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# TERRITORIAL SPECIALIZATION AND LOCATION OF AGRICULTURAL PRODUCTION - ADAPTATION TO MARKET RELATIONS

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#### **ABSTRACT**

In accordance with market relations, scientific approaches to the regional specialization and rational placement of agricultural production have been made. The article analyzes the economic growth of the country through the assessment of the territorial specialization of the state and its constituent entities, the effective use of domestic opportunities and potential of the regions of the Republic of Uzbekistan on the basis of scientific approaches, adaptation to agricultural market mechanisms. In addition, appropriate recommendations were made based on the results of consistent work carried out on the basis of regional specialization of agricultural production and crop placement.

**KEYWORDS:** agricultural production, regional specialization, rational placement of crop types and varieties, regional natural and economic conditions, cost-effective technology, economic efficiency, assessment of regional specialization, free market conditions, efficient distribution.

#### INTRODUCTION

In the context of the gradual implementation of market reforms in our country, it is important to ensure sustainable economic growth and effective use of existing potential in regional and natural economic zones. Effective use of domestic opportunities and potential of the regions of the republic, adaptation of agricultural producers to market mechanisms depends in many respects on the economic growth of the state and

the entities that make up its territorial structure. It is important to ensure socio-economic development through the specialization and placement of agricultural production on the basis of full use of favorable regional factors and opportunities, taking into account the national interest, reducing the negative effects of certain natural and economic conditions.

The Government has identified the most important priorities for sustainable development of the agricultural economy and created the necessary conditions to



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increase the volume and improve the quality of food products through the specialization of agricultural production and optimization of crop composition as a result of the development of strategic programs for their implementation serving.

Decree of the President of the Republic of Uzbekistan dated May 11, 2020 "On additional measures to specialize the regions of the Republic in the cultivation of agricultural products"

Presidential Decree No. 4709 provides for the diversification of agriculture, increasing the production of competitive products that meet the requirements of domestic and foreign markets by specializing the horticulture, viticulture, horticulture, potato and other food products in accordance with the soil and climatic conditions of the districts. In order to widely introduce scientific innovations and increase the material interest of producers, the regions of the republic should be gradually specialized in the cultivation of certain types of agricultural products [1].

In today's world of integration and globalization, ensuring food security requires a sustainable development of agriculture, adaptability to the changing external environment, a variety of innovations and the development of science and technology. The normative and legal acts adopted in recent years for the development of the agricultural sector in the country provide an opportunity to radically change the territorial specialization of agricultural production and the location of crops.

As a result of consistent work carried out on the basis of agricultural reform, optimization of land allotted to farms, regional specialization of agricultural production and crop placement, structural and qualitative changes are taking place in the agricultural sector of our economy. Along with strategically important agricultural crops such as cotton and grain, production in the fruit and vegetable, livestock, poultry and fisheries sectors also increased significantly.

One of the key issues of a market economy is the development of the territorial division of labor in the country, the formation of economic systems of economic regions and regions. At this point, it is not necessary for all regions to specialize in the cultivation of only one or mainly one type of product, it is important to develop several other sectors of the economy (horticulture, vegetable growing, animal husbandry and secondary production) along with the main production sector.

However, the difference between agriculture and industrial sectors is that specialization is characterized by its specificity in a broad sense. For example, such a feature of agriculture shows that the relationship of the production cycle with the life cycle of plants and animals has a significant impact on the possibility of specialization. Although there is a somewhat less impact on livestock, they are much larger in crop production and are manifested in the seasonality of agricultural

work during a single and full production period so that there is a sharp difference in the use of factors of production.

The subject of specialization is the separation of the production of the finished product or its limited range. In crop production it is the production of elite seeds, while in animal husbandry it is the production of pedigree young cattle, meat, eggs.

Elemental specialization consists of linking individual elements, types of parts, or different enterprises and aggregating them in the parent enterprise. "In agricultural production, it has only a place in the production of complete ration feed mixes and components in the production of compound feeds" [3].

Territorial specialization is the direction of production of a designated area, republic, region, administrative district, and so on.

Territorial specialization is the process of division of labor in agriculture at the national, regional, district and district levels, the development and timing of agricultural sectors, the culture of implementation in accordance with the level of development of material and technical base and increase the cost of production. allows for more efficient use of the natural and economic conditions of the regions [4].

A particular internal branch of the internal division of labor is called an internal network specialization. In this case, the absence of such a term on the activities of the enterprise is considered as a general network. Such specialization is practically described for all branches of agricultural production. This can be explained by the specialization of crop production in the production of cereals, potatoes, vegetables, fodder. In turn, this internal network leads to a division of labor in the production of certain crops or types of products.

In order to produce the same type of product in the specialization within the farms, several departments, farms and farmers of the same farm unite in work processes, between which there is a division of labor. For example, fattening farms, winemaking, canning, etc.

Intra-farm specialization reflects the specialization of enterprise production, leading to its consolidation. Such specialization shows the degree of centralization of production, ensuring the rapid development of farms. This type of specialization consists in the formation of multidisciplinary directions, taking advantage of the existing internal opportunities in the specialized farms operating in the country during the ongoing reforms.

