

FINANCING THE GROWING OF FRUIT AND VEGETABLE PRODUCTS SUPPORT AND USE OF LOANS WAYS TO INCREASE EFFICIENCY

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Abstract

It is known that studying the activities of farms specializing in the cultivation of fruits and vegetables, which occupy a significant place in the export of agricultural products in our country, and organizing it based on the introduction of innovations is of great importance in increasing the efficiency of these products. In this article, through a survey, the problems observed in the processes of growing, storing, processing and selling fruits and vegetables in farms and peasant households in the Kashkadarya region were studied, and appropriate proposals and recommendations were developed.

Keywords: Farms and peasant households, horticulture and vegetable growing, drip irrigation technology, financial support, preferential lending, improving soil fertility, climate change, business entities, credit resources, investment attractiveness, government support.

Introduction

Solving strategic tasks such as modernizing and diversifying our country's agriculture, increasing its export potential, radically changing the financing system of the industry today, ensuring the financial stability of agricultural production entities, providing targeted and targeted support and increasing their material interest. and requires the formation of a system of measures. This requirement is especially important for the study of the activities of the farms specializing in the cultivation of fruit and vegetable products, which occupy a significant place in the export of agricultural products of our country, their expansion and organization based on the introduction of innovations. From this point of view, ensuring the financial stability of horticulture and vegetable growing industries, achieving high efficiency as a result of effective use of credit resources in these industries is an urgent issue.

Decree No. PF-5388 of the President of the Republic of Uzbekistan dated March 29, 2018 "On additional measures for the rapid development of fruit and vegetable growing in the Republic of Uzbekistan", December 11, 2019 "On further development of the fruit and vegetable and viticulture network, creation of the added value chain in the sector" on additional measures" PQ-4579, March 20, 2019 "On measures for the further development of horticulture and greenhouses in the Republic of Uzbekistan" PQ-4246 and the President of the Republic of

Uzbekistan dated January 28, 2022 "2022-2026 PF-60 Decree No. 1 Annex 30 "On Development Strategy of New Uzbekistan" for 2021 and "On State Support of the Fruit and Vegetable Industry, Measures for Further Development of the Cluster and Cooperation System" dated December 15, 2021 -Decision No. 52 and dated July 12, 2018 "On approval of the regulation on the state support fund for agriculture under the Ministry of Finance of the Republic of Uzbekistan" Ensuring the performance of the tasks specified in the Decision No. 533 and other relevant legal and regulatory documents determines the relevance of the chosen topic.

Methods

In this article Decrees of the President of the Republic of Uzbekistan, government decisions, ministries, state committees and agencies, and regulatory legal documents of local state authorities, as well as information on farms of Kashkadarya region districts were used. Logical reasoning, statistical data analysis, and analytical survey methods were used to cover the article.

The level of study of the problem

The organizational and economic problems of ensuring the financial stability of our country's agriculture and the development of agricultural sectors, including horticulture and viticulture, were discussed by agrarian economists, in particular, T.Farmonov, K.Choriev, N.Khushmatov, F.Nazarova, and in their scientific works, each of the agrarian reforms studied in accordance with the directions of the stage. However, the work of these economists is focused on the issue of providing financial resources for the innovative development of horticulture and viticulture industries in our republic, and our research shows that there are problems in supporting the horticulture and vegetable industry of Kashkadarya region with financial resources, and it is necessary to carry out research in this direction.

Results

Decrees of the President of the Republic of Uzbekistan, to study the state of use of financial resources in Kitab, Yakkabog, Shahrisabz, and Mirishkor districts of Kashkadarya region in fruit and vegetable and horticultural farms, as well as in other agro-business entities, to identify existing problems and shortcomings , and to propose and solve them research is systematically conducted to develop recommendations.

During the research, the farms "Rakhmatullaeva Nigina O'tkirovna", "Kitob new generation Grups", "Samadov Dyorbek Abbasovich", "MXJU" multidisciplinary, "Mavlon Abbas", "Yusupov Safar Yusupovich", "Kurbanov Sherzod Jurayevich", "Kesh" "agro kuyon" LLC, agrofirma LLC and "Eshmurodov Bogbon" cooperative, a total of 15 farms were studied.

The financial stability of farms and peasant farms and agro-business entities is directly dependent on the size of their land area, the structural structure of crops, and the potential of natural resources.

In Yakkabog, Shahrisabz, and Kitab districts, the orchard area on average was 27.0 hectares, the area of vegetable crops was 26.0 hectares, the grape area was 44.0 hectares on average, and the field area was 50.0 hectares on average.

