Impact Factor:					
	ISRA (India) = 6.317	SIS (USA) = 0.912	ICV (Poland) = 6.630
	ISI (Dubai, UAE) = 1.582	РИНЦ (Russia) = 0.126	PIF (India) = 1.940
	GIF (Australia) = 0.564	ESJI (KZ) = 9.035	IBI (India) = 4.260
	JIF = 1.500	SJIF (Morocco) = 7.184	OAJI (USA) = 0.350

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THE SYSTEM OF ECONOMIC CONTRACTUAL RELATIONS WITH ENTERPRISES ENGAGED IN THE CULTIVATION OF OILSEEDS AND THE PRODUCTION OF VEGETABLE OIL

Abstract: *This article analyzes the activities of large industrial enterprises that affect the economic security of the regions. The analysis analyzes the production volumes, product composition, product types over the years. The potential of industrial enterprises in ensuring the economic security of the region and the work to be done were also analyzed.*

Key words: *economic security, food security, oilseeds, vegetable oil, cotton, sunflower, regional economy.*

Language: *English*

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Introduction

In Kashkadarya region, the enterprises of JSC "Kasan Oil Extraction" and JSC "Karshi Oil Extraction" are engaged in the processing of oilseeds. The main activities of these two large industrial enterprises are industrial processing of oilseeds, production of meal, bark, all kinds of vegetable and bean oils, packaging and sale of purified and deodorized vegetable oils in environmentally friendly containers.

In 2019, JSC "Kosan Oil Extract" re-produced 98.552 tons of cotton seeds (100.4% compared to 2015), 56 tons of corn (91.8%), 10 tons of sunflower (30.6%), 336 tons of soyabeans, (+37.3 times), and produced 16544 tons of pure cottonseed oil (106.9%), 10 tons of gasoline-free mascarpone oil (101.5%), 61 tons of unsaturated soybean oil (+30.5 times) 2.3 tons of sunflower oil (38.3%), 16544 tons (106.9%) of dyed cottonseed oil, 10.0 tons (101.5%) fake molasses oil, 61.0 tons (+30.5 times) soybean oil, 2.6 tons (37.1%) unsaturated sunflower oil, 40952.0 tons (107.2%) cottonseed oil 43 tons (89.6%) of molasses oil, 259 tons (+37.0 times) of soybean flour, 7 tons (28.0%) of sunflower flour, 28408 tons (105.2%) of shellfish, 660 tons (99.5%) of cotton soap, 1 ton (100.0%) of molasses, 6 tons (+ 6 times) of soy soap, as well as 7697 tons of packaged butter (94.2%), 7726 tons of castor oil (94.5 percent) (Table 1a-1b).

Table 1a. Changes in production figures at JSC "Kasan Oil Extraction", tons[6]

Name of indicators	JSC "Kasan oil extraction"					
	2015	2016	2017	2018	2019	2019 relative to 2016. %
Cotton seed processing	98152	95152	98548	90287	98552	100.4
Mashar seed			41	69	56	91.8
Sunflower seeds			50	7	10	30.6
Soyabeans			7	0	336	+37.3 м
Unbleached cottonseed oil	15479	12479	17959	18474	16544	106.9
Unscented mascara oil			7	13	10	101.5
Unscented soybean oil			1	0	61	+30.5 м
Unscented sunflower oil			15	1.5	2.6	37.1
Stained cottonseed oil	13563	10563	15739	16418	14619	107.8
Blubber also is a cover that holds in heat			6	11	9	100.0
Stained soyabean oil			1	0	54	+54.3 м
Stained sunflower oil			13.5	1	2.3	38.3
Cotton meal	38187	35187	44038	44343	40952	107.2
Mashar meal			32	57.3	43	89.6
Soaybean meal			5	0	259	+37.0 м
Sunflower seeds			33	5	7	28.0
Husk	26998	23998	31416	30981	28408	105.2
Cotton soapstogi	1668	1668	1932	1761	1660	99.5
Masxar soapstogi			1.9	1	1	100.0
Soya soapstogi			0	0	6	+6 м
Sunflower soapstogi			1.3	0.2	0	0.0
Packaged butter is all	8173	8173	8101	8918	7697	94.2
Blubber also is a cover that holds in heat.	8173		7711	9951	7726	94,5

