

## THE ESSENCE AND OBJECTIVE NECESSITY OF THE FORMATION OF THE MARKET OF MATERIAL AND TECHNICAL RESOURCES IN A MARKET ECONOMY

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**Abstract:** The establishment of market relations in agriculture requires the development of the system of material and technical resources on the basis of market principles. Weak financial situation of agricultural enterprises, weakening of economic relations with the manufacturer of equipment, transport costs, transit, high customs duties, devaluation of money, imbalances between prices for agricultural and industrial products and a number of other factors.

Under the influence of a number of factors, agricultural enterprises are not provided with material and technical resources at the level of demand. There is still a state monopoly in this area, a healthy competitive environment has not been formed, insufficient attention is paid to the establishment of non-governmental enterprises, investment in the sector is not in demand, which is a major obstacle to the formation of a free market.

As a result of the lack of a free market for material and technical resources in the country, farms do not have the opportunity to purchase the required type of resource at any place and at any price. As a result, the lack of one type of resource also has a negative impact on the efficiency of using other types.

Also, the leasing system, introduced as an alternative form of meeting the demand of farms for material and technical resources, is developing slowly, there are a number of problems, staffing of the supply system is not at the level of demand, and economic and legal relations between farms and supply structures there are a number of shortcomings. The mechanism of state support of the logistics system remains ineffective.

**Keywords:** *regions, efficiency, austerity, agricultural production, forecast, production potential, intensification, resources, economic mechanism.*

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agricultural sector. However, to date, the return on resources remains low due to the fact that the mechanism for improving the efficiency of the use of available resources in the agricultural sector is not fully adapted to the market. Therefore, there is a need for a new approach in this regard in connection with the introduction of market mechanisms.

At the same time, the lack of a long-term strategy for agricultural development hinders the efficient use of land and water resources, attracts large-scale investment in the sector, high incomes of producers and increase the competitiveness of products.

In agriculture, as a result of declining crop yields and, conversely, rising costs, production results end in losses on most farms. The rapid increase in the share of a number of resources, in particular, mineral fertilizers, fuels and lubricants, technical costs, leads to an increase in the cost of production. Therefore, the issue of rational use of resources in the cultivation of products is of great importance.

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Agriculture, now the leading sector of the national economy, is entering a phase of large-scale economic liberalization. Liberalization of the economy in agriculture includes ensuring the economic freedom of agricultural producers of various forms of ownership and management, freedom of land and water relations, freedom of use of resources in agriculture, freedom of sale of products and others.

As a result of consistent reforms implemented during the years of independence, the decline in production in the industry has not been allowed. The structure of agricultural crops has been improved. Meeting the needs of the population in food products, mainly domestically grown products, has been selected as a priority. The grain independence program has been successfully implemented, and in addition to being sufficient to meet the population's demand for grain products, the volume of exports has also increased. Imports of some types of agricultural products have been reduced.

It is known that agricultural products are produced through the efficient use of resources. The main ones are land resources, material and technical resources, labor and financial resources.

It should be noted that today the supply and effective use of material and technical resources, including mineral fertilizers, fuels and lubricants, equipment and other resources in agriculture of the country is not at the required level. To overcome this situation, firstly, it is necessary to improve the system of providing agricultural enterprises of different forms of ownership with material and technical resources on the basis of market laws, and secondly, to develop a mechanism of interest of economic entities in efficient and economical use of available resources. Currently, there are many cases of misuse of mineral fertilizers, fuels and lubricants. This indicates that the ownership of the resources at their disposal, the products they grow, and the interest in the end result are not fully formed. Possession of resources, their rational use in many ways determines the efficiency of production.

The term resource is derived from the French word "resource", which means source. In economics, resources are understood as the real flow and reserve of all the technological factors used in social production.

In most literatures, resources are classified according to the following characteristics: origin; attitude to production; nature of use; by the method of reproduction. Natural and economic resources by origin are classified into operating and potential resources according to the production relationship, production and non-production resources according to the nature of use, and renewable and non-renewable resources according to the method of reproduction [2.1.1, 87-88]. Scientific literature published in recent years provides a classification of resources into both renewable and non-renewable resources.

