

Improvement of economic management methods of the livestock industry in the Republic of Uzbekistan

¹Narinbaeva Gulnora Karimovna, ²Bustonov Komiljon Kumakovich, ³Muminov Bakhodir Orifjonovich, ⁴Davlatov Sanjar Abdumannonovich

¹Senior Lecturer, ²Assistant professor, (PhD), ³Assistant professor, (PhD), ⁴Assistant,
^{1,2,4}Department of Agribusiness and Investment Activities, ³ Department of Monitoring and Internal Control of
Tashkent State Agrarian University
^{1,2,3,4}Tashkent State Agrarian University, Tashkent city, Uzbekistan
Email – narinbaeva63@bk.ru

Abstract: *The article discusses the improvement of economic management methods in the livestock industry in the Republic of Uzbekistan. In Uzbekistan, animal husbandry is one of the leading sectors of agriculture and occupies a special place in providing the population with food. The paper reveals the essence of the system of state regulation and self-regulation of markets for livestock products and material and technical support based on their modernization.*

Key Words: *agriculture, livestock, livestock products, management, economic methods, product market, government regulation*

1. INTRODUCTION:

Livestock is one of the most important branches of agriculture, which has a significant impact on its economy. In the structure of the value of gross agricultural output, the share of livestock in 2020 accounted for 49.8%.

Livestock is the second branch of agriculture, the importance of which cannot be overestimated. The level of development of animal husbandry determines the degree of saturation of the market with high-calorie food products - meat, dairy and other products. The production of woolen fabrics, leather goods and footwear, etc. is directly connected with the development of animal husbandry. Animal husbandry is developing not in isolation from agriculture, but together with it. There are close two-way ties between them. Agriculture (plant growing), in particular, is actively involved in creating the feed balance of animal husbandry. In turn, animal husbandry is a source of valuable environmentally friendly organic fertilizers. Livestock breeding, like crop production, is distinguished by its complex structure. Its most important branches are dairy and beef cattle breeding and poultry farming. The fodder base is formed by field fodder production, natural fodder lands, by-products and waste of the food industry, and the feed industry. Special mention should be made of field fodder production. It has great opportunities for creating a powerful animal feed ration. Cattle breeding is the first branch of animal husbandry. Breeding cattle is of great economic interest, primarily because the most valuable high-calorie food products are obtained from it. Poultry farming has become an important structural branch of animal husbandry - a source of valuable food products, characterized by a quick payback of the costs of meat and eggs production. Modern poultry farming is a rapidly growing industry on an industrial basis.

Management is understood as the process of influencing any system, ensuring its maintenance in a certain state or transferring it to a new state in accordance with the objective laws and specific goals inherent in this system.

2. LITERATURE REVIEW:

A number of scientific works of Andreychuk V.G., Bazarov M.K., Burobkina I.N., Vasilenko Yu., Gryadova S.I., Zelepukhina are devoted to the study of the issues of assessing the size and efficiency of using the production potential of agriculture and, in particular, animal husbandry. A., Zinchenko A.P., Kuznetsova V.I., Nikiforova P.V., Pastukhova A.K., Sayfulina PC, Svobodina V.A., Sergeeva S.S., Surkova I.M., Chebotareva AA, Shaikina V.V., Sheremet A.D., Shuklina Z.N., Khamrogulov R.Kh, Yusupov Yu.B, Khakimov R. et al.

3. MATERIALS AND METHODS:

The peculiarities of the regional livestock complex as an object of management can be divided into two groups: first, the characteristics characteristic of any production of livestock products, and secondly, the characteristic characteristics of the regional complex.

Livestock production has the following features:

1. The economic process of reproduction is associated with the natural process of growth and development of living organisms.

2. Production is highly dependent on natural conditions. Even in countries that use high-intensity technologies in agriculture, production results still depend on unpredictable factors. Droughts, floods, pests, animal diseases make the agro-industrial complex an area of relatively risky capital investment.

3. Land not only serves as the basis for the location of the enterprise, but is also used as a means of production, and usually large areas are involved.

4. Production has pronounced seasonal characteristics, and the production cycles are quite long compared to most other sectors of the economy. This causes uneven use of resources, receipts of money and sales of products throughout the year.

5. The possibility of diversifying livestock products is very limited. Despite the fact that technical progress in this industry is accompanied by the breeding of more and more perfect breeds of animals, the possibilities for a fundamental expansion of the range of products produced remain very limited.

