



## Analysis of Innovation and Investment in the Activities of Agricultural Industry in Achieving Financial Stability

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**Annotation:** In this article, the practice of the World Economy shows that integration processes in agricultural production cannot develop independently in ensuring innovative financial management. Given that these processes are very slow, the state should encourage these processes, including the creation of clusters, to the fullest extent possible. To do this, first of all, it is necessary to systematize the assessment indicators that ensure financial stability and determine the possible effectiveness of the creation of clusters in the territory of the Republic of Uzbekistan.

**Keywords:** agro-industry, financial stability, financial growth, investment, new technologies, agriculture, income, financial flow, financial potential, innovation.

### **1. Introduction.**

As a result of modern changes, the implementation of innovative processes and the identification and assessment of the factors influencing them are of paramount importance in ensuring financial stability. Changes in the agricultural sector and the factors that determine them require regular monitoring. This, in turn, is necessary for the effective organization of innovations in agriculture and on this basis to develop ways to ensure and stimulate the financial stability of the agro-industrial complex, thereby radically changing the activities of agricultural entities, ensuring innovative development of enterprises.

Therefore, the fundamental view is to ensure the financial sustainability of the agro-industry, the widespread introduction of new management methods in agriculture, the extent to which these innovations are able to solve existing problems in the industry, the positive features of the cluster method and the existing farms, as well as the lack of solutions to the problems and, as a result, the expected results in the agro-industrial complex, the impact of clusters on the activities of farms and the inability of farmers to find solutions to problems that have existed for years.

This research examines the prospects for increasing the competitiveness of agriculture in the Republic of Uzbekistan through the development and improvement of clusters as an innovative form of production management in agro-industrial complexes. is the direction and mechanism of development of focused factors.

Due to the urgency of this work, which is currently characterized by a growing global competitive trend, there is a problem of finding new factors that will ensure the growth of national competitiveness of the agro-industrial complex and sustainable development of the state economy.

### **2. Literature review**

The peculiarity of agricultural production is that here the laws of nature are directly related to economic laws, because agricultural production is directly related to living things - land, plants, livestock. Here, the land is the object of labor and the main means of production, the object of management, it does not wear out, is not eaten, and if it is treated well, its productivity will be good [1].

In the process of economic development, it should be borne in mind that agriculture has always been closely linked with industry, trade and other sectors. Because the satisfaction of the country's needs for food and goods made from agricultural raw materials depends not only on the state of agriculture, but also on the harmonious development of industries. The same situation is the basis for the creation of a single, integrated system of sectors in the economy, which is subordinated to the agro-industrial complex to achieve a single end result [2].

The subject of scientific research in the vast majority of cases the problem of state regulation of agro-industrial complex. So, G.G. Faizullin state regulation agro-industrial complex is defined as a system of forms and methods state influence based on the separation of powers into public relations for the production, processing and sale of agricultural products, their production, technical and social support [3].

R.N. Krastelev as a system of legislative, legal and organizational economic measures of state influence on the markets of land, production resources, agricultural products, raw materials and food in order to achieve socially fair agricultural relations, preserve national natural wealth and ensure the country's food security [4].

One should agree with the point of view of S.N. Shishkin that one of the main goals of state regulation of the economy is rational management, by which the author proposes to understand the effective and optimal implementation of economic activities in the context of global problems facing before humanity, aimed at maximizing the satisfaction of social needs at minimum cost [5].

The concept of state regulation of agriculture formulated by M.I. Kozyr seems to be more capacious, under which the author proposes to understand firstly, the various purposeful influence of the state on the formation and activities of agricultural commercial organizations and other rural producers and the provision of appropriate state support to them; secondly, the adoption of laws and other normative acts; thirdly, the creation of a system of tasks and the definition of the functions and competence of the bodies that carry out state regulation of this industry" [6].

A.I. Kachanov formulates the features of the agro-industrial complex in conjunction with its importance for the socio-economic development of the country: "development of rural areas, including an increase in the level of employment of the rural population, the development of social infrastructure and the solution of other problems of agricultural producers" [7].

