

Organization of Production of Walnuts in an Industrial Volumes

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Abstract: *In order to form and adapt the innovative activities of enterprises on the cluster model and adapt to new conditions, it is necessary to develop the relationship of group members, taking into account the interests of participants, relying on modern corporate governance mechanisms within the cluster, improving internal and external regulations. It is necessary to develop mechanisms for local authorities to have the necessary beneficial impact on the innovative activities of enterprises participating in the cluster and to identify ways to implement them in the context of the region.*

Keywords: Walnut production, cooperation, walnut clusters, world and internal walnut markets, walnut trade, efficiency.

Introduction

In the current era of globalization, ensuring the quality and safety of food products is becoming increasingly important. The creation of a solid organizational and legal framework for the consistent implementation of measures in this direction in Uzbekistan is an important factor in ensuring a healthy and prosperous life of citizens.

In recent years, the Government of the Republic has carried out a number of positive steps to develop all sectors of agriculture, including storage and processing. In particular, the Resolution of the President of the Republic of Uzbekistan Mirziyoyev dated February 7, 2017 No. PF-4947 sets out specific tasks in section 3.3 of the "Strategy for further development of the Republic of Uzbekistan" on modernization and intensive development of agriculture.

At the same time, the consistent reforms carried out under the leadership of the President in all spheres of the national economy of the republic are reflected in the field of agriculture. Ensuring food security is a big issue in the intensive development of agriculture and the deepening of reforms. This requires an increase in agricultural production as a result of high yields in agriculture, timely implementation of agro-technical arrangements, modernization of agro-industry, which will allow to ensure the sustainability of food supply to the population.

Uzbek government made several decisions in order to improve the management system in the horticultural sector and greenhouses, to introduce effective state support mechanisms, establish cooperation in agriculture, increase production of high-quality, competitive and export-oriented products based on modern resource-saving technologies, accelerate the work of food industry.

It is expected to increase fruit and vegetable exports to \$ 2.5 billion by 2020 and \$ 5 billion over the next three years. To achieve this, it is necessary to choose the right crops and varieties, increase productivity and income by at least two or three times, prevent waste, store products, properly organize logistics and exports.

Nowadays, it is even more important to increase the income from walnuts by harvesting them in a timely manner and using innovative storage and processing technologies.

Product design consists in choosing the name, shape and packaging of the exported product. A product for sale has its own characteristics, depending on whether it is produced for the domestic or foreign market. For example, the design of goods for export is largely determined by the cultural and religious characteristics of the country's population. In preparation, you should pay attention to the customs, language, religion and other features of the country's population.

The quality of nuts is characterized by caloric, flavor and technological value. They depend on the chemical and mechanical composition, physical properties, appearance of the external commodity and the ability not to lose these properties during storage. The quality of nuts is also affected by the type of product, agricultural techniques, growing conditions, timing and methods of harvesting. The above figures also vary depending on the shelf life and conditions.

The areas where nuts can bear fruit are quite limited - only 7% of the planet's land area is suitable for this. Uzbekistan is one of the few countries in the world that is suitable for growing walnuts. In recent years, our country has become one of the leaders in the cultivation of walnuts.

The fact that our country rose to 8th place in the world in walnut cultivation in 2019 with an indicator of 56,116 tons indicates a significant increase in production, but means that we do not use our country's natural resources wisely. At present, our country is taking the first steps to create the conditions for creating intensive walnut groves, to achieve the development of the industry by providing farmers with the necessary recommendations, and in order to take their rightful place in world markets.

By the decree of President Shavkat Mirziyoyev dated June 1, 2017, the Association of Nut Producers and Exporters of Uzbekistan was established. The decision is aimed at encouraging the use of arable land and increasing its efficiency, increasing the production of competitive walnuts in domestic and foreign markets, the establishment of modern walnut plantations through the widespread attraction of foreign investment and the widespread introduction of science-based methods and intensive technologies.

Based on the decree, a program of arrangements to further increase the volume of walnut production in 2017-2021 was developed. It includes the following stages: 2017–2019 - import of walnut seedlings to the republic, 2018–2019 - import of walnuts for welding, 2020 - production of high-yielding varieties of walnuts in the laboratory in accordance with the natural and climatic conditions of the region, 2018– 2020 - Walnut cultivation and its sale in the domestic and foreign markets.