Table 1b. Changes in production figures at JSC "Karshi Oil Extraction", tons[6]

Name of indicators	JSC "Karshi oil extraction"					
	2015	2016	2017	2018	2019	2019 compared to 2016,%
Cotton seed processing	60553	61553	78247	69798	78337	129.4
Mashar seed	1099	1080	0	0	930	84.6
Sunflower seeds	30.27	28.27	0	2	0	0.0
Soyabeans	4.0	2.0	0	0	97	+24.2 м
Unbleached cottonseed oil	12571	12371	10451	14682	12781	113.5
Unscented mascara oil	209	190	190	0	168.4	80.6
Unscented soybean oil	0.71	0.51	0	0	17.5	+24.6 м
Unscented sunflower oil	8.11	8.09	0	0.61	0	0.0
Stained cottonseed oil	11185	11085	9251	13060	11294	100.9
Blubber also is a cover that holds in heat	186.0	185.0	0	0	148.5	79.8
Stained soyabean oil	0.63	0.53	0	0	317.39	+31.7 м
Stained sunflower oil	7.3	5.3	0.82	0.55	0	0.0
Cotton meal	30057	29057	31150	35587	31763	105.7

Mashar meal	830.4	810.4	758	0	710	85.5
Soaybean meal	76.17	56.17	76.6	0	74	97.2
Sunflower seeds	0	0	0	1	0	0.0
Husk	21639	21839	22400	24187	21692	100.2
Cotton soapstogi	1186.3	1196.3	1227.1	1387	1283	108.2
Masxar soapstogi	19.96	20.96	17.86	0	17.0	85.2
Soya soapstogi	6.8	2.8	17.108	0	20	+2.9 м
Sunflower soapstogi	0.7	0.4	0	0	0	0.0
Packaged butter is all	5785	5685	6471.5	6563	6811	117.7
Blubber also is a cover that holds in heat.	6031	6028	6620	6491	6813	113.0

Analyzing the activities of JSC "Karshi Oil Extract", in 2019 the company produced 78.337 tons of cotton seeds (129.4% compared to 2016), 930 tons of mascarpone (84.6%), 97 tons of soyabeans (+24.2), 12.781 tons of unsaturated cottonseed oil (113.5%), 168.4 tons of unsaturated shea butter (80.6%), 17.5 tons of unsaturated soyabean oil (+24.6 times), 11294 tons (100.9%) dyed cottonseed oil, 148.5 tons (79.8%) dyed molasses oil, 317.4 tons (+31.7 times) soybean oil, 31763 tons (105.7%) of cotton seeds, 710 tons (85.5%) of soy flour, 74 tons (97.2%) of food, 21 692 tons (100.2%) of husk, 1283 tons (108), 2 percent) cotton soap, 17.0 tons (85), 2 percent) fake soap, 20 tons (+2.6 times) soy soap, as well as 6811 tons of packaged oil (117.7 percent), 6813 tons of stain oil (113.0 percent).

In 2019, due to the non-delivery of sunflower seeds to JSC "Karshi Oil-Extraction", semi-finished and finished products made from this raw material were not produced. If we compare the change in the total production of finished products at these two enterprises, the volume of all types of packaged oils and all dyed petroleum products in JSC "Karshi Oil Extract" in 2016-2019 increased by 17.7% and 13.0%, respectively. At Kosan Oil Extraction JSC, by contrast, the figure fell to 5.8% and 5.5%, respectively.

If we pay attention to the financial performance of enterprises, production efficiency at Kosan Oil Extract JSC is relatively high. In particular, the company in 2019 received a net profit of 198.5% more than in 2016 (57953.5 million soms), the total value of products sold amounted to 94532.7 million soms, which is compared to the same period last year 112.0 percent more. In 2016-2019, the growth rates of net sales and total sales prices in the Karshi Oil Production company were 119.6% and 212.6%, respectively (Table 2a-2b).

