



ORGANIZATION AND DEVELOPMENT OF CLUSTERS IN THE AGRICULTURAL SECTOR BASED ON THE PRINCIPLES OF COOPERATIVE RELATIONS AND INTEGRATION

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ABSTRACT

This article examines the issues of harmonious development of agriculture and processing industry, as well as the organization and development of industrial clusters based on the principles of cooperation and integration between the sectors of the agro-industrial complex.

KEYWORDS: *Integration, globalization, food security, agro-industrial complex, cluster model, infrastructure, free economic zone, product export geography, foreign exchange earnings, foreign investment, agro-industrial complex.*

INTRODUCTION

In the context of globalization and deepening integration processes in the world economy, special attention should be paid to the development of agriculture and processing industry in order to ensure food security. In order to effectively address these challenges, there is a need to develop cooperative relations based on the principles of integration between the sectors of the agro-industrial complex [1].

Шунинг учун, мамлакатимизда мева-сабзавотчилик соҳасини такомиллаштириш, шу жумладан мева-сабзавот маҳсулотлари экиладиган майдонларни, сақлаш ва қайта ишлаш қувватларини сезиларли ошириш, мазкур тармоқни ривожлантириш учун халқаро молиявий институтларнинг маблағларини фаол жалб этишга йўналтирилган комплекс чора-тадбирлар амалга оширилмоқда.

At the same time, the analysis of best practices in the production, storage, processing and sale of fruit and vegetable products shows that there is a need to effectively stimulate the development of cooperation between producers of these products.

The process of production of high value-added and competitive goods in the country's

agriculture, their sale in domestic and foreign markets is very slow. At a time when sales of fruits and vegetables in the world market amounted to 205 billion US dollars, the country's share in this market is less than one percent. The share of these products in the country's exports is only 7%¹.

In order to increase the share of leading industries in the economy in paragraph 3.2. The strategy of actions in five priority areas of development of the Republic of Uzbekistan for 2017-2021 approved by Decree of the President of the Republic of Uzbekistan No. 4947 dated February 7, 2017, the task of expanding intersectoral production cooperation in the priority area "Deepening structural changes, increasing its competitiveness through the modernization and diversification of leading sectors national economy" [2].

One of the opportunities to improve intersectoral relations and the development of industrial cooperation is the organization of agro-industrial groups on a cluster model.

¹ Source:

<https://uzanalytics.com/iqtisodi%D0%B5t/6120/>

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The cluster model (cluster - "growth together") is widely used in world practice as a tool to increase the competitiveness of the economic group, region, country as a whole. The main features of the cluster model are: the ability of the group to increase its share in foreign markets; availability of favorable conditions (raw materials, qualified personnel, infrastructure, training centers, scientific institutions, etc.) in the area; the breadth of opportunities for participants to participate effectively in the group in return for strong use of the group by the state, and so on.

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. That is, in the cotton industry, for example, from the planting of cotton to its transformation into a finished product, joint ventures work together: farms, cotton mills, textile enterprises, and so on [4].

From a theoretical and practical point of view, one of the main directions of increasing economic efficiency at the level of sectors and enterprises in a market economy is the adherence to the principles of regional development. Such an approach to the development of fruit and vegetable growing is based on the results of scientific research conducted by economists in many agricultural fields. However, the research conducted does not meet today's requirements mainly due to the fact that it was conducted during the planned economy period. The law of constant movement of socio-economic development is also observed in the process of gradual development of scientific research in the field of economic development of enterprises of the fruit and vegetable industry of the republic. In other words, the first research work on the development of agriculture on the basis of a cluster approach is being carried out, and our scientists are making initial proposals and recommendations.

The organization of clusters in the processing industry creates a number of competitive advantages in the development of entrepreneurship and increase their competitiveness: firstly, to increase productivity of firms and enterprises in the cluster, secondly, increase opportunities for innovative development, thirdly expand new types of entrepreneurship and cluster activities.

Our government is developing a number of measures and the legal framework for the maximum development of agricultural production, providing the population with quality and in-demand food products and, ultimately, achieving human health and well-being [3].