In Andijan, Kashkadarya, Jizzakh, Namangan, Samarkand, Surkhandarya, Tashkent and Fergana regions, it is planned to allocate land plots with a total area of up to 10,000 hectares, suitable for planting walnut seedlings.

Up to 50 million USD in preferential loans from international financial organizations will be provided for walnut plantations. Until 2020, members of the Association will be exempted from customs duties on imported equipment for drip irrigation, special agricultural machinery, walnut seedlings, scions, stocks, materials that are not produced in Uzbekistan.

According to the above decision, a total of 557 hectares of new walnut orchards were planted in Andijan region, a total of 223,000 walnut saplings were planted on 151 hectares in 2017 and 406 hectares in 2018. In Andijan region, 572,000 walnut seedlings were planted on a total of 2,397 hectares under the project to create walnut plantations in 2018-2019. As a result, 552 jobs were created.

In recent years, the gross yield of walnuts has grown significantly. This is not hindered by factors such as its artificial production or falling prices (as a wheat or other raw materials in agriculture). Demand for this product is growing as more and more people around the world are focusing on healthy and wholesome nutrition, including nuts.

According to the analysis the average annual increase in the price of unpeeled walnuts in the last decade was 8%, while that of refined ones was 10%. Even exotic products cannot show such a steady increase in price. Unfortunately, domestic producers do not benefit enough from this. In this context, the modernization of a promising sector of the economy will have to wait a long time.

Many countries in the world, which import this product from Uzbekistan, also grow large quantities of walnuts. But unlike us, it is mainly sold in the domestic market. People who are wealthy and care enough about their health are eager to buy very cheap Uzbek nuts, even if they are not of good quality.

According to the comparison of the Association of Walnut Producers and Exporters, the average annual consumption of nuts in Europe and the Gulf countries is 4.2-5.6 kg per capita, while in Uzbekistan this figure is only 1.8-2.4 kg.

To ensure rural employment on the basis of newly created cooperatives, from 1 ha to 5 ha of land will be allocated on a rental basis. 1 trillion soums will be allocated for the construction of new walnut groves in the framework of the program “Every Family is an Entrepreneur”. For example, to ensure employment for low-income families, it is planned to create 31 cooperatives in 22 districts of the Ferghana Valley, each of which will accept at least 50 unemployed people and provide them with unused land, subsidies and soft loans.

The globalization and deepening of integration processes in the world economy requires a comprehensive study of both the internal strengths and weaknesses of agribusiness, as well as its external opportunities and risks in the market. One of these opportunities is the organization of agro-industrial production on a cluster model.

The cluster model is widely used in world practice as a tool to increase the competitiveness of economic groups, regions and the country as a whole. The main features of the cluster model are: the ability of the group to increase its share in foreign markets; availability of favorable conditions (raw materials, qualified personnel, infrastructure, training centers, scientific institutions, etc.) in the area; is the breadth of opportunities for participants to participate effectively in the group in return for strong use of the group by the state

In economics, the word cluster is understood as a voluntary association of several independent companies to produce a product. In this regard, improving the quality and competitiveness of products through the efficient use of processing capacity in the specialized regions of the country is aimed at increasing foreign exchange earnings, creating new jobs and increasing incomes. At the same time, one of the urgent tasks is the establishment of industrial clusters for the processing of fruit and vegetable products in free economic zones and areas specializing in walnuts.

Widespread application of innovations in the agricultural sector, deepening the processing of raw materials grown on our land is a modern requirement. After all, the more industrialized agriculture is, the greater the economic and export potential of the state, the higher the welfare of the people. Therefore, in recent years in Uzbekistan, serious attention is paid to the creation of infrastructure based on advanced technologies, the introduction of the cluster approach in agriculture.

As for the advantages of the walnut cluster over other production structures, this is a set of enterprises united in a single technological chain, and a link uniting various segments of the population, and at the same time, an important stage in the transition to an innovative economy. The cluster plays an important role in deepening the integration of science, education and industry, the rapid introduction of new innovative technologies in practice. Because here, raw materials go through all stages of

processing and become an export-oriented finished product. Therefore, the creation of a cluster requires combining the potential of scientists and economists, agricultural workers, industry workers, designers, and best practices in one goal. Therefore, when developing a new project, it is necessary to work not only with Uzbek, but also with leading foreign scholars, research centers, specialists and entrepreneurs.

