

## PROSPECTS FOR IMPROVING THE FINANCING SYSTEM OF FRUIT AND VEGETABLE CLUSTERS

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### Abstract

In this article, the prospects for improving the financing system of fruit and vegetable clusters are widely discussed. Fruit and vegetable clusters are highly effective in finding and introducing innovations suitable for our regions and climate. This research intends to conduct an econometric analysis of the influence of factors on the productivity of vegetable products and fruit products. Conclusions and proposals were also developed on the prospects of improving the financing system of fruit and vegetable clusters.

**Keywords:** fruit and vegetable, cooperative, cluster, cooperation, agro-industrial complex, efficiency, market, innovations, economic efficiency, competitiveness, marketing.

### Introduction

For the development of agriculture in Uzbekistan, a lot of attention is paid to the cluster system, which is widely implemented in the cotton and grain industries, and the cluster system is relatively less implemented in the fruit and vegetable industry. Strengthening the role of clusters, introducing new mechanisms of cooperation, large-scale financing of fruit and vegetable producers and expanding the provision of agricultural services form the basis of a new system of development of the fruit and vegetable industry in Uzbekistan, EastFruit experts say. "Uzbekoziqvokatholding" company was entrusted with the task of working individually with each cluster, analyzing the export contracts in depth, taking into account the allocation of working capital, and helping to conclude additional contracts. At the meeting, the governors of the regions gave information about their plans to organize fruit and vegetable clusters, grow and process marketable products, expand the volume and geography of exports. Issues of improving the activities of cotton clusters, step-by-step abandonment of the cotton and grain cultivation system for state needs were also discussed in detail at the meeting. In his Address to the Oliy Majlis, the President of the Republic of Azerbaijan emphasized the need to gradually transition to the system of purchasing these products based on market principles.

It is known that the price of moldy bread, flour, wheat, seed, and cottonseed oil was liberalized as the first step in this regard. As a result of careful preparation for this, there was no sudden change in prices. Appropriate measures were developed with the participation of World Bank experts regarding the cancellation of the state order for cotton and grain. We are starting big reforms in agriculture this year. Governors must understand this issue deeply and get into it. There is no going back now. If we do not liberalize agricultural production, if we do not increase interest, economic growth and efficiency cannot be achieved, said the President.

The issue of increasing the efficiency of cluster activities and their financial support was also thoroughly analyzed at the meeting.

The Ministry of Justice and the Ministry of Agriculture were instructed to determine the rights and obligations of the clusters and to regulate their activities.

The current system of cotton cultivation raises many questions financially among farmers and clusters. On the one hand, this causes a lack of funds for cotton processing and production of finished products, and on the other hand, it limits the possibility of settling accounts with farms that grow cotton.

Therefore, it was emphasized that it is necessary to improve the financing system of clusters, to introduce a crediting system for product production and processing in them as a separate type of activity.

In places where cotton-textile clusters have not been established, farmers' cooperatives on the basis of cotton ginning factories will be established. This experience has paid off in Turkey. The most important aspect of this system is that farmers are interested in selling not only raw cotton, but also products obtained from its processing (fiber, seed, meal, shelukha). Another importance is that competition is formed in cotton cultivation. If there is competition between clusters and cooperatives, only the farmers, that is, the farmers who own the land, will be interested. If the state order in the cultivation of cotton and grain is canceled, the pursuit of the plan, as before, will cease. Now the governors together with the Council of People's Deputies will be responsible for the effective use of arable land and the correct placement of crop types. They also organize the improvement of agricultural infrastructure, repair of irrigation networks, introduction of water-saving technologies, effective use of funds and subsidies allocated for these purposes. It also takes measures to provide services to farmers, fight against pests, and increase the level of mechanization in cotton harvesting. At the vice-selector meeting, special attention was paid to the issue of grain harvest.

As mentioned, the system of compulsory purchase of grain for state needs is being transferred to the system of state reserves, and farmers are given the right to freely sell grain. Since this issue is related to food security, it is planned to abolish the system of forced sale of grain to the state in two stages. This year, the volume of grain sold for state needs will be reduced. That is, more than 1 million additional tons of grain will be available to farmers in our country this year.

