



# CHARACTERISTICS AND DEVELOPMENT TRENDS OF THE WORLD FOOD MARKET

**Boyquziyeva Gulsanam Adxamovna**

Doctoral Student, Department of Management, Fergana Polytechnic Institute, Fergana, Uzbekistan

**E-mail:** [g.boyquziyeva@ferpi.uz](mailto:g.boyquziyeva@ferpi.uz)

Article history:	Abstract:
<b>Received:</b> August 17 <sup>th</sup> 2022 <b>Accepted:</b> September 17 <sup>th</sup> 2022 <b>Published:</b> October 21 <sup>st</sup> 2022	The article analysed the changes in quantitative and qualitative indicators of the development of the world food market. The main trends in the world market of food products and indicators of the development of food products markets related to the influence of marketing and state policy on quality and quantity indicators in different countries were determined. The development of special areas of the world food market, including the collection of wild plants and the consumption of food products in public catering systems, was considered. The characteristics of the current situation in the food products market of Uzbekistan are given. Arguments are presented in favour of further development of the food products market of Uzbekistan.

**Keywords:** World food market, milk and milk products, retail sales of organic food, food products, competitive criteria of products, organic legislation, organic certification, governmental control, financial assistance.

## INTRODUCTION

In the last 30-40 years, the share of the food market in international trade has been decreasing. At the same time, at the end of the last century and during almost 20 years of this century, the world trade of agricultural products, including milk and milk products, accounted for 16.6 to 7.5 per cent, in other words, 2.2 times, and food products accounted for 13.1 we can note that a 5.1 per cent or 2.6 times decrease was observed from [1]. Such a decrease can be seen in the trade of other groups of goods.

## METHODOLOGY

The development of high-quality, inexpensive, competitive products of milk and milk products is considered one of the main goals of enterprises and entrepreneurs operating in this field. For many centuries, the culture of consuming this product has been different. For example, 80 per cent of the world's consumption of milk and milk products can be observed in only 10 countries. The countries that consume the most milk are the United States and Great Britain. The countries of Northern Europe and Scandinavia take the next place. Japan, Mexico, Brazil, China, and Southeast Asian countries (Thailand, Indonesia, Vietnam) are among the countries that consume less milk. The Indian state has its own consumption culture: milk is mostly unboiled and rarely packaged. Of course, such a situation is 1 billion 300 million. A country with a population of more than However, it should be noted that even during the pandemic, the incidence rate in this country was not high.

This global crisis is changing the structure of the need for food, including milk and dairy products, and we can see a declining trend in the consumption of dairy products in countries with high consumer culture and purchasing power (USA, Canada, European Union countries, Singapore, Australia, etc.).

Since November 2020, the largest milk processing companies in the USA have declared themselves bankrupt. These companies include Dean Foods Co. and Borden Dairy Co. can be entered. It is known that these companies controlled 13.5 per cent of the US milk market [2]. The main reason for the crisis is the decrease in purchasing power of the population, and the need to implement production restructuring processes. Alternatively, the entry of retailers into the market, such as Walmart, has led to increased competition among producers, resulting in lower prices, which in turn has reduced profits for milk and milk product producers.

From lifestyle changes to cereal bars on the go for breakfast, milk consumption in the United States has fallen by more than 40 per cent since 1975 [3]. Of course, nowadays the need for more dairy products is increasing: yoghurt, cottage cheese, cheese, etc. In addition, the demand for flavoured, low-lactose dairy products is increasing. Sales of milk substitutes, such as whole milk, increased by 636 per cent in the United States and reached \$52 million in 2019. We can also see that the consumption of butter and cheese has increased compared to 1996. Condensed milk sales increased by 9 per cent, indicating a 13 per cent increase in its sales in 2019 compared to the previous year [4]. This means we can see that they are



prioritizing value-added innovative products to replace cow's milk.