In this process, the interests of all employees are agreed. That is, all employees, from the producer of raw materials to its processors, bear equal responsibility for the quality of the product. Because, accordingly, the part of the added value that arises as a result of the sale of the final product is distributed among the workers who participate in this work. Such an incentive encourages them to work hard. The reality of life is such that if the interests of end buyers and farmers are not connected, not only the farmer or investor will lose, but also the state. All this will inevitably prove in practice that combining the interests of the people and the state, and ultimately the cluster - a arrangement of integration, innovation and economic growth.

In order to ensure food security in our country, it is necessary to pay special attention to the issue of harmonious development of agriculture and processing industry. In order to effectively address these challenges, there is a need to organize and develop industrial clusters based on the experience of developed foreign countries, ie the principles of cooperation and integration between the sectors of the agro-industrial complex.

The organizational and economic mechanisms of agro-industrial firms and the financing of their activities did not give the expected results due to lack of thought, their inconsistency with market principles and other subjective reasons. According to unofficial data from the Ministry of Agriculture, in recent time, more than 311 agro-firms have been established in the country, and the legal and regulatory framework for coordination and support of their activities has not been fully developed. Their financial and logistical situation is very unsatisfactory.

The main reason is that today in the horticulture system of the country and the regions, the organizational, economic and legal relations are not based on developed market relations. We can see this in the current structure of the fruit industry.

From a theoretical and practical point of view, one of the main directions of increasing economic efficiency at the level of sectors and enterprises in a market economy is the adherence to the principles of regional development. such an approach to the development of walnut growing is based on the results of scientific research conducted by many agrarian economists. But the research done does not meet today's requirements mainly due to the fact that it was done during the planned economy period. The law of constant socio-economic development is also observed in the process of gradual development of scientific research in the field of economic development of enterprises of the fruit and vegetable industry of the republic. In other words, the first research work on the development of agriculture on the basis of a cluster approach is being carried out, and our scientists are making initial proposals and recommendations.

According to foreign economists, in the current context of accelerated globalization of the economy and the intensification of competition, the regions and territories that form the economy on the basis of a cluster approach are leading the way in economic development. Such a region and prospects determine the level of competitiveness of the state and national economy in which they are located. Regions that do not use the cluster approach to economic development, that is, those that use the traditional approach, are failing to achieve significant results and are becoming secondary areas.

The organization of clusters in the processing industry creates a number of competitive advantages in the development of entrepreneurship and increase their competitiveness: firstly, to increase productivity of firms and industry enterprises in the cluster, secondly, increase opportunities for innovative development, thirdly expand new types of entrepreneurship and cluster activities.

World market conjuncture and favorable climatic conditions create conditions for the development of national nuts. However, the role of Uzbekistan in the production and export of high-demand products is unsustainable. This is impeded by imbalances in production and pre-sale preparation for demanding consumers.

World experience shows that a high-quality product can only be obtained from seedlings of selected varieties grown under outstanding agro-industrial conditions. At the same time, the crop must be sorted, dried, and packaged in modern forms at well-equipped enterprises. However, this sector of the economy in Uzbekistan is not yet developed. Walnut production is mainly carried out on private households, which, according to various analyzes, make up more than 80-85% of the gross harvest. The largest enterprises involved in the processing and preparation of walnuts can be counted on the fingers of one hand. This means that the production, processing, and export of most walnuts falls on the shadow market.

Insufficient organization of production based on market requirements, low control, leads to the enrichment of some categories due to the labor of small producers.

Significant progress has been made in the organizational work of the Walnut Association. The Association of Walnut Producers and Exporters has a significant impact on solving certain problems, attracting scientists and professionals to their work.

The systematic work carried out since the establishment of the Walnut Association has yielded meaningful results. The work of the Association of Walnut Producers and Exporters, such as the modernization of industry, the organization of industrial walnut groves, has begun to bear a yield. As a result of the analysis, it is planned to install walnut orchards in almost every district over the past 3 years in order to increase walnut production by 10 times.

