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FOREIGN EXPERIENCE OF FINANCIAL SUPPORT OF AGRICULTURAL ENTERPRISES

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ЗАРУБЕЖНЫЙ ОПЫТ ФИНАНСОВОЙ ПОДДЕРЖКИ СЕЛЬСКОХОЗЯЙСТВЕННЫХ ПРЕДПРИЯТИЙ

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QISHLOQ XO‘JALIGI KORXONALARINI MOLIYAVIY QO‘LLAB-QUVVATLASH AMALIYOTINING XORIJ TAJRIBASI

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Annotation. This article examines the foreign experience and best practices in providing financial support to agricultural enterprises. It explores various financial mechanisms, policies, and initiatives implemented in different countries to promote the growth and sustainability of the agricultural sector. The article discusses the role of government funding, subsidies, grants, loans, and investment programs in supporting agricultural enterprises. It also analyzes the outcomes and impacts of these financial support measures on agricultural productivity, innovation, rural development, and economic growth. The article aims to provide insights and lessons that can inform policymakers and stakeholders in developing effective financial support strategies for agricultural enterprises.

Keywords: financial support, agricultural enterprises, foreign experience, government funding, subsidies grants, loans, investment programs, agricultural sector, agricultural productivity, innovation, rural development, best practices

Аннотация. В данной статье рассматривается зарубежный опыт и лучшие практики оказания финансовой поддержки сельскохозяйственным предприятиям. В ней рассматриваются различные финансовые механизмы, политика и инициативы, реализованные в разных странах для содействия росту и устойчивости сельскохозяйственного сектора. В статье рассматривается роль государственного финансирования, субсидий, грантов, кредитов и инвестиционных программ в поддержке сельскохозяйственных предприятий. А также, анализируются результаты и влияние этих мер финансовой поддержки на производительность сельского хозяйства, инновации, развитие сельских районов и экономический рост.

Ключевые слова: финансовая поддержка, сельскохозяйственные предприятия, зарубежный опыт, государственное финансирование, субсидии, гранты, кредиты, инвестиционные программы, аграрный сектор, продуктивность сельского хозяйства, инновации, развитие села, передовой опыт.

Annotatsiya. Ushbu maqolada qishloq xo‘jaligi korxonalarini moliyaviy qo‘llab-quvvatlash bo‘yicha xorijiy tajriba va ilg‘or tajribalar muhokama qilinadi. Unda qishloq xo‘jaligi sektorining o‘sishi va barqarorligiga ko‘maklashish maqsadida turli mamlakatlarda amalga oshirilayotgan turli moliyaviy mexanizmlar, siyosat va tashabbuslar ko‘rib chiqiladi. Maqolada qishloq xo‘jaligi korxonalarini qo‘llab-quvvatlashda davlat mablag‘lari, subsidiyalar, grantlar, kreditlar va investitsion dasturlarning o‘rni muhokama qilinadi. Shuningdek, ushbu moliyaviy qo‘llab-quvvatlash chora-tadbirlarining natijalari va qishloq xo‘jaligi samaradorligi, innovatsiyalar, qishloq taraqqiyoti va iqtisodiy o‘shirishga ta‘sir tahlil qilinadi.

Kalit so‘zlar: moliyaviy qo‘llab-quvvatlash, qishloq xo‘jaligi korxonalari, xorijiy tajriba, davlat tomonidan moliyalashtirish, subsidiya grantlar, kreditlar, investisiya dasturlari, qishloq xo‘jaligi sektori, qishloq xo‘jaligi samaradorligi, innovatsiyalar, qishloq taraqqiyoti, ilg‘or tajribalar.

1. INTRODUCTION

Agricultural enterprises play a crucial role in the global economy, contributing to food security, economic development, and rural livelihoods. However, these enterprises often encounter financial challenges that can impede their growth and sustainability. To address these challenges and support the agricultural sector, countries worldwide have implemented a range of financial support mechanisms. This article aims to explore the foreign experience of providing financial support to agricultural enterprises, with a focus on the policies, initiatives, and best practices that have proven successful in different countries.

One key aspect of financial support for agricultural enterprises is the provision of government funding and subsidies. Many nations allocate financial resources to support agricultural research and development, promote sustainable farming practices, and improve market access for farmers. Through price support mechanisms, income stabilization programs, and direct payments to farmers, governments incentivize agricultural production, stabilize farm incomes, and mitigate risks associated with farming. By enhancing the financial viability of agricultural enterprises, these measures enable farmers to invest in modern technologies, infrastructure, and inputs, leading to increased productivity and competitiveness.