Starting with the harvest of 2021, the plan to sell grain to the state will be completely canceled and the product will be purchased at market prices. In order to effectively organize clusters in the field of fruit and vegetables and to continue their activities for a long time, it is necessary to introduce innovative technologies in their activities. Furthermore, it is vitally important to focus on the creation and implementation of innovations in all links of the cluster. Currently, clusters rely more and more on technologies that are being sought from abroad, however, studies show that this method is ineffective. Fruit and vegetable clusters are highly effective in finding and introducing innovations suitable for our regions and climate. According to Presidential Decree, No. PF-5853, issued on October 23, 2019, until 2030, the annual increase of the value added in agriculture should be increased by 5%, the increase in the volume of export of agricultural and food products should be increased by 20 billion US dollars, and the increase of labor productivity in agriculture is planned to increase from 3,960 US dollars to 6,500 US dollars in one year. Under such conditions, under the influence of the process of

modernization of production, tasks such as forecasting the system of growing fruit and vegetable products in advance, forecasting the future increase in productivity and the state of growth in the volume of production become more and more relevant. It should be noted that the development of the fruit and vegetable sector depends on many factors. Therefore, among a number of economic analysis methods, the use of mathematical modeling methods makes it possible to accurately assess the dynamics of development, including the factors affecting it. According to the scale of forecasting, it is divided into macroeconomic and microeconomic forecasts. There are two types of approaches to forecasting: exploratory and normative. Various options and methods of forecasting the volume of production can be used in scientific literature. R.F.Djumanova stated that there were 130 different methods of forecasting, according to which they can be conditionally divided into 3 important groups in forecasting. They consist of extrapolation method, expert assessment method of forecasting and modeling methods.

### **Analysis of Literature Review**

Many foreign scientists, in particular, Russian economist A. V. Chayanov, describe the economic essence of cooperation as a relationship that ensures the common economic interests of economic entities that combine their activities independently. The economist mentioned that the main attention here should be focused not on property, but on serving the interests of integration into cooperative relations. According to A. V. Chayanov, "Capital is not the boss in a cooperative, but rather a servant. It is emphasized that the cooperation should help the farmer not only to ensure profit, but also to improve his knowledge and skills". It is shown that the basis of the important economic essence of cooperation is the principle of free subjects to join the cooperation, democracy in the management of cooperative relations, and the principle of economic justice in the distribution of the profit obtained as a result of cooperation. Even today, in the tariff given by A.V.Chayanov to the essence of the agricultural cooperation, the cooperative's producers of small goods in agriculture, without losing their status as an independent economic entity with their own balance sheet, together more the fact that it is a question of cooperation for the sake of economic efficiency has not lost its importance. Among economists, the economic essence of cooperation has been given different rates. For example, I.N. Buzdalov, "Cooperation is the joint activity of various economic entities, which combines personal, collective and social

Thus, from December 1, 2021, preferential lending to fruit and vegetable growers by the State Support Fund for Agriculture will be launched. For this, a tripartite contract is concluded between the cluster, the farmer and the bank. Loans are allocated for one year, with a grace period of 6 months, at a rate of 14 percent.

Clusters are also given 12-month "revolver" loans for working capital to purchase products from the population. That is, the cluster receives funds when needed and pays the percentage for the period of using the loan. A total of 2 trillion soums will be allocated for these purposes. Another support - 50% of the cost of risk insurance of fruits and vegetables with an export contract will be covered from the budget.

According to the decision signed by the head of state the day before, on November 23, 2021, 200,000 hectares of low-yielding arable land cleared of cotton and grain will be gradually returned to the

reserve in 2022-2025. Land plots returned to the reserve will be leased for a period of 10 years in the amount of 10 hectares to 1 hectare to citizens, based on an open electronic competition for the cultivation of potatoes and other types of vegetables, legumes, legumes and oil crops. The open electronic competition is held on the electronic trading platform "E-AUKSION". In accordance with the Land Code of the Cabinet of Ministers, except for cases of land lease. Priority is given to the following citizens:

- have achieved good results in fruit and vegetable growing, fruit growing and viticulture in their homestead;
- to citizens who have basic specialization in one of these fields;

Special priority is given to needy families listed in Temir Daftar, Women's Daftar and Yoshlar Daftar. Provides unsecured loans of up to 100 million soums at an annual preferential rate of 14 percent for the creation of small intensive gardens, vineyards and fruit and vegetable growing. 100 million dollars from international financial institutions will be allocated for these purposes.

Loan funds to farmers and farms, other enterprises producing agricultural products:

- for the establishment of small intensive horticulture and viticulture for a period of no more than 7 years with a preferential period of up to 3 years;
- for the cultivation of potatoes and other types of vegetables, pulses, legumes and oil crops - granted for a period of up to 2 years with a preferential period of up to 6 months.

A republican working group was formed to organize short-term intensive training courses for farmers. Its main task is to prepare qualified trainers-consultants for participation in the open electronic competition, as well as to organize short-term intensive training courses for farmers with their help.

In addition, at the meeting chaired by the head of state, it was noted that the population of the country has about 500,000 hectares of homestead land. In 2022, it is planned to allocate 100 million dollars for their effective use, and these funds will be provided on the basis of the family business program on preferential terms. Unsecured loans of up to 300 million soums are also provided to real estate service enterprises. Real estate service clusters are established on the basis of such enterprises that are working effectively. They include nursery greenhouse, small equipment park, cold storage, drying, sorting and packing services. In order to purchase the products grown in the farm, cooperatives are established in each district and subsidies are given to them.

