



SOME ASPECTS OF ORGANIZING COST ACCOUNTS IN FRUIT AND VEGETABLE FARMS

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| Article history: | | Abstract: |
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| Received: | 28 th February 2025 | The article examines some aspects of cost accounting in fruit and vegetable farms. The approaches and opinions of economists and experts regarding the concept of costs are studied, conclusions and proposals are developed. |
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INTRODUCTION. In his address to the Oliy Majlis, the President of the Republic of Uzbekistan, Sh.M. Mirziyoyev, emphasized that "the goal of agricultural reforms is to increase the well-being of the people by ensuring food security, along with achieving economic benefits" [1].

The reforms implemented in our republic in recent times are aimed at producing safe food products and strengthening the country's position in the world, due to which the country is further improving its position in global rankings. "Global Hunger Index has announced the international hunger index for 2024. Uzbekistan ranks 22nd in the ranking" [2].

Special attention is paid to scientific research on the cost of fruit and vegetable production and cost of living in the world. Scientific research is being conducted in such areas as clarifying analytical accounting items and cost objects of production costs in fruit and vegetable growing, scientifically substantiating methods for calculating the cost of fruit and vegetable products, and organizing cost accounting in farms specializing in fruit and vegetable growing based on the requirements of international standards.

The reforms being carried out in Uzbekistan to increase the production of fruit and vegetable products, increase export potential, and reduce cost are aimed at fulfilling the tasks of "encouraging the creation of an added value chain in the fruit and vegetable growing sector, ensuring the production of quality fruit and vegetable products and the sustainability of their exports" [3] and "...reducing costs and cost, localization and profitability, and undoubtedly increasing the competitiveness of products" [4]. These issues require extensive research and improvement of the existing theoretical and methodological foundations for cost accounting and costing in fruit and vegetable growing.

This research work will to a certain extent contribute to the implementation of the tasks set out in the Resolutions of the President of the Republic of

Uzbekistan No. PF-5853 dated October 23, 2019 "On approval of the Strategy for the Development of Agriculture of the Republic of Uzbekistan for 2020-2030" [5], No. PP-4239 dated March 14, 2019 "On measures for the development of agricultural cooperation in the field of fruit and vegetable growing" [3], No. PP-4246 dated March 20, 2019 "On measures for the further development of horticulture and greenhouse farming in the Republic of Uzbekistan" [6].

LITERATURE REVIEW. As is known, it is important that the formation of costs is based on theoretical foundations and the requirements of regulatory legal acts. For this reason, the main regulatory legal document regulating costs in practice in our republic is the "Regulation "On the composition of costs for the production and sale of products (work, services) and the procedure for forming financial results" [7], approved by the Resolution of the Cabinet of Ministers of the Republic of Uzbekistan No. 54 dated February 5, 1999. Various definitions, approaches and opinions, similar in content, are presented in the existing regulatory legal acts and works of economists to clarify the meaning of the concept of costs.

Therefore, we consider the concept of "cost" in regulatory documents and the approaches given by foreign and domestic economists (table 1).



Table 1
Definitions and approaches to the concept of "cost"

| Source of information | Definitions and approaches to the concept of cost |
|--|---|
| "National Encyclopedia of Uzbekistan" National Encyclopedia of Uzbekistan State Scientific Publishing House Tashkent, 2000. -392 p. | "Costs are the monetary expression of expenses associated with the expenditure of various resources (raw materials, materials, labor, services, funds) in the process of production and circulation of goods" [8] |
| A. Karimov, F. Islamov, A. Avlokulov. Accounting. - T: "Sharq" NMAK, 2004. -93 p. | "Costs are the emergence of obligations that lead to a decrease in economic benefits in the reporting period in the form of the outflow of assets or their use" [9] |
| A. Kh. Pardaev and B. Kh. Pardaev Management Accounting. Tashkent. "Gofur Gul", 2008. -49 p. | "It is expressed in the interdependence of the indicators "cost-output-profit" [10] |
| A. K. Ibrahimov., I. Ochilov, I. Kuziev, N. Rizaev Financial and Management Accounting. / Textbook. -T.: "ECONOMICS-FINERY" 2008. - 444 p. | "Costs are expenditures on the purchase of material resources, which, according to the concept of income and expenses, should bring income in the same period" [11] |
| B.A.Khasanov, A.A.Khashimov. Management accounting. Textbook. - Tashkent: Publishing house named after Chulpon NMIU, 2013. - 312 p. | "Costs are the costs of producing products, selling goods, performing work and is the monetary expression of the costs associated with the provision of services" [12] |
| M.Y.Rakhimov, N.N.Kalandarova Financial analysis. Textbook. - Tashkent - "Economics-finance", 2019-738 p. | "Costs are the monetary value of resources spent during a certain period [13]. |
| S.N.Tashnazarov. Management accounting. Lecture texts. SamISI, 2010. - 260 p. | "Costs are the monetary expression of the value of resources spent to achieve the intended goals (production of products, purchase of goods, services)" [14] |
| K.B.Urazov Accounting and auditing. Tashkent, "Teacher" 2004. - 245 p. | "Costs are understood as a decrease in the assets of an enterprise or an increase in its liabilities during the reporting period" [15] |
| N.Yu.Noskova. Uchet zatrat, kalkulyrovaniye i budjetirovaniye v razlichnykh otraslyakh proizvodstvennoy deyatel'nosti: Uchebnoye posobie N. Yu. Noskova. - Ulyanovsk: UIGTU, 2009. - 124 p | "Costs are the assessment of the value of resources used by an enterprise in the process of its activities" [16] |
| Atkinson EA, Banker RD, Kaplan RS, Young MS. Upravlencheskiy uchot. - SPb.: OOO "Dialektika", 2019. - S. 140-141. -880 s. - ISBN 978-5-907144-70-5. | "Production costs (eng. manufacturing costs) - costs associated with the production of a product, with the direct conversion of raw materials and materials into finished products" [17] |