In addition to direct funding and subsidies, grants and financial assistance programs play a significant role in supporting agricultural enterprises. Governments and international organizations provide financial resources to facilitate infrastructure development, capacity building, technology adoption, and training initiatives. Grants and financial assistance programs foster innovation, improve agricultural practices, and enhance the resilience of agricultural enterprises. By supporting projects that promote sustainable agriculture, resource management, and climate resilience, these programs contribute to

the long-term viability of agricultural enterprises and the conservation of natural resources [7].

Access to affordable and timely credit is another critical aspect of financial support for agricultural enterprises. Governments and financial institutions often offer loans and credit facilities specifically designed to meet the financial needs of farmers and agricultural businesses. These loans can be utilized for capital investments, purchasing inputs, expanding operations, and managing cash flow. By providing access to credit, agricultural enterprises can overcome financial constraints, seize opportunities for growth and innovation, and optimize their production potential.

Investment programs and public-private partnerships also play a significant role in providing financial support to agricultural enterprises. These initiatives foster collaboration between government agencies, financial institutions, and private investors to fund agricultural projects and promote agribusiness development. Investment programs stimulate innovation, diversify agricultural activities, and create employment opportunities in rural areas. By attracting private sector investment, these programs contribute to the growth and sustainability of agricultural enterprises while leveraging additional financial resources and expertise.

International collaboration and knowledge exchange play a crucial role in enhancing financial support for agricultural enterprises. Countries can learn from each other's experiences, best practices, and challenges to refine their financial support strategies. International partnerships enable policymakers and stakeholders to understand different approaches, identify successful models, and adapt them to their local contexts. By sharing experiences and lessons learned, countries can enhance their agricultural finance policies and address common challenges faced by agricultural enterprises globally.

It is essential to evaluate the impact of financial support measures on agricultural enterprises continuously. Monitoring and evaluation

allow policymakers to assess the effectiveness and efficiency of financial support programs and make necessary adjustments. Evaluation studies can analyze the outcomes and impacts of these programs on agricultural productivity, income generation, employment, rural development, and environmental sustainability. By rigorously evaluating the effectiveness of financial support measures, policymakers can identify successful interventions, address gaps, and refine financial support strategies to maximize their impact.

Examining case studies from different countries provides valuable insights into successful financial support mechanisms for agricultural enterprises. These case studies can encompass innovative funding models, collaborative partnerships, and policies tailored to specific agricultural sectors. By studying these examples, policymakers can gain a deeper understanding of the factors that contribute to success and identify potential pitfalls to avoid. Case studies facilitate cross-country learning and enable policymakers to adapt and implement effective financial support measures in their own contexts.

Looking ahead, several considerations and challenges must be addressed to enhance financial support for agricultural enterprises. Ensuring equity and inclusivity is crucial, as financial support should reach all agricultural enterprises, including smallholder farmers and marginalized groups. Efforts should be made to avoid disproportionate benefits favoring large-scale commercial farms and to provide targeted support for smaller and resource-constrained enterprises.

Another consideration is the financial sustainability of support programs. Governments need to strike a balance between ongoing funding and fiscal responsibility to ensure the long-term viability of financial support measures. This requires careful planning and strategic allocation of resources to meet the evolving needs of agricultural enterprises while ensuring the programs' sustainability.

Managing risks associated with agriculture is also a significant challenge. Agricultural

enterprises face various risks such as climate variability, market fluctuations, and disease outbreaks. Financial support programs should incorporate risk management strategies, such as insurance schemes or risk-sharing mechanisms, to help farmers manage and mitigate these risks effectively.

Capacity building is another critical aspect to consider. Enhancing the financial literacy and business management skills of agricultural entrepreneurs is vital for effective utilization of financial support. Investing in training and capacity-building programs can empower farmers to make informed financial decisions, develop entrepreneurial skills, and optimize the benefits of available support.

Furthermore, it is essential to ensure that financial support measures align with sustainable agricultural practices. By incorporating environmental considerations, such as conservation agriculture, agroecology, and climate-smart farming, financial support programs can contribute to the long-term viability and resilience of agricultural enterprises while addressing pressing environmental challenges.

Monitoring and evaluation of financial support programs are essential to assess their effectiveness and make necessary adjustments. This includes tracking the impact on agricultural productivity, income levels, employment generation, and environmental outcomes. Evaluation findings can inform evidence-based policymaking and guide resource allocation for optimal results.

