



The Need for Diversification and Factors Affecting Economic Efficiency in Farms Specializing in Fruit Growing

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Abstract: In our country, great attention is paid to the development of agriculture, especially the fruit and viticulture sector, which depends on food supply. Horticulture, fruit growing is considered an important branch of agriculture that grows fruit, grapes and berries, and this branch serves to satisfy the needs of the population for fruit and fruit products, as well as fruit raw materials for industry.

Keywords: Agriculture, industry, raw materials, efficiency, optimization, farm, agrarian economy.

Enter. On January 28, 2022, the Decree No. PF-60 of the President of the Republic of Uzbekistan "On the Development Strategy of the New Uzbekistan for 2022-2026" was signed and the new Development Strategy of Uzbekistan was adopted with this decree. In the 30th goal of the 3rd section of the strategy entitled "Rapid development of the national economy and ensuring high growth rates": The tasks "to increase the income of peasants and farmers by at least 2 times through the intensive development of agriculture on a scientific basis, to reach the annual growth of agriculture by at least 5%", and in the course of the implementation of these tasks, "Cultivation of exportable products and fruit the issue of developing vegetable growing, increasing the area of intensive gardens by 3 times and greenhouses by 2 times and increasing the export potential to 1 billion US dollars. For the successful implementation of these tasks, the issues of diversification of the sector in order to develop the fruit industry and increase its economic efficiency are of great importance.

The agrarian economy of the country was completely reorganized as a result of the economic reforms carried out during the years of independence. The forms of management and ownership have changed. The production of agricultural products was fully entrusted to the non-state sector. During the reforms implemented in the agrarian sector, stable growth of production and provision of food products to the population is ensured. Among the forms of economic management that have proven themselves to be viable in world practice, farms have shown advantages in every way, and they have become the main form of economic management today. Now the main burden of agriculture falls on farmers.

A well-thought-out agrarian policy is being carried out in our country regarding the optimization of arable land and the placement of agricultural crops. allowed to multiply several times. The basis for fully supplying the country's population with food products has been created, and a literal basis for exporting them abroad has been created.

In our country, systematic work on diversification of agriculture, more rational use of land and water resources, increasing the income of farmers through the production of exportable products is

gradually bearing fruit. 132 thousand tons of agricultural products were processed and finished products worth 100 million dollars were exported. 724,000 tons of wet fruits were sold abroad, which brought 856 million dollars in foreign exchange.

As noted by the President, "First of all, the fact that we established farming as the main form of organizing agricultural production and opened wide opportunities for its development played a decisive role in achieving high results in the life of our villages." Today, farms are large farms that have sufficient leased arable land at their disposal, are equipped with highly efficient modern equipment, and have mastered advanced technologies for efficient operation. Today, they are the pillars of our villages.

Today, the farm has rightfully become the leading link of agricultural production, the main form of its organization. Currently, the farming movement unites many farms in its structure. More than 85 percent of the total arable land in our country is at the disposal of farms, and the main part of the cultivated agricultural products falls on the farmers.

Over the past period, gradual reforms have been implemented in agriculture to introduce market relations, develop production, form a class of owners and ensure their independence. At the initial stage of the reforms, a solid legal framework and necessary conditions were created for organizing the activities of farmers and peasant farms, turning them into a leading force in the production of agricultural products.

In particular, the Land Code, the Law "On Farming" and other normative legal documents were adopted, which create strong legal bases and guarantees for the development of farming, economic and financial independence of farms. Over the past 30 years, as a result of the further improvement of legislation in the field of development of farming and ensuring reliable protection of their property relations, farms have rightfully become the leading link in the village, the main force producing agricultural products.

Now, a fundamental change in the activities of farms will be implemented, i.e., work will be carried out to gradually introduce multi-food activities in farms. According to him, our farmers-entrepreneurs, who are engaged only in the production of agricultural products, introduce additional directions based on market demands.

From January 1, 2022, the entities that do not meet this requirement and have not established multi-disciplinary activities, who strive for innovation and renewal, are capable of working on the basis of new ideas, entrepreneurship, not only their own, but also the table of our nation make room for people who are ready to contribute to its abundance, especially young people.

This, in turn, puts the task of diversifying the activities of farms. Large-scale agrarian reforms carried out in our republic are aimed at diversification of production activities on farms, that is, the formation and development of modern multi-sectoral farms. is considered as a priority direction.

First of all, we need to know the concept of diversification, its essence. Diversification - Latin Diversification means change, diverse development, it means the expansion and renewal of the fields of activity of enterprises and the type of products they produce.

Diversification is carried out to achieve higher efficiency in production, obtain economic benefits, eliminate bankruptcy and other purposes. The penetration of farms that previously specialized in one field (industry, agriculture, transport, finance, etc.) into other production sectors, service sectors, first of all, into high-profit sectors, increases the scope and opportunities of their economic activity. expands.

