

# Importance of new reforms in the agrarian sector in the stability of the economy

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**Abstract.** The UN today emphasizes that it is time to completely change the approach to the production and distribution of food products, so that agriculture will develop in the direction of human interests and food will be provided to all [1-4, 7-9]. Today, the development of the agrarian sector, food security is one of the most urgent tasks facing the countries of the world. It is said that it can adequately feed people and give them a source of income. 40% of the world's population relies on the agricultural sector for their livelihood, making it the largest employment in the world. The global development of the agrarian sector and ensuring food security have become critical tasks facing countries today. The United Nations emphasizes the need for a complete transformation of the approach to the production and distribution of food products, with a focus on developing agriculture in line with human interests and providing food for all. The analysis of fruit and vegetable product exports in the Republic of Uzbekistan revealed that in 2021, a total of 1521.8 thousand tons of these products were exported, generating 957.3 million US dollars. In 2022, the volume of fruit and vegetable product exports increased to 1730.6 thousand tons, with a value of 1134.3 million US dollars. This represents a significant 18.5 percent increase in export value and a 13.7 percent increase in quantity compared to 2021.

## 1 Introduction

Today, the development of the agrarian sector, food security is one of the most urgent tasks facing the countries of the world, the UN today emphasizes that it is time to completely change the approach to the production and distribution of food products, so that agriculture will develop in the direction of human interests, and food will be provided to all [1-4]. It is stated that it is able to fully provide food and create a source of income for people. Agriculture is the world's largest employer. 40 percent of the world's population makes a living through this industry [1-5]. It is a major source of income and employment for families in impoverished villages. In developing countries, agricultural producers supply 80 percent of food. Therefore, carrying out new reforms in the agrarian sector will increase the country's ability to supply products to domestic and foreign markets, while ensuring the stability of the economy, as well as ensuring food security [6].

The development of the agricultural sector, the issue of food security is a guarantee of ensuring the independence, socio-economic and political stability of Uzbekistan as well as all other countries. The demand for food products is increasing, as a result of population growth and consumption, this problem maintains its urgency and is turned into a priority

direction of state policy [7]. As a result of the development of the agricultural sector, the state's food security policy, guaranteed opportunities for production and import levels are created, international cooperation is developed, and a periodically renewed food stock is created [8].

Many scientists are interested in the study of problems related to the development of the agricultural sector, food security, approaches to the production and distribution of food products, studied by national and foreign scientists, and these results are reflected in published national and foreign literature and scientific articles is expressing. Therefore, the study of the ways of development of the agricultural sector remains very relevant, as a result of deepening scientific research, applying scientifically based conclusions to production, the agricultural sector develops in the way of human interests, serves to create a source of income for people by providing food to everyone [9].

The text discusses scientific research conducted by various scholars on the impact of scientific and technical progress on the agricultural sector. It also examines the introduction of market relations in agriculture, as well as the development of relations between entities involved in growing, processing, and selling agricultural products. Additionally, the text explores factors that contribute to the efficiency of agricultural production. The research was carried out by well-known scholars and contributed to by Schumpeter et al. The results of the reforms in the agrarian sector and their impact on market relations in agriculture, relations between the entities involved in agricultural production [10, 11].

Despite extensive research, the significance of new reforms in the agrarian sector for the stability of the economy, the changes in the sector, the level of product export, and the study of its composition require new research, the development of scientifically based proposals and recommendations.

## **2 Materials and methods**

The agricultural sector holds significant importance in the national economy, as it plays a crucial role in resolving socio-economic and political issues within the country. Therefore, the reformation of the agrarian sector is recognized as one of the most pressing matters in our republic [6-7, 12]. Various endeavors have been undertaken in recent years to enhance the agrarian sector, such as improving the state management system, facilitating market relations, strengthening the legal foundation of relationships between entities involved in the production, processing, and sale of agricultural products, encouraging investment in the sector, promoting resource-efficient technologies, and providing modern equipment to producers.

In order to deepen the reforms aimed at increasing the competitiveness of agriculture and the food industry, the strategy for the development of agriculture for 2020-2030 was adopted in order to fundamentally improve the state policy. Based on the measures defined in it, the state order for the cultivation of cotton raw materials and grain products was canceled, market principles and new mechanisms of financing the sector were introduced in the sector, as well as modern methods and advanced forms of economic management: clusters of various specializations, a system of agricultural cooperatives are being developed. Rapid reforms in the agrarian sector and implementation of the tasks defined in the strategy require the improvement of the management system in the areas of food security and land relations, wide and systematic introduction of new scientific and innovative technologies.

