

# Ways Of Financing Innovative Activities In Agrobusiness

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**Abstract:** This article provides a detailed analysis of the importance of agrobusiness, its status, characteristics and development opportunities in Uzbekistan. Due to the fact that today the agro-industry is an integral part of the economy, agrobusiness, which is the basis of the agro-industry, is also very important, the types of factors and factors involved. There was a lot of talk about innovative ways in the development of agribusiness and the need for their financing.

**Keywords** – finance, agro-industry, agrobusiness, economy, factors, sustainable, farms, supply, food, livestock, labor, rent relations, differential rent, differential rent I, differential rent II, absolute rent, monopoly rent, agro-industrial complex, agricultural production infrastructure.

## 1.INTRODUCTION

The first stage of reforms to ensure the sustainability of agriculture in the country and the transition to a planned economy to a market economy based on the first. The priority was the development of private farms. Their land area doubled between 1989 and 1995. As a result, stability has been achieved in the uninterrupted supply of food to the population and in the development of agriculture. In the industry, great importance was attached to the denationalization and privatization of property. In particular, 1066 state farms were liquidated and collective farms were established on their basis. Livestock farms, orchards and vineyards, small plots of land and greenhouses were privatized.

## 2.METHODOLOGY

Entrepreneurial activity in agriculture is called agrobusiness. The concept of agrobusiness also includes businesses that are not directly involved in agriculture, but are directly involved in Iraq. It is a business activity related to the maintenance of agricultural machinery, its processing and delivery to consumers. Agrobusiness covers all links of the agro-industrial complex created as a result of agro-industrial integration. The purpose of agrobusiness is to make a profit by providing the consumer market with sufficient quality agricultural products and industry with raw materials. The main form and link of agrobusiness are farms and dehqan farms. because these farms produce agricultural products directly. Farmers and dehqan farms operate on their own land or on leased land, where the owner and producer

are the farmer himself and his family members, and in some cases may also use hired labor. The advantage of farming that is, it directly combines property and labor, which ensures high efficiency of production, and they can quickly adapt to market conditions. In it, economic interest and responsibility for the end result are two sides of the same coin. Agricultural farming is an integral part of agrarian reform. The transformation of the structure of state farms, which are in a difficult situation as a result of damage to agriculture, into an association of companies consisting of farms, the establishment of farms in the existing state and collective farms at the expense of their resources; - Farms and dehqan farms, which are now organized and have property, are being developed through the formation of dehqan farms on the basis of their property.

Organization, development and regulation of farms and dehqan farms in the Republic of Uzbekistan "On Farms", "On Dehqan Farms". It is based on the Law on Agricultural Cooperatives and other legal agreements and government decisions aimed at deepening agricultural reforms. These laws strengthen the right of farmers to long-term (50 years) lease on the condition of inheritance of the allocated land.

Both legal and organizational conditions have been created to stimulate the development of farms. As a result, in 2019 the number of farms in the country was 185,492, and in 2021 it reached 220.1. Kashkadarya region has 33,447 people. The area of agricultural lands of farms is more than 4881.9 thousand hectares, the area of land at the disposal of one farm is 26.3 hectares, 3.49 hectares per capita.

**Table 1. The figure shows the gross agricultural output in Uzbekistan by economic categories.**

№	Farms	Years					
		2010	2012	2014	2016	2018	2020

1	Agricultural enterprises	28.5	25.9	22.2	19.6	15.2	10.1
2	Farms	66	64.1	63	59.7	60.2	57.6
3	Farms	5.1	10	14.8	20.4	24.6	32.3

Farms in the country have the necessary infrastructure for efficient operation - agro - firms, machine-tractor parks , repair shops, procurement points, a system of small enterprises processing agricultural products, drinking water and natural gas attention is also being paid to infrastructure for other purposes. In 2019 alone, more than 1,600 kilometers of water pipelines and 710 kilometers of gas pipelines were commissioned in rural areas. The supply of drinking water to the population is 84%. In particular, it reached 77% in rural areas, natural gas supply increased by 82% and 77% in rural areas.

Agrobusiness is also one of the structural changes in rural areas. Agrobusiness is the creation of a ready-to-eat product by sharing it with rural agro-firms in an industry-specific resource. An agro-firm is an enterprise that combines the cultivation of certain types of agricultural products and their processing to the level of the final product. Such enterprises can be based on various forms of ownership, including family farms, and can be combined with small factories.

Agro-industrial associations and combines are new types of agrobusiness.

Agro-industrial associations are associations of several farms and enterprises engaged in the production of one type of product and related production activities. For example, farms engaged in horticulture and viticulture, workshops and factories that process their products, suppliers and traders unite in one technological process and form agro-industrial associations. As the members of the association retain their production, economic and financial independence, their common property also becomes more structured.