6. Due to the fact that the product is standardized, there are a large number of manufacturers of homogeneous products on the market. Accordingly, even large producers cannot have a significant impact on market prices.

The concept of "management efficiency" is broader in meaning than the economic efficiency of management, since it includes not only economic, but also social, political effect, etc.

Methodologically, the effectiveness of management is assessed as a result of the functioning of the current system on the basis of appropriate recommendations, standards, data of best practices, or as the effectiveness of improving the management system.

Improving the efficiency of livestock products to a decisive extent depends on the development of economic relations between producers in the following processes: provision of material and technical resources; formation of fixed assets and their use; modernization of production, transportation, storage, sale of processed products; functioning of the spheres of scientific support and services. At the same time, the economic mechanism of management is based on the interests of commodity producers to sell products on the market through prices, loans, subsidies, taxes, insurance.

The importance of improving economic management methods associated with market relations of commodity producers in animal husbandry is obvious. In this industry, with the development of specialization and concentration of production, the activation of innovative processes, qualitatively new forms of production and economic relations have developed and continue to form, both between agricultural organizations of all forms of management and other structures of the agro-industrial complex. Rationalization of these relations creates conditions for the modernization of production, growth of labor productivity.

The development of the economic management mechanism in the current conditions should be aimed at:

- the formation of effective economic instruments in the field of pricing, lending, taxation and subsidies, contributing to the maintenance of expanded reproduction;
- reduction in the cost of energy carriers, fuels and lubricants;
- mobilization of production reserves based on the development of self-supporting relations.

The pricing policy for livestock products should be aimed at solving the following main tasks:

- formation of equivalent relations between agricultural producers involved in the production of livestock products and processing organizations;
- economic stimulation of the development of animal husbandry for self-sufficiency of the population with livestock products (meat, milk);
- reducing the negative impact on the development of animal husbandry of the processing and logistics spheres;
- subsidies and other forms of support for the industry, ensuring sufficient profitability for the modernization of production;
- provision of conditions for the activation of innovation and investment processes aimed at increasing competitiveness.

It follows from this that the basic principles of pricing should include:

- optimization of state influence on the formation of prices through their regulation;
- the formation of equilibrium prices under the influence of supply and demand;
- ensuring the level of profit of producers of livestock products, sufficient to activate innovation and investment processes;

- the formation of cooperative and integration ties aimed at the development of mutually beneficial economic relations between the members of the association.

Price relations should be considered in the system of all elements of the chain from the production of livestock products to their sale, as well as the acquisition of material and technical resources, taking into account the redistribution of incomes in the distribution of dairy products.

It is necessary to provide for economically justified forms of improving the mechanism of market relations based on the optimization of the system of state regulation, aimed at the development of dairy cattle breeding.

This mechanism should include the following elements:

- interaction of state and economic management bodies on the basis of public-private partnership with a tool for influencing the markets of livestock products and forming a material and technical base;
- the relationship between the production of products, their transportation and processing, storage and sale with the solution of the problems of modernization of the material and technical base;
- state and economic instruments of state regulation and self-regulation with monitoring of financial and economic relations and marketing;
- the impact on the sale of products and the modernization of production in order to increase the efficiency of dairy farming (Fig. 1).

