

TRENDS IN THE DEVELOPMENT OF THE AGRICULTURAL SECTOR OF THE REPUBLIC OF UZBEKISTAN

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Abstract

At present, the priority for substantiating the prospects for the development of the agrarian sector, which occupies practically the main positions in the country's economy and has a multiplier effect for related industries, is a strategic approach that allows the most real way to respond to the challenges of a dynamically changing external and internal operating environment. The article is devoted to the development trends of the agricultural sector of Uzbekistan and the disclosure of priority areas established in the Strategy for the Development of Agriculture of the Republic of Uzbekistan for 2020-2030, the tasks and organizational and economic mechanisms for their implementation. The results of the study are formed in the conclusions and recommendations for further ensuring the development of the agricultural sector in Uzbekistan.

Keywords: agriculture, agrarian sector, agro-industrial complex, development strategy, dekhkan (personal subsidiary) farms, farms, crop production, animal husbandry, state support.

Introduction. The role of the agricultural sector of the economy, both before and in modern conditions, can hardly be overestimated. The agricultural sector as a whole occupies a strategic position in the economy of any state, since agriculture acts as the main production system and performs the main task - ensuring food independence, and this is the key to the national security of the country. These goals can only be achieved through the formation of a stable and efficient agricultural production.

The level of well-being and quality of life of the country's population depends on the level of development of the agricultural sector. In addition, the development of the republic's industry as a whole depends on the development of agriculture, where a large part of the population is engaged in the processing of cotton, meat, milk, wool, astrakhan fur, mulberry cocoons, raw hides, etc. Therefore, as world experience shows, agricultural growth can have a large multiplier effect in stimulating industrial growth.

Another factor that characterizes the relevance of agricultural development is the surplus of labor in rural areas. The population of rural areas of the republic is young, more than 55% of them are under 30 years old. The country also has a high birth rate (23.3 per thousand), respectively, there is a significant number of the younger generation. Therefore, saturation of the domestic market with food, achieving self-sufficiency in the field of their production and ensuring food security are priority areas in the development of agriculture. The effective implementation of these areas will make it possible to fully resolve acute social issues, including the employment of the population, improving its well-being, and the improvement of cities and villages. In this regard, the analysis of trends and prospects for the further development of agriculture is a priority for the economic development of Uzbekistan, which determined the relevance of the material in this article.

In Uzbekistan, a significant breakthrough in the economy and its sectors, including agriculture, is due to radical structural shifts in their development as part of the implementation of national strategic priorities. The tasks for the modernization and intensive development of agriculture for the period from 2017 - 2021 are identified as a priority for the development and liberalization of the economy, established in the Action Strategy for the further development of the Republic of Uzbekistan [1]. Measures for and their solution are reflected in a significant number of legal documents adopted over the

past four years in the country. They concerned the reform, modernization and intensive development of all areas of agriculture and were aimed at improving the system of public administration, the widespread introduction of market relations, strengthening the legal framework for relationships along the chain, producing, processing and selling agricultural products, attracting investments into the industry, introducing resource-saving technologies, providing producers of agricultural products with modern equipment, etc.

Literature review. Agricultural production is the initial branch and determines the beginning of all social production. Nobel Laureate in Economics Gunnar Myrdal argues that "The outcome of the struggle for sustainable long-term development will be decided in the agricultural sector" [2]. Before revealing the dynamics of the development of the branches of the agricultural sector of Uzbekistan, a few more quotes from famous people on this topic should be given. So Jean-Jacques Rousseau noted that: "The only way to keep the state independent of anyone is agriculture. If you have at least all the riches of the world, if you have nothing to eat, you are dependent on others. Trade creates wealth, but agriculture provides freedom." According to F. Blanchard, "The main burden of development and provision will fall on the shoulders of that part of the economy where agricultural activity dominates, i.e. to the agricultural sector.

World and national practices show that the long-term strategic development of agriculture is the tool, the use of which will make it possible to rationally use land and water resources, attract investments to the industry and increase the competitiveness of products.