<sup>1</sup> National Database of Legislation, 24.10.2019, No. 06/19/5853/3955

Material and technical resources are one of the important factors in increasing the efficiency of agricultural production. This is because the cost of purchasing and using resources plays a major role in the production process. It is expedient to classify material resources into resources that are directly involved in production and those that are indirectly involved in production. Resources that are directly involved in production are referred to as resources that are directly involved in the production process of an agricultural product. These include: machine-tractor fleet buildings, structures, tractors, combines, agricultural machinery, vehicles, production and household inventory, mineral and organic fertilizers, perennial trees, fodder, seeds, fuels, electricity, etc.

Material resources that are indirectly involved in production include resources that participate as an auxiliary tool in the production of a product. Examples include leisure facilities, storage facilities, public catering facilities, housing, medical, educational and cultural resources necessary for the social development of the population.

Material resources that are indirectly involved in production do not significantly affect the cost of agricultural products and the formation of profits.

In the effective use of material and technical resources in agricultural production, it is important to determine their characteristics. This is because the use of material and technical resources in the industry differs from other industries by a number of features. They are widely described in the scientific works of a number of agrarian economists, in particular, RH Husanov, OP Umurzakov, QA Choriev, K. Ubaydullaev and a number of other scientists. However, based on the requirements of today's economic liberalization and the conditions of a multi-sectoral economy, these features are systematized as follows (Figure 1).

#### Peculiarities of material and technical resources of agriculture

Peculiarities of material and technical resources of agriculture	
→	Seasonality of use of material and technical resources
→	Direct and indirect impact of biological processes in agriculture on the efficiency of use of material and technical resources
→	of agricultural crops
→	Effective use of material and technical resources depends on natural and climatic conditions
→	
→	The efficiency of material and technical resources is inextricably linked with the efficiency of other sectors of the agro-industrial complex
	It is mainly used in small-scale enterprises, which causes problems in the efficient use of resources, and so on



**Source: Based on the author's research. Figure 1.**

These include:

- seasonality of use of material and technical resources;
- direct and indirect impact of biological processes in agriculture on the efficiency of use of material and technical resources;
- variability depending on the size and types of material resources, regions and the composition of agricultural crops;
- effective use of material and technical resources depends on natural and climatic conditions;
- Return of spent resources once a year as a product;
- The efficiency of material and technical resources is inextricably linked with the efficiency of other sectors of the agro-industrial complex;
- mainly in the context of small enterprises, which causes problems in the efficient use of resources, etc.

It is important to take into account these features in the correct and timely provision of agricultural material and technical resources, increase the efficiency of their use, the development of resource provision measures. For example, taking into account the seasonal nature of material and technical resources allows timely supply of production processes with resources during the season. Knowing the amount of resources across regions of the country requires their accurate and specialized distribution.

Today, our country has a huge production potential, which includes a fleet of high-powered tractors and cars, large plants for the production of agricultural machinery, mineral fertilizers, fuels and lubricants, energy resources and multidisciplinary service infrastructure.

Today's task is to develop such production links in accordance with the laws of the market, to link them closely on the basis of self-government. The economic reforms that have taken place have led to significant changes in the system of material and technical resources, as in all spheres. At present, there are local dealer centers of agricultural machinery plants, spare parts stores, mineral fertilizer sales outlets and other supply of material and technical resources. But it should be noted that many of them maintain a monopoly position.

In order to create a real competitive environment in the material and technical market, the number of enterprises producing high quality material resources must be sufficient.

The objective necessity of developing the market of material and technical resources in the agricultural sector in the context of economic liberalization is:

first, price liberalization, the price imbalance between the prices of agricultural products and industrial products, has a negative impact on the financial performance of farms. In addition, the import of certain types of material resources leads to a high cost of production. The emergence of real demand and supply in the market of material resources will be an important factor in their reduction;

second, enterprises that provide basic material and technical resources maintain their monopoly position. Therefore, the establishment of similar and equally strong networks and their state support will lead to the emergence of a competitive environment, which will ultimately lead to the establishment of real market relations;

thirdly, there is a growing number of independent entities, such as companies, farms and dehqan farms, which seek to meet their needs for current material and technical resources in a timely and quality manner. However, the financial situation of many of them does not allow them to use any valuable material resources. Therefore, there is a need to introduce leasing, rent and mortgage in the

use of material and technical resources.

