



Increasing The Share Of The Agricultural Economy In The Country's Gross Domestic Product

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ABSTRACT

The content of the article is devoted to the scientific basis for increasing the share of the agricultural economy in GDP. In this regard, proposals are being made to increase the factors affecting the efficiency of agriculture. By increasing agricultural efficiency, we will be able to increase GDP and provide employment for the country's workforce. In this way, we will improve the living standards of the population, that is, increase the income of the population through self-employment. The main purpose is to make proposals for the construction of agriculture based on innovative technologies based on modern technologies. That is, we can achieve GDP growth in the country through the use of intensive methods.

KEYWORDS

Agricultural economics, efficiency, employment, gross domestic product, innovative innovations, intensive method, labour resources, modern technologies.

INTRODUCTION

As noted in the Address of President Sh.M.Mirziyoyev to the Oliy Majlis:

“Uzbekistan is an industrial-agrarian country, the agricultural sector produces 17% of the

country's GDP and employs 34% of the working population. Today, the income of more than 16 million rural people is related to agriculture. Irrigated agriculture accounts for 98 per cent of agricultural output. Today, there are 4.3 million hectares of irrigated land in Uzbekistan, of which 55% (2.3 million hectares) are irrigated by pumps. Such irrigation increases the cost of the product. In the current situation, the efficient use of agricultural land, increasing production efficiency and competitiveness, ensuring food security and increasing the export potential of the country are becoming one of the most important priorities [1].

Efficient and rational use of invaluable land and water resources by further deepening economic reforms in agriculture, optimizing the composition of crops, introducing new advanced agricultural technologies, as well as increasing the economic efficiency and financial sustainability of farms is one of the important tasks. This will lead to the expansion of the export potential of the industry. A wide acquaintance of foreign partners with high-quality consumer vegetables, fruits, grapes and melons grown in Uzbekistan, development of stable cooperation between cotton producers, processors and suppliers of fruits and vegetables through modern market mechanisms, processing of processed fruits and vegetables. The assortment of vegetables, as well as products for export, the formation of new sales markets, are among the topical problems in the development of the industry. The transition to market relations in agriculture in our country required the formation of a diversified management system in this area. Therefore, an important task for the state is to create all legal, organizational and economic conditions for various forms of management and property activities in agriculture.

The priority for further agricultural reform is, first and foremost, the rational use of land and water resources. Therefore, in 2018, about 18,000 hectares of cotton and 1,000 hectares of grain fields in the region will be reduced due

to low soil fertility. In 2019, vegetables and fruits will be grown in the fields, intensive gardens and vineyards will be established, and greenhouses will be established. As a result, the volume of deep processing of products will increase sharply, and value-added export-oriented products will be produced. This will increase the interest of the population and increase their income [2].

The development of a diversified farm development program for 2017-2020 will be completed in the coming days. According to the program, the area under cotton will be optimized and the area under cotton will be gradually reduced. The focus will be on increasing the production of export-oriented fruits and vegetables and food and livestock products, as well as the establishment of small production facilities and the provision of services. Land and water reforms in the agricultural sector focus on issues such as efficient use of land and water resources, improving land reclamation and increasing soil fertility. An analysis of agricultural production by farm category shows that the share of farms is increasing from year to year, while the share of organizations engaged in agricultural activities is decreasing.

THE MAIN PART

In 2018, a total of 776.7 thousand tons of fruits and vegetables will be sold for 586.3 million. Exports in US dollars amounted to 60.0% [2].

Increasing exports of fruits and vegetables and processed foods are important for the Uzbek economy. At present, exports of these products account for 6.2% of Uzbekistan's exports in value terms, which is 1.5 times more than Uzbekistan's long-term main export, cotton. Lack of an effective system for disseminating agricultural knowledge and information, linking research, education and information and consulting services, is one of the most serious obstacles to the development of the sector on a scientific basis. At present, the level of public investment in research is

0.2% of the total agricultural budget. About 16.4 million of the country's population (49.4% of the total population) live in rural areas (2018). The country has a high birth rate (23.3 per thousand) and a correspondingly overworked rural population. People under the age of 25 make up 45.5 per cent of the population, and those under the age of 30 make up more than 55 per cent [2]. The level of public services, as well as transport and information and communication links in rural areas, remains low. A comprehensive strategy and program development are required based on a detailed assessment of regional needs and taking into account competitive advantages.

