

Some issues about development of agrarian sector in modern conditions

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Abstract:

In this article we considered problems of the formation of prices for products of Agro-industrial Complex (AIC). The stability of reproduction in the central link of the agro-industrial complex depends on it. In addition, it sets out the issues of intersectional exchange of agriculture and industry.

Key words: Agrarian sector, agro-industrial complex, equivalent exchange, industry, disparity of price, agricultural product, government regulation of agricultural sector.

Agriculture is a sector of particular importance in the economy of the countries of Central Asia. It is one of the basic branches of the national economy, which defines the support conditions of society. Regardless of the orientation of the economy there is an urgent need for special attention and support in the industry. Because costs in agriculture and production capacity through inter-sectoral interactions have a direct impact on the efficiency of the national production. World experience shows that agricultural policy should be considered an important priority.

In this context, the significant role played by government support for agriculture. As an example, in the EU public subsidies to farmers income up 49%, in Finland - 71, Norway - 77, Sweden - 59, Japan - 66%¹ [(27-29 page.).

It should be noted that agriculture remains a very important sector in most countries, less than its contribution to gross value added in the economy, as well as a source of employment. Fight against poverty is largely dependent on the improvement of working and living conditions of the predominantly rural population. Agriculture is a highly important sector of the Central Asian countries. The Central Asia region experienced favorable weather during the winter cereal crop planting season, and early indications point to stable or increased production levels in 2015.

Despite all this, in recent years, the growth rate of world agricultural production and productivity has slowed. Consequently, this has raised fears that the world may not be able to grow enough food and other goods in order to adequately feed the future population.

However, the slowdown has occurred not because of shortage of land or water, but because of the demand for agricultural products has also slowed. This is due to the fact that the growth rate of the world's population is declining since the late 1960s, and fairly high levels of food consumption per capita has now reached in many countries, beyond which further growth will be limited. But it is also the case, persistently high proportion of the world's population remains in absolute poverty and so lacks the necessary income to translate their needs into effective demand.

As a result, growth in global demand for agricultural products is expected to decline from an average of 2.2% per year over the last 30 years to 1.5% per year over the next 30 years.

¹D.P Rusakov, I.A Sokolov. Price disparity as a threat to the food security of the country. // Krasnoyarsk State Agrarian University, Krasnoyarsk, Russia. 2008. Page 27-29.

In developing countries the slowdown will be more dramatic, i.e. from 3.7% to 2%, partly as a result of China having passed the phase of rapid growth in its demand for food.

Research shows that agricultural production usually can grow in line with demand, provided that the necessary national and international policies to promote agriculture are put in place. Consequently, serious problems already exist at national and local levels, and may worsen unless deliberate efforts.

As we know, in Central Asia branch of agriculture does not develop sufficiently. This is largely due to the lack of agricultural producers have sufficient financial resources.

In this regard, the policy of the agricultural sector in most developed countries is inseparably linked with the economy as a whole. It should be noted that the macroeconomic situation has changed irreversibly, which significantly affects the formation of regional markets. The last years have shown that much has been done to help agricultural producers to adapt to market conditions. It is, above all, the budget support of agricultural production, the development of integrated systems in the production, processing and marketing of agricultural products, development of competitively multiculturalism forms of management.

The standard of economic development of a country is determined by the degree of its industrial development. The development standard of the other sectors of the economy, including agriculture, depends on the degree of industrial development. At the same time, non-industrial sectors, such as agriculture, reflect, indeed measure, the development standard of industry and of the whole economy².

Development of market relations leads to profound changes in all spheres of the economy, including the field of agricultural production. Formation of market relations, as it is known, is accompanied by significant changes in the organizational and economic mechanisms of management.

²Anna Burger. Food Economics. Akadémiai Kiadó, Budapest. 1985. Page 14.

