and creating a developed market infrastructure around it;
- stimulating the diversification of commercial intermediaries in the field of stable supply of raw materials to food industry enterprises in order to ensure uninterrupted supply of the population with high-quality food products;
- achieving intensive development of the food industry by creating food clusters based on agricultural and food processing enterprises;
- integration of food industry enterprises into market infrastructure, effective use of the system of internal and external relations;
- further improvement of logistics infrastructure, optimization of fuel and lubricants prices, entering the world market through the widespread introduction of marketing and online commercial activities in the industry, etc.

In conclusion, based on the results of studying the theoretical foundations of the organizational and economic mechanism of the food industry, it can be said that the food industry plays an important role in providing the population with food in the context of

rapid population growth, environmental and climate change, and the presence of other negative factors. Also, the most important aspect of industrial processing of food products grown in agriculture is that the shelf life of food products is extended. This factor alone shows how important industry is.

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