



STATE REGULATION OF AGRICULTURAL DEVELOPMENT

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Abstract

The proposed scientific article examines state regulation of agriculture. State support may include financial assistance, subsidies for the purchase of agricultural machinery and equipment, preferential loans, tax preferences and other measures that promote agricultural enterprises to develop, modernize and increase productivity.

Keywords: agriculture, agribusiness, state regulation, agricultural products,

In the economy of any country, developed agriculture is of great importance. In developed countries, special attention is given to the agricultural sector, despite its relatively small share in the overall economic structure. The entire range of agricultural policy-including economic, technical, and investment aspects-is aimed at ensuring a competitive agro-sector. This is also achieved through the balanced development of all branches within the agricultural sector. State regulation of the agricultural sector is a complex mechanism that includes tools for influencing farmers' incomes, the structure of agricultural production, the agricultural market, the social structure of rural areas, and inter-sectoral and inter-farm relations. Its goal is to create stable economic, legal, and social conditions for the development of the agricultural sector, to meet the population's needs for high-quality food at socially acceptable prices, and to protect the environment. Thus, state regulation of the agricultural sector of the economy through comprehensive support for producers is a priority direction of agricultural policy in most developed countries. Various economic instruments are used in this process (budget payments, compensation of production costs, price support, subsidies for improving production structures, development and implementation of various programs). The application of these tools creates favorable conditions for ensuring the sustainable functioning of the



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agricultural sector and the formation of an effective social and production infrastructure in rural areas¹.

In China, state regulation of agriculture is carried out through the Ministry of Agriculture and Rural Development. It includes financial support for farmers, the development and implementation of programs to improve the productivity and quality of agricultural products, and control over the use of land and water resources. In Japan, government regulation of agriculture is carried out through the Ministry of Agriculture, Forestry and Fisheries. This includes financial support for farmers, the development and implementation of programs to increase productivity, improve product quality and safety, and support small and family farms².

In recent years, considerable efforts have been made to reform the country's agricultural sector, particularly in improving the system of public administration, broadly introducing market-based relations, strengthening the legal foundations of interactions between entities involved in the production, processing, and sale of agricultural products, attracting investments into the sector, implementing resource-saving technologies, and providing agricultural producers with modern machinery and equipment. It is worth noting that this sector accounts for a quarter of the country's gross domestic product (25.1 percent at the end of 2022). At the same time, the agricultural sector accounts for almost 24.9 percent of the employed population of the republic (as of the 3rd quarter of 2022), which is 3.5 million people³. This indicates that the role of the agricultural sector is extremely important not only in ensuring economic stability and improving the well-being of the population, but also directly depends on the reforms carried out in the industry. The priority areas for agricultural development are⁴:

- The development and implementation of state policy on food security, which includes ensuring food safety and improving consumer diets, as well as producing food products in the required quantities;

¹Momunov U.N., Matalieva N.J., Shatmanova A.S. Foreign experience of state regulation of agriculture. *Economy and Business: Theory and Practice*, vol. 11-3 (117), 2024.

²Chinazirova S.K. Foreign experience of the government regulation of the agro-industrial complex. <https://cyberleninka.ru/article/n/zarubezhnyy-opyt-gosudarstvennogo-regulirovaniya-apk-1>.

³<https://strategy.uz/index.php?news=1767>.

⁴Decree of the President of the Republic of Uzbekistan, of 23.10.2019 г. № DP-5853/



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- The creation of a favorable agribusiness climate and value-added chains, providing for the broad implementation of market principles in the procurement and sale of agricultural products, development of quality control infrastructure, stimulation of exports, and production of competitive agri-food products with high added value for target international markets;
- The introduction of mechanisms to reduce the role of the state and increase the investment attractiveness of the sector, aimed at increasing the flow of private investment capital for modernization, diversification, and sustainable growth of the agri-food sector;
- The improvement of the system for the rational use of natural resources and environmental protection, including the efficient use of land and water resources and forest resources; the development of modern management systems, involving the restructuring and further development of the state administration structure in agriculture;
- The enhancement of efficiency and gradual redistribution of public expenditures through the development of sectoral programs aimed at increasing labor productivity in farming, improving product quality, and creating high added value;
- The development of science, education, and a system of information and advisory services, including the application of effective forms of knowledge and information dissemination integrated with production, research, education, and advisory services in agriculture;
- The implementation of rural development programs to promote balanced and stable development of rural areas; the creation of a transparent sectoral statistics system, including the implementation of reliable methods for collecting, analyzing, and disseminating statistical data through the extensive use of modern information technologies.

In each country, state regulation of agriculture can be unique and adapted to the specifics of the national agricultural sector. However, the general goal of such regulation is usually to ensure the stability and development of agriculture, support farmers, ensure food security and sustainability of the agro-industrial complex. Thus, state regulation and support of the agricultural sector play an important role in



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ensuring food security, sustainable development of rural regions and economic sustainability of countries.

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