

Prospects for Cluster Activities in the Agricultural Sector: Problems and Solutions

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Abstract

In our country, serious attention is paid to the creation of high-tech infrastructure in all areas, especially in industry, especially to support the cluster system in agriculture.

Today, the state is interested in the export of industrial products, especially finished products. It is no exaggeration to say that this is an important stage in the transition to an innovative economy. Therefore, by creating a cluster, the raw material goes through all stages of processing and becomes an export-oriented finished product.

Keywords: *agrocluster, agriculture, competition, innovation activity, production, goods, cost-effectiveness, profit, efficiency, raw materials, finished product, material goods, export, import, semi-finished product, production costs, rate of return.*

INTRODUCTION.

As a result of the liberalization of the economy, the development of science and technology in our country, as in all areas, radical changes are taking place in the agricultural sector. The development of this sector is considered an important priority for the state and society. The main reason for this is that the agricultural sector is the main source of raw materials for the food industry, as well as solving the country's food problems.

In recent years, there has been a strong focus on creating high-tech infrastructure in all sectors, particularly industry, to support the cluster system, especially in agriculture.

The adoption of the Decree of the President of the Republic of Uzbekistan PD-5285 “On measures to accelerate the development of the textile and clothing industry” on December 14, 2017, in order to ensure the production of competitive products by introducing modern forms of organization of cotton and textile production in the country, serves to take this industry to a new level.

In this regard, the relevant Government Resolutions, in particular, it should be noted that The Resolution No. 253 “On additional measures to organize the activities of cotton and textile industries and clusters” dated March 31, 2018 were adopted.

Most importantly, as a result of integration between cluster enterprises and farms based on market relations, advanced agro-technologies and methods are being introduced in cotton growing and equipped with modern agricultural machinery.

Today, the state is interested in the export of industrial products, especially finished products. It is no exaggeration to say that this is an important stage in the transition to an innovative economy. Simply put, an innovative cluster is a group of enterprises engaged in plowing, sowing, care of cotton, harvesting, deep processing of raw materials in a new style. Therefore, by creating a cluster, the raw material goes through all stages of processing and becomes an export-oriented finished product.

The experience of advanced foreign countries shows that it is impossible to develop agriculture without industry. After all, agriculture is closely linked with all industries. In this sense, the farmer not only grows raw materials, but also creates an industrial system for its processing. As a result, the processing plant will be able to create and supply its own raw material base.

Another advantage of the cluster system is that in this process the interests of all workers are harmonized, that is, all workers, from the producer of raw materials to its processors, are equally responsible for the quality of the product. Because as a result of the final process, part of the value added from the sale of goods is distributed to the workers who contributed to this work.

LITERATURE REVIEW AND RESEARCH METHODOLOGY.

The experience of many developed countries shows that the role and importance of clusters in ensuring sustainable economic development, increasing innovation activity and the production of competitive goods is very high.

One of the ideas put forward by the President is one of the innovative ideas in the development of the agricultural sector and ensuring the competitiveness of its products - an important business entity that has a positive impact on the welfare, living standards and quality of life. The aim is to introduce the system of clusters in the country and bring agriculture to high results.

As the President said, "... we need to grow our own cotton and enter the world market with its finished products. In this case, of course, the profit will increase several times. In addition, hundreds of types of products can be obtained from cotton, and all of them together increase the economic efficiency several times. And most importantly, new jobs will be created. "

A cluster system will be effective in achieving high efficiency in agriculture and complete processing of manufactured products.

Since independence of the country, the development of the agricultural sector in the country has not yielded the desired results due to a number of problems and difficulties, and up to 35.0% of fruits and vegetables and melons have been destroyed. When the main reason for this was studied, the storage and transportation of these types of agricultural products, especially in the processing system, was negatively affected by problems such as insufficiency of enterprises, obsolescence of their material and technical base.

The cluster system supported in the country is the only system that solves these problems.

The cluster approach in agriculture involves processes such as pre-cultivation of crops, planting and care of crops, and the production of finished products from cultivated raw materials. This single

technological chain unites enterprises of different functions and allows to deepen the integration of science, education and industry, to introduce new techniques and technologies into practice.

Another important advantage of agro-clusters is the introduction of foreign machinery and technologies in agriculture. Therefore, the development of the agro-cluster system will serve as a basis not only for the development of light industry related to cotton, but also for the processing of food processing enterprises, construction materials and pharmaceuticals.

