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THE MAIN ELEMENTS OF ACCOUNTING POLICIES AND METHODS IN FRUIT AND VEGETABLE PROCESSING ENTERPRISES

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Abstract

This study examines the main elements of accounting policies and methods in fruit and vegetable processing enterprises. These enterprises transform perishable raw materials into high-value finished products, creating added value for domestic and export markets. The research highlights how accounting policies integrate stages such as raw material receipt, preparation, technological processing, packaging, storage, and sales into a unified system, ensuring accurate cost calculation, reliable financial reporting, and effective management decision-making. Special attention is given to the industry's biological and seasonal characteristics, including phenological waves, perishability, and cold chain requirements. Key elements analyzed include recognition and measurement methods, cost calculation and allocation, accounting for losses and by-products, quality-based price adjustments, and internal control and audit mechanisms. The study demonstrates that sound accounting policies are critical for production stability, financial forecasting, and compliance with domestic and international market standards.

Keywords: Fruit and vegetable processing, accounting policies, cost calculation, recognition and measurement methods, internal control, by-products, quality-based price adjustments, financial reporting, cold chain.



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Fruit and vegetable processing enterprises play an important role in the integration of agrarian industry and agriculture of the national economy. These enterprises transform raw materials from perishable products into high-quality finished products, creating high added value in domestic and foreign markets. Therefore, accounting and accounting policies that allow for reliable assessment of their financial and economic results, accurate cost calculation and effective management of financial flows are one of the strategic resources of the enterprise. Accounting policies combine the stages of raw material receipt, preparation, technological processing, packaging, storage and sale in a fruit and vegetable processing enterprise into a single logical system. The biological and seasonal characteristics of the industry - phenological waves of the crop, perishability, cold chain and quality requirements - require strict adherence to the principles of consistency, continuity and prudence of accounting policies. In this regard, accounting acts as a “bridge” between physical and financial flows, directly linking the quality of raw materials, losses, secondary products and laboratory analysis indicators with financial results.

The purpose of this work is to identify the main elements of accounting policies and methods in fruit and vegetable processing enterprises, to scientifically analyze their role and effectiveness in managing economic processes along the value chain. The research covers such key elements as accounting policy principles, measurement and recognition methods, cost calculation methodology, internal control and audit mechanisms. The results of this research allow us to develop practical recommendations for the reliable formation of financial statements and effective management decision-making in fruit and vegetable processing enterprises.



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Table 1. Key elements of accounting policies and methodologies in fruit and vegetable processing enterprises

Accounting Object / Process	Recognition Criterion (When)	Measurement Method (How)	Allocation Basis (On What)	Presentation and Disclosure (Where)
Raw materials, work-in-progress, and finished goods inventories	When control exists and economic benefit is expected; based on acceptance certificate and laboratory protocol	Weighted average cost or first-in, first-out (FIFO); adjustments based on quality separately	By kilogram/liter, by batch and recipe; normal losses included in cost, excess losses in period expenses	In accounting policy annex; inventory composition and valuation disclosed in notes
Production costs (direct and overhead)	At the start of the process; recorded by responsibility centers	Hybrid of process costing and job order costing; energy and refrigeration separately analyzed	Machine-hours, capacity utilization, technological stage duration, kilograms	In management report: output coefficient, "loss tree"; methods explained in financial notes
Revenue and price adjustments (bonus-penalty)	When risks and benefits transfer; all documentation complete; for export, according to delivery terms	Adjustments according to contract formula; provision for probable obligations	Quality score (BRIX, dry matter, acidity), batch parameters	In revenue policy, return and claim clauses disclosed in notes
By-products	Recognized if realizable	At net realizable value or as cost-reducing allowance	Proportional to main product output or separately accounted	Notes explain selected approach and impact
Cold chain, packaging, laboratory testing	When services are rendered during process stages	Direct recognition; according to consistent norms	By product group and process stage, using drivers	Quality indicators, claims, and storage costs disclosed

Accounting policy is a set of principles for the formation of financial statements of an enterprise, the valuation of assets and liabilities, and the recognition of income and expenses. In fruit and vegetable processing, accounting policy performs the following functions:



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- Accounting for raw materials and finished products: takes into account phenological waves, seasonal price fluctuations, and perishability.
 - Determination of the cost price: normal and excess losses, secondary products (seed oil, pectin, dried fruits) are reflected in financial statements.
 - Revenue and profit forecast: price adjustments related to quality, complaints, and bonus-penalties are taken into account.

Thus, accounting policy serves as the main tool for reliable and accurate measurement of economic events, forecasting financial results, and making management decisions.

Accounting policies and methods for fruit and vegetable processing consist of the following main elements:

1. Measurement and recognition methods:

- weighted average cost or first-in, first-out (FIFO) methods are used.
- these methods help to accurately calculate the cost and not artificially increase seasonal fluctuations in raw material prices.

2. Cost calculation and cost allocation:

- process costing - used for continuous flows, order costing - for individual orders or small series.
- direct material and labor costs, as well as general production costs, are allocated to responsibility centers.

3. Accounting for reserves and losses:

- separation of normal and excessive losses; losses exceeding the norm are written off as period costs.
- by-products are accounted for as separate income or waste, depending on their market value.



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4. Quality-based price adjustments:

- price adjustments are made based on laboratory parameters such as dry matter, sugar content, acidity, pesticide residues.

5. Internal control and audit:

- reports are verified based on documents such as acceptance and delivery certificates, laboratory protocols, stock files, cold chain logs.

- this mechanism makes financial results reliable and increases brand credibility when entering premium market segments.

Since raw materials in fruit and vegetable processing enterprises are perishable and seasonal, accounting policies and methods are crucial for ensuring production stability, optimizing costs, and forecasting financial results. At the same time, they must work in harmony with quality control, price adjustment, and loss reduction mechanisms to meet export and domestic market requirements

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