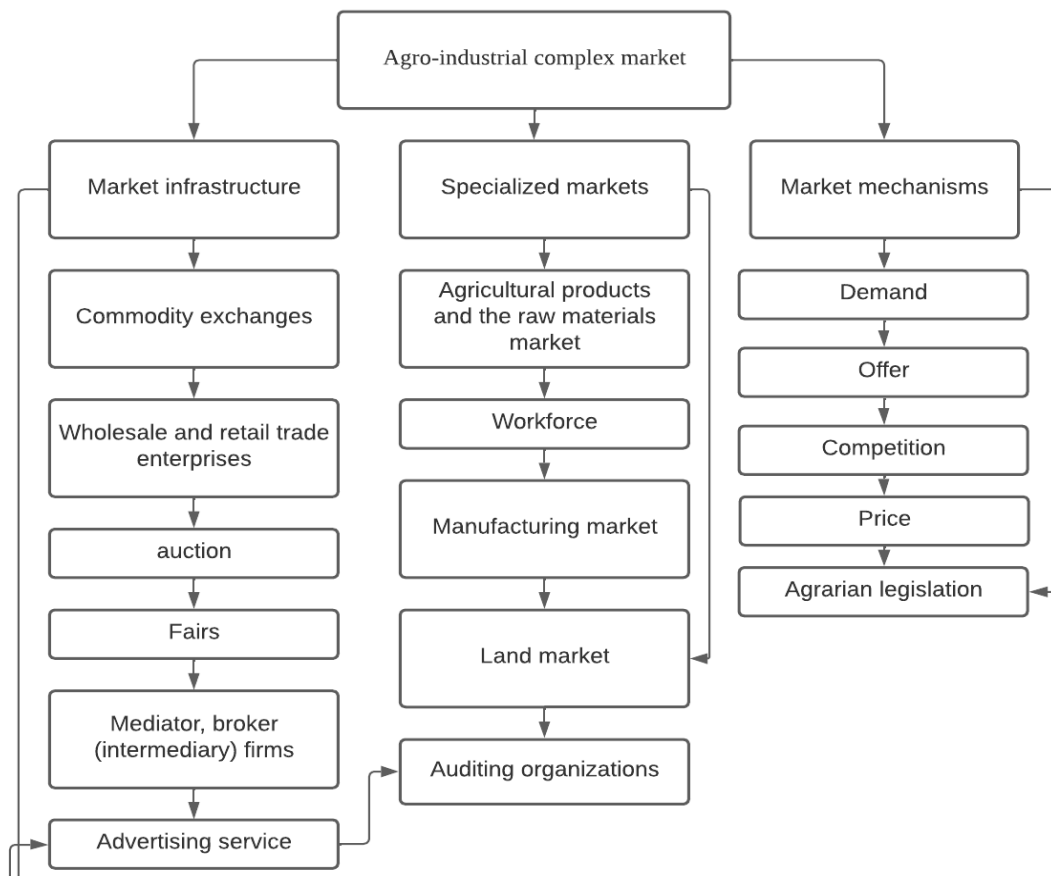
### **3. Research methodology.**

In the financial sustainability of the agro-industrial sector, economic research methods such as data collection, analysis, synthesis, and logical thinking have been widely used to attract innovation and investment.

### **4. Analysis and discussion of results.**

The development of market relations determines the composition of the market. The composition of the market depends on many factors. In particular, the form of ownership and

management methods, the number of producers and consumers, the level of price control, barriers to entry and exit, the level of development of relations, public policy, etc. shows the mystery. The structure of the agro-industrial complex market is characterized as follows.



**Figure 1. The structure of the agro-industrial complex market [8]**

In the economic literature, the mechanisms of operation of the market are distinguished by three types of markets, depending on the degree of state intervention in it. These include: underdeveloped market; free market and regulated markets. An underdeveloped market is a market in which the buying and selling process is not strongly developed, usually a simple barter process. In this market, natural barter is more common. This market is considered unsaturated. A free market is a competitive market. There are many small and large manufacturers in this market and none of them can significantly influence the price change of this product. The goods are sold freely. In practice, such markets are rare. A regulated market is one in which the state intervenes (regulates) the operation of the market through legal, economic and organizational measures. In the process of transition to market relations, the Republic of Uzbekistan follows the principle of the main initiator of the state.