Table 2a. Analysis of financial activity in JSC "Kasan oil-extraction"[6]

Name of indicators	**Unit of measurement**	**JSC " Kasan oil extraction"**					
		2015	**2016**	**2017**	**2018**	**2019**	**2019 compared to 2015,%**
Net income from sales of goods (goods, works and services)	mln. sum	58835.6	90522.5	92522.5	95575.8	116 789.1	198.5
Cost of goods sold (goods. works and services)	mln. sum	48454.4	58295.7	69629.9	84420.3	94532.7	195.1
Current expenses	mln. sum	1513.8	7209.5	8510.7	11560.4	11191.1	739.3
The benefits of the main activity	mln. sum	211.2	123.1	144.1	230.4	343.4	162.6

Table 2b. Analysis of financial activity in JSC "Karshi oil-extraction"[6]

Name of indicators	Unit of measurement	JSC " Karshi oil extraction"					
		2015	2016	2017	2018	2019	2019 compared to 2015.%
Net income from sales of goods (goods, works and services)	mln. sum	63706.5	65742.5	70812.9	71387.8	76 192.1	119.6
Cost of goods sold (goods, works and services)	mln. sum	30920. 6	45271.2	56947.3	60487.6	65734.8	212.6
Current expenses	mln. sum	4838.7	5264.1	6611.3	7221.4	7515.6	155.3
The benefits of the main activity	mln. sum	213.3	3456.2	6741.5	3434.6	3078.7	144.2

During the analyzed period, the costs of Kosan Oil and Extraction increased by 95.1%, and at Karshi Oil and Extract - by 112.6%. As a result, the net profit of JSC "Kosan Oil-Extract" increased by about 62.6% (from 211.2 million soms to 343.4 million soms), and in 2019, JSC "Karshi Oil-Extract" revenue was 44.2%. previous 2015 degree.

Analyzing the production capacity and losses of enterprises, the rate of capacity utilization in JSC "Kasan Oil-Extract" in 2019 was 57.6%, while in JSC "Karshi Oil-Extract" this figure was 55.7% (Table 3a-3b). Although this figure has improved slightly compared to the previous 2015, it indicates that the level of production at both enterprises is still low. If we analyze the production of black oil, soap and irreversible losses in the process of processing cotton seeds, these figures are almost the same in both enterprises. Also, meal, husk, refined oil output and natural losses are almost equal.

Table 3a. The level of utilization of production capacity in JSC "Kasan oil-extraction" and JSC "Karshi oil-extraction"[6]

Name of indicators	Unit of measurement	JSC "Kasan oil extraction"					
		2015	2016	2017	2018	2019	2019 compared to 2015,%
Use of enterprise capacity	%	52.6	58.7	60.3	62.1	57.6	109.5
The release of black oil	%	20.2	18.6	17.9	18.7	18.3	90.6
Meal	%	50.5	44.8	43.7	45.0	45.0	89.1
Husk	%	33.3	31.7	30.2	31.4	31.4	94.3
Natural losses	%	4.1	4.8	3.9	4.8	5.2	126.8
Elegant oil output	%	88.7	87.8	86.4	88.9	88.3	99.5
Soapstock output	%	9.7	9.6	8.7	9.5	10.0	103.1
Irreversible losses	%	1.6	1.6	1.3	1.6	1.6	100.0

The analysis also shows that during the period 2016-2019, the output of black oil, shellac and refined oil decreased in both enterprises. This is directly related to the labor resources available in these enterprises and their utilization rate.

