



Organizational and Economic Mechanisms of the Liberalization of the Management of Agricultural Enterprises and the Development of Cooperative Relations

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Abstract: *In the article, reforms are being carried out in the agricultural sector of the Republic of Uzbekistan. Scientific opinions are given about the introduction of market relations and the role of cooperative relations in the industry. Also, the ongoing reforms and promising proposals for the management of the agrarian sector, modernization of production and increasing the role of private ownership are given.*

Keywords: *Cooperation, farms, innovation, vertical management, market environment, agro-industrial, economic environment, economic mechanisms, analysis, economic method.*

As a result of economic reforms carried out in the agrarian sector of Uzbekistan, property was removed from state ownership, non-state forms of economic management were created, and the activities of farmers and peasant farms producing the main agricultural products began to develop. Management of the industry is being vertically adapted to market relations on the scale of regions, districts and farms, moving to the innovative direction of development, deepening the modernization process. In such conditions, traditional management methods are not able to have a sufficient impact on the development of the sector, on the contrary, they are causing a decrease in management efficiency and "failure of farms to fulfill their contractual obligations for cotton and grain cultivation".

In the management of the industry, in addition to repeating each other at the level of the center, region and farms, excessive interference of the upper management system in economic activities, the use of more administrative methods compared to economic factors is observed. This has a negative impact on the long-term sustainable development and modernization of the agricultural sector, and the implementation of innovative projects.

As the society progresses, various directions of production expand and new approaches to technological processes develop, which requires the role of management of the enterprise, this process, and employees to increase and to look at the science of management as a new direction.

It is appropriate to recognize that the first major scientific research on management began in 1911 with the publication of Fredrick Taylor's "Principles of Scientific Management". The industrial revolution in the 20s of the last century led to a further increase in interest in management. It should be noted that management as a science is not organized into a regular system and has different directions in development, these directions do not always correspond to each other.

When forming the management mechanism in farms operating in the country's agrarian sector, first of all, it is necessary to organize management based on the economic mechanism, and for this, the

managers of the farm must first create a perfect business plan, assign employees with their functional tasks and ensure their participation in management, get targeted loans and it will be necessary to establish economic relations with return and service companies on the basis of a contract. This, of course, ultimately increases the efficiency of management. 1 picture.