In the process of transition to market relations, the Republic of Uzbekistan follows the principle of the main initiator of the state. The market of agricultural products in the country is developing rapidly. The composition of the market for agricultural raw materials and food can be expressed as follows (Table 1).

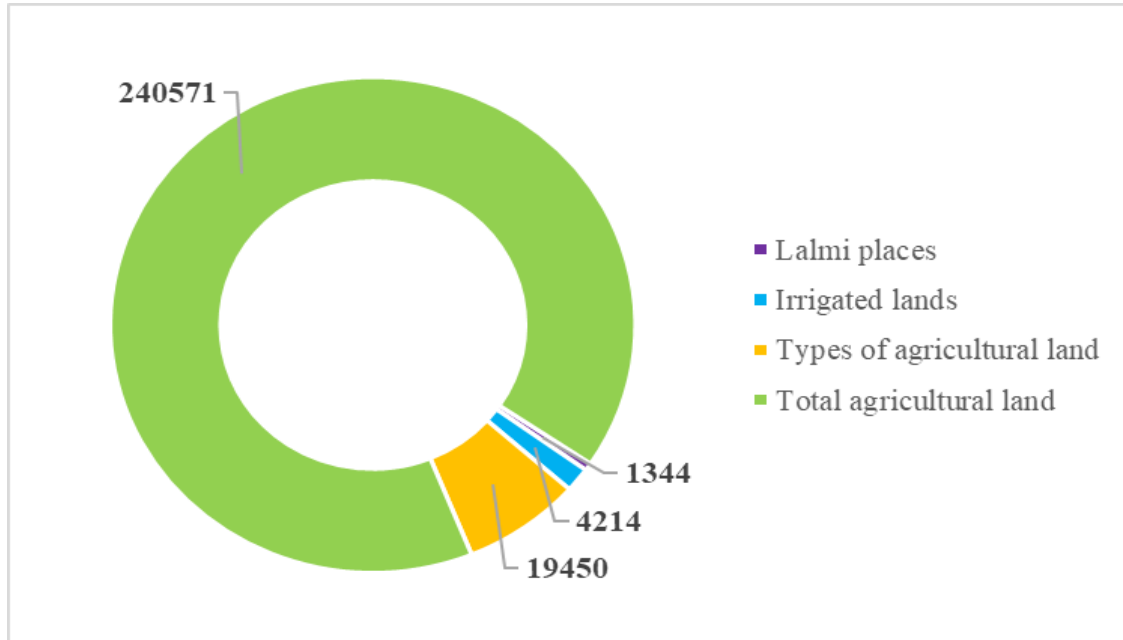
**Table 1**  
**The structure of the market for agricultural raw materials and food [9]**

AGRICULTURAL PRODUCTS AND RAW MATERIALS MARKET		
Market infrastructure	Specialized markets	Market mechanisms
Wholesale (procurement system, fairs and exchanges)	Commodity market	Demand and supply
Retail trade	Grain market	Competition
Domestic market (catering, sales to employees)	Cotton market	Price
Brokerage (brokers, commissioners, sales agents)	Tobacco market	Quota mechanism
Foreign trade organizations	Fruit market	Brand interventions
Advertising and news agencies	Vegetables and melons	The product excess buy from the market get mechanism

Development of the agro-industrial complex is one of the priorities of economic policy of any state, including the Republic of Uzbekistan. The agro-industrial complex of the Republic of Uzbekistan is a relatively well-developed sector of the economy. Its economic and social significance for the life of the country is enormous. Because this is an area that can produce great results without requiring large financial resources. The establishment and development of other industries, in turn, requires large financial and capital resources, specialized in a new field, and the availability of manpower. The agro-industrial complex is Uzbekistan

It is one of the historically existing and developed spheres of the Republic. The people of the country have been engaged in agriculture since ancient times. The population of the country is very skilled in agriculture. Natural and climatic conditions are favorable for agriculture.

