

## AGRARIAN REFORM IN THE ECONOMY IS A REQUIREMENT OF THE TIME (AS AN EXAMPLE OF FARMS)

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**Abstract:** *The basis of the socio-economic development programs of Uzbekistan is planned to achieve high results through the development of all sectors of the economy on the basis of market relations. The creation of farms and their development, especially in agriculture, had an impact on the economy from the very beginning. They included the change of new economic forms, adaptation to new modern production methods, development and modernization of their activities.*

**Key words:** *farmer, agrarian, reform, administrative order, concept, market, market relations, private property, collective farm, state farm, transition period, agriculture, forms of ownership, resource.*

### INTRODUCTION

Agriculture is an important sector of the economy of Uzbekistan. This network satisfies the needs of the country's population for food products, as well as raw materials for processing industries. About 90 percent of food is produced in the agricultural sector. In addition to supplying food products to the consumer market of our republic and raw materials for the processing industry, agriculture is also considered a guaranteed market for the products of a number of industries, such as agricultural engineering and the chemical industry.

### RESEARCH METHODS

Over the years of independence, on the initiative and direct leadership of our esteemed President, a lot of work has been done to reform agriculture. The introduction of scientific and technical achievements, new equipment and advanced technologies into production is accelerating every year. The efficiency of using limited land and water resources, capital and labor resources is increasing.

### RESULTS AND DISCUSSIONS

As a result of fundamental economic reforms and structural changes implemented in the agricultural sector of our republic, the main economic indicators of agriculture are growing steadily.

Much attention is paid to increasing the volume of agricultural production, which is the main pillar of food security in our country. In particular, extensive and thoughtful work was carried out to optimize the composition of sown areas, introduce new and advanced technologies into production, radically improve varieties of crops and livestock breeds, seed production and selection.

As a result, during 1990-2011, grain production increased by 3.7 times, potatoes - 5 times, vegetables - more than 2.2 times, fruits - 2.6 times, grapes - 1.3 times, meat ( in live weight) - 1.9 times. Our opinion is confirmed by the fact that the amount of milk increased by more than 2 times, and eggs by more than 2.4 times.

It is worth noting that over the years of independence, the increase in agricultural production volumes was ensured not only through the expansion of sown areas, but mainly due to intensive development, for example an increasing the productivity of crop and livestock production.

Reforms carried out in the economic sphere are taking place in a situation where the administrative-command system that existed before our country gained independence is experiencing a crisis. Agriculture received special attention in all countries of the world. At the same time, this process is reflected in the economic policy of Uzbekistan. When the movement towards market relations began in our country, the adaptation of agriculture to this policy began with the creation of new production relations. Because the management of agriculture by the state for a long time on the basis of individual domination, in turn, negatively affected the creative activity of trade unions, entrepreneurs and farmer-entrepreneurs.

Therefore, the success of economic reforms, the identification of priority areas for change and consistent progress are important. The reforms carried out in our country, by implementing structural changes in production and privatization of state property, create a legal and economic basis for its functioning under various forms of ownership and forms of doing business, ensuring economic independence and free functioning of enterprises, farms, as well as develop the activities of agricultural service infrastructure entities. It consists of providing various forms of ownership and creating a competitive environment, establishing economic ties between enterprises, organizations and institutions. Since gaining independence, the economy of our country, especially in agriculture, has been built on the basis of various forms of ownership and new forms of management. In 1990-2000, economic reforms in agriculture were carried out on the basis of a special concept of the state program for the development of farms. Based on the concept, the state program consists of the implementation of such tasks as improving land and water relations, updating the financial and credit mechanism, strengthening the material and technical base of farms, developing service and legal relations, improving the preparation of products, their processing and sales system [1. 35].

The main objectives of the Farm Development Concept are: as a result of agrarian reform, to regulate the use of land plots based on the development of rental relations in the village, as well as to develop measures for the targeted use of land and water; methods for the effective use of rental and service services for the economic independence of farms in production, provision of material and technical resources for newly organized farms; simplification of methods for providing and issuing loans to farms; implementation of a system of measures to improve timely financing and lending for crop production; production, processing, sales and large-scale development of social infrastructure in farming; organization of a modern system of training and retraining of farmers; familiarizing farmers with the achievements of scientific and technological progress, new agricultural technology and best practices. It consists of implementing measures to place workers on farms and use them effectively. The government provided the following benefits for the development of farms: farms were exempt from paying the unified land tax for a period of two years from the date of establishment; the farmer is exempt from paying the unified land tax for a period of five years for land acquired by him at his own expense under the project: inspection of the activities of farmers without the permission of the Republican Coordination Council has been stopped; farmers and farms that imported foreign technologies were exempt from customs duties; initial investments were introduced in the amount of 150 times the minimum wage and 300 times the minimum wage for farms with the status of a newly created legal entity; equipment was leased to farms; Advance loans to grain and cotton farms for government needs are provided in the form of advance loans; Organizations created by the association and providing services to agricultural producers were exempt from income tax for a period of five years from the date of their creation [3.3].

