



# THE ROLE AND IMPORTANCE OF FRUIT AND VEGETABLE CLUSTERS IN ECONOMIC DEVELOPMENT

**Iminov Tukhtasin Nurmamatovich, Ph.D**

Senior Lecturer of the Department of Agribusiness and Marketing, Andijan Agriculture and Agrotechnology Institute,

**Kurganov Khakimjon Rustamovich**

Lecturer of Andijan Agriculture and Agrotechnology Institute

**Mokhinur Abdulatifova Alisher qizi**

Student of Andijan Agriculture and Agrotechnology Institute.

## ABSTRACT

*One of the most pressing issues today is to ensure economic growth through the uninterrupted supply of food to the population of Uzbekistan and the export of fruits and vegetables to world markets. This article describes the main features, importance, procedure and financial features of the cluster system in the development of fruit and vegetable growing and viticulture in our country, as well as the importance of legal and regulatory documents adopted by the state for the development of the industry.*

**KEY WORDS:** *fruits and vegetables, food security, export, investment, cluster, greenhouse farms, farms, dehkan farms, leasing, lending, financial support.*

## DISCUSSION

The globalization and deepening of integration processes in the world economy requires a comprehensive study of both the internal strengths and weaknesses of agribusiness, as well as its external opportunities and risks in the market. One of these opportunities is the establishment of agro-clusters.

The word cluster translates from English to mean “collection”. In economics, the word cluster is understood as an association formed voluntarily from several independent companies to produce a product. For example, in fruit and vegetable growing, from the planting of fruits and vegetables to its transformation into a finished product, joint ventures work together: farms, farmers and private farms, fruit and vegetable processing plants, logistics centers, markets and so on.

In this regard, the establishment and development of agro-clusters in the specialized

regions of the country through the efficient use of processing capacity, increasing foreign exchange earnings, creating new jobs and increasing incomes by exporting to improve the quality and competitiveness of products. Therefore, in our opinion, it would be more correct to call clusters organized in specialized regions as specialized agro-clusters.

The importance and role of agro-clusters in the country's economy is enormous. Its place is determined primarily by its share in the country's GDP. Today, more than 70% of the country's GDP is produced in the agro-industrial complex [5].

The importance of a complex is determined primarily by the value of the products it produces. The fact is that the final product of the agro-industrial complex is food for human daily consumption and personal clothing, household items. More than 99% of food is grown in the country's agro-industrial



complex [6]. The complex will ensure the food security of the country.

Today, about 2/3 of the export-oriented products grown in the country are grown by agro-clusters and are actively involved in providing a solid foreign exchange earnings necessary for the development of the country's economy. The hard currency flowing into the country's economy is used to deepen economic reforms, make profound structural changes in the economy, ensure national security, and develop social spheres. Currently, more than 60 percent of hard currency comes from the sale of products of this complex. [5].

President Shavkat Mirziyoyev called for improving the management system in the horticulture sector and greenhouses, introducing effective mechanisms of state support, establishing cooperation in agriculture, increasing the production of high quality, competitive and export-oriented products based on modern resource-saving technologies, A number of decrees and resolutions were adopted for the purpose of rapid development.

According to the President, at a time when sales of fruits and vegetables on the world market amounted to 205 billion dollars, the share of our country in it is less than one percent. Therefore, the goal is to increase fruit and vegetable exports to \$ 2.5 billion by 2020 and \$ 5 billion in the next three years. To achieve this, it is necessary to choose the right crops and varieties, increase productivity and income at least two to three times, prevent waste, product storage, logistics, proper organization of exports [2].

Today, the world markets are in high demand for products such as cherries, apricots, plums, pomegranates, grapes, almonds, citrus fruits, and these products make up the bulk of export earnings.

To meet the food needs of the population and increase exports, it is necessary to increase fruit and vegetable production by 8-10% per year and produce more than 1 million tons of additional products [6]. Therefore, in order to ensure food security in our country, special attention is paid to the development of agriculture and processing industry.

At present, a total of 47 clusters specializing in fruit and vegetable growing have been established in the country, which are allocated 13.5 thousand hectares of land. The clusters have refrigerated warehouses with a capacity of 15.9 thousand tons, 7810 tons of sorting, 800 tons of calibration, 4 modern laboratories, 119.8 thousand tons of fruit and vegetable processing, 23201 tons of fruit and vegetable sorting and packing shops, 1046 permanent, 1,085 seasonal jobs were created.

As noted by the President, for the development of horticulture, first of all, seedlings are needed, so it is necessary to grow and export 20 million seedlings per year. To this end, from next year it is necessary to begin the establishment of plantations for the cultivation of apricots, cherries,

peaches, sorghum and industrial grapes, pomegranates, walnuts, almonds, which are in high demand in the world market.