Materials and methods. The theoretical and methodological basis of the article was the works of domestic and foreign scientists - economists on the problems of agricultural development, legislative acts, the Strategy for the Development of Agriculture, program documents, resolutions and decrees of the President on the formation of a management system for the agricultural sector.

The study is based on a general scientific methodology, which provides for the application of a systematic approach to solving problems. The basis of this work is the analysis of official statistics.

Analysis and results. The level of well-being and quality of life of the country's population depends on the level of development of the agricultural sector. On the agrarian and food map of the world, the republic occupies a certain niche.

The following points can be highlighted. The agriculture of the republic is developing more slowly than the agriculture of the world. The growth of the latter was stimulated by an increase in the population of the planet and an increase in per capita income in developing countries. However, at the same time, the population of Uzbekistan is also increasing from year to year (from 24487.7 thousand people in 2000 to 345558.9 thousand people in 2020, i.e. in 20 years by 1.4 times), and at the current pace of economic development, thanks to the implementation of measures to further increase production volumes and expand the range of food crops grown in the republic, there is a provision for the most complete satisfaction of the population's needs for food products.

The right approach to the production of fruits and vegetables has become an important part of the entire life support system for the population, creating conditions for employment and one of the main vectors of the economic and social policy of our state. Uzbekistan is a densely populated territory, where 49.4% of the population of the republic (17,071.4 thousand people, as of 01/01/2021) lives in rural areas, and 28% are employed in agriculture.

The results of the socio-economic development of the republic in 2020 and six months of 2021 showed that agriculture is one of the few sectors of the economy that shows steady growth even in the face of the negative impact of the coronavirus pandemic. If we consider the ten-year period 2010-2020. In general, production indices of agricultural products did not have negative values (Fig. 1), i.e. there was a slight increase. While the indices of crop production for 2017 and 2018 had a decline compared to previous years. If you look at the whole over the past 5 years (2016-2020), the share of gross value added of agriculture in GDP has changed in leaps and bounds, and was characterized by an increase in the indicator, then by its decrease. Starting from 2017 to 2020, there has been a decrease in the indicator by 4.2 p.p. Despite this trend, the gross value added of the agricultural sector over the analyzed five-year period increased by more than 2 times and amounted to 151250.9 billion sums. Source: compiled by the author according to the State Statistics Committee of the Republic of Uzbekistan.

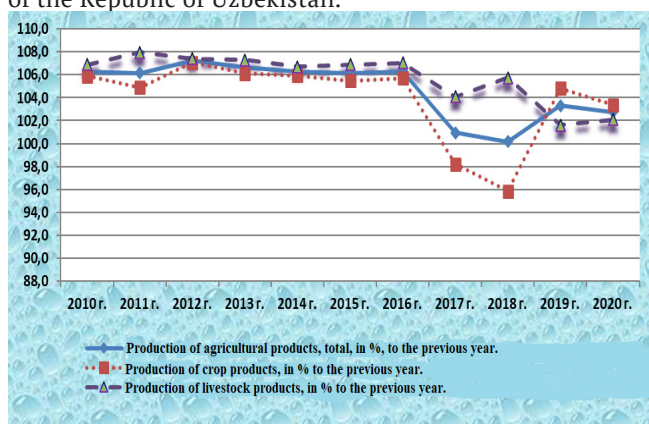


Figure 1. Indices of agricultural production in Uzbekistan for 2010-2020.

Sustainable growth in agricultural production is ensured mainly through the intensification of agricultural production, improved breeding and the introduction of new crop varieties, and the development of modern agricultural technologies. According to the main target parameters established in the Strategy for the Development of Agriculture for 2021-2030, after its implementation, the

goals were set to achieve an annual increase in value added in agriculture of the republic in 2021 of 3%, and 5% each in 2025 and 2030 [3].

The volume of production (services) of agriculture, together with forestry and fisheries, increased 2.2 times over the analyzed five-year period, from 119.7 trillion. sum (2016) to 260.3 trillion. sum (2020). As the table data show, this indicator in 2020 increased by 1.2 times compared to 2019. According to the growth of agricultural production volumes, the volume of these products per one inhabitant of the republic also increased. So, over the past five years, the volume increased 2 times and amounted to 7227.0 thousand soums.

