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WAYS TO INCREASE THE ECONOMIC EFFICIENCY OF INVESTMENTS IN AGRICULTURE

Mustafaev Sarvar Abdirozokovich
Uzbek State University of World Languages

Numon Khasanov
Tashkent State Agrarian University

Makhtuma Murodova
Tashkent State Agrarian University

Rohat Kamalova
Tashkent State Agrarian University

Abstract: In this research paper determines the basic efficiency in agriculture subdivision of the economy. The agricultural sector is no exception. In order to develop the agricultural sector in 2019, at the initiative of the Ministry of Agriculture of the Republic of Uzbekistan, on the basis of the decree of the President of the Republic of Uzbekistan, the Strategy for the Development of Agriculture for 2020-2030 was adopted.

Key words: agrarian relations, land use, alienation, industrial infrastructure, social infrastructure, agro-industrial integration, capital, agribusiness.

摘要：本研究论文确定了农业细分经济的基本效率。农业部门也不例外。为了在 2019 年发展农业部门，在乌兹别克斯坦共和国农业部的倡议下，根据乌兹别克斯坦共和国总统令，《2020-2030 年农业发展战略》被采纳。

关键词：土地关系，土地利用，异化，工业基础设施，社会基础设施，农工一体化，资本，农业综合企业。

INTRODUCTION

Currently, it is advisable to invest in new efficient technologies and the creation of intellectual property. A competent and effective solution to this problem objectively requires certain investments. This means that investment funds are used to create, develop and increase the constant and variable capital and intellectual resources of the network. It can be used for both

long and short term. If they go to the acquisition, construction and overhaul of fixed assets of agriculture, then these costs are calculated for a long time. They are called fixed capital investments, but they are also invested in agricultural working capital. They are considered short-lived. This means that as a result of investments, agricultural production facilities

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About the authors: Mustafaev Sarvar Abdirozokovich

Corresponding author- *Email:

will be built and their performance will be radically improved.

All funds spent on agricultural inputs are called investments. They strengthen the material and technical base of agriculture (enterprises), reduce costs as a result of mechanization, chemicalization, electrification, irrigation and reclamation of production processes, increase the volume and improve the quality of products, and increase the amount of income (profit). This is the ultimate goal of investing.

With this in mind, the country has developed a sustainable investment policy. He is the author of the book "On Investment Activity" in the country.

The Decree "On Foreign Investments" (1998), "On Additional Measures to Attract Foreign Private Foreign Investments" (April 11, 2013) is carried out on the basis of laws and other regulations.

By goals and objectives, investments are divided into the following types:

- capital investments;
- innovative investments;
- social investments;

To the construction and reproduction of fixed assets, as well as all forms of material production.

development investments are called capital investments.

Investing in the creation and implementation of a new generation of machines and technologies is an investment in innovation.

Funds spent on the development of human potential, skills and work experience, as well as on the development of other forms of intangible benefits, are called social investments.

METHODS OF RESEARCH

They are divided into both real and financial investments. Investments in fixed assets and working capital are real investments.

Funds spent on the formation of securities (shares, bonds, bills of exchange, certificates) are financial investments. Real investments can also be called capital investments. Capital expenditures are gross and net capital expenditures. Net capital expenditures can be equal to or less than the sum of gross capital expenditures. Particular attention should be paid to the transformation of gross capital investment into net capital investment in agriculture, including enterprises. This is necessary in order for real investments to be realized, that is, to be launched.

In the system of national accounts, investments in fixed assets and means of production are considered real investments.

However, the slow development of market relations in agriculture does not provide an increase in financial investments. In particular, securities (stocks, bonds, certificates, bills ...) are not issued or sold by communities, companies, farms. In the future, it is desirable to pay special attention to the solution of this important issue. In the economic policy of the state, measures should also be developed and implemented to organize the securities market for agricultural enterprises.

When shaping investment policy in a market economy, special attention should be paid to:

■ selection of competitive projects on a competitive basis. This will ensure the creation of a market for investment projects in agriculture;

■ Economic feasibility of investing in the Kipchak farm. It is necessary to determine the socio-economic consequences, taking into account the specifics of the natural and economic factors of agriculture. This is due to the fact that in most cases the funds allocated under the project are not enough to carry out the planned activities, and as a result, the intended goal is not achieved. This leads to long term investment; To attract foreign investors and their investments in agriculture. Village for this it is necessary to develop private and private ownership of all products produced on the farm, etc. Taking into account all factors, the investment will create a solid material and technical base for agriculture. Agriculture is provided with modern machinery, tractors, combines, buildings and structures. Gardens and vineyards will be planted here. A breeding, productive livestock has been created.