Based on the cited sources, it can be noted that the concept of costs is broader than the concepts of cost and calculation. Costs are the monetary expression of expenses and expenses made by the economic entity to achieve its goals and to solve the tasks set before it. Based on the above opinions, we formed our author's approach to the concept of "cost": "Cost is the monetary expression of material, immaterial, labor and other

expenses in the production of products and services in order to achieve the goal of an economic entity."

RESEARCH METHOD. Theoretical research methods, such as logical thinking, monographic observation, were used to study the scientific sources of economists in researching some aspects of cost accounting in fruit and



vegetable farms. Empirical research methods such as the study of scientific literature were also used.

ANALYSIS AND RESULTS. Production costs in fruit and vegetable farms, including the organization of accounting in the production of products, and aimed at meeting the requirements of internal users for the necessary information.

It is known that according to the methodology, the organization of accounting in the production of products has its own characteristics. However, in this field, it is expressed as a single process of reflecting the initial data on the cost of products and production costs in accounting. That is, these processes should be carried out in three stages: initial account documents, collection and grouping of initial account data, calculation of production cost.

All entries in accounting records on costs and products (work, services) are made based on the information in the primary accounting documents. Usually, the following four groups of documents are distinguished: documents for accounting for labor expended, labor products, labor tools and output of products (work, services).

Documents for accounting for labor expended record the labor expended to perform specific works and the payment calculated for this. "Labor accounting and work performed sheets" are used. In addition, specialized documents are used - the "Labor accounting and work performed book" of the manager in the system of piece-rate and bonus payment for labor with periodic advances, as well as the "Working time accounting sheet" to account for the time worked.

According to the calculation of labor costs, various material costs, fuel, spare parts, etc. are recorded in the documents. They are formalized with the "Book of accounting for labor and work performed", etc.

The indicators of the initial documents are systematized at the end of the month in the "Report on the movement of material costs", after which the corresponding entries are made in the production reports of the units on the cost of material costs.

The documents for calculating the cost of labor costs record the costs of labor costs used, and these costs are reflected in the depreciation deductions made. This includes various accounts for calculating and distributing depreciation: "Account for depreciation deductions on fixed assets", "Account for depreciation deductions on acquired and retired fixed assets", "Register of depreciation deductions allocated in one

month", according to the status at the beginning of the year.

Thus, in the fruit and vegetable industry, a large number of different documents are used, both for cost accounting and for the product received (work performed, service provided). The information of each group of documents is systematized according to the movement of documents and their use according to certain characteristics during processing. The data of the labor cost accounting documents are systematized to control the use of the wage (labour payment) fund by one employee and employee category for calculation and payment of wages (labour payment). The information of the documents on the accounting of labor items is systematized according to materially responsible persons and directions of origination and consumption of material values. Information on the expenditure of labor resources is systematized by groups and types of fixed assets of the same type and by the directions of use of fixed assets. Information on the output of products (work performed and services rendered) is systematized by types of products, materially responsible persons, and directions of receipt and expenditure of products. At the same time, information on all documents is necessarily systematized by objects of accounting for costs - types of work and crops (groups of crops). For such systematization, specially developed accumulation registers and journals are used. For example, information on labor costs and some other documents mentioned above is collected in the above-mentioned "Register of use and savings of the repair shop" and in the journal of accounting of work and expenses.

