

CURRENT STATE AND DEVELOPMENT DIRECTIONS OF AGROINSURANCE RELATIONS

**K.Nosurullaev PhD student, "Tashkent Institute of Irrigation and Agricultural Mechanization Engineers"
National Research University**

Abstract

Argo-insurance plays an important role as part of climate change adaptation strategies for rural and household households in developing countries. However, there are many problems that prevent the full development of agricultural insurance services in the market. In Uzbekistan, agriculture is reflected in such problems in the market, such as information asymmetry, high costs, unsatisfactory infrastructure and lack of confidence of the population in relation to insurance services. The government's provision of special subsidies to increase coverage and a number of other changes may lead to some development of the market.

Key words: experience, developed countries, organization, system, agro-insurance relations, agriculture, possibilities, application.

Introduction. The importance of insurance of the country's agricultural activities leads to the study of the main economic and socio-cultural factors that affect the development of the demand for agricultural insurance. Despite the growing interest in the topic, the influence of socio-economic factors has not been analyzed as widely as expected due to the lack of reliable indicators. In order to measure the demand for agricultural insurance in international experience, agricultural insurance premiums, agricultural insurance subsidies, cultivated area, farmers' level of education, crop risk and a number of other indicators are used.

Agricultural insurance is important in developed countries. The measures implemented in the process of sustainable development of agriculture in these countries include the system of risk elimination by insurance of producing agricultural products against unexpected natural disasters.

Materials and Methods. The agro-industrial complex is considered one of the main components of the economy. Its development determines the level of food security and socio-economic status of the country. Agriculture is always considered a high-risk production process in any country. The most important risks in agriculture are market risks such as unfavorable weather, deterioration of the balance of supply and demand in the market, increased competition, increase in costs of transportation or product storage.

At the moment, the heat observed in European countries is causing droughts and forest fires. In particular, the southern countries of the region, Spain and Portugal, suffer more from natural disasters. Spain's cities were engulfed in forest fires, while in Portugal, due to the lack of rainfall, river levels dropped dramatically. Residents are asked to practice economy in using water as drinking water, not to mention irrigation of agricultural crops. The drought in Romania has also hit the agrarian sector more. In the Asian region, it is possible to witness the opposite. In particular, the monsoon rains observed in Pakistan caused floods. As a result, agricultural crops on thousands of hectares were destroyed.

The risks associated with adverse weather conditions create other types of risks and are considered to be an obstacle to the development of the agricultural sector worldwide. The only way out of this situation is agricultural risk insurance.

Considering that the practice of agricultural insurance was first introduced in France in 1750, it can be said that historical experience has been formed in this regard at the international level. Currently, the most developed systems of agricultural insurance are developed in the USA, Canada and Spain, and from developing countries - in India.

Results and Discussion. Agriculture plays an important role in Uzbekistan's economy since more than 25 of the GDP comes from the agricultural sector and the sector provides more than 25% of the employment. In 2021, 3,414,600 out of a total of 13,538,900 labor resources worked in agriculture sector in Uzbekistan. Agricultural sector has seen several transformation processes since the independence from the Former Soviet Union and today there can be observed substantial improvements in productivity, especially in the wheat production. However, climate variations is becoming one of the largest problems for agricultural producers. Weather uncertainties and fluctuation in irrigation water availability is becoming the main concern of household producers and newly established individual farms.

Agricultural insurance plays an important role under such conditions and could provide possibility to hedge with risks associated with weather and water availability fluctuations. Uzbekistan has functioning agricultural insurance market and more than 30 percent of crop land is insured. The agricultural insurance sector was subsidized at the early stages of insurance sector establishment and government stopped the subsidization since 2001. Although subsidies were ceased, agricultural insurance did not see any decline in participation. However, penetration of agricultural insurance slowed down during the recent years and several challenges start to emerge which caused low participation rates. Popularity of agricultural insurance is declining and there is no study investigated in the past which investigates the factors influencing on insurance demand and possible options for developing the sector further. Therefore, this study pioneers to investigate insurance opportunities and challenges of agricultural insurance business in Uzbekistan.

In Uzbekistan the agricultural insurance market offers various types of vegetable insurance:

- in the open areas of agricultural production, plots can be formed where vegetables can be grown;
- insuring the losses suffered by farms due to failure to collect agricultural products as a result of frost damage to vegetables in the open ground;
- insuring the losses of the efficiency of agricultural production, harvesting the agricultural ecology.

Also, the agro-insurance segment offers different methods of insurance for gardens and vineyards. The most popular among them are:

- Insuring the financial loss of agricultural producers as a result of low harvest from orchards;
- Insuring the financial loss of agricultural producers due to the low yield of their vineyards as a result of hail;
- Insurance of trees, vines and their seedlings

against damage or death due to natural disasters, etc.

Currently, there are a number of problems in the development of horticulture and viticulture, agriculture and potato insurance:

- low level of insurance coverage when concluding insurance contracts with farms;
- the database for preliminary assessment of insurance risks has not been formed;
- lack of funds during the period of crop care for timely payment of the insurance premium by the insurers in order to ensure the fulfillment of the concluded insurance contracts;
- the funds allocated for payment of insurance premiums are not included in the debt and credit funds allocated to policyholders for product production.
- insufficient organization of work on monitoring the timely implementation of agrotechnical measures for crop care during the term of the insurance contract.

Recommendations for the elimination and improvement of existing problems in the insurance of horticulture-viticulture, vegetables and cash crops:

- Adoption of the special law "On agricultural insurance";
- allocation of special funds for payment of insurance premiums in order to ensure the fulfillment of insurance contracts at the expense of bonds and loans allocated to farms specializing in fruit and vegetable growing;
- preparation of special radio and television programs on the provision of insurance services to farms

in the field of fruit and vegetable production;

- organization of a monitoring system for crop care and agrotechnical activities during the term of the insurance contract.

Conclusion. By implementing the above proposals, it is possible to ensure the financial stability and insurance of farms operating in the field of fruit and vegetables against various natural disasters.

In order to ensure insurance protection of agricultural enterprises operating in the direction of fruit and vegetable production: - insurance of export contracts of agricultural products against political and commercial risks; - implementation of the procedure for covering 50% of insurance premiums from the state budget to fruit and vegetable clusters, cooperatives and farms with export contracts.

Also, revision of current insurance rules and model insurance contracts in order to simplify and ensure transparency of insurance contracts concluded with agricultural producers;

Adherence to agrotechnical measures for insurance of agricultural crops and reducing the level of damage by improving the system of monitoring the condition of the crop;

Improving the quality of insurance services provided to agricultural enterprises as a result of improving the system of formalizing insurance contracts through electronic programs for the purpose of creating convenience for agricultural producers will greatly contribute to the development of the sector.

References:

1. Current state and future prospects of crop insurance in Uzbekistan. Nuriddin Muradullayev, Ihtiyor Bobojonov, Sherzod Mustafaqulov. "Regional Economic Cooperation in Central Asia: Agricultural Production and Trade (ReCCA)" conference. November 24 to 26, 2014 Halle (Saale), Germany. DOI: 10.22004/ag.econ.212559.
2. Gaybullayev, B., Yusupov, Y. (2010) Current situation, problems and perspectives in development of insurance against catastrophic risks in Uzbekistan. UNDP, Tashkent, Uzbekistan.
3. Grishchenko N. B., Sergeeva N. V. Regional aspects of insurance // Insurance business. 2010. № 8.
4. Anderson, J.R., & Duncan, R.L. (1999). Agricultural Insurance for Developing Countries. World Bank Technical Paper №. 435.