

Organizational and Economic Problems Between Farms and Infrastructure Subjects

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ABSTRACT

Objective: The study highlights critical challenges in the agricultural sector, particularly focusing on imbalances in the provision of material and technical resources to farms. Additionally, it examines the effects of monopolistic practices in resource production and supply, which exacerbate these imbalances and hinder sectoral growth. **Method:** A qualitative approach was employed, involving an in-depth analysis of resource allocation systems and supply chain structures within the agricultural industry. Data were collected from various case studies and reports to understand the extent and impact of resource imbalances and monopolistic tendencies. **Results:** Findings reveal that a significant disparity exists in the availability and distribution of essential resources, disproportionately affecting small-scale farmers. The monopolistic control over resource production and distribution further aggravates the issue, leading to inefficiencies and increased costs for farmers. These challenges collectively contribute to stagnation in agricultural productivity and sustainability. **Novelty:** This research underscores the dual impact of resource imbalances and monopolistic practices as interconnected issues, rather than treating them as isolated problems. By identifying their combined influence, the study offers a comprehensive perspective on systemic challenges in agriculture, paving the way for more targeted interventions and policy reforms.

INTRODUCTION

Based on the Resolution No. 607 of the Cabinet of Ministers of the Republic of Uzbekistan "On measures for the accelerated development of farms in 2005-2007", reforms in the development of farms in our republic have reached a new level [1] Particular attention is being paid to providing newly established farms with material and technical resources to replace unpromising partnerships and to developing the sphere of providing them with services [2]. However, at the same time, a number of problems are emerging in the development of farming [3].

It should be noted that these problems are mainly caused by imbalances in the provision of material and technical resources to farms, as well as the persistence of a monopoly situation in the sector that produces and supplies resources to farmers [4], [5]. This issue is especially evident in the supply of mineral fertilizers, the supply of types of fertilizers, and the supply system of equipment.

RESEARCH METHOD

According to research, the problems that hinder the development of farms in our republic can be divided into the following large groups:

- a. Organizational and economic problems associated with increasing the efficiency of land and water resources use [6];
- b. Organizational and economic problems arising in providing farms with material and technical resources [7];
- c. Problems related to lending to farms [8];
- d. Organizational and economic problems associated with providing services to farms [9];
- e. Problems related to raising legal awareness of farms and developing contractual relations [10], [11].

RESULTS AND DISCUSSION

Each of these problems requires solving a number of issues. They mainly consist of:
Organizational and economic problems associated with increasing the efficiency of land and water resources use :

- a. Along with providing farmers with government orders for cotton and grain production, it is necessary to create conditions for scientifically based crop rotation. This will create opportunities for crop rotation, maintain soil fertility, and stabilize farmers' incomes;
- b. it is necessary to pay attention to the issue of encouraging farms that have purposefully and effectively used land and increased crop productivity;
- c. soil quality and other characteristics should be taken into account when planting agricultural crops;
- d. In order to use water efficiently, it is necessary to introduce new irrigation technologies and implement measures to improve the land reclamation condition.

Organizational and economic problems arising in providing farms with material and technical resources :

- a. After the creation of service infrastructure objects (mini banks, alternative MTP, YoMM, mineral fertilizer sales branch, SFU) on the basis of liquidated cooperative farms, costs per hectare decreased sharply. However, a number of problems are emerging in this regard.

In particular, a farmer will first have to obtain permission from the district petroleum products department to purchase fuel, and then will have the opportunity to purchase the appropriate amount of fuel from a fuel station. Therefore, it is necessary to develop and implement a full accounting mechanism for local fuel stations:

- a. It is necessary to abolish the stock of fuel and lubricants and create a system for farmers to purchase fuel directly at gas stations. Interruptions in the supply of fuel and lubricants lead to untimely and poor quality agrotechnical measures, and ultimately to a decrease in productivity;
- b. The supply of mineral fertilizers is not well organized, despite the contract, mineral fertilizers are not delivered on time, especially the supply of phosphorus and potassium fertilizers is poorly organized;

- c. To develop the practice of leasing equipment to farmers and to expand the assortment of equipment to be leased, it is necessary to create a choice for the farmer by creating a competitive environment in the leasing system;
- d. It is advisable to organize a free market for material and technical means in providing farms with material and technical resources, in particular, to give priority to the formation and development of the wholesale and secondary market for equipment;
- e. It is necessary to take measures to provide farmers with seeds of high-yielding, disease-resistant varieties of agricultural crops.

Problems related to raising legal awareness of farms and developing contractual relations:

- a. according to the results of the study of the cases of labor organization and the conclusion of labor contracts in farms, it is necessary to pay attention to the requirements of labor laws when using hired labor. According to the analysis, contract workers are employed without complying with the requirements of labor laws;
- b. Contracts concluded between farms and service organizations should primarily take into account the real capabilities of the service providers. For example, an organization supplying material and technical resources to a farm ("Agricultural Chemical Supply") signs a contract without taking into account its capabilities (delivering fertilizers and chemicals on time and in the required quantity). As a result, the farmer will not be able to fulfill its obligations to the farm due to the fact that fertilizers will not arrive on time during the farming year. Or the farm signs a contract for the production of products without taking into account its real capabilities. The real capabilities should be assessed as the productivity of the farmer's land, the level of provision of technical and material resources, as well as the provision of labor resources;
- c. The material and technical resources to be supplied in the contracts, especially mineral fertilizers, toxic chemicals, petroleum products, should be specified in quantity and specific terms. In this case, the loss suffered by the farmer at the expense of resources not delivered on time should be shown in a comparative manner in current prices.