Journals of accounting of work and expenses are kept in production departments. In them, a certain number of pages are allocated for each work performed and other objects of accounting, depending on the estimated amount of entries. The volume of work performed for each object of the account is recorded in kind and in conditional hectares, the amount of time worked in hours and calculated payments (separately for employees), fuel consumption (according to the norm and actual), the cost of seeds and planting materials and other expenses.

At the end of the month, the total costs for each work and crop are calculated in the journal. For convenience of entries, a summary page is opened at the end of the journal (for each product, work and service) and the results for each type of work are transferred to it at the end of the month, and the total results for crops for a



month and from the beginning of the year are calculated.

The production report is a summary of documents on the costs and the output of products (work, services) by the unit related to production. It consists of two sections: expenses (account debit 2010) and output of products (work, services) (account credit 2010).

In the first section of the production report, a separate column is allocated for each object of the report. The rows indicate the volume of work performed in kind and converted into conditional hectares, labor costs in man-hours, fuel consumption in kind, and a row of other natural or technical and economic indicators. Then columns are provided for recording specific expense items in related accounts, including:

Account 6710- "Accounts for payment of wages to employees" for the amounts of basic wages;

Account 6520- "Payments to state target funds" and account 8910- "Reserve for future expenses and payments" - for the amount allocated for allocations to target funds and vacation payments;

Account 1010- "Raw materials and materials" - for the amount of seeds and materials spent;

Account 1030- "Fuels" - for the amount of fuel and oil materials spent;

Account 1080- "Inventory and household equipment" - for the amount transferred to the relevant objects for accounting;

At the end of the final columns, the total of expenses incurred in one month according to this production report and the total of expenses incurred from the beginning of the year are indicated.

After the reports are checked and the sums of other expenses added to them in the accounting of the enterprise are entered, they become the basis for writing in the analytical and synthetic account registers. In the cumulative production report, you can get analytical information on how much was spent on a certain product (work, service) from the beginning of the year and in the reporting month, what product, how many soums and how many centners were produced.

When analyzing the costs incurred and the products received, the sources of information are the amounts in the relevant article of the financial statement "Accounting Balance Sheet", the table "Production Costs and Product Cost" in the state statistical report, the amounts in the business plan and standards, and information in accounting accounts and documents.

In the current accounting practice of farms, there are various options for organizing cost accounting in the cultivation of fruits and vegetables, the most

widespread of which is the cumulative nature of each type of cost.

With this organization of cost accounting for products, production accounting for cost accounting is not used, but instead a summary accounting register is used.

In the unified register, as in the first case, the systematization of primary documents in the summary accounting for cost accounting is not carried out. The network forms of production accounting based on summary documents are used as analytical accounting registers, where indicators from the summary forms of the primary accounting are entered. In production reports, it is usually important to keep an analytical account for the enterprise. When records are made simultaneously for farms, a correction sheet is prepared to verify the data of the analytical account. Analytical account of the structural divisions of fruit and vegetable production is opened for the established nomenclature of production facilities and accounts. Often, farm production reports are not properly maintained and do not always contain complete and accurate information, that is, not all details are filled in. Such incomplete data cannot provide a sufficiently in-depth analysis.

The documents on accounting for the output of fruit and vegetable products record the import of vegetables and fruits. These include: register of movement of fruit and vegetable products (form 80); for potatoes, vegetables, fruits, berries and other crops - the record of origin of agricultural products (form 82), the record of origin of products planted in closed ground (form 83), the record of origin of horticultural products (form 84). In the vegetable industry, a large number of different documents are used, both for cost accounting and output accounting. The information of the documents that take into account the objects of work are put into one system according to the materially responsible persons and the directions of the origin and expenditure of material values.

The information of the documents that take into account the consumption of labor tools are put into one system according to the groups and types of fixed assets and directions of use of fixed assets. The information of the documents that take into account the output of the products are put into one system according to the types of products, the materially responsible persons, the directions of origin and consumption of the products.

Also, the information of all documents in the field of vegetable growing will be necessarily brought into one system on the objects of cost accounting. Specially designed summary records and journals are used to



bring such a system. For example, information on the above-mentioned labor costs and some other documents are collected in the above-considered summary record of the use of the repair shop (form 73) and the journal of accounting for work and other costs (form 37).

Work and cost accounting journals are kept in production departments. They are divided into pages according to the estimated amount of entries for each crop (group of crops), work performed, and other accounting objects. Types of work related to a particular crop are recorded in accordance with the technological map. The volume of work performed for each accounting object is recorded in kind and converted into a conditional standard hectare, time worked in hours and calculated payments (separately for tractor drivers and other employees), fuel consumption (according to the norm and actual), lighting and planting material consumption, and other expenses. The journal of accounting of work and expenses is kept on the basis of primary documents, and for the expenses of the repair shop - on the basis of the cumulative register of the use of the repair shop (form 37-a).

