

## Factors of Product Price Reduction in Agricultural Economy Development

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### Abstract

*One of the main ways to reduce costs is to increase labor productivity. Due to this, the increase and growth of any agricultural products will be achieved.*

*There is a close relationship between labor productivity and cost. The article discusses these issues..*

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### INTRODUCTION

*It is necessary to make better use of agricultural labor resources, to introduce complex mechanization, new technologies for the production of machine systems. On the other hand, it is necessary to create the material and moral interest of the workforce in order to increase production and improve quality.*

*Another way to reduce the cost of the product is to economize on material costs: seeds (planting high-quality seeds); feed (in order to reduce the price of feed, rational use, storage and elimination of losses during transportation); reduction of transport costs, fuel and lubrication costs, spare parts and others [3].*

*It is possible to reduce the consumption of material resources by using resource-saving technologies in the processing of agricultural crops. The introduction of such technologies allows reducing material costs by 30-40%, and the cost of manufactured products by 15-20% [7].*

### MATERIALS AND METHODS

*The reduction of the cost of products is also greatly influenced by the improvement of the use of production means, because a significant share of the cost corresponds to depreciation deductions. The better the economy is provided with means of production, the better they are used, and the more products are produced.*

*The use of the main means of production can be improved by perfecting their structure and removing excess means from production. Construction of an economic production building (structure), increasing the share of the active part of the fixed assets in their total volume; better use of machines and*

*equipment, increasing production (day shift, seasonal) at the expense of one tractor, combine, car; improve the period structure; speeding up the cost recovery of production funds.*

## RESULTS AND DISCUSSION

In the cost structure, general production and general economic expenses also make up a significant share. It is necessary to eliminate excess staffing in the administrative and management apparatus, to reduce it by perfecting the organizational and economic structure of the enterprise. Elimination of losses during harvest, storage and processing in the multi-sectoral production characteristic of agriculture; organization of processing of perishable and easily transportable products in the farm; Scientifically based specialization in order to increase the production of products to the maximum extent while spending the least amount of labor and money; timely realization of products and reduction of any non-production costs.

The considered ways of cost reduction (decrease) do not cover in detail the entire complex of possible measures in industries and agricultural enterprises. They only give an idea of the general direction of work and should be the basis for specific programs developed taking into account the natural and economic characteristics of production in enterprises. At the same time, it is necessary to provide the economy with better means of production in order to cover the additional material costs and increase the economic efficiency of agricultural production due to the decrease in the cost of products [1].

It is known that thanks to the reforms implemented in Uzbekistan, more than 99 percent of agricultural products are grown on farms and farmsteads.

At the same time, the analysis of the work carried out shows that along with the achievements in this field, there are also a number of problems and shortcomings that are waiting for their solution.

In particular, in setting up multi-sectoral activities of farms such as processing, storage, sale of finished products and rendering of services, providing material and technical resources to farmers and landowners and giving them there are also problems in providing services and forming market mechanisms in the field.

The Decree of the President of the Republic of Uzbekistan "On measures to fundamentally improve the system of effective use of agricultural arable land, to protect the rights and legal interests of farmers, peasant farms and homestead land owners" to solve such problems and in 2017-2021, five priority areas of development of the Republic of Uzbekistan were adopted in order to fulfill the tasks defined in the Action Strategy [1].

It should be noted that the state of organization of labor relations in farms does not meet today's requirements, a number of problems in the use of new agro-technologies remain in their activities. In this regard, in order to increase the efficiency and profitability of agriculture by the government, especially in the mechanization of cotton harvesting, the wide introduction of market infrastructures, innovations, scientific achievements and modern information and communication technologies, as well as further improvement of labor relations in the sector, 23, 2019 In October, the strategy for the development of agriculture of the Republic of Uzbekistan for 2020-2030 was adopted [2].

In the conditions of modernization of the economy, the correct organization of production costs and cost analysis in farms is an important and urgent issue.

The analysis begins with checking the increase or decrease of the product cost over several years and the performance indicators of the main product types on the implementation of the cost reduction plan. Then the factors affecting the decrease or increase in the price of the product are studied. First of all, the cost of agricultural and livestock products is analyzed according to the type of cost products.

Two important factors influence the change in the price of agricultural products: that is, the change in the amount of expenses spent on one hectare of land and the change in the yield obtained from one hectare.

At the same time, it is appropriate to take into account other influencing factors. For example: in crop cultivation, it is necessary to take into account the effects of weather conditions, drought, high rainfall, various natural disasters, non-compliance with agrotechnical measures.

In the current conditions, the analysis of the cost structure of farm products and its elements is an important and urgent issue. From this point of view, the general requirements for determining the cost of the product are defined in the Regulation "On the composition of the costs of production and sale of products (work, services) and the procedure for the formation of financial results". These requirements are also used in determining the cost of products in the activities of farms.

➤ The main factors affecting the price level of agricultural products: reducing the labor capacity of processing raw materials and materials

- increase the coefficient of use of equipment
- reduce ineffective losses of working time
- reduce labor intensity of products
- reduce the balance of unsold products
- reducing consumption of materials and raw materials

In addition, the implemented measures can have a beneficial effect on the volume of production costs, which is the main profitable factor. The main direction of reducing the cost of products is the increase of labor productivity. Compared to the increase in wages, the sharp increase in labor productivity directly reduces the level of production costs.

In addition to the direct impact of events on some production indicators, labor productivity and, accordingly, production efficiency indicators are affected. Factors of labor productivity growth that can change as a result of measures aimed at increasing efficiency can be divided into the following directions:

1. Increasing the technical level of production

- modernization of existing equipment,
- improvement of product quality;
- improving the use of materials, fuel and energy;
- introduction of more effective types of raw materials and materials.

2. Improvement of production and labor organization

- ✓ improvement of production management;
- ✓ increase of agrologistics and service areas;
- ✓ change of production specialization;
- ✓ reduce working time losses;
- ✓ reduction of defective damages;
- ✓ reduction of the number of workers whose production does not meet the qualification requirements;
- ✓ change of working period in seasonal industries or mitigating seasonal fluctuations in product production and sales.

3. Changes in production volume and structure

- change in the volume of production;
- change in the share of certain types of products.

## CONCLUSION

Reducing the cost of materials by improving production technology leads to a decrease in the cost of products, in addition to reducing the volume of standardized working capital.

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