Table 3b. The level of utilization of production capacity in JSC "Karshi oil-extraction"[6]

Name of indicators	Unit of measurement	JSC "Karshi oil-extraction"					
		2015	2016	2017	2018	2019	2019 compared to 2015,%
Use of enterprise capacity	%	55.4	42.5	44.6	57.9	55.7	100.5
The release of black oil	%	18.6	17.3	18.5	18.6	18.3	98.4
Meal	%	44.5	42.1	45.1	44.8	45.5	102.2
Husk	%	32.0	30.1	31.4	31.7	31.1	97.2
Natural losses	%	4.8	3.8	4.8	5.0	5.1	106.3
Elegant oil output	%	88.9	87.1	88.5	88.8	88.4	99.4
Soapstock output	%	9.4	7.2	9.9	9.9	10.0	106.4
Irreversible losses	%	1.6	1.5	1.6	1.6	1.6	100.0

In particular, as of 2019, JSC "Kasan Oil Extraction" employed an average of 625 employees. During this period, 121 workers were laid off. At that time, staff dissatisfaction was 19.3%. The total salary of employees amounted to 8983.3 million soms, with an average monthly salary of 1197.7 thousand soms per employee. At Karshi Oil Extraction JSC, 41 out of 574 employees lost their jobs, which means that the staff dissatisfaction was 7.1%. The monthly salary per employee amounted to 816.6 thousand soms (Table 4).

Table 4. Indicators of labor efficiency in JSC "Karshi oil-extraction" and "Kasan oil-extraction"[6]

Name of indicators	Unit of measurement	JSC " Kasan oil extraction"				JSC "Karshi oil extraction"			
		2017	2018	2019	2019 compared to 2017, (+; -)	2017	2018	2019	2019 compared to 2017, (+; -)
The average number of total processors	people	1265	480	625	-0,5	543	558	574	+1.1
Dismissed	people	37	41	121	+3.3	32	37	41	+1.3
Staff dissatisfaction	%	0.9	0.8	19.3	+21.4	5.9	5.4	7.1	+1.2

Total wages of workers	mln.sum	6957.3	7584.6	8983.3	+1.3	2317.8	3546.2	4956.9	+2.1
The average monthly wage per worker	thousand soums	788.8	654.2	1197.7	+1.5	355.7	590	816.6	+2.3

If we compare these figures with 2017, the total number of employees in JSC "Kasan Oil-Extraction" decreased by almost 50%, the number of layoffs increased by 3.3 times. At the same time, the income of workers increased, i.e. during this period their monthly salary increased by 1.5 times. In JSC "Karshi Oil Extraction", on the contrary, the number of employees increased by 1.1 times, the number of vacancies increased by 1.3 times. Workers' income increased 2.3 times.

In general, Kashkadarya region has a great potential for planting oilseeds and processing of raw materials. However, the analysis showed that enterprises also have internal reserves to increase production. It would be expedient to develop and implement measures for the efficient use of this reserve.

In the course of the activities of JSC "Karshi oil-extraction" and JSC "Kasan oil-extraction" (various material costs, wages) costs are incurred in the following areas:

- material costs;
- labor costs;
- social allocation costs;
- depreciation of fixed assets and other expenses.

There are also period costs of the enterprise, including selling expenses, administrative expenses, taxes and mandatory payments, and other operating expenses.

In 2019, JSC "Karshi Oil Extraction Plant" produced goods worth 75192.1 million soms at current prices, which in 2015 amounted to 45050.1 million soms, which is almost 1.7 times more than in 2019. The total cost of production in 2019 will be 71432.2 million soms, in 2015 43763.5 mln. soms, i.e. expenditures increased by 1.6 times during the same period. Expenditures for the same period amounted to 7515.6 mln. soms. In 2019, this figure was 4.838.7 million. At that time, the cost of production in 2019 increased by 1.64 times compared to 2015 (Table 5).

The financial stability of the enterprise can be strong only if the total cost of goods for one som does not exceed 90 penny. The total cost of the enterprise in 2019 amounted to 93.76 soms at full cost, and in 2015 this figure was 97.14 soms. It can be seen that this indicator allows the company to operate with high income.