**Table 1. Consumption of milk and milk products (kg)**

<i>Countries</i>	<i>1995</i>	<i>2000</i>	<i>2005</i>	<i>2010</i>	<i>2015</i>	<i>2020</i>
USA	262	256.9	257.87	251.71	254.69	276
Germany	435	225.7	249.03	258.15	258.7	364
France	415	436	411	389	352	345
Switzerland	348	400	367	381	406	415
Russia	254	215	235	249	247.4	243.7
Uzbekistan	160	178	212	266	283	294.7
Kazakhstan	229	235	303	298	285	264
Kyrgyzstan	183	213.78	255.87	283.68	288.12	240
Tajikistan	130	144	148	138	110.6	115.2
Turkmenistan	178	249	297	365	391	454
Japan	91	81.69	77.97	72.56	72.06	78

Developing and low-income countries, including Uzbekistan, are among them, and the need for cheap food products, including milk and milk products, has a tendency to increase. For this reason, in our opinion, as shown in Table 1, the consumption of milk and dairy products is a high indicator in developed countries, but with the passage of time, trends of decreasing need for them can be seen [4,5]. Consumption in the countries of Uzbekistan, Kyrgyzstan, and Tajikistan represents low indicators. Dairy products are practically consumed in Japan. The main reason for this is the difficulty of raising sheep, cattle, and goats. In the country, these products are replaced by seafood. At the same time, it is appropriate to use the quality marketing system developed in Japan in the conditions of Uzbekistan. Because this system provides a lower cost of products and energy savings. This is the same period for milk and milk product development enterprises and entrepreneurs, because competition is intensifying, and the opportunity to reduce the price of products and services, and at the same time to improve their quality and culture, will increase.

Thanks to Japan's quality marketing, the following advantages can be achieved:

- orientation to continuous improvement of technological processes and cocktail results;
- research and analysis of the shortcomings or questions of the next operational processes compared to the previous ones;
- Strengthening the human factor, developing his creative approach using the experiences of quality circles, which were first established in 1962 [5,6].
- In recent years, in order to be competitive in the Uzbek market, not focusing on quality, but on price and non-price competition methods have been used. Chapter III of the dissertation focuses on the study of the influence of product quality indicators in the process of brand formation. The quality of milk and milk products has a special place in ensuring food safety. Because this is a matter related to consumer health and life safety.

In the era of globalization and digitization of the economy, the export of food products or agricultural products will continue to increase. According to FAO (Food and Agriculture Organization of the United Nations) international experts, more than 25 per cent of raw materials and food products are exported from the producing country to another country [6,7].

**Table 2. Forecast of the effect of liberalization of the sale of agricultural products (until 2021) [8]**

<i>According to the description of the International Institute for Food Policy</i>	<i>Total profit (billion dollars)</i>	<i>Share in agricultural products, %</i>	<i>Share in GDP, %</i>
In total world	35.7	3.0	0.07
<i>Developed countries</i>	14.2	3.0	0.04
USA	4.3	2.5	0.03
EU	4.2	3.0	0.03
Japan	3.0	22.3	0.04
<i>Developing countries</i>	21.5	3.0	0.14
Latin America	3.0	2.1	0.07

West Asia/ North Africa	2.3	5.9	0.13
The rest of Africa	4.4	10.4	1.03
China	3.6	1.3	0.11
Countries of East Asia	2.4	36.7	0.18
India	2.1	1.9	0.14
South Asia	1.3	3.3	0.36
Southeast Asia	2.5	3.5	0.15

The food market is changing both quantitatively and qualitatively. The reason for this is the ecology, the change of nature, the excessive use of chemicals, the decrease in soil fertility and other reasons. As the largest group, it is divided into such groups as: the market of food and semi-finished products, the market of finished products, the market of special products, market of beverages.

