



## IMPROVING ACCOUNTING OF VINEYARD CREATION COSTS ON FARMS

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**Abstract :**The article describes some organizational and methodological issues of accounting for the costs of organizing grape plantations, as well as formulates scientific conclusions, gives suggestions and practical recommendations for their improvement.\

**Keyword;**Capital Investment, Accounting Accounts, Analytical Account, Cost Object, Cost Item, Efficiency.

### I. INTRODUCTION

One of the main directions of the agricultural reforms of the Republic of Uzbekistan is to increase the volume of production in order to ensure food safety, to focus on ecological cleanliness, to create an export-oriented agricultural production system, to prevent accidents based on the introduction of storage and processing of manufactured products aimed at providing the population with basic types of agricultural products continuously. In this regard, in order to provide the domestic market with quality products, it is important to further develop fruit and vegetable growing and viticulture, which is one of the leading sectors in the agro-industrial complex. Because this sector provides an opportunity to continuously meet the demand of the population for quality food products and industrial enterprises for raw materials. In addition, Uzbekistan is a country with high potential for growing and exporting viticulture products.

From January to July in 2022, the export of fruits and vegetables amounted to 750 million US dollars. In particular, 245.2 thousand tons of grapes worth 216.6 million dollars were exported abroad. Fruits and grapes were mainly exported to Russia, Kazakhstan, Kyrgyzstan, Afghanistan, Pakistan and China. Especially this year, for the first time in the markets of Germany, Lithuania and Turkmenistan, grapes grown on the borders of the country were sold.

In The decision of the President of the Republic of Uzbekistan dated August 3, 2023 No. 260 "On measures aimed at the further development of the viticulture and winemaking industry in 2023-2026" in order to develop the further sustainable the viticulture and winemaking industry in our country, breed and cultivation of new promising industrial grape varieties, strengthen the provision of processing enterprises with raw material base and financial support, train of qualified specialists, as well as to increase the volume of exports of grape and wine products in our republic in 2023 and 2024, a total of 187,614 hectares, including 102,940 hectares of khoraki, 58,780 hectares of Kishmishbop and the task of establishing 25,984 hectares of new vineyards with industrial grape varieties was set. In order to supply high-quality grape seedlings for the establishment of new vineyards, it was decided to establish in-vitro laboratories for the preparation of grape seedlings with a project cost of 586.6 billion soums, with the capacity to produce 30,493 thousand seedlings per year in 13 regions of our Republic.

In carrying out these tasks, along with the effective use of existing vineyards on farms, it will be necessary to renovate old inefficient vineyards, create new vineyards. The costs of establishing vineyards are included in the cost of capital investment in the accounting, and the improvement of these costs will ensure the efficient use of capital investment costs on farms and the targeted use of funds. As a result of the

research, proposals and recommendations were made to improve the cost accounting for the establishment of vineyards on farms.

## II. LITERATURE REVIEW

The British scholars Ch.T. Horngren and J. Foster expressed their views on this issue: selection of incoming cost accounting items (e.g., product or unit) "[4]. This idea determines the need to correctly select the object of expenditure, taking into account that these costs are an integral part of the calculation of capital investments in the accounting of the costs of establishing vineyards.

According to Russian scientists M.F. Ogiychuk and V.M. Gavriilyuk, "... the cost of establishing grape plantations is included in the cost of growing perennial biological assets, and the vineyards are transferred to the list of perennial biological assets that are grown for four years and yield after four years. In this case, the "Act of acceptance of perennial biological assets of plants" is drawn up for three years, at the end of each year, and with the act of the fourth year is included in the list of "Long-term biological assets" [5].

Accounting for the costs of establishing vineyards on the relevant cost elements and items, while allowing separate accounting of costs by economic nature, type, increases the effectiveness of their control and analysis. Although the costs of establishing vineyards in the Russian Federation are included in capital expenditures, Russian economists note that these costs are grouped by the following cost elements included in the cost of production: "Costs that make up the cost of production are grouped by economic elements:

- material costs (minus the cost of recyclable waste);
- labor costs;
- single social tax;
- depreciation of fixed assets;
- other costs".

Proper organization of the calculation of costs for the establishment of vineyards allows for an objective assessment of the inclusion of vineyards in the composition of fixed assets (perennial plants), ensures the reliability of accounting data.

According to M.Z. Pisengolts, "The cost of planting and growing perennials in agricultural enterprises is a separate group of capital investments. To account for capital investment costs, separate analytical accounts are allocated in the account "Investments in non-current assets". These analytical accounts reflect the costs of planting, cultivating, and growing young (non-productive) perennial trees (orchards, vineyards, protective trees, etc.) "[7].

## III. RESEARCH METHODOLOGY

In this research, we used of methods of logical analysis and synthesis, grouping, comparative and structural analysis, abstraction, factor analysis, induction and deduction.

## IV. ANALYSIS AND RESULTS

Like all branches of agriculture, viticulture is developing rapidly in our republic. In The decision of the President of the Republic of Uzbekistan dated August 3, 2023 No. 260 "On measures aimed at the further development of the viticulture and winemaking industry in 2023-2026" to develop more sustainably the viticulture and winemaking industry in our country in the future including:

- to establish 187,614 hectares of new vineyards in our republic during 2023-2024;
- In 12 regions of our republic, the establishment of "in-vitro" laboratories with a capacity of 30,493 thousand seedlings per year for the cultivation of vine seedlings and a number of other tasks were determined, and the road map for the comprehensive development of the viticulture and wine industry in 2023-2026 was approved.

The implementation of these activities in the field of viticulture will allow the further development of the network and increase the cultivation of grapes in our Republic.

