



Economic Importance of Investment Projects in the Development of Agriculture

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Abstract: *This article provides information on the development of the fruit and vegetable sector in the republic's agriculture, investment projects in the sector and their economic role in the sector. Projects implemented with the participation of national and international banks are presented with separate statistical figures.*

Keywords: *agriculture, fruit and vegetable industry, fruit and vegetable processing, investment, investment project, economic efficiency.*

One of the most urgent issues is that the consistent economic reforms carried out in the current agriculture will fully satisfy the population's demand for high-quality food products and fundamentally improve the supply in this area to the world standards. At the current stage of the economic reforms implemented in the agrarian sector of Uzbekistan, increasing their competitiveness by creating a competitive environment to ensure the sustainable development of farms, achieving a balance of demand and supply in the production of products, and introducing mechanisms that work effectively in the domestic and foreign markets on a large scale are urgent tasks. Having correctly assessed the importance of the fruit and vegetable industry in the country's economy, in order to make a fundamental turn in the development of this sector in the conditions of gradual liberalization of the economy, the President of the Republic of Uzbekistan on January 9, 2006 "On measures to deepen economic reforms in the field of fruit and vegetable and viticulture" PF- The adoption of Decree No. 3709 and Decision No. PQ-255 dated January 11, 2009 "On Organizational Measures for the Reform of Fruit and Viticulture Sector" and other regulatory documents indicate how much the government is treating this sector with attention.

At the same time, the Decree of the President of the Republic of Uzbekistan approved the strategy for the development of agriculture of the Republic of Uzbekistan for 2020-2030 and the "Roadmap" for its implementation. President In his appeal to the Oliy Majlis, Sh.Mirziyoev said, "...the factor that gives the fastest results in reducing poverty and increasing the income of the rural population is a sharp increase in productivity and efficiency in agriculture. ... It will be a priority to increase the income from each hectare of land from the current average of 2,000 dollars to at least 5,000 dollars. For this, we need to widely introduce the most advanced technologies, water-saving and biotechnologies, achievements in the fields of seed production, science and innovation into agriculture... First of all, it is necessary to increase the interest of farmers and peasants in the land. Where there is interest and justice, there is bound to be change and growth. In



this regard, it is time to consider the issue of guaranteeing land use rights and turning land into market assets.

The process of modernization and introduction of innovative techniques and technologies in the republic's agriculture is one of the main goals of economic development. Realization of this goal requires high demand for qualified workers and specialists, adequate development of the service sector. These circumstances are one of the main criteria for increasing the economic productivity and efficiency of agriculture, including fruit and vegetable cultivation and processing.

Buildings and structures (30.3%), machines and equipment (25.2%), working animals (24.8%) make up a much larger share of the main production funds in agriculture, and vehicles make up only 7.0%. The analysis of the sources of financing of the main investments made in agriculture in 2018 showed that the main contribution was to the funds allocated from the republic budget (32.9%), bank loans and debt funds (27.7%), own funds of enterprises and residents (19.5%) is correct. Foreign investment and loans have decreased considerably, making up 8.9%. This is related to the measures being taken to increase the financial independence of individual regions, and in 2018, the share of the republic budget in the structure of investments in the entire economy was 5.6%, and the funds of enterprises and residents were 49.0%.

The project "Development of the fruit and vegetable industry in the Republic of Uzbekistan" was developed with the participation of the International Bank for Reconstruction and Development (IBRD). The project is implemented based on the decisions of the President of the Republic of Uzbekistan No. PQ-2410 dated September 21, 2015 and No. PQ-3790 dated June 20, 2018. The total cost of the project is 989.12 million. is equal to US dollars, including: the share of the Ministry of Finance - 650.00 mln. US dollars (65.7%) share of the Republic of Uzbekistan - 183.93 mln. USD (18.6%) Share of beneficiaries - 155.19 mln. USD (15.7%) The project implementation period is 2015-2023. The area of implementation of the project is the Republic of Karakalpakstan and all regions of our republic. The main goal of the project is to increase the productivity and profitability of the fruit and vegetable industry, to modernize the capacity of research institutes in the field of selection, seed production and plant protection, and to introduce international standards for product quality. The project consists of 3 components:

