

ICEST 2022**III International Conference on Economic and Social Trends for Sustainability of Modern Society****ECONOMIC ASSESSMENT OF THE MARKET OF
AGRICULTURAL PRODUCTS OF TAJIKISTAN**

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Abstract

The article examines the current state and development trends of the domestic market of the Republic of Tajikistan and argues for the need to protect domestic producers in the face of growing imports. An assessment of the state of the consumer market is given, taking into account the analysis of the dynamics of demand for the most important types of food products, the balance of the most important types of food products in the Republic of Tajikistan and the dynamics of food imports. The analysis showed that at present, the goods of domestic producers in the domestic market cannot fully provide the population with food. The saturation of the domestic market occurs due to imports. Based on this, the authors make a number of recommendations to improve the structure of the domestic market in the Republic of Tajikistan, the most important of which is to optimize the structure of the domestic market by increasing the competitiveness of domestically produced goods, developing and implementing an import substitution policy, improving the system of state control of prices for basic food products and applying a comprehensive protectionist non-tariff nature, not contrary to the rules of the WTO.

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1. Introduction

Providing the domestic market with domestically produced goods is one of the most important tasks of the strategic development of the economy of the Republic of Tajikistan. Jabborov et al. (2016) however, familiarization of cases with the state of the domestic market of the Republic of Tajikistan shows that the main share in the domestic market of the country is occupied by cheap imported goods, which displaces the majority of domestic producers. Arabov et al. (2021a) note that the severity of this problem lies in the fact that, due to a decrease in food potential, there is a sharp decline in the production of some types of agricultural products in the country. Arabov et al. (2021b) In some years, the rise in prices for imported goods leads to a shortage of quality food products. Based on this, in order to meet the needs of the population with domestically produced goods, it is necessary to improve the conjuncture of the domestic market for consumer and food products.

Arabov (2022) the presence of a huge potential of natural and labor resources in the Republic of Tajikistan allows increasing the volume of domestic production and improving the structure of consumption of the country's population. The food market is the most important segment of the domestic market and is of great importance for the development of the national economy and the creation of additional jobs (Arabov & Sodikov, 2016). It accounts for the bulk of the country's GDP, and the National Development Strategy of the Republic of Tajikistan defines the achievement and maintenance of food security as the most important strategic goal of the country's development. The problem of ensuring food security has also remained relevant since the beginning of the liberalization of foreign economic activity in the Republic of Tajikistan.

2. Problem Statement

Providing the population with agricultural products and achieving the goal of food security raises a number of questions of the theoretical and practical content of the study. A certain contribution to the study of the domestic market of the Republic of Tajikistan shows that research is not yet systematic and comprehensive. Despite a significant number of works devoted to the study of the development of agriculture in Tajikistan, the scientific rationale for the formation and development of the domestic market, its effectiveness and resource needs have not been studied enough, so the topic is relevant and promising for further research.

3. Research Questions

The following questions were posed during the study:

- i. What is the role of the internal market in providing the population with agricultural products?
- ii. Have we reached the goal of food security?
- iii. How developed is agriculture?
- iv. What problems exist in the agro-industrial complex?
- v. What is the place of production of basic agricultural food products in the domestic market.

4. Purpose of the Study

The purpose of the study is to substantiate the theoretical and practical aspects of the formation and regulation of the market and the development of practical recommendations for managing the domestic market with domestically produced goods.

5. Research Methods

The following methods were used in the study: monographic, abstract-logical, statistical, expert assessments, extrapolation, structural-functional analysis and synthesis, systematic approach, economic-mathematical, etc.

6. Findings

To analyze the current state of the domestic market of the Republic of Tajikistan, we consider it appropriate to study the volume of domestic demand through the dynamics of food consumption in the country, the potential for the production of the most important food products within the country and the share of imports in domestic consumption.

