IMPROVING THE EFFICIENCY OF ASSET UTILIZATION IN COTTON AND WHEAT SEED PROCESSING ENTERPRISES

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Abstract. This paper analyzes the composition of assets and the efficiency of their utilization in seed processing enterprises. The dynamics of total assets, current assets, asset turnover, and return on assets during 2022–2025 are assessed. It is demonstrated that when an increase in assets is not accompanied by a proportional rise in sales revenue and profit, the return generated by the capital employed declines. Recommendations are proposed for coordinating the management of accounts receivable, inventories, and production assets.

Keywords: total assets, current assets, asset turnover, return on assets, accounts receivable, working capital, seed processing enterprise.

The operations of a seed processing enterprise depend on the use of buildings and equipment, warehouses, vehicles, raw material inventories, accounts receivable, and cash. An increase in assets may expand an enterprise's production capacity; however, if those assets fail to generate sufficient revenue and profit, economic efficiency declines. Therefore, along with the volume of assets, it is necessary to assess their turnover and profitability.

Productivity is generally defined as the ratio of output produced to resources used [3]. At the enterprise level, asset turnover indicates how effectively available economic resources generate sales revenue, while return on assets reflects the net profit earned through the use of those resources. The appropriate classification of assets in financial statements and their comparability across reporting periods provide essential information for managerial decision-making [6; 7].

The study employed horizontal and structural analyses of balance sheet data, as well as financial ratio analysis. Asset turnover was calculated as the ratio of sales revenue to average annual total assets, while return on assets was calculated as the ratio of net profit to average annual total assets. Since opening balance sheet values for 2022 were unavailable, comparable ratios are presented for 2023–2025.

Table 1

Assets and the Efficiency of Their Utilization

Enterprise	Year	Total assets, UZS thousand	Current assets, UZS thousand	Asset turnover, times	Return on assets, %
RISHTAN BEST SEEDS LLC	2022	11,753,915.38	1,147,631.66	—	—
	2023	14,747,471.50	4,893,074.73	0.67	6.71
	2024	14,864,045.47	5,321,368.31	0.35	0.60
	2025	75,125,122.00	60,031,533.00	0.89	−7.89
TASHKENT BEST SEEDS LLC	2022	957,420.80	884,810.80	—	—
	2023	69,629,199.25	42,901,932.10	1.25	4.05
	2024	68,761,919.05	44,962,572.28	0.73	2.36
	2025	122,776,447.05	93,133,560.72	0.71	2.40

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Source: Author's calculations based on Forms No. 1 and No. 2 of the enterprises' financial statements.

The total assets of RISHTAN BEST SEEDS LLC increased from UZS 11.8 billion in 2022 to UZS 75.1 billion in 2025. The most substantial increase occurred in 2025, when current assets reached UZS 60.0 billion. According to the financial statements, accounts receivable rose to UZS 57.3 billion, indicating that the majority of current assets were concentrated in claims that had not yet been converted into cash flows. Consequently, although asset turnover amounted to 0.89 times, return on assets was −7.89%.

In 2023, the asset turnover ratio of RISHTAN BEST SEEDS LLC was 0.67 times, while return on assets amounted to 6.71%. In 2024, due to the decline in sales revenue, asset turnover fell to 0.35 times and return on assets decreased to 0.60%. Asset turnover recovered in 2025; however, the net loss resulted in a negative return on assets. This demonstrates that asset turnover and profitability do not necessarily change in the same direction.

The total assets of TASHKENT BEST SEEDS LLC increased from UZS 957.4 million in 2022 to UZS 69.6 billion in 2023. This substantial increase indicates a considerable expansion in the scale of the enterprise's operations. Asset turnover amounted to 1.25 times in 2023 but declined to 0.73 times in 2024 and 0.71 times in 2025. At the same time, return on assets decreased from 4.05% in 2023 to 2.36% in 2024 before rising slightly to 2.40% in 2025. Because assets grew more rapidly than sales revenue, the ability of each unit of assets to generate revenue weakened.

To improve asset utilization efficiency, assets should be managed not only according to their total value but also according to their economic function. For property, plant, and equipment, equipment utilization rates and downtime should be monitored. For inventories, storage periods and excess stocks should be controlled. For accounts receivable, the age of receivables and collection periods should be tracked. For cash, the minimum operating balance should be determined and monitored. Identifying underutilized resources and reallocating them to more productive areas are essential for improving enterprise productivity [4].

The seasonal nature of the seed business causes demand for current assets to fluctuate throughout the year. Therefore, in addition to average annual indicators, seasonal turnover cycles should also be monitored. Inventories may increase sharply during the raw material procurement period, while accounts receivable may rise during the sales period. The objective of an enterprise should not be to reduce its assets artificially but to align the period required to convert them into cash with its production and contractual cycles.

The analysis demonstrates that an increase in assets does not automatically indicate an improvement in economic efficiency. Although the assets of both enterprises increased significantly in 2025, asset turnover and return on assets did not improve proportionally. The substantial amount of accounts receivable and the net loss recorded by RISHTAN BEST SEEDS LLC, as well as the decline in asset turnover at TASHKENT BEST SEEDS LLC, require managerial attention. It is therefore recommended that accounts receivable be classified by maturity, credit limits be established for customers, standard inventory levels be introduced, and asset turnover and return on assets be monitored quarterly.

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