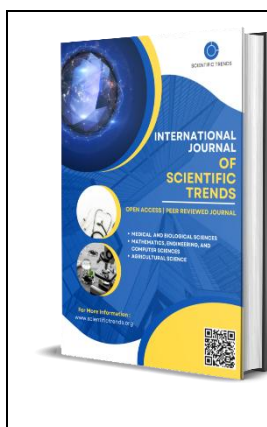


Foreign Experience in Supporting the Fruit and Vegetable Growing Industry and its Possibilities for use in Uzbekistan

Israilova Khikoyat Musakulovna

Senior Teacher of the Almalyk Branch of the Islam Karimov State Technical University Department of “General and Economic Sciences”,
Researcher at the National University of Uzbekistan



Abstract

This article provides information on foreign experience in the development of the republic's agriculture, in particular, the fruit and vegetable growing industry, its economic role in the industry. In the coverage of the topic, projects implemented with the participation of national and international banks are presented with separate statistical figures.

Keywords: Agriculture, fruit and vegetable growing industry, fruit and vegetable processing, economic efficiency.

Introduction

The experience of using rational elements in organizing a system of state regulation of agricultural production in economically developed countries is interesting and useful for our country. Such measures include, first of all, the following:

- maintaining the price level for many types of agricultural products;
- allocating subsidies per hectare of land area and per head of livestock;
- preferential lending to farmers, the main principle of which is to partially cover the current interest rate from budget funds;
- subjecting agricultural enterprises to soft taxation;
- financing state scientific research;
- subsidizing infrastructure in rural areas from the budget;
- developing and adopting regulatory legal acts as an important and effective direction of state influence on the agricultural sector.

In general, in countries with developed market economies, 2/3 of the total amount of direct payments is made up of payments based on land area and livestock headage. The volume and composition of payments vary by country, taking into account natural and economic conditions, as well as the principles of agricultural policy.

A large share of direct payments in the structure of agricultural support expenditures is noted in countries with disadvantaged production conditions (Norway, Iceland, Finland, Switzerland, mountainous regions of France). The purpose of these payments is to compensate for negative land

rents, which increase production costs, for example, in mountainous and northern regions. The number and total area of farms classified as disadvantaged have grown steadily, and now the area of such farms accounts for almost half of all agricultural land in the EU countries. In Finland, all farms generally receive subsidies per hectare of land, while in the northern regions of 62 degrees latitude, increased prices and special allowances are introduced. Such preferential allowances operate in northern Sweden. A similar system also exists in Norway. In Austria, Switzerland, and the mountainous regions of France, a system of subsidies calculated per hectare and per head of livestock is used.

The state regulation system pays great attention to supporting the financial resources of farms. It is carried out through the creation of agricultural cooperative banks, aimed not at profit, but at providing services, expanding the mortgage credit system, establishing a soft tax regime for agriculture, and developing rural credit cooperation.

Almost every country in the world has an agricultural credit system in various forms. In Turkey, this is Ziraat Bank, in France - Credit Agricole, in Austria - Raiffeisenbank, etc.

All of them have a large network of branches. Agrarian banks are united by membership in the International Confederation of Agricultural Credit.

It is important that the bank remains as primary and necessary for the village as, for example, a store or a post office. This means that the bank should be as accurate, convenient and profitable. It is necessary to ensure the creation of a new agricultural credit system, which will allow resuscitating the rural economy and supporting the agricultural sector. In countries with a developed market economy, the state's influence on the formation of the production infrastructure of the agro-industrial complex is very high: the implementation of land reclamation projects, the creation of a road transport network, land cultivation measures, the construction of farms and poultry farms, agricultural warehouses, sheds, workshops, production lines, veterinary laboratories, garages, service stations and many other facilities.

Due to the unsatisfactory state of agricultural infrastructure in Uzbekistan, this sector annually loses up to 15% of its harvest, which is ultimately reflected in the cost of products.

