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SECTION 31. Economic research, finance, innovation, risk management

INVESTMENT POSSIBILITIES IN AGRICULTURAL NETWORKS

Abstract: Today, in many leading countries, the provision of cheap and high-quality agricultural products to the population is one of the primary problems. The article examines the issues of effective provision of food safety in the country and its formation, including the issues of ensuring the sustainable development of the agrarian sector. Sustainable development of the sector, the essence of investment activity and its determinants.

Key words: investment, asset, real investment, financial investment, agriculture, investment activity.

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Introduction

As noted by the President of the Republic of Uzbekistan Sh.Mirziyoev, the issues of agricultural reform and food security will undoubtedly remain one of the most important tasks for us. First, great attention is being paid to the consistent development of the agro-industrial complex and its multi-profile farms, its locomotives, that is, the driving force [1].

Therefore, the implementation of these measures is one of the most urgent tasks of today: structural and organizational reform in line with the requirements of the modernization of the industry on the basis of cooperation of the various infrastructure workers, providing the stability of agriculture, increasing its economic activity and promoting its development. It will not be exaggerated.

In particular, the experience of establishing agricultural production in advanced foreign countries, particularly in the country, is characterized by insufficient financing of production of small commodity products, low production volumes, low investment attractiveness and attractiveness, and for

other reasons, the effective organization of modernization processes is extremely difficult indicates that Specifically, although the proprietary and property relations in the farming and dehqan farms are in line with market economy requirements, practitioners show that their current size is the result of the technical re-equipment of the village, which is the basis for expanded reproduction in the conditions of individualized distribution and financial vulnerability. Sustainable farming production efficiency is a complex process. Thus, in the subsequent stages of structural and institutional reforms in the agrarian sector, it is necessary to continue the work on establishing and expanding sustainable cooperation between the enterprises, actively involving small businesses and private entrepreneurship in this process. It should be borne in mind that the development of cooperative relationships is one of the most important factors in the sustainability of enterprises and sectors of the economy, mastering new types of products and, most

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importantly, creating new jobs, increasing employment and income.

Ensuring sustainable development of the agrarian sector requires continuous expansion of the scale of measures in the conditions of economic liberalization. One of such important measures and directions is the creation of a complex investment-efficient investment mechanism, investment climate, process, capacity, activity and attractiveness. The Decree PF-5134, signed by the President of the Republic of Uzbekistan Shavkat Mirziyoev on 4 August 2017, the ministry's activities are fundamentally improved. The main opportunity to increase investment activity is the sharp decline in agricultural crops, the availability of all the necessary conditions for the growing agricultural production. An important factor in increasing investment activity is to ensure the priority development of farms in the future. To fulfill this task effectively, a profound study of the present situation is required. This article is devoted to this issue.

Literature review

Theoretical-methodological foundations of the socio-economic development and financing of agricultural economics are based on the findings of Max Weber [2] who conducted their theoretical and methodological foundations on the role of farmers in the effective use of investment by European scientists, and contemporary researchers Karen E , Steve Padgett Vásquez, Jaap Jean Schröder, Dunstan Gabriel Msuya, Mohamed Ali Mohamed, Tilman, D., Cassman, KG, Matson, PA, Naylor, R. and Polasky, S, Kotschi, J, Gerbens-Leenes, PW and Nonhebel, S., Oleson, J.E. and Bindi, M. [3-10]. Theoretical-methodological foundations of socio-economic development and financing of agricultural economics have been studied by foreign scientists L. Tsefu, Ts.Fan, L.Chjoular in their research on the basis of China's experience in agricultural development strategy [11], I N.Buzdalov spoke about the agricultural development reforms in the Russian state [12], the specific method of development of I.Sandu on the basis of integration of agriculture, science and education rights and the effectiveness of [13], Utku Djanibekova, Robert Fingers importance of research in the development of agriculture and the state program of research [14].

A.Abduganiyev, a local scientist, highlighted the importance of agriculture and its role in the economy, its relevance and its effectiveness, [15]. A.Juraev spoke about the economic reforms in agriculture in our country [16], agricultural development, dehkan and farming activities, R.Husanov, R.Hustmurodov [17], Q.Akhiyev, and N.Shushmatov. [18] S.Umarov, [19] S.Tuhtaeva, [20] B.Shakhriyorov, [21] G.Makhmudova [22] and others.

Research Methodology

The purpose of this article is to develop and promote investment activity in the agrarian sector.

Investments vary as follows: 1) fixed capital (capital) - capital investments or real investment; 2) Securities - portfolio investments; 3) public, private and foreign.

However, in the present stage of agrarian reforms based on these studies, theoretical and practical scientific study of the problems of attraction and efficiency of investments in agriculture to the economy of our Republic plays an important role, however, the lack of adequate study of scientific problems in the context of rapid development of the current economic economy, will be the basis for research.