They ensure the creation of new jobs, increase the level of knowledge and skills of entrepreneurs engaged in agriculture, and shape market relations. As a result of their harmonization, the volume of products produced in the industry will increase and competitiveness will increase. This, in turn, will ensure the satisfaction of the needs of the population, the manufacturing industry and, finally, the needs of the state, increasing the standard of living of citizens. All this testifies to the great socio-economic significance of investments. The importance of capital investments in the national economy and agriculture is enormous. First, capital expenditures account for the bulk of total costs. Changes in capital investment have a

sufficient impact on aggregate demand as well as changes in employment and gross national income (GNI).

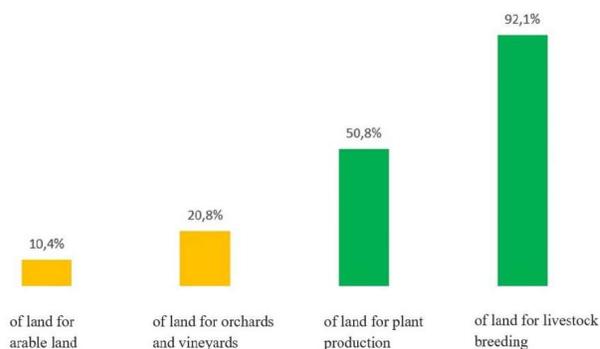


Fig.1. Capital investments in agriculture sector of Uzbekistan

Secondly, capital investments lead to accumulation, an increase in the fixed assets of the enterprise. At the same time, the money spent on the expansion of productive forces may not affect the results of the enterprise at the initial stage, but will create the necessary basis for future economic growth.

Thirdly, the irrational use of capital investments leads to an increase in production resources, costs, as a result of which the GDP decreases. These include, for example, an increase in construction in progress, an increase in material resources, an increase in wages and a reduction in production. Likewise, normally delivered vehicles exceed the norm, which also affects the company's inventory. They affect the growth and efficiency of capital investments. The volume, dynamics and efficiency of capital investments depend on the following factors:

- a project in which capital investments have been made;
- economic changes in the country and in the activities of the enterprise;

- tax policy of the state and interest rates of banks;
- the economic situation in foreign trade;
- domestic and foreign exchange rates of the national currency;
- stability of the country's political line.

Investments (capital investments ensure the all-round development of agriculture, since instead they strengthen the material and technical base of the industry. Their full and effective use the result is lower labor costs, increased production capacity and improved quality. This will ensure better satisfaction of the demand for agricultural products. At the same time, the size of the net profit increases. As a result, it becomes possible to develop agriculture on the basis of expanded reproduction. The socio-economic situation of the population will continue to improve.

Investments are in most cases long-term expenses. Therefore, to determine their economic efficiency over several years, comparative estimates should be used. This takes into account the inflation rate. Agriculture currently uses 1996 average prices as a benchmark. These estimates may change in the future.

In such cases, it is advisable to use the following methods to determine the return on investment:

- determine the way of self-financing of the project;
- compounding method;
- discount method.

The payback period is the period of return of the initial investment amount due to the benefits of the project being implemented. When calculating

it, the net profit is taken into account, taking into account the movement of funds, interest and depreciation.

In recent years, 5-8% of investments in the economy of the republic have been directed to agriculture. This is less demand. Therefore, in the future, it is recommended to change this investment policy in favor of agriculture. Because the industry provides an average of 30% of the country's GDP. The same is happening with the attraction of foreign investment. Only 7-10% of the total foreign investment is spent on agriculture. If no changes are made in this regard, the creation of a solid material and technical base for agriculture may take some time. Funds for investments (capital investments) are mainly spent by the farms themselves. They account for about 35-40% of investments in agriculture. This is in line with the requirements of a market economy. Farms also attract large amounts of bank loans for investment. Their contribution increased sharply in 2009-2013. But this contribution is less than the need for them, and at the present time the need for agriculture in the creation of fixed assets is growing. However, the total volume of long-term loans issued by joint-stock commercial banks for fixed assets in agriculture is very small. This is due to the following reasons:

- > Lack of collateral for agricultural enterprises to obtain long-term loans from banks: most of their fixed assets are morally and physically obsolete. Therefore, they are not taken hostage.
- > Low level of economic efficiency of agricultural enterprises, i.e. the profitability of most enterprises is about 5-8%. Therefore, the accounts payable of the farms are growing. In

this case, the confidence of credit institutions in the timely return of funds is not justified;

> State support for the development of agriculture at a priority level, i.e. financing, credit programs are not at a level that fully meets the demand;

> Late receipt by agricultural enterprises of funds from consumers for their products.

