

ADVANTAGES OF INTRODUCING AGROCLUSTER IN AGRICULTURE

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Abstract: Today, the sustainable development of agriculture depends largely on increasing its competitiveness. An important factor in this direction is the establishment of agro-clusters in Uzbekistan. This article highlights the ongoing agrarian and economic reforms in the agricultural sector and the organization of agroclusters in the development of the sector, as well as the role of infrastructure in it.

Keywords: Agrocluster, transformation of agriculture, modernization, agro cluster, institutional environment, competitiveness, integration, innovation, infrastructure, regional-sectoral complex.

1. INTRODUCTION

In Uzbekistan, as in all sectors and industries, agriculture is developing rapidly. The fact that the land has found its rightful owner, the large-scale reforms being carried out in the sector, the current situation in agriculture, the necessary state support for producers, their full support is bearing fruit. Agriculture is an important sector of the economy. This sector will meet the demand of the country's population for food products, and the processing industry for raw materials. Therefore, great attention is paid to the development of the agricultural sector. In particular, extensive, well-thought-out work has been carried out in agriculture to optimize the composition of arable land, the introduction of new and advanced technologies in production, the radical improvement of crop varieties and livestock breeds, seed and selection work. Today, the sustainable development of agriculture depends largely on increasing its competitiveness. An important factor in this direction is the establishment of agro-clusters in Uzbekistan. However, given that agroclusters are a new institutional structure in the country, along with the theoretical and methodological aspects of agroclusters, the study of the experience of foreign

countries is an important factor. A production cluster is a group of enterprises that operate in the same or related sectors of the economy and are geographically close to each other. It is important that these enterprises are technologically interconnected. In addition, these enterprises unite for a 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 concept of "cluster" was first introduced in 1990 by Michael Porter in "Competitive Advantage of States". After analyzing the development history of 10 industrialized countries, Michael Porter came to the conclusion that the emergence of clusters is an integral part of the process of economic development and industrialization. According to him, a cluster is a geographically inter-sectoral combination of companies and institutions operating in a particular field. The essence of the direct agrocluster A.A. Based in detail by Nastin. In particular, he described, "the agrocluster is a geographically located, interconnected and complementary, diverse property that seeks to solve production tasks simultaneously and collaboratively and to unite in environmental protection, owners a family farm, farmers, cooperatives, social and scientific organizations, educational institutions and a system of market entities with consulting services.²

According to their economic content, agroclusters are manifested in the agro-industrial complex as agro-clusters of entrepreneurship. In this context, its theoretical

interpretation as an economic category reveals the essence of the agrocluster more broadly. In particular, the definition given by A.V.Glotka states that “entrepreneurial agro-cluster in the agro-industrial complex is a region-specific innovation-oriented integration based on the principle of technological chain, implementing the common economic interests of its participants, with a certain culture of interaction in this system. R.R. Tokhchukov, more precisely, “entrepreneurial agro-cluster combines all stages of production from the production of agricultural products to the sale of finished products in a single reproduction, where the end result is a synergistic effect”. It is an association of organizations engaged in various activities. E.Galves Nogales also describes the agro-cluster in a simple way, saying that “it is the formal or informal interaction of producers and institutions in the food and agriculture sectors and the establishment of intersectoral links in the pursuit of common interests and opportunities”.³

Summarizing these theoretical definitions in a more nationalized and expanded way, “agrocluster is the integration of agricultural production, processing and sales processes into a single chain and the use of high-tech innovations, as well as increasing the competitiveness of agricultural products in domestic and foreign markets”. The formation and development of the infrastructure complex, increase the level of employment and income of the rural population, as well as economic entities that will work to improve the quality of agricultural products and the environment in the future.

