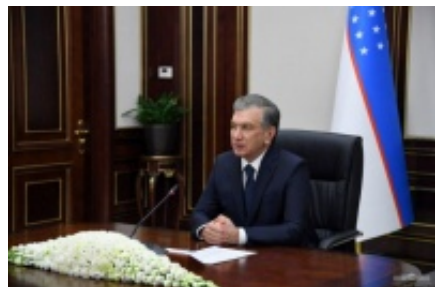


## Tasks defined for effective organization of fruit and vegetable clusters

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**On February 14, President of the Republic of Uzbekistan Shavkat Mirziyoyev held a meeting on the issues of effective organization of fruit and vegetable clusters, as well as phasing out the system of harvesting cotton and grain for state needs.**

Agriculture is an industry that is extremely important for economic development, ensuring employment and income growth. In this regard, measures are being taken to develop the agricultural sector in accordance with modern requirements based on a strategic approach.

By the Decree of the Head of the state of October 23, 2019, the Strategy for Development of Agriculture of the Republic of Uzbekistan for 2020-2030 was adopted. Specific areas for transformation of agriculture were also identified in the recent Address of the President to the Oliy Majlis.

By 2025, it is planned to increase the country's gross domestic product to 100 billion USD, and the volume of exports to 30 billion USD. Large reserves and opportunities for achieving these indicators are available in agriculture.

A cluster system is being introduced in fruit and vegetable growing and viticulture to effectively organize the export of fruit and vegetable products, relations between producers and exporters. All necessary organizational-legal conditions are created by the resolution of the Head of the state of December 11, 2019.

Priority tasks for effective organization of fruit-vegetable and viticulture clusters were discussed at the meeting.

It was noted that correct regulation of contractual relations in the sphere, specific definition of the rights, duties and responsibilities of producers, processors and exporters of products are of paramount importance.

Instructions were given regarding the placement of export-oriented crops based on cluster proposals, providing them with necessary seeds, seedlings, mineral fertilizers and fuel.

It was determined that the first deputy khokims of regions and districts are personally responsible for effective organization of clusters at places.

One of the deputy heads of the Central Bank and commercial banks will be responsible for providing fruit-vegetable clusters with working capital and timely financing of their projects.

"The main goal of organizing clusters is to increase the volume of exports. And to do this, we need to look for new markets. Without a market, there will be no exports, and the cluster system will not work. Therefore, it is necessary to constantly study the demand abroad, effectively use opportunities and ensure the steady growth of exports", said Shavkat Mirziyoyev.

Uzbekoziqovqatholding has been instructed to work individually with each export being created, analyze export contracts in depth and facilitate the conclusion of additional contracts taking into account the allocation of working capital.

Regional khokims reported on their plans to organize fruit-vegetable clusters, grow and process products in demand on the market, increase exports and expand its geography.

Issues of improving cotton clusters and phasing out the system of harvesting cotton and grain for state needs were also discussed.

In his Address to the Oliy Majlis, the President noted the need for a gradual transition to a system of purchasing cotton and grain based on market principles, abolishing the practice of state orders for procurement of these products.

Prices for tin bread, flour, wheat, cotton seeds and cottonseed oil were liberalized as the first step in this direction. Thanks to careful preparation that preceded it, there was no sharp jump in prices.

Appropriate measures have been developed to cancel the state order for cotton and grain with participation of World Bank experts.

"This year we are starting major reforms in agriculture. Khokims should thoroughly examine this issue. There is no turning back now. If we do not liberalize agriculture and increase interest, we will not achieve economic growth and efficiency", said the President.

Issues of improving the performance and financial support of clusters were thoroughly analyzed at the meeting.

The Ministries of Justice and Agriculture were instructed to streamline the activity of clusters by defining their rights and responsibilities.

It should be noted that the current system of harvesting cotton causes many financial issues among farmers and clusters. It, on the one hand, causes a lack of funds for cotton processing and production of finished products, on the other – limits the ability to pay farmers for harvested raw materials.

In this regard, the need for improving the system of cluster financing, introduction of credit for production and processing of products in clusters as a separate type of activity was noted.

It was determined that at places where cotton and textile clusters are not organized, farmers' cooperatives will be created on the basis of cotton gins.

For example, this experience has paid off in Turkey. An important feature of this system is that farmers will be interested not only in selling raw cotton, but also in products obtained from its processing (fiber, seeds, meal, husks).

Moreover, competition will be organized among cotton producers. Farmers, dehkans – land owners will benefit from competition between clusters and cooperatives.

Cancellation of the state order for procurement of cotton and grain will lead to elimination of race for the plan. From now on, khokims together with Councils of people's deputies will control the effective use of cultivated land and correct placement of crops. They will also be responsible for improving agricultural infrastructure, repairing irrigation networks, implementing water-saving technologies and efficiently spending funds and subsidies allocated for these purposes. They will take measures to provide services to dehkans, control pests and increase the level of mechanization of cotton collection.

Special attention was also paid to the issue of creating grain reserves.

It was noted that there will be a transition from mandatory sale of grain for the needs of the state to the state reserve system, and farmers will be given the right to freely sell grain. Since this issue is related to food security, the refusal of mandatory grain sales to the state is planned to be implemented in two stages.

This year, the volume of grain purchases for state needs will be reduced, that is, more than 1 million tons of grain will remain at the disposal of farmers.

And from 2021, the plan to sell grain to the state will be completely canceled, products will be sold at market prices.

The President emphasized the importance of these changes and gave appropriate instructions.

Special attention was paid to problems in allocation of land. The need was noted for eliminating cases of illegal appropriation of irrigated areas and using every inch of land in people's interests. Based on this, tasks for strengthening the responsibility of local officials were defined.

Heads of the sphere, regions and industries provided information on the discussed issues at the meeting.

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