

ECONOMIC CHARACTERISTICS OF THE PRODUCTION INFRASTRUCTURE

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Abstract: Agriculture belongs to the life-supporting systems of society, forming its food resource, the state of which determines the national and economic security of the country. In addition, it acts as a basic industry for the development of rural areas, as it largely provides employment for the rural population, its standard of living, the vector of demographic processes and, ultimately, the reproduction of rural society. The agrarian economy is one of the priorities of the national economy, so as directly related to the state and development of the agri-food market, which is currently undergoing significant changes in the context of globalization. In addition, there are significant transformations in the agrarian sector under the influence of the characteristics of the post-industrial stage of development, associated with the aggravation of employment problems, the growth of qualification requirements, technological and infrastructural transformations, the deepening of contradictions between the general increase in the level of economic development and the traditional lag of the industry in comparison with other areas.

Keywords: production infrastructure, reproduction, management activities, food resource, agro-industrial complex, financial market.



Introduction. Agriculture in Uzbekistan, which accounts for 32% of GDP and employs 27% of the able-bodied population, with an effective state policy, can become one of the main drivers of economic growth in the country. As a result of the effective implementation of this policy, the export of agricultural products and the income of farmers and agricultural enterprises will increase, thousands of new jobs will be created in rural areas. Here the standard of living will rise, a number of foodstuffs will become more accessible to the population, and the country will be able to ensure reliable food security.

In Uzbekistan, the average yield of cotton, wheat, tomatoes, potatoes, milk and other products is much lower than its real potential. Increasing this indicator will not only increase incomes and exports of farms and agro-enterprises, but also allow the transfer of additional land areas currently occupied by cotton and wheat to other, more profitable crops. The challenge is to overcome decades of insufficient funding for research and the provision of services critical to the development of the sector. In 2018, Uzbekistan spent only 0.02% of the value of gross agricultural output on applied agricultural science and education. At the same time, information and advisory services are currently not available to local farmers at all. By comparison, middle-income countries with successful agriculture spend 1% of their gross agricultural output on agricultural science and development, while many high-income countries spend an average of 2.5%.

To ensure the food security of Uzbekistan, stable development of all sectors of the agro-industrial complex is necessary, in connection with which the role of infrastructure is increasing, allowing it to carry out the functions of developing the complex, state regulation of the agro-food market and sustainable development of rural areas. The infrastructure of the agro-industrial complex should be aimed at supporting producers of agricultural products, the food and processing industry of all forms of ownership, the development of interregional relations in the national market and the export of finished products.

There are many approaches to the definition of the category "infrastructure", the authors consider it depending on the needs of production, marketing, management activities or government regulation, characterizing:

- production infrastructure, which includes not only organizations for the logistics of agricultural and processing enterprises, but also the system of procurement of agricultural products, engineering support systems for the

activities of agro-industrial complex organizations, elevator, refrigeration and storage facilities, the main task of which is to ensure full and rhythmic development the main areas of the agro-industrial complex when creating conditions for the effective use of its resource potential. Thus, the production infrastructure is the material and technical basis for the functioning of the branches of the agro-industrial complex and ensures the interconnection of all phases of the reproduction process;

- the infrastructure that has a decisive influence on the development of rural areas is characterized as "social infrastructure of rural areas", "infrastructure for the development of entrepreneurship in agriculture";

- the infrastructure for the development of the agro-industrial complex, which includes, in addition to the production infrastructure, such elements as scientific and personnel support for the industry, marketing infrastructure, logistics infrastructure for the production process, as well as the main mechanisms of state support for the industry at the federal and regional levels, in including export support;

- innovative infrastructure aimed at achieving the target indicators indicated in the policy documents for the development of the country's agro-industrial complex;

- the infrastructure of state support based on the widespread use of the program-target method in managing the development of the regional agro-industrial complex.

There is also a third direction of expanding intersectoral relations, the implementation of various types of activities to service agricultural production through the creation of repair, agrochemical, reclamation and other agroservice enterprises and organizations, which together form the production infrastructure of the agro-industrial complex. Its functional purpose is to create the necessary conditions for the normal functioning of the main link of the agro-industrial complex, that is, its second sphere of agricultural production.

Agro-industrial integration in the proper sense of the word means a certain organizational combination of agricultural and technologically related industrial production in order to obtain final products from agricultural raw materials and achieve greater economic benefits due to the mutual material interest and responsibility of all participants in agro-industrial production for the final results of management. This type of integration is called vertical integration. It can organizationally unite all or the main stages of agro-industrial production and turnover, including the production

of agricultural raw materials, their transportation, storage, processing and sale of the final product.