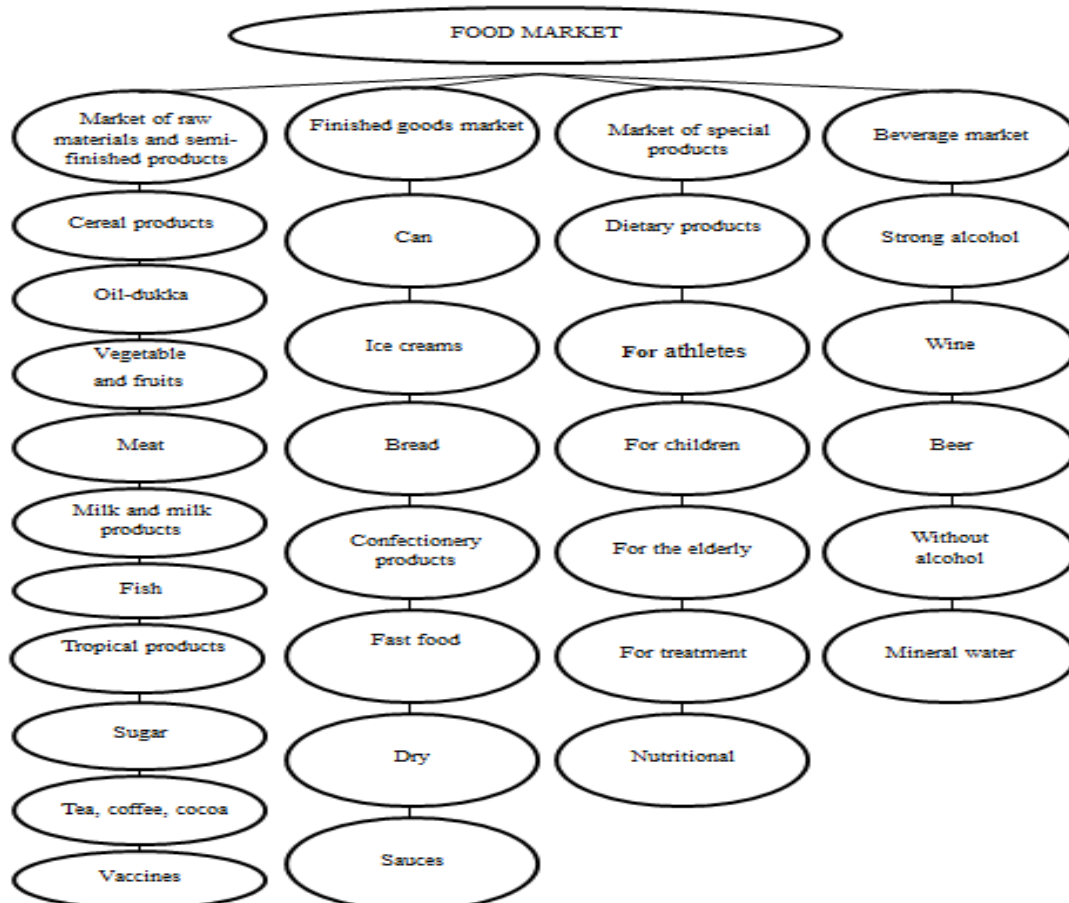
From the point of view of food product market marketing, scientific methodological approaches are developed, divided into B2B and B2C sectors.

The American AC Nielsen marketing agency studied the world market situation and researched the changes in the market of 9500 brands in more than 100 countries. Experts analyzed 200 brands, which make up 90% of the world's consumer market. On this

basis, in 2001, the ranking of global brands was compiled for the first time.

Three criteria have been developed to enter this brand list. First, the annual sales volume is 1 billion dollars. should not be less than Secondly, the brand should present itself in the main markets - North America, Latin America, Asia-Pacific region, Europe, Middle East and Africa. As a third criterion, export sales should have an indicator higher than 5% of the total volume of total sales. Based on the mentioned criteria, the final ranking of 43 global brands was made.

The owner of the most valuable brands in the United States, with 61 brands (73.9 per cent of the value of brands), followed by Germany with 8 brands (6.6 per cent) and Japan with 6 megabrands (6.9 per cent) [9].