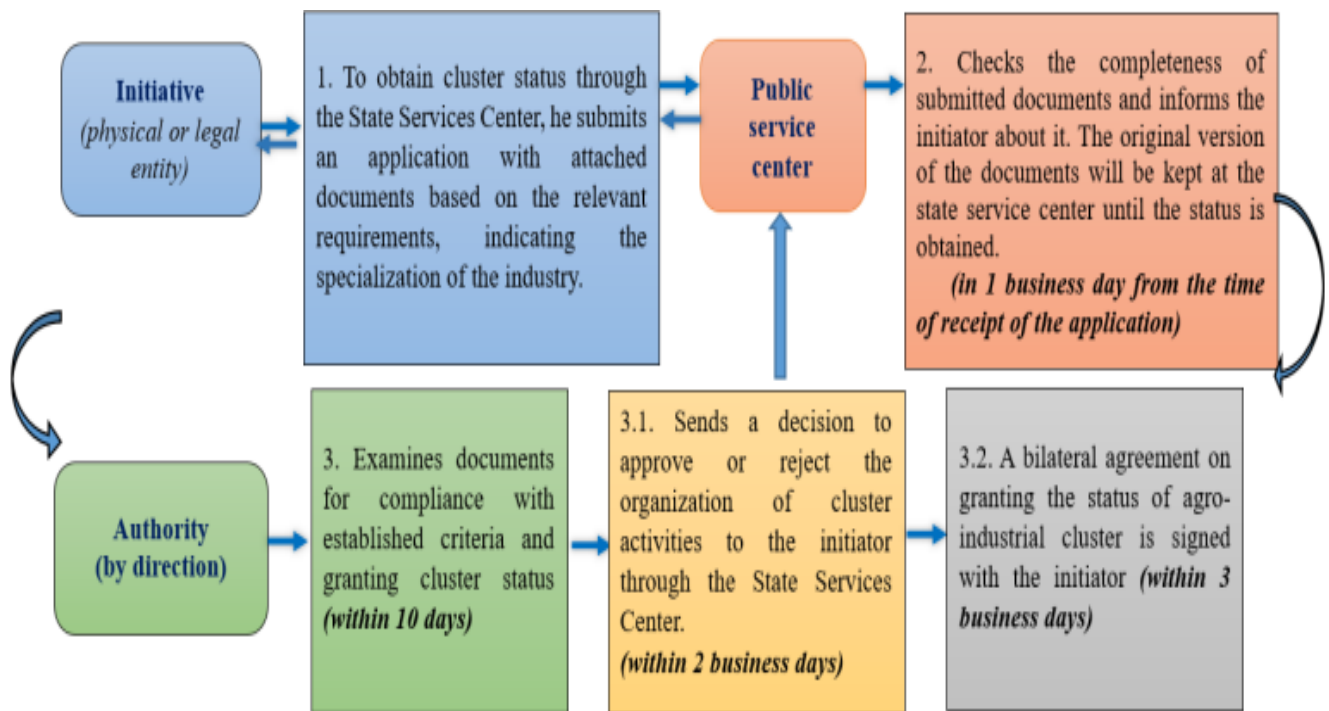
Water supply to crops is also an urgent issue. Therefore, the procedure for covering a part of the costs of irrigation of hard-to-water plots and unused areas from the budget will be extended until January 1, 2026.

### **Research Methodology**

As a result of the conducted scientific research, proposals and recommendations were made regarding the issues of fruit and vegetable cluster development and increasing their efficiency. Systematic approach, abstract-logical thinking, comparison, factor analysis and comparative analysis methods were used in the research process.