According to the Association of Producers and Exporters of Walnuts of Uzbekistan, the area of new walnut orchards created in 2019 amounted to 10.7 thousand hectares, which is almost 3 times more than in 2015. The largest number of new coconut groves is located in Samarkand, Kashkadarya and Surkhandarya regions on an area of more than 5.9 thousand ha.

The current problems, obstacles and challenges in the field of walnut production are:

- Incomplete use of market mechanisms of cooperation between producers and processors on the placement of consumer crops and their varieties in the markets of agricultural products;
- low level of compliance with contract by small agricultural producers;
- Lack of favorable opportunities for the introduction of modern technologies in agriculture, their storage and transportation, the accumulation of financial resources for independent access of agricultural producers to foreign markets;
- High-yielding and high-quality varieties, which are in demand in the nut market, are not satisfactorily supplied with seeds and seedlings;
- Lack of adequate control over the processes of receipt, transportation and processing of raw materials and sale of finished products due to insufficient introduction of modern information and communication technologies;
- Irrational distribution of raw materials and production resources, shortcomings in the organization of logistics and engineering infrastructure lead to the stagnation of a large part of production capacity, increase in production costs due to economic losses and decrease in profitability;
- Stable dominance of production and export of semi-finished products in the enterprises of the industry, insufficient production of high value-added finished products and the formation of national brands capable of competing in world markets do not allow to increase the income of industrial enterprises.

Industrialized large walnut orchards can be organized in a cluster manner. As an example of such an approach, entrepreneurs have the experience of combining the efforts of planting and using walnuts in a cooperative, taking 2 hectares of land for agricultural entrepreneurship. Cooperation allows small producers to form large batches that serve to increase the value of the product, and they participate in all trade and economic processes of the product they grow. Thus, by reducing the activity of the shadow market, budget revenues will increase.

It is expedient to establish large industrialized walnut orchards in all regions, which can significantly change the situation for the better, and to organize them in clusters of farms, agro-firms, smallholders. The production and export of agricultural products, which are in high demand and efficiency in the world, is one of the important directions in the further development of the agricultural sector through the efficient use of land. If these cooperatives receive real mechanisms for the use of the resources given to them, it will be possible to radically improve the situation in the walnut industry.

In the transparent system of preparation and export, the newly established procurement points will play an important role. By operating in the form of a service cooperative, they will be able to form wholesale batches of products, sell them on the domestic market or export them. This will help increase the welfare of the population by creating new jobs in rural areas.

The main directions of promoting the operation of clusters in the regions are:

- In order to form and adapt the innovative activities of enterprises on the cluster model and adapt to new conditions, it is necessary to develop the relationship of group members, taking into account the interests of participants, relying on modern corporate governance mechanisms within the cluster, improving internal and external regulations;
- It is necessary to develop mechanisms for local authorities to have the necessary beneficial impact on the innovative activities of enterprises participating in the cluster and to identify ways to implement them in the context of the region;
- In order to provide the participants of the cluster with the necessary information, first of all it is necessary to create a single digital and identifiable database on effective corporate governance within this group to establish mutually beneficial business relations with the cluster participant-firm;
- In order to organize and improve the system of continuous training, retraining and advanced training of special staff for clusters, it is necessary to establish a research center that will serve the cluster system.

It will be possible to assess the effective use of natural resources and newly created technological and innovative potential based on the regulation of investment flows and the priority development of all logistics links of the cluster (including infrastructure facilities);

There will be an opportunity to provide targeted benefits to a group of enterprises that are important in the regional economy;

By strengthening the effective partnership of the private sector with the state, it will be possible to significantly increase the entrepreneurial activity of small and medium-sized businesses in the region;

Increasing the sources of taxation will be the basis for increasing the tax potential;

The ability to quickly disseminate innovation news to all enterprises of the cluster is also important for the development of innovation potential in the region. The cluster development model allows the country, the region and the group in particular to raise their competitiveness indices. As a result, the possibility of attracting foreign investment to the region will increase.

Clusters create a reliable factor in the transition of agriculture to the image of development in the form of industrial development. In conclusion, when it comes to clusters, there is a need to intensify research on the specifics of the organization of modern clusters in the field of nut production.

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