Particular attention should be given to the formulation of investment policies in the agricultural sector under conditions of market economy:

- Selection of competitive projects because of tender will ensure the creation of a market for investment projects in agriculture;

- Economic feasibility of agricultural investments. Determine the socio-economic consequences of the natural and economic factors of the economy, taking into account the specific features of agriculture; because in most cases the funds allocated for the project will not be sufficient to fulfill the intended activities, as the result will not be achieved; which results in long-term investment projects;

- Attraction of foreign investors and their investments in agriculture; for which the development of private and private property should be required for all agricultural products.

Investing activities are of a multilateral nature, primarily due to the different levels of investing activities. Therefore, consideration of the factors affecting investment activity also requires compliance with multi-disciplinary approach.

We believe that four levels of investment activity in the agrarian sector can be distinguished:

- Regional level;
- Level of the agrarian network of the region;
- Level of agrarian industry.

The most important factor is the priority development of dehkan and private farms in increasing the investment activity. This is because an investment environment is in place that fully meets the interests of the investor-investor according to market principles. The investment demand is dehkan farms of the subject, which are the most important source of income by attracting investors, if they need constant investment funds, and secondly, investors.

Stage-by-stage implementation of the new investment mechanism has been carried out in the country. In this context, it is theoretically important to analyze the investment activity in several stages in the light of the economic liberalization of the process

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and the changes in all sectors of the economy and the formation of market relations.

On the basis of studying the state of investment potential, the potential of domestic economy, capacities and investment requirements, it is possible to compare the proportionate or compatibility with their external factors. The level of development of farming, in particular, farming activities, varies according to their variations and can be divided into 3 categories.

The first category is the farmers in need of material and financial resources that are experiencing a process of independent primary management and consolidation of the newly established farming.

The second group is farmers who have some degree of practical experience and who have achieved financial returns and achieved average profitability but are unable to provide themselves with investment.

The third category, having the most advanced scientific and technical achievements, has the intensive development, has the necessary material means, and has the practical experience of attraction of domestic and foreign investments partially to the production of high quality and environmentally friendly products, farms that have the capacity to finance them mainly through internal resources.

Most of the farmers operating in the country can be included in the first and second categories. This indicates that the development of investment processes is a priority. The strategy for increasing investment activity should be based on the characteristics of those two different categories of farms. Firstly, the establishment of the economic strategy to increase the investment activity through the involvement of private farms in the resource market and the development of profitable business, and secondly, the development of targeted investment programs to support domestic farmers with limited or in-depth resources to develop new practices and production. In addition, it is necessary to implement it in practice.

In applying the two priorities in practice, the above mentioned claim requires a strict approach from the point of view of categories of farmers. In agriculture, we believe that in promoting investment activity, priority should be given to direct involvement of existing local resources in the industry and farms.

- human capital;
- social capital;
- natural capital;
- Physical capital;
- financial capital.

In agriculture, the majority of farms with the most important agricultural development are provided with state-financed products, such as cotton and wheat, but partly to provide them with financially more productive services, but also

provide additional income to improve their livelihoods there is a lack of investment to create a resource.

One of the ways to solve this problem is to increase and develop microfinance institutions in rural areas. In this direction, many activities have been carried out in the country, and every year the number of farms sharply increases. The development of private farms depends on microfinance organizations.

While the macroeconomic policies of state-financed investments and the implementation of legal and organizational-economic mechanisms are not improved, at the regional level, the level of specialization of agricultural production is inaccessible, and the effectiveness of direct investment of farms in micro-regions is inadequate. Therefore, their sources of financing with investment funds are also reflected in the diversity of specific agricultural, natural-economic, location, specialization and social conditions

During the development of agricultural enterprises, investment activity from four of these sources is mainly provided by public funds and borrowed funds, while its own funds and foreign borrowing remain low due to the low solvency and limited capacity of households in economic activity. In the strengthening of the investment potential of agricultural entities, their sources of resources create a time-consuming period for profit-earnings, depreciation charges and other internal resources and reducing the debt, and ensures the continuity of the production process.

Analysis and results

Under the initiative and under the direct supervision of the head of our state special attention is paid to the attraction of investments of foreign countries and international financial institutions with the aim of further development of the agrarian sector of our republic, modernization of agriculture, improvement of infrastructure facilities, improvement of ameliorative condition of irrigated lands, water supply of agricultural producers.

It should be noted that for the period of 2003-2015, the total amount of credits for the sum of 1310 million US dollars from foreign countries and international financial institutions, Within the framework of 36 investment projects totaling US \$ 760.4 million. more than 1,165 different hydraulic structures, 262 km of irrigation networks were built, 274 km of inter-farm collectors, 745 km of internal waterway collectors and 553 km closed drainage systems were reconstructed.

In addition, more than 800 farmers and agricultural businesses have allocated more than \$ 75 million of soft loans to build more than 1,500 hectares of intensive gardens and vineyards; more than 200 hectares of greenhouses were built, with a

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total capacity of more than 5,000 tons of agricultural products processing and packaging shops, refrigerated warehouses with a total capacity of more than 25,000 tonnes have been commissioned and over a thousand agricultural machinery has been procured.

