

## STRATEGIES FOR IMPROVING THE MARKETING SYSTEM IN THE AGRICULTURAL SECTOR OF UZBEKISTAN

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### Abstract

In this article, new directions for improving the marketing system in Uzbekistan's agriculture were analyzed. The importance of an effective marketing system in increasing the volume of agricultural products, facilitating access to the market and ensuring the profitability of farmers was studied. Also, the article considered the main problems faced by the marketing system and proposed strategic approaches to effectively solve them.

**Key words:** agriculture, marketing, digitization, investments, exports, standards, infrastructure, consumers, advertisement, packaging.

**Introduction.** In recent years, the agricultural sector has received great attention in Uzbekistan as the main factor of economic growth and development. With its fertile lands and favorable climatic conditions, Uzbekistan has great potential to become the main participant of the world agricultural market. However, in order to fully utilize this potential, it is very important to improve the marketing system in the country's agriculture. Effective marketing strategies are of paramount importance in connecting producers with consumers, facilitating trade and promoting sustainable agricultural practices.

Ongoing reforms and discussions may cover various aspects, including infrastructure development, information and communication technology, market intelligence, branding and advertising, and policy reforms. In addition, successful marketing models and experiences of other countries that can be adapted to the conditions of Uzbekistan are analyzed. One of the main objectives is to provide practical insights and recommendations to the government, agricultural practitioners and stakeholders to implement positive changes in the marketing system of the agricultural sector of Uzbekistan. It provides valuable insights and recommendations for agricultural stakeholders and researchers in Uzbekistan by analyzing successful examples from other countries and learning from international best practices. It is aimed at accelerating practical steps towards the development of a robust and inclusive marketing system that will provide reasonable incentives for the results and ensure the growth and stability of the agricultural sector of Uzbekistan.

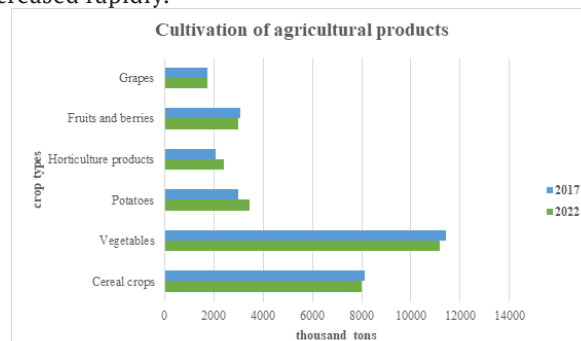
**Research methodology:** Literature analysis, data collection, data analysis, and analysis of practical situations were used to conduct research on strategies for improving the marketing system in Uzbekistan's agriculture, identify problems, and make recommendations for improving these directions.

**Results.** In 2020, the export of agricultural products of Uzbekistan reached a record level of 2.7 billion dollars, which indicates a significant increase compared to previous years. Reforms aimed at increasing export-oriented agricultural production and improving market access were one of the main reasons for this growth. Uzbekistan is diversifying its portfolio of agricultural products. As of 2022, the main export products were fruits and vegetables, cotton, dairy products, meat and honey products. Efforts to expand product diversification are aimed at capturing opportunities in regional and international markets.

The analysis of trends observed in the production of these products in recent years is shown in the diagram below (Figure 1).

As can be seen from the above table, in 2022, the volume of production of grapes, fruits and berries,

vegetables and grain crops decreased compared to 2017. However, according to statistics, in 2022, the production of horticultural products, vegetable products and potatoes increased rapidly.



**Figure 1. Production dynamics of agricultural products in Uzbekistan between 2017 and 2022.**

The government is encouraging investment in agro-processing enterprises to add value to agricultural products and facilitate marketing. From 2017 to 2022, investments in the food processing industry increased by nearly 30 percent, indicating a growing interest in agricultural value-added activities. Along with the growth of exports, Uzbekistan also paid attention to the development of the domestic market of agricultural products. The implementation of market-oriented policy, measures on quality control, promotion of raising the level of consumers serve to increase the consumption of agricultural products produced in our country. Uzbekistan gives priority to supporting small farms in order to strengthen their participation in the marketing system. This includes providing loans, modern farming technologies, and training programs to improve agricultural practices and marketing skills. The government has launched various digitization projects to improve the marketing system in agriculture.

In addition, the following measures are being implemented by the state for the development of the industry. **Market liberalization:** Uzbekistan has implemented significant market liberalization measures, including the removal of agricultural export and price controls. This reform created a more open and competitive market environment, allowing farmers and agribusinesses to set prices based on supply and demand dynamics. **Digitization and e-commerce:** The government has emphasized the importance of promoting digitization and e-commerce platforms in agriculture. Initiatives such as the "Digital Uzbekistan" program, the establishment of online agricultural markets, establish direct contact between farmers and consumers, and effectively sell agricultural products and allowed to sell. Improving the quality and

standards: Measures to improve the quality and standards of agricultural products have been implemented in Uzbekistan. This includes the introduction of certification systems, compliance with international standards, quality control and organization of testing laboratories. These reforms are aimed at increasing the competitiveness of Uzbekistan's agricultural products in domestic and international markets. Value chain development: The government has focused on developing value chains in agriculture. This involves strengthening linkages between farmers, processors, wholesalers and retailers to ensure efficient and coordinated production, marketing and distribution of agricultural products. The establishment of agricultural clusters and logistics centers has played a crucial role in strengthening value chain integration and improving farmers' market access. Promotion of exports: Various measures have been taken to promote agricultural exports in Uzbekistan. This includes the establishment of trade promotion agencies, participation in international fairs and exhibitions, and negotiation of market access agreements with trade partners. These reforms are aimed at expanding opportunities for exporting agricultural products and diversifying market directions. Capacity building and training: The government has prioritized capacity building and training programs for farmers, agribusinesses and extension workers. These initiatives focus on improving marketing skills, product quality management and value addition techniques. Through training programs, farmers are gaining the knowledge and skills necessary to effectively participate in the marketing system and increase their profitability.

