

THE ROLE OF AGRICULTURE IN THE ECONOMY OF OUR COUNTRY

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Abstract

This article highlights the role of agriculture in the economy of the Republic of Uzbekistan. It examines agriculture's share in GDP and its significance in ensuring employment. The sector faces a number of complex challenges that need to be addressed.

Keywords: agriculture, agribusiness, farming, peasant farming, agro-industrial complex.

Annotatsiya

Ushbu maqolada O'zbekiston Respublikasi iqtisodiyotida qishloq xo'jaligining o'rni yoritilgan. Unda qishloq xo'jaligining YaIMdagi ulushi va uning bandlikni ta'minlashdagi ahamiyati o'rganiladi. Tarmoq hal qilinishi lozim bo'lgan ko'plab murakkab muammolarga duch kelayotgani ta'kidlanadi.

Kalit so'zlar: qishloq xo'jaligi, agrobiznes, dehqonchilik, dehqon xo'jaligi, agrosanoat kompleksi.

Аннотация

В статье освещается роль сельского хозяйства Республики Узбекистан в экономике страны. Раскрыта доля сельского хозяйства в ВВП и его значение в обеспечении занятости населения. Отмечено, что отрасль сталкивается с рядом сложных проблем, требующих решения.

Ключевые слова: сельское хозяйство, агробизнес, крестьянское хозяйство, агропромышленный комплекс.

Agriculture has always been the backbone of our country's economy, playing a vital role in shaping its development and progress. Despite rapid industrialization and technological advancement, agriculture remains a key sector for economic stability, employment, and food security.

Agriculture is the largest sector of the Republic of Uzbekistan's economy. Agriculture primarily serves to meet the population's food needs. In this regard, Uzbekistan's agriculture has achieved tremendous success. The country produces almost the majority of agricultural food products, in sufficient quantities for its population. Agriculture provides the processing industry with raw materials. Today, over 60% of the fiber used in the country's light and textile industries is domestically produced cotton fiber. The rest is wool, hemp, cocoons, and chemical fibers.

The republic's fruit, vegetable, and melon processing industry relies entirely on locally grown raw materials. The dairy and meat processing industries also rely on

locally grown produce. Raw materials for the oil and fat industry are primarily grown domestically. Only a few types of vegetable oil are produced from imported raw materials. For example, the quality of the oils consumed by the country's residents—the quality of which ensures a wide variety—casts a shadow. Of course, this represents a very small portion of all the oils and butter produced.

The success of the country's economic and social reforms depends largely on the level of agricultural development. Since agriculture is a sector of political, economic, and social importance for our country, it performs the following functions (Table 1):

Table 1.
The functions of agriculture in our country¹

forms the food fund of our country	supplies gomash for the agricultural processing industry;
ensures food independence and security of our country	provides jobs to the population.

As a result of reforms implemented during the years of independence, the Republic of Uzbekistan has acquired a dynamically developing and complex economic system. Agriculture has remained a large and important sector of the Republic's economy. Agriculture is one of the main industries practiced by the peoples of Uzbekistan since ancient times, and has been steadily developing for several millennia. Livestock farming is the primary industry in the republic, with an agricultural culture developing later. Sheep farming, cattle breeding, horse breeding, beekeeping, camel breeding, sericulture, grain farming, vegetable growing, melon growing, horticulture, and cotton growing are predominantly developed. Agriculture has become the main way of life for the peoples living in our republic. Its development has led to an increase in the production of agricultural tools in our country. As a result, culture, science, and crafts have gradually developed.