The type of interdisciplinary specialization is characterized by greater specificity between fodder production, organic fertilizer preparation, use of means of production and labor, primary and secondary industries, crop and livestock [5]. As a result of such specialization, a number of interrelated productions occur on farms. Cotton production, for example, requires the use of unconditional crop rotation. Crop rotation, in turn, necessitates the development of



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livestock sectors. As a result, material and labor resources are concentrated in one enterprise for the production of agricultural products.

The appearance of general economic specialization, the production of the main commodity product in this or that farm is determined by the production in the form of each enterprise.

General economic specialization represents the process of division of labor between individual enterprises, aimed at increasing the volume of production and reducing the cost of its production in some internal territorial subdivisions [6].

The essence of domestic specialization is agricultural production, taking into account their specific conditions for economic units in the rational placement of the industry and the production of certain types of products [7].

The specialization of production is the division of social labor in the broadest sense.

If the concept of "specialization" is clarified, it is understood the natural and economic conditions of enterprises in the regions of the country, the social division of labor in the process of placement of production of certain types of goods, taking into account the requirements of market laws.

The experience of the world economy shows that significant changes are taking place in regional specialization and placement. Most importantly, the world economic system is developing further. This is due to the globalization of the system, the improvement of the specialization and location of agricultural production between countries and regions, the intensification of economic integration processes.

It should be noted that in the past, agricultural countries specialized in the cultivation of certain products, but in the modern economy, the focus is on the production of various products, resulting in an uneven increase in the level of economic development of countries.

The specialization and placement of agricultural production is primarily explained by the availability of space, i.e. land area. However, the natural-geographical, economic-social, that is, the location of space plays an important role in the production of any type of agricultural product. In particular, if agricultural production is organized where it is desired, it will not lead to the intended economic benefits, leading to environmental problems, increased transportation and other costs. Therefore, in the scientifically correct placement of agricultural production sectors and crops, it is important to take into account not only regional but also sectoral characteristics.

It is known that natural and socio-economic factors have a direct impact on the specialization and location of agricultural sectors. In particular, in the process of the natural environment, first of all, the importance of climate, water and soil is great. Depending on them, the natural temperature, surface and groundwater, soil

characteristics determine the territorial specialization and location composition of agricultural production. For example, in the growth and maturation of a plant, the sum of the useful temperatures throughout the year forms the required vegetation period.

As a result of the integration of network specialization, markets of different scales will emerge. They will be local, regional, interregional, national and international. Markets within countries define the boundaries of existing economic regions, because the market at each stage has its own sphere of influence, space. Today, the sectors that specialize in the world economy are also called market-specific sectors.

The harmonization and stability of the national economy of each country is based on the gradual saturation of markets at different levels with their products, the creation of opportunities to replace imported products.

Under the conditions of market relations, the situation in agricultural production has also changed completely. In this context, the market itself determines the demand for the product as a key factor. The influence of other factors, directly or indirectly, is relatively weak. This is because the deepening of the process of specialization, the increase and decrease of production is determined by the market, not the state, and the state regulates this process by one means or another.

#### **MATERIALS AND METHODS**

In the context of liberalization of the economy, as in industry, market relations are emerging as a key factor in the placement of agricultural sectors. This is because the volume of agricultural production today is determined by the market, the price. This is due to the fact that in the current situation, due to the fluctuations in the market of agricultural products, the prices of some types of products (potatoes, carrots, onions, tomatoes, etc.) that are necessary for the daily needs of the population are much cheaper or more expensive. This, in turn, has an impact on the specialization and location of this type of product in exchange for changing market conditions.

The fact that the bulk of the products grown on farms today are not commodities, and in some cases used for domestic needs (personal consumption, seeds, processing, the amount given to workers, etc.) exceeds the volume of products sold, the instability of production, its natural Given that it depends in many respects on climatic conditions, as well as the priority given to the development of farms on a multi-sectoral basis, the approach put forward by most scientists, ie the share of branded products in GDP does not allow a clear and comprehensive assessment.

With this in mind, the following formula is proposed to assess the level of specialization in a particular farm example:



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### For products grown for state needs:

$$S_d = \frac{IP + (D_p - D_c)}{AP} * 100$$

Here:

S<sub>d</sub> - level of specialization of the farm,%;

**IP** - the value of the product grown in the assessed industry, mln. Soums;

 $\mathbf{D}_p$  - the value of the product at the disposal of the farm (at average market prices), million soums;

 $\mathbf{D}_c$  - the value of the part of the product that remains at the disposal of the farm into a secondary commodity (a product that is valued in money for wages and other debts or prepayments and given to workers, suppliers and employees), million soums;

**AP** - the value of agricultural products grown in all sectors, mln. soums.

#### For products grown for the free market

$$S_1 = \frac{IP}{AP} * 100$$

Here:

 $S_1$  - level of specialization of the farm,%;

**IP** - the value of the product grown in the industry under assessment, million soums;

AP - the value of agricultural products grown in all sectors, mln. soums.

