

**AGRICULTURAL POLICY: EXPERIENCES OF DEVELOPED COUNTRIES AND
OPPORTUNITIES FOR LEARNING**

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Abstract

This article analyzes agricultural policy in Uzbekistan, its role in the economy, and the theoretical foundations of state regulation. It also examines the experiences of developed countries in agricultural policy and explores practical application possibilities for Uzbekistan. Recommendations for the organization and optimization of investment processes in farm enterprises are presented. The article contributes to increasing efficiency in agriculture, strengthening food security, and supporting the sustainable development of the national economy.

Keywords

agricultural policy, agrarian sector, state regulation, investment processes, farm enterprises, developed countries' experience, practical recommendations

Agricultural policy constitutes a comprehensive system of strategic measures implemented by the state to regulate food production, agricultural markets, farm operations, and the socio-economic development of rural areas. It is primarily enacted through legislative instruments, economic mechanisms, financial incentives, tax concessions, and infrastructure support. Agricultural policy plays a pivotal role in ensuring national food security, enhancing living standards, and maintaining macroeconomic stability. In many developing economies, the agrarian sector remains a cornerstone industry, directly linked to employment, export revenues, regional development, and fiscal revenues. Consequently, the effective formulation and implementation of agricultural policy are of critical importance not only for farmers but for the broader economy.

In particular, amid global challenges such as the sustained growth in demand for food products, climate change, and water resource scarcity, the significance of sound agrarian policy has become even more pronounced.

The state employs agricultural policy to maintain market equilibrium in the sector, stabilize supply-demand imbalances, prevent sharp price fluctuations, reduce excessive dependence on imports, and provide targeted support to domestic producers. These objectives are achieved through direct and indirect financial instruments, including subsidies, concessional credits, tax incentives, and export promotion programs.

A deeper assessment of the place of agricultural policy in the economy requires attention to its multidisciplinary nature. Agricultural policy extends far beyond mere food production; it is intrinsically linked to ecology, rational use of land resources, agrotechnologies, innovations, education, human resource development, information technologies, and international trade. Consequently, agrarian policy invariably demands a comprehensive, integrated approach.

Moreover, the agrarian sector serves as a key driver of sustainable national economic growth. The affordable and stable distribution of agricultural products directly influences real household incomes, inflation levels, raw material supplies for industrial sectors, and overall macroeconomic stability. The effectiveness of agricultural policy is thus closely tied to the broader level of national economic security.

Agricultural policy constitutes a critical pillar of the economic system, with its successful implementation inextricably linked to the state's strategy for sustainable development.

The theoretical underpinnings of government regulation in agriculture stem from the distinctive characteristics of agrarian markets, including their inherent uncertainty and exposure to natural risks. Unlike markets in industry or services, agricultural markets are strongly dependent on natural factors, exhibit significant production variability over time, and often fail to guarantee efficient outcomes. These features render state intervention essential in the agricultural sector.

Theoretically, government regulation in agriculture draws from a spectrum of economic perspectives, ranging from classical and neoclassical theories (which emphasize the state's role in economic development) to Keynesian and institutional approaches.

Classical economics, exemplified by Adam Smith, posited that markets possess self-regulating mechanisms ("invisible hand"). However, numerous challenges in agriculture — such as climatic risks, crop failures, and sharp price fluctuations — demonstrate the limitations of a fully laissez-faire model, as these factors impose substantial financial risks on farmers.

Keynesian theory, in contrast, views state intervention as necessary for economic stability. In agriculture, this manifests through subsidies, guaranteed prices, government procurement, agricultural insurance, concessional credits, and infrastructure support — measures that counteract demand deficiencies and stabilize markets during downturns.

Institutional economists underscore the importance of developmental stages in agriculture, land relations, market infrastructure, farming culture, and legal institutions.

The primary tasks of government intervention include:

Ensuring food security;

Providing the population with affordable and stable supplies of products;

Protecting farmers' incomes;

Promoting rational use of land and water resources;

Introducing innovative technologies;

Supporting rural area development.

Contemporary agricultural policies worldwide rely on these theoretical foundations, employing tools such as:

Production support subsidies;

Tax incentives;

Agricultural insurance;

Credit policies;

Export-import regulation;

Agrarian market monitoring;

Land resource policies.

