

Ways to improve strategic management in farms in Uzbekistan

¹Narinbaeva Gulnora Karimovna, ² Siddikov Zakhid Tulkunovich, ³Mirzaev Musurmon Umidullayevich,
⁴Tonkix Olga Viktorovna

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

Abstract: *In Uzbekistan, farms are one of the leading producers of agricultural products. In this regard, the article discusses ways to improve strategic management in farms in Uzbekistan, taking into account the factors affecting strategic management.*

Key Words: *strategic management, social factors, agro-industrial complex, innovation process, agriculture, stages of development.*

1. INTRODUCTION:

Strategic management involves setting goals and objectives for the organization, maintaining certain relationships between the organization and the environment that allow it to achieve its goals, match its internal capabilities and allow it to remain responsive to external requirements.

Strategic management is a purposeful activity to make and implement strategic decisions, carried out in conditions of uncertainty and instability of the external environment, focused on its labor, financial, production resources.

The purpose of the strategic management of the farm is to ensure a coordinated and adequate to the state of the external and internal environment of a set of actions, which allows for ongoing progress towards achieving the goal.

The priority goals of farming within the framework of strategic management are:

- strengthening positions in the agro-industrial complex market, including through diversification of production, development of new markets;
- improvement of the general financial and economic situation, which is achieved not only through an increase in production volumes, but also by a saving mode, maneuvering its assets, streamlining financial settlements and a number of other actions;
- gaining a high business reputation, for which it is necessary to carry out an impeccable internal organizational policy, putting forward as unconditional priorities the timely execution of concluded contracts, honesty in calculations, a high level of quality of goods and services;
- ensuring high reliability in production and economic activities by creating capacity and resource reserves, insurance reserve funds, a developed system of risk insurance.

2. LITERATURE REVIEW:

A number of scientific works are devoted to the study of issues of assessing the size and efficiency of using the production potential of agriculture, as well as ways to improve strategic management in farms Andreychuk V.G., Bazarova M.K., Burobkina I.N., Vasilenko Yu., Gryadova S.I., Zelepukhina A., Zinchenko A.P., Kuznetsova V.I., Nikiforova P.V., Pastukhova A.K., Saifulina PC, Svobodina V.A., Sergeeva S.S., Surkova I.M., Chebotareva AA, Shaikina V.V., Sheremet A.D., Shuklinoy Z.N., Khamrogulov R .Kh., Yusupov Yu.B., Khakimov R. et al.

3. MATERIALS AND METHODS:

Operational management, strategic planning, enterprise policy are components of strategic management, and not its derivatives (Table 1).

Table 1
Components of strategic management

| Components | Value |
|------------------------|--|
| Operational management | Operational management is designed to ensure fast and accurate execution of tasks, aimed at daily, systematic management of labor collectives |
| Strategic planning | Strategic planning tends to lead people to think about the future. This is especially important, since many enterprises are focused on internal factors, focused on short-term results. Strategic planning evaluates an enterprise in the long term, in terms of survival and development. One of the benefits of strategic planning is to ensure efficiency and growth over the long term |
| Enterprise policy | The policy is designed to orient the decision-making process in the direction necessary for the strategy. It resolves controversial issues and gives a unified structure to plans, giving managers the opportunity to delegate authority, while maintaining control in their hands |

Strategic farm management has its own characteristics. Factors affecting strategic farm management are listed in table. 2.

Table 2
Factors Influencing Strategic Farm Management

| Factor | Factor influence |
|--|---|
| Natural and climatic conditions | The natural environment directly affects the activities of producers, and not indirectly, as for industrial enterprises |
| Territorial dispersal of production | Untimely adjustment of the selected strategies at all management levels, delay in making operational decisions |
| Seasonality | Implementation of the selected strategies by agricultural producers is associated with a high level of risk |
| Limited diversification of agricultural products | Disparity of prices for agricultural products and industrial products for agriculture |

In the practice of the functioning of modern organizations, various approaches to organizing strategic management and assessing the effectiveness of its implementation are used. The choice of each of them is determined by:

- awareness by the leadership of the need for strategic management;
- the size of the organization;
- the degree of complexity, viscosity and uncertainty of the external environment;
- the level of preparedness of the management to link strategic and operational management;
- the ability to establish links between the evaluated factors;
- the level of automation of the control process, etc.

