

# Priorities for The Development of the Market of Agricultural Products

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## Abstract

Agriculture is an important sector of the Uzbek economy. The sector will meet the demand of the population for food products and the processing industry for raw materials. Agriculture is a guaranteed market for the products of a number of industries, such as agricultural machinery, chemical industry, as well as the supply of food and raw materials to the consumer market of the republic. This article is devoted to the work and proposals aimed at developing the market of agricultural products and improving the theoretical and practical basis of the system of state support.

**KEYWORDS:** Agriculture, entrepreneurship, social factor, economic factor, internal factor, external factor, agribusiness,

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## INTRODUCTION

As people become more involved in their economic activities, they rely on the help of others to deliver at least some of the products or services they need in certain situations. Therefore, the process of exchange of goods, services and products between buyers and sellers begins. As the economy develops, the types of markets expand, which leads to more and more specialization in each field, the introduction of new innovations in the field, the growth of scientific potential. In most countries of the world and in any developing country, agriculture is the backbone of the country and the largest single industry. Agriculture typically employs more than fifty percent of the workforce. Consequently, many agricultural development and marketing systems that hinder it form the basis of the economic growth process in local development centers.

The legal basis for the ongoing reforms in agriculture in our country has been created. Dozens of laws and government decisions serve as a basis for the implementation of reforms in this area in accordance with the law and regulations. The necessary legal and regulatory framework for the formation of a diversified economy in agriculture, the functioning of various forms of ownership and management has been created. The purpose of agricultural reforms is to improve the living conditions of the population, develop all forms of ownership, develop entrepreneurship, further develop small and medium-sized businesses, localize production and create new jobs, increase labor productivity, income, regional economy and contributing to the economic development of the country.

## MAIN PART

The importance of developing the agricultural market is determined by:

The economic problem is that the agricultural sector accounts for a quarter of the country's GDP, is directly related to the agricultural sector for more than half of production and intellectual potential, and agricultural products play a key role in the country's export potential;

In the social sphere, the effectiveness of agricultural development depends not only on the living standards of 60% of the population living in rural areas, but also on the well-being of the entire population of the country;

On the political issue, the progress and effectiveness of agricultural reform and all the processes of social renewal depend on the results of economic reforms, change and the development of democratic foundations in society.

In recent years, the country's agricultural reform, in particular, improving the system of public administration in the sector, the widespread introduction of market relations, strengthening the legal framework of relations between producers, processors and sellers of agricultural products, attracting investment in the sector, resource saving. Some work is being done to introduce technologies and provide agricultural producers with modern equipment. At the same time, the lack of a long-term strategy for agricultural development hinders the efficient use of land and water resources, attracts investment in the sector, high incomes for producers and increased product competitiveness.

Diversification of production, improvement of land and water relations, creation of a favorable agribusiness environment and high value chain, support for the development of cooperative relations, the widespread introduction of market mechanisms, information and communication technologies, as well as scientific achievements and in order to effectively use and increase human resources:

- ✚ development and implementation of state food safety policy, including food security and improvement of consumer rations, production of the required amount of food products;
- ✚ favorable agrobusiness, which provides for the widespread introduction of market principles in the purchase and sale of agricultural products, the development of quality control infrastructure, export promotion, the production of competitive, high value-added agricultural and food products in target international markets create an environment and a value chain;
- ✚ introduction of mechanisms to reduce state participation and increase investment attractiveness in the field, which provides for the modernization, diversification and sustainable growth of the agricultural and food sectors, increasing the inflow of private investment capital;
- ✚ improving the system of rational use of natural resources and environmental protection, including the rational use of land and water resources, forest resources;
- ✚ development of modern management systems in agriculture, including the restructuring and further development of public administration;
- ✚ increase the efficiency of public spending and the gradual redistribution through the development of sectoral programs aimed at increasing labor productivity on farms, improving product quality, creating high value added;
- ✚ development of a system of science, education, information and consulting services in agriculture, involving the use of effective forms of knowledge and information dissemination integrated with the production of research, education and consulting services;
- ✚ implementation of rural development programs aimed at promoting balanced and sustainable development of rural areas;
- ✚ to create a transparent system of network statistics, which provides for the introduction of reliable methods of collection, analysis and dissemination of statistical data through the widespread introduction of modern information technologies. (Decree of the President of the Republic of Uzbekistan "On approval of the agricultural development strategy of the Republic of Uzbekistan for 2020-2030)