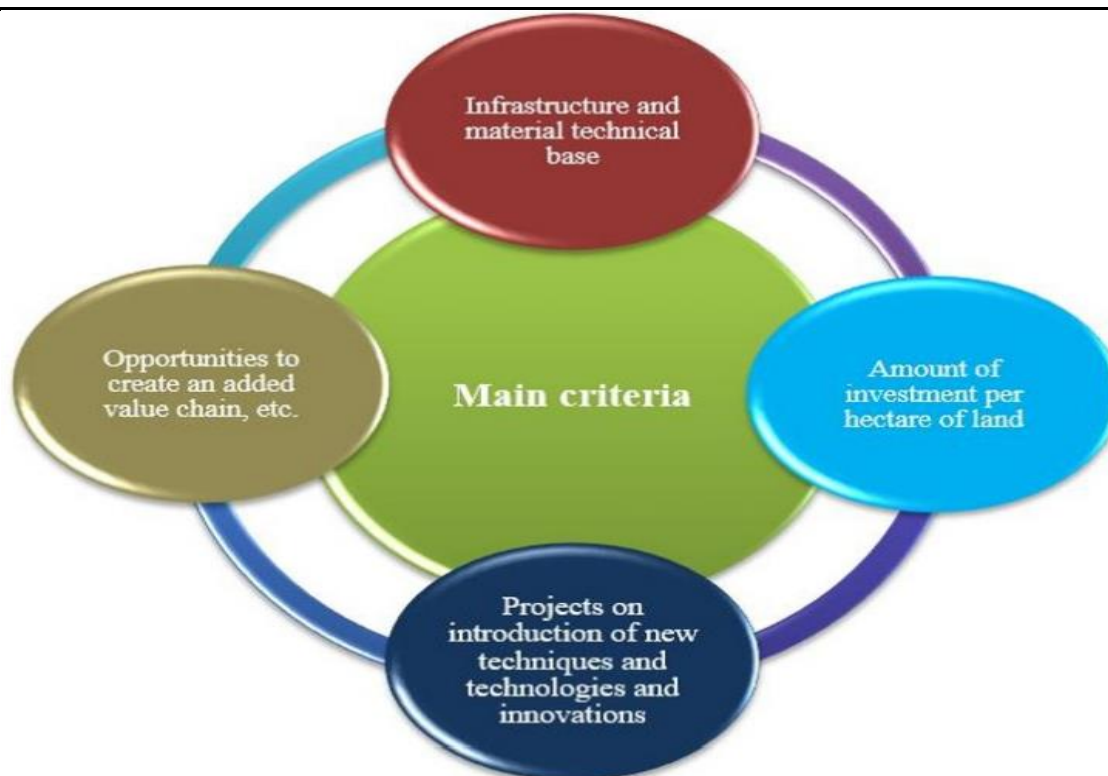
**Analysis and Results**

In coordinating the activities of enterprises for the production, processing and storage of fruits and vegetables, the trade sector is the closest link to the consumer and is constantly aware of changes in market demand for products. A cluster-cooperative system should be created that places an order with the manufacturer and delivers the product to the buyer in a freshly cut or processed quality product. Therefore, fruits and vegetables achieve certain results in today's production, storage and processing of cluster cooperatives. The creation of a fruit and vegetable cluster of cooperation should be carried out at the expense of economic support within the framework of cooperation.



**Figure 1. Mechanism of organization of fruit and vegetable clusters**

The mechanism of organization of fruit and vegetable clusters, special attention should be paid to the main criteria in the organization of clusters (Figure 2). By this means, taking into account all aspects of the organized fruit and vegetable cluster, it is possible to perform the most important tasks and to determine the causes of the problems. Therefore, in the formation of the management structure of these fruit and vegetable clusters, it allows to cover the activities of farms, farmers and LLCs in cooperation and to eliminate the existing problems with them in the field. This, in turn, is explained by the increase in the production indicators of fruit and vegetable clusters and the achievement of high economic efficiency. of the above-mentioned fruit and vegetable cluster has been determined that the development of the fruit and vegetable sector will serve to increase varieties suitable for climatic conditions and fully satisfy the population's need for quality, cheap fruit and vegetable products.



It is known that production in farms has a clearly expressed seasonal character, in which the work period does not correspond to the production period due to the uneven use of labor resources throughout the year, sometimes there is a shortage of labor, and at other times there is a surplus. In particular, fruit growing and viticulture, which require less labor during the growing season and lack it during the harvest season, suffer more.

### Conclusions

It is necessary to focus on the acceleration of innovative activities and the creation of low-resource, high-productivity storage chambers that allow preserving fruits and vegetables without compromising their quality. In the creation and formation of innovative technologies in clusters in the field of fruit and vegetables, it is desirable to create innovations taking into account the efficiency of the system of storage, processing and delivery of the grown crop to the consumer. The followings are recommended:

- introduction of drip irrigation in sandy and light soils;
- replacement of pumping stations used in irrigation with new energy-saving techniques and technologies;
- fully ensure the implementation of current laws, presidential decisions, state and local programs in the introduction of modern irrigation technologies;
- self-funding of water-saving innovative projects and systematic monitoring of the purposeful use of credit funds of commercial banks
- availability of infrastructure facilities necessary for its functioning (on the rights of ownership or use or full ownership), as well as qualified personnel and other means, as well as financial stability;

- develop a scientific school of fruit and vegetable technology in order to grow fruit and vegetable products on a scientific basis, create new productive, seedless varieties, and establish a comprehensive integration of science and production;

➤ Based on the soil and climatic conditions of the regions, create a full cycle of growing vegetables and fruits, drying, packaging, processing, production of finished products and exports, create viticulture and vegetable clusters;

➤ business plan or feasibility study for the implementation of investment projects for growing, packaging, sorting, processing and introducing resource-saving technologies.

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