In order to expand the geography of fruit and vegetable exports, the government is creating a number of benefits, including

in accordance with the Decree of the President of the Republic of Uzbekistan No. PP-3377 dated November 6, 2017, fruit and vegetable products worth up to \$ 20,000 can be exported on a contract basis.;

According to Resolution No. PQ-3451 of December 29, 2017, products up to \$ 5,000 are allowed to be exported to participate in foreign fairs and exhibitions on the basis of cargo documents, without concluding a contract and filing a cargo customs declaration;

In accordance with the Resolution No. PF-5495 of July 21, 2018, the requirements for the conclusion of export contracts and export for fruit and vegetable products at a price not lower than the prices set by JSC "Uzagroexport" were abolished;

In accordance with Resolution No. PQ-3978 dated October 17, 2018, legal entities are allowed to export fruits and vegetables without prepayment, opening a letter of credit, issuing a bank guarantee and an insurance policy against political and commercial risks;

In accordance with Resolution No. PQ-5587 dated November 29, 2018, from January 1, 2019, when the share of exports in the sale of goods exceeds 15%, the tax base of legal entities will be reduced to export earnings.

The formation of organizational structures of clusters, which are a modern form of production in the agricultural sector, plays an important role in agricultural production and processing of products in our country.

In this regard, in the specialized regions of the country it is important to increase foreign exchange earnings, create new jobs and increase incomes by focusing on export to improve the quality and competitiveness of products through the efficient use of processing capacity.

At the same time, one of the urgent tasks is the establishment of industrial clusters for the processing of fruits and vegetables in free economic zones and areas specializing in fruit and vegetable growing in the country.

According to foreign economists, in the current context of accelerated globalization of the economy and the intensification of competition, the regions and territories that form the economy on the basis of a cluster approach are leading the way in economic development. Such regions and prospects determine the level of competitiveness of the state and national economy in which they are located.

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Foreign experience shows that the cluster development model allows the state, regions and especially group enterprises to increase their competitiveness indices. Therefore, clusters have the ability to quickly disseminate innovation news to all enterprises in the region. In addition, the clusters will increase the opportunities to attract foreign investment to the region.

The creation of a favorable agribusiness environment and value chain is identified as one of the strategic priorities of agriculture until 2030. The formation of cooperative relations in agriculture plays an important role in the implementation of these strategic priorities.

The main tasks in the fruit and vegetable sector are to stimulate the creation of value chains, ensure the sustainability of production and export of quality fruits and vegetables, expand the financial capabilities of producers, as well as develop cooperative relations of agricultural enterprises and create clusters in order to increase the competitiveness of products [3].

The main problems that stimulate and create the need for the development of cooperative relations in agriculture are:

High risks in the cultivation of agricultural products and the inability of the farmer to cope with them alone;

The inability of growers to use the final income;

Small and large farms and dekhkan farms cannot simultaneously grow grain, purchase material and technical resources, study sales markets for products, look for buyers and effectively ensure the movement of products to consumers;

The large number of agricultural producers and the small size of the product make it economically impossible to transport small volumes of products to distant markets or to purchase small amounts of material and technical resources from markets and transportation costs drastically reduce the competitiveness of the product, causing the farmer to lose a portion of the income he receives, often having to sell the product at a loss as well;

It is not possible for small-scale agricultural enterprises to have such facilities due to the high cost of construction and operation of warehouses for storage of agricultural products, facilities with a cooling system and the ability to sort products;

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Agricultural producers, dehkans, farmers and landowners must be legally and scientifically literate, be able to use any statistics openly and transparently if necessary, and that future demand for the product they grow or want to grow will not only increase their income, but also one should make sure that well-being can be achieved.

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In this regard, it is important to increase foreign exchange earnings, create new jobs and increase incomes by focusing on export to improve the quality and competitiveness of products through the efficient use of processing capacity in the specialized regions of the country.

At the same time, one of the urgent tasks is the establishment of industrial clusters for the processing of fruits and vegetables in free economic zones and areas specializing in fruit and vegetable growing in the country.

Uzbekistan has a huge potential for the production (cultivation) of fruits and vegetables and the development of their exports to foreign markets.

Currently, much is being done in Uzbekistan to increase agricultural production, but the growth of production will not automatically lead to an increase in exports. The reason is that in export, first of all, it is necessary to study what product a potential consumer needs and what he needs. It should also answer questions such as who the real consumer is and in what countries he lives. In addition, when it comes to fruit exports, it is important to know in advance how consumer demand and demand will change from the time the garden is planted to the time it is harvested (over the years). This requires a study of marketing research to study consumers of agricultural products and market research.

If Uzbekistan increases the production of agricultural products that meet the requirements of high quality and safety, it will be able to export such products to any country in the world, even to countries with a high demand for quality and safety of products.

In conclusion, in the modern digital economy, a systematic study of the processes of



growing, storing, processing, supplying and selling agricultural products on the basis of improving cooperative relations in agribusiness can lead to an increase in agricultural production, the supply of quality products to consumers, and agriculture can significantly affect the price of its products for domestic market.

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