Table 1. Dynamics of food consumption per capita per year, kg

Years Industries	2015	2016	2017	2018	2019	2020	2020/ 2015 %
Meat and meat products	13.9	14,9	14.6	14.8	14.0	14.2	102.16
Milk and dairy products	52.0	58.8	57.5	59.5	58.1	60.5	116.35
Eggs, pieces	62	71	72	68	76	84	135.48
Sugar, including confectionery	13.4	14.0	13.7	14.3	15.9	16.9	126.12
Bread products	157	153	150	151.5	161.4	165.4	105.35
Potato	38.6	33.3	35.8	39.1	42.4	46.4	120.21
Vegetables and gourds	76.9	76.0	80.0	80.4	89.0	88.5	115.08
Fruits, berries and grapes	40.0	33.5	35.9	30.4	33.3	38.7	96.75
Vegetable oil	15.5	16.4	15.7	17.1	16.7	18.3	118.06

Source: Statistical Yearbook of the Republic of Tajikistan (2021)

The analysis Table 1 shows that in the period 2015–2020, in the domestic food market, despite positive trends, there are some contradictions. Over the past 5 years, the consumption of basic foodstuffs has increased per capita, but in the period 2016-2017 due to the sharp increase in prices, the consumption of meat and meat products, milk and dairy products, and vegetable oil has decreased. At the same time, the consumption of meat and milk does not meet established medical standards, and the consumption of butter, bread, and sugar exceeds these standards, which indicates the need to create conditions for more nutritious nutrition. Jabborov et al. (2016) in addition, the calorie content of the population's diet is below the required level, which is associated with a large share of the consumption of plant products, and in the structure of the total consumption of the population, the share of consumption of animal products is below the required level.

Table 2. Dynamics of changes in the structure of consumption of the population in % of total consumption

Years Industries	2017	2018	2019	2020
Bread and bread products	33.2	31.5	29.2	29.1
Potato	3.6	3.1	5.0	3.97
Vegetables and gourds	9.2	9.1	10.5	9.04
Fruits and berries	6.0	6.0	5.6	6.0
Meat and meat products	16.5	15.6	15.9	17.2
Fish and fish products	0.25	0.27	0.3	0.4
Milk and dairy products	3.56	3.53	3.6	4.0
Sugar and confectionery	11.2	12.2	11,5	11.2
Egg	2.7	2.7	2.7	2.9
Vegetable oil	9.1	10.1	9.7	9.7
Tea, coffee, soft drinks	2.0	2.4	2.5	2.7
Expenses for eating out (catering)	1.6	1.7	1.7	1.9

Source: Statistical Yearbook of the Republic of Tajikistan (2021)

An increase in the consumption of animal products per person is observed until 2015, then a decrease. In addition, the country has not achieved the recommended norms for the consumption of meat and meat products per capita, which is 80 kg according to international standards. The main factor behind the low consumption of meat and meat products is the low purchasing power of the population.

Agriculture plays an important role in providing the domestic market for domestically produced goods. As can be seen from the data in Table 3, in 2019, in the country as a whole, the volume of agricultural production in value terms amounted to 24576.0 million somoni, which is 20.7% more compared to 2015. The volume of crop production in 2019 amounted to 16977.8 million somoni, and livestock 7598.2 million somoni. During this period, the index of gross agricultural output was 106.7%. Regardless of the fact that there is a positive trend in the production of grain as the most important food product of 1447.6 thousand tons (growth rate compared to 2015-39%), it makes up the minimum share of domestic consumption. The production of grapes as a special export commodity in the field of agriculture is developing at a high pace in the country. In 2019, compared to 2015, the volume of grape production increased by 119% and amounted to 228.3 thousand tons. A negative trend in the development of agricultural production is a decrease in the volume of production of potatoes and vegetables in physical terms. If in 2015 the country produced 1115.7 thousand tons of potatoes and in 2019 the volume of its production decreased to 782.9 tons (Table 2).

Table 3. Gross agricultural output in comparable prices in 2018, million somoni

	2015	2016	2017	2018	2019	2020	2020/2015
Total	20358.5	21197.3	21862.8	23008.3	24576.0	26370.4	129.53
Crop production	14706.5	14838.9	15046.6	15813.9	16977.8	18229.3	123.95
Animal husbandry	5651.9	6358.4	6816.2	7194.3	7598.2	8141.1	144.04

Source: Statistical Yearbook of the Republic of Tajikistan (2021)

It should be noted that the positive dynamics of agricultural production became possible thanks to state support for agricultural producers in the form of concessional loans, the provision of machinery and technology under leasing agreements, and the use of new varieties of seeds in the conditions of Tajikistan.

