



## STATUS, FEATURES AND DYNAMICS OF CHANGES IN THE AGRO-INDUSTRIAL COMPLEX OF UZBEKISTAN

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<b>Received:</b> 28 <sup>th</sup> October 2023 <b>Accepted:</b> 26 <sup>th</sup> November 2023 <b>Published:</b> 30 <sup>th</sup> December 2023	In this article, based on the analysis of the main indicators of agricultural production, the current state of development of the agricultural sector is revealed. Information about the adoption of the strategy for the development of agriculture of the Republic of Uzbekistan for 2020-2030 is provided, the main tasks of strategic priorities and the results achieved on them are highlighted.

**Keywords:** Agricultural sector; innovative activity; organizational and economic mechanism; agriculture; development strategy; priority areas; efficiency.

**INTRODUCTION.** Agriculture is one of the most important areas for Uzbekistan, ensuring economic growth, employment and income of the population. In recent years, the industry has demonstrated steady growth rates of 5-6%, agriculture provides 27% of the employed in the economy as a whole. Agricultural lands occupy 45% of the territory of the republic, about 50% of the total population belongs to the rural population. The development of the agricultural sector in the republic is taking place in parallel with significant organizational and economic transformations that create favorable conditions for the development of new types of agricultural production and agro-business, as well as the widespread use of innovative technologies. The need to implement innovative processes in the agricultural sector is primarily related to the main problem of the economy – the rational use of limited (especially land and water) resources to meet the growing needs of society. At the same time, an equally important prerequisite for the innovative development of the agricultural sector is that today, in the context of globalization and a radical change in the global market situation, competition is increasing, and it is innovations that are the most effective means of competition, as they lead to lower production costs, increase volumes and increase the efficiency of agricultural production. Recognizing the importance of agriculture for the economy of Uzbekistan, it can be noted the increasing relevance of the issues of studying the current state of this industry and the formation of strategic priorities for the development of agriculture, providing for the transition to a digital agro-food system.[1]

**RESEARCH METHODS.** During the research and writing of the article, such methods as economic and

statistical analysis, observation, the method of expert assessments, monographic, etc. were used.

**ANALYSIS AND RESULTS OF THE STUDY.** Today, as a result of the implementation of those priorities that were determined by the Government of the Republic of Uzbekistan, the country has ensured the sustainable effective development of almost all sectors of the economy. In particular, the implementation of programmatic measures for the reform and development of agriculture aimed at ensuring food security, improving the quality of agricultural products and the export potential of the industry have provided a solid basis for achieving high indicators of agricultural development. Thus, in 2021, the share of agriculture in Uzbekistan's GDP amounted to 32.4%, the total volume of agricultural, forestry and fisheries products (services) amounted to 199,537.4 billion. sum, or 100.3% by 2017, including in crop and livestock production, hunting and provision of services in these areas – 193,703.3 billion. sum (100.2%), forestry – 4,757.5 billion. sum (103.1%), fisheries – 1,076.6 billion. sum (113.8%).

Uzbekistan has significant export potential, the export of agricultural products brings about 20-25% of total export revenues. In 2021, fruit and vegetable products were exported to more than 80 countries in the amount of 1230.6 thousand tons in the amount of 874.5 million US dollars. It should also be noted that the share of exports of processed products with higher added value has increased. Thus, in 2021, the volume of textile exports amounted to 1.6 billion US dollars and increased by 41.4% compared to 2017. Exports of cotton fiber amounted to 222.1 million US dollars.

Structural transformations in agriculture are primarily associated with the diversification of agricultural

production, the expansion of acreage for growing food crops by optimizing cotton crops and increasing the area

for grain crops, vegetable growing, horticulture and viticulture (Table 1).

**Table 1**  
**Structure of acreage (all categories of farms) [3]**

	2018 year		2019 year		2020 ear		2021 year	
	thousand hectares.	%	thousand hectares.	%	thousand d. hectares	%	thousand d. hectares	%
Total acreage	3694,2	100	3706,7	100	3474,5	100	3396,0	100
Including:								
Grain crops	1671,1	45,2	1689,4	45,6	1655,6	47,6	1643,2	48,4
Cotton	1298,1	35,1	1265,1	34,1	1201,2	34,6	1108,2	32,6
Potatoes	80,6	2,2	84,6	2,3	78,8	2,3	86,8	2,6
Vegetables	194,0	5,3	206,0	5,5	189,7	5,5	219	6,4
Melons	52,0	1,4	58,8	1,6	52,3	1,5	52,6	1,5

In parallel with the process of optimizing the acreage, work was carried out to increase the yield of the main crops. For example, the average yield of potato production increased from 129.3 c/ha in 2000 to 224.8 c/ha in 2018, vegetables – from 183.8 c/ha to 237.1 c/ha, melons – from 132.4 c/ha to 189.8 c/ha, fruits and berries – from 56.9 c/ha up to 134.1 c/ha, respectively. At the same time, there was a decrease in the yield of raw cotton in some regions of the republic, which is primarily due to the relatively low land quality and a shortage of irrigation water.