In this regard, according to the positive results of the experience of developed countries, one of the effective factors for the competitive development of agriculture is the formation of agro-clusters and the development of their activities. By systematizing the general characteristics of agroclusters, it is possible to have a broad idea of all indicators of their activity. In this regard, the work of economist A.I. Skiba on the systematization of agroclusters on the general characteristics is important. A comprehensive approach is needed to assess the need, principles, stages, development paths and effectiveness of agrocluster organization. In particular, first of all, the analysis of a set of multidimensional statistical processes according to the economic and geographical location of objects of theoretically identical groups is carried out. Methodologically, the clusters reflect the interrelationship of the theory of the regional-sectoral complex, the systematic approach, the principles of organization of production and the concepts of economic growth.

Finally, the practical aspect is the use of strategic management and the results achieved in the development of the activities of the participants of the cluster businesses engaged in agriculture and processing and sale of its products.

Agroclusters can be based on three characteristics in their activities:

- ✚ Territorial specialization and localization of agricultural production;
- ✚ Interactions between business entities of the industry;
- ✚ the formation of technological interactions between different industries to produce finished products from agricultural products.

Thus, a cluster is a form of consolidation of interconnected enterprises, which increases the competitiveness of the region's economy. In terms of organizational form, a cluster can be called a vertically integrated structure. The use of a cluster approach is especially important for regions where interconnected businesses exist. Clusters play an important role in strengthening the economic independence of regions. This approach allows to identify economically priority sectors and projects. One of the main advantages of the cluster approach in 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 organization of new clusters, the role of the regional administration in the selection of promising clusters, taking into account the interests of the region, will be high. Later, the role of regional administrations will diminish and the laws and factors of a market economy will come to the fore.

Developing agriculture and increasing its competitiveness is an important factor in improving the well-being of villages where more than 60 percent of the country's population lives. In this regard, in recent years, institutional reforms have been carried out in the agricultural management system, increasing the financial stability of agricultural producers by significantly increasing the state-guaranteed purchase prices for raw cotton and cereals. The cluster model of the organization of agricultural production is being widely introduced, as a result of which in recent years the area of land allocated to cotton and textile clusters has accounted for 52% of the agricultural land allocated for this type of crop. At the same time, the lack of effective market mechanisms for state support of agriculture does not allow to increase the competitiveness of the sector.

In order to form an integrated system of state management of agriculture, the introduction of market mechanisms for public procurement of agricultural products, as well as in accordance with the Action Strategy for the five priority areas of development of the Republic of Uzbekistan in 2017-2021 Complaints were identified:

- ✦ Agriculture and food, which provides for the digitization of agriculture, the introduction of market principles in the relationship between agricultural entities, the introduction of advanced experience and scientific achievements, modern resource-saving and intensive agro-technologies implementation of a unified state policy in the field of food security;
- ✦ Encourage the creation of a value chain of agricultural and food products by expanding modern cooperative relations in the production, storage, processing and sale of agricultural and food products;
- ✦ implementation of measures for the widespread introduction of the cluster model of agribusiness, improvement of the organizational, legal and economic framework of the clustering process, assistance in the implementation of investment projects for the organization and development of clusters in the agricultural sector;
- ✦ Timely financing of agro-technical measures, financial stability of agricultural producers, increasing the productivity of low-yielding lands, ensuring food security and increasing the export of agricultural products by the state. coordination of support measures;
- ✦ Encourage mechanization of agriculture and deep processing of agricultural products through the development of a wide range of modern financial services and increasing access to quality agricultural machinery;
- ✦ formation of a modern system of preparation, use and export of seeds of agricultural crops, organization and development of primary seed production of domestic and foreign selection varieties, including biotechnological varieties;
- ✦ implementation of a unified state policy in the field of plant protection, implementation of systemic measures for pest and weed control, agrochemical services and soil protection;
- ✦ Ensuring the systematic integration of education, science and agricultural production on a systematic basis, training, retraining and advanced training of

personnel, taking into account the current and future needs of the agricultural sector in highly qualified specialists.¹

In addition, the Ministry of Innovation Development of the Republic of Uzbekistan coordinates the activities of research institutions of the Ministry on the creation and introduction of bio and nanotechnologies, new varieties of agricultural crops, chemical plant protection of agricultural producers and the creation of the necessary conditions for the provision of biological means, the timely organization of preventive and integrated measures for plant protection; Regular monitoring and control of phytosanitary status in arable lands, land plots, greenhouses, regardless of the form of ownership, forecasting the development and spread of pests, diseases and weeds of agricultural crops; rules for transportation, storage, sale and application of plant protection chemicals, stratified supply of mineral fertilizers for agriculture on the basis of agrochemical maps, taking into account the supply of nutrients to the soil measures such as monitoring compliance were identified.