The number of agricultural lands is given to determine the efficiency of agricultural production in the country (Figure 2)



**Figure 2. Number of agricultural lands in the Republic of Uzbekistan [10]**

In terms of non-perishable agricultural products, the availability of networks and services that prepare, process, store and supply them to consumers, their equipment and standardization. Depends on the power supply. At present, a large part of some agricultural products is being lost due to shortcomings in these sectors. This is due to a shortage of production resources, products is an unacceptable loss. This is due to the lack of capacity of organizations that prepare, store and process products, especially tomatoes, grapes and apples. In some cases, low utilization of available capacity can also be detrimental to the economy. For example, the meat processing industry is now one year old 5-18 percent during use. This, in turn, leads to a decrease in production efficiency and the depletion of available resources.

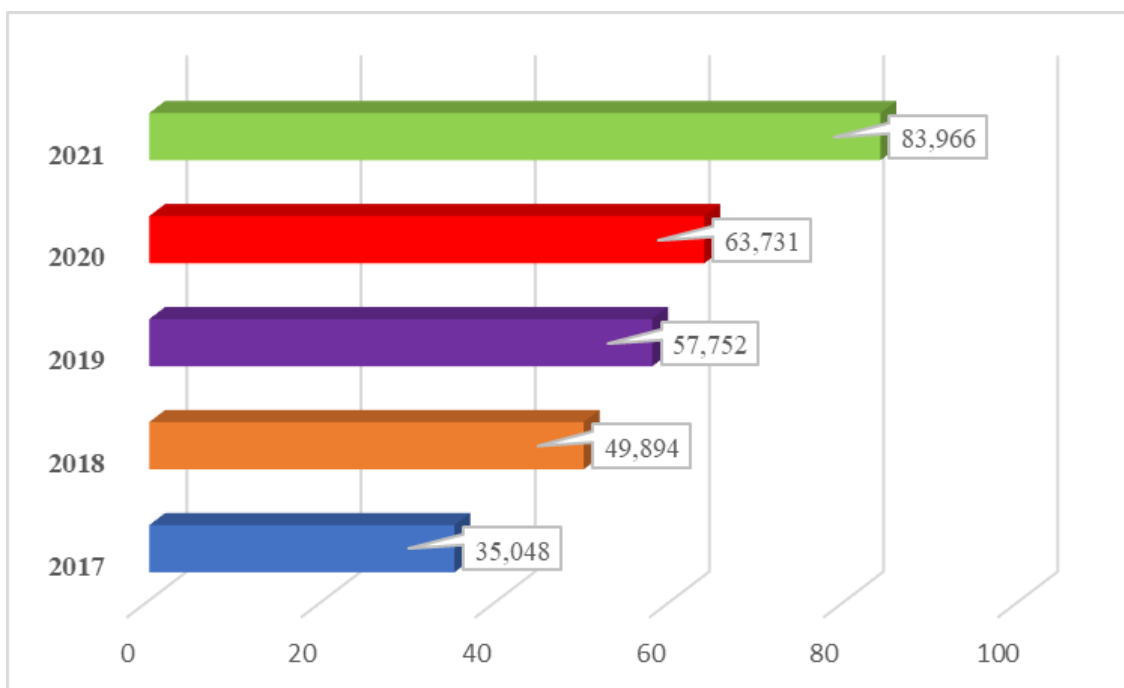
In general, the balanced development of the agro-industrial complex is very difficult, but it is impossible to ignore this issue. Solving it wisely is one of the most important tasks of economic policy.

- Further deepening of market relations, product

Increasing exports, studying and introducing the best practices of foreign countries in production, improving the skills and knowledge of personnel, improving the living conditions of workers are also important tasks of the complex.

- Improving the living standards of the population (slaves in the complex), improving living conditions in rural areas. This task is performed by the President, the government of the country special attention is paid. In the first years of independence, more than 650,000 hectares of land were distributed to the rural population in order to improve their living conditions and employment. In the Republic of Uzbekistan, 82% of households own land. In agriculture, 97% of

households have land suitable for agricultural use. In agriculture, 60 percent of household land is used for agricultural purposes.