Along with the current developments in the field, there are also several challenges and obstacles:

- Market access constraints: Many farmers, particularly small farmers, face difficulties in accessing wider domestic and international markets. Limited transport infrastructure, insufficient market information and bureaucratic obstacles limit their ability to reach consumers and provide profitable sales channels;
- Inefficient supply chain: The agricultural supply chain in Uzbekistan often suffers from inefficiencies, leading to post-harvest losses, insufficient storage space and delays in product delivery. Poor coordination and integration between farmers, processors and distributors hinders the smooth transition of agricultural products from production to market;
- Lack of market information: Inadequate and non-availability of market information creates serious problems for farmers. Limited access to real-time price information, market trends, and consumer preferences prevents farmers from making informed decisions about production, pricing, and marketing strategies;
- Improper branding and packaging: Branding and packaging of agricultural products in Uzbekistan often do not meet international standards, which affects their competitiveness in the market. Insufficient attention to product differentiation, branding and attractive packaging limits the ability to capture higher value markets and higher price segments;
- Limited value addition: Focusing on primary production rather than value added processing reduces the profitability of agricultural products. Inadequate investment in processing plants and technologies limits the possibility of turning agricultural raw materials into more expensive finished products, limits the income potential;
- Farm segregation: The lack of strong farmer organizations and cooperatives limits the bargaining power of individual farmers and their ability to negotiate

favorable prices and market conditions. Inadequate cooperation and coordination among farmers hinders collective marketing efforts and hinders their ability to benefit from economies of scale;

- Limited financial resources: Access to finance remains difficult for many farmers and agribusinesses. Limited access to affordable credit and investment capital hinders the adoption of modern marketing methods, infrastructure development, and value chain integration.

Conclusions and suggestions. In order to eliminate the above existing problems in the marketing direction of Uzbekistan's agriculture, it is appropriate to implement the following important tasks:

- Improve market access: Improve transport infrastructure, including road networks and cold storage, to facilitate efficient distribution of products. Establish strategically located agricultural logistics centers near production sites to minimize post-harvest losses and ensure timely delivery to markets. Develop market linkages and partnerships between farmers, cooperatives and agribusinesses to facilitate access to wider domestic and international markets. Simplify bureaucratic procedures and reduce trade barriers to facilitate market access for agricultural products.
- Improve market intelligence: develop and support centralized platforms or digital applications that provide real-time market data, price data and consumption trends to farmers and agribusinesses. Strengthen market information systems and establish market research centers to collect and disseminate reliable information on market demand, supply and competition. Conduct capacity building programs to train farmers in the use of market information, including training in market analysis, price forecasting and demand-based production planning.
- Improve branding and packaging: Provide training and technical assistance to farmers on effective product branding and packaging techniques to improve the visual appeal and marketability of agricultural products. Promote the adoption of environmentally friendly and sustainable packaging practices that are in line with global market trends and consumer preferences. Establish quality standards and certification programs to ensure compliance with international packaging and labeling requirements, increase product reliability, and ensure market acceptance.
- Encourage investment in agro-processing enterprises to promote the addition and diversification of agricultural products. Providing financial incentives and support schemes for agro-enterprises to update their processing technologies and capabilities. Foster collaboration between farmers, processors and researchers to identify additional agricultural opportunities and develop innovative processed agricultural products. Facilitating access to value-added market linkages for agricultural products, including partnerships with retail chains, hotels, restaurants and food service providers.
- Farm Empowerment: Facilitate the formation and strengthening of farmer cooperatives and associations to enhance collective marketing efforts, bargaining power and market access. Support capacity building of farmer organizations, including training on business management, marketing strategies and value chain integration. Develop cooperation and networking among farmer organizations to share best practices, solve problems together, and participate in joint marketing initiatives.
- Improve access to finance: create specialized agricultural finance programs and financial institutions that meet the specific needs of farmers and agribusinesses. Enhance financial literacy programs to improve farmers' understanding of financial management, investment planning and access to credit. Develop public-private partnerships to leverage private sector expertise and resources for agricultural financing and investment.

Simplify loan application processes and collateral requirements to improve access to credit for farmers, particularly smallholder farmers.

If these solutions are effectively implemented, they can serve to develop a stronger and more effective marketing system in the agricultural sector of Uzbekistan, support farmers, improve market access and increase the competitiveness of agricultural products.

In conclusion, it can be said that the development of the marketing system in Uzbekistan's agriculture is important in ensuring the growth, competitiveness and stability of the agricultural industry. While challenges such as

access to global markets, insufficient market information and value chains remain, there are promising solutions. Uzbekistan can unlock the full potential of the agricultural sector by expanding market access, improving market information systems, investing in branding and packaging, increasing added value, strengthening farm organizations and providing financing opportunities. As a result of a comprehensive approach and joint efforts, it is possible to change the marketing system in Uzbekistan's agriculture, increase productivity, increase market competitiveness and lead to further development of the agricultural network.

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