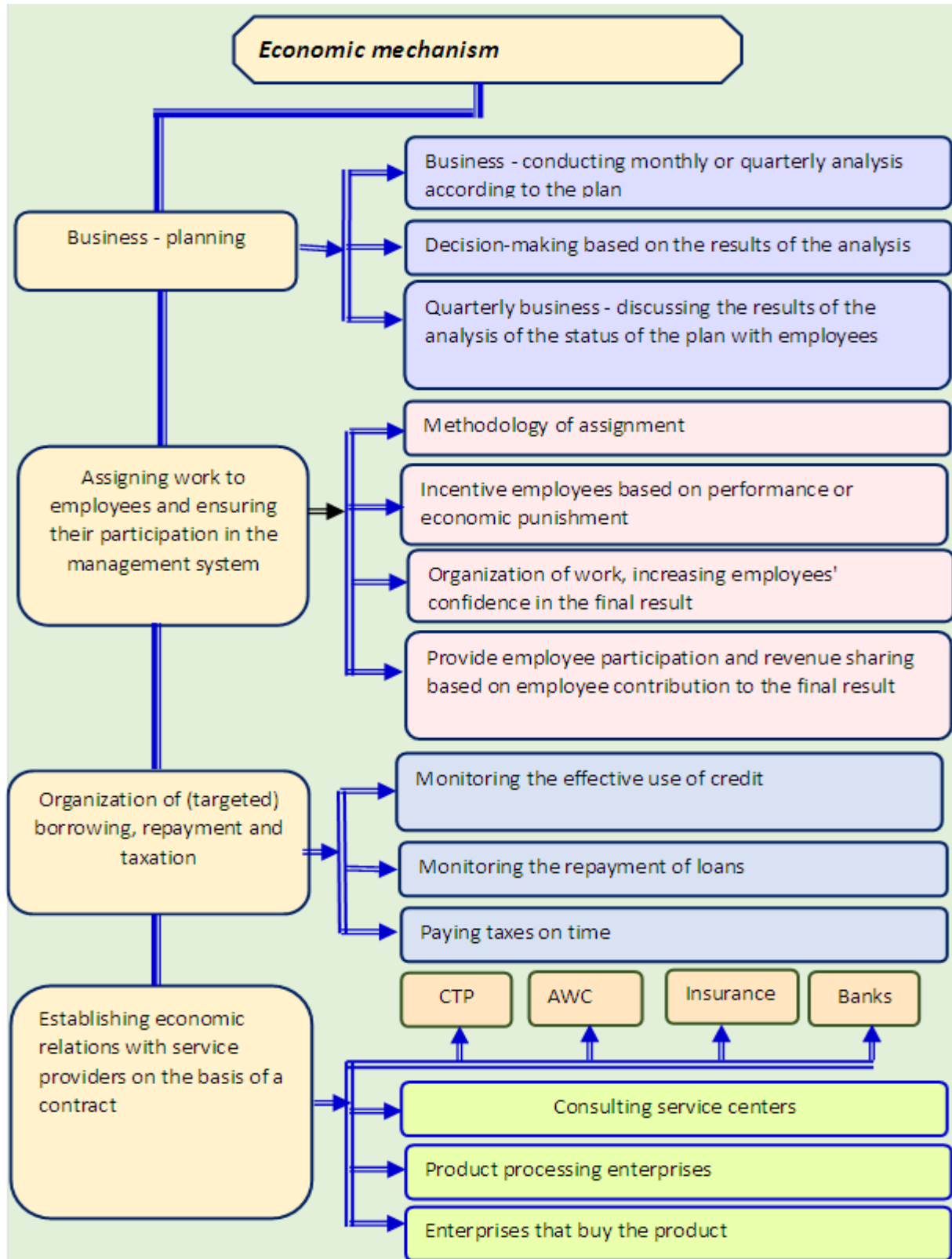


Figure 1. Economic mechanism of agricultural management ¹

The economic method of management is a set of targeted measures aimed at creating the necessary conditions for the normal operation and development of the economy (enterprise). The economic mechanism of economic development is based on the effective use of commercial accounting.

It is known that the change in the form of property and the achievement of financial independence of the farms, the formation of the main fund of the enterprise and the independent decision on the distribution of profits require an increase in the role of the economic method of management. This, in turn, increases the responsibility for the economic results of production. The development of commercial calculations in each enterprise, at each of its links, is carried out depending on the level of development of business management (management) in it.

Маркетинг хизмати режалаштириш бўлимига маҳсулотга бўлган талаб қай даражадалиги, қайси турига талаб юқорилиги, маҳсулот турларига қараб белгиланган нарх-наво, бўнак, товар учун кредит, лизинг, имтиёзли кредит ва ҳоказолар ҳақидаги маълумотлар етказиб беради.

In turn, the planning department prepares a number of assignments regarding the volume of product production, its types, in which several types of crops are defined (in agreement with agronomists), the structure of the crops to be planted is agreed with the management, and the production technology is determined. The planning department then determines the demand for all resources.

Economic methodology is important in determining financial policy in management, and on this basis, investment policy. In this way, the demand for borrowing (credit) is also based. In accordance with the financial strategy, an optimal tax policy is formed, its main aspects are determined according to the settlement policy of the enterprise. All these activities are coordinated with the planning, finance, accounting and legal departments or specialists responsible for these areas.

The fourth section of the economic mechanism of management proposed by O.Sayidakhmedov in the above picture is called establishment of contractual relations with service providers, which includes CTP, AWC, Insurance and banking institutions. In our opinion, the agro-industrial companies, which are the object of our research work, also belong to this department, and the basis of their organization and management is contractual relations.

At this point, it should be said that the analysis of the socio-economic reforms implemented in the economy of our republic, including in the agrarian sector, shows that the role and importance of modernization and diversification of the economy is increasing on the basis of the achieved achievements and successes. In this process, by implementing structural changes and modernization in the fruit-vegetable and viticulture sub-complex, which is one of the leading structural structures of the republic's agro-industrial complex, the development of the market of fruit-vegetable and grape products in a way that fully meets the principles of the market economy and the requirements of the world market conjuncture will also be implemented in the network requires reform and efficiency improvement.

As a result of the comprehensive reforms implemented in the republic's agriculture, the fruit, vegetable and viticulture sector was completely privatized, and as a result of the development of small-scale farmers and farms in this sector, the system of product cultivation and its delivery to the consumer became more complicated².