At present, the share of government spending on agriculture in GDP (1,68%) is almost three times higher than in middle-income countries outside the Organization for Economic Cooperation and Development (OECD) (0,62%) and is a member of the OIC. ten times higher than in countries (0,17). Nevertheless, efficiency and competitiveness in agriculture and producer incomes remain relatively low. The bulk of government funding for the sector goes directly to irrigation (63 percent) and is mainly to support cotton and cereal production. Most of the budget is spent on electricity for pumping stations, as a result of which the costs of operation and maintenance, development and modernization of existing irrigation and drainage systems are not fully covered.

Currently, much of the support for general services is reflected in the state budget as an "other" expenditure item, indicating a lack of strategic public spending planning in the sector. The budget system lacks a link between international financial and credit programs (over \$ 3.5 billion) to support the sector and major government investment programs or strategic planning processes. In order to develop agriculture, it is necessary to reconsider the amount of budget funds allocated for government programs and services in the following areas and improve the financing system:

- ✚ protection of the environment, increasing soil fertility and introduction of water-saving technologies;
- ✚ food safety, animal disease control, veterinary and phytosanitary services;
- ✚ support for various forms of associations (cooperatives, clusters, production associations);
- ✚ improving the system of statistical data collection and monitoring of agricultural markets, development of market and transport and logistics infrastructure;
- ✚ developing a system of applied research and development, education and knowledge dissemination in agriculture.

### RESEARCH AND ANALYSIS

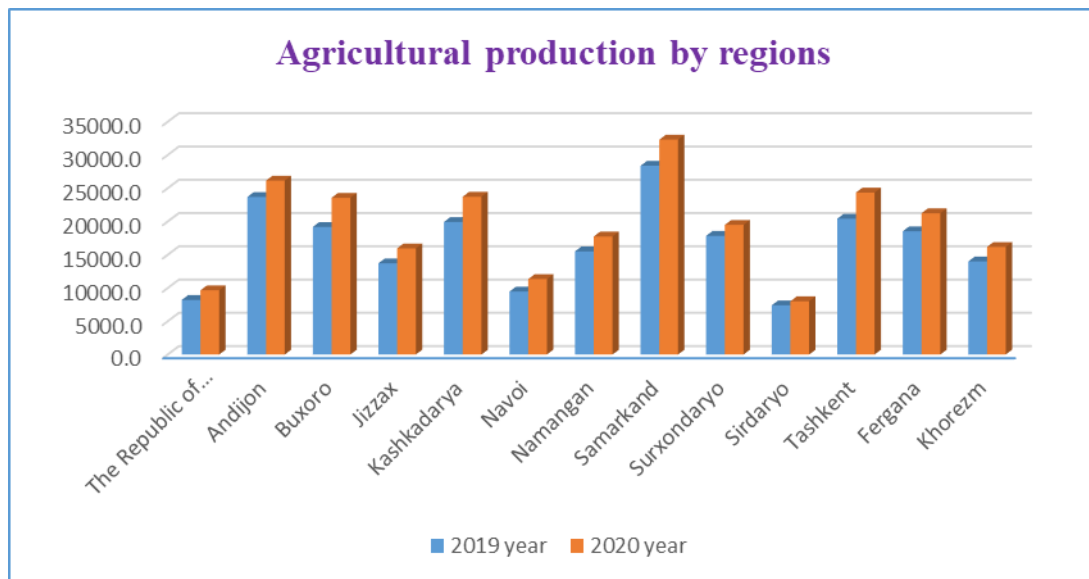
Lack of an effective system for disseminating agricultural knowledge and information, linking research, education and information and consulting services, is one of the most serious obstacles to the development of the sector on a scientific basis. It remains. At present, the level of public investment in research is 0.2% of the total agricultural budget. The lack of effective mechanisms for the interaction between science and industry significantly limits the implementation of state-funded research results. The yield of local varieties of agricultural crops is low and does not meet the requirements of foreign markets.