Because failure to plow, fertilize, or treat with chemicals to combat pests will result in a farmer losing his crop. Clearly specifying this in the contract will determine the responsibility of the service provider.

Problems related to lending to farms:

- a. When providing production with advances or preferential loans, the distribution of funds from the center to the regions (through the banking system) is hindering the efficient use of funds and accounting work in the regions;
- b. since the development of farms largely depends on the allocation of long-term loans, it is necessary to increase the weight of long-term loans;

- c. to establish a preferential loan to farmers for cotton raw materials grown for state needs in the amount of 70 percent of the product value. The loan amounting to 70% of the product value gives the opportunity to fully repay it, because 100% of the cotton raw material grown is sold to the state;
- d. setting preferential loans to farmers for grain grown for state needs in the amount of 75-90 percent of the product value. Taking into account that only 50 percent of the cultivated grain is used for the state needs, the possibility of loan repayment is high;
- e. It is necessary to create the necessary conditions to open credit lines once a year and ensure that additional loans are obtained without problems at the right time.

Considering that farmers produce other types of agricultural and livestock products in addition to cotton and grain, and that most of them lack funds, it is advisable to introduce a mechanism to provide them with short and long-term loans. In this regard:

- a. to establish short-term lending mainly on the condition of pledging the produced products and credit interest rates not exceeding 12-15 percent;
- b. providing farmers with long-term (6-8 years) special loans (for purchasing equipment, introducing advanced technology, repairing irrigation and land reclamation systems, developing new lands, processing products, etc.) with reduced annual interest rates based on the collateral of their property, with the loan repayment period starting from the third year:
 - 1. In order to strengthen the material and technical base of alternative MTPs that provide services to farmers, it is necessary to provide them with long-term (7-10 years) loans, as well as provide them with agricultural machinery on a leasing basis, etc.
 - 2. It is necessary to put the relations between members of farms and their management on a legal basis. Today, a member of a farm feels like a former member of a collective farm, and in many cases he does not fully understand his property rights;
 - 3. The economic, legal, and technological knowledge of many currently operating farm managers is not up to par. There is no unified system for training and improving the skills of farmers across the country.

Organizational and economic problems associated with providing services to farms:

- a. Currently, alternative machine and tractor parks are being created to provide technical service to farms organized on the basis of dispersed shirkat farms. The existing agricultural machinery in alternative machine and tractor parks cannot meet the needs of farmers due to its obsolescence and limited variety. It is advisable to allocate long-term preferential loans for the purchase of machinery and spare parts to alternative MTPs established to serve farmers;
- b. In order to create a competitive environment in the machinery service market, it would be advisable to create a number of benefits in terms of loans, taxes, and

leasing of machinery for the establishment of private or farmer cooperative machinery service enterprises.

At the same time, their services are not very extensive. Most farmers do not know how to use the services of such centers. To solve this problem, it is necessary to provide state support for information and advisory centers when they are first established, attract qualified personnel, and provide free services to farmers, purchase of livestock and fruit and vegetable products grown on farms should be organized at the level of market requirements. Most of the produced products perish during storage and transportation processes and their quality deteriorates, so the need to develop this system is increasing.

CONCLUSION

Fundamental Finding : The study identifies systemic issues in the development of farming in Uzbekistan, including inefficient resource allocation, monopolies in supply chains, and inadequate legal awareness among farmers. These problems are exacerbated by challenges in the supply of materials like fertilizers, inefficiencies in irrigation practices, and the lack of competitive service markets. The findings emphasize the need for targeted reforms, including better crop rotation, improved resource delivery systems, and enhanced legal and economic support mechanisms for farmers to ensure sustainable agricultural development. **Implication :** Addressing the identified challenges could lead to significant improvements in the efficiency and sustainability of farming in Uzbekistan. Enhanced access to resources, better irrigation systems, and a competitive supply environment would stabilize farm productivity and income. Furthermore, by improving contractual practices and legal awareness, farmers can secure better terms and mitigate risks. Ultimately, these changes would support broader agricultural reforms and contribute to food security and economic development. **Limitation :** The study is constrained by its focus on a specific region and does not account for variations in farming practices or regional economic conditions across Uzbekistan. Additionally, it relies heavily on qualitative data, which limits the ability to generalize findings. The absence of quantitative metrics for evaluating policy impacts further restricts the applicability of the results to other contexts or countries. **Future Research :** Future studies should explore region-specific strategies to address the identified challenges, incorporating quantitative analyses to measure the effectiveness of proposed solutions. Research could also investigate the potential role of digital technologies and innovations in improving resource distribution and farm management. Expanding the study to include comparative insights from other countries with similar challenges would provide a broader perspective on effective reform strategies.

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