¹ O. Sayidakhmedov Candidate's dissertation on the topic of improving the economic mechanism of agricultural sector management 17 pages

² **Bezkod Bekmatovich Djurayev** Assessment of the Economic Stability of Small Farms in the Development of Pasture Livestock. <http://journals.academiczone.net/index.php/ijfe/article/view/706>



In particular, as a result of the disruption of economic relations between the processing and processing enterprises and the production farms, not only the agricultural enterprises, but also the processors began to suffer a large amount of damage. The level of utilization of existing production capacities in enterprises specializing in the processing of agricultural products has also decreased sharply.

Although fruit and vegetable and grape products are grown on the basis of demand and supply in the market, and the sales system is established in accordance with the market requirements, the internal market of fruit and vegetable products is not fully formed, the monopoly status of preparation and processing enterprises is preserved, difficulties in exporting products, on the one hand, the volume of production it has a negative effect, and secondly, it leads to many failures³.

Solving these problems requires, first of all, improvement of the system of mutually beneficial economic relations between production and processing enterprises on the basis of agribusiness and integration. Because the integration of agro-industry provides some simplification of mutual organizational and economic relations between ASM branches and organization on the basis of mutual interest, that is, the connection of external and internal relations will increase.

In the conditions of market relations, the experience of our country and other foreign countries in general shows that it is necessary to organize and develop integration processes, qualitatively new organizational economic relations and market entities in the agro-industrial complex. It is recommended that they take the form of integrated single production units, medium-level integration structures, and low-level integration structures⁴.

The main reason for this is that, based on the strategic goals of agricultural development, attention was mainly paid to the field of cotton and grain growing, and fruit and vegetable growing and viticulture began to be neglected to some extent. Despite the fact that agricultural enterprises lease gardens and vineyards to rural families for a long period of time, the fact that the form of ownership did not find its solution did not solve the issue completely and positively.

Therefore, Decree No. PF-3709 of the first President of our Republic dated January 9, 2006 "On measures to deepen economic reforms in the field of fruit and vegetable growing and viticulture" and PQ-255 dated January 11, 2006 "Reform of the field of fruit and vegetable growing and viticulture" According to the decision "On Organizational Measures", the issue of establishment of farms based on fruit and vegetable and viticulture and agro-industrial companies founded by them was determined. In accordance with the decision of the Cabinet of Ministers of March 10, 2006 "On approval of the Regulation on the establishment and establishment of agro-industrial companies in the field of fruit and vegetable growing and viticulture" No. 42, the model charter of agro-industrial companies was approved in order to ensure the implementation of these documents. In these documents, the main purpose of establishing agro-enterprises is to maximize profit, reduce production costs and inefficiency, increase product quality and competitiveness by combining the efforts of the entities included in it, i.e., agriculture, processing enterprises, trade and service organizations within a single structure. is to ensure a high level of labor productivity.

The purpose of the agrofirma's activity is to increase the income of the participants in their activities based on ensuring the harmony of the processes of growing fruit and vegetable products, processing and selling them. The regulation adopted by the decision of the Cabinet of Ministers served as a legal basis for the establishment of Agro-industrial companies and their activities. According to it,

³Bekzod Bekmatovich Djurayev. The way of Reducing the Losses of Agricultural Products in Harvesting. <https://journals.researchparks.org/index.php/IJOT/article/view/2474>

⁴ Organizational and economic problems of the development of agro-industry integration in the fruit-vegetable small complex under market conditions. X. Khushvaktova Dis. i.fn. Page 32.



the main activity of buying, selling and processing fruit and vegetable products and grapes grown by agribusinesses, farms and residents in the field of fruit and vegetable growing is considered to be a legal entity.

As mentioned above, due to the lack of an economic mechanism that connects agricultural product manufacturers and product preparation, transport, sorting, packaging, processing enterprises, most of the time processing enterprises use 40-50% of their production capacity, in some cases and this figure is 30-35 percent⁵.

Therefore, it is important to establish agro-firms based on horizontal and vertical cooperation as promising directions for improving mutual economic relations between them in the cycle from product production to processing and sale, ensuring the interests of participants at all stages of obtaining finished products. These agro-industrial associations (agro-firms, agro-combinations, agro-consortiums, industrial-financial groups) can operate as joint-stock companies, limited liability companies, cooperatives and other organizational and legal forms.

Agrofirma consists of a single organizational-economic mechanism with a closed technological cycle, which includes all stages from the cultivation of agricultural products to their delivery to the consumer.