Table 5. Production cost indicators of JSC "Karshi oil-extraction" (million soums)[6]

Name of indicators	**Unit of measurement**	**2015**	**2016**	**2017**	**2018**	**2019**	**2019 compared to 2015, (+; -)**
The volume of branded products at current prices	mln.sum	45050.1	70005.1	71046.2	73947.4	75192.1	166.9
Cost of goods sold	mln.sum	43763.5	64449.1	58081.4	69187.5	71432.2	163.2
Including:							
production costs	mln.sum	38924.8	57837.8	59655.2	61966.1	63916.5	164.2
period costs	mln.sum	4838.7	6611.3	6824.3	7221.4	7515.6	155.3

Cost of 100 soms for branded products:							
At full cost	sum	97.14	92.06	91.34	93.56	93.75	96.5
production costs	sum	86.5	82.6	80.7	83.8	83.9	97.0
Gross profit	mln.sum	1286.6	5556.0	4545.8	4759.9	3760.0	292.2
Profit from production costs	mln.sum	6125.3	121673	10751.2	11981.3	11275.6	184.1
Efficiency at full cost	%	2.93	8.6	7.5	6.9	5.3	1.8
Efficiency in relation to production cost	%	15.74	21.03	18.03	19.33	17.64	1.12

Continuing the analysis on the example of JSC "Kasan Oil Extraction Plant", in 2019 the company produced goods at current prices in the amount of 116789.1 million soms, which in 2015 amounted to 58835.6 million soums, which is almost 2.0 times more than in 2019 (Table 6).

Table 6. Production cost indicators of JSC "Kasan oil-extraction" (million soms)[6]

Name of indicators	**Unit of measurement**	**2015**	**2016**	**2017**	**2018**	**2019**	**2019 compared to 2015, (+; -)**
The volume of branded products at current prices	mln.sum	58835.6	90522.5	92522.5	95575.8	116789.1	198.5
Cost of goods sold	mln.sum	48454.4	58295.7	69629.9	84420.3	94532.7	195.1
Including:							
production costs	mln.sum	46940.6	51086.2	61119.2	72859.9	83341.6	177.5
period costs	mln.sum	1513.8	7209.5	8510.7	11560.4	11191.1	739.3
Cost of 100 soms for branded products:							
At full cost	sum	94.23	91.69	95.74	90.46	92.13	97.8
production costs	sum	83.62	80.17	85.1	81.65	82.83	99.1
Gross profit	mln.sum	10381.2	32226.8	22892.6	11155.5	22256.4	214.4
Profit from production costs	mln.sum	11895.0	39436.3	31403.3	22715.9	33447.5	281.2

Efficiency at full cost	%	21.4	55.3	32.9	13.2	23.5	109.9
Efficiency in relation to production cost	%	25.3	77.2	51.4	31.2	40.1	158.4

The total cost of production in 2019 was 94532.7 million soms, in 2015 48454.4 mln. soums, i.e. expenditures increased by 1.9 times during the same period. Expenditures for the same period amounted to 11191.1 mln. soms. In 2015, this figure was 1.513.8 million soms. At that time, the cost of production in 2019 increased by 1.8 times compared to 2015.

Considering the efficiency of the analyzed enterprises, it was found that the production of JSC "Kasan Oil Extraction" in 2019 increased by 104% compared to 2015, the production of JSC "Karshi Oil Extraction" increased by 126.7% in accordance with the analysis period. Processing of products for the period is 124.7% more in JSC "Kasan Oil Extraction" than in JSC "Karshi Oil Extraction" (Table 7a - 7b). Differences in the processing of products are also reflected in the production of non-stained and stainless oil, meal, husk and soapstone. The production of non-stained and stained oil, meal, husk and soapstog at the enterprise "Kasan Oil Extraction" is on average 25% higher than at the enterprise "Karshi Oil Extraction". In particular, the production of non-stained oil increased by 28.2%, stainless oil - by 24.9%, meal - by 26.8%, husk - by 31% and soapstone - by 26.3%.

