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Analysis of The Uzbekistan Commodity Exchange and Flour Trade on It

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Abstract: In order to liberalize the economy and reduce administrative regulation in our country, to increase market mechanisms in the sale of highly liquid and monopolistic products, and to increase the level of transparency in stock exchange trading and to develop a healthy competitive environment, it is necessary to introduce modern information and communication technologies into the stock market. consistent measures are being taken. In order to support economic liberalization and reduce excessive administrative regulation, Uzbekistan has undertaken consistent measures to strengthen market-based mechanisms in the trading of highly liquid and monopolistic products through the commodity exchange system. The introduction of modern information and communication technologies into stock exchange activities is aimed at enhancing transparency, improving operational efficiency, and fostering a fair and competitive trading environment. These reforms are expected to optimize price discovery, expand market access for economic entities, and ensure equal trading conditions regardless of ownership structure, thereby contributing to the sustainable development and institutional strengthening of the national commodity market.

Keywords: Commodity exchange, liquid and monopoly products, agribusiness, Investments and foreign trade.

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1. Introduction

According to the decision of the President of the Republic of Uzbekistan No. PQ-4484 dated 08.10.2019, regardless of the form of ownership, in order to create equal conditions for the purchase of highly liquid and monopoly products for all economic entities and to activate stock trading in the republic, 2020 From January 1, a number of new procedures have been developed and implemented [1].

The main goal of our research is to determine ways to develop the infrastructure of today's commodity market of the commodity exchange of agricultural products in our country. Based on this, it is our task to analyze the dynamics of Uzbekistan's Commodity and raw materials exchange trade, the purchase of agricultural material and technical resources through the exchanges, and the indicators of the sale of agricultural products through the exchanges, and to evaluate their stability. we put the article mainly analyzes relative indicators. Because our purpose of the research was to determine the trends of sustainable development [2].

In addition, the development of the commodity exchange infrastructure plays a strategic role in strengthening market transparency, improving price discovery mechanisms, and reducing transaction costs in the agricultural sector. An efficient and

well-integrated exchange system enables agricultural producers, traders, and consumers to access accurate market information in real time, thereby minimizing information asymmetry and speculative practices [3]. Moreover, the implementation of exchange-based trading supports fair competition by limiting non-market interventions and ensuring that prices are formed based on actual supply and demand conditions. In the context of Uzbekistan's ongoing economic liberalization, the modernization of commodity exchange infrastructure is not only a technical necessity but also an institutional reform aimed at enhancing market resilience, promoting sustainable agricultural growth, and increasing the competitiveness of domestic agricultural products in both national and international markets.

2. Materials and Methods

N.O.Yoldoshev and M.P.Yunusov suggest using the following approaches to the concept of the stock market in the analysis of commodity exchange trade commodity exchanges embody market mechanisms such as competition, demand, supply, price, and price [4]. The exchange is a place where, on the one hand, the seller, who wants to sell goods, and, on the other hand, the buyer, who is trying to satisfy his demand, meet, both of them are independent economic entities. The buying and selling process is carried out through intermediaries - brokers, dealers, traders. In the stock market, as in other markets, the price of goods is directly related to supply and demand. If the manufacturer brings a new, improved product to the market, he has the right to pay a higher price for his product [5], [6].

Development of goods production in agriculture determines the objective need to form a market with appropriate categories and regulatory methods. In practice, there are two types of relations between the producer and the consumer. The first is carried out in accordance with the laws of production and circulation of goods using the market as an exchange. The second is the distribution of the produced product based on the requirements of study and accounting balance [7].

This study applies a descriptive-analytical approach grounded in economic theory and market mechanism analysis to examine commodity exchange trade in the agricultural sector. The conceptual framework is based on stock market principles proposed by N.O. Yoldoshev and M.P. Yunusov, which emphasize competition, supply and demand, price formation, and intermediary-based transactions involving brokers, dealers, and traders. The research utilizes secondary data obtained from official commodity exchange statistics, policy documents, and relevant literature. Analytical methods include trend analysis and the use of relative indicators to evaluate market dynamics, transaction stability, and price movements of agricultural products. By focusing on exchange-mediated interactions between independent economic entities, this method enables an assessment of how market-based mechanisms and regulatory frameworks influence the efficiency and sustainability of agricultural commodity trading.

