

The Main Trends in the Development of Agro-Industrial Formations in the Agro-Industrial Complex

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Abstract: The article clearly defines the role of agriculture in the development of the economy. The definition of the agro-industrial complex is given and the trends of its development in the world are presented. The analysis of foreign experience in the development of the agro-industrial complex is carried out. The problems of the development of agro-industrial formations and ways to solve them are highlighted.

Keywords: Agriculture, agriculture, GDP, commodity, economy, integration, developed and developing countries, globalization.

Introduction

Agriculture is not only the oldest and most dependent on natural conditions branch of the economy, but also the way of life of most of the world's population.

Agriculture is a donor for other sectors of the economy, a source of replenishment of national income for solving urgent tasks of the country. The main economic proportions and economic growth of the entire country largely depend on the state and pace of development of agriculture. In these conditions, the study of further trends in the development of world agriculture, in which half of the world's population is currently employed, becomes as relevant as possible.

Agriculture creates food for the population, raw materials for many industries (food, feed, textile, pharmaceutical, perfumery, etc.), reproduces live draft power (horse breeding, reindeer breeding, etc.), includes the branches of agriculture (field breeding, vegetable growing, fruit growing, viticulture, etc.) and animal husbandry (cattle breeding, pig breeding, sheep breeding, poultry farming, etc.), the right combination of which ensures the rational use of material and labor resources.

And, finally, in this industry, there is a direct interaction of man with nature, on which human health, its psychological, nervous, emotional state, and the like largely depend.

Analysis of thematic literature

This article provides an analysis of scientific works in the field of agriculture for the period 1995-2021, and also examines the main factors affecting the development of the agro-industrial complex.

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The role of agriculture in the economy, prospects, problems and ways to solve them were studied by such scientists as: Poptsov A.V., Matveev D., Titova N.Yu., Vorozhbit O.Yu., etc.

The agro-industrial complex (AIC) is a set of industries and spheres of activity of the national economy, integrated by economic relations to ensure the food security of the country.

The agro—industrial complex is a functional multisectoral subsystem of the national economy, expressing the interrelation, interaction of agriculture and related branches of the economy for the production of agricultural machinery, agricultural products, its processing and sale.

It includes organizations that ensure the production of agricultural products, their storage, processing and sale, means of production in the agro-industrial complex and its maintenance.

The formation of the agro-industrial complex is associated with the transition of agriculture to the machine stage of production, which significantly deepened and expanded the technological and functional links of agriculture with other sectors of the national economy. The development of agro-industrial integration in our country began in the late 20s of the twentieth century with the formation of agro-industrial plants that carried out the production, processing and sale of any type of agricultural products. However, it was only in the early 50s of the twentieth century that the concept of an agro-industrial complex (AIC) was introduced into scientific and industrial use, which is a set of branches of the national economy engaged in the production of products, their storage, processing and bringing to the consumer.

The Role of Agriculture in Asia

Agriculture as GDP Value Added (\$) & as Share of Total Employment (%)



Pic 1. The share of agriculture in GDP.¹

¹ Howmuch.net - Visualizing the Importance of Agriculture in the World's Economy

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Economic globalization in the conditions of subsidizing agricultural production in developed countries leads to the suppression of the growth of the agro-industrial complex of developing countries, increasing their dependence on imports of raw materials, technologies, equipment and finished products. The directions of increasing the efficiency of the agro-industrial complex should be accompanied by the improvement of its functional-component and territorial structure, the development of agro-industrial integration, vertical and horizontal cooperation, the integration and combination of production, the formation of zones and areas of commodity production of various types of agricultural products, the reformation of the entire agro-industrial complex, intersectoral and intra-sectoral subcomplexes.

With the transition to market relations, the previously established forms of economic relations, specialization and integration were violated. Hasty ill-conceived corporatization of agro-industrial formations, deformation of the credit and financial system, privatization of property and land plots led to the liquidation of some structures, a collapse in production, the loss of all available advantages as a result of the termination of the so-called synergistic effect in production.

Late payments for the supplied products and a unilateral approach to setting prices for the products sold and services provided by processing and servicing enterprises have a negative impact on the development of integration processes. Agricultural enterprises have become monopolists in relation to rural producers.

In these conditions, many agricultural producers are forced to independently sell their products to consumers and build processing plants. At the same time, processing enterprises are losing raw material zones, are unable to fully load their production facilities, which leads to further deterioration of the situation in the industry.