It is known that on February 7, 2017, the President of the Republic of Uzbekistan issued a decree on "Action Strategy for the five priority areas of development of the Republic of Uzbekistan for 2017-2021." According to him, modernization and accelerated development of agriculture envisages deepening structural changes and continuous development of agricultural production, further strengthening food security of the country, expanding the production of environmentally friendly products, significantly increasing the export potential of the agricultural sector.

It also includes the implementation of investment projects for the construction of new processing plants, reconstruction and modernization of existing ones, equipped with the latest high-tech equipment for the deep processing of fruits and vegetables, production of semi-finished and finished food products, as well as packaging. It is also planned to take systematic measures on storage and transportation of fruits and vegetables (agrolistics) and sales.

Particular attention is paid to the introduction of agro-industrial clusters in order to achieve sustainable economic development in developed countries. In particular, high-tech agro-industrial clusters are widespread in all US states. Large agro-clusters are located in Washington, Oklahoma, Louisiana, and wine production is located in California. High-performance clusters can also be seen in Silicon Valley's Information Technology and Hollywood's Kinofication clusters. In Europe (Germany, France, Italy, Bulgaria, Greece, the Netherlands, England, Switzerland, Denmark and other countries) high-tech agro-clusters are widespread. There are 380 clusters in the United States, with a share of clusters in GDP of 61.4%.

In France, the Agropolis Association was established in 1986 in Montpellier to coordinate the activities of agricultural enterprises, educational and research institutions in order to enter the European and world markets of technology and innovation.

Since 2001, the Stockbridge Technology Center, an innovative agro-industrial cluster in the UK, has been conducting research and training programs in indoor agriculture, horticulture and vegetable growing. The center has modern greenhouses and high-tech laboratories on 70 hectares of irrigated land, 40 computer-controlled areas ranging from 12 to 1,000 square meters.

In Austria, too, more emphasis is being placed on the specialization of clusters, the promotion of interaction between agro-industrial and research enterprises, the reduction of barriers to the management of innovation programs, and the formation of competitive centers.



In Danish agriculture, livestock is more important than agriculture, agricultural products are used for more feed, the role of milk in animal husbandry is higher than in the meat sector, so dairy clusters (for example, the well-known “Molochnaya vertical” cluster) are widespread.

In Russia, too, in all sectors of the economy, including in the agro-industrial complex, more than 200 projects on the formation and development of clusters are being implemented. The “Concept for the Development of Territorial-Industrial Clusters” adopted by the Ministry of Economic Development in 2008 consists of three blocks: supporting the institutional development of clusters; increase the competitiveness of cluster participants; creating favorable conditions for the development of clusters. At present, in the cluster “Biocomplex” of Tomsk region (new soft and oaty varieties of wheat resistant to fungal and fungal diseases are created, then it is planned to create “AgroPARK”, including deep grain processing, biotechnology, petrochemical production), cluster “Baltika” in Tula region. (672 experimental sites of the research station were used to grow 17 varieties of oats for brewing beer (included in the register of Russian achievements), agro-industrial brand “KalinaMalina” in Kemerovo region (with 7 companies and 40 farmers), Vologda region “Biotechno” (Together with OAO “FosAGRO”) and other regions, the process of establishing similar modern agro-clusters has significantly accelerated.

In view of the above, in our opinion, the importance and place of fruit and vegetable clusters in the economy can be determined by:

- prevents the destruction of cultivated fruits and vegetables and, as a result, provides great economic benefits;
- Improves employment, optimizes the solution of social problems;
- provide financial resources to agriculture as much as possible;
- increases the living standards of the population;
- frees agriculture from non-specific functions (storage, transportation, etc.);
- increases the country's export potential;
- Improves the provision of the population with quality fruits and vegetables in different seasons;
- Improves the skills of the rural population;
- Ensures the quality of food security of the country.

At present, agricultural products grown in the Republic of Uzbekistan are processed in the following volumes: fruits - 15%, vegetables - 10%, melons - 5%, grapes - 23%, leather - 26%, wool - 15%, meat - 25%, milk - 5%, raw cotton - 25% [6].

It should be noted that in order to increase the above volumes, it is necessary to organize specialized

agro-clusters and equip them with modern technologies, implement measures such as their structural renewal, structural and technical restructuring. That is:

- Removal of obsolete equipment from the production process of enterprises;
- introduction of innovative technologies in production on the basis of local resources;
- expanding the range of new export-oriented products;
- reduction of production costs and resource savings due to innovations;
- introduction of a system of quality management and certification at the level of international requirements;
- The implementation of tasks such as the introduction of low-waste and environmentally friendly technologies has its own characteristics in enterprises.

In conclusion, the establishment and development of clusters specializing in fruit and vegetable growing is one of the main directions of the country's economic strategy. The main focus will be on developing the fruit and vegetable processing industry and providing the market with cheap, high-quality, competitive food products. Attention will be paid to attracting foreign investment through the establishment and development of clusters specializing in fruit and vegetables. Emerging new joint ventures in this area will lead to the introduction of new equipment and technology. It also serves to increase employment and incomes.

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