It is known that the bulk of the grape crop currently grown is accounted for by farms. The analysis of this in the case of Samarkand region was as follows (Table 1).

Table 1.  
**The share of farms in the cultivation of grapes  
in Samarkand region in 2022-2023**

| №  | Category of farms                                | 2022 y.           |          | 2023 y.           |          | Growth speed, % |
|----|--|-------------------|----------|-------------------|----------|-----------------|
|    |  | Gross yield, tons | Weight % | Gross yield, tons | Weight % |                 |
| 1. | Farms  | 315798            | 53,3     | 331768            | 54,2     | 106,1           |
| 2. | Personal assistant farms                         | 261539            | 44,2     | 268123            | 43,8     | 102,5           |
| 3. | Organizations engaged in agricultural activities | 15154             | 2,5      | 12310             | 2,0      | 0,80            |
|    | Total for all categories of farms                | 592491            | 100,0    | 612201            | 100,0    | 103,3           |

According to Table 1, 612201 tons of grapes were grown in Samarkand region in 2023, of which 331768 tons or 54.2 percent were grown by farms. In 2022, 315798 tons of 592,491 tons of grapes were produced by farms, and their share in the total production was 53.3 percent.

The costs of establishing vineyards, as well as other agricultural enterprises, are included in capital investments on farms, which have specific features in the organization of their accounts, compared to other capital investments (purchase of fixed assets, replenishment of the main herd, land improvement, etc.).

These features include:

- The location of lands for the establishment of vineyards and natural and climatic conditions. At the same time, the creation of vineyards takes into account the organization of irrigation networks on the land, the adaptation of the land to the planting of grape seedlings and other costs.

- Technological processes of planting grape seedlings and their growing season. Grape seedlings are usually planted from vine cuttings in late fall or early spring. Vine cuttings are prepared by farms or purchased from seedling growers. The costs of technological processes such as irrigation, fertilization, weeding, weeding, row spacing during the growing season are taken into account.

- Types of material costs incurred during the growing season of grape seedlings. Taking into account the cost of mineral and organic fertilizers, plant protection products during the growing season of grape seedlings, these costs are not specific to the cost of construction and purchase of fixed assets, which is a capital investment

- The period of full yield of sown grape varieties. The period of full yield of sown grape varieties is three years, during which the cuttings are fully harvested. Expenditures incurred over three years are taken into account separately and serve as a basis for determining the initial value (price) of vineyards.

The grouping of costs according to their economic nature is called cost elements. The costs of establishing vineyards are accounted for by the following cost elements:

1. Material costs.
2. Wage costs.

3. Allocations for social purposes.
4. Depreciation of fixed and intangible assets.
5. Other expenses.

Capital investments in the construction of vineyards are accounted for in an analytical account opened separately in the account "Other capital investments". In this analytical account, the costs of establishing vineyards are accounted for by the following cost items:

1. With salary deductions
2. Planting materials
3. Fertilizers.
4. Depreciation of fixed assets.
5. Works and services.
6. Insurance payments.
7. Other expenses.

1. In the expense item "Salary deductions" the basic and additional salary payments to workers directly involved in the construction of vineyards, as well as deductions for social purposes are taken into account.

2. In the item "Seedlings" the cost of cuttings (seedlings) planted is taken into account.

3. The cost item "Fertilizers" takes into account the consumption of mineral and organic fertilizers during the care of vine seedlings.

4. In the expense item "Depreciation of fixed assets" directly takes into account the amounts of depreciation accrued on fixed assets used in the construction of vineyards.

5. In the article "Works and services" in the process of creation of vineyards takes into account the services provided by the farm to its auxiliary productions and the cost of work and services performed by other organizations.

6. The cost item "Insurance payments" takes into account the costs of insuring the current from various natural disasters.

7. In the expense item "Other expenses" other expenses which are not taken into account in the above items are taken into account.

At the end of the year, these costs are transferred to the analytical account "Young Trees" in the account "Perennial Plants" with the following accounting entry:

Debit Analytical chart "Young trees" of the account "Perennials".

Credit "Other capital investments" account "Vineyard plantations" analytical account.

Usually, depending on the level of care, the vine begins to bear a certain amount from the second year. This yield is obtained by the following accounting entry:

Debit "Finished goods" account

Credit "Other capital investments" account "Vineyard plantations" analytical account.

The organization of the calculation of the cost of planting vineyards on farms on the basis of these proposals will lead to control over the costs of the network, efficient use of funds, cost-effective evaluation of vineyards, and, consequently, increase the efficiency of the network.

## V. CONCLUSION/RECOMMENDATIONS

In the context of modernization of the economy, it is necessary to improve the organizational and methodological aspects of accounting for capital investment in farms, including the cost of planting vineyards.

The current regulations provide information on the sources of funding for investment projects, types of innovation and investment costs, the organization of capital investments in areas of agriculture (horticulture, viticulture, fisheries, beekeeping, etc.), which are given special attention in recent years. and organizational and methodological aspects of its conduct.

It is proposed to keep track of the cost of construction of vineyards in the analytical account "Grape plantations" of the account "Other capital investments" in 7 cost items. This leads to an increase in the cost-effectiveness of capital investment, ensuring the targeted use of expenditures through the analysis and control of material resources, types of expenditures.

It was proposed to establish analytical accounts, taking into account the location of lands for the establishment of vineyards and natural and climatic conditions, the period of planting grape seedlings and their technological processes during the growing season. Proper organization and maintenance of analytical accounts serves as an economic basis for determining the initial value (price) of vineyards.

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