Table 4. Production of agricultural products per capita, kg

	2015	2016	2017	2018	2019	2020	2020/ 2015
Meat (slaughter weight)	10.7	12.0	13.2	27.0	28.2	29.0	271.03
Milk	102.6	103.5	105.2	106.2	107.5	108.9	106.14
Eggs, pieces	42.6	42.4	42.3	39.0	38.6	49.9	117.14
Corn	172.5	159.6	164.8	166.1	163.8	143.5	83.19
Potato	138.2	103.4	105.0	103.9	88.6	106.9	77.35
Vegetables	184.6	187.6	197.2	202.2	210.4	234.8	127.19
Food melons	61.3	66.1	70.1	68.7	71.4	71.1	115.99
Fruits and berries	40.7	41.3	35.4	42.1	45.8	49.6	121.87
Grape	21.7	22.9	24.1	24.8	25.8	26.7	123.04

Source: Statistical Yearbook of the Republic of Tajikistan (2021)

In recent years, the country has also been growing the volume of crop production per capita, although not yet enough to fully meet the needs of the market. In 2019, compared to 2015, the volume of meat production increased by 63%, milk - 104%, vegetables - 113%, food melons - 16%. During this period, per capita production of grain, eggs and potatoes tended to decrease. The rate of reduction in the production of these goods ranged from 5.04% to 35.8% (Table 4).

The food market is strongly influenced by the import of agricultural raw materials and foodstuffs. If for the period 2015-2019. imports of goods as a whole decreased by 31.4, while imports of food products decreased by 20.8. Those. as the country's total imports decrease, the share of food imports in the total import structure increases. If this indicator in 2015 amounted to 19.91%, then in 2019 it increased to almost 23%.

Table 5. Dynamics of imports of food products in the Republic of Tajikistan, thousand US dollars

	2015	2016	2017	2018	2019	2020	2020/2015
Import, total	4045.4	4297.4	3435.6	3031.2	2774.9	3151.0	77.89
Foodstuffs	805.4	891.1	792.4	651.2	637.9	617.6	76.68
in %	19.91	20.74	23.06	21.48	22.99	19.6	98.44

Source: Statistical Yearbook of the Republic of Tajikistan (2021)

In the structure of imports of food products, the main share is occupied by imports of live animals and animal products, products of vegetable origin, fats and oils of vegetable and animal origin, prepared foods, alcoholic and non-alcoholic beverages, as well as tobacco and its substitutes. A high share of imports of these products is observed in 2015-2017. Starting from 2018, food imports have been declining in total, which is mainly due to the depreciation of the national currency and the growth of cheap imported products (Table 5).

Table 6. Imports of the Republic of Tajikistan by commodity groups - million US dollars

	2015	2016	2017	2018	2019	2020
Import	4045.4	4297.4	3435.6	3031.2	2774.9	3151.0
live animals and animal products	68.1	88.4	70.0	50.2	62.5	62.3
vegetable products	384.9	408.5	383.2	318.3	264.9	240.3
fats and oils of vegetable and animal origin	94.2	102.5	96.0	92.1	93.7	83.0
prepared food products, alcoholic and non-alcoholic beverages, tobacco and its substitutes	258.2	291.7	243.2	190.6	216.8	232.0
mineral products	743.8	838.2	571.0	484.8	485.6	582.6
chemical industry products	442.9	379.3	327.4	336.9	319.0	302.9
textiles and textile products	46.2	58.0	57.0	70.7	66.4	60.1

Source: Statistical Yearbook of the Republic of Tajikistan (2021)

An analysis of the data of the customs service showed that of all groups of food products in 2019 compared to 2015. Imports of live animals and livestock products decreased by 8.2%, vegetable products by 31%, and 16%. The dynamics of imports of fat and oil of vegetable and animal origin has not changed much.

Data analysis (Table 6) shows that regardless of the growth in the volume of the most important types of food in the Republic of Tajikistan, their volume is not yet sufficient to meet the needs of the domestic market. For example, in 2019 in the country, the volume of production of meat and meat products compared to 2015. increased by 72%, the production of sausages by 2.3 times, animal butter by 8 times and whole milk products in terms of milk 2.7 times, confectionery 3 times. The volume of production of vegetable oil during this period decreased by 9.9%, alcoholic beverages by 11.11%. In 2019, vegetable oil imports increased by 3.4%, confectionery by 1.8%, and spirits by 22.04%. It should be noted that during this period, the volume of consumption of milk and dairy products per capita increased by 11.7%, confectionery 18.65%, vegetables and melons 15.7%, vegetable oil 7.7%. During the analyzed period, the share of imported products in consumption funds increased from 3% to 22%.