- Component 1. "Providing technical assistance to agriculture".
- Component 2. "Agricultural Financing."
- Component 3. "Project Management"

1st component. "Providing technical assistance to agriculture". Within the framework of this component, at the expense of the credit funds of the Ministry of Foreign Affairs, the following are allocated for strengthening and modernization of the capacity of the Agency for Standardization, Metrology and Certification of Uzbekistan ("Uzstandart" Agency):

- Establishing a laboratory for testing consumer and agricultural products and equipping it with modern equipment, renovating the building and improving the qualifications of the scientific-research institute of standardization, metrology and certification;



• It is planned to equip the state enterprise of the Republican Testing and Certification Center and 8 regional (Andijan, Bukhara, Kashkadarya, Navoi, Samarkand, Fergana, Khorezm regions and Chirchik) testing and certification centers with new modern laboratory equipment and increase the qualifications of specialists. Also, within the framework of this component, 19.5 mln. Grant funds in the amount of Euros were attracted on the basis of the Grant Agreement signed between the Republic of Uzbekistan and the National Institute of Public Health on September 7, 2018. It is planned to implement the following works within the framework of the grant.

• Modernization and technical re-equipment of the laboratories of the scientific research institute of horticulture, viticulture and wine-growing named after Akademik M. Mirzaev, the scientific research institute of vegetables, pulses and potatoes, the scientific research institute of plant protection, the quarantine scientific centers under "Uzboshdavkarantin";

• It is planned to organize exhibition areas for the development, storage, sorting and packaging of fruit and vegetable products using modern methods and technologies. Technical tasks for the implementation of initial activities within the framework of the component were developed in the IV quarter of 2018 and agreed with the World Bank, tenders are being conducted. The main activities within this component are planned to be carried out in 2019-2020.

2nd component. "Agricultural Financing." Within this component, it is envisaged to allocate preferential loans to project initiators for the following purposes:

• Purchase of high-yield intensive seedlings and seeds for the intensive cultivation of gardens, vegetables and fruit crops for farms and peasant farms;

• Introduction of drip irrigation system, purchase of accessories and equipment required for intensive gardens (splinter, wire, mesh, etc.);

• Renovation of old vineyards and establishment of new vineyards;

• Cold rooms and freezers for storage of fruit and vegetable products, processing, sorting and packaging technologies, working capital required for sales to domestic and foreign markets;

• Purchase of mini-techniques and technologies for processing fruit and vegetable products;

• Cultivation and processing of various plants (including licorice, saffron, licorice, kandaks and other medicinal plants);

• Establishment of greenhouses and nurseries for the establishment of gardens for the cultivation of vegetable products and others.

404.29 million from the beginning of the project as of January 1, 2019. USD 586 sub-projects including:

• 243,065 tons of fruit and vegetable processing - 61 sub-projects;

• 264 sub-projects on the construction of a modern greenhouse on the area of 497 hectares;

• 188 sub-projects on the construction of a 194,096-ton refrigerated warehouse;



- 41 sub-projects in the direction of intensive horticulture development on an area of 5,656 hectares;

- for packaging and other directions - 32 projects were financed. 11,966 new jobs were created within the framework of these sub-projects.

Of course, in order to achieve the intended goal, in our opinion, it is appropriate to define a number of tasks and implement them. Including:

- in-depth study of the factors of formation of demand for agricultural products;
- improvement of processing of agricultural products; - to improve the measures set for the export of agricultural products and to eliminate some of the obstacles that arise;
- increase the volume of investments directed to increase the competitiveness of agricultural products;
- development of ways to attract foreign investments in order to further develop the production of agricultural products in the republic and its territories, expand the assortment and increase the volume of exports.

In general, in conclusion, it can be said that in order to meet the growing domestic and foreign demand for agricultural products produced in the country, in our opinion, first of all, high-quality products that meet the requirements of the world market standard and can withstand strong competition by establishing cooperation with foreign manufacturers and suppliers starting the production of products not only helps to develop our economy by producing products, but also ensures its integration into the economy of the world community. This will be solved on the basis of investments in the agricultural economy and the introduction of new techniques and technologies

Reference:

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