Their demand for material and financial resources is increasing due to the expansion of the land area of farms and the nature of the network. In discussions and negotiations with managers and specialists of farms and peasant farms, agrarian-business entities, financial support from the state in ensuring the stability of farms is introduced based on the unit of arable land of farms and the use of indices that take into account the characteristics of the sector. they emphasized that priority should be given to it was found that farms in the studied districts of Kashkadarya region have a need for loans to create an intensive garden, introduce drip irrigation technologies, build a greenhouse, build a warehouse for storing fruits and vegetables and buy refrigerators, grow seeds and dig a well.

In particular, it was determined that financial support and preferential loans are necessary for financing the following areas of activity:

- the need for preferential loans for the purposes of introducing a system of intensive gardening and water-saving technologies (Kitob and Yakkabog Districts);
- construction, installation and installation of fixed and mobile 5, 10, 15 and 25 tons refrigerators and warehouses for storing small and medium-sized fruits, vegetables and horticultural products in large agro-industrial centers and large populated areas, in MFY, as well as in the fields of large farms, near cultivated areas availability of a preferential loan for purchase (Shahrisabz district);
- formation of processing and road transport, trade and packaging infrastructure between large and medium-sized MFYs for the purpose of primary and secondary processing of cultivated agricultural and food products, creation of added value and creation of new jobs;
- that farms do not have an agrotechnical card for fertilizer application, and those that do have it, it is not being followed sufficiently;
- the productivity of the lands used in agriculture is low, and NPK fertilizers are applied without scientific approaches;
- the fact that a large amount of mineral fertilizers are removed from the soil due to the lack of micronutrients to increase the amount of humus in the soil, due to non-observance of the crop rotation system;
- agrochemical laboratories to increase the soil fertility of agricultural crops, preservation of the ecological condition and optimization of biodiversity in the area are being carried out slowly, and the laboratories are not sufficiently equipped with modern equipment and equipment, and it is sufficient to equip or provide with alternative energy power and energy-saving technologies that financial resources are not allocated;
- that the cultivation of fruits and vegetables and horticulture products is highly susceptible to the effects of climate change and weather vagaries, but the system of agricultural risk insurance is not functioning in practice;
- due to the high level of risk and danger, the insurance system in agriculture is almost non-functional.

Studies on obtaining and using financial resources and credit in farms and other agro-business entities in Kashkadarya region indicate the existence of the following problems and shortcomings in this direction ¹:

- 93.3 percent of the farmers and other business entities participating in the survey are hindered by the high interest rates of the allocated loans;
- according to 53.3 percent of the respondents, lack of information on obtaining preferential loans and loan formalization and the lack of certain aspects prevent them from using more credit resources, including preferential loans;
- 40.0 percent of farmers and business entities confirmed that administrative difficulties in loan formalization (reference, statistical reports, insurance, etc.) cause difficulties for their wider use of credit resources;
- own production and economic potential of farms is considered as one of the factors of ensuring their financial stability, correct assessment of such potential and making financial decisions ensures economic stability of the farm. Therefore, 46.6 percent of the farmers and other business entities who participated in the survey say that they are facing difficulties in assessing their farm's production potential;
- increasing the investment attractiveness of farms is one of the important conditions for attracting foreign investment. Also, having complete and perfect information about investment projects is important for making prospective financial decisions. Therefore, 33.3% of the respondents studied within the framework of the research stated that the absence or lack of information about investment projects creates difficulties for them to participate in this category of projects;
- 33.3% of the respondents who took part in the questionnaires say that they have difficulties in drawing up a business plan for a loan and that this factor is somewhat hindering their production of financial resources;
- according to 40.0% of respondents, their lack of knowledge and experience in credit and financial matters, as well as the lack of knowledge and skills in uploading information on granting preferential loans to the Internet Platform, creates difficulties for wider use of financial resources, including preferential loans.

Conclusions on the assessment of the state of use of loans in farms and other agro-business entities in selected districts of Kashkadarya region and the ways of effective use of financial resources ².

In the course of the research, the opinions of farms and other agro-business entities regarding the evaluation of the state of use of loans and ways of effective use of financial resources were studied on the basis of a questionnaire:

- "Was the amount of credit you received sufficient for your entrepreneurial activity?" only 46.6% of the respondents gave a positive answer to the question, while the rest expressed the opinion that "It is difficult to answer" or "It was not possible";

¹ Based on interviews and questionnaires conducted between scientific staff of the International Center and experts of the Regional Department of Kashkadarya region and farms and other agro-business entities in October-November 2023.