**Figure 3. Exports of agricultural products of the Republic of Uzbekistan as of 2021 (in US dollars) [11]**

As can be seen in the picture above, the export performance of agro-industrial products has grown significantly over the past 5 years, and in 2021 the export figure will reach 83.966 million. Fell in U.S. dollars.

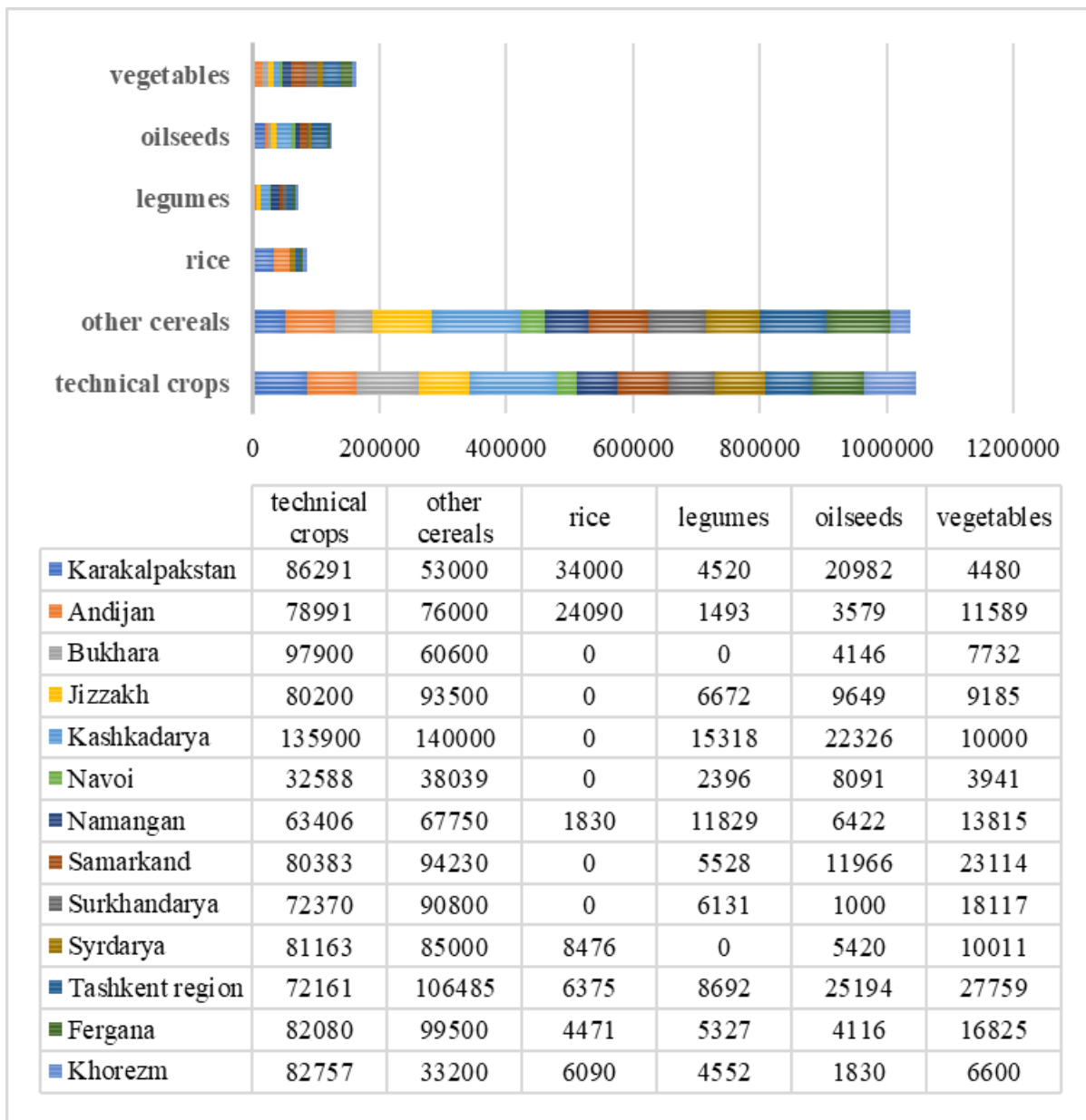
Agro-industrial integration means the transformation of agriculture into a single system with industries, or the transformation of agriculture and industry into a single organism. As a result of the development of agro-industrial integration, an agro-industrial complex will be created. Agro-industrial complex - agricultural products is a set of industries engaged in the cultivation, preparation, processing, delivery of finished products to consumers and services to the complex network. The agro-industrial complex also includes production facilities and service infrastructure. The agro-industrial complex is divided into 4 sectors. The first sector of the agro-industrial complex is the production of means of production, the second sector is agriculture, the third sector is agriculture.