3. Results and Discussion

The goals, tasks and main directions of agricultural development and regulation of the food market in Uzbekistan are defined based on the strategy of agricultural development of the Republic of Uzbekistan for 2020-2030[8].

Regardless of the form of ownership, in order to create equal conditions for the purchase of highly liquid and monopoly products for all business entities and to activate stock trading in the republic: according to the decision of the President of the Republic of Uzbekistan No. PQ-4484 dated 08.10.2019.

Purchase of material and technical resources through exchanges. "If the stock market does not work effectively, there will be no market relations. Exchange trading forms free competition, opens new markets for entrepreneurs, sharply reduces the "hidden economy" and corruption, says the head of our state. Speech at the meeting on increasing trading at the Commodity Exchange and expanding the participation of local enterprises on May 17, 2022 in the word [8], [9], [10].

As a result of the reforms, we can analyze the following:

In the last three years, the turnover of the stock exchange doubled and reached 90 trillion soums. At the moment, a new system for taking local products to the stock exchange is being developed. This means an additional income of 2 trillion soums for the farmers.

In particular: - from July 1, a separate prospective goods section was established at the stock exchange, and the products produced by local entrepreneurs were sold without additional documents [11].

From July 1, 2022, the Ministry of Agriculture of the Republic of Uzbekistan announced the expected minimum price of grain for the 2022 grain harvest based on the analysis of world prices.

Therefore, from July 1, farmers and clusters put wheat on sale at market prices, which is why the Ministry of Agriculture of the Republic of Uzbekistan announced the expected minimum price of grain based on the analysis of world prices: 3 million/1 ton [12]. If we look at the analysis of the sale of grade 1 flour at the Uzbekistan Commodity Exchange in 2022, we can see the relative amount of the dynamics of the displays on June 01-14 (Figure. 1)



Figure 1. Analysis of the price of the 1st grade flour sold at the Commodity Exchange of Uzbekistan on 01.01.2022-06.01.2022. [11]

In our opinion, the commodity exchange is in agriculture

It is necessary to implement the following institutional measures to increase the stability of grain products trade:

1. A broad and understandable review of proposals for the sale of grain products to potential buyers (daily stock exchange bulletin);
2. Formation of prices of cereal products at the market price based on supply and demand;
3. Mortgage schemes are transferred to the product seller, advance payment-clearing houses, product sale, stock exchange use only after the stock contract has been shipped [13], [14];

Because the status of agricultural enterprises specializing in the preparation of only one grain in the commodity exchange of all producers is 4 million/1 ton in practice, while it was planned for a minimum of 3 million/1 ton today. As a result, it can be seen that the purchase price of 1 ton of wheat for needs was increased from 1.55 million soums last year to 3 million soums for the 2022 harvest; If we study the market demand based on the population, 1.78 million tons of wheat purchased by the Agricultural Fund will be put on the market based on the demand; 500,000 tons of wheat remaining at the disposal of farmers will be taken to bread production enterprises for temporary storage (temporary

storage costs will be covered by the state). As a result, the provision of product delivery in the domestic market will be another global solution that can meet the demand.

At the moment, a new system for taking local products to the stock exchange is being developed. This means an additional income of 2 trillion soums for the farmers [15]

4. Conclusion

In conclusion, it can be said that the development of commodity production in agriculture determines the objective need to form a market with appropriate categories and regulatory methods. At the same time, it is necessary to create market mechanisms for price formation of highly liquid and monopolistic products and to further develop the activity of the stock exchange only through stock trading. It is necessary to expand the list of goods for sale, to introduce new trading instruments that ensure the dynamics of stock trading

Of course, there should also be adequate supply for this purpose: increasing the number of mills, expanding the area of grain cultivation and increasing its productivity, introducing a system for covering the transportation costs for the delivery of flour and flour products to remote villages, as well as flour and flour from other regions of the country and abroad. It is necessary to prevent shortages in the market by importing products, to ensure price stability.

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