Table 1. Indicators of the development of the agricultural sector in Uzbekistan

In actual prices; billion soums

Indicator	2016	2017	2018	2019	2020
Gross value added (GVA) of the industry	74779,0	90983,9	113660,7	130306,9	151250,9
Agricultural production	115599,2	148199,3	187425,6	215672,6	249754,5
including:					
Crop production	61755,1	83303,4	98414,5	108240,1	123556,0
Animal husbandry	53844,1	64895,9	89019,2	107432,5	126198,5
Agricultural production per capita, thousand soums	3629,7	4575,7	5687,5	6328,5	7227,0
The volume of production (services) of agriculture, forestry and fisheries	119726,7	154369,4	195095,6	224288,8	260306,8
The number of people employed in the industry, thousand people	3646,7	3671,3	3537,2	3544,6	3560,0
Number of registered enterprises and organizations, units	19596	22062	25438	31731	44657
Number of operating enterprises and organizations, units	17962	20530	23975	29379	41321
Area of agricultural crops, thousand hectares	3706,7	3474,5	3396,0	3309,4	3373,1

Source: compiled according to the State Statistics Committee of the Republic of Uzbekistan.

The table data on the number of registered enterprises and organizations in agriculture show that out of their total number (44.7 thousand units), 92.5% or 41.3 thousand units (excluding farms and dekhkan farms) carried out their activities, which amounted to 10% of the total republican number of enterprises and organizations. In the agricultural sector, there are 92.6 thousand farms, 27.6 thousand organizations engaged in agricultural activities, as well as 5 million dekhkan (personal subsidiary) farms. Dekhkan farm, in accordance with Article 3 of the Law of the Republic of Uzbekistan "On Dekhkan farm" [4] is "a farm engaged in the cultivation and sale of agricultural products based on the personal labor of members of the dekhkan farm on a land plot provided to the head of the dekhkan farm on the right of lifetime inheritable possession or lease (sublease). Such a dekhkan farm independently: 1) determines its specialization, including the types and volumes of agricultural crops, methods of their cultivation and carrying out agrotechnical measures; 2) sets prices for agricultural products produced, based on the ratio of supply and demand in the market; 3) has the right to freely transport and sell its agricultural products on the territory of the republic, in the field, at dekhkan markets and in shopping centers, as well as by organizing outbound trade in settlements without additional permits (licenses).

Another category that is statistically taken into account in conjunction with dekhkan farms is the personal

subsidiary farms of the republic. Their labor activity is connected with the cultivation (processing) of agricultural products, both for free trade and for the needs of the family on personal household land plots (Article 3 of the Law of the Republic of Uzbekistan "On subsidiary plots") [5]. A personal household plot of land is a land plot provided for running a subsidiary plot for the purpose of growing agricultural products or individual housing construction and home improvement.

The annual increase in crop and livestock production shows that the domestic market of the country is saturated with certain types of products of these agricultural sectors. Thus, the production of crop products by all categories of farms increased from 61.8 trillion. sum (2016) to 123.6 trillion. sum (2020) or 2 times, and livestock products for the period from 2016-2020 2.3 times and amounted to 126.2 trn. amounts (2020) (Table 2).

In 2020, in crop production, the largest share of production (50.9%) falls on farms, and in livestock - on dehqan (personal subsidiary) farms - 91.4% (Fig. 2). The share of organizations engaged in agricultural activities in 2020 is insignificant and amounts to 5% in crop production (compared to 2016 +3.4), and in livestock 3.5% (+0.3).

All categories of farms produced 7.6 million tons of grain, 82.0% of their total production falls on farms. In addition, all categories of farms produced 10.5 million tons of vegetables, 2.9 million tons of fruits and berries.

However, an interesting situation is emerging with changes in the indicators of crop and livestock production in the total volume of agricultural production. If, earlier, from 2016 to 2019, the largest share of this indicator fell on the volume of crop production, and the smaller one - on livestock products, then starting from last year (2020) the situation has changed radically, outweighing in the opposite direction. Thus, in 2020, the smallest share of agricultural production was obtained in crop production (49.5%), and the largest (50.5%) - in livestock products, the share of which increased over the period from 2016 to 2020 by +3.9.

