



## IMPROVING THE ORGANIZATIONAL AND ECONOMIC BASIS OF AGROCHEMICAL SERVICE IN UZBEKISTAN

*Azamat Zaripbaevich Tabaev,*  
*Associate Professor at the Tashkent Institute of Irrigation and*  
*Agricultural Mechanization Engineers*  
*azamattabaev123@mail.ru*

### ABSTRACT

*The article presents the current state of development of the agrochemical services, the problems and factors affecting them, as well as scientific suggestions for the effective organization of the agrochemical services in agriculture.*

### ARTICLE INFO

*Article history:*

Received 28 April 2021

Received in revised form

16 May 2021

Accepted 21 May 2021

**Keywords:** agrochemical services, agroclusters, infrastructure, stock exchange, subsidies, factors, futures contracts, innovative technologies.

© 2021 Hosting by Research Parks. All rights reserved.

### I. Introduction

Since independence, large-scale economic reforms have been carried out in agriculture. As a result of economic reforms in the agricultural sector, farms with property and entrepreneurial freedom have become the main producers of agricultural products. Also, today the special attention paid to the development of agro-clusters in the country has led to a change in the nature of property relations in agriculture and the functioning of service infrastructure, i.e. the liberalization of the economy in agriculture has acquired practical significance. The decline in per capita irrigated land resources and the growing demand for agricultural products in the country are having an impact on the demand for agrochemical services.

Only 20.7% of the 20.2 million hectares of agricultural land are irrigated. Over the last 15 years, per capita irrigated land has decreased by 24% (from 0.23 to 0.16). According to forecasts, over the

next 30 years, irrigated land areas may shrink by another 20 to 25 percent [1].

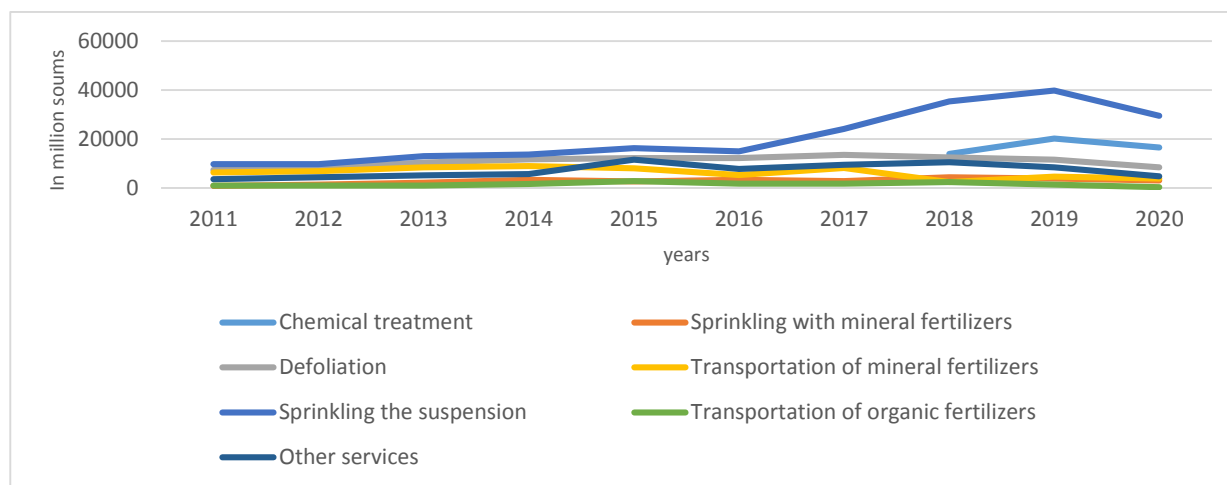
In order to overcome these problems, it is necessary to develop agrochemical services, which are an important link in the intensification of production by attracting innovative technologies to the agricultural sector. When additional yields are obtained as a result of rational application of mineral and organic fertilizers, the crop is preserved and the quality is improved as a result of protection of plants from pests, diseases and weeds using chemical (pesticides) and biological agents. Specific aspects of the development of agrochemical services today include:

- the existence of agricultural enterprises of various shapes and sizes, as well as their high number;
- that the modernization of agricultural machinery on the basis of smart technologies instead of obsolete material and spiritual obsolete equipment is a requirement of the times;
- formation of free competition of agrochemical services in the trading system of commodity exchanges of various economic entities through the purchase of mineral fertilizers and chemicals in the conditions of shortage of financial resources in agricultural enterprises;
- increasing demand for a number of new agrochemical services (chemical processing, delivery of biohumus, etc.) in the field of horticulture as a result of diversification of agricultural crops;
- coordination of agricultural and agrochemical enterprises.