Table 7a. Efficiency of oilseed processing enterprises in Kashkadarya region[6]

№	Name of indicators	JSC "Kasan oil extraction"			
		2016	2017	2018	2019
1	Product processing (tons)	95152	98646	90363	98954
2	Unbleached oil (tons)	12479	17982	18488.5	16617.6
3	Blubber also is a cover that holds in moisture.	10563	15759.5	16430	14684.3
4	Meal (tons)	35187	44108	44405.3	41261
5	Husk (tons)	23998	31416	30981	28408
6	Soapstogi (tons)	1668	1935.2	1762.2	1667
7	Gross product value (million soums)	90522.5	92522.5	95575.8	116789.1
8	Production cost (million soums)	58295.7	69629.9	84420.3	94532.7
9	Average cost of processing 1 kg of product (UZS)	612.7	705.9	934.2	955.3
10	Average price of 1 kg of product (soums)	951.3	937.9	1057.7	1180.2
11	Profit from 1 kg of product (sum)	338.7	232.1	123.5	224.9
12	Gross profit from product processing (million soms)	32226.8	22892.6	11155.5	22256.4

Table 7b. Efficiency of oilseed processing enterprises in Kashkadarya region[6]

№	Name of indicators	JSC "Kasan oil extraction"			
		2016	2017	2018	2019
1	Product processing (tons)	62663.3	78247	69800	79364
2	Unbleached oil (tons)	12569.6	10641	14682.6	12966.9
3	Blubber also is a cover that holds in moisture	11275.8	9251.8	13060.6	11759.9

4	Meal (tons)	29923.6	31984.6	35588.0	32547.0
5	Husk (tons)	21839.0	22400	24187.0	21692.0
6	Soapstogi (tons)	1220.5	1262.1	1387.0	1320.0
7	Gross product value (million soums)	70005.1	71046.2	73947.4	75192.1
8	Production cost (million soums)	64449.1	58081.4	69187.5	71432.2
9	Average cost of processing 1 kg of product (UZS)	1028.5	742.3	991.2	900.1
10	Average price of 1 kg of product (soums)	1117.2	908.0	1059.4	947.4
11	Profit from 1 kg of product (sum)	88.7	165.7	68.2	47.4
12	Gross profit from product processing (million soms)	5556.0	12964.8	4759.9	3759.9

When analyzing the efficiency of production activities between the analyzed enterprises, "Kasan Oil Extraction" and "Karshi Oil Extraction", it was found that the income of "Kasan Oil Extraction" is 1.5 times higher than that of "Karshi Oil Extraction". The situation is primarily due to the fact that there is a gap between the volume of production and costs of enterprises. When analyzing the cost of products produced by enterprises, the average cost of 1 kg of products produced by Karshi Oil Extraction in 2019 is 900.1 soms, which is 5.8 points less than the average cost of 1 kg of products produced by Kasan Oil Extraction. It was found that such a situation is primarily due to the low cost of production of 1 kg of product and the large volume of the final product in the production of the product. The average price of 1 kg of products produced by Karshi Oil Extraction is 19.7 points lower than the average price of 1 kg of products produced by Koson Oil Extraction. In particular, the company "Kasan Oil Extraction" produces an average profit of 224.9 soms per 1 kg, and the company "Karshi Oil Extraction" - 47.4 soms per 1 kg. The final gross profit of the enterprises in 2019 at the enterprise "Kasan Oil Extraction" is 22256.4 million soms, and at the enterprise "Karshi Oil Extraction" - 3759.9 million soms, the mutual profit of these enterprises at the enterprise "Kasan Oil Extraction" is 5.9 times more.

The above-mentioned enterprises process large quantities of cottonseed with oilseeds and produce cottonseed oil and other oils, and in the process enter into contractual relations with various raw material preparation and refining enterprises. Contracts for the supply of technical cotton seeds will be signed tripartitely with the participation of the regional association "Pakhtasanoat", JSC "Karshi oil-extraction" and JSC "Kasan oil-extraction" and district ginneries. JSC "Karshi Oil-Extraction" and JSC "Kasan Oil-Extraction" undertake to make full payments and payments for products supplied to the regional association "Kashkadarya Pakhtasanoat" before receiving the delivered products. The regional association “Pakhtasanoat” undertakes to supply technical cotton seeds through the ginnery in accordance with the schedule approved by the Ministry of Economy and Industry of the Republic of Uzbekistan.