#### Agricultural production by regions in 2019-2020 (in billion soums)

Agricultural production by regions (at current prices, billion soums)			
	2019 year	2020 year	Growth (percentage)
The Republic of Uzbekistan	216283,1	249754,5	86,6
The Republic of Karakalpakstan	8208,1	9666,5	84,9
provinces:			
Andijon	23686,7	26142,8	90,6
Buxoro	19182,1	23556,9	81,4
Jizzax	13720,1	15959,5	85,9
Kashkadarya	19933,9	23726,8	84,01
Navoi	9467,8	11346,4	83,4
Namangan	15509,0	17749,3	87,3
Samarkand	28379,5	32310,6	87,8
Surxondaryo	17844,1	19504,6	91,4
Sirdaryo	7401,5	8017,7	92,3
Tashkent	20417,1	24351,7	83,8
Fergana	18532,2	21241,6	87,2
Khorezm	14001,0	16180,1	86,5

Prepared using stat.uz data

According to the table, in 2019-2020, revenues from agricultural production in the country increased by 33,471.4 billion soums or 86.6%. According to this indicator, in the Republic of Karakalpakstan and the regions, Syrdarya (92.3), Surkhandarya (91.4), Andijan (90.6) regions showed the highest growth. The next places are occupied by Fergana, Namangan, Jizzakh and Kashkadarya regions with a total of 84%. The indicators show that year by year, agriculture is developing and the demand for products is growing. We can see this growth in the next diagram.



Dependence on expensive imported varieties of agricultural crops that are not adapted to local conditions is growing. Educational and vocational training courses, educational system, forms and methods of teaching in educational institutions do not meet modern requirements. It is necessary to create an intersectoral and interagency coordination system to study the requirements of the labor market and the introduction of new specialties. At present, the country does not have modern private structures for disseminating agricultural knowledge and information. The main goal of this priority is to create a modern, integrated and flexible system in the fields of agriculture, food, education, training and information and consulting services.

To achieve this goal, the following tasks are identified:

- radical reform of the activities of sectoral research institutions and the field of science;
- reform the system of education and training of agricultural personnel with the technical assistance of donor organizations;
- audit existing administrative systems to identify strengths and weaknesses of public services and systems for agribusiness, as well as develop restructuring and simplification plans;
- Establishment of a Coordination Center for information and consulting services on environmentally safe methods and agricultural practices and technologies, mitigation and adaptation to climate change;
- training of special staff for information and consulting centers on agro-technologies;
- establishment of information and consultation centers in all regions of the country on the basis of public-private partnership.

### CONCLUSION

Our country has all the necessary conditions for the effective development of the agricultural market. The favorable geographical location of the republic, the availability of labor, production, natural and other resources allow to engage in a wide range of economic activities. Positive institutional and structural changes in all sectors of the economy are the foundation for further deepening market reforms and ensuring sustainable economic growth. The analysis shows that the implementation of the planned structural changes in the region in

the future will require, first of all, the full use of domestic resources and opportunities, the creation of favorable conditions for attracting foreign investment. Improving the legal framework to encourage new forms of foreign investment; effective use of available benefits; development of investment partnership between public and private structures; giving financial enterprises more freedom in choosing and justifying investment projects; foreign partners are required to provide more information about the country's investment potential. As a result of the development of the agricultural market, it will be necessary to increase the effectiveness of the promotion of entrepreneurial skills among the population by providing the population with new jobs and sources of income, encouraging local entrepreneurship. In conclusion, we need to make the agricultural market a sustainable source of development, and on the basis of its development there will be opportunities for effective use of production opportunities.

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