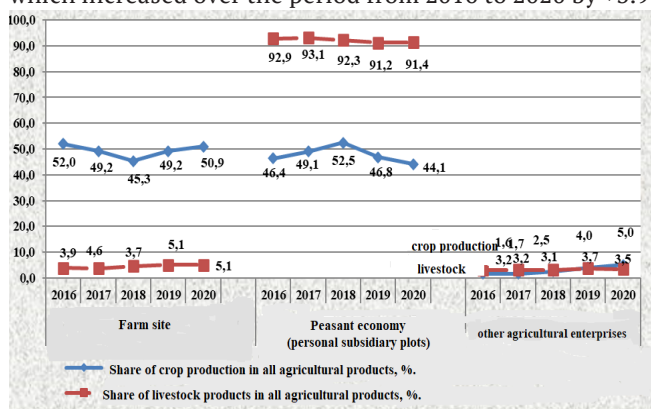


Figure 2. Structure of crop and livestock production by farm categories, %. (Source: compiled according to the State Statistics Committee of the Republic of Uzbekistan.)

Changes that led to an increase in the share of livestock production were obtained from an increase in the number of livestock, which also affected the saturation of the domestic consumer market of the republic with livestock products (meat of cattle, goats, sheep, horses, poultry and fish).

In 2020, all categories of farms produced 2526.2 thousand tons of meat in live weight (2.1 times more than in 2019), 11009.9 thousand tons of milk (by 2.8%), 7825 million pieces eggs (by 0.7%), 35.7 thousand tons of wool

(by 1.5%), 144,085 tons of fish were caught (by 18.4%). At the same time, there are still problems in animal husbandry related to feed stocks, breeding and productivity.

If we compare the indicators of production in 2020 with 2016, then 20 percent more meat (in live form) and 2.2 times more fish were produced. This was facilitated by the previously implemented measures to further increase the potential of the livestock industry, as well as the systemic state support provided. According to the Ministry of Economic Development and Poverty Reduction of the Republic of Uzbekistan, last year 70,000 citizens of the republic received subsidies totaling 173.2 billion soums. Of these, for the development of private subsidiary plots of 35.5 thousand people - 109.5 billion soums; within the framework of cooperatives in agriculture, 23 thousand people receive subsidies in the amount of 50.7 billion soums.

Today, Uzbekistan is on its way to becoming a leader in global markets for a number of its agricultural products. By increasing the supply of vegetables and fruits abroad, the country has good prospects for promoting deep-processed products with high added value. This is due to the fact that in recent years a course has been taken for the active improvement of the public administration system, the widespread introduction of market relations, the attraction of investments into the industry, the introduction of resource-saving technologies, etc.

It should be noted that the measures taken to support agricultural producers make it possible to ensure the use of land for double sowing and harvesting fruits and vegetables. Since 2017, for the first time in his practice, he has introduced year-round sowing of various crops. This is due, first of all, to the plans of the republic to increase the volume of exports of fruits and vegetables, as well as to increase the supply of fruits and vegetables to the domestic market. For example, in 2020, in areas freed from early crops and grain crops, it is planned to re-plant crops on 858.5 thousand hectares of land. Due to the timely implementation of agrotechnical measures in these areas, about 2254.9 thousand tons of vegetables, 665.2 thousand tons of melons, 851.5 thousand tons of potatoes and other agricultural products will be grown [6].

Thus, in order to further increase, or at least maintain the current trend in some indicators of the growth rate of the industry, it is important to expand the demand for products and increase the scale of exports of agricultural products. For this, at present there are favorable conditions in the republic that contribute to the development of agriculture, namely: sown areas without toxic substances, which today is 3373.1 thousand hectares; regions free from genetically modified organisms (GMOs); opportunities to increase the income of the population, including through the export of grown products in household plots and increase employment through the development of agrocluster systems, logistics and cooperation, etc. At the same time, to strengthen the position in international markets of agricultural products grown in the republic, including organic, it is necessary to adhere to the international requirements of Organic and Global G.A.P. for the quality and safety of products on the world market.