The importance of agro-industrial firms and the need to organize them also comes from the fact that the number of agricultural producers with different forms of ownership and management is increasing, but their size is getting smaller and they have the necessary production means to process their products and carry out technological processes. they are not. In addition, agro-industrial companies have the opportunity to solve today's urgent problems - providing processing plants with guaranteed raw materials, agricultural producers with a guarantee of product sales, and manufacturing and trading organizations with a large volume and a wide range of new or processed quality products. is also important because.

Their main tasks are:

1. preparation, transportation, storage, processing of fruit and vegetable and grape products and their sale in domestic and foreign markets;
2. introduction of modern technologies for cultivation and processing of fruit and vegetable products and grapes;
3. conducting marketing research, determining the optimal volume of fruit and vegetable and grape production;
4. creating smart technology and cooperative relationships;
5. increasing the export potential and attracting investments;
6. providing employment to the population.

In our opinion, the stated goals and objectives and principles are mostly correct, that is, they meet the requirements of the organization of cooperatives. But in our opinion, it is necessary to make appropriate changes and corrections based on the requirements of the current period. In particular, the procedure defined in the current regulatory documents on the establishment of agro-firms consists of five stages, in which the district agriculture and water management department and the district council of farmers are included as the main founders. In addition, the direct participation of representatives such as the district governor, deputy district governor, head of the department of

⁵ Bekzod Bekmatovich Djurayev. Global climate change and its impact on livestock sector. <https://www.indianjournals.com/ijor.aspx?target=ijor:ajrssh&volume=12&issue=2&article=031>



agriculture and water management in the foundation meetings for the establishment of an agro-firm can give an official tone to this process and have a negative effect on the representatives of farms and other enterprises that are members of the agro-firm. In our opinion, the process of establishing agro-industrial companies by the initiative group, organized by its members, with mutual agreement, will have a positive effect on its future activities.

In recent years, as a result of the development of structural changes and reforms in the republic's agriculture, as a result of paying special attention to the further development of agro-industrial companies, the creation of agro-companies in the viticulture sector is also developing.

EDO-03/1-143 of the Cabinet of Ministers of the Republic of Uzbekistan dated December 21, 2015 "On the establishment of agro-firms specializing in viticulture to unify grape-growing farms in the Republic, increase the efficiency of vineyards, introduce advanced agro-technologies, and increase the volume of export and processing" (№116) - 42 agro-firms specializing in viticulture were established in the Republic of Karakalpakstan and regions under the leadership of the holding company "Ozvinosanoat-holding" and the enterprises in the system and "wine trade" IBUKs, with 98,638 hectares owned by 12,127 farms in 171 cities and districts. vineyards are attached.

The main tasks of agricultural companies are to establish new vineyards, to reconstruct unusable ones, to carry out seasonal agrotechnical activities in the vineyards in the specified time and with high quality, to repair them with the required amount of mineral fertilizers, chemical agents, general machinery, water limit and necessary equipment, seeds and material for the crops planted between the rows of vines. providing resources, concluding contracts with processing enterprises, social sector institutions, trade and export organizations and allocating sufficient funds from them.

In conclusion, we can say that due to the lack of an economic mechanism that connects producers, transporters, processors, sorters, packers, and sellers of agricultural products, including agro-industrial companies, it has a negative impact on the economic efficiency of farms that produce products. working enterprises are 40-50 percent of their production capacity, and in some cases this figure is 30-35 percent. The imperfection of mutual legal, organizational and economic relations between agrofirms, their farms, enterprises and organizations engaged in the preparation, storage, processing, sale and provision of services for fruit, vegetable and grape products, the development of the processes of liberalization and modernization of the activities of agrofirms and their activities has a negative effect on increasing efficiency.

Therefore, it is important to improve mutual economic relations between them in the cycle from product production to processing and sale, and to develop the activities of agro-firms based on horizontal and vertical cooperation as promising directions for ensuring the interests of participants at all stages of obtaining finished products. Also, the fact that the production of fruit and vegetable products has its own characteristics, that is, the main part of the produced products needs direct processing, they go through several stages before they reach the consumer, and the main part of the net profit obtained during their processing, transportation, storage and sale is intermediate. remaining in the joints directly leads to the decrease of the material interest of the producers, that is, farms. This has a negative impact on product quality, labor productivity growth, and economic efficiency of fruit and vegetable production. In this regard, there is a need to solve a number of organizational, economic, financial and other problems arising in the mutual relations between fruit and vegetable producers, product transportation, preparation, storage and processing enterprises in different forms of ownership.



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