**Figure 1. Commodity structure of the food market**



But most of the brands included in the rating do not belong to the milk and milk products sector. Because 10 of them belong to the alcohol industry, production of leisure and shopping goods - 9 brands, 8 brands belong to mass communication media, trade and high technology production. The most expensive brands belong to the high-tech sector (Intel, Samsung, Apple, Ali Baba, Amazon, etc.), followed by the automotive and food industries [10-16].

According to experts, the decline in the value of global brands is due to the proliferation of national and pseudo-national brands. Such a situation is also found in the market of Uzbekistan. In the economic literature, such tendencies are approached as "Economic Nationalism", according to Tim Ambler. According to him, "Major brands should pay more attention to trends and learn more about ethnography and culture. But they have skills other than moving merchandise. The rules of the game are changing».

There are two main forms of brand development abroad, and they represent opposite trends. On the one hand, global brands are developing. They have developed techniques and technology, increasingly interacting with consumers and forming systems with food markets and distribution.

As the digital economy develops, the role of information increases. In this case, recognition, which is the main indicator of the brand, can be realized very quickly, but competition is also proportional to the development of brands. Where the efficiency of the PR company is higher, its market will also develop.

## RESULTS

Foreign experience shows that the more correct marketing strategy is chosen, the higher the competitiveness of a company or entrepreneur increases.

It is desirable to take into account the following aspects of the global marketing strategy

- the needs and wants of consumers around the world are gradually converging. As e-commerce evolves, brands have the ability to go global;
- consumers may abandon the brand they previously chose (design, functionality, and other characteristics) when the quality is high and the price is low. This situation was evident during the pandemic;
- the application of digital marketing helps enterprises and entrepreneurs to reduce production and sales costs;
- the use of new forms of sales (franchising, e-commerce, distribution, direct marketing, etc.) helps to reduce the costs of storage and sales.
- increasingly leads to the awakening of national pride, and the formation of local, regional and finally national brand goods and companies. Of course, for this, it will be necessary to form a strong ideological education, inclination to homeland or territory, and inclination to one's goods.

Milk and dairy products are inelastic demand goods, and despite the price increase, the need for them does not decrease, but the need for the composition of certain products may change. For example, 20-30 years ago dry breakfast was not even imagined in the market of Uzbekistan. In addition, as the population's income increases, the need for quality products increases. The demand for milk and milk products made on the basis of Polish oil is observed to decrease. That is, as the ability to pay increases, it stimulates the need not only to produce quality products but also to improve the culture of sales service.

Competitiveness criteria of milk and milk products can be distinguished into two groups, including value assessment indicators (price, cost, payback period, production profitability, sales profitability) and non-price criteria, natural indicators are used (quality, assortment, aesthetic characteristics of the product), corporate image, service culture).

**Table 3. Indicators for evaluating the level of competitiveness of milk and milk products**

<i>Groups</i>	<i>Indicators</i>
Normative	Mechanical contamination, high acidity, density, fat, protein
Technician	Food, energy value, calories, shelf life, presence of harmful elements, chemical composition
Physical	Physical and calculation weight of milk, the physical weight of milk products
Technological	Color, smell, composition, etc
Transportation	Inability to walk in transport (dairy products), ability to walk in transport (cheese, butter, dry milk, conserved)
Economical	Sales price, relative cost weight, recommended and medical actual consumption, cost, labour capacity, profitability
Organizational	Market share, sales composition, level of product division, product turnover



The distribution of indicators of competitiveness of milk and milk products into groups is shown in Table 3. In this case, normative and technical indicators represent the quality of the product, its level of safety and environmental requirements. Quality indicators have their own grouping feature and can be grouped into three groups:

- generalized: the relative weight of the new product in the total volume of production; share of certified and non-certified products; share the weight of the product according to the international standard; share of exported products.
- individual: usefulness (availability of fat and protein); compatibility of the product with processing technology (labour capacity, energy capacity, material capacity); compatibility with aesthetics (packaging, form of appearance).
- indirect: the share of discarded products in the total produced products; share of the advertised and branded product; degree of loss from divorce (labour and material); costs or complaints on poor quality products.

