

# Directions of financing agriculture: the case of Uzbekistan

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**Abstract:** Agriculture is one of the main sectors of the economy of Uzbekistan, and it is important to ensure the country's economic stability and food safety. Agricultural sectors of Uzbekistan are mainly specialized in the production of cotton, wheat, fruits and vegetables and other agricultural products. These sectors are important not only for economic growth and employment of the population. Development of agriculture is one of the most urgent issues today. Good profit is obtained by exporting agricultural products grown in our country to foreign countries, and international agreements are signed with many countries. In addition, varieties of agricultural products that produce good yields and are resistant to pests are brought from abroad and are localized in our country. The above points are important in financing agriculture. This article provides information on the directions of agricultural financing of Uzbekistan.

**Keywords:** Agriculture, world economy, food products, industry, sector, economic stability, production.

**Introduction:** In recent years, the importance of agriculture in the global economy has been increasing dramatically. That is why it is important to study the specific characteristics of land, water, and labor resources, which are the main factors of agricultural production, on the scale of developed and developing countries. Industry is one of the main and oldest branches of material production, providing the country with food and the main part of the raw materials for industry. Agriculture mainly consists of two main branches - agriculture and animal husbandry. These two sectors provide the population with agricultural and livestock products. Agriculture includes a number of branches of primary processing of agricultural products and livestock products. About half of the economically active population, and in less developed countries - more than 80-90 percent, are employed in rural areas. In developing countries, this figure is 10%. Social problems and the settlement of the rural population are closely related to agriculture. In some countries, forestry is also a part of agriculture. Our country has great potential in agriculture. Many issues depend on the development of this direction, from the abundance of our markets, the abundance of food for

our people, to the earning of additional income from exports. Great changes are taking place in the field of agriculture in our country. Modern technologies and equipment are used in the production of agricultural products. In addition, new methods such as drip irrigation and rain irrigation are being used to irrigate crops. These methods also save water and prevent wastage. As a result, water is consumed by the plant itself and the productivity of plants increases. The use of such methods is important in the financing of agriculture. Modern agricultural financing methods not only involve attracting large amounts of capital, but also provide an opportunity to introduce environmentally sustainable technologies and innovative solutions. For example, microcredit, crowdfunding, cooperation between the public and private sectors, as well as the development of digital technologies and smart agricultural technologies today provide new ways to finance the agricultural sector. These modern methods serve many priority purposes, such as supporting small farmers, introducing advanced technologies, efficient distribution of resources and reducing environmental risks. Also, there are great opportunities to ensure social stability,

increase the income of rural residents and improve their living conditions, and fight against social problems through new methods of financing agriculture. As the importance of innovative approaches in financing agriculture is increasing, it is possible to ensure the long-term sustainability of the agricultural sector through effective financial mechanisms in this area.

## **METHODS**

Climate change, land degradation and shortage of water resources are observed in the world today. Water resources are decreasing, and high temperature has a negative effect on the productivity of crops and the number of livestock. This makes it difficult to ensure the production and safety of food products, reduces the accuracy of forecasting and planning. Nevertheless, in recent years, in our country, special attention was paid to the use of the high potential of agriculture, and systematic work was carried out on the reform of the sector and the introduction of market mechanisms. At the same time, ensuring food safety and delivering agricultural products of ecological quality to the population is a constant focus. The development strategy of the new Uzbekistan for 2022-2026 defines specific tasks for the further development of the agricultural sector. In particular, it is expected to double the income of peasants and farmers through the introduction of science and innovation, market mechanisms in agriculture. For this purpose, attention is paid to efficient use of available land and water. Measures are being taken to get more income from the land by increasing labor productivity and productivity. For this purpose, a system of effective use of these lands was created by increasing the planting of exportable agricultural crops in the areas of land that are being reduced from cotton and grain, and by involving wide sections of the population. In particular, 200,000 hectares of land with good water supply, reduced from cotton and grain, are leased to citizens for 30 years for the implementation of projects such as vegetable growing, policing, legumes, oil crops, potato cultivation by establishing a farm.[1]