² Based on interviews and questionnaires conducted between scientific staff of the International Center and experts of the Regional Department of Kashkadarya region and farms and other agro-business entities in October-November 2023.

- 20.0% of the respondents said "Relatively satisfied", 13.3% "Not satisfied", and 27.0% said "I find it difficult to answer" to the question "How much did the loan term satisfy you?"
- 27.0% of the respondents said "High" and 33.3% "It will be bearable" to the question "What do you think about the interest rate of the loan?"
- To the question "How do you evaluate the process of reviewing documents for obtaining a loan?", 20.0% of respondents confirmed that "It was delayed a bit", 13.3% said "It took too long";
- "What about other loan requirements?" to the question, 27.0% of the respondents stated that "There were no other requirements", 20.0% stated that "It is possible to comply with the requirements relatively", and another 20.0% stated that "I find it difficult to answer";
- "Are you satisfied with your loan?" 20.0% of respondents said "No, I'm not satisfied, I didn't make a profit", and 53.3% said "I wouldn't have taken a loan if I knew it would be difficult to repay the loan".

Analysis shows that the very high interest rate of the loan is reducing the demand for the loan of the farms. Especially considering that fruit products in horticulture bring income after 3 years and more, it is appropriate to reduce the percentage of commercial loans to 14% and lower and make the grace period 5 years.

Noting that the majority of farmers and peasant farms are eager to increase productivity through the use of innovative approaches to land and water resources, use resource-saving technologies, increase soil fertility, develop the added value chain by diversifying the structure of crops, increase income, and provide employment for the population based on the creation of new jobs, in this regard, they emphasized their financial resources and readiness to use all financial resources.

According to the results of a survey conducted on farms specializing in fruit and vegetable growing in the districts of Kashkadarya region, the following are the problems and shortcomings that prevent the improvement of the efficiency of financial support and loans for the cultivation of products:

1. Problems of local banks in providing loans for financial support in the fruit and vegetable sector.
2. Lack of storage warehouses for fruits, vegetables and grapes.
3. Problems in introducing drip irrigation technology to vegetable farms.
4. High percentage of preferential loans for the development of the fruit and vegetable sector .
5. Lack of subsidies for solar panels on horticultural farms.

The following proposals were made for financial support of fruit and vegetable cultivation and increasing the efficiency of the use of allocated loans:

In a survey of fruit and vegetable farms in the district of Kashkadarya region, 22 percent of farmers said that they need a loan to grow fruit trees, 19 percent of farmers said that drip irrigation technology is effective in irrigation, and 19 percent of farmers said that they need the government's support in introducing drip irrigation technology. 40% of farmers answered "no" to the question "Would you like to organize and join a fruit and vegetable cluster in the region to store, sell and process vegetable products?" Therefore, it can be noted that farms

specializing in fruit and vegetables have enough knowledge and experience to grow, store and sell their own products through the channels of their choice.

Also:

- to submit proposals to the regional administrations and the ministry on reducing the preferential loan percentage for the development of the fruit and vegetable sector. (reduction from 24% to 14%);
- determining the percentage of payments for the loan from next year's harvest (extending the loan term to 10 years instead of 3 years);
- determining the amount of subsidies for farms that have introduced drip irrigation technology, depending on the location of the regions, the type of crops and the level of water supply (on average, 13-18 million soums per hectare of land);
- establishing the allocation of preferential loans or subsidies for the purchase of machinery for picking fruit and grape products;
- introducing a system of government support for the use of electricity or solar panels.

In order to increase the economic efficiency of the use of fertilizers in farms, we consider it expedient to implement the following:

- establishment of agrochemical laboratories in the regions in order to provide timely and high-quality soil analysis services to agricultural product growers, especially financial, technical and technological assistance to private business representatives in the establishment of laboratories, as well as increasing the capacity of existing ones, modernization;
- constantly conducting agrochemical analyzes on agricultural land and developing recommendations on the use of fertilizers on this basis;
- organization of practical seminars for product growers on the importance of soil analysis, interpretation of results;
- promoting the implementation of the international quality management system, which uses acceptable agricultural and ecological practices;
- focus on increasing the level of use of organomineral fertilizers in agriculture.

Debate

To conclude, it is appropriate to implement financial support in the field of fruit and vegetable production and increase the efficiency of allocated loans in the following directions: improvement of contractual relations; improvement of the mechanism of mutual payments; development of the activities of processing enterprises and the environment of competition between them; protection of farmers and peasant farms producing agricultural products; is to develop the system of storage and transportation of products.

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