Table 2
The role of the republic's agriculture in the country's economy²

№	Indicators	2017	2018	2019	2020	2021	2022
1	The share of agricultural GDP in the country's GDP, %	28,9	26,6	24,4	24,9	24,6	23,5
2	Growth rate of gross agricultural output, %	103,2	104,5	106,1	107,3	110,1	106,2
3	weight of cotton fiber and food products in gross exports, %	22,9	15,9	9,9	8,5	7,9	7,0
4	Agricultural labor force share, %	27,2	26,6	26,2	26,4	25,2	24,9

Today, agriculture plays a significant role in the country's economy. This sector accounts for 20-25% of the country's gross domestic product. In 2021, it accounted for 24.6% of the country's total GDP, compared to 23.5% in 2022. More than half of the

¹ Central Asian journal of education and innovation, Volume2, Issue 5

² <https://stat.uz>

free foreign exchange earnings needed for our economy come from exports of this sector's products. Specifically, in 2022, the share of cotton and food products in total exports was 7.0%. More than 96 percent of food grown in the country is produced in agriculture. More than 60% of the population lives in rural areas. Our people's standard of living and the employment of a significant portion of the human resource are linked to agriculture. Today, more than 28% of the labor force employed in the economy is employed in agriculture and forestry. Therefore, the focus on agriculture, especially in the years following independence, is rightfully increasing (Table 2).

As Table 2 shows, agriculture is the largest sector of the Republic of Uzbekistan's economy, and its share is declining year after year.

It should be noted that, from 2017 to 2022, agriculture experienced steady growth. Thanks to the relatively rapid development of industry and the service sector, agriculture's share in the country's economy has decreased. This is considered a very positive development. As the country's economy accelerates, agriculture's share will decrease. As a result, we will become a developed industrialized country with a well-developed service sector.

The republic's foreign trade turnover in 2023 was \$62.6 billion, of which exports amounted to \$24.4 billion, while exports of agricultural and food products accounted for nearly \$2 billion, or 8.2% of the total (Table 3).

Table 3.

Countries with the highest share in the foreign trade turnover of the Republic of Uzbekistan(2023 y)¹

Country / Partner	TSA (million USD)	Export (million USD)	Import (million USD)	Share (%)
China (PRC)	13,722.0	2,461.8	11,260.1	21.9%
Russia	9,883.8	3,307.6	6,576.1	15.8%
Kazakhstan	4,398.9	1,372.5	3,026.4	7.0%
Turkiye	3,099.7	1,248.5	1,851.2	5.0%
Republic of Korea	2,343.2	40.4	2,302.9	3.7%
Turkmenistan	1,094.4	171.2	923.2	1.7%
Germany	1,054.2	75.8	978.4	1.7%
France	984.7	392.1	592.6	1.6%
Kyrgyz Republic	953.4	631.5	321.9	1.5%
Afghanistan	867.0	856.7	10.3	1.4%

In 2023, specific measures were defined to further increase food production, increase processing volumes, and ensure price stability in the market, and systematic work was carried out on their implementation. In 2023, food industry products worth

¹ Agriculture annual report 2023

86.3 trillion soums were produced, and the set plan was fulfilled by 105.9%. The number of food enterprises registered in the republic is 28.7 thousand, of which 16.5 thousand are operating, 9.5 thousand have ceased operations, 2,714 have been newly established, and 1,074 have been liquidated.

Of the 16.5 thousand operating enterprises, 1.2 thousand are fruit and vegetable producers, 1.3 thousand are milk processors, 668 are meat processors, and 13.4 thousand are other food producers. As a result of the systematic work carried out, in 2023, 8.4 million tons of grain crops, 11.6 million tons of vegetables, 3.6 million tons of potatoes, 2.6 million tons of melons, 3.1 million tons of fruits, and 1.7 million tons of grapes were produced. In order to increase the supply of the population with the main types of agricultural products, in particular, meat, milk, eggs, fish, and honey products, 2.8 million tons of meat (in live weight), 12 million tons of milk, 0.2 million tons of fish, and 8.5 billion eggs were produced.