Materials and Analysis. Infrastructure is the basis, foundation, internal structure of the economic system. In relation to the market as an independent subsystem, infrastructure is a set of organizational and legal forms that mediate the movement of goods and services, acts of sale, or a set of institutions, systems, services, enterprises that serve the market and perform certain functions to ensure the normal mode of its functioning, the creation of effective forms of management is impossible without an extensive market infrastructure: the formation of a wholesale market for the sale of all types of agricultural products, the development of competitive markets in the agro-industrial sector, the market formation and distribution of material, technical and financial resources based on the stimulation of private trade.

The emergence of a class of small and medium-sized entrepreneurs in the countryside (dekhkans, farmers, family contractors) is impossible without an appropriate banking and credit system that would effectively serve agricultural producers. Along with this, for the mass involvement of the rural population in the process of creating new forms of joint-stock type, it is necessary to have a securities market. In connection with the spread of family contracting and part of the release of the rural working population, it is necessary to have a system for regulating the employment of the population and a center for state and non-state assistance.

Increasing the stability of the functioning of new types of management in market conditions should also be facilitated by the vigorous activity of audit services, legal advisory organizations, as well as various centers for training specialists capable of working in a market economy.

The commodity market as an infrastructure should have a developed network of wholesale and retail trade, auctions, fairs, brokerage houses, stock exchanges, antimonopoly pricing authorities, commercial centers, chambers of commerce, trade houses.

The financial market as an infrastructure should have a financial exchange, brokerage bodies, insurance and holding companies, state property bodies. The labor market as an infrastructure should have bodies for ensuring employment of the population - labor exchanges, national and market bodies that determine the needs for labor, bodies for advanced training and retraining of personnel, specialists, bodies that determine benefits for the unemployed.

Further deepening of economic reforms in the agro-industrial complex largely depends on the formation and development of these areas of infrastructure, on the continuation of the structural transformation of the economy. It includes the accelerated formation of infrastructure in rural areas.

Improving the quality of products is impossible without improving technical equipment and advanced technology. A detailed system is needed for the sale of small-scale mechanization equipment, mini-workshops, vehicles, etc. to dekhkan, farms and rental enterprises. This problem can be solved by specialized firms. The financial basis for the creation and support of such firms can be the funds of shareholders, businessmen, the Chamber of Commodity Producers and Enterprises, special funds of the state budget, as well as bank loans.

The practice of many countries shows that the problem of forming a market infrastructure for individual industries and the national economic complex as a whole plays a special role in the entire system of economic research. They have

thoroughly studied this problem and created sound legal and economic foundations for the functioning of the market infrastructure, which contribute to the achievement of high final results of the national economy.

The most "bottleneck" in the activities of agricultural producers is the market. Even orienting its production program to demand, market conditions (produce what can be sold), especially medium and small agribusinesses experience considerable difficulties in promoting their products to the final consumer (buyer). This is due not only to the underdevelopment of market institutions and its infrastructure, but also to the lack of real self-organization of numerous and fragmented agricultural producers. Wholesale markets, auctions, logistics centers are poorly developed or absent. Agro-industrial integration mainly covers large business structures, and cooperation in the field of medium and small agribusiness is only taking its first steps

Despite certain qualitative improvements in the technical and technological basis of agriculture in recent years, the competitiveness of domestic agricultural production continues to be low. The investment attractiveness of agriculture remains low due to the low economic efficiency of production, the poor development of engineering and social infrastructure, and the lack of specialists and skilled workers. The scientific support of the agro-industrial complex has deteriorated, as a result, the use of foreign varieties and hybrids of agricultural crops, the importation of breeding stock, and the use of imported technologies and equipment have expanded. The applied state support for domestic agricultural producers is not only extremely small (especially in comparison with developed countries), many of them do not receive it at all, which worsens their position in the market and does not allow them to have sufficient profitability.

The most important segment of the domestic market is the agricultural market, which has a rather complex structure and covers products and services of all sectors of the agro-industrial complex, as well as financial, labor and land resources. Market institutions are still weak, and the market infrastructure is not sufficiently developed; agricultural producers themselves are still, by inertia, more oriented towards the state than towards the market.