Diversification has recently become more important. In the activity of a company with a large amount of capital accumulated in the main areas of business, with very limited future opportunities, diversification creates the necessary conditions for capital investment and reducing the level of risk. The necessity of rational diversification is clearly felt in the conditions of choosing a clear direction for the enterprise and gradually eliminating its shortcomings. An enterprise that offers a complete set of products and services can reduce the risk and increase its competitiveness due to diversification.

Such situations motivate the enterprise to expand its scope of activity as a result of acquiring other firms and establishing new types of business. Banking, stock exchange and brokerage services are embodied in a single financial services complex. Various services are combined within the tourist business. Companies dealing with shipping begin to recommend such services as life and property insurance, correspondence delivery, and tourism. Enterprises in the field of production try to control the consumption channels of the product, the sources of raw materials, attract funds to the advertising business, and operate in the financial market.

Diversification is carried out in order to achieve higher efficiency in production, obtain economic benefits, eliminate bankruptcy and a number of other purposes. The penetration of firms that previously specialized in one field (industry, agriculture, sports, finance, etc.) into other production sectors, service sectors, first of all, into high-profit sectors, expands their areas of economic activity and opportunities.

There are two main strategies for growth in a corporate environment: concentration in one field, and diversification into other fields. Diversification is related to the advantage of large enterprises as the "benefit of diversity" and in today's modern conditions puts the production of one type of product in second place. It is somewhat more efficient to produce many different products under one large enterprise than to produce the same type of products in small, specialized enterprises. But this law is not universal. It should be said that the diversified activity of the enterprise is considered a form of implementation of the corporate strategy. The main commercial goal of diversification is to increase profits and create competitive advantages through the use of market opportunities.

Using the production capacity of the enterprise in a multi-purpose partnership can lead to significant savings. Activation of the product consumption system reduces costs (Products and services are sold through a single system). Another available reserve of the economy includes intra-firm information, knowledge transfer, technical and managerial skills in production. The results obtained on the basis of the various training of workers and the variety of information obtained by them are also added to this. Diversification, including synergism, is considered necessary to bring the company's tangible and intangible resources to full use. This, in turn, reduces the risk due to the fact that the enterprise eliminates its dependence on a certain type of product or market, and on the other hand, there is an increase in the risk due to diversification.

There are 3 types of diversification in the diversification of farm activities:

In horizontal diversification, the company engages in activities related to the main activity. For example, horticulture produces several types of plants, that is, agricultural products.

In vertical diversification, it can be understood that farms are engaged in activities related to the production of some kind of agricultural products, that is, the production, storage and processing of products.

Diversification of a conglomerate means that it engages in activities that are completely unrelated to the main business activity. For example, farms whose main activity is crop production are engaged in retail trade, production of construction products or other similar activities.

No matter what form of diversification is used, it provides an opportunity to effectively organize the activities of agricultural enterprises, ensure their high profitability, and their sustainable development. It is known that labor and product production in agriculture are seasonal in nature and depend on natural and climatic conditions, so the income of farms is more or less directly dependent on the favorable or unfavorable coming of the year.

When the weather is unfavorable, there is a high probability that the income of farms will decrease sharply, and the year will end with a loss. Also, the spread of various diseases and pests of plants and livestock, low prices of agricultural products as a result of changes in market demand, increases in the prices of fuel, lubricants, mineral fertilizers, some The high prices charged by service providers for these types of work and services will reduce the income of farms and make them insolvent. In

such conditions, farms should develop different directions of diversification in their farms along with the production of agricultural products.

Diversification of agricultural production requires, in addition to the above measures, effective use of cultivated products, expansion of the processing industry, and expansion of the production of various types of consumer goods in terms of market innovation. This increases the production efficiency of agricultural products, and also increases the competitiveness of all products in the domestic market as well as in the foreign market to a certain extent. The main directions of diversification of production in farms, increase of competitive products:

- ✓ improvement of economic relations;
- ✓ modernization of production;
- ✓ attraction of production innovative technologies;
- ✓ correct placement of crop varieties, increase product quality and crop productivity,
- ✓ improving the breed of livestock and increasing the competitiveness of the livestock sector;
- ✓ increase the competitiveness of processing and processing entities,
- ✓ providing service to agriculture and increasing the competitiveness of service enterprises;
- ✓ sustainable supply of food products to the population in the conditions of global climate change and water shortage.

Diversification of agricultural production, by its essence, is, on the one hand, a necessary component of modernization, and on the other hand, it is a reason for its necessity. In this respect, these two processes are interrelated. Diversification is also meaningful and exciting and it can be applied to many areas and processes of the farm. Diversification of agricultural production means, first of all, expansion of its field of activity. Usually, the field of activity of a farm is determined by the production of the sector to which it belongs.