As a result of the measures taken to optimize and rationalize the placement of agricultural crops, as well as measures to increase their yield in the republic, in addition to grain independence, self-sufficiency in most other food products has been achieved, which makes it possible to ensure food security in conditions of unstable global food markets. Along with such

strategically important agricultural crops as cotton and grain (in 2021 – 6,375,4 thousand tons of grain and more than 2293,0 thousand tons of raw cotton), production volumes in the sectors of fruit and vegetable growing, animal husbandry, poultry and fish farming have significantly increased. In particular, in 2018, potatoes were grown in the amount of 2,750.1 thousand tons (98.4%), vegetables were harvested – 9,635.1 thousand tons (94.3%), melon food products – 1,904.9 thousand tons (93.8%), fruits and berries 2,589.7 thousand tons (99.0%), grapes 1,564.5 thousand tons (96.2%). All categories of farms produced 2,417.4 thousand tons of meat in live weight (5.7% more than in January-December 2017), 10,480.7 thousand tons of milk (by 4.3%), 7,360.5 million eggs (by 16.2%), 1,082.6 thousand pieces of Astrakhan (by 0.7%) (Table 2)

**Table 2**  
**Production of the main types of agricultural products in the republic [3]**

Products	2018 year	2019 year	2020 year	2021 year
Cotton, thousand tons	3360,0	2959,0	2900,2	2293,0
Grain, thousand tons	7800,0	8261,3	8116,5	6 375,4
Vegetables, thousand tons	8518,4	11275,8	11433,6	9 635,1

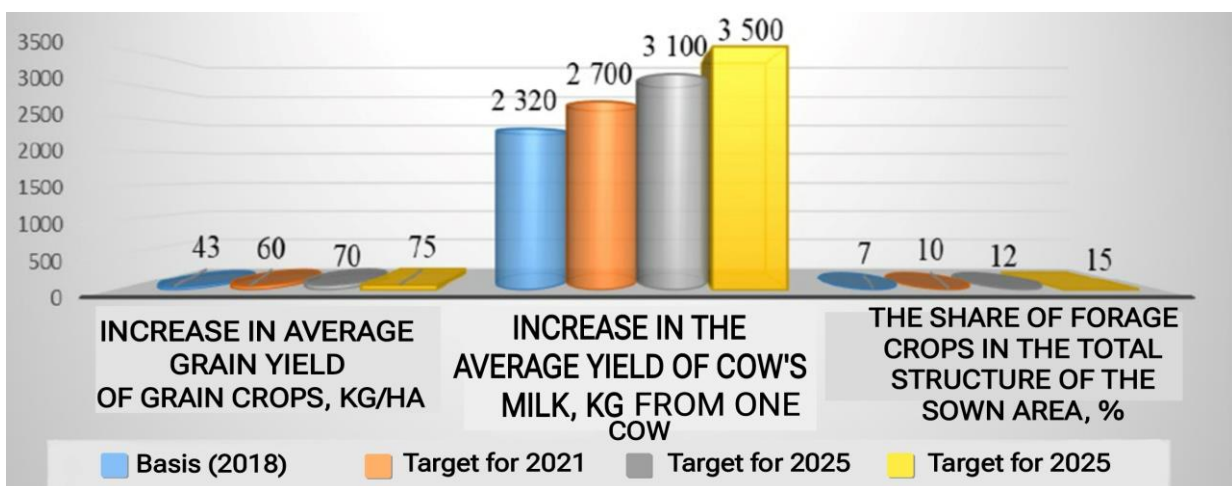
Melons, thousand tons	1558,3	2044,9	2094,8	1 904,9
Potatoes, thousand tons	2250,4	2958,4	3014,6	2 750,1
Fruits, thousand tons	2261,1	3042,8	3076,3	2 589,7
Grapes, thousand tons	1322,1	1735,8	1748,9	1 564,5
Meat, thousand tons	1787,8	2172,5	2281,1	2 417,4
Milk, thousand tons	7885,5	9703,4	10083,2	10 480,7

The growth of indicators in recent years (with the exception of 2018 indicators for crop production, which is associated with adverse weather conditions) indicates deep structural transformations and progressive development of our country. As the President of the Republic of Uzbekistan noted, "measures are being implemented in agriculture to increase the interest of farmers, introduce advanced technologies and switch to a cluster production system" [1].