That is why the accounts receivable of agricultural enterprises have been growing in recent years.

> As a result of a positive solution to these issues, an increase in the flow of bank loans to agriculture can be ensured.

> The amount of funds allocated from the state budget for investments in agriculture is decreasing every year. This is an objective process. In a market economy, at the expense of funds allocated from the state budget, the development of only territories of national importance should be ensured. This situation does not fully meet the current demand. Because about 50% of all irrigated land in the republic is owned by one or another salty to a certain extent. In the practice of some agricultural enterprises, machine testing stations, repair shops and factories, to solve many problems, one or more of several technical options have to be chosen. Such economic calculations are carried out at the design stages of new tractors, cars, agricultural machinery. Extensive options for choosing options for capital investments, the introduction of new equipment, depending on the amount of costs incurred in the provision of project equipment, kits, depending on the efficiency of production in practice (delivery cost) or the level of costs per 1 soum of production). Thus, the

feasibility of capital investments in farm management depends on the need for new and repaired machines, equipment for production using existing technologies.

The minimum amount of capital K_a will definitely be taken into account, since it will be necessary to organize the production of this product, or the expediency of additional capital investments in the repair of these machines will be determined.

$K_d - K_B - K_a$

Additional capital expenditures ($K -$) - differences (objects) between two compared investment cost options are calculated in accordance with the current option. If capital investments are made in soums, the company will reduce the cost of annual production to soums.

Total Annual Cost Savings (C_e) will be next when the capital intensive option (K_b) is introduced;

After determining these indicators by measuring additional costs (capital investment K) and determining the resulting savings (C_e)

where T is the payback period for additional capital investments: When determining the amount of capital investments, the following is taken into account.

$C_e - C_a - C_b$

1) the cost of designing an object, allocation and preparation of a site for construction;

2) the cost of purchasing new equipment, as well as preparatory work for operation with delivery, installation, commissioning;

3) modernization of equipment;

4) expenses for the reconstruction or reconstruction of buildings;

5) expenses for the replenishment of enterprises or the formation of working capital;

6) all other changes in the fixed and circulating assets of the enterprise;

specific capital investment (K_u) is intended for capital investment, which is a single fed tractor corresponding to a unit of output, and it is planned to increase production as a result of capital investment.

Thus, when calculating coverage, all necessary capital investments are taken into account.

There is a difference between the normative and the actual payback period of the capital investment.

The standard payback period is the maximum rate of capital investments in various objects, ensuring the effectiveness of investments. If capital investments do not pay off within the established time frame, it is impractical to spend them.

Capital investment normative efficiency (T_n), corresponding to the normative maturity (E_n);

A) capital investments that correspond to one sum of the annual volume of national income in the national economy, i.e., as an indicator of this growth;

B) as an indicator of profit growth on the amount of capital investments in agriculture and other sectors of the economy;

C) the amount of return on capital investments for individual enterprises, the state and efficiency of changes in attracted investments for each amount;

Taking into account the rates of technical development of agriculture and the planned increase in the efficiency of agricultural production, the payback period for capital investments in agriculture is 8-10 years. appointments can take 4-5 years. Based on this, the coefficient of agricultural production efficiency will be 0.25-0.20.

The growth rates of technical progress, the improvement of the organization of production and management in a market economy will create opportunities for increasing the efficiency of social production in the future. The payback period of the added capital investment is determined by savings from operating costs:

However, since these works can be performed by machines and various repair enterprises with different structures and technical and economic indicators, it becomes necessary to justify the corresponding economic options for capital investments. Legal entities and individuals can be from the republic or foreign countries in order to make reliable investments in the future to ensure a sufficient level of investment (capital investment) in agriculture. At the same time, special attention should be paid to attracting investors who are not in a hurry to participate in the formation of the investment process in agriculture.