Diversification of agricultural activities also implies an increase in the range of products or services provided. In this place, the farm does not have to deal with different fields of activity. Usually, the stability of a farm specializing in the production of a single type of product in the conditions of a market economy is characterized by a high level of risk. Because a negative change in the situation in the market of this product can have a serious impact on the activity of the farm. Accordingly, the farm is producing in a traditional way it is desirable to expand the range of products due to the production of products for which a new demand has formed and is consistently growing in the market.

In this case, losses caused by a decrease in demand or a price decrease for one or another product in the market are compensated by the demand for other products or an increase in price. To ensure rapid growth of macroeconomic stability in the country, modernization of all leading sectors of the economy, including the agricultural sector, wide application of new techniques and cost-effective technologies, as well as radical renewal of the structure of production in agriculture, its change and requires diversification.

It is known that by diversifying the activities of farms, ensuring the need for continuous growth of production in the conditions of limited land and water resources in agriculture, by fully and effectively using the potential of the agrarian sector and economic resources, the country's food security supply, providing raw materials to other industrial and processing sectors, attracting labor forces to other sectors and further increasing the standard of living and well-being of the population will expand by optimally ensuring employment in agriculture. In this regard, it is necessary to improve the existing system of specialization of farming activities, taking into account the specific characteristics of the regions of our republic, in order to diversify the activities of farms.

Large-scale agrarian reforms carried out in our republic are aimed at diversification of production activities on farms, that is, the formation and development of modern multi-sectoral farms. is considered as a priority direction.

As a result of the ongoing economic reforms, positive progress is being made in agriculture every year. In this regard, it will help to increase the production volume and improve the quality of agricultural products, increase competitiveness in foreign and domestic markets, solve economic and social problems, as well as ensure stable growth of production in all sectors of the economy.

Today, our government pays special attention to the development of the agricultural sector in our country, in this regard, in the Strategy of Actions on the five priority directions of the development of the Republic of Uzbekistan in 2017-2021, specific tasks are set for the modernization and rapid development of agriculture given.

To further deepen the reforms in agriculture, to strengthen the material and technical base of the sector, and most importantly, to further improve the agricultural economy, to further increase the living standards of the population in rural areas, to make it necessary to diversify the activities of farms in terms of the development of small business and private entrepreneurship. is eating In recent years, as a result of the diversification of farm activities, the attitude towards private property in farms has fundamentally changed, and the practice of organizing and managing production based on market requirements is developing in them based on modern management principles.

In the process of approval, farms must provide themselves with the necessary equipment, working capital, have credit capacity, and most importantly - cover their expenses and work at a profit, making increasing the income of the farm a reliable basis. special attention was paid.

As a result of increasing the potential of farms, ensuring their financial and economic stability, their opportunities to increase the productivity of agricultural crops, increase productivity in livestock breeding, improve product quality and increase their assortment are increasing. In particular, the introduction of intensive technologies by farms in the fields of fruit and vegetable growing and viticulture, as well as animal husbandry, further expands their capabilities.

At the current stage of further deepening of economic reforms and structural changes, special attention is being paid to the processes of modernization and diversification of farms in our country, along with further strengthening of the material and technical base. In recent years, the term "diversification" has been widely used in world practice and is interpreted in different ways.

Sustainable development of agriculture today is directly related to diversification of farms. After all, the goal of diversification is to timely adapt to changes in the market conditions of farmers and to stabilize the economic activity of the farm.

First of all, in order to reduce the risk in farms, it expands the possibilities of directing investments or other funds in several areas, thereby increasing the types of production of products and ensuring their interests. It is necessary to pay attention to the following as important tasks to be carried out in order to diversify the activities of farms:

- improvement and renewal of the material and technical base in farms based on the introduction of new techniques and technologies;
- improvement of production technology and transition to narrow specialization in the production of agricultural products;
- scientific management of every process in the farm by a person with leadership skills and the ability to correctly select personnel;
- attraction of various agro-innovations to the farm and its implementation;
- ability to withstand strong competition and production of competitive products, taking into account market conditions, demand and supply elasticity;

- every economic entity should develop a prospective diversification strategy based on its capabilities.

The distinctive features of diversification of farm activities are as follows:

- ✓ first of all, as a result of the correct selection of intermediate and repeated crops, the introduction of crop rotation, the structure and productivity of the land will be high;
- ✓ in cases where profits are reduced as a result of the decrease in productivity due to unfavorable natural conditions, it is possible to cover them from another sector;
- ✓ permanent employment is ensured among the population, especially in rural areas throughout the year;
- ✓ the financial stability of the economy is ensured, that is, the possibility of not depending on the income from only one branch;
- ✓ the availability of on-site processing of products grown on the farm leads to cost reduction and high economic efficiency;
- ✓ effective use of free local fertilizers to increase soil fertility and productivity;
- ✓ the population's need for food is satisfied to a certain extent, especially it serves to a certain extent to satisfy their needs for meat, milk, and eggs from livestock products.

List of used literature

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