In all years, regulatory documents, presidential decrees and decrees were adopted in the republic, which established measures to support the agricultural sector, including livestock [7, 8, 9, 10]. In 2020-2022, the state allocates subsidies in the amount of 1 million soums to farms producing livestock products for each unit of breeding

stock purchased from breeding farms operating in the territory of the republic. Also, subsidies in the amount of 2 million soums are provided for each unit of breeding stock, in the amount of 400 thousand soums for each breeding sheep and goat imported from foreign countries.

Farms that grow fish using the intensive method receive subsidies in the amount of 1 million soums per ton of intensively grown fish products. In addition, subsidies in the amount of 50 percent of expenses up to 3.5 million soums for 1 breeding stock of fish imported into the country. Poultry farms are provided with subsidies to compensate for 9,000 soums of expenses associated with the import of each one-day-old thoroughbred chicken.

There are still unresolved problems in agriculture. Here are some of them: the limited fodder base for livestock and poultry, which is primarily due to the insufficient provision of the industry with land resources for growing high-yielding fodder crops; low profitability of used land areas; poor development of the regulatory and legal framework in terms of ensuring the independence of agricultural producers in the production and sale of products with high added value (the need to improve it); procedures for leasing agricultural land are not transparent; insufficient development of mechanisms for protecting tenants' land tenure rights, their confidence in the lease agreement; not fully formed cadastral inventory and assessment of the value of agricultural land, the weakness of land sublease mechanisms; imperfection of the water distribution system for agricultural needs, low level of use of modern water-saving technologies, high level of irrigation water consumption in agricultural production.

All this required an early solution to ensure the development of agriculture in the republic and ensure food security.

The Strategy for the Development of Agriculture of the Republic of Uzbekistan for 2020-2030 [3] is, in fact, the main policy document for the implementation of the tasks previously identified by the President of the Republic of Uzbekistan for the development of the industry. Its main goal is to radically improve the state policy and deepen the ongoing reforms aimed at increasing the competitiveness of the agri-food sector. The strategy is based on an integrated approach to the transformation of agriculture and is aimed at implementing such strategic priorities as: ensuring food security of the population; creation of a favorable agribusiness climate and value chains; reducing the role of the state in managing the sphere and increasing investment attractiveness; ensuring the rational use of natural resources and environmental protection; development of modern public administration systems; phased diversification of public spending in support of the sector; development of science, education, systems of information and consulting services in agriculture; rural development; development of a transparent system of sectoral statistics.

To implement these areas, government documents are adopted, which indicate specific measures and the range of ministries and departments responsible for their implementation [8,10]. For example, in the direction of developing and implementing state policy in the field of food security, a system of intervention purchases is being gradually introduced. The implementation of this will allow uninterrupted provision of the population of the republic with grain products and the prevention of sharp fluctuations in prices. Starting from the 2021 harvest, a phased reduction in the volume of state orders for

cereals is envisaged, including the introduction of market mechanisms that ensure free competition in the purchase and sale of cereals. In addition, a mechanism has been developed for the transition from the state order system to the use of the state reserve to ensure food security.

In order to create a favorable agribusiness climate and value chains, starting from the 2021 harvest, there will be a transition to market principles for pricing, purchasing and selling raw cotton by setting minimum prices when determining the terms of contracts for its supply, produced by farms for cotton textile clusters. All this will be carried out on the basis of an analysis of market conditions and a predictive calculation of the costs of carrying out agrotechnical measures.

In addition, in terms of the implementation of the direction "reducing the role of the state, increasing the investment attractiveness of the industry" in areas not involved in the production of raw cotton and cereals, a system of phased specialization of districts is being introduced based on their soil and climatic conditions and market conditions.

