

REGULATORY FRAMEWORK FOR FINANCIAL SUPPORT OF AGRICULTURE BY THE STATE

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ABSTRACT

The article examines the scientific and theoretical views of economists on the financial support of agriculture by the state and evaluates their practical significance, as well as the study of advanced foreign experience on the subject.

Keywords: economic development, agriculture, agrarian sector, financial support.

Introduction

The agricultural sector has a special place for any country, regardless of the level of economic development. From this point of view, the issue of financial support of the state in the field of agriculture is constantly in the focus of attention of researchers, specialists, economists. It is no coincidence that in the current context of modernization of the economy, deepening and liberalization of structural changes, special attention is paid to this issue. World experience shows that it is possible to assess the level of development of the country on the basis of the scale and level of state support for the agricultural sector. Direct and continuous financial support from the state to the agricultural sector is important in addressing a number of social and economic issues, as well as in matters related to food security. The above considerations show that it is important to identify problems in improving the practice of financial support for agriculture and to develop scientific proposals and practical recommendations to address them.

Literature review

The need for financial support of agriculture by the state, scientific, theoretical and practical aspects of the Hopich economists - G. Polyak, V. Kovalev, V. Senchagov, M. Pessel, S. Barulin, T. Romanova, A. Tarasov, D. Researched in the scientific works of McNaughton, K. Peoples, I. Petrenko, P. Chuzhinov.

Some practical aspects of state financial support of agriculture have been studied in the scientific works of Uzbek economists A. Boymuratov, A. Vakhobov, S. Ismayilova, K. Toshmatov, M. Khojibaev and others.

Although some aspects of state support of the agricultural sector in a market economy have been studied in these studies, the issue of financial support of agricultural producers by the state in a market economy has not been studied as a complex and systematic independent dissertation.

Analysis and results

The regulatory framework of the system of state financial support of agriculture in the Republic of Uzbekistan has been created and the process of its improvement is underway.

The Action Strategy for the five priority areas of development of the Republic of Uzbekistan for 2017-2021 identifies the following measures for the modernization and development of agriculture:

deepening structural reforms and consistent development of agricultural production, further strengthening the country's food security, expanding the production of environmentally friendly products, significantly increasing the export potential of the agricultural sector;

further optimization of arable lands by reducing the area under cotton and cereals, planting potatoes,

vegetables, fodder and oilseeds on vacant lands, as well as the placement of new intensive orchards and vineyards;

creation of favorable conditions for the promotion and development of diversified farms engaged in the processing, preparation, storage, sale, construction and provision of services, as well as the production of agricultural products;

implementation of investment projects for the construction, reconstruction and modernization of new processing enterprises equipped with the latest high-tech equipment for deep processing of agricultural products, production of semi-finished and finished food and packaging products;

further expansion of the infrastructure for storage, transportation and sale of agricultural products, agrochemical, financial and other modern market services;

further improvement of the reclamation of irrigated lands, development of a network of land reclamation and irrigation facilities, introduction of intensive methods of agricultural production, first of all, modern water and resource-saving agro-technologies, use of high-yielding agricultural machinery;

expansion of research work on the creation and introduction into production of new selection varieties of agricultural crops resistant to diseases and pests, adapted to local climatic and environmental conditions, as well as high-yielding animal breeds;

to take systematic measures to mitigate the negative impact of global climate change and the drying up of the Aral Sea on agricultural development and the livelihoods of the population.

It is noteworthy that the adoption of the Resolution of the President of the Republic of Uzbekistan dated June 7, 2018 No PP-3777 "On the implementation of the program" Every family is an entrepreneur "will increase the volume of microfinance services provided to agricultural producers.

In accordance with this Resolution, the program "Every family-entrepreneur" is implemented in every district and city of the country, especially in remote and difficult climatic conditions, aimed at radically improving the material conditions of the population, ensuring significant positive changes in quality and standard of living.

The main directions of the program "Every family-entrepreneur" are:

to provide comprehensive support to entrepreneurial initiatives of the population wishing to engage in entrepreneurship, to provide them with soft loans and to provide systematic practical assistance by the authorities at each stage of the organization and implementation of entrepreneurial activity;

training of entrepreneurial skills and practical assistance in organizing the relevant type of activity for the population not engaged in entrepreneurial and income-generating labor activities;

creation of opportunities for the population to earn additional income through financial assistance for the establishment of home-based and small-scale production entities (micro-firms);

Taking into account the specialization of villages and mahallas (handicrafts, sewing, cultivation of certain types of agricultural products, compact greenhouses, etc.), to connect entrepreneurs with business experience who have achieved positive results in this area to families starting new businesses in mahallas - mini-clusters to reach;

radical expansion of the range of services provided to family businesses on the ground, the construction of market infrastructure facilities, services and service outlets, which organize the sale of products produced by entrepreneurial families.