2. RESEARCH FINDINGS AND ANALYSIS

Today, a number of clusters are being established in our country to develop the agricultural sector. An example of this is the establishment of the Uzbek-British joint venture Bek Cluster LLC in the Syrdarya region. This enterprise is the first cluster in Uzbekistan in the field of agro-industry. As part of this project, 18,000 hectares of land have been allocated for the cultivation of cotton and other crops. In addition to cotton and textile activities, the cluster will be used for growing other agricultural crops, production of meat and dairy products and their processing, specialized. The structure of JV "Bek Cluster" LLC includes farms and dehkan farms for the cultivation of cotton and other crops, as well as enterprises engaged in the following activities:

- cotton processing;
- production of oil and fat products;
- textile enterprises;
- production and processing of dairy, meat and egg products (livestock and poultry);
- Storage and processing of agricultural products.

The total cost of the agro-cluster project is \$ 165 million. The Syrdarya regional government, together with the responsible government agencies, will ensure regular cleaning of irrigation and land reclamation systems and uninterrupted water supply for the cluster's production needs. In order to support the enterprise, the state will support the development of a modern cotton-textile cluster with equipment, special vehicles and equipment, animals and

plants, veterinary drugs, not produced in Uzbekistan, imported for the needs of the cluster, raw materials and supplies, construction materials and greenhouse complexes are exempted from customs duties until January 1, 2022. In accordance with the decree of the President, farms will be provided with the purchase of agricultural machinery on lease, supply of mineral fertilizers, seeds, fuels, chemical plant protection products and other material resources. The conditions and procedures provided for the application were introduced in respect of JV "Bek cluster" LLC.

In addition, this cluster has a number of tax benefits:

- JV "Bek cluster" LLC can accumulate funds in soums of its member organizations and distribute these funds among them for the implementation of financial and economic activities and the development of production;
- JV "Bek cluster" LLC has cash and property, as well as net profit, which are received and transferred between its organizations and between them, and are not related to the turnover of sales of their products;
- The agricultural organization of JV "Bek cluster" LLC pays a single social payment at the rate established for small enterprises.

We all know that if the companies that are established have independence, they will develop further. In accordance with the President's decree, Bek Cluster JV and its affiliates were allowed, as an exception, to freely dispose of their products, to set pricing policies and sales volumes independently. In addition, the Beck Cluster joint venture has been given the right to independently select cotton varieties based on local conditions, crop rotation on a scientific basis, and introduce water and resource-saving technologies.

3. CONCLUSION

One of the important tasks of agrarian policy today is to implement a new direction in the establishment of agro-clusters, given the need to constantly improve the legal, organizational and economic relations between the economic entities formed in Uzbekistan as a result of institutional and structural changes in agriculture. This is due to the fact that the lack of interaction between agriculture and processing and value-added industries has a negative impact on the activities of other sectors, such as the production of competitive, deeply processed environmentally friendly products and processing and sale of agricultural products. However, the continuation of agricultural production in Uzbekistan with the modernization of national traditions, the production of products that are competitive in their natural

location and in high demand in domestic and foreign markets, suppliers of agricultural inputs, producers and their Mutual integration processes between enterprises processing, selling and servicing various products, enterprises with a high level of innovation in agricultural services, cooperation and competitiveness of network-related enterprises, in line with market principles of agricultural regulation the formation of a regulatory framework, a comprehensive service infrastructure and the availability of highly qualified specialists are important factors in resolving these disparities.

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