We should also dwell on the implementation of such a strategic priority, designated by the President of the country in the Strategy for the Development of Agriculture for 2020-2030, as the development of science, education, systems of information and consulting services in agriculture. The transition of agriculture of the republic to a new qualitative state predetermines the importance of intensifying innovative activity. This, in turn, requires fundamental changes in the structure of production, education and the composition of the labor force. It is also necessary to change the vector of development based on the use of predominantly natural resources to development based on knowledge and information.

Certain steps have already been taken towards the implementation of this priority, outlined by the President. In particular, the Concept for the Priority Development of the Knowledge and Innovation System in Agriculture in 2021-2025 was adopted [11]. Its main goals are to further deepen the integration of education, science, innovation and production. Its implementation will allow for the formation and application of new knowledge, the introduction of resource-saving innovative technologies, advanced achievements of foreign and domestic science. Here, the training of specialists with modern knowledge and qualifications, as well as the development of a system for the provision of agricultural services, is also important. Positions for further reform and development will be, firstly, the system of agricultural education, which will be aimed at developing human capital in accordance with changes in the labor market; secondly, scientific and innovative activities of scientific institutions of the agro-industrial complex; networks for the provision of agricultural services for entities engaged in the production, storage and processing of agricultural products, operating on the basis of an information and consulting system.

Conclusions and recommendations. The analysis of trends in the development of the agricultural sector allowed us to draw the following conclusions and recommendations:

1. One of the most complex, but at the same time an important part of the economy is agriculture. Immediately after gaining independence, Uzbekistan was not immediately able to achieve significant success in this sector of the economy. The reason for this was the legacy of the planned economy. Today, the current state of affairs

in the republic's agriculture has not had the problems that it had in the early 1990s for a long time. However, they were replaced by new problems and challenges.

2. Agricultural production increased in 2020 compared to 2016 by 2.2 times. The increase in the share of animal husbandry in 2020 compared to 2019 is fully due to the intensification of state consideration of issues in this area, expressed primarily in the use of the instrument of state support and subsidies. In general, in agriculture in 2020, there was an increase in crop production compared to 2016 by 200%, livestock - by 236%.

3. A strategy is a kind of declaration of intent, a basic guideline for the implementation of practical steps to improve a particular area of socio-economic life, an important signal for business and external partners. Such a document for the implementation of the tasks outlined by the President of the Republic is the Strategy for the Development of Agriculture of the Republic of Uzbekistan for 2020-2030. Targets adopted by the state become elements of the strategy if: there is a clear ranking in terms of implementation, as well as priorities for achieving the set result; the optimal correspondence between "expenses" and "result" has been established, that is, the chosen goal must be achievable, and the budgetary burden must be clearly predicted; the territorial localization of the selected set of measures, as well as the effect of their implementation, was taken into account. The main goal of the Strategy for the Development of Agriculture of the Republic of Uzbekistan for 2020-2030 is the fundamental improvement of state policy and the deepening of ongoing reforms aimed at increasing the competitiveness of the agri-food sector.

4. One of the main directions is to maintain positive growth dynamics in the agricultural sector and reform agriculture. Due to the restoration of the cultivation of productive and useful products on low-yielding lands, as well as the resumption of the use of 41.5 thousand hectares of fallow lands, it is possible to increase the growth rate in this industry by another 0.2% starting from 2021. The stability of prices in the food market and the strengthening of food security must be ensured. In addition, the introduction of water-saving technologies in 2021-2022. should improve the efficiency of water use.

5. It is necessary to further stimulate the development of all forms of cooperation, marketing, consumer, supply, and production. This is especially true for the layer of farmers and dehkans operating in the agrarian sector of the economy of the republic in such areas as processing and selling agricultural products, repairing and maintaining equipment, carrying out soil and environmental protection measures, and developing the social infrastructure of the village.

6. For the further development of agriculture in the republic and ensuring food security, it is necessary to continue to carry out the processes of shifting the role of the state from the system of state orders, placement of crops and control over the production of agricultural products to the provision of public services necessary to increase labor productivity in farms and dekhkan farms, food safety and quality improvement, environmental protection and other goals not provided by the private sector. The use of the mechanism of public-private partnership will enhance cooperation with the private sector in the provision of public services.

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