> "Solving the food problem";

> "Development of irrigation and reclamation works";

> "Improvement of the state of rural fauna, flora and ecology";

> "Creation of new jobs, reduction of unemployment";

> “To train qualified specialists in the village
“Development of the“ Knowledge and Skills
”program;

> "Development of the social sphere in the countryside" and others. In addition, it is necessary to introduce a system of state subsidies and guarantees of certain funds in the newly created rural credit cooperatives. It is desirable that 35-45% of the initial capital of the created rural credit cooperatives be formed at the expense of preferential and interest-free loans from the state. It is advisable to limit the role of the state in the process of creating rural credit cooperatives:

- The legislative bodies of the republic create a legal basis for the full-fledged work of these cooperatives in the country and abroad;
- creation by the state of favorable conditions for the development of research on scientific and methodological problems of these cooperatives;
- Involvement of foreign experts in their organization and consistent assistance to local experts in the study of best practices abroad;
- Government leaders and professionals should pursue proactive policies to promote the benefits of newly established RCCs through all media in order to promote their organization in practice.

To create credit cooperatives in rural areas, the following conditions must be met and a favorable environment must be created;

- trust and respect of managers and specialists of agricultural enterprises, as well as the working-age population in this financial and credit institution;

- A high level of financial well-being of the population for active participation in the activities of a new financial institution indicates the availability of free funds among the population;

- All levels of government and other organizations are sympathetic to this idea, which provides financial support for the development of lending to agricultural enterprises, especially farms and small businesses. Because the creation of rural credit cooperatives will ensure the development of free financial competition in lending to agricultural production;

- availability of personnel, specialists in rural areas to the extent that credit cooperatives can satisfy the need for qualified personnel;

- formation of the socio-economic environment for the creation of new credit cooperatives in rural areas according to the level of demand, etc. Therefore, in order to accelerate a positive solution to the problem of creating credit cooperatives in rural areas, entrepreneurs of the industry, as well as state and non-state structures, should pay special attention to the rapid formation of the above conditions.

Newly established rural credit cooperatives should have the legal status of a non-governmental, non-profit financial institution. Their main goal is not to benefit from the capital provided for use, but to improve the conditions for obtaining a loan, which will allow the development of agricultural production and service farms. Such cooperatives guarantee their loans on the basis of the obligations of their members, that is, on a public basis, timely insure their debts, collect shares from their members and establish other economic relations. Because each member of the cooperative has one vote,

regardless of his contribution to the fund. The proposed rural credit cooperatives as a non-profit financial and credit organization differ in some respects from commercial banks.

The basic principles of the activity of rural credit cooperatives should be as follows:

- to be closer to the consumer, for which it can be organized and work on the territory of an association of farmers, companies. This will ensure that farmers, peasants, contractors, other enterprises and the population join it;
- unlimited liability of members of the credit cooperative on a voluntary basis;
- the cost of joining the cooperative and the number of shares are not too high, the profit is directed to the development of the indivisible and reserve funds of the cooperative;
- Creation of indivisible property, which forms the basis of the economy of the cooperative, with the establishment of a minimum amount of this property;
- use the received loans only for the purposes specified in the Charter;
- The existence of governing bodies and their functioning on a community basis.

RESULTS

The charter of a rural credit cooperative should be based on these principles. The charter fully reflects all the issues that ensure the effectiveness of the cooperative. This is a strong legal document. At this stage, without approaching the content of the Charter in full, we will approach it only from the point of view of improving agricultural lending.

Each member of a rural credit cooperative is required to pay an entrance fee. The legal entity and individual who pay it become members of the cooperative.

Each member of a rural credit cooperative must pay an entry fee. The legal entity and individual who pay it become members of the cooperative.

The income received as a result of the activity of the rural credit cooperative is used to create its independent reserve fund. The purpose of creating such a reserve fund is, first of all, to raise funds to cover losses that may arise as a result of the cooperative's activities, that is, to reduce the risk of joint liability. In addition, the fund will serve as a reliable reserve during the economic crisis and recession, ensuring the sustainable operation of rural credit cooperatives in the future.

The loan application period must be 1 day. Lending must be carried out personally or under someone's guarantee.

Cooperative members can get unsecured loans. Credit cooperatives should be taxed at a preferential rate for the first 5 years, tax-free rates of return should be much lower than the corresponding rates of banks, and there should be a way to repay the loan in goods. Registration of loans in a short time will contribute to the rapid turnover of funds.

CONCLUSION

To increase the efficiency of investments in the future, it is necessary to shorten the terms of existing capital construction on farms, sharply reduce costs, prevent the waste of capital and focus on reducing unfinished construction projects.

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