Agricultural enterprises play a vital role in the global economy, providing food, raw materials, and employment opportunities. However, these enterprises often face financial challenges that hinder their growth and sustainability. To overcome these challenges, countries around the world have implemented various financial support mechanisms to assist agricultural enterprises. This article aims to explore the foreign experience of providing financial support to agricultural enterprises, highlighting the policies,

initiatives, and best practices that have been successful in different countries.

Importance of Financial Support for Agricultural Enterprises:

Financial support is crucial for the development and success of agricultural enterprises. It enables farmers and agricultural businesses to invest in modern technologies, improve infrastructure, purchase equipment, and implement sustainable practices. Access to adequate financial resources empowers agricultural enterprises to increase productivity, enhance competitiveness, and contribute to economic growth and food security.

Government Funding and Subsidies:

Many countries provide direct government funding and subsidies to support agricultural enterprises. Governments allocate financial resources to enhance agricultural research and development, promote sustainable farming practices, and improve market access for farmers. Subsidies may include price support mechanisms, income stabilization programs, and direct payments to farmers to offset production costs. These financial measures aim to incentivize agricultural production, stabilize farm incomes, and mitigate risks associated with farming.

Grants and Financial Assistance Programs:

In addition to direct funding and subsidies, governments and international organizations offer grants and financial assistance programs to support agricultural enterprises. These programs provide financial resources for infrastructure development, capacity building, technology adoption, and training initiatives. Grants and financial assistance programs aim to foster innovation, improve agricultural practices, and enhance the resilience of agricultural enterprises.

Loans and Credit Facilities:

Access to affordable and timely credit is crucial for agricultural enterprises. Governments and financial institutions often provide loans and credit facilities specifically tailored to meet the financial needs of farmers and agricultural businesses. These loans can be used for capital

investments, purchasing inputs, expanding operations, and managing cash flow. By providing access to credit, agricultural enterprises can overcome financial constraints and make necessary investments to enhance productivity and competitiveness.

Investment Programs and Public-Private Partnerships:

To attract private sector investment in the agricultural sector, many countries have established investment programs and public-private partnerships. These initiatives facilitate collaboration between government agencies, financial institutions, and private investors to fund agricultural projects and promote agribusiness development. Investment programs aim to stimulate innovation, diversify agricultural activities, and create employment opportunities in rural areas.

International Collaboration and Knowledge Exchange:

Countries around the world can learn from each other's experiences and best practices in providing financial support to agricultural enterprises. International collaboration and knowledge exchange enable policymakers and stakeholders to understand different approaches, identify successful models, and adapt them to their local contexts. By sharing experiences, countries can enhance their agricultural finance strategies and address common challenges faced by agricultural enterprises globally.

Evaluating the Impact of Financial Support:

Assessing the impact of financial support measures on agricultural enterprises is crucial to ensure effective resource allocation and continuous improvement. Evaluation studies can analyze the outcomes and impacts of financial support programs on agricultural productivity, income generation, employment, rural development, and environmental sustainability. Through rigorous evaluation, policymakers can identify successful interventions and refine financial support strategies to maximize their impact.

Financial support plays a crucial role in nurturing the growth, competitiveness, and sustainability of agricultural enterprises. The foreign experience provides valuable insights into successful financial support mechanisms, policies, and initiatives. By addressing challenges, ensuring equity, and fostering a conducive environment for agricultural entrepreneurship, policymakers can develop effective financial support strategies. Regular monitoring, evaluation, and knowledge exchange contribute to continuous improvement and the development of resilient, productive, and sustainable agricultural sectors. By learning from international experiences, policymakers can shape their approaches to best support agricultural enterprises and contribute to global food security, economic development, and rural prosperity [2].

2. ANALYSIS OF THE LITERATURE ON THE TOPIC

Several studies have explored the relationship between financial support and agricultural enterprises, providing valuable insights into the effectiveness of various financial mechanisms. The following research articles shed light on this topic:

Smith, J., Johnson, L., and Garcia, M. (2019) conducted a study titled "Financial Support and Agricultural Productivity: Evidence from Developing Countries" published in the *Journal of Agricultural Economics*. The research focuses on the relationship between financial support measures, such as access to credit and grants, and agricultural productivity in developing countries. Analyzing data from multiple nations, the study reveals a positive correlation between financial support and agricultural productivity. The findings underscore the significance of adequate financial resources in improving productivity and enhancing the livelihoods of farmers in developing nations [5].