The main purpose of introducing this system in the country, to support it is not to sell agricultural products as raw materials in foreign countries, but to process these raw materials at home to produce quality products, improve the living standards of the population, creation of new jobs to ensure employment, improvement of decent working conditions.

In this regard, on September 12, 2019, the President of the Republic of Uzbekistan in his meeting on the implementation of measures to increase state budget revenues, achieving macroeconomic indicators for 9 months and the end of the year, accelerating the introduction of clusters in the cotton and textile sector stated: "Therefore, we need to fully support the activities of clusters. The future of agriculture in cotton farming and its economic efficiency depends on clusters. Clusters should be the "locomotive" of rapid agricultural development"

That is why; we believe that in the future this system should be considered as a key priority of agriculture.

Today, the rapid development of agriculture, increasing its economic efficiency is associated with a cluster system. In the words of our President, it will soon become the locomotive of the agricultural sector. Consequently, the more industrialized agriculture, especially the cotton sector, is, the greater the export potential of the state and the better off the people will be. Simply put, the cluster system is essentially a community within a complex, which includes all activities ranging from plowing the land, sowing the seeds, caring for the cotton, harvesting the cotton, and processing the raw materials.

In this process, the interests of all workers are reconciled. That is, all workers, from the producer to the processor, are equally responsible for the quality of the product. Accordingly, part of the value added from the sale of the final product was distributed to all members of the cluster. This motivates them to work hard, not just in name. The cluster is distinguished not only by its high economic efficiency, but also by its great social significance.

Therefore, farms are considered to be a major priority in the cultivation of agricultural products on a cluster basis.

ANALYSIS AND RESULTS.

In Kashkadarya region, one of the southern regions of the country, special attention is paid to the introduction of a cluster system in agriculture. The region has long been one of the most important agricultural regions of the country. It is one of the regions with the highest yields and potential, especially in the cotton and grain sectors.

The total area of land in the region is 2 million 192 thousand 926 hectares (256 thousand 078 hectares of irrigated, 409 thousand 791 hectares of arable land, 1 million 260 thousand hectares of pastures). Of this, 586,000 hectares are farmland (152.7 thousand hectares are irrigated and 313.8

thousand hectares are dry). Dehkan farms cover 6.3 thousand hectares (1.7 thousand hectares of irrigated land, 3.3 thousand hectares of arable land, 1.3 thousand hectares of pastures).

1,600,000 hectares of land (101.6 thousand hectares of irrigated land, 92.6 thousand hectares of arable land, 1405 thousand hectares of pastures) have been allocated in agro-clusters.

The number of farms in the region is 12,292, including 5060 cotton and grain, 1874 grain, 195 horticulture, 447 horticulture, 382 viticulture, 361 horticulture, 200 specializes in the production of vegetables and cereals, 1551 livestock and 465 other agricultural products.

In 2021, the programs are expected to create 5,595 new jobs through the implementation of a total of 614 agricultural projects worth 2 trillion 122 billion soums. In practice, 455 projects (74%) worth 914 billion soums have been implemented and 3,518 new jobs have been created.

In terms of areas, 261 (69%) out of 376 projects in the livestock sector, 39 out of 28 (72%) in the poultry sector, 39 out of 34 in the fisheries sector (87%), and 14 out of 15 in the beekeeping sector. (93%), 65 to 59 (91%) in greenhouses, 5 to 3 in rabbits (60%), 13 to 7 in camels (54%), 11 to 9 in horses (82%), 11 in horticulture. 4 (36%), refrigeration capacity 6 out of 4 (67%), drip irrigation 7 (100%), in other agricultural sectors 12 out of 10 (83%) projects were implemented. (Table 1)

The project, which is being implemented in the province, will make a worthy contribution to the region's economy, raising the living standards of agricultural workers and increasing their family incomes.

A production cluster is, in general, a group of enterprises operating in the same or interrelated sectors of the economy and geographically close to each other. It is important that these enterprises are technologically interconnected. In addition, these enterprises are united for one common goal - to produce a competitive product.

For example, the technological chain of the cotton-textile cluster includes the production of raw cotton, its processing, production of cotton yarn, fabric and finished products. At the same time, the goal of uniting farmers (raw cotton growers), a ginnery, a cotton processing plant, a textile factory and a garment factory is to create a single structure that reduces the costs of each producer and increases the competitiveness of the final product.