In accordance with the current structure of the agricultural market, the following participants can be distinguished:

- agricultural producers;
- organizations for procurement, storage and processing of agricultural products and raw materials;
- agroservice organizations and individual entrepreneurs providing various services to agricultural producers and performing special work;
- industrial enterprises supplying agriculture with industrial means of production (machinery, equipment, fertilizers, protective equipment, animal feed, fuels and lubricants, etc.);
- organizations and individual entrepreneurs of wholesale, wholesale, retail and retail trade;
- credit, insurance, leasing organizations, investment funds and companies;
- government bodies of management of the agro-industrial complex, carrying out program-targeted planning and regulation of agriculture and markets for agricultural products, raw materials and food.

The functioning of the agricultural market is carried out due to the establishment of various economic and other ties between its participants, on the basis of which the movement of goods and resources from producers (sellers) to consumers

(buyers) is carried out, the economic benefit (income) is distributed, which is formed throughout the technological chain of interacting market participants. The effective functioning of the market is ensured when all segments of the market are balanced, when the necessary financial resources, including credit, are available, when the effective demand of the population is ensured, when the state helps to eliminate “failures”, “failures” of the market mechanism. The financial market is in its infancy. Investments in agriculture are increasing, but they are still not enough. Securities (shares) of agricultural enterprises are not listed, since a significant part of the latter are unprofitable or low-income. For private capital, the industry is still generally not attractive. Although the importance of agriculture and the entire agro-industrial complex does not become less, but even increases from the standpoint of ensuring the food security of the state. The main direction of the development of the financial market in the agro-industrial complex is the creation of conditions for attracting significant investments for its technical re-equipment and modernization, for achieving import substitution.

The development of the market for the means of production for agriculture is determined by the needs of industrial firms in expanding the demand for their products, increasing the demand of agricultural producers for material and technical resources. Prices for material and technical resources now form the bulk of the cost of agricultural products. The outstripping growth rates of their prices in comparison with the selling prices of agricultural products lead to a decrease in the profitability of agricultural production. The development of the market for the means of production will largely depend on the stabilization of the agro-industrial complex, the improvement of the financial condition of agricultural enterprises and farms.

The significance of the market for means of production in the region is determined by the need for the technical re-equipment of agriculture and the reconstruction of processing and other enterprises of the agro-industrial complex, the introduction of innovative technologies, the latest technology and equipment in the conditions of ensuring the effective demand of business entities: agricultural and other organizations, farms. In addition, the regions themselves are looking for opportunities to form a market, including in the form of concessional loans, loans, subsidies, and other areas for attracting investment.

The functioning of the agro-food market of a particular region takes place in accordance with the general laws and principles of a market economy within the framework of a single economic space of the country. But there are also features associated primarily with the structure, market capacity, the level of development of agriculture and the processing industry, market infrastructure and the mechanism of state regulation of the agro-industrial complex and the market that has developed in the region. The main suppliers of commodity resources to the market are agricultural producers and processors of agricultural raw materials. Therefore, a necessary condition for the smooth operation of the food market is the sustainable supply of agricultural products and food products in accordance with the effective demand of the population.

According to preliminary data, the total volume of products (services) of agriculture, forestry and fisheries in Uzbekistan in January-March 2021 amounted to 29,891.6 billion soums, including in crop and livestock breeding, hunting and the provision of services in these areas - 28,215.8 billion soums,

forestry - 1,419.9 billion soums, fisheries - 255.9 billion soums. In the structure of the Republic of GDP (GVA), the share of agriculture, forestry and fisheries in the period under review amounted to 15.0%. The contribution of this industry to GDP growth as a whole reached 0.4 p.p.

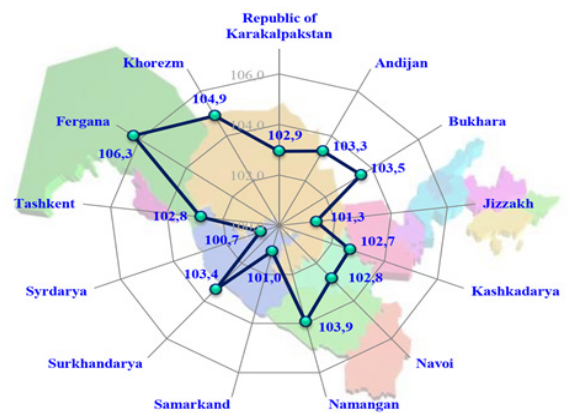


Figure 1. Growth rates of production (services) of agriculture, forestry and fisheries by regions, %

High growth rates were observed in Fergana (106.3%), Khorezm (104.9%), Namangan (103.9%), Bukhara (103.5%) and Surkhondaryo (103.4%) regions. Compared to other regions, low growth rates were noted in Syrdaryo (100.7%), Samarkand (101.0%) and Jizzakh (101.3%) regions.