However, "the existing growth rates in the field do not satisfy us at all" [1], which makes it necessary to develop this industry on the basis of a strategic approach. According to the Decree of the President of the Republic of Uzbekistan dated 10/23/2019 No. UP-

2030", 9 strategic priorities for the development of agriculture have been identified, providing for the transition to a digital agro-food system<sup>1</sup>. The strategy covers the following strategic priorities:

Ensuring the food security of the population is one of the key points of the national development plan, since it affects a wide range of socio-economic, demographic and environmental factors. As part of the implementation of the strategy, factors constraining food security will be identified and eliminated, including: reduced physical access to food; rising prices for some agricultural products that reduce their economic accessibility to households; a decrease in the quality of the diet, as well as sharp fluctuations in prices and



5853 "On approval of the Strategy for the development of agriculture of the Republic of Uzbekistan for 2020-

volumes of available food.

**Fig. 1. Achieved indicators based on the results of the implementation of the priority. "Ensuring food security of the population"**

As part of measures aimed at increasing productivity in animal husbandry, sustainable intensification of meat, fish, poultry, and milk production, the main targets and

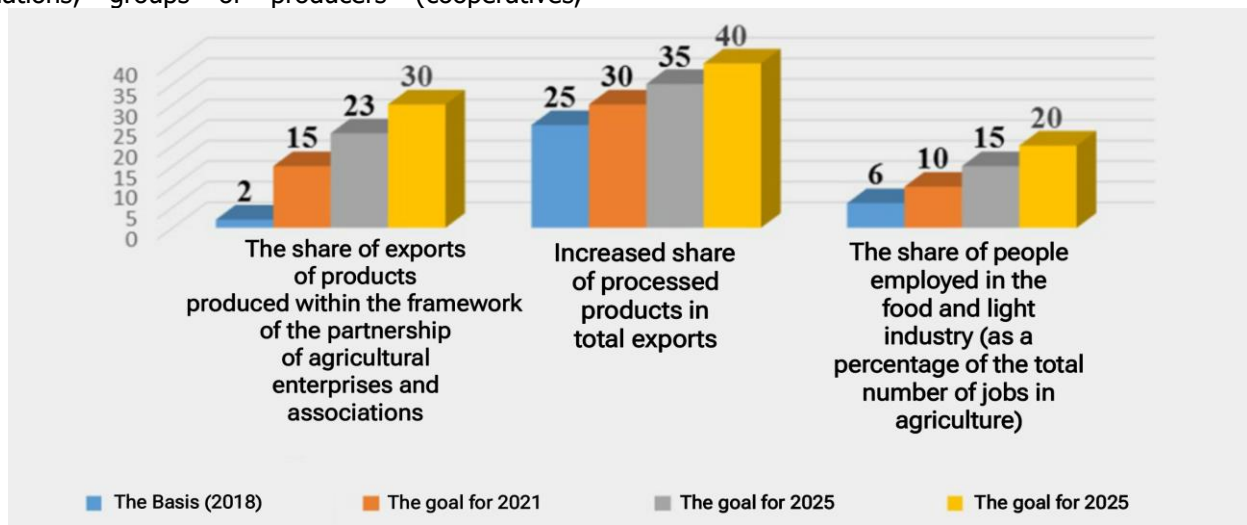
indicators achieved in the context of the strategic priority – ensuring food security of the population were identified (Fig. 1).

<sup>1</sup> Decree of the President of the Republic of Uzbekistan dated 10/23/2019 No. UP -5853 "On approval of the Strategy for the

development of agriculture of the Republic of Uzbekistan for 2020-2030.

The implementation of the tasks of the strategic priority "Creating a favorable agribusiness climate and value chains" which provides for achieving the efficiency of using the existing infrastructure for the storage and transportation of agri-food products; updating and modernizing warehouse and processing facilities to increase the sustainable and well-coordinated work of the created supply chains; promoting various forms of associations, groups of producers (cooperatives,

associations, clusters, etc.) in order to reduce production, processing costs, transportation, export of products; improvement of production quality control systems, regulatory framework, as well as the development of institutional capacity will ensure the safety and quality of agricultural and food products. At the same time, the following indicators will be achieved (Fig. 2).