In 2018-2021, farms will be gradually transformed into diversified farms. By October 1, 2018, a complete inventory of all sown areas of dekhkan farms and owners of household plots should be carried out and their single register should be formed.

From January 1, 2022, land lease agreements with farms that have not mastered diversified activities will be terminated.

The government was instructed to prepare decrees on the development of animal husbandry, poultry farming, fish farming, horticulture, beekeeping and other areas of agriculture, as well as increasing the efficiency of farms.

In addition, a "program of comprehensive measures should be approved for the widespread introduction of market infrastructures, innovations, scientific achievements and modern information and communication

technologies while increasing the efficiency and profitability of agriculture, especially when mechanizing cotton picking, as well as further improving labor relations in the field."

In January-December 2019, the share of agriculture, forestry and fisheries in the structure of GDP (GVA) was 28.1%. The contribution of this industry to GDP growth as a whole reached 0.7 percentage points. As of January 1, 2020, the number of farms amounted to 92.6 thousand units, dehqan (personal subsidiary) farms - 5.0 million units, organizations engaged in agricultural activities - 27.6 thousand units. Of the total number of farms in the direction of cotton growing and grain growing, they amounted to 40 thousand units, horticulture and viticulture - 31 thousand units, livestock - 14.8 thousand units, vegetable growing and melon growing - 5 thousand units, and other areas - 1.8 thousand units.

Due to the rational use of land, water, material, technical and labor resources, an increase in the level of efficiency and profitability of farms has been ensured. All this serves to increase the incomes and living standards of the population.

Table 3 shows the indicators of the share of farms in agricultural production in relation to all categories of farms.

The data indicate that the largest share of farms in the production of crop production: raw cotton - 99.5%, grain - 80.4%, grapes - 53.1%, melons - 49.6%, fruits and berries - 45.8. The smallest share is accounted for by livestock products, with the exception of karakul skins (94.5%).

In Uzbekistan, much attention is paid to the creation and development of diversified farms, which are not limited only to the cultivation of crops or livestock, but are also engaged in the in-depth processing of agricultural products and the provision of services to the rural population.

The farm as an object of management can be studied in different directions: economic and legal, systemic, organizational, process and others.

Management analysis is needed in order to provide managers with the necessary information when developing a farm strategy. Such information should not be small, but at the same time it should not be in excess. Also, the time factor plays a special role, since the information received by the time the strategy is developed or implemented may become outdated, so managers need to act promptly.

Strategic management at the state level is the target activity of the state authorities of the country on a certain range of issues in relation to regions and economic entities. Strategic management at the state level sets the framework rules for the implementation of reproductive relations, including at the regional level, but regardless of regional characteristics.

The need to consider strategic management in different aspects is due to the influence of a large number of factors on the activities of the farm. These factors include not only the level of production, profitability of products, availability of means of production, but also the preferences and capabilities of consumers, suppliers, competitors, disparity in prices for agricultural products, ineffective investment policy, insufficient subsidies, etc.

At the state level, the priorities in the development of strategic management should be:

- regulation of food markets, markets for capital goods and services for agriculture;
- stimulation of the development of production of basic types of agricultural products;
- development of the agricultural insurance system;
- subsidizing the interest rate on long-term, medium-term and short-term loans;
- subsidizing the renewal of the agricultural machinery park;
- increasing direct and indirect government support for the development of crop and livestock production;
- improving the management of the implementation of State programs for the development of agriculture;
- improving the system of taxation of agricultural producers;
- improving the system of financial recovery of agricultural organizations.