When determining the level of economic specialization using this formula, if the estimated share of the industry is more than 50 percent, the enterprise is considered to specialize in the production of a single industry product.

If the sum of the shares of the two industries is more than 60 percent, and the share of each of them is not less than 25 percent, the enterprise is considered to specialize in the production of two types of products.

In enterprises specializing in the cultivation of three types of products, these figures should not exceed 75% and not less than 25%, respectively.

It is advisable to consider farms that do not meet any of the above criteria as diversified farms.

In the same way, it is proposed to assess the level of specialization of agriculture in the region (district), including:

#### For products grown for state needs

$$SI = \frac{\sum |P + (\sum Dp - \sum Dc)}{\sum AP} *_{100}$$

Here:

 $S_l$  - level of specialization of the region,%;

**IP** - the sum of the value of the product grown in the industry, valued at the region, million soums;

 $\mathbf{D}_p$  - the sum of the value of products (at average market prices) at the disposal of farms in the region, million soums;

 $\mathbf{D_c}$  - the sum of the value of the part of the product remaining at the disposal of farms in the area, converted into secondary goods (products valued at money for wages and other debts or prepayments, given to workers, suppliers and employees), million soums;

**AP** - the sum of the value of agricultural products grown in all sectors of the region, million soums.

# For products grown for the free market

$$S_{I} = \frac{\sum IP}{\sum AP} * 100$$

Here:

S<sub>1</sub> - level of specialization of the farm,%;

IP - the value of the product grown in the industry under assessment, million soums;

AP - the value of agricultural products grown in all sectors, mln. soums.

## RESULTS AND DISCUSSION

Raising the formation and development of farms to a qualitatively new level, on the one hand, focused on the restructuring of low-profit and loss-making farms and the placement and territorial specialization of crops, on the other hand, the formation of land, property and regional division of labor. (motivation) led to a radical change. As a result, the volume and quality of products grown by farms are improving from year to year, creating an opportunity to increase resource efficiency.

As a result of a comprehensive study of the above scientific views and approaches, taking into account the natural, climatic and economic conditions of the studied areas, the rational placement of industries on a scientific basis, the identification of potential and significant sectors and their priority through accurate assessment of specialization Suggestions were made to identify areas for development and improve the methodological framework for assessing the level of specialization of agricultural production based on current practice.

Putting this proposal into practice, the level of specialization (S<sub>1</sub>) of the main types of agricultural production in Naryn district of Namangan region was methodologically assessed based on practical research.

At the same time, on the basis of methodological assessment of products grown for the needs of the state:



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In cotton growing

$$SI = \frac{19129.7}{110212} *100 = 17.3\%$$

In grain growing

$$SI = \frac{17880,1 + (4500 - 2700)}{110212} *100 = 17,8\%$$

Based on the methodological assessment of products grown for the free market:

In vegetable growing

$$SI = \frac{43963.5}{110212} *100 = 39.9\%$$

$$SI = \frac{9239.2}{110212} * 100 = 8.4\%$$

Using the above formula, the level of specialization of Naryn district was determined based on the analytical data [8]. Accordingly, the share of the assessed sector, ie the level of specialization of agricultural production is 17.3% in cotton, 17.8% in grain, 39.9% in horticulture and 8.4% in horticulture.

According to the results of our research, if the network production is more than 50%, to grow a single network product; to cultivate two types of products if the sum of the shares of the two industries is more than 60%; when the sum of the shares of the three industries is more than 75%, it is investigated that the three types specialize in the cultivation of the product.

The results of the analysis show that in the Naryn district selected for the study, there was no level of specialization in the production of agricultural products, namely, one, two or three types of agricultural products. This, in turn, is characterized by the fact that the regional specialization of the district is focused on the development of various sectors, forming a small network.

#### CONCLUSION

In the specialization of agricultural production and the rational placement of crops, it is important to determine the implementation of the following objectives, including:

- meet the requirements of effective distribution of available resources in a free market on the basis of maximum use of the features of agricultural production in the process of specialization;
- Ensuring the stability of the economy by increasing the income of specialized farms producing agricultural products in the placement of crops;
- organization of the correct placement of crops and high-yielding varieties in the production of products

that meet the requirements of foreign and domestic markets in accordance with the market economy;

- Taking into account the state of effective use of agro-technological measures of their care and cultivation in the placement of crops and varieties. Because in this process, each type of crop, as well as crop varieties have their own characteristics and have their own agro-technical rules.
- the development of cooperatives, which directly shape the integration of agricultural producers in the specialization and location of the industry. This is because cooperation plays an important role in the harmonious distribution of agricultural production, the integration of producers and service enterprises. Therefore, it is necessary to establish regional specialized cooperatives.

In general, in the specialization of agricultural production, it is important to take into account regional natural and economic conditions (soil, water, precipitation, resources, availability of infrastructure, population location, proximity to the city, etc.) in the placement of crops and varieties.

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