According to the agrarian reforms being implemented in Uzbekistan, a farm, classified as a newly created agricultural enterprise, differs from other economic entities in its production potential and economic efficiency. Therefore, the government of the country and the first President of Uzbekistan I.A. Karimov paid great attention to the creation and development of farms. Therefore, the reforms being implemented in the agricultural sector in the country are divided into four stages. They are as follows:

1. The beginning of the process of organizing a farm (1998-2001).
2. Adoption of regulations on the development of agriculture (1992-1996).
3. Development of farms as a priority economic form in agriculture (1997-2000).
4. Development of farms (since 2001). Including the subsequent period, this period is characterized by the adoption of programs for the priority development of farms for the future [4.15]. At this stage, Decrees of the President of the Republic dated March 24, 2003 PD – No. 3226 “On the most important directions for deepening economic reforms in agriculture” and dated October 27, 2003 PD – No. 3342 “On the concept of development of farms in 2004-2006” , Resolution of the Cabinet of Ministers of January 5, 2002 No. 8 “On measures to transform

agricultural enterprises into farms”, October 30, 2003 No. 476 “On measures to implement the concept of development of farms in 2004-2006” and adopted on December 24, 2004 No. 607 No. “On measures for the accelerated development of farms in 2005-2007.”

In accordance with these adopted regulatory documents, in 2005-2007, programs were developed and approved for the transformation of unprofitable and low-profitable joint ventures into farms, the development of rural production and market infrastructure.

The main goal of the reforms was to change the attitude of peasants to the land and introduce a newly organized economic-agrarian mechanism into life, that is, as an urgent task. The experience of agriculture in countries around the world demonstrates the need to take into account existing approaches to land ownership in accordance with the mentality of the local population and historical conditions when solving agricultural relations [5].

In the property and structural reforms carried out in the agricultural sector, first of all, important attention was paid to the expropriation and privatization of property, the introduction of various forms of ownership, primarily forms of business management based on private property. By phasing out joint ventures that had been operating at a loss since the early stages of economic reform, major structural reforms were carried out in terms of conversion to farming. As a result of these reforms, in 1999-2007, 2,102 unpromising cooperative farms were liquidated and 158,738 farms were created on their basis.

Based on the results of optimization carried out in 2008-2010, the land area of farms was optimized based on a well-thought-out program.

In this process, the following factors were taken into account to increase the economic efficiency of farms:

- ensure the targeted and efficient use of land plots at the disposal of farms, in uniform contours, in a uniform manner;
- in what area of specialization of the economy and different our countries taking into account population density in regions which saves water and other material resources favorable conditions for the use of new agricultural technologies create;
- large farms financial on integrated mechanization empowerment;
- work at a loss and do not break even stopping the activities of small farms.

As a result of the optimization, by the end of 2011 the number of farms in our republic decreased from 215,776 to 66,134 or 69.4%, and the average land area per farm increased from 27.4 hectares to 80.1 hectares. If we consider the average land area per farm by industry, then in cotton growing and grain growing this figure is 106.3 hectares, in vegetable growing and viticulture - 23.5 hectares, in horticulture and viticulture - 13.1 hectares, in livestock farming - 205 hectares.

The effective functioning and development of agricultural enterprises in our republic largely depends on the conditions created for them. In this regard, the formation of particularly favorable financial, credit and tax mechanisms is

important. During the reforms, an effective system of supporting farms was established through financial, credit and tax mechanisms:

- a system of preferential lending has been established for farms growing agricultural products purchased for state needs;
- benefits have been introduced for farms to pay a single land tax depending on the productivity of the land;
- a procedure has been introduced for the supply of equipment to farmers on leasing terms on preferential terms;
- a system of preferential lending to farms has been created;
- a financial assistance system has been introduced to compensate for the losses of farms growing cotton and grain on lands with a low credit rating;
- state support for the irrigation and reclamation system is being implemented.

In subsequent years, attention is paid to further improving the system of financial support for farms. According to the settlement fund for agricultural products grown for state needs under the Ministry of Finance of the Republic of Uzbekistan, in 2003-2011, the amount of preferential loans allocated to agricultural enterprises producing raw cotton and grain for state needs in our country increased from 309.1 billion soums in 2003 to 2011 increased to 1598.8 billion soums [6].

The annual interest rate on preferential loans provided to farms by commercial banks is 2-3 times lower than the interest rate on commercial loans. This, in turn, is the result of the government's policy of economic stimulation and support for farming activities and expands the financial capabilities of farmers.

Farmers were able to purchase equipment on preferential terms by paying 15% of the initial price of the equipment and paying the remaining 85% over 10 years. At the same time, annual interest payments for the use of leases were determined to be no more than 50% of the Central Bank refinancing rate.

The price reform carried out in the agricultural sector was aimed at the gradual introduction of free market relations in the pricing of agricultural products.

### CONCLUSION

A system was introduced to determine prices for grain purchased by the state based on prices on regional markets. Prices for other agricultural products are determined based on market supply and demand. In subsequent years, in order to create favorable conditions for the sustainable development of farms, the allocation of state financial support to farms growing agricultural products for state needs on low-yield lands is used in practice.

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