Agro-industrial complex is the consolidation in a particular area of farms and enterprises that serve the entire technological process, from the cultivation, processing and delivery of agricultural products to consumers. State-owned enterprises in agriculture, collective farms and companies , joint ventures established on the basis of different ownership also operate as types of agrobusiness.

The type of agrobusiness can also include various associations and unions organized on a voluntary and equity basis.

Basic concepts:

Agrarian relations - the relations arising in connection with the possession, development, disposal of land, its use and development of the results of production;

Rent relations - relations arising in connection with the distribution and development of additional net income arising from the use of land;

Differential rent - additional net income arising from differences in the productivity and location of land plots;

Differential rent I is the additional net income generated by differences in the natural fertility of lands;

Differential rent II- additional net income generated as a result of increasing the economic productivity of land;

Absolute rent - rent from all types of good, average and bad lands , arising from the monopoly of private ownership of land in agriculture ;

Monopoly rent - rent from lands with unique natural conditions, where unique agricultural products are grown;

Rent in the extractive industry is the result of differences in the location of mineral deposits (relative to the surface) and their richness;

Agro-industrial complex- Unity of economic sectors related to the cultivation, storage, processing and delivery of agricultural products to consumers;

Agricultural production infrastructure - areas that directly serve agricultural production;

Social infrastructure - areas that provide general conditions for people to live and work;

Agro-industrial integration is the development of production relations between agriculture and related industries that supply products to the consumer and their integral integration;

Agrobusiness - a form of manifestation of entrepreneurial activity in agriculture and related fields;

An agro- firm is an enterprise that combines the cultivation of certain types of agricultural products and their processing to the level of the final product; Agro-industrial associations are associations of several farms and enterprises engaged in the production of one type of product and related production activities. For example, farms engaged in horticulture and viticulture, workshops and

factories that process their products, suppliers and traders unite in one technological process and form agro-industrial associations.

Agro-industrial complexes- is the consolidation in a certain area of farms and enterprises that serve the entire technological process from cultivation, processing and delivery of agricultural products to consumers; Agrobusiness - entrepreneurial activity in agriculture. The main form and primary link of agrobusiness are farms and dehqan farms.

It is known that agricultural production is often associated with land. Relationships related to land ownership, management and use and development are called agrarian relations .

The peculiarity of agricultural production is that here the laws of nature are directly related to economic laws, because production in the agricultural sector is directly related to living beings - land, plants, livestock. Here the land is the object of labor and the main means of production, the object of economic management, it does not wear out, is not eaten, and if it is treated well, its productivity will be good.

The formation of various substances in the earth's crust as a result of natural changes over many years is called natural soil fertility .

Agrarian soil fertility is the result of human impact on nature, i.e., the improvement of soil composition and farming methods by artificial means (e.g., organic and chemical fertilization, mechanization of production, science-based irrigation, irrigation and the introduction of production methods such as land reclamation, and so on), which constitutes economic productivity .

All means of production used in agriculture can be in the form of private, private, public property. At present, the main forms of farming in agriculture are in the form of farmers and peasants, the production processes of which are based on the use of different climatic and soil conditions.

All means of production available in agriculture (tractors, machines, vehicles, buildings, structures, perennial trees, productive livestock and working animals) constitute the capital structure . Working capital includes: young and domestic animals, fodder, seed stocks, chemical fertilizers, various means of production with a service life of less than one year - inverters, fuel and lubricants. 'ladi. Capital circulates , that is, it passes from the form of money to the form of production, from it to the form of commodity, and returns again to the form of money.

In agriculture, production time is long and working time is determined by days. In agriculture, the production process is characterized by seasonality. Combines, for example, use a variety of planting tools in a short time. Given the relative density of the population and the limited availability of agricultural land, private ownership of land will be introduced, for which state property has been preserved.

Land tenure means the recognition of the right of individuals and legal entities to own a particular plot of land on the basis of history or in the manner prescribed by law. Ownership of land means, first of all, ownership of land and its economic realization. Land ownership is exercised by the owner or state that owns the land.

Land use right means the use of land in accordance with established customs or law.

Four factors are also involved in agricultural production - land, capital, entrepreneurial ability, labor force. Land is an important means of production. The mobilization of all of these factors is directly related to the workforce factor. The notion that capital creates profit or interest and land creates rent is a misconception that it is all created by the labor force, which is the owner of living labor. It can be said that manpower is a priority factor of production that moves material resources.

The development of agriculture is based on the law of extended reproduction and uses extensive and intensive ways. Extensive agricultural development means that the increase in production and efficiency is achieved through quantitative factors - the development of new lands, increasing the area under crops, increasing the number of livestock and attracting additional workers. At the same time, the level of technical and technological quality, land productivity and livestock productivity will not change radically with the increase in the volume of production resources.

