

**STRATEGIES FOR REDUCING PRODUCTION COSTS, ENSURING QUALITY
CONTROL, AND ENHANCING PROFITABILITY IN THE
AGROCLUSTER SYSTEM**

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Abstract: This study develops recommendations on the role, significance, and content of the cost management system in agroclusters, which constitute the foundation of the agricultural sector in our country. The research focuses on effective approaches to reducing production costs, ensuring quality control, and increasing profitability, as well as identifying future prospects for improving the efficiency of agrocluster operations.

Keywords: costs, cost management, additional costs, efficiency, cost price, labor and operating costs, fuel and lubricants, motor vehicles, depreciation, financial resources.

One of the agricultural products necessary to meet the needs of the growing population in our country is cotton and grain products.

In order to achieve high efficiency in agroclusters, we need to not only implement a cost management system, but also thoroughly study the ways and prospects for reducing the cost of agricultural products and controlling their quality, increasing profitability.

Currently, special attention is paid to the agricultural sector, namely to the place, role, content and tasks of the cost management system in agroclusters. We know that in the conditions of market relations, agrarian reforms cannot be successful without creating this type of management.

Of course, it is necessary to study and observe many years of experience in their implementation. Cost management is a system that, on the one hand, saves resources, and on the other hand, provides for the selection of such an option for cost values that achieves the planned production result.

It can also act as a subsystem of the general management of the agricultural economy and develops under the influence of state regulation and a market economy.

As a proposed interpretation of the agrocluster cost management system, it assumes the consideration of the types of work performed by its elements or management services. Mainly in this:

- First of all, an analysis of the cost price of the main types of products.;
- Secondly, determining the standard level of production costs and marketing the main types of products.;
- Thirdly, it will be necessary to develop measures to minimize costs in the future.

High management efficiency can be achieved only through active implementation. Effective use of the normative method for planning and accounting of costs, which reflects the organizational and economic foundations of efficient management, leads toward the intended results. The scientific validity, reliability, and accuracy of the applied norms and standards are

directly proportional to the justification of the calculation methodology and, consequently, to the effectiveness of the management decisions made.

In accounting, cost accounting is organized by cost items for effective management..

The organization independently determines the list of expense items..

As we know, the cost estimate is represented by the following components or costs::

1. Costs associated with the use of labor objects in the production process;
2. Costs related to the employment of labor;
3. Expenses related to the utilization of labor equipment during the production process

In our opinion, in order to clarify the annual report of the Agrocluster and the cost price, it seems appropriate to expand the items of production costs, taking into account the specific characteristics of agricultural production..

It is proposed to reflect the costs of wages, social needs, seed and planting materials, organic fertilizers, mineral fertilizers and plant protection products, fuels and lubricants, vehicles, electricity, depreciation of fixed assets, funds, additional costs and other direct costs, and current maintenance of fixed assets..

This classification of production costs includes both simple and complex cost items.

Currently, the widespread use of the cost control mechanism, that is, aimed at reducing costs as much as possible.

If we reconsider certain aspects of the long-standing problem of cost price, it should be emphasized that despite the purely “costly nature” of this category, its economic value remains limited. These conclusions can be drawn from the nature of the economic mechanism, since refusing or neglecting to compare the expenses included in the agrocluster’s cost price with the actual outcomes prevents an effective assessment of the enterprise..

Another perspective on this issue is that the economic significance of the agrocluster’s cost price, determined by labor and current expenses, reflects the material and tangible components of production. It forms part of the overall cost indicator, whether considered as total or socially necessary production costs. Essentially, it represents the cumulative value of all production resources, paid services, and labor utilized in the production process, providing a comprehensive measure of the enterprise’s operational costs.

This includes the monetary equivalent of the labor required for the cost price. Excess labor and net income are not taken into account for individual types of production. At the same time, differences in the content and composition of expenses for the production of agricultural products are considered..

From this perspective, it is recommended to review the category of expenses and, taking into account international experience, introduce a number of rules specifically applicable to agriculture..

The characteristics of agriculture that affect production costs consist of the following components in the recorded products.: picture-1

Picture-1

- 1. Components of products reflecting the agricultural characteristics that influence production**

costs

1. seasonality of production;
2. production under high risk conditions due to unstable natural and climatic conditions;
3. turnover period of production funds;
4. the need for state support for agriculture, which is inherently a subsidized sector;
5. multifaceted development of agriculture;
6. the need to create resource-saving technologies
7. the objective necessity of efficient utilization;
8. insurance resources (seeds, equipment, funds, etc..).

Enterprises with different forms of ownership imply uniqueness.

For example, the characteristics of production costs and consumption funds of cluster employees (farms) are different forms of ownership. Thus, some enterprises are provided with a guaranteed salary by the state, and in enterprises of other forms of ownership, it is determined by a salary fund formed depending on the achieved production and financial results..

There are also differences in other expense items: for example, in the article "Works and Services" the cost of services and state tariffs is determined in state enterprises, while in private enterprises it is based on planned and actual costs. The items "Loan payments" also differ due to the differences in interest rates on loans for enterprises of different organizational and legal forms.

Ensuring rapid adoption of management decisions on costs should be considered as an important feature.

In particular, if the head of the organization does not have detailed and grouped information about the decision-making process, it is necessary to automate the accounting of expenses and income. This automation allows for the most accurate and timely accounting of expenses in rural conditions, avoiding errors, and also calculating the cost of products as quickly and accurately as possible.

The study considers the creation of a cost management system for agroclusters, enterprises, and farms in the agricultural sector not as a goal in itself, but in the context of a general course of reducing the cost and improving the quality of agricultural products.

High results in these areas of successful development of the considered sector of the national economy are objective in nature and are divided into two.

The first is associated with the tendency to increase production costs in agriculture in the Syrdarya region in recent years.

At the same time, the purchase prices of products in regions with uneven cost levels are not sufficiently justified.

Practice shows that the world market does not recognize the amount of socially necessary costs in agriculture, which is determined by the worst natural and climatic factors of individual countries supplying products to this market. Socially necessary costs are applied and determined at the level of costs of countries that occupy leading positions in the world market.

It has relatively good conditions for growing or producing agricultural products. In general, Syrdarya region is among the regions with the most difficult conditions. Therefore, it is necessary to produce highly competitive types of products here, which requires finding ways to improve their quality, reduce costs, and produce new ones.

In this regard, the problem of placement within the Republic arises.

In order to increase the efficiency of agricultural production in each region, zone and subzone, work should be carried out in accordance with the "Bottom-up" principle, combining the interests of the economy and the state.

In this regard, it is advisable to carry out prospective placement on the basis of contracts under a scheme that provides for the clarification of the purchase of many types of agricultural products.

The territorial placement of state procurement plans for agricultural products in the regions, in particular in the Syrdarya region, the established basic rules and directions for the formation and development of regional agroclusters and farms should contribute to reducing the cost of agricultural products..

At the same time, they should create conditions to enhance the efficiency of economic activities. Addressing these critical issues, which serve as the foundation for strengthening the competitiveness of primary production units, sectors, and the complex as a whole, is possible only when modern scientific support and methodological foundations for management are available.

In conclusion, taking into account the uniqueness and specific characteristics of each agrocluster, the practical implementation of the proposed recommendations by region ensures an increase in the intensity and productivity of agriculture, as well as the level of concentration and specialization of sectors. On this basis, it contributes to reducing the costs per unit of competitive agricultural products and enhancing profitability.

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