In our opinion, the main direction of increasing profit can be realized by reducing production costs, reducing low-quality products, and improving quality. However, in addition, it is necessary to carry out measures to increase the propensity of consumers by choosing the right marketing strategy. To do this, to fully study the needs of consumers in V2V, and V2S systems, requires the implementation of effective marketing research.

## REFERENCES

1. [www.Fao.org](http://www.Fao.org).
2. <https://finance.yahoo.com/news/dean-foods-completes-sale-assets-000100331.html>
3. <https://www.latimes.com/business/story/2020-01-06/dairy-borden-bankruptcy#:~:text=founded%20in%201857.-,The%20amount%20of%20liquid%20milk%20consumed%20per%20capita%20in%20the,farms%20have%20closed%20their%20doors.>
4. <https://www.nbcdfw.com/news/local/dean-foods-no-1-milk-company-declares-bankruptcy-amid-drop-in-demand/2129870/>
5. <http://www.fao.org/faostat/en/#data/CL>
6. Хамидуллина Г.Р., Гатина Г.Р. Управление качеством. Конспект лекций / Хамидуллина Г.Р., Гатина Г.Р., Каз.федер.ун-т. – Казань, 2014. – 204с
7. The future of food and agriculture. Trends and challenges. Food and Agriculture Organization of the United Nations Rome, 2017. <http://www.fao.org/3/a-i6583e.pdf>
8. Rosegrant M.W., Paisner M.S., Meijer S, Witconer J. 2020 Global Outlook: Trends, Alternatives and Choices/ IEPRI Food Policy Report. Washington, D.C.: IFPRI, 2001. P. 13/ [www.ifpri.org/pubs.htm](http://www.ifpri.org/pubs.htm).
9. [https://brandfinance.com/images/upload/brand\\_finance\\_nation\\_brands\\_2019\\_preview.pdf](https://brandfinance.com/images/upload/brand_finance_nation_brands_2019_preview.pdf)
10. Бекмуродов А.Ш., Мустафакулов Ш.Э. Пандемия ва озиқ-овқат хавфсизлиги: Сабаб ва оқибатлар /“Халқ сўзи”, 2020 йил апрель.
11. Абдухалилова Л. Гўшт ва сўт маҳсулотлари маркетинги стратегияси (Тошкент вилояти мисолида). –Т.: ТДИУ, 2005, диссерт.авторреф; Мамаев Б. Озиқ-овқат товарлари бозорларида маркетинг тадқиқотларини такомиллаштириш. Иқтисод фанлари номзоди илмий даражасини олиш учун тақдим этилган диссертация автореферати. Тошкент – 2011.
12. Ваукзиева, Г. А. (2020). Проблемы развития плодовоовощной отрасли в ферганской области и пути их решения. *Theoretical & Applied Science*, (10), 78-82.
13. Adxamovna, B. G. (2021). Directions for Improving the Organizational and Economic Mechanism of Food Industry Management in the Digital Economy. *Central asian journal of innovations on tourism management and finance*, 2(12), 16-21.
14. Байкузиева, Г. А. (2019). Содержание и особенности структуры сельского хозяйства в регионах в условиях модернизации экономики. *Проблемы современной науки и образования*, (12-2 (145)), 102-105.
15. Adxamovna, B. G. (2021). The procedure for assessing the quality of internal mechanisms of corporate governance in the joint-stock company “Uzbek telecom”. *South asian journal of marketing & management research*, 11(6), 28-32.
16. Kurbonalievna, I. G., & Adxamovna, B. G. (2021). Innovative solutions for effective conflict resolution in higher education institutions. *South Asian Journal Of Marketing & Management Research*, 11(6), 33-37.