Extensive factors play an important role in the mass production of crop and livestock products. From the earliest times of their history, people have left the lands they have conquered and spread all over the globe in search of fertile lands. Development of new lands continues today in other countries of the world, as well as in our country. At the same time, the experience of the development history of the countries of the world shows that intensification, which is a relatively efficient and more important form of agricultural development, plays an important role. Intensive agricultural development is accompanied by an increase in production due to quality factors, technology , the results of scientific and technological progress, the introduction of modern methods of organization of production and labor. It should not be overlooked that the extensive form of extended reproduction may be effective in some cases, and therefore the idea that the extensive form is always ineffective does not justify itself. In practice, these two approaches complement each other in the development of production, ultimately leading to an increase in overall economic efficiency.

They are unique methods of economic activity, in which both quantitative (extensive) and qualitative (intensive) aspects of economic growth are present, but their proportions are in different proportions. Where the economy is based on manual labor technology and unskilled labor,

extensive growth will prevail. Conversely, where production is mechanized, relying on serunum technology and a highly skilled workforce, intensive growth comes first, and the importance of legitimate intensive growth increases steadily as production develops.

The theory of intensification of agricultural production is based primarily on taking into account the nature of the available land, making it the main means of production in agriculture. It is well known that one of the important features of land as a primary means is that it is limited. Land tenure, in turn, requires the intensification of agriculture. The limited implementation of the increase in agricultural production through the development of additional land areas necessitates the improvement of the quality of existing developed lands before production, and , consequently , their intensive use.

It is known that comprehensive measures have been taken in our country to ensure grain independence. Rotational cropping systems have been updated and a new short-term norm for cotton, wheat and alfalfa has been introduced. Consequently, the cotton fields in the republic were reduced and in the 2000s 1.5 million hectares of seeds were planted. This figure is declining from year to year, and now the demand is to increase cotton production only on the basis of intensive technology. Early sowing of seeds on the basis of new technologies was introduced in Uzbekistan in 2014, which gave good results, ie the yield is 5-8 quintals per hectare higher than in the open field, the consumption of fuels and lubricants as a result of improved cultivation and fertilization. Decreased by 20%.

Intensification of agricultural production is a multifaceted process, the following factors are important in the current situation:

1). Radical reconstruction of economic relations. One of the primary issues in the development of agriculture is to change economic relations in the countryside, to restore to farmers the real right to own land that has a sense of aspiration to grow many quality products at low cost. On the basis of economic reconstruction in the countryside - the creation of an environment based on different property and forms of management, which can create the basis for farmers to act independently, to carry out entrepreneurship and initiative.

2) Preservation of cultivated products, prevention of their destruction. The seasonality of agriculture further increases the demand for the development of production infrastructure in proportion to it. In agriculture, through the widespread development of various forms of ownership of agriculture, in the coming years there is an opportunity to create storage and processing facilities. In addition to preventing the loss of products, a reduction in the costs associated with transporting them has been achieved.

3) Agricultural chemicalization. At the heart of the chemicalization of production are measures aimed at

increasing the production of crops and livestock by increasing soil fertility:

(a) Measures for the application of mineral fertilizers to increase productivity;

(b) Chemical weed control measures;

(c) The use of chemicals in the control of plant and livestock pests and diseases;

(d) Measures aimed at the widespread use of chemical products to increase the nutritional value of livestock.

(e) Measures aimed at the widespread use of products produced in agriculture, chemical industry.

4) Agricultural reclamation. Use of additives that increase the productivity of agricultural production. Timely and high-quality implementation of measures in agriculture, chemical industry, increasing production efficiency - irrigation, dehumidification, soil liming , salt washing - are among the important factors.

5) Use of intensive technologies with low resource requirements. It is important to improve the existing technologies in agriculture, the main directions of which are:

a) Optimizing the nutritional requirements of agricultural crops through the application of science-based fertilizer standards;

b) Research into the production of intensive varieties of agricultural crops;

c) Development of rational schemes of plant placement, taking into account the efficient use of land and other fixed assets;

d) Reduction and inclusion of the implementation of agro-technical measures through the improvement of agricultural machinery;

e) Improving the collection, loading and transportation of products.

The main directions of improving livestock technologies are:

a) Introduction of intensive technologies in the field of storage, feeding and other areas of livestock;

b) Standardization of feed and feed products;

c) Industrialization of livestock production.

6) Improving the quality of livestock and their feed base. An important factor in the intensification of animal husbandry is the improvement of herd movement and quality , which includes measures related to the creation of high-yielding cattle breeds. In the development of animal husbandry, it is important to create a solid feed base, which includes measures aimed at improving the composition, scope and quality of feed.