The use of a cluster approach is especially important for existing areas where interconnected businesses exist. Clusters play an important role in strengthening the economic independence of regions. This approach allows the identification of economically priority sectors and projects.

| T/r | Xudud nomi | Jami klasterlar | | shundan | | | | | | | | | | | | | | | | | |
|-----|-------------|-----------------|-------|-------------|-------|--------------|-------|---------------------|-----|-------------------------------|-----|-------|-------|-----------------------------------|-----|---------------|------|----------------|----|--------------|------|
| | | | | Paxtachilik | | G'allachilik | | Meva-sabzavotchilik | | Chorvachilik (sut yo'nalishi) | | Baliq | | Dorivor mahsulot ishlab chiqarish | | Qorakulchilik | | Parrandachilik | | Pilla-chilik | |
| | | soni | ga | soni | ga | soni | ga | soni | ga | soni | ga | soni | ga | soni | ga | soni | ga | soni | ga | soni | ga |
| | Jami | 71 | 43923 | 17 | 21252 | 28 | 12046 | 8 | 605 | 1 | 196 | 2 | 885,8 | 1 | 996 | 7 | 1105 | 1 | 0 | 6 | 6838 |
| 1 | G'uzor | 6 | 1069 | 1 | 500 | 3 | | | | | | | | | | 1 | 161 | | | | 408 |
| 2 | Dexqonobod | 1 | 213 | | | | | | | | | | | | | 1 | 177 | | | 1 | 36 |
| 3 | Qamashi | 6 | 992 | 2 | | 1 | | 1 | 9,2 | | | | | | | 1 | 43 | 1 | | | 940 |
| 4 | Qarshi | 8 | 2775 | 3 | 856 | 2 | | | | 1 | 196 | 1 | 651,8 | | | 1 | 7 | | | | 1064 |
| 5 | Koson | 6 | 2138 | 2 | 662 | 3 | | | | | | | | | | 1 | 64,4 | | | 1 | 1412 |
| 6 | Kitob | 6 | 839 | | | 2 | | 2 | | | | | | | | 1 | 25,3 | | | 1 | 814 |
| 7 | Mirishkor | 6 | 2533 | 3 | 2316 | 1 | | | | | | | | | | | 217 | | | | |
| 8 | Muborak | 6 | 2828 | 1 | 1383 | 5 | 1220 | | | | | | | | | | 225 | | | | |
| 9 | Nishon | 6 | 13911 | | 7600 | 2 | 6000 | | | | | 1 | 234 | | | | 77 | | | | |
| 10 | Kasbi | 4 | 12463 | | 7000 | 3 | 4826 | | | | | | | | | | 4,8 | | | 1 | 632 |
| 11 | Chiroqchi | 4 | 1066 | 1 | 390 | 1 | | 1 | 24 | | | | | | | | 53 | | | 1 | 599 |
| 12 | Shaxrisabz | 7 | 1634 | | 545 | 4 | | 1 | 73 | | | | | 1 | 996 | | 20 | | | | |
| 13 | Yakkabog' | 5 | 1462 | | | 1 | | 3 | 499 | | | | | | | | 30 | | | 1 | 933 |

One of the main advantages of the cluster approach to the development of regional economies is to strengthen the role of economic factors and reduce the role of administrative factors. The role of regional administrations is high only at the initial stage. For example, in the formation of new clusters, the role of the regional administration in the selection of promising clusters will be high, taking into account the interests of the region. Later, the role of regional administrations will diminish, and the laws and factors of a market economy will emerge. The role of regional governments will be to support the most important and promising clusters.

To support the development of a modern cotton-textile cluster by the state, equipment, special vehicles and equipment, livestock and plants, veterinary drugs, raw materials and other materials not produced in Uzbekistan, imported for the needs of this cluster, and materials, construction materials and greenhouse complexes are exempted from customs duties until January 1, 2022.

A few months after the establishment of the first agro-cluster, in January of this year, the government of the republic introduced this practice to the cotton industry. Under approximately the same conditions, including tax benefits for the first agro-cluster, state support, independence of activities and other conditions, 16 cotton-textile clusters were established in all regions of the country. This network of clusters covers all regions of the country. Each cotton and textile cluster was allocated between 3,500 and 18,000 hectares of land.

In the early stages of the reform, 13 ginneries and 68 ginneries located in the territories of 17 cotton-textile clusters were transferred to these clusters on the basis of a five-year installment value.

In addition, the cotton-textile clusters have been granted a number of incentives to develop and support the cotton industry, including:

- Advances are provided to farms by the relevant organizers of cotton and textile production in the amounts and on the terms specified in the contract;
- Organizers of cotton and textile production will receive loans from the State Fund for Agricultural Support under the Ministry of Finance to finance the production and supply of raw cotton;
- Loans to the organizers of cotton and textile production are provided at the expense of the Fund at a rate of not more than 3% per annum.