Scientists have different views on the formation of the market of material and technical resources. In particular, OP Umurzakov states: "In the formation of the market of material and technical resources, taking into account the specific factors of agriculture - the area under cultivation, the structure of agricultural crops, the type and level of specialization of agricultural enterprises, determined by natural and climatic conditions in different regions of the country It is permissible to take it "[1, p. 119].

RH Husanov's research suggests the following for the development of this type of resource market, including: liberalization of the system of resource supply of agricultural producers, ie the abandonment of the order of centralized resource allocation; creating a healthy competitive environment between organizations and enterprises that supply resources to agriculture; to train agricultural commodity producers to operate on the principle of efficient and rational use of resources, not to save resources, and so on. [2, 13].

In our opinion, in today's conditions of development of market relations and liberalization of the economy, it is necessary to fully liberalize the market of material and technical resources in agriculture and increase the share of the private sector, with priority development of non-traditional types of material resources. In our opinion, the market of material and technical resources in agriculture today should have the following appearance. (Figure 2).

In the context of economic liberalization, the system of material and technical resources of agriculture should be completely decentralized, the system of logistics should be improved on the basis of healthy competition, in which market entities should be classified as follows:

- a) market of mineral fertilizers and chemicals:
  - plants for the production of mineral fertilizers and chemicals;
  - dealer centers of factories;
  - private supply companies;
  - Farmers' Cooperative for Supply;
  - agroconsorts;
  - Commodity exchanges and auctions;
  - distribution enterprises of external suppliers, etc.
- b) market of seeds and planting materials:
  - Scientific institutions on seed and selection and their experimental farms;
  - seed farms;
  - seed stations;
  - private supply companies;
  - seed associations;
  - Farmers' Cooperative for Supply;
  - Commodity exchanges and auctions;
  - system of wholesale and retail markets;
  - Joint ventures on seed production, etc.
- c) market of equipment and spare parts:
  - Factories for the production of equipment and spare parts;
  - dealer centers of factories;
  - Secondary market of equipment;
  - Rental and rental of equipment;
  - leasing companies;
  - holding companies;
  - private supply companies;
  - Farmers' cooperative for the joint use of supplies and equipment, etc.
- g) fuel and lubricants market:

- plants for the production of fuels and lubricants;
- dealer centers of factories;
- private supply companies;
- Farmers' Cooperative for Supply;
- agroconsorts;
- commodity exchanges and auctions, etc.
- d) pedigree and productive animals and the food market:
  - breeding farms;
  - breeding stations;
  - feed mills and their local branches;
  - private supply companies;
  - Farmers' Cooperative for Supply;
  - system of wholesale and retail markets;
  - Joint ventures on breeding, etc.

To develop the market of material and technical resources in the country, it is necessary to solve the following tasks:

- Development of theoretical and methodological bases of formation and development of the market of material and technical resources for agriculture;
- study of the experience and mechanisms of state regulation of the market of material and technical resources in our country and abroad, as well as their widespread use in accordance with the conditions of the republic;
- study of the development trends of the market of material and technical resources in the country, based on its results to determine the priority areas of development of this sector;
- Analysis of the current state of the regional market of material and technical resources for agriculture and substantiation of a set of organizational and economic measures to improve its structure, organizational forms and mechanisms of operation;
- Development of a model and proposals for monitoring the stability of financial and economic activities of logistics enterprises;
- development of proposals and recommendations to increase the competitiveness of logistics enterprises;
- development of recommendations for improving domestic economic relations in logistics enterprises;
- Development of a mechanism for the establishment of enterprises and organizations to provide resources of various forms of ownership in order to create a truly healthy competitive environment in the market of material and technical resources;
- improvement of economic, organizational and legal relations between enterprises providing material and technical resources and agricultural producers;
- Wide introduction of leasing relations, which are important supports in the formation of the market of material and technical resources, lease of material resources, development of mechanisms for mortgage (mortgage of real estate) in agriculture, rental of equipment, joint ownership and improvement of cooperation;
- Improving the tax system in the use of material and technical resources;
- Attracting and effective use of foreign investment in the provision of material and technical resources;
- Development of professional development programs for staff working in the system of material and technical resources, etc.

In the context of economic liberalization, the development and implementation of programs in specific areas in the development of the market of material and technical resources is not effective enough, all of the above areas as a whole system must be developed and constantly improved.

### References

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