At the end of the year, after reflecting the differences between the planned and actual cost of work performed by auxiliary production on the account 2010-“Main production” and the share of total production costs attributable to fruit and vegetable growing, preparatory work is started on calculating the cost of fruit and vegetable products.

The amount of expenses for destroyed crops is determined based on the actual costs for the period before the crops were destroyed. Expenses are recorded in accordance with the accounting records in the nomenclature of fixed costs established and accepted by the farm. When a particular crop is partially destroyed as a result of a natural disaster, the costs of additional crops are added to the costs of increasing the density of fruit and vegetable crops or restoring the growth of fruit and vegetable crops in certain areas of the field where nothing or almost nothing has survived. If additional planting is carried out with another crop, then the names of analytical accounts in which the costs of partially destroyed crops are recorded should also be changed accordingly.

Losses due to the complete or partial destruction of crops as a result of a natural disaster include the cost of seeds of crops planted on the same areas and in the same year, expenses for cultivating the soil and crops. Plowing the soil, fertilizers and other non-recurring expenses are included in the cost of newly planted

crops. In this case, the amount of unharvested products is determined in accordance with the generally established procedure for additional and completely replanted areas, and the part of the expenses corresponding to the unharvested products is written off as a loss of this crop. In accordance with the insurance status records, the insurance compensation amounts calculated for insured crops in accordance with the calculations of the amount of compensation for the damage caused and the accounting information, are credited to account 2010-“Main production” and are considered to belong to the debit of account 6510-“Insurance payments”. Uncovered costs for crops destroyed by frost or neglect and other unharvested areas are transferred from the credit of account 2010 - “Main production” to the debit of account 2510 - “General production costs” for fruit and vegetable growing. Therefore, if part of the area remains unharvested, it is necessary to determine the cost of cultivation per hectare. To do this, the cost of harvesting is deducted from the total cost, and the remaining amount is divided by the entire area. Then the cost of cultivation per hectare of this crop is multiplied by the unharvested area and deducted from the result. At the same time, production costs are calculated as the annual production. It is necessary to clearly separate the costs that will be transferred to the next year from the cost of production, since the correct calculation of the cost of the current year's product largely depends on this. It is necessary to determine the production costs that are included in the cost of production and work in progress, which must be confirmed by the inventory register. In fruit and vegetable growing, it is important to clarify the output of the main, auxiliary and additional products, correctly write off unused waste, and determine the amount of products intended for export and sale on the domestic market. It is important that the initial harvest of agricultural products is calculated according to its actual mass. Then, the sorting and drying of fruit and vegetable products. Based on the prepared documents, the quantity and value of losses during finalization (dead waste, shrinkage during drying) are determined and recorded using the red-book method by debiting accounts 1010 “Raw materials” and 2810- “Finished products in warehouse” (if the intended use of the received products is determined) and by crediting account 2010- “Main production”.

Only after that, it is appropriate to carry out calculated calculations of the corresponding types of products, following the established sequence of cost calculation.



This situation was caused by the fact that certain types obtained from one production can be used in other productions belonging to the same industry. For example, in vegetable growing, seedlings grown in a closed area are treated as a finished product, and then used as planting material in an open area. Therefore, it is necessary to determine the cost of silage and other products when calculating the real cost of seedlings grown in a closed area. When calculating the cost of products of ornamental and fruit crops, the calculation is made sequentially by year, starting from the earliest crops.

CONCLUSION. Today, there are no separate regulatory documents on the organization and maintenance of analytical accounting of costs and products in fruit and vegetable farms, as well as on calculating the cost of products. Therefore, it is expedient to open the 2011 Agricultural Production Account and the analytical accounts recommended for opening in accordance with it to calculate production costs in fruit and vegetable farms. For this purpose, we recommend opening analytical accounts taking into account the characteristics of the technological processes of production in fruit and vegetable farming (table 2).

Table 2
Analytical accounts recommended for
organizing production cost accounting in fruit
and vegetable farms

| | |
|--|----------------------------------|
| 2010-Agricultural Production Account and proposed Analytical Accounts | 2010001-Fruit farming |
| | 2010002-Planting expenses |
| | 2010003- Vegetable production |
| | 2010004-Greenhouse (by types) |

This analytical tool allows you to organize accounting for accounts, generate analytical information, correctly organize accounting for production costs, and provide the user with timely, accurate and reliable information.

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