According to the preliminary data, the total volume of agricultural, forestry and fishery products (services) in 2017 will reach 69 504.2 billion sums or 102.0% of the corresponding period of 2016, including in agriculture and animal husbandry, 68,906.7 billion soums (101.9 percent), forestry - 117.9 billion soums (101.6 percent), and fisheries - 479.6 billion soums (126.8 percent).

In particular, high growth rates were observed in Surkhandarya region (106.6%), Navoi (104.1%) provinces, the Republic of Karakalpakstan (103.8%) and Ferghana (103.3%) provinces. Khorezm (100.1%), Tashkent and Kashkadarya (100.8%) provinces showed lower rates. The share of Samarkand region in the total volume of agricultural, forestry and fishery products (services) of the country was 13.1% and was the leader in the regions, with the Tashkent and Andijan regions accounting for 12.1% and 10.7% in the Republic of Karakalpakstan (2.8%), Sirdarya (4.2 percent) and Jizzakh (4.9 percent) regions.

Table 1. Growth trends in the agriculture of the Republic of Uzbekistan for 1995-2017.

Indicators	1995	2000	2005	2010	2015	2017
Share of agriculture in gross domestic product	28,1	30,1	26,3	18	16,6	17,2

According to the figures, the share of agriculture in GDP in 1995 was 28.1 percent, in 2017 it was 17.2 percent, ie about 11 percent. Of course, such a tendency was caused by the reduction of agricultural land by means of ensuring the wellbeing of the population in the country and the construction of new settlements in the countryside. Over the years, this trend has continued to decline over the past few years, although its activity has dropped from 2005 to 2015. Only in 2017 the absolute level of activity increased by 0.6 percentage points.

Conclusion/Recommendations

The first of two strategies to achieve sectoral sustainability through the deepening of the economic reforms and the priority development of farms in agriculture is the provision of modern equipment directly to agriculture with the use of land and water resources, the provision of high-yield crops and yields of productive livestock high quality products by establishing a new, and, secondly, expanding the export potential of agricultural products in prison, the introduction of foreign investment in production. For this purpose, attraction of foreign investments and investment activity in agriculture should be based on the following principles:

systematic improvement of legal, socio-economic, organizational and institutional conditions ensuring the wide involvement of foreign investments into agriculture;

- development of legal and organizational and economic mechanisms of state regulation of the organization, support of the foreign economic activity of farms and dehqan farms, granting them privileges and their implementation;

- orientation of foreign investors to sectors, regions and directly agriculture, which will provide sustainable agricultural development and opportunities for producing competitive products;

- Improving the system of comprehensive assistance and promotion of agricultural entities to produce attractive and priority projects.

The implementation of these principles will serve as an important factor in attracting direct foreign investments to agriculture, increasing the investment activity of the sector and, ultimately, achieving its sustainable development.

One of the most important factors in solving the problems of agriculture in the priority development of farms is to further increase their investment activity. Investments are an important condition for strengthening the material and technical base of the sector and sustainable development of the agrarian sector. Along with implementing institutional changes in agriculture, the creation of favorable conditions for large-scale investments in agriculture, as well as large-scale investment in the sector, should form the basis of a policy that is being implemented in the current reform phase.

At present, the issue of providing qualified agriculture in the field of active investment policy in the agricultural sector plays an important role in attracting investments. We need new knowledge and experience to manage investment projects and programs, develop and evaluate business plans, find investors in crisis situations, and manage projects in a competitive environment, under conditions of relative inflation and market conjuncture. At the same time, the formation of staff by knowledge, skills, and expertise that are insufficient level will

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have a negative impact on the development of the investment business.

In the investment policy, the following measures should be taken to provide the sector with qualified personnel:

- expansion of training of specialists in investment and innovation directions of higher education institutions on economic, technical and construction industries;

- targeted training of customers, managers and managers on investment projects and programs;

- Increasing the skills of managers of leading domestic and foreign enterprises to find partners in agricultural investment projects and filling business plans.

In order to increase investment activity in agriculture and forming favorable investment activity, the following tasks need to be addressed:

- Development of institutional market infrastructure that will enable to attract capital investment for agricultural investment;

- development of the banking banking service system and increasing the level of their capitalization;

- Improvement of organizational forms of investment attraction;

- Improvement of participation of the state and investors in their substantiation and adoption of agricultural projects;

- organization of investment information consulting and marketing;

- Establishment of the Center for implementation of investment projects in the Ministry of Agriculture;

- To transform the Social Development and Encouragement Fund of the Ministry of Agriculture of the Republic of Uzbekistan into the Fund for the Development of Material and technical basis of the Ministry of Agriculture and Water Resources of the Republic of Uzbekistan and introduction of innovative technologies, the Ministry staff.

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