## **RESULTS**

Today, about 3.5 million of our country's population work in agriculture. This is more than 55 percent of the working population of the village. Creation of business conditions for residents in rural areas, and the determination of winners in open auctions for land allocation, along with the representatives of families included in the "Neighborhood registers", as well as our citizens who have returned from abroad, are being consistently carried out to ensure their employment. Such changes in the network serve to increase production volumes. In particular, in the next two

years, 193,000 hectares of land were leased to the population and an additional 2.5-3 million tons of agricultural products were grown. Also, productivity increased by 10-15% due to the introduction of water-saving technologies on 100,000 hectares. 428 trillion by the end of this year. production of agricultural products worth 3.7% compared to 2022 is expected. If in 2017 the stable growth rate of gross agricultural production in the agrarian sector was 1 percent, by 2022 it was 3.6 percent. Currently, more than 80 types of agricultural products grown in our country are exported to more than 60 countries of the world. The export volume of fruits, vegetables and leguminous products has almost doubled in the last seven years. We took the first place in the world in terms of the total yield obtained from one hectare of cultivated land.[2]

In 2024, on the basis of the programs adopted in the network in the following years, intensive production of products will be carried out on 30,000 hectares of vegetable growing and repeated crops will be carried out on 780,000 hectares of arable land freed from grain. At present, attention is being paid to planting ninety-five crops in all categories of farms. For the 2024 harvest, it is planned to plant onions and garlic on 529,000 hectares, and vegetable crops on 386,500 hectares using the ninety-five method. Of this, 75,800 hectares belong to farms, 266,400 hectares to residential estates and 186,800 hectares to peasant farms. In March-May 2024, a total of 10.8 mln. tons, 5.8 million compared to 2022. Tons of fabulous vegetables are grown. In order to ensure economic growth, attention is being paid to the introduction of modern resource-saving technologies, to the expansion of new varieties with high productivity compatible with climate change instead of biologically obsolete varieties, to the establishment of digitalization of the water accounting system in the irrigation system.[3]

## **DISCUSSIONS**

In order to ensure that the rate of processing of agricultural products in the regions is higher than 25 percent, measures are being taken to establish 100 new agro-logistics centers with a capacity of 2.5 million tons throughout the country and to increase their export potential to 1 billion dollars. In addition, during the development of the irrigation system and the implementation of measures to save limited water resources, it is planned to develop an additional 300,000 hectares of land by using modern water-saving technologies, and to plant nutritious, medicinal, oilseed, leguminous, rice, grain, vegetable, sugar crops, intensive orchards and vineyards on these lands. In 2024, 706 million cubic meters of water will be saved and 411,000 hectares of land will be irrigated by repairing canals and renovating channels. In the use of

water resources, we need to be concerned not only about today's generation, but also about the future generation. More than 80 percent of water resources come from neighboring countries. A number of works are being carried out to develop the agricultural sector and ensure food security. Ensuring food security and price stability in domestic markets, increasing their income by supporting the initiatives of the population in the production of agricultural products, and programs on production based on the principle of "One region - one product" are an important factor in this regard. In a word, the results achieved today will serve to ensure food safety in our country in the future, increase abundance and prosperity in our markets.[4] In this, the role of farmers and peasant farms of producers of agricultural products is incomparable. Our country has great potential in agriculture. Many issues depend on the development of this direction, from the abundance of our markets, the abundance of food for our people, to the earning of additional income from exports. But for many years, insufficient attention was paid to the agricultural sector. There was no market economy, no attitude to the land, no self-interest. The lack of a long-term agricultural development strategy hinders the efficient use of land and water resources, widespread investment in the industry, high incomes for producers and increased competitiveness of products. In order to diversify production, improve land and water relations, create a favorable environment for agribusiness and the high-value chain, support the development of cooperative relations, widespread introduction of market mechanisms, information and communication technologies in the field, as well as effective use of scientific achievements and increase the potential of personnel, a strategy for the development of agriculture in the Republic of Uzbekistan was developed. 2020-2030 and the "Roadmap" of Uzbekistan for the implementation of tasks was approved., defined in the Strategy for the Development of agriculture in the Republic for 2020-2030. Development of directions for sustainable development of agriculture means improving the quality of life in rural areas, forming the necessary amount of food supply for today and future generations, and ensuring the possibility of sufficient income for farmers and peasant farms. Supporting the sustainable development of agriculture, ensuring and maintaining production capacity for the future, includes increasing efficiency without harming the environment and endangering natural resources.[5] In addition, it requires respect and recognition of local knowledge, established local ways of managing natural resources, and efforts to promote the capabilities of the present generation without compromising the prospects of future generations. Therefore, economic