Martinez, A., and Fernandez, S. (2020) investigated the impact of government subsidies on sustainable agriculture in their article "Government Subsidies and Sustainable Agriculture: Lessons from European Union Policies"

published in *Sustainability*. The study examines the European Union's Common Agricultural Policy and assesses the effectiveness of financial support measures in promoting sustainable agricultural practices. The research highlights the positive effects of subsidies on environmental stewardship, resource conservation, and the adoption of sustainable farming practices. It offers valuable insights into the design and implementation of financial support programs for sustainable agriculture [4].

Lee, C., Park, J., and Nguyen, Q. (2018) explored the relationship between access to credit and agricultural development in their research article "Access to Credit and Agricultural Development: Evidence from a Cross-Country Analysis," published in *World Development*. The study utilizes cross-country data to analyze the impact of credit availability on agricultural output, income, and productivity. The findings indicate that improved access to credit positively influences agricultural development, particularly in low-income countries. The research emphasizes the role of financial support measures, such as loans and credit facilities, in fostering agricultural growth and rural development [3].

Thompson, R., and Lewis, K. (2020) conducted a study titled "Financial Support and Innovation in the Agricultural Sector: Evidence from a Case Study in the United States," published in *Agricultural Economics*. This research focuses on the relationship between financial support and innovation in the agricultural sector, with a specific case study in the United States. The study examines the impact of government grants and investment programs on agricultural innovation, technological adoption, and productivity. The findings highlight the positive effects of financial support measures in stimulating innovation, promoting technological advancements, and improving the competitiveness of agricultural enterprises [6].

Chen, L., Wang, S., and Zhang, Q. (2021) conducted a comparative analysis titled "Role of Financial Institutions in Supporting Agricultural Enterprises: A Comparative Analysis of Asian

Countries," published in the Journal of Rural Studies. This research explores the role of financial institutions in supporting agricultural enterprises in Asian countries. The study analyzes the financial services provided by banks and micro-finance institutions to agricultural entrepreneurs and assesses their impact on agricultural development. The research underscores the importance of tailored financial products, efficient lending processes, and financial literacy programs in promoting financial inclusion and enhancing the growth and sustainability of agricultural enterprises in the region [1].

These studies collectively contribute to the understanding of financial support for agricultural enterprises, highlighting the positive relationship between financial assistance, agricultural productivity, sustainable practices, technological innovation, and rural development. The findings provide valuable insights for policymakers, stakeholders, and researchers seeking to enhance financial support mechanisms for agricultural enterprises globally.

3. METHODOLOGY

The methodology employed in this study involved a comprehensive analysis of existing literature, policy documents, and empirical studies on the foreign experience of financial support for agricultural enterprises. The research aimed to explore the policies, initiatives, and best practices implemented in different countries to provide financial assistance to agricultural enterprises.

The study relied primarily on a literature review approach, which involved a systematic search and analysis of relevant academic journals, reports, and publications. Keywords such as "financial support," "agricultural enterprises," and "foreign experience" were used to identify relevant sources. The literature review provided a foundation for understanding the key concepts, theories, and frameworks related to financial support in the agricultural sector.

Additionally, policy documents and reports from various countries were analyzed to gain insights into the specific financial support

mechanisms and initiatives implemented at the national and regional levels. These documents included government reports, agricultural development plans, and policy briefs that outlined the objectives, strategies, and outcomes of financial support programs.

To complement the literature review and policy analysis, case studies were conducted on selected countries to provide in-depth insights into their financial support practices. These case studies involved a combination of qualitative and quantitative data collection methods. Primary data was collected through interviews with policymakers, agricultural entrepreneurs, and experts involved in designing and implementing financial support programs. The interviews aimed to gather firsthand information on the rationale, design, implementation challenges, and outcomes of the financial support initiatives.

Secondary data, such as statistical reports, agricultural surveys, and program evaluation reports, were also utilized to supplement the case studies. This data helped in assessing the impact of financial support on various indicators, including agricultural productivity, income levels, employment generation, and environmental outcomes.

The findings from the literature review, policy analysis, and case studies were synthesized and analyzed to identify common themes, successful strategies, and key lessons learned from the foreign experience of financial support for agricultural enterprises.

It is important to acknowledge that this study is limited to the available literature and documented experiences. Data availability and variations in reporting across countries may have influenced the depth and scope of the analysis. Nevertheless, the research methodology adopted in this study provides a comprehensive understanding of the foreign experience of financial support for agricultural enterprises and offers valuable insights for policymakers, practitioners, and researchers seeking to enhance financial support mechanisms in their respective contexts.

4. ANALYSIS AND RESULTS

While the analysis and results of the related research studies discussed earlier vary based on their specific objectives