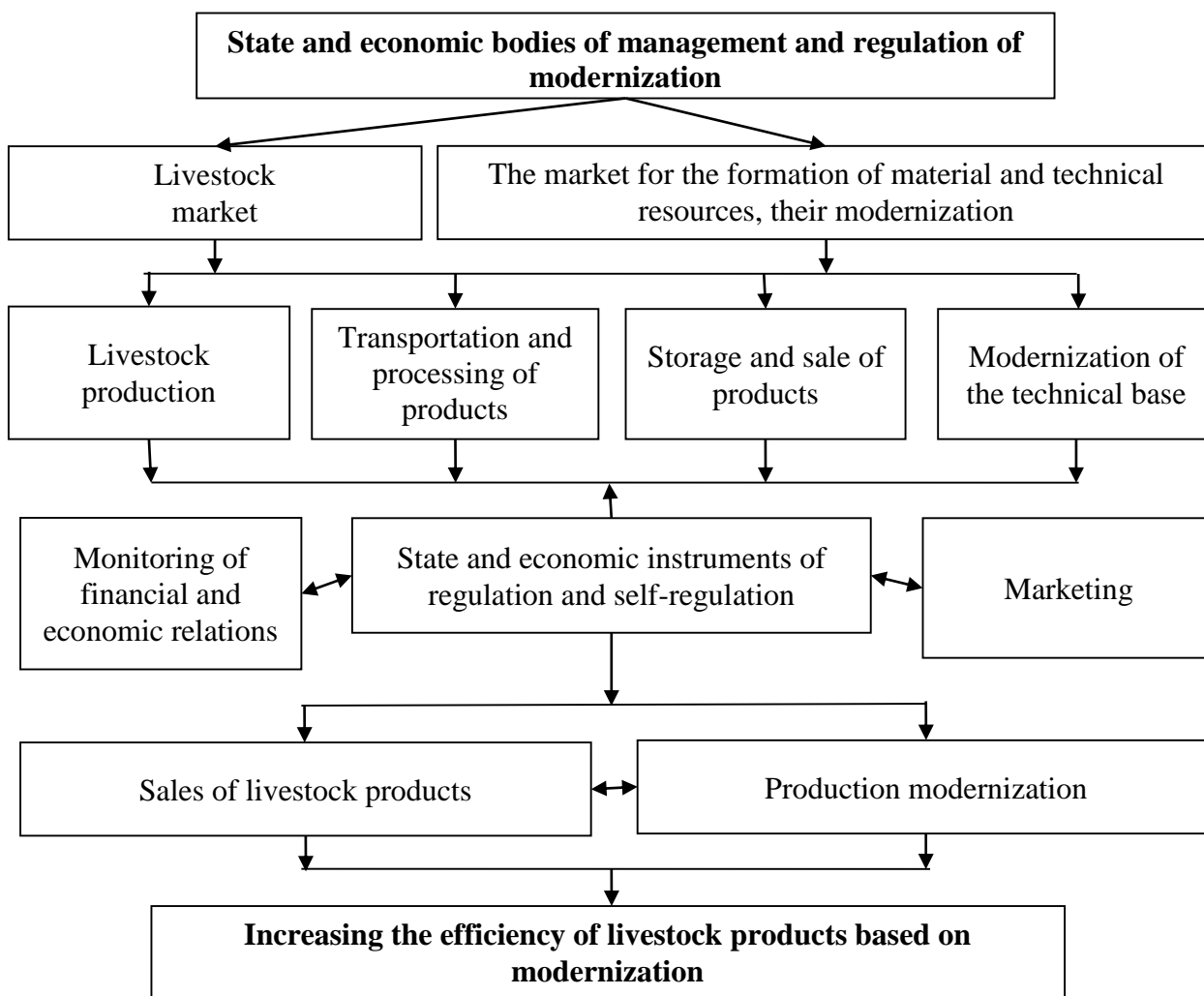


Fig. 1. The system of state regulation and self-regulation of markets for livestock products and material and technical support based on their modernization

To increase the efficiency of production of livestock products, one of the main directions is government regulation in the markets.

Therefore, it is advisable to highlight the main directions of management and regulation of financial support and support that affects the state of the market, which are combined into three groups:

- financial support for the development of production (subsidies for sold products, subsidies for pedigree products, restructuring of accounts payable, preferential interest rates on loans for the modernization of production, preferential taxation, compensation of part of insurance costs);
- market regulation (cheaper material resources during modernization, government procurement for government needs, development of cooperation and integration, marketing and information support, training and retraining of personnel, customs and tariff regulation);
- regulatory support (stimulation of production, regulation of market relations, antimonopoly activities, social development of the village) (Fig. 1).

Also, at the present time, it is important to enhance the role of economic management through the development of cost accounting, aimed at finding internal reserves. Economic relations in a team are manifested through material interests. As a method of management, cost accounting should be based on the mechanism of relations and based on the use of interests inherent in any group.

Large-scale measures were taken to increase production volumes to saturate the domestic market with food products.

The consistent implementation of measures for the development of personal subsidiary, dekhkan and farms, as well as the systemic state support provided, contributed to a significant increase in the livestock population in personal subsidiary and dekhkan farms, saturation of the domestic consumer market with livestock products and the achievement of positive results in the livestock industry.

