

FEATURES OF FOOD MARKETS IN DEVELOPING COUNTRIES

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ABSTRACT

In this article, he discusses the specifics of the food market of developing countries, including some features of the food industry of countries with high production resources and markets such as China, India, and the development of marketing in these markets.

Keywords: marketing, management, food security, farms, cooperatives, supermarkets, consumers

INTRODUCTION

Structural changes are taking place in the food markets of developing countries. On the one hand, the problem of uninterrupted supply of food, on the other hand, the quality requirements for food products are increasing. At the same time, along with the increase in living standards, the demand for quality food products is growing. This situation allows agricultural producers to establish trade relations with new export markets, supermarkets and processing enterprises. [1], [3] But there is another side of the issue, that these new markets place higher requirements on quality standards for products. This can lead to additional costs for farmers and landowners. [6] To overcome this problem, many developing countries have managed to overcome it through the development of agricultural cooperatives.

MATERIALS AND METHODS

During the study of this topic, well-known marketers Obebe, G.K., Bijman, J., Passussi, S., Omta, O. presented the results of their research on the adoption of improved potato varieties in Ethiopia: the role of agricultural knowledge and innovation system and quality assessment of small farmers . Jinghui Hao, Jos Bijman, Sornelis Gardebroek, Niso Heerink, Wim Heijman, Xuexi Huo's Cooperative Membership and Farmers' Choice of Marketing Channels Evidence from Horticultural Farmers in Shaanxi and Shandong Provinces of China The results of the research were analyzed in the literature and articles in Internet publications dealing

with popular international food marketing. Methods such as observation, document handling, study of historical facts, induction, deduction, and discussion were used in the study of the specifics of the food market in developing countries. [6]

DISCUSSION AND RESULTS

In China, small farms that emerged as a result of land reforms in the 1970s have merged into agricultural cooperatives to ensure effective participation in the food market. This made it easier for small farms to enter the food market in the first place. On the other hand, mutual exchange of information between farmers and market participants was ensured. The adoption of the Law on Specialized Farms in China has led to a major change in China's agricultural production and food market. By October 2015, more than 40% of farms had merged into cooperatives. [7] Today, most farms and households in China are joining cooperatives to buy their products. This, firstly, reduces the cost of sales on small farms, and secondly, allows professionals in their field to deal with sales.

If we study the field of food marketing in India, there are five major agricultural business segments in India: producers, suppliers, integrated agro-industrial market intermediaries, food processors and sellers. [8] The specific features of the marketing system of this country are:

The volume of production of farms has been increased by entering the market with new types of products on the basis of new technologies. The transition from the concept of "production for the home" to the concept of "production for the market." In addition, specialization in agricultural production has expanded. As a result of the excess supply over demand in the markets, farmers had to pay more attention to marketing. Farmers have merged into cooperative marketing associations.

The Government of India is carrying out in-depth reforms in the system in order to review the current system of marketing in agriculture and make the system more efficient and competitive, and in these reforms it is prioritizing the following areas:

- Direct marketing;
- Forward and future markets;
- Price support policy;
- Widespread use of information technology in agricultural marketing;
- Marketing expansion, training and research.

Direct Marketing - In India, direct marketing is being promoted as an innovative sales channel. Examples of these innovative channels are Apni markets, Hadaspar markets, Ritsu markets and Uzhavar Sandies markets. [8]

In developing countries, the psychological attitudes of the population towards food purchases are different from those in developed countries. According to Roper Reports, a popular internet marketing network, 79 percent of consumers in developing countries in Asia and 61 percent in Latin America prefer to buy products from companies that are trustworthy and reputable among the public. Because consumers believe that the quality of products offered by well-known brands can be trusted. [9] This figure is relatively low among consumers in developed countries.

According to the well-known management consulting company MsKinsey & Sompany [10], 28% of Chinese consumers and 16% of UK consumers prefer to buy trusted products from trusted brands rather than buy new ones. This figure is 4% in Japan. [11]

Therefore, it is difficult for new brands to enter the markets of developing countries. Newly entering brands will be able to focus on advertising services. Reminding consumers of their products through as many ads as possible will allow them to succeed in the competition.

Another distinctive feature of the market of developing countries is that consumers are more willing to buy products of international brands at higher prices than those of domestic producers. Therefore, many manufacturers argue that entering the markets on behalf of internationally renowned brands will give them an advantage in the competition due to a lack of confidence in national brands. As an example, the well-known Swiss company Nestlé has been successful in the markets of developing countries with more than fifty types of food products, such as dairy products, beverages, sweets, baby food, coffee.

In developing countries, food consumption can also be divided into two categories. In the first group of countries, there is a tendency to buy more health-friendly, immune-boosting products, while in the second group of countries, the feeling of enjoying food comes first. In these countries, the consumption of chocolates, sweets, fast-cooking high-calorie products will be popular. In countries close to joining the ranks of developed countries, the food market is developing, often with a lighter, more useful feature.

At the same time, the role of online stores in the market of developing countries is growing. The trend of popularization of online stores in these countries is

growing. According to a study by MsKinsey & Sompany in Argentina, Hungary, Malaysia, Mexico, Morocco, Nigeria, Taiwan, Turkey and Vietnam, the role of online stores in food sales in developed countries will increase in the future. [12]

Today, in the food markets of developing countries, traditional markets and large supermarket chains operate simultaneously. While the rural population trades mainly through traditional markets, urban areas are increasingly buying food products mainly through supermarkets along with traditional markets. There are also areas where traditional and modern trade methods have an equal share. In traditional markets, products are relatively inexpensive. There, farmers sell their produce directly to consumers, while retailers can also participate.

Since the main element of modern markets are supermarkets, we consider this subject. Prices in supermarkets are higher than in traditional markets, giving a qualitative advantage. The products of supermarkets are guaranteed, meet the sanitary-epidemiological requirements. At the same time, through supermarkets, there is an opportunity to buy fresh fruits and vegetables, processed, packaged, imported agricultural products in all four seasons of the year, as well as a self-service system.

CONCLUSION

In conclusion, it can be said that food marketing in developing countries is developing day by day. This development is due to the integration of these countries into the world market, the reorientation of international investment from developed to developing countries, new types of trade, expansion of storage, processing, packaging, changing consumer outlook, demand, needs. At the same time, the declining role of governments in developing countries in managing the economy and the development of marketing as the only way to development is becoming a major goal.

Murthy and Naikwadi's article, "Marketing Management - Opportunities and Challenges," emphasizes the need to create an alternative marketing system to modernize the country's food marketing system, ensure transparency, and promote effective sales.

Alternative forms of marketing include:

- ✓ Direct marketing by manufacturers;
- ✓ Marketing through farmers 'interest groups;
- ✓ Establishment of terminal markets by the private sector;
- ✓ Forward markets and futures exchanges;

- ✓ E-commerce - e-commerce;
- ✓ Establish mega markets that include all internal marketing functions;
- ✓ export trade;
- ✓ Introduction of warehouse receipt system. (warehouse receipt system^{m1}).[8]

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