Global experience demonstrates that the goal is not to minimize the state's role but to ensure it remains active, efficient, and targeted. Both theoretical insights and practical evidence confirm that a well-calibrated state presence — rather than unrestricted market forces — is vital for addressing agriculture's unique vulnerabilities, fostering sustainability, and achieving broader economic objectives.

Studying the agricultural policies of developed countries holds significant importance for enhancing the efficiency of the agrarian sector. In countries such as the United States, the European Union, Japan, and South Korea, the agricultural sector is organized in distinctive ways, each grounded in a specific economic model. These models are oriented toward increasing

production efficiency, protecting farmers' incomes, introducing innovative technologies, and ensuring food security.

The agricultural policy of the United States is primarily implemented through the Farm Bill. This legislation is renewed every five years and encompasses subsidies for farmers, concessional credits, agricultural insurance, and programs for the adoption of advanced technologies. In the United States, a substantial portion of farmland is concentrated in the hands of large-scale farm enterprises, which operate on the basis of clusters. While market freedom plays an important role in the U.S. model, state support mechanisms retain strategic significance. In particular, substantial incentives are provided for agricultural products oriented toward export, which has positioned the country as one of the world's leading agro-exporters.

The Common Agricultural Policy (CAP) of the European Union is regarded as one of the most comprehensive models among the experiences of developed countries. The CAP rests on two main pillars: direct payments to farmers and rural development programs. Direct payments ensure the stability of farmers' incomes, while rural development programs are directed toward infrastructure creation, ecological sustainability, and the promotion of innovative technologies. Furthermore, the EU adheres to the principle of "green policy" in agriculture, placing considerable emphasis on organic production and environmental protection.

The models of Japan and South Korea are based on intensive technologies. Due to limited land resources, these countries have extensively developed greenhouse farming, intelligent agricultural systems, sensor technologies, and automated farming practices. South Korea's agricultural policy focuses on digitizing farmers, establishing agrotechnoparks, and incentivizing the production of export-oriented products. Japan prioritizes efficient land use, state support for small-scale farmers, and the production of high-value-added products.

The agricultural policies of developed countries offer a range of opportunities for Uzbekistan's agricultural system. In Uzbekistan, the agrarian sector constitutes one of the fundamental pillars of the economy, employing a significant portion of the population. Therefore, adapting international experience to local conditions would contribute substantially to further enhancing agricultural efficiency.

First, the practice of clustering and the establishment of large agro-industrial associations, as applied in the U.S. model, is already being effectively implemented in Uzbekistan. This approach ensures a unified technological chain from production through processing to export. At the same time, the development of the agricultural insurance system used in the United States would help increase the stability and resilience of Uzbek farmers.

From the European Union's Common Agricultural Policy (CAP), important ideas can be applied in the areas of rural development, infrastructure improvement, and ensuring ecological sustainability. For instance, the promotion of organic farming, the introduction of water-saving technologies, and support for small businesses in rural areas represent highly effective directions drawn from the EU model.

The most valuable lesson from the experience of Japan and South Korea lies in innovative agrotechnologies and digitalization. In Uzbekistan, the widespread adoption of agrodrones, sensor-based irrigation systems, intelligent greenhouses, and digital monitoring platforms could multiply yields several times over. These features are particularly critical in conditions of limited water resources.

At the same time, foreign experience cannot and should not be directly transplanted to local conditions. Each country has its own distinct climate, land resources, economic environment, and demographic profile. Therefore, the most appropriate path for Uzbekistan is to create a hybrid

system that adapts international models to local realities. Such an approach would not only raise efficiency but also ensure the long-term sustainability of national agricultural policy.

Overall, studying international experience provides Uzbekistan's agrarian sector with opportunities to identify innovative solutions, strengthen market competitiveness, increase farmers' incomes, and reinforce food security.

In the next stage of development of Uzbekistan's agrarian sector, practical recommendations developed on the basis of foreign experience will hold considerable importance. At present, large-scale efforts are underway in the country to reform agriculture, optimize the management of land and water resources, and expand the capabilities of farmers.

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