As a result of the political, economic, and social policies pursued in our country during the years of independence, profound structural, social, and property changes occurred in agriculture. In recent years, numerous measures and structural reforms adopted to ensure the stability of the sector are yielding positive results. Over the past year, despite serious challenges, our food and agricultural systems have remained strong and stable. This is evidence of the established sector experience and the reliability of supply chain structures. Ultimately, our consumers are provided with regular access to a wide range of high-quality, affordable agricultural and food products. The Ministry is a state administration body implementing a unified state policy in the field of agriculture and food security, as established. Within the framework of this mandate, the Ministry adopted 331 regulatory and legal documents in the agricultural sector in 2019-2023. In particular, in 2023, 14 draft laws, 17 draft Presidential Decrees, 22 draft Presidential Resolutions, and 91 draft Government Resolutions were developed to improve agrarian reforms, of which 55, including 4 Laws, 8 Presidential Decrees, 16 Presidential Resolutions, and 26 Government Resolutions, were adopted.¹

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¹ Agriculture annual report 2023

ZRQ-864 dated August 21, 2023 on Amendments to the Law of the Republic of Uzbekistan "On Veterinary Medicine". This Law renamed the Samarkand Institute of Veterinary Medicine to "Samarkand State University of Veterinary Medicine, Animal Husbandry and Biotechnologies". This was aimed at expanding the scope of training personnel in the field¹.

OPQ-871 dated October 23, 2023 "On Amendments and Addenda to Certain Legislative Acts of the Republic of Uzbekistan in Connection with the Improvement of Land Legislation". This Law serves to further expand lease relations, legally regulate relations related to the establishment of easements, and reliably protect the rights of landowners, land users, tenants and owners of land plots.

Decree No. PF-1 dated January 10, 2023 "On Amendments to the Decree of the President of the Republic of Uzbekistan dated December 15, 2017 No. PF-5286 "On Additional Measures to Encourage the Export of Local Products and Ensure Their Competitiveness in Foreign Markets". It is envisaged to further develop poultry farming in the republic, industrialize quail meat production, and support the expansion of the export potential of local business entities.

Decree No. PF-2 dated January 10, 2023 "On measures to support the activities of cotton and textile clusters, radically reform the textile and garment and knitwear industries, and further increase the export potential of the sector".

This Law provides for the further expansion of lease relations, legal regulation of relations related to the establishment of easements, landowners, land users, land

16 Presidential Decrees

26 Government Decrees

Amendments and additions to the Law of the Republic of Uzbekistan "On Agriculture" providing for an increase in the maximum size of land plots allocated for farming in certain regions of the country from 1 hectare to 5 hectares.

With this Decree, in order to ensure an increase in the production of high-value-added finished products and textile products through deep processing of cotton fiber by 2.1 times and an increase in the export index by 2.6 times in the next five years, and to bring the production of carpets and home textiles to a new level:

-Recovery and development The Fund will allocate funds in the amount of 100 million US dollars in 2023 and 150 million US dollars in 2024 at an annual rate of 4%, subject to repayment from August 2024 to January 1, 2026, to the Export Support Fund under the Export Promotion Agency, based on its order, in order to provide enterprises exporting fabrics, knitted fabrics and ready-made sewing and knitting products with working capital, including revolving credit;

¹Report (2023) The Ministry Of Agriculture In The Republic Of Uzbekistan

- Opening of credit lines in commercial banks, based on their orders, in the amount of 50 million US dollars, for a period of 10 years, with a 3-year grace period at an annual rate of 4% and for the remaining period at an annual rate of 5% for projects in the field of weaving, carpet weaving, dyeing and finishing, and the production of ready-made sewing and knitted products according to the following criteria;

- Small industrial zones specializing in textiles in Andijan, Namangan and Kashkadarya regions and industrial technopark territories specializing in deep processing of textile and leather industry products in Tashkent region;

- A list of certain goods exempted from customs duties when imported into the territory of the Republic of Uzbekistan by textile and sewing and knitting enterprises has been determined. According to Article 39 of the Civil Code of the Republic of Uzbekistan, "a person who owns, manages, or operates separate property and is liable for its obligations with this property, acquires and exercises property or personal non-property rights in its own name, and performs obligations, is an organization that can be a plaintiff and a defendant, and is considered a legal entity." Legal entities whose primary purpose is to generate profit are considered business entities.

Based on this, the majority of individual entrepreneurs and farms engaged in agricultural activities that have not been registered with the state as legal entities operate as individuals. Farmers and farmer partnerships registered with the state operate as legal entities. A legal framework has been created and is being improved for economic entities with moderate activity, whether individuals or legal entities.

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