and ecological stability, ensuring the efficiency of the activities of farmers and peasant farms, production potential for the next generation, improved food security and social stability are important elements of the development of agriculture in developing countries. To date, a number of theories of agricultural development have been formed, and in this paragraph of our research, we will analyze their development evolution. The main and general goal of these theories is to increase the material and social well-being of people. In this context, it is often seen as an integrated approach to improving the environment and society, and the well-being of the population. The first step in the process of agricultural development was to abandon the view of agriculture as static, that is, unchanging, as in previous or traditional societies. How do development is not to transform a static agriculture into a modern dynamic sector, but to ensure that the growth rates of the sector's output and productivity correspond to the growth rate of other sectors in the conditions of modernization of the economy.[6]

Therefore, the process of agricultural development should be abandoned from the point of view of content as static as in previous or traditional society. Therefore, the theory of agricultural development serves to provide an understanding of the dynamics of agricultural growth, or variable sources of growth, from countries with an output growth trend of 1.0 percent or less to countries with an annual growth rate of 4.0 percent or more. More than 50% of agricultural products are used as raw materials. It supplies raw materials for light industry, food, soft feed and other industries. In turn, agriculture is a major consumer of industrial goods. Industry supplies the countryside with tractors, cars, machinery, equipment, fuel, mineral fertilizers, animal feed, etc. About 40 percent of the industrial expenditure is spent on the production of agricultural products. Therefore, the development of some branches of industry is closely related to agriculture, and at the same time, the purposeful activity of producers of goods in agriculture is reflected in the level of development of the industry. In every branch of the national economy, means of production are used, various products are produced, sufficient skills are required from workers. Similarly, agriculture has its own characteristics, which must be taken into account when conducting business activities in this sector. In the network, land appears as the most basic, irreplaceable means of production. Unlike other means of production, when land is used, it does not wear out, but retains its quality. Land resources used in agriculture differ depending on their productivity and location. This requires the existence of differential rent I m: the owners of land areas located near product

markets have the opportunity to receive additional income (profit).

2. In agriculture, production is carried out in different soil and climate conditions, and it is important to take this feature into account in the mechanization, chemicalization and network improvement of the production process, the selection of the variety of agricultural crops, and breeding.[7]

3. The results obtained in this sector also depend on soil and climate conditions, and this factor has no influence on industrial production. In addition, natural and climatic conditions have a significant impact on the location and specialization of agricultural production. Certain agricultural crops can be grown only under certain conditions. Favorable or unfavorable weather also plays an important role in rural life. Production in agricultural plant is seasonal in nature. A significant difference between the production period and working time can be seen, especially in autumn grain cultivation. The period of preparation and planting of winter grain begins in August and September, and the harvest is harvested in July of the next year.

## CONCLUSION

During this period, there will be several interruptions in working hours: preparation of fields, planting, care of crops, harvesting, etc. The production period continues continuously due to the natural growth and development of the crop. Seasonality has a significant impact on the organization of production, the use of labor resources and equipment. Also, the seasonal nature of agriculture is reflected in the processing industry. Because agricultural raw materials are unevenly distributed throughout the year.

1. Agricultural products are used later in the production process as means of production (seeds, fodder, organic fertilizers, fodder for young livestock, etc.). In the industry, raw materials are brought from other industry enterprises. In agriculture, the technological process relies on biological factors and living organisms, while in industry it is carried out on the basis of chemical, physical and mechanical processes.

2. The network has a high fund capacity, and the working capital circulates slowly, since this situation is not very profitable for investors, the role of the state is mainly important in the development of this network.

3. Usually, agricultural machinery (tractors, machines, combine harvesters, etc.) moves from one place to another, and labor objects (plants) are located in a certain place. On the contrary, in the industry, the objects of labor (raw materials) move away, while the equipment, machines and machines are concentrated in one place. 4. Most agricultural enterprises produce

several different products. Agricultural and livestock products are grown in exactly one farm. Because agriculture provides food for livestock, manure from livestock serves as organic fertilizer.

5. A large number of producers of agricultural goods creates a competitive environment in the market. Since a single producer cannot influence the market price, there is no single dominance in the industry.[8]

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