The fourth sector includes infrastructure, which manufactures, processes and delivers finished products to consumers. The infrastructure itself is divided into two groups. The first group includes production infrastructure and the second group includes social infrastructure.



The level of development of the agro-industrial complex determines the level of development of the country's economy. The living standards of the population are mainly determined by the level of development of the country's agro-industrial complex.

The results of the analysis of agro-industrial products by region are given. The development of the agro-industry can have a dramatic impact on the country's export potential, as we can see in the picture below.



### Figure 4. Location of agricultural crops in the regions of the Republic of Uzbekistan as of 2021 [12]

The agro-industrial complex of the country has the following main objectives: First, to increase the production of agro-industrial complex; secondly, to improve the quality of products and their range; third, increasing labor productivity in the agro-industrial complex; fourth, to reduce the cost of agro-industrial complex products; fifth, to ensure the balanced development of the agro-industrial complex; sixth, to further deepen market relations in the agro-industrial complex. The important tasks of the agro-industrial complex are to increase exports of goods and services, to study and introduce the best practices of foreign countries in production, to improve the skills and knowledge of personnel, to improve the living conditions of workers. Achieving maximum use of the potential of the republic's agro-industrial complex is one of the priorities of the economy.

#### 5. Conclusions and suggestions.

At present, the basis for the intellectual, scientific, social, economic and spiritual development of society and the state is the consistent and harmonious development of science. The introduction of modern technologies in the manufacturing sector is also a continuation of the determined efforts to integrate this process. Of course, this is especially the case in the experience of foreign countries in solving the most complex problems. Most countries are able to reverse the recession in the economy and fill the domestic and foreign markets with competitive products. In particular, the use of intensive opportunities in agriculture, the formation of a somewhat innovative environment leads to the development of the technological level of the agricultural sector.

Today, some changes in the agrarian innovative development of the republic are not enough. One of the main reasons for this can be explained by the lack of qualified personnel. The share of agricultural enterprises engaged in active innovative activities does not exceed 0.5-0.6% of their total number. The main reasons for this are the lack of innovative projects, in some cases the lack of them, the lack of highly qualified personnel and financial resources in most farms. It is known that the increase in production in most countries of the world is mainly due to the effective use of scientific and innovative innovations.

The creation and introduction of new types of products, as well as the modernization of technological processes, employment, increasing the volume of exports, improving the quality of products are becoming a key factor in increasing production today. All this determines the competitiveness of agricultural products in the domestic and international markets, as well as the normal socio-economic situation. Therefore, the main condition for further socio-economic development of the country remains an effective innovation policy.

The second side of the problem is that the organization that finances the innovation process is a burden even when it is ready to introduce a scientific product. It is known that in order to accelerate the pace of production, agricultural enterprises are required to improve all technological processes. It should also be noted that innovation can be effective only if it is introduced in a comprehensive manner. This requires the establishment of integrated development management





in business enterprises. Managing the development of separate processes or business units does not give the expected result. To make the process look innovative:

- All sectors of the economy should be covered as a whole system;
- Strategy setting, selection of development priorities, organization of production, based on the business plan and the selected technology should provide funding for the planned methodology and further development. In this case, each enterprise will become an innovative platform for integrated adoption of scientific solutions.

The financial manager of a manufacturing enterprise must constantly seek out innovations, improve technologies, as well as focus on new methods and types of management of those involved in the production process.

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