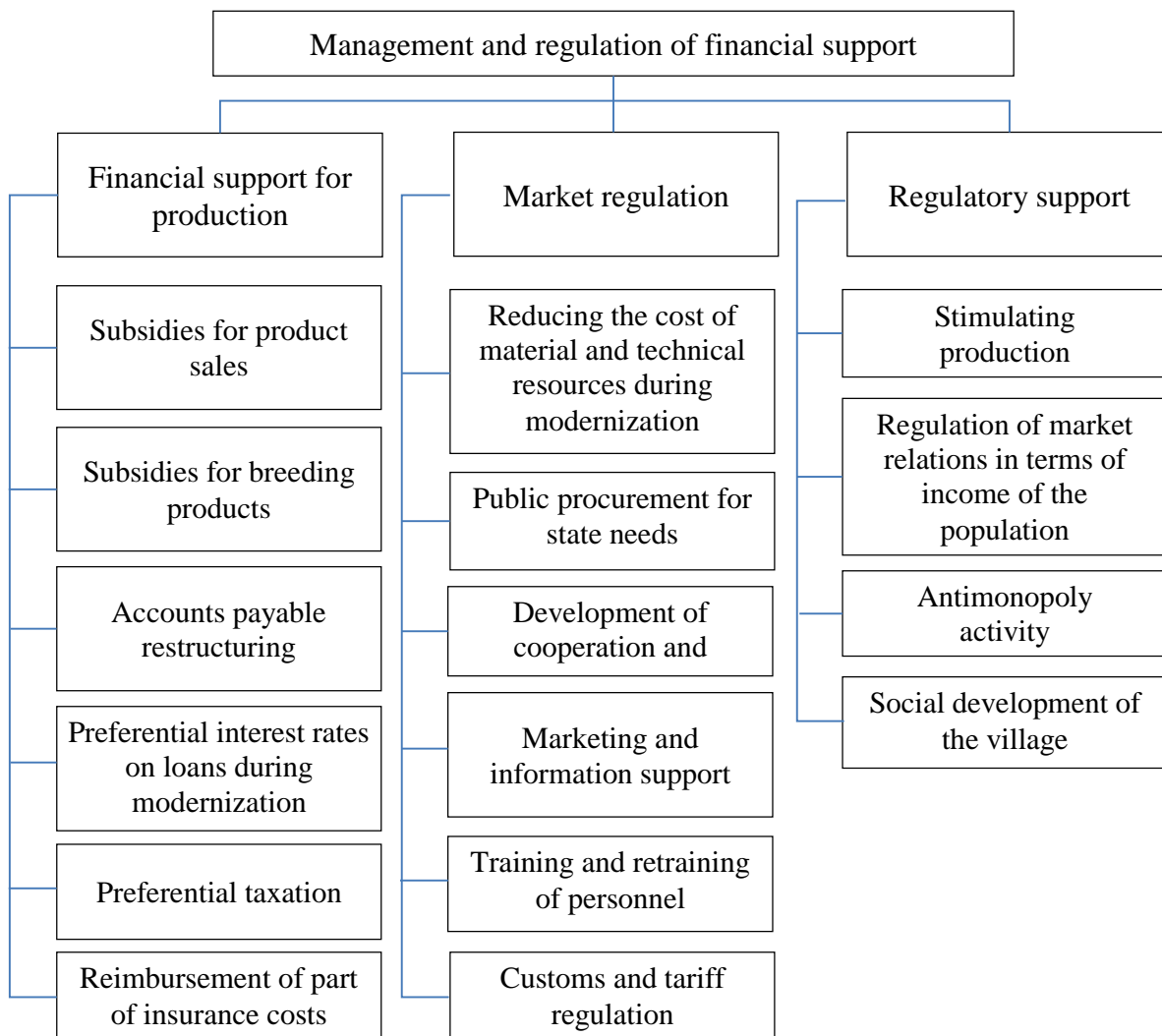


Fig. 2. Management and regulation of state support for livestock producers

As of January 1, 2020, in all categories of farms, the number of cattle amounted to 12,968.3 thousand heads and increased over the past ten years by 61.5.9%. The number of cattle, including cows, sheep and goats, the number of poultry in all categories of farms has increased in all regions of the Republic (Table 1).

Table 1

Livestock and poultry population in the Republic of Uzbekistan ¹

Indicators	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	Ratio of 2010 to 2020,%
Cattle, thousand heads	8026,3	8510,7	9094,7	10141,3	10607,3	10994,6	11641,3	12165,3	12414,7	12814,2	12968,3	161,5
Sheep and goats, thousand heads	13523,3	14432,6	15340,9	17128,8	17717,6	18447,4	19118,8	19749,2	20680,5	21580,5	21986,0	162,4
Birds, thousand heads	29505,4	33053,0	37733,3	47485,8	52363,2	56195,0	61349,2	65758,9	71343,4	81543,4	93132,3	315,6
Horses, thousand heads	175,8	180,6	187,3	195,2	202,2	208,8	213,4	216,9	221,4	231,3	247,9	141,0
Pig, thousand heads	97,8	96,5	100,0	96,8	95,2	92,7	87,8	87,8	85,5	75,2	58,8	60,1