Ensuring the proper organization of accounting on farms and the formation of financial statements in accordance with the requirements of international standards will allow them to further develop their activities. However, at present, the accounting system of farms is not fully formed, the issue of forming their financial statements in accordance with the requirements of international standards is not on the agenda. Of course, these circumstances hinder the further development of farms. Therefore, the Action Strategy for the five priority areas of development of the Republic of Uzbekistan for 2017-2021 raises the issue of ensuring the formation of financial statements of business entities in accordance with international standards.

In accordance with the Resolution of the President of the Republic of Uzbekistan dated February 28, 2018 No PP-3574 "On measures to radically improve the system of financing the cultivation of raw cotton and grain", from March 1, 2018 Guaranteed state prices for raw cotton and grain will be set for varieties and classes that provide incentives for cultivation; Debts of raw cotton and grain farms to service organizations as of January 1, 2018, including domestic debt and debts to the budget and state trust funds for a period of 3 years, excluding penalties and fines extended; Within a week, the Ministry of Finance of the Republic of Uzbekistan received a loan of 150 billion soums to JSC "Agrobank" at a rate of 5% per annum to provide loans to grain-growing farms in excess of the planned amount of public procurement. The task of placing funds in the amount of UZS was assigned.

In terms of expanding the financing of farms, the Central Bank of the Republic of Uzbekistan dated March 7, 2001 No. 907 "Procedure for lending to farms, small businesses by commercial banks in the national currency" is important. The Instruction stipulates that farms and legal entities with the status of legal entities should be provided with loans for at least two years to replenish working capital for the organization of agricultural production, and farmers with legal status for up to five years to finance investment projects.

Decree of the President of the Republic of Uzbekistan dated October 23, 2019 PF-5853 "On approval of the Strategy of agricultural development of the Republic of Uzbekistan for 2020-2030" states that "an effective system to modernize, diversify and attract private investment for sustainable development of agriculture and food creation, reduction of state participation in the management of the agricultural sector and increase of investment attractiveness will remain a priority. " To achieve this goal, the following tasks have been identified:

Improving the mechanisms of state financial support of agricultural producers, including subsidizing interest rates on commercial loans allocated for the cultivation of certain strategically important agricultural products;

Improving the mechanism of lending and insurance in accordance with the strategic directions and needs of the agricultural and food sectors;

Improving the activities of the State Fund for Entrepreneurship Support under the Agency for Small Business and Entrepreneurship Development;

introduction of the mechanism of "warehouse certificates" in lending to agricultural producers;

Expansion of the activities of the Commodity Exchange of the Republic of Uzbekistan on trade in agricultural products;

development of an investment program to ensure the targeted attraction of credit lines from international financial institutions;

Improving the mechanism to encourage the allocation of credit resources by commercial banks for farmers and landowners;

revision of the procedure for placement of agricultural crops;

Improving the system of incentives for the introduction of intensive innovative technologies in agriculture.

Item 7 of the Resolution of the President of the Republic of Uzbekistan "On measures to further develop and increase the stability of the banking system of the Republic" states that "Commercial banks together with the Ministry of Economy and local authorities of the Republic of Uzbekistan within two months 2017-2018 Ensure that the issues of conversion of foreign credit lines and foreign currency loans of local commercial banks to foreign debt lines are worked out with each borrower to cover part of the costs of import substitution.

Conclusion

The Action Strategy for the five priority areas of development of the Republic of Uzbekistan for 2017-2021 includes deepening structural reforms for modernization and development of agriculture and consistent development of agricultural production, further strengthening food security, expanding production of

environmentally friendly products, export potential of the agricultural sector significantly increase; further optimization of arable lands by reducing the area under cotton and cereals, planting potatoes, vegetables, fodder and oilseeds on vacant lands, as well as the placement of new intensive orchards and vineyards; creation of favorable conditions for the promotion and development of diversified farms engaged in the production, processing, preparation, storage, sale, construction and provision of services, as well as the production of agricultural products; deep processing of agricultural products; Specific tasks have been identified, such as the construction of new processing plants equipped with the latest high-tech equipment for the production of semi-finished and finished food and packaging products, the implementation of investment projects for the reconstruction and modernization of existing ones.

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