Among the forms of protectionism in agriculture in many countries, the main role is given to various mechanisms for supporting agricultural prices: in the EU countries, subsidies to producers account for 75% of the total equivalent; in Japan, 87%; in the USA and Canada, about 50%. The share of direct subsidies in the total equivalent of subsidies to agricultural producers is about 50% in Norway, 22-23% in the EU and the USA.

The share of other types of support for the agricultural sector (the provision of various services, the construction of infrastructure facilities, etc.) reaches 60% in Austria and 40% in Canada.

Japan is a case in point, where the state regulates approximately 20% of consumer prices: rice, wheat, meat and dairy products, rail transport, heating, water supply, electricity, gas, educational services, and medical services. At the same time, according to the law, the state does not have the right to set either monopolistic high or monopolistic low prices, which can limit market competition.

In France, the state regulates another 20% of prices, over which a network of state regulators operates, direct regulation of prices for agricultural products is carried out. In the USA, direct regulation is used more often (expanding state purchases, rationalizing taxes, credit and monetary policy, etc.). Direct regulation of prices is used only in highly monopolized industries.

When developing price policy, it is important to rely on the best examples of world experience in the optimal combination of state regulation and self-regulation of prices, which, even in countries with a developed market economy, a large part of food prices are under state control.

Today, the following classical, proven methods are used:

-setting fixed prices;

-controlling prices of large manufacturers and monopolies, setting limits for price changes, creating conditions for their reduction.

In this regard, the experience of state regulation in agriculture in the United States is of great interest to us.

The agricultural policy of the United States government is determined by a whole system of legislative acts. Every four years, Congress discusses and adopts the Farm Bill. In addition, many aspects of agricultural policy are formed as a result of legislative acts regulating other areas of activity. Taxation laws, for example, lead to the attraction of private investors in the development of certain areas of agriculture.

Let's consider some areas of state regulation [Langer Norman. Agriculture of the USA // About the United States of America [Electronic resource] // State Department of the USA. Office of International Information Programs.

<http://www.4uth.gov.ua/usa/russian/economy/agriculture.htm>]:

Price level and policy of ensuring compensatory payments. Certain basic goods are subject to the practice of ensuring stable prices with the help of state subsidies. An even more important role in increasing farmers' incomes is played by compensatory payments, which directly contribute to increasing farmers' incomes. Congress establishes "planned prices" for various crops. In order to receive additional benefits, farmers must withdraw part of their land from use. If the market price received by farmers for the crop is lower than planned, the difference is compensated by the government. The amount of compensatory payments is limited to \$ 50 thousand per year.

Market quotas. A number of direct restrictions are imposed on the trade of a number of crop types. So-called market quotas limit the amount of these crops that can be delivered to the market from week to week. By limiting trade, these quotas provide for an increase in purchase prices for farmers. Quotas are introduced by decision of the Committee of Producers of this state or region. A farmer who violates these regulations risks legal proceedings.

Farm lending. Today, the farmer has extensive access to a developed network of loans from private, cooperative and state financial sources. One of the important components of this network is the Federal Farm Credit System, which consists of three groups of banks, each of which is divided into specific functions: lending for the acquisition of real estate, lending for the purchase of agricultural equipment and fodder, and lending to cooperatives. The country is divided into 12 regions, each of which has three federal banks, one for lending to each of the above areas of activity. Banks finance their operations by issuing and selling securities like business corporations. Another source of credit for farmers Another source of credit for farmers is the Local Farm Bureau, which serves as a "loan haven" that people turn to.

Land restrictions and soil conservation. The government encourages farmers to limit the amount of land they can cultivate. Special subsidies are provided to farmers who agree to set aside part of their land. A number of government programs are aimed at encouraging soil conservation. Under

one such program, for example, the government pays for the planting of grasses and legumes on land used to reduce the risk of soil erosion.

Irrigation and water supply. A federal system of dams and irrigation canals provides water to farmers in 16 western states at subsidized prices. Subsidized irrigation leads to the production of 18% of the country's total cotton, 12% of barley, 12% of rice, and 3% of wheat.

The Department of Agriculture plays a major role in regulating agriculture in the United States. One of its activities is the development of standards in the field of sanitation and safety of agricultural and food products and monitoring their observance. In addition, it implements food programs to assist the population included in the country's social security system. Another important area of operation of the US Department of Agriculture is the development of rural areas: infrastructure, construction of housing for the poor and crop insurance (14% of the ministry's budget). In addition, it provides support for scientific research in the agricultural sector, helps farmers expand their knowledge, consists of a large statistical service and an export promotion service.

The European Union also provides support to its farmers. The main areas of this support include high domestic prices, although it does not control the volume of production, and the export of surplus products generated by them. To support high prices, the EU also imposes high tariffs on such imported goods. This tariff is equal to the difference between the domestic price and the price of imported goods. High tariffs lead to excess production of agricultural products that are exported to the EU at low, subsidized prices. The source of export subsidies is usually the revenue from the collection of import customs duties. Domestic support prices apply to all types of agricultural products, with the exception of oilseeds and certain types of non-cereal feed.

The experience of developing agriculture in Denmark is of great interest [Denmark: the most profitable industry is livestock // Russian Center for Agricultural Consulting [Electronic resource] <http://gras.oryol.ru/Inform/erudition.html>].

Agriculture is an important industrialized sector in Denmark. More than 15 million people can be provided with agricultural products by Danish farmers. Of these, 5 million are Danish citizens. Two-quarters of agricultural products are exported. In total, they are sent to 175 countries of the world. In total, more than 100 thousand people are employed in agricultural work.

A Danish farmer owns his own farm, land and means of production. He buys his farm at market price, even if he is a relative of the seller. In Denmark, all farms must be acquired only by way of sale.

In order to be entitled to purchase a farm of more than 30 hectares, a farmer must have a special 5-year education at an agricultural school. When purchasing a farm, he can take out a loan from a regular bank or credit institution, as in any other transaction. It is not enough to provide only the land and buildings as collateral for the loan; the farmer must also provide an estimate of the expected profit from the farm being purchased. The state participates in lending to farmers only to a very limited extent.

All farmers unite in cooperatives and become owners of the enterprises being purchased. The farmer is a member of a cooperative dairy or a cooperative slaughterhouse. The cooperative enterprises themselves must accept these products as their own. Thus, the need to search for raw materials at the enterprises is eliminated, and farmers do not have to worry about selling their products.

Professional advisory services are one of the main factors explaining the high organization of Danish farmers. The state subsidizes this service, covering 10% of the costs; 90% is paid by the farmers themselves. This means that the advice received by the farmer must be of really high quality, otherwise the farmer may refuse to pay.

Developing countries often pursue agricultural policies that are directly opposite to those pursued by the USA and the EU. Instead of subsidizing and supporting producers, they subsidize consumers. This policy is largely explained by the strong political influence of consumers and the political instability of governments. The dissatisfaction of a large number of consumers concentrated in cities is accompanied by much more serious problems for them than the dissatisfaction of producers living in rural areas.

India can serve as a vivid example of developing countries that pursue a price policy that involves mass subsidizing consumers of agricultural products and at the same time imposing hidden taxes on producers. It should be noted that the price policy pursued by the Indian government applies only to agricultural products and does not involve livestock products.

Currently, there is a modification of the forms and methods of regulating the agrarian economy, both by subjects and objects, and by state regulation. This trend is characteristic not only of countries that have recently embarked on the path of market reforms, but also of countries with developed market economies.

Specific measures of state influence on the AFM can be similar to those used in developed countries. However, in Uzbekistan, more flexible mechanisms need to be developed.

The single function of state regulation of agriculture can be performed using various means, and the task of economists is to choose their optimal combination. In this case, some general rules of economic policy, which are based on many years of experience of developed market economy countries in the world and are very useful in solving this problem, apply.

One such rule is the rule of uniqueness, which indicates that the most effective means of economic policy are those that come close to the source of harmony between private and social interests

The specific measures of state influence on the agricultural sector can be similar to those used in developed countries. However, in Uzbekistan it is necessary to develop more flexible mechanisms. The single function of state regulation of agriculture can be carried out using various means, the task of economists is to choose their optimal combination. In this case, some general rules of economic policy, based on the many years of experience of countries with developed market economies in the world, apply and are very useful in solving this problem.

One such rule is the rule of uniqueness, which indicates that the most effective means of economic policy are those that come close to the source of harmony between private and social interests [Например, svobodnaya mejdunarodnaya trgovlya, dayushchaya vyigrysh svoim potrebitelyam za schet snijeniya tsen na vnutrennem rynke do urovnya mirovyx, kak pravole, vyzyvaet nopolstvo otechestvennyx tovaroproizvodite ley, i pravitelstva v etom sluchae vynujdeny vvodit tamozhennye tarify na importiruemuyu produktsiyu s tselyu ogranichenia ee ob'emov. Vmeste s tem etu problemu mojno razreshit i s pomoshchyu drugogo instrumenta gosudarstvennogo regulirovaniya - subsidirovaniya otechestvennyx tovaroproizvoditeley. Eto budet nailuchshiy sposob ustraneniya disharmonii interesov proizvoditeley i pokupateley, tak kak on neposredstvenno svyazan s ee istochnikom, to est s otechestvennymi tovaroproizvoditelyami.].

With increasing competition and filling of food markets, the importance of assessing and forecasting the efficiency of agro-industrial complex networks is increasing. Manufacturers develop vertical integration, combining marketing and logistics functions within one company, and an important role in their implementation belongs to the system of moving products to the market.

Studies have shown that in world practice, integrated cooperative-integration structures aimed at ensuring national food security and increasing export potential are actively developing. In these structures, the cooperation of businessmen who form a production-sales chain for the supply of agricultural and food products to wholesale organizations and final consumers plays an important role. In this regard, the effectiveness of agricultural management in countries and regions is determined by the level of development of productive forces and production relations, their geographical location, and the availability of agricultural production factors.

As a major entity in the global agri-food market, the Republic of Uzbekistan, as a major entity, is developing a comprehensive methodology and mechanisms for the strategic planning system for the balanced development of the agricultural sector, including integrated production and sales companies, based on world experience.

Thus, the assessment and forecasting of the effectiveness of the agro-industrial production sectors indicates the existence of market opportunities for ensuring the competitiveness of products and its entities based on new business tools in the processing industry and trade, agriculture.

References

1. Grishaeva L. Conceptual foundations of the agricultural market / L. Grishaeva // International Journal of Agricultural Economics. –2002. –№ 1. –P. 21.
2. Gusakov V. G. Basic objective laws, regularities and principles of market economy / V. G. Gusakov. –Minsk: Center for Agricultural Economics. экономики In-та экономики NAN Belarus, 2006. –59 p.
3. Grenlund A.Yu. Local agroprodovolstvennyy market: theoretical approach / A. Yu. Grenlund // Transport noe delo Rossii. – 2013. – No. 1. – S. 76–78
4. Djumaboev Kh. K. Formirovanie i razvitie infrastrukturiy prodovolstvennogo rynka) : dis. ... candy. economy Nauk / Kh. K. Djumaboev. - Dushanbe, 2009. - 172 p.
5. Denmark: samaya dokhodnaya otrasl – jivotnovodstvo // Rossiyskiy tsentr selskohozyaystvennogo konsultirovaniya [Electronic resource] <http://gras.oryol.ru/Inform/erudition.html>
6. Dzhukha V.M., Kuritsyn A.V., Shtapova I.S. Ekonomika otraslevykh rynkov: uchebnoe posobie/ - Rostov n/D: Phoenix, 2020