A study of the domestic food market shows that some foreign producers, showing great interest in the domestic market of Tajikistan, seek to open new production lines here, for example, a line for the production of dairy products, a line for growing crops within the country. Such an increased interest creates additional problems for increasing the competitiveness of domestic producers.

The conducted studies allow us to conclude that in order to saturate the domestic market with domestically produced goods, it is necessary to develop and implement such a system of state support for manufacturers of consumer goods, which would be of a long-term nature. Here it is advisable to allocate certain subsidies for young food industries that are in the process of revival. In this regard, state support measures for the food industry must be brought to a level that allows them to compete with cheap imports. Fomina (2016) establishing food clusters, building new agricultural processing plants, increasing the productivity of the dairy herd and supporting the development of family livestock farms in this process will have some value.

The analysis showed that at present, the goods of domestic producers in the domestic market cannot fully provide the population with food, therefore, in order to achieve positive trends in ensuring food security, it is necessary to implement the entire range of tactical and strategic measures outlined in the National Development Strategy of the Republic of Tajikistan for the period until 2030.

Isainov and Arabov (2019) the study showed that despite the accession of Tajikistan to the WTO and the emergence of the opportunity to enter new markets, the ratio of exports and imports has not changed dramatically since 2015. Domestic producers import more than they export. The main reason for the high level of imports is due to the high level of taxation for the production of food products and the high price of raw materials at home compared to abroad. This makes domestic products not always competitive in the domestic market in terms of price and quality.

The study shows that in the Republic of Tajikistan the primary demand of the population has not yet been fully satisfied. Based on this, today a fairly significant part of the expenses of individuals is directed to the purchase of food (50%). For comparison, it should be noted that in developed countries, consumer spending on food does not exceed 15-20%. Studies of trends in the consumption of certain foodstuffs and expenditures of individuals per household have shown that households with an average monthly income below the subsistence level spend money on the cheapest food products: potatoes, flour, milk, etc. This suggests that almost half of household income is spent on products that are less healthy for the body. Sodikov and Arabov (2020) the cost of meat, fish, fruits fluctuate between 16-19%. As income levels rise, these trends are reversed: spending on bread and butter is declining, while spending on meat, fish, and fruit is increasing. Sodikov (2017) the low level of solvency of the population with existing production capabilities, the increase in domestic food production impede the improvement of the nutrition of the population and the improvement of the quality of life.

7. Conclusion

The study showed that in recent years, the saturation of the domestic market with food and non-food products occurs due to imports. A significant share of the growing domestic demand for consumer products is provided by imports, which, at nominal rates, are ahead of the growth in the production of these types of products within the country. The shortage of domestically produced goods in the domestic market is compensated by cheap imports, which are not always of high quality. At the same time, domestic consumer demand is growing faster than the capacity of domestic producers. If, on the one hand, the main reasons for the negative dominance of imports over exports are the lack of competitiveness of domestic products, then, on the other hand, an insufficient measure to protect the domestic market in the face of an increase in the growing degree of openness of the country's economy, the requirements for harmonizing national standards with world standards and tightening the rules for the safety of imported food products are other deterrents. factors in the development of food production in the country.

Currently, Tajikistan can only export its products to a limited number of countries due to the existence of various requirements for the quality of the product and its compliance with certain standards, as well as high transportation costs due to the lack of access to the sea, and the search for new markets in the Asian and European region has certain difficulties. Sharipov et al. (2021) at the same time, Tajikistan's accession to the WTO has made the domestic market more open to imports, which has significantly increased competition on it. In the future, this will improve investment activity, contribute to the intensification of the work of domestic enterprises to increase the competitiveness of products, and increase the effectiveness of methods to combat unscrupulous competitors.

The conducted studies have revealed the features and contradictions of the formation and development of the domestic market of food products, which require the justification of the main directions of its protection in the conditions of participation in multilateral trade agreements. From our point of view, the most important areas of this market are: optimization of the structure of the domestic market, increasing the competitiveness of domestically produced goods, developing and implementing an import substitution policy; improving the methods of price regulation, improving the system of state control of prices for basic foodstuffs; increasing the purchasing power of the population through the implementation of various social programs to improve the welfare of the nation, the introduction of a security system for both domestic and imported products and the use of a comprehensive protectionist non-tariff nature to limit the expansion of imported goods in the domestic market.

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