Ways to improve strategic management in farms:

- formation and improvement of the management system, taking into account the use of elements of strategic management;
- assessment of reserves for increasing the efficiency of using production resources, factors for increasing the efficiency of production and management;

Table 3
The main indicators of the activity of farms in the Republic of Uzbekistan¹

| Indicators | Unit rev. | 2014 | 2015 | 2016 | 2017 | 2018 | 2018 to 2014,% |
|--------------------------------|----------------|---------|---------|---------|---------|---------|----------------|
| Gross agricultural output | billion soums | 24662,9 | 30620,8 | 34271,1 | 43358,1 | 48675,1 | 197 |
| Total area | thousand ha | 5815,0 | 5819,7 | 5806,2 | 6207,6 | 6310,2 | 108 |
| Per farm | ha | 73,9 | 60,9 | 43,5 | 42,3 | 41,8 | 56 |
| Sown area, including | thousand ha | 3113,9 | 3129,1 | 3137,8 | 2911,4 | 2773,9 | 89 |
| Cereals | thousand ha | 1408,6 | 1423,6 | 1442,4 | 1410,7 | 1398,7 | 99 |
| Cotton | thousand ha | 1288,7 | 1285,8 | 1255,6 | 1192,1 | 1068,7 | 82 |
| Potatoes | thousand ha | 15,6 | 15,3 | 18,1 | 9,6 | 12,5 | 80 |
| Vegetables | thousand ha | 65,4 | 66,5 | 75,3 | 55,0 | 60,9 | 93 |
| Melons crops | thousand ha | 25,6 | 25,5 | 31,7 | 23,4 | 23,4 | 91 |
| Fodder crops | thousand ha | 249,0 | 251,7 | 257,7 | 178,2 | 178,6 | 71 |
| Livestock: | | | | | | | |
| Cattle | thousand heads | 539,8 | 545,2 | 557,3 | 575,8 | 634,3 | 117 |
| Including: cows | thousand heads | 186,3 | 187,2 | 187,9 | 193,9 | 210,3 | 112 |
| Sheep and goats | thousand heads | 1310,0 | 1336,6 | 1405,6 | 1518,9 | 2319,4 | 177 |
| Production of products: | | | | | | | |
| Cereals | thousand tons | 6064,5 | 6294,9 | 6487,4 | 6588,3 | 6640,4 | 109 |
| Potatoes | thousand tons | 541,6 | 554,4 | 544,0 | 429,3 | 411,6 | 76 |
| Vegetables | thousand tons | 2990,5 | 3150,7 | 3328,8 | 2995,2 | 2637,0 | 88 |
| Melons crops | thousand tons | 730,9 | 781,6 | 841,1 | 907,2 | 1013,5 | 138 |
| Meat (live weight) | thousand tons | 55,3 | 58,3 | 62,2 | 69,3 | 109,5 | 198 |
| Milk | thousand tons | 308,6 | 328,4 | 352,7 | 337,7 | 397,3 | 128 |
| Eggs | million pcs. | 543,0 | 613,6 | 656,7 | 695,3 | 1079,5 | 198 |
| Wool (in physical weight) | thousand tons | 2,7 | 2,9 | 3,0 | 2,2 | 2,8 | 103 |
| Crop yield: | | | | | | | |
| Wheat | c / ha | 47,9 | 48,2 | 47,9 | 42,2 | 41,0 | 80 |
| Potatoes | c / ha | 213,6 | 219,1 | 225,1 | 217,9 | 224,8 | 105 |
| Vegetables | c / ha | 268,3 | 271,0 | 271,1 | 253,6 | 237,1 | 88 |
| Melon | c / ha | 201,3 | 203,6 | 209,4 | 197,9 | 189,8 | 94 |

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

- forecasting the volume of production and sales of products, financial results, taking into account the conjuncture of sales markets;
- planning of production activities taking into account the optimization of the structure, production volumes and sales of products, production costs, government support, scenarios for the development of production in different weather and economic conditions;
- assessment of the economic results of strategic management.

The use of a comprehensive mechanism for the strategic management of farms at the level of the economy, the region and the state as a whole will increase the level of profitability of production and sale of agricultural products, and solve the food problem in agriculture.

4. CONCLUSION:

Thus, the creation of a strategic management system in the farm will require additional costs that will pay off in the future. The effectiveness of strategic management will be expressed in an increase in the level of profitability from the sale of crop and livestock products and indicators characterizing the effectiveness of the activities of management employees.

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