In this regard, it is wrong to consider increasing the efficiency of the agro-industrial complex, which acts as the basis of food security, outside of reforming its central link - agriculture. The level of food supply, its structure and mechanisms are directly dependent on the development of agricultural production, processing industries, trade, as well as the traditions of consumption that have developed in society.

Unfortunately, the volume of agricultural products produced by the suburban agro-industrial complex allows meeting the needs of the regional center for food by only 20-25%, which puts the city in food dependence on external suppliers, and the administration does not give the opportunity to manage commodity flows and influence pricing.

In developed countries, highly-commodity, deeply specialized agriculture prevails. It has reached the highest possible level of mechanization and chemicalization. The average yield in these countries is 35-40 c / ha. The agro-industrial complex in them has acquired the form of agribusiness, which gives the industry an industrial character.

In developing countries, traditional low-commodity (consumer) farming prevails with an average grain yield of 15-20 kg per ha and below. The low-commodity sector is represented by small and minute farms growing consumer crops; along with this, there is also a high-commodity economy represented by large and well-organized plantations (banana plantations in Central America, coffee in Brazil).

Table 1 Features of agriculture

Name	Commodity agriculture	Consumer agriculture
Differ:	<ul style="list-style-type: none"> • high productivity • intensity of development • high level of specialization of farms 	<ul style="list-style-type: none"> • low productivity • the extensiveness of development • lack of specialization
Includes:	<ul style="list-style-type: none"> • intensive farming and animal husbandry with a large volume of blanks • gardening and vegetable growing • pastoral animal husbandry 	<ul style="list-style-type: none"> • backward plow and hoe farming • pastoral animal husbandry • nomadic and semi-nomadic cattle breeding • gathering, hunting and fishing

Agriculture in developed countries is characterized by a sharp predominance of commodity agriculture. It develops on the basis of mechanization, chemicalization of production, the use of biotechnologies, the latest methods of breeding.

Technical re-equipment and intensification of production have led to an increase in the share of large farms with a narrow specialization. At the same time, agriculture has an industrial character, since it is included in a single agro-industrial complex with processing, storage, transportation and marketing of products, as well as the production of fertilizers and machinery.

Research methodology

In the study of complexes, the following main directions of their research were formed: theoretical, methodological and applied. Theoretical research is aimed at generalizing objective laws, patterns and features of material production and their manifestation in the agro-industrial complex, revealing the specific features of the economy and organization of agro-industrial production and its optimal combination with industrial. In the processes of a methodological nature, methods and techniques of research on the peculiarities of the development and territorial organization of agro-industrial production, structural and dynamic analysis of its structural transformations are revealed. Applied research is mainly devoted to the analysis and evaluation of various forms of agricultural formation and the economic efficiency of functioning.

The harmonious and balanced development of the components of the agro-industrial complex is based on close technological, economic and organizational ties between them. In the past, they developed on a planned basis. Planning of production and supply of industrial means of production and labor items to agricultural enterprises, ensures a gradual increase in agricultural and animal husbandry products, the effective functioning of all components of the agro-industrial complex. However, in the conditions of its structural adjustment and reformation, economic ties between industrial and agricultural enterprises were disrupted. The large disparity in prices for industrial and agricultural products has led to a deterioration in economic relations between industrial and agricultural enterprises. Disintegration has led to a violation of the integrity, structural completeness and balance of all components of the agro-industrial complex. Therefore, the main task is to use market regulators, with the help of price parity, to establish normal economic relations between all components of the agro-industrial complex. Agro-industrial integration is crucial in the formation of a new structurally completed agro-industrial complex. It provides for the deepening of such technological, economic, organizational and other ties between agricultural and industrial enterprises and the development of various agro-industrial formations that ensure a more rational and highly efficient use of the entire production potential.

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From all of the above, it can be concluded that agriculture is a very special sphere of production, the main feature of which is the availability of land as the main means of production. Land, unlike other means of production, is not a product of human labor, its size cannot be increased; with its proper use in agriculture, land not only does not lose its qualities, but even improves them, while all other means of production gradually become obsolete morally and physically, are replaced by others.

The formation of new forms of management is actively underway in the agro-industrial complex. Currently, they are represented by farms, associations, agricultural plants, agricultural firms. The choice of one form or another depends on the specific conditions of the area, is carried out on a strictly voluntary basis, and the criterion of advantage can only be economic efficiency. In the coming years, 3/4 of agricultural products will be produced by large agricultural enterprises: associations of farms, joint-stock companies created on the basis of collective farms and state farms. Farms will provide about 1% of total production, since even with serious government support (road construction, electricity supply, maintenance), they need long-term loans and at least 3-5 years to get back on their feet.

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