Table 2

Production of the main types of livestock products in Uzbekistan in 2009–2019²

Indicators	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	Ratio of 2009 to 2020,%
Meat (live weight), thousand tons	1288,0	1367,8	1461,4	1564,2	1672,9	1787,8	1906,5	2033,4	2171,8	2281,1	2465,0	191,3
Milk, thousand tons	5426,3	5802,5	6169,0	6766,2	7310,9	7885,5	8432,8	9027,8	9703,3	10083,2	10710,8	197,3
Eggs, mln.	2431,5	2760,8	3061,2	3441,7	3873,7	4388,1	4950,0	5535,4	6111,7	6605,5	7757,4	319,0
Wool, tons	23,8	25,0	26,5	28,7	31,1	32,5	34,4	34,7	37,1	37,1	35,4	148,7
Karakul skins, thousand pieces	897,0	897,4	934,9	1022,4	1116,9	1062,1	1061,3	1032,0	1058,2	1089,7	1173,8	130,8

¹Agriculture of Uzbekistan. Statistical collection. - T.: State Committee of the Republic of Uzbekistan on Statistics, 2016, 2017, 2018, 2019, 2020.²Agriculture of Uzbekistan. Statistical collection. - T.: State Committee of the Republic of Uzbekistan on Statistics, 2016, 2017, 2018, 2019.

Analyzing the data on the number of cattle by categories of farms as of January 1, 2020, it should be noted that 5.3% of cattle fall on farms, 93.4% - on dekhkan (personal subsidiary) farms, 1.3% - to organizations engaged in agricultural activities. Accordingly, of the total number of sheep and goats, farms account for 11.9%, dekhkan (personal subsidiary) farms - 83.2%, organizations engaged in agricultural activities - 4.9%, as well as of the total number of birds on farm farms account for 13.2%, dekhkan (personal subsidiary) farms - 55.9%, organizations engaged in agricultural activities - 30.9%.

The growth in the production of the main livestock products - meat and milk - is of great socio-economic importance for the development of society, since it belongs to the group of basic food products, in addition, it is the source of a significant part of the family income of rural residents, and with the successful development of the industry, it is also an export-oriented product. ...

Data on production in the livestock sector by farm category are presented in Table. 2.

In 2019, all categories of farms produced 2,465.0 thousand tons of meat in live weight, which is 91.3% more than in 2009, 10710.8 thousand tons of milk (97.3% more), 7757 , 4 million pcs. eggs (by 319.0%), 1173.8 thousand pieces of karakul skins (by 30.8%). (Table 2).

Sheep and goat breeding is more widespread in the Kashkadarya, Navoi, Samarkand and Surkhandarya regions.

Stable growth in the production and consumption of meat, milk and eggs is associated with both an increase in household income and an increase in supply, including thanks to government support for the livestock sector.

It is also necessary to train and send to work in the village workers of services for the dissemination of advanced knowledge and experience, specialists in the field of animal husbandry, who will train and encourage farmers to adopt improved production practices in order to increase milk yield and income. The simultaneous creation of two distributed networks - a network of service stations and centers for the dissemination of excellence and expertise - must be implemented as soon as possible to achieve improvements in the near future.

4. CONCLUSION:

Thus, of the entire system of factors influencing the increase in livestock production, the improvement of the economic mechanism of management is of key importance. The main ones include economic support for the industry, which includes the following groups of economic instruments: financial support for production; market regulation by the state; regulatory support.

In this group of tools, we consider the most important solution of the following problems in the areas:

- pricing - the establishment of a system of maximum guaranteed prices for products sold. It is necessary to limit the growth of prices for material and technical resources, agricultural machinery, fuels and lubricants and electricity;

- lending - reduction of market interest rates on loans. Restructuring of accounts payable with the inclusion of all agricultural producers;

- taxation - reduction of VAT tax rates, introduction of a preferential taxation system;

- leasing - a decrease in interest rates on contributions, an increase in the delay in payments, an increase in state support for lessees for breeding stock, machinery and equipment;

- insurance - an increase in state support, by increasing the share of budget funds in insurance payments;

- foreign trade activity - increasing customs duties and reducing quotas for imports of livestock products, taking into account the tasks of import substitution.

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