

## **METHODOLOGICAL BASES OF ADAPTATION OF AGROBUSINESS**

### **ACTIVITIES TO MARKET REQUIREMENTS**

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**Annotation:** Institutional changes incompatible with the socio-cultural and historical traditions and characteristics of agricultural development have so far led to the emergence of contradictions that hinder the development of the industry and the formation of economic mechanisms that do not meet market requirements. . The lack of development of agribusiness management systems and structures at different levels, which corresponds to the complexity of the managed agro-economic system and adapted to the specific conditions and characteristics of the institutional environment of the Uzbekistan agro-economy, can lead to deep and long-lasting economic crises in agriculture.

**Keywords:** Agrobusiness activities, economic crises, agro-economic systems management, modernization

In this regard, research aimed at developing theoretical and methodological bases, methodological and practical recommendations for the comprehensive adaptation of different levels of agribusiness management system to modern business conditions, taking into account institutional factors, is very relevant.

#### **Theoretical analysis of the problem**

Research has been conducted on a variety of issues, including improving management efficiency, improving market relations in agricultural enterprises, and adapting them to new economic conditions. Their work has made a significant contribution to the development of the theory and practice of efficient agricultural production in a market economy. However, the problem of adapting the agricultural economy to market relations has been taken by many scholars as a basis for classical approaches to the economic level of management,

using the methodological apparatus of traditional economic theories. At the same time, the complexity of the ongoing changes in the agricultural sector of the economy, the use of modern actively developing theories as a theoretical basis for studying modern problems of agro-economic systems management, in particular, the theory of institutionalism is considered promising and progressive. Their approaches are an important contribution to the development of the theory and practice of efficient agricultural production in a market economy.

However, many scholars have not paid enough attention to the modern problems of adapting agro-economics to market relations in relation to the economic level of management of traditional economic theories using the hardware technology of traditional economic theories.

At the same time, given the complexity of changes in the agricultural sector of the Uzbek economy, the use of modern actively developing theories as a theoretical basis for studying modern problems of agro-economic systems management, in particular institutionalism, should be considered promising and progressive.

Theoretical and methodological bases for adapting the activities of agrobusiness entities to the conditions of ongoing institutional and market changes, not only economic, but also all levels of management mechanisms require development.

### **Analysis and results**

At present, the share of government spending on agriculture in Uzbekistan (1.68%) is almost three times higher than in middle-income countries outside the Organization for Economic Cooperation and Development (OECD) (0.62%), ten times more than in member countries (0.17).

Nevertheless, efficiency and competitiveness in the agricultural sector, as well as the incomes of the extractive agrarian market sectors, especially the level of profitability, remain relatively low.

The bulk of government funding for the sector goes directly to irrigation (63 percent) and is mainly to support cotton and cereal production. Most of the budget is spent on electricity for

pumping stations, which means that the costs of operation and maintenance, development and modernization of existing irrigation and drainage systems are not fully covered.

The development of the agricultural sector and the creation of favorable economic conditions for market participants require a review of the amount of budget funds allocated for government programs and services in the following areas, as well as the improvement of the financing system. These include environmental protection, soil fertility and water-saving technologies, food safety, animal disease control, veterinary and phytosanitary services, support for various forms of associations (cooperatives, clusters, production associations). , improving the system of statistical data collection and monitoring of agricultural markets, development of market and transport and logistics infrastructure, practical research and development in agriculture, development of education and knowledge dissemination system, adaptation of the network structure to the market in the agricultural sector, it is necessary to ensure the fulfillment of several tasks in achieving the goal of forming intersectoral competitive market entities.

In order to form an integrated system of state management of agriculture, the introduction of market mechanisms for public procurement of agricultural products, the President of the Republic of Uzbekistan signed a decree on October 23, 2019 In the "Strategy of agricultural development of the Republic of Uzbekistan for 2020-2030" adopted by the Decree No. PF-5853 "On approval of the strategy of the Ministry of Agriculture and Food of the Republic of Uzbekistan" In order to create an effective system that will help to attract private investment for the modernization, diversification and sustainable development of the economy, the following tasks have been identified:

complete abandonment of public procurement in excess of the amount required to implement grain interventions aimed at ensuring price stability in the domestic market;

improving the mechanisms of state financial support for agricultural producers, including subsidizing interest rates on commercial loans for the production of certain strategically important agricultural products;

introduction of a "warehouse certificate" mechanism for lending to agricultural producers;

develop a transparent mechanism for cooperation through the introduction of additional mechanisms and financial instruments and the creation of equal opportunities for market participants;

strengthening competition in the market of resources and services through the privatization of non-strategic state-owned enterprises in the field of resource supply and services;

abandonment of the practice of providing resources and services on soft loans;

to promote and encourage futures contracts between agro-industrial entities;

improve the mechanism for using the right to land as collateral by revising the procedure for determining the value of the right to lease land at market prices;

improving mechanisms to encourage commercial banks to allocate credit resources to farmers and landowners;

revision of the order of placement of agricultural crops;

Improving the system of incentives for the introduction of intensive innovative technologies in agriculture.

The increase in the population of our country, in turn, creates a socio-economic problem associated with the growing demand for agricultural products. The role of farms, landowners and farms specializing in fruit and vegetable growing in agricultural lands with a score of less than 40 points in improving the economic management mechanisms to adapt the activities of agribusiness entities to market requirements in our country is high. therefore, large-scale reforms are being carried out to develop these businesses. However, there are a number of problems and shortcomings in the sustainable growth of agricultural production and the efficient use of land, especially in fruit and vegetable farms. Therefore, the priority is to implement effective structural changes in growers in this area and further strengthen food security, expand the production of environmentally friendly products and significantly increase the export potential of the industry on the basis of consistent development of fruit and vegetable production, was determined.

### **Conclusions and suggestions**

In the process of adapting the activities of agrarian market entities to market requirements, based on the requirements of a market economy, complete abandonment of public

procurement in excess of the amount required for grain price intervention in the domestic market, increase the role of motivational mechanisms in the procurement system , improvement of mechanisms of state financial support of agricultural producers, including subsidizing interest rates on commercial loans allocated for the cultivation of some strategically important agricultural products, the introduction of additional mechanisms and financial instruments development of a transparent mechanism of cooperation through the creation of equal opportunities for market participants, strengthening competition in the market of resources and services through the privatization of non-strategic state-owned enterprises in the field of resource supply and services to renounce the practice of supplying resources and services on the basis of soft loans, to promote and encourage the work on the basis of futures contracts between the subjects of the agro-industrial complex, to market the value of the right to lease land plots improving the mechanism of using the right to land as collateral by revising the procedure for determining prices, improving the mechanism of encouraging the allocation of credit resources by commercial banks for farmers and landowners, agricultural crops there should be creative approaches to issues such as reviewing the placement procedure, improving the system of incentives for the introduction of intensive innovative technologies in agriculture.

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