Discussion. Infrastructural support creates the general conditions for economic growth, the achievement of continuity and balance. In the system of the national economic complex, a multi-level way of existence of the infrastructure of the agro-industrial complex is distinguished, which is closely related to the characteristics of agriculture (dependence on soil and climatic conditions, the involvement of living organisms in production, seasonality of production, and so on). In the conditions of transition to the market, the requirements for the formation of the production infrastructure of the agro-industrial complex are changing. Its formation will require a lot of time and large capital investments, as well as active support from the state, as evidenced by the experience of the developed countries of the world.

The production service infrastructure is formed taking into account the main factors of production and is classified according to a number of criteria: according to the degree of influence on the production process; by territorial and sectoral basis; by functional purpose. Being part of the hierarchical system of reproduction of agricultural products, it develops in accordance with its ultimate goal. The organizational form of functioning of the infrastructure of production services are on-farm divisions and specialized market-type enterprises.

In the course of the agrarian reform, agricultural producers lost a significant part of the previously existing infrastructure for supply and maintenance. Most farms have switched to independent survival, numerous intermediary organizations and individual entrepreneurs have appeared, which formally create the basis for the development of market competition, but do not provide a comprehensive supply of the means of production and service necessary for consumers. All this led to a decline in production volumes, an increase in the cost and increase in the physical and moral aging of material and technical means in the countryside, to the loss of the technical and human potential of specialized services and a deterioration in the financial situation of supply, repair, technical and agro-service enterprises.

The weakest links in the infrastructure are the provision of production services, the rental and leasing of equipment, the study and information and commercial support of market participants, and the maintenance of equipment owned by commodity producers.

High growth is noted in the field of education (21.3%), according to financial services (19.1%), rent and rental services (16.6%), communications and informatization services (15.8%), as well as in the field of architecture, engineering surveys, technical testing and analysis (13.3%). A significant reduction in market services rendered was noted on transport services (by 7.3%).

Conclusion. Large formations of agro-industrial structures are being created in the republic: associations, unions, corporations of an agro-industrial group and grain companies. The production infrastructure of these formations meets the common interests of the participants, which consist in the production of products, their transportation, storage, processing and sale to consumers. The economic mechanism makes it possible to jointly renovate and build access roads, roads, storage facilities, improve logistics and service support for members of grain companies and corporations.

In order to effectively use limited material and technical resources and coordinate production, technical and agro-service services for rural producers, it is proposed to create agro-service centers, their associations and unions on a cooperative basis at all levels of agro-industrial complex management: economic entities, district (region), region and republic. The integration of agricultural formations with service institutions and organizations in the form of cooperatives, associations and unions makes it possible to meet the needs for production and technological services, eliminate contradictions in the economic interests of enterprises, solve the problems of unequal exchange between

agricultural and industrial products, increase the efficiency of material, technical and financial resources.

The development of production infrastructure in agricultural formations, due to the specific features of the industry, requires economic support and strengthening the role of state regulation on the basis of creating equal conditions for the functioning of all economic entities, improving the mechanism of leasing relations and the financial and credit system at the republican and local levels.

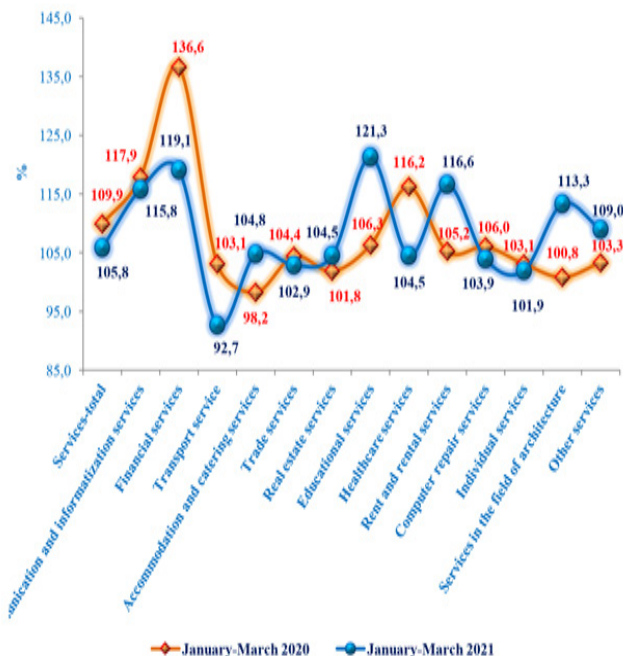


Figure 2. Comparison of the growth rates of market services rendered by type of economic activity

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