Considering the above, the Resolution of the President of the Republic of Uzbekistan dated October 24, 2016 No. PR-2640 “On measures to improve the system of plant protection and agrochemical services to agriculture” was adopted in order to create an integrated system of providing agriculture with mineral fertilizers, chemical and biological plant protection products, agro-technical services for agricultural crops and improve the quality of pest and disease control services, and this resolution was an important turning point in solving problems in the industry. As a result, Agrokimyo himoya JSC was formed, and agrochemical services were integrated into a mutually integrated system of plant nutrition and protection [2].

Systemic problems that have persisted in the network for many years have not yet been resolved. For example, the lack of financial resources of industrial enterprises producing mineral fertilizers. Lack of attention at all to agricultural financing or a superficial approach to the issue have led to shortcomings in the system of mutual settlements in this area [3].

To overcome this problem, agriculture has allowed the formation of free competition in the market of agrochemical services. Due to the need for agrochemical services in agricultural enterprises based on different ownership, agrochemical enterprises are required to present themselves as “service providers” instead of “suppliers” (Figure 1).



**Figure 1. Structure of agrochemical services provided to agricultural enterprises by JSC “Agrokimyohimoya”<sup>1</sup>**

When studying the structure of services provided by JSC “Agrokimyohimoya” over the past 10 years, the types and volume of agrochemical services increased in 2016-2019, and from 2020 there will be a sharp decline in the volume of agrochemical services. The sharp decline in demand for centralized agrochemical services was directly due to the development of agro-clusters and their ability to implement the functions of agricultural infrastructure on the basis of market mechanisms.

T.Sh. Shogiyosov recommended to classify the factors influencing the economic activity of the enterprise into positive and negative factors, related (internal) factors, unrelated (external) factors, intensive and extensive factors of production, factors of production and transaction processes[4].

When studying the activities of entities providing agrochemical services to agriculture, we consider it important to classify the factors affecting economic activity on the basis of internal and external factors. This is because the influence of external factors on the activities of agrochemical enterprises is strong, and internal factors determine its capabilities. In order to effectively organize the provision of services in the future, considering the specifics of agrochemical services, the priorities of the industry have been reasonably defined in the “Strategy of Agricultural Development of the Republic of Uzbekistan for 2020-2030” which approved in accordance with the Decree of the President of the Republic of Uzbekistan dated October 23, 2019 No. PD-5853. According to this program, tasks are set to reduce state participation in agricultural management and increase investment attractiveness.

In the field of agrochemical services for agriculture, it is necessary to perform the following tasks:

- price liberalization by further improving the activities for the sale of mineral fertilizers;
- formation of equal competition among agrochemical services market participants;
- accelerating the process of digitization of agrochemical services and ensuring the transparency of economic relations;

<sup>1</sup>Source: Prepared by the author on the basis of “Agrokimyohimoya” JSC

- privatization of state-owned enterprises in the field of agrochemical services and targeted state benefits;
- encourage incentives to operate on the basis of ‘futures’ contracts instead of providing resources and services on soft loans;
- further encourage the introduction of innovative technologies for the intensive development of agrochemical services.

### References

1. Decree of the President of the Republic of Uzbekistan dated October 23, 2019 No. PD-5853 “On approval of the Strategy of agricultural development of the Republic of Uzbekistan for 2020-2030.”
2. Resolution of the President of the Republic of Uzbekistan dated October 24, 2016 No. PR-2640 “On measures to improve the system of plant protection and agrochemical services to agriculture.”
3. Speech at the meeting chaired by the President of the Republic of Uzbekistan Shavkat Mirziyoyev on December 28, 2017 on “Financial and economic situation of enterprises of the chemical industry and the development of the industry.”
4. T.Sh.Shogiyosov “Complex economic analysis” Textbook, T.: “Science and technology”, 2012. 30 pages. (Т.Ш.Шоғиёсов “Комплекс иқтисодий таҳлил” Дарслик, Т.:“Fan va texnologiya”, 2012 йил. 30 бет.)