7) Improving the location and specialization of production. Under the influence of scientific and technological progress, the development of the agricultural productive forces and the deepening of the social division of labor are steadily rising. At the same time, the optimal size of economically based agricultural enterprises, their specialization in accordance with labor, raising the culture of farming and animal husbandry, the application of scientific and technological advances, as a result, increase the efficiency of production.

8) Professional development of specialists. The application of scientific achievements in agriculture cannot be achieved without raising the level of specialization and technical training of personnel. Improving the skills of specialists in agriculture, firstly, to improve the skills of professionals to perform complex and previously unattainable tasks and create the basis for the acquisition of twin professions, secondly to obtain a relatively high quality product, thirdly, a certain period of time to grow more products or perform more services than ever before.

9) Application of scientific and technical achievements and best practices in production. In the current situation, increasing the rate of intensification of agriculture and increasing its efficiency is inconceivable without the application of the results of scientific and technological advances. Advances in science and technology are an important factor in further increasing the productive forces, participating in production processes, along with production resources. The analysis of the results of existing best practices in the intensification of agriculture and their widespread application in production is of great importance, which has a positive impact on increasing the volume of production and increasing production efficiency. .

In the study of issues of intensive development of agriculture, it is necessary to distinguish between the concepts of intensity and degree of intensification, the economic efficiency of intensification. Intensity is the degree to which agriculture and some of its sectors are provided with the means of production over a period of time. The level of intensification reflects the level of objective growth of agriculture and some of its sectors.

The economic efficiency of the intensification reflects the increase in production per unit of crop area and the number of livestock. The level of intensive development of agriculture is determined by nature and value indicators. Using a natural indicator, it is possible to determine the sectors of the farm and how they are interconnected, as well as how much is grown on certain sectors and types of crops.

The natural indicators that reflect the level of intensive development of agriculture are:

1) .Energy capacity corresponding to the Earth's surface. This figure shows how many machinery, cars and other agricultural machinery per 100 hectares of land;

2) .Mineral and local fertilizers per hectare. This indicator reflects the extent to which the land affects the level of economic productivity;

3) .Increasing the share of arable land in the land fund. This indicator shows how much land is being used;

4). The ratio of irrigated agriculture to total land area. This indicator represents the growth rate of economic fertility of the soil.

The main indicators that reflect the intensive development of animal husbandry are as follows.

1. Live and packaged labor costs in the form of value corresponding to each head of farm animal. The more means of production and the direct labor costs per head of animal, the higher the amount of product obtained from it as a rule;

2. Food that corresponds to each head of farm animal. It is known that feeding livestock on the basis of a scientifically based ration leads to an increase in their productivity;

3. Improving the culture of animal husbandry: construction of livestock buildings with special facilities, mechanization and electrification of work processes, improvement and management of sanitary and hygienic conditions ;

4.Improvement of breeding work in animal husbandry. It is known that the higher the breed of livestock, the greater the amount of product obtained from it;

5. Improving the skills of specialists affects the growth of labor productivity.

The value indicator shows how many additional products were produced for the labor and money spent.

Value indicators that reflect the level of intensive development of agriculture include:

1. Fixed assets and current production costs per hectare (excluding depreciation). This figure is determined using the following formula.

$$Id = \frac{Iv + Ix}{Earth}$$

Where: Id- intensity level, sum / ha;

Iv- cost of fixed assets, soums;

Ix- current production costs, soums;

Earth- Land, land, hectares.

1.This figure reflects the intensity of agricultural development;

2. The cost of fixed assets per hectare of land. This figure reflects the number of means of production per hectare of land;

3. Current production costs per hectare of land. This figure represents the amount of direct costs incurred for each hectare of land and for the product obtained from each farm animal;

4. Live labor costs per hectare. This indicator shows the contribution of live labor spent on crop production.

Thus, it is possible to determine the level of its economic efficiency using the natural and value indicators of intensification.

### 3.CONCLUSION

The key condition for increasing the efficiency of agricultural production is to increase the yield per hectare of land and per head of livestock. The process of intensification means not only the growth of additional funds per hectare of land or per head of livestock, but also their efficient use. The economic efficiency of intensifying agricultural production is characterized by a high rate of production of cheap and high quality products per hectare of land compared to the amount of expenditures.

Increasing the economic efficiency of agricultural intensification requires active use of land, material, technical and labor resources, comprehensive consideration of natural and economic conditions. Theoretically, any plot of land, in any size, any capital can be invested, but it is self-evident that if in this country at this time all the conditions, i.e. economic, technical, cultural and other depending on the conditions. Expenditures on agricultural development should be spent wisely so that the farm receives more output and maximum profit per unit cost.

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