In accordance with the Resolution of the Cabinet of Ministers of the Republic of Uzbekistan No. 199 of September 18, 2006, the products are shipped by JSC "Kasan Oil-Extraction" and JSC "Karshi Oil-Extraction" after payment of 100% of the fee. The quality of delivered seeds must meet the requirements of the State Standard of the Republic of Uzbekistan 596-2009. For each batch of sent seeds, the Regional Association "Pakhtasanoat" provides a certificate of conformity issued by the "Sifat" Center.

According to the Resolution of the Cabinet of Ministers of the Republic of Uzbekistan No. 93 of March 31, 2005[5], the representatives of the "Sifat" Center and the oil company receive the quantity and quality of technical seeds in groups in the warehouse of the ginnery. Together with the inspector of the Sifat Center, a representative of the oil company and representatives of the enterprise, technical seeds are inspected for quantity and quality in the warehouse of the ginnery and documented and accepted by the "Test Report". In this process, there are transaction costs associated with measuring the quality and quantity of the product between the parties to the contract.

The ginnery undertakes to load the finished product from its territory in a timely manner on railway wagons and trucks. JSC "Kason Oil-Extraction" and JSC "Karshi Oil-Extraction" are responsible for the provision of railway cars and cars and payment for vehicles in the transportation of goods, or it is transported by its own vehicles. Forwarder drivers of vehicles hired by the oil company must provide a power of attorney to receive the technical seed on the spot in the presence of a certificate of conformity of the "Sifat" Center. In the absence of a power of attorney, the technical seed is

not added. At the same time, JSC "Karshi Oil Extraction" spends transaction costs for freight forwarders to obtain a certificate of conformity of the "Sifat" Center.

After the truck is loaded on tractor trolleys, the ginner receives the seeds in the warehouse of the ginnery together with a representative of the oil company or another person authorized on his behalf and a representative of the "Sifat" Center on the quantity and quality of seeds. When conducting a control analysis of technical seeds at the oil plant, if there are discrepancies in quality between the analyzes, the representative of the cotton plant and oil company and the inspector of the Center "Sifat" are notified to re-examine this batch of seeds. The costs of the process associated with the control analysis and re-inspection of the seed oil plant are also transaction costs.

The parties shall take all measures to comply with the terms of the contract. In accordance with the Law of the Republic of Uzbekistan "On the contractual legal framework of business entities"[11] for refusal to pay for the delivered products, the supplier pays a fine of 15% of the amount he refused to pay. For non-payment for the delivered products in the manner prescribed by the contract, JSC "Kasan Oil-Extraction" and JSC "Karshi Oil-Extraction" are charged a surcharge of 0.4% per day, but the amount of surcharge should not exceed 50% of the unpaid amount.

The consignor must pay a surcharge of 0.4% for each day of delay in the amount of undelivered product to the oil company for unreasonable failure to deliver the product in the amount specified in the contract, the amount of the surcharge should not exceed 50% of the unpaid amount[12].

In case of disagreements and disputes, as a rule, the parties shall take measures to resolve them before the court on the basis of mutual consent. If the parties fail to reach an agreement, the dispute shall be heard in the regional economic court where the party is responsible. Examples of transaction costs incurred as a result of opportunistic behavior are fines and penalties for breach of contract and costs incurred in resolving disputes in various directions.

The analyzed enterprises annually sign pre-contracts with all ginneries in the region for the supply of raw materials. However, due to the inability of ginneries to supply all or part of the raw material, the enterprise is able to use only half of its production capacity (Table 4). As a result of a violation of the terms of the contract, the company's consideration of lawsuits against ginneries in court, the company incurs large transaction costs.

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