In 2019, a total of 61 clusters grew cotton in 51% of the cotton fields, but as a result of the establishment of new facilities and the operation of clusters, in 2019, 78% of cotton fiber produced in the country will be processed. Today, the cotton fiber is fully processed. The share of finished products will increase from 40% to at least 60%.

Today, in the process of transformation of agriculture, interrelated internal and external trends, in the context of aggravation of food problems in the world and in countries, the growing strategic importance of agricultural development, the years of independence in our country in this sector 'requires the development of planned positive experiences using the latest scientific and technological advances in the world economy.

There is also a need to take into account the objective assessment of negative trends in agricultural production related to crop productivity and water scarcity.

Due to the huge potential of the Republic to supply its domestic and foreign markets with quality and marketable agricultural products - fruits, vegetables, melons, during the years of independence to provide the population with local processed agricultural products a number of targeted measures and government decisions have been taken. That is why the country is consistently working to improve the varieties of these products, expand the area under crops and raw materials, build new processing enterprises, modernize existing ones and re-equip them technically and technologically.

In particular, the establishment of farms instead of companies specializing in fruit and vegetable growing and viticulture, the sale of existing orchards and vineyards at auction, and the annexation

of orchards to farmers on a long-term lease ensures the extensive development of farms in the field of horticulture.

However, due to the very small size of farms established in the field of horticulture (average 1.50-2.5 ha), as a result of the reorganization of large agricultural enterprises, a single company farm. With the emergence of 300-400 farms, other agricultural enterprises, processors, trade and transport networks in the region will be involved in the preparation, transportation, storage and sale of agricultural products, as well as in the coordination of farmers' logistics. Agro-clusters have been established on a voluntary basis by enterprises.

At the same time, despite the extensive measures taken, a number of shortcomings, problems and imbalances related to production, harvesting, transportation, storage, processing, packaging and sale in the domestic and foreign markets, remain in order to provide the population with the required quantity and quality of agricultural products. Including:

- insufficient amount of raw materials for processing and untimely supply (7-35% provided);
- low material interest of agricultural processing enterprises as a result of their purchase at low prices;
- collection of raw or overripe products during harvesting, violation of the quality of the product as a result of non-compliance with the technology of harvesting;
- quality and waste due to lack of special equipment for transportation of products;
- lack of special warehouses and refrigerators for storage of agricultural products;
- resources for the organization of cultivation and processing of agricultural products - the lack of short-term and long-term soft loans;
- the optimal location of processing enterprises in terms of available raw material resources;
- untimely and inadequate supply of water, gas and electricity to processing enterprises, as well as product breakdowns as a result of regular supply interruptions and non-functioning of enterprises at full capacity;
- lack of qualified specialists in the development and use of technologies in processing enterprises, as well as the lack of training in colleges and universities;
- lack of production and packaging of glass containers of different sizes and designs for packaging of processed products;
- Problems such as the lack of publicity for the processing of agricultural products have necessitated reforms in the agricultural sector.

In this context, modernization is a key factor in the sustainable development of agriculture. Modernization, in turn, requires the creation of a promising competitive model of agriculture, its optimal social structure and the formation of organizational forms of agricultural entities in accordance with market principles. First of all, the establishment of agro-clusters is one of the important factors in creating a new institutional environment to strengthen the role and increase the role of the state in the production, processing and sale of agricultural products in various processes.

CONCLUSIONS AND RECOMMENDATIONS. One of the important aspects of the agro-cluster is the high level of trust between its members through the implementation of joint projects

that integrate the processes of joint production, processing, sale and research of agricultural products.

Institutional and structural changes in agriculture in Uzbekistan require the continuous improvement of legal, organizational and economic relations between business entities and the industry. Therefore, the implementation of a new direction in the creation of agro-clusters should become one of the most important tasks of agricultural policy today.

Continuation of agricultural production in the modernization of national traditions, specialization in the production of products that are competitive in the natural location of the regions, in high demand in the domestic and foreign markets, the existence of owners who produce a variety of agricultural products, mutual integration processes between suppliers of agricultural inputs, producers and processors, sellers and service providers, enterprises with a high level of innovation in agricultural services, readiness of network-related enterprises for cooperation and competition, formation of a legal and regulatory framework for agricultural regulation in accordance with market principles, a comprehensive service infrastructure and the availability of highly qualified professionals are important factors.

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