**Fig. 2. Expected results of the implementation of the tasks of the 2nd priority of the Strategy**

The main objective of the Strategy "Reducing the role of the state in the management of the sphere and increasing investment attractiveness" is to create an effective system that helps attract private investment for modernization, diversification and stable growth of the agro-food sector. It provides for the gradual cessation of direct state participation in the production and marketing of cotton, wheat and other crops. A mechanism will be developed according to which working capital will be provided by commercial banks, which, in turn, will receive subsidies from the state budget.

The problem of salinity of lands in the republic (about 45% of agricultural lands are saline, of which 19% have a high level of salinity) and access to water resources is the main obstacle to expanding the area of land used for agriculture and to maintain yields. There are

problems in the country related to water resources management, irrigation infrastructure, and outdated pumping stations. It is predicted that the volume of water runoff will decrease due to the melting of glaciers and changes in the precipitation regime. The increased use of groundwater as a result of these restrictions further exacerbates the problems, leads to further depletion, accelerating the processes of soil degradation and yield reduction [2].

In this regard, the main task of the direction "Ensuring the rational use of natural resources and environmental protection" is to increase the efficiency of the use of land and water resources. As a result of the implementation of measures under this priority, the following indicators and indicators are expected to be achieved (Table 3).

**Table 3  
 Indicators and indicators at the level of the 3rd strategic priority**

Indicators	Basis (2018)	The goal for 2021 year	The goal for 2025 year	The goal for 2030 year
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The total area of agricultural land for the production of products for public procurement.	2,5 mln hectares	0,9 mln hectares		
An increase in the number of farmers who have adopted appropriate agricultural and environmental practices, as well as an international quality management system	2 %	5 %	10 %	20 %
The total area of agricultural land with the introduction of water-saving technologies	1,7 %	10 %	20 %	32 %
Reduction of the share of lands with high salinity indicators	45 %	43 %	41 %	37 %
Expansion of areas with forest cover	3,2 mln hectares	20 %	25 %	30 %
Expansion of areas for nut crops (pistachio, walnut, almond)	11 634 hectares	10 %	15 %	18 %

The achievement of these goals will be facilitated by the creation of a well-established mechanism for financing domestic innovative developments, in which, as the experience of developed countries shows, not only the state should participate, but also the industries themselves, enterprises, and representatives of the business environment. In the implementation of the tasks of innovative development of the agricultural sector, the role of banking, financial institutions, tax structures is great, the issues of improving the system of transport communications, the use of ICT, the formation of modern research, educational and consulting services and further improvement of the quality of training specialists remain relevant, there are problems of balanced rural development.

The solution of these issues is provided in such areas of the Strategy as "Development of modern public administration systems", "Diversification of public spending in support of the sector", "Development of science, education, information and consulting services in agriculture", "Rural development", "Development of a transparent system of sectoral statistics".

**CONCLUSIONS AND SUGGESTIONS.** As a result of the implementation of the tasks outlined in these areas of the Strategy, it is envisaged to achieve the following goals:

- ✓ *a gradual change in the role of public authorities towards the development of the private sector, a gradual reduction in public administration and ownership of non-strategic services and assets. In strategically important*

*areas where regulatory functions are necessary, a clear separation will be established between the functions of state regulation and the provision of services;*

- ✓ *improving the efficiency of public spending on agriculture through the gradual redistribution of public financial resources aimed at providing key public services and implementing structural change programs;*
- ✓ *Strengthening the institutional capacity of public administration bodies in order to increase efficiency and effectiveness in the management of public finances in the agri-food sector;*
- ✓ *improving the relationship between research funding with the priorities and needs of the real sector and effective knowledge dissemination mechanisms;*
- ✓ *the development of a modern education system aimed at increasing the competitiveness of agricultural producers and agribusiness;*
- ✓ *creation of a regional information and advisory network for the dissemination of knowledge through the development of public-private partnerships, service delivery systems aimed at meeting the needs of the sector in all regions of the country;*
- ✓ *promoting rural development through the formation of the necessary institutional, regulatory and legal framework for the development of agriculture and rural areas; a framework pilot investment program to support non-agricultural enterprises in targeted rural*



*areas; a framework investment program to facilitate the organization and mobilization of resources of local rural communities and the development of partnerships between rural communities, agricultural enterprises, civil society and local authorities the authorities;*

- ✓ *improving systems for collecting, collating and disseminating reliable statistics and evidence-based market information, monitoring progress and increasing transparency in the sector;*
- ✓ *To promote the introduction of smart technologies and systems in agriculture through the development of appropriate government structures, services and support systems.*

As a conclusion, we can say that each of the strategic priorities is important and necessary, but only their simultaneous formation will create the most innovative environment in the agricultural sector of the republic, which will contribute to reaching a new level of development.

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