Without a clear and well thought-out strategy for agricultural reform, experiments on the establishment and improvement of the agricultural market, as well as developing mechanisms of formation of new relationships are a risky business. Mixed economy offers producers the freedom to choose the kind of their activities on the basis of private enterprise in collective enterprises or the use of hired labor. Choice of any particular forms of ownership and management is largely due to regional conditions: natural, socio-economic, organizational and others. For example, the demographic situation in the region, land provision, the state road energy communications, proximity to sales markets.

Financial recovery of agricultural enterprises should take place at the same time as development of market infrastructure. In this regard, regional market infrastructure is based on the following set of tasks:

1. The development of wholesale markets, exchanges, goods-producing effective distribution networks;
2. New approaches to organization of leasing;
3. Design and development of machine-technological stations with built workshops for deep processing of agricultural products.

Another important aspect is the conditionality number of points need to study the trends in the development of the agricultural system. Today, a significant portion of the world's population lives in countries with economies dominated by the agricultural sector. In addition, for many countries, including the countries of Central Asia, the problem of food security of the country remains actual. Agriculture provides the population with food and the processing industry with raw materials. Approximately 70% of consumer goods are manufactured from agricultural products, so the effectiveness of this industry depends directly on the standard of living. Food security of the country, as part

of its national security, acts as a guarantee of stability to meet the needs of the population in food.

Agriculture is characterized by different countries, different levels of development of productive forces, different soil fertility, various forms of ownership and types of agricultural enterprises of different efficiency.

Agrarian relations as an integral part of the whole system of economic and social relations are the relations between the people involved in the agricultural sector over the production, exchange, distribution and consumption of material goods. The main core of the socio-economic structure of agrarian relations forms a system of land ownership and land tenure, to be exact relations of property over to land.

However, issues of state support of the agricultural sector in developed countries have recently acquired been not only a purely economic importance, but also a significant social and political character.

An important area of government intervention in the US and EU countries are subsidizing agricultural exporters budget in order to gain and retain foreign markets and impeding competition. Support for agricultural exports is seen in the context of foreign policy interests of the developed countries. It is difficult to deny the political importance of food aid programs, although their political and economic efficiency in recent years remains low. Large-scale budget support of American and European farmers is also intended to solve the problem of the strengthening of national foreign economic and foreign policy positions. In this context, State conducts a comprehensive support to agricultural producers, exporters and consumers of food.

Consequently, the main types of State support typology of agriculture in developed countries are:

- direct payments to farmers from the budget;
- price subsidies on farm products;

- various ancillary costs subsidized sale of means of production, the construction of infrastructure, credit and education.

Agriculture has enormous export potential, the rational use of which may alleviate the problems of employment and poverty, most severely affecting the rural areas.

Research also shows that agricultural trade will play a big role in ensuring food needs of developing countries, as well as a source of foreign currency. Net cereal imports by developing countries will almost triple over the next 30 years while their net meat imports might even increase by almost five. For other products, such as sugar, coffee, fruit and vegetables study provides further export capacity. How many in that export potential will materialize depends on many factors, not least on how progress will be made during the ongoing round of multilateral trade negotiations. Development of trade barriers in all areas, not only in agriculture. In many resource-rich but otherwise poor countries, more export-oriented agriculture can be an effective tool in the fight against poverty in rural areas and thus become a catalyst for overall growth. But the study also indicates a potentially greater difficulty for resource-poor countries which may face higher prices for large quantities imported without any possibilities for enhancing production.

The importance of developing sustainable local food production and rural development in low-income countries – is undoubted. Most of then countries are heavily dependent on agriculture for employment and income, and very important it is often a critical component of any strategy to improve their levels of food security and poverty reduction. It is for this reason that sustainable agriculture and rural development are the higher priorities in the strategic framework FAO of 2000-2015.

In conclusion, in light of above, it is clear that, to ensure the sustainable development of the agricultural sector and improve the efficiency of its operation, are required targeted government measures of price, tax and monetary control, to maintain an equivalent exchange between agriculture and industries, that supply goods and services.

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