President of the Republic of Uzbekistan Sh.M. Mirziyoyev's Decree No. PF-5853 of October 23, 2019 "On the development of agriculture of the Republic of Uzbekistan for 2020-2030" is the beginning of a planned strategy for agriculture in the coming years [3].

The main goal of this strategy is to radically improve public policy to further deepen reforms aimed at increasing the competitiveness of the agricultural and food sectors, and includes the following priorities:

- Ensuring food security of the population;
- Creating a favourable agribusiness environment and value chain;
- Reduction of state participation in the management of the sector and increase of investment attractiveness;
- Rational use of natural resources and protection of the environment;
- Development of modern public administration systems;
- Gradual diversification of government spending to support the sector;
- Development of a system of science, education, information and consulting services in agriculture;
- Rural development;
- Development of a transparent system of network statistics.

The development of the value chain is an important factor in ensuring the competitiveness of agriculture. The high cost of delivering products from the field to the final consumer, i.e. collection, transportation, storage, processing, packaging, and certification, reduces the profits made by agricultural producers. The low level of development of the food industry limits the ability to increase the production of high value-added products. Attracting investment in infrastructure development will require measures to develop developed financial markets, a favourable business environment, as well as support for producers and the development of production and sales chains. The limited processing and packaging capacity of farms, which produce the bulk of exported fruits and vegetables, has led to significant losses. Seasonal price fluctuations and volatile market conditions also have a negative impact on their performance.

In recent years, small producers have been investing in modern warehouses and processing equipment through a variety of financial sources, including loans from international financial institutions. Nevertheless, they remain isolated from processing enterprises and exporting organizations. Due to the incomplete mechanisms for uniting small agricultural producers, their activities remain fragmented. This hinders the achievement of high economic performance and limits the possibility of integration into value chains [4].

In addition, the relationship between farmers and landowners, who account for more than 70 per cent of gross agricultural output, and between processing, processing, and exporting enterprises, is underdeveloped [2].

The main goal of this priority is to increase the export potential of the agricultural sector, increase the volume of value-added products, widespread introduction product certification systems based on international standards and the development of cooperative relations. Of

the 20.2 million hectares of agricultural land, only 20.7 per cent is irrigated. Per capita irrigated land has decreased by 24% (from 0.23 to 0.16) over the last 15 years [2].

This is due to population growth, reduced water supply, and the transfer of agricultural land to other landholdings. Irrigated land is projected to shrink by another 20-25 per cent over the next 30 years. Insufficient guarantees of land use rights hinder the efficiency of farm management and limit investment. At present, there are no clear and transparent mechanisms for land allocation and protection of land users' rights. Also, the lack of subleasing of land plots prevents the transfer of agricultural land to relatively potential land users.

About 80% of the country's water resources are formed by transboundary water bodies. This highlights the importance of regional cooperation for the sustainable management of water resources in Central Asia, particularly in the Republic of Uzbekistan. Seventy per cent of the country's irrigation networks do not have anti-filtration coatings, resulting in some water being lost during field delivery. The existing irrigation infrastructure, most of the pumping stations, have been in use for more than 30-40 years and need reconstruction or overhaul. Currently, only 1.7 per cent of irrigated land is irrigated. According to the Institute of World Resources, by 2040 Uzbekistan will become one of the 33 countries with the highest water shortages. Decreased productivity has serious negative consequences for food security and balance of payments, which necessitates the sustainable management of water resources and the use of resource-efficient technologies in crop production [5, 6].

Agriculture, which accounts for 32% of Uzbekistan's GDP and employs 27% of the working-age population, can be one of the key factors in the country's economic growth in the context of effective public policy. As a result of the effective implementation of this policy, the volume of agricultural exports and incomes of

farmers and agricultural organizations will increase, and thousands of new jobs will be created in rural areas. Living standards will rise, several food products will become cheaper for the population, and the country will be able to ensure reliable food security.

CONCLUSION

The functions of government agencies in the agro-industrial complex are mainly focused on the management of production processes, some of which can be transferred to the private sector. For the development of agriculture, it is necessary to revise the number of budget funds allocated for government programs and services in the following areas and improve the financing system:

- Protection of the environment, increase of soil fertility and introduction of water-saving technologies;
- Food safety, animal disease control, veterinary and phytosanitary services;
- Support for various forms of associations;
- Improving the system of statistical data collection and monitoring of agricultural markets, development of market and transport and logistics infrastructure;

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