If the increase in the world population continues at the current rate, the population of our planet may reach 10 billion people in 2050. Experts say that demographic growth is more noticeable in Uzbekistan, where the majority of citizens are young people, which requires more serious attention to ensuring food security. Therefore, the fact that today

approximately 1 billion people around the world suffer from malnutrition shows how serious this problem is [6-9]. The role and importance of agriculture in the stability of the national economy is expressed in the following: agriculture provides the population with food, food is the basis of people's spiritual life and material production; and agriculture is a source of raw materials for the light and food industry. The products of these industries are directly used to meet the needs of the population. The level and efficiency of agricultural use of available opportunities determines the production volume and efficiency of certain branches of industry. Agricultural raw materials make up 40 percent of all material costs in the textile industry, 70 percent in the sugar industry, and 80 percent in milk and oil products [9-11]. Currently, 3/4 of the population's consumption fund in the country consists of direct agricultural products or industrial products produced from agricultural raw materials.

Since the independence of our republic, a comprehensive strategy has been implemented to revise and improve the agricultural crop structure in order to ensure the country's food security. The Program aimed at achieving grain independence has been particularly noteworthy due to its significant socio-economic and political impact. In 1990, over half of the arable land was used for technical crops, including cotton fields, but through agrarian reforms, the area of such crops has decreased by 35.1%, while the share of grain crops has increased from 24% to 45.2% of the total cropland. To further enhance the support system for local food producers, the President of the Republic of Uzbekistan issued a decree on September 9, 2020, titled "On measures to rapidly develop the food industry of the Republic and fully provide the population with quality food products" [1-4].

The aim is to establish mutually beneficial relationships between enterprises involved in the production of agricultural food products such as fruits, vegetables, meat, and milk, and those involved in their processing, preparation, and sales [4-7]. This is intended to increase the competitiveness of local food products, diversify them, and promote their export potential. Strategies and models for the development of the food industry based on the efficient use of natural and economic resources of the regions will be developed [2-4]. Financial and non-financial measures will be implemented to support business entities involved in processing agricultural products, and new tools and information systems will be created for this purpose. The impact of private and foreign direct investments on the food industry will be analyzed, and proposals formulated accordingly [6-9]. Modern trade and logistics centers will be constructed, and local food products will be promoted in world markets to enhance their competitiveness and reduce the volume of imports [11].

### **3 Results and discussion**

The issue of food security development of the agrarian sector is a guarantee of ensuring the independence, socio-economic and political stability of Uzbekistan as well as all other countries. This problem has not lost its relevance. At the same time, the demand for food products is increasing, and the per capita consumption is increasing due to the growth of the population. Consequently, in the last three years, the approach to ensuring food safety, increasing the quality of agricultural products and export potential in our country has completely changed, and it has been turned into a priority direction of state policy.

It is known that agriculture is the leading sector of the economy in Uzbekistan. It employs 3.6 million people, that is, 27% of the employed in the economy. The sector's share in GDP is equal to 32%, while the land area used in the sector occupies 45% of the territory of the republic. At present, more than 180 types of agricultural and food products are exported to more than 80 countries. Another noteworthy point is that the cluster method of production in agriculture has been established and is developing. Clusters cover 62% of agricultural land in cotton-textile, 8% in livestock and 7.5% in fruit and vegetable production. Among these, there are a number of unused opportunities for further

development of the sector, increasing the income of farmers, ensuring food security, and sustainable use of natural resources.

In the strategy for the development of agriculture of Uzbekistan for 2020-2030 developed in the republic, it is indicated that the share of undernourished among the population in Uzbekistan as of 2018 is 6.3 percent. Reducing this share to 5 percent by 2021, 3 percent by 2025, and reducing it to zero by 2030 is a priority. The implementation of these measures will fill the markets of our country with high-quality, cheap and safe food, strengthen the purchasing power of the population, and develop a healthy competitive environment. A number of achievements are being made in the production and export of fruit and vegetable products of the agrarian sector. The analysis of fruit and vegetable product exports in the Republic of Uzbekistan revealed that in 2021, a total of 1521.8 thousand tons of these products were exported, generating 957.3 million US dollars. In 2022, the volume of fruit and vegetable product exports increased to 1730.6 thousand tons, with a value of 1134.3 million US dollars. This represents a significant 18.5 percent increase in export value and a 13.7 percent increase in quantity compared to 2021 (Tables 1 and 2).

**Table 1.** Export of fruit and vegetable products of the Republic of Uzbekistan.

Year	2021		2022		Growth in 2022 compared to 2021 (%)	
	million US dollars	thousand tons	million US dollars	thousand tons		
Quantity	957.3	1521.8	1134.3	1730.6	18.5 million US dollars	thousand tons 13.7

**Table 2.** The composition of the export of fruit and vegetable products of the Republic of Uzbekistan.

Product group	2021 year		2022 year		Growth in 2022 vs. 2021 (%)	
	million US dollars	thousand tons	million US dollars	thousand tons	million US dollars	thousand tons
Vegetables	404.1	801.5	478.3	883.7	13.4	10.2
Fruits and berries	280.6	325.4	301.9	360	7.6	10.6
Grapes	208.5	270.6	280.1	318.9	34.4	17.8
Melon watermelon	22.7	82.9	37.2	136.6	63.9	64.8
Groundnut	23.5	22	26.2	19.6	11.2	10.9
Pepper	17.9	19.4	10.7	11.9	-40.3	-38.7

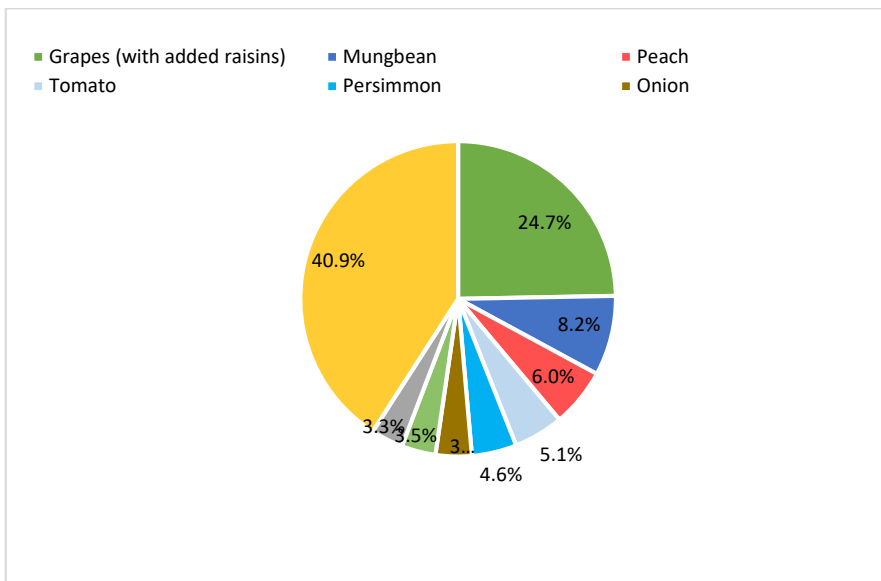
The results of the analysis of the composition of the export of fruit and vegetable products of the Republic of Uzbekistan are presented in Table 2. Countries that import fruit and vegetable products of the Republic of Uzbekistan lil results are presented in Table 3 . Among the countries that import fruit and vegetable products, the largest share goes to Russia, accounted for 42.5 % or 486.7 million US dollars (Table 3).

**Table 3.** Countries importing fruit and vegetable products of the Republic of Uzbekistan.

#	States	Share(%)	Million USD	A thousand tons
1	Russia	42.5	486.7	541.9
2	Kazakhstan	18.9	216	641.2
3	China	9.1	104.6	127.2
4	Pakistan	8.8	101.2	65.3
5	Kyrgyzstan	3.7	42.9	155.6
6	Afghanistan	2.7	31.1	48.7
7	Turkey	2.2	25.5	19
8	Belarus	1.7	19.9	24.3
9	Azerbaijan	1.2	14.1	10
10	Iran	1.2	13.3	12.8

The government of the republic has been implementing a range of measures to ensure economic stability, particularly in the agrarian sector, with the aim of increasing its export potential. These measures include promoting continuous operation of economic sectors and industries, supporting foreign economic activity, and encouraging exports. In addition to this, the government has been strengthening the social protection system for the population, which has resulted in positive outcomes. These efforts have contributed to an increase in the country's economic growth, and have helped to ensure a stable and sustainable economic future for the republic.

According to the figure 1, the dominant share of fruit and vegetation export was seen in other varieties, accounted for 40.9%, however, this was much lower in the case grapes (with added raisins), which had 24.7% (Fig. 1). Furthermore, another bigger share was reported in the export of Mung bean, peach, tomato and persimmon, which were 8.2%, 6%, 5.1% and 4.6%, respectively (Fig. 1).

**Fig. 1.** Share of fruit and vegetable exports.

## 4 Conclusions

Uzbekistan is implementing new reforms in the agricultural sector to increase the income of farmers and peasants by at least 2 times and to achieve an annual growth of at least 5%. The government plans to achieve this by diversifying the agricultural sector, creating a favorable agribusiness environment, supporting the development of cluster and cooperative relations, introducing market mechanisms and information and communication technologies, and specializing districts in the cultivation of specific types of products.

The government also plans to reduce the areas of cotton and grain cultivation, and focus on the development of fruit and vegetable cultivation, intensive gardens, and greenhouses. This would increase the export potential by another 1 billion US dollars, and improve soil fertility and protection. Additionally, the government plans to provide agro-services based on science and innovation, develop agro-logistics centers and modern laboratories, and implement a national program on seed and seedling cultivation.

Overall, the government's goal is to deepen the integration of science and practice in the agricultural sector, create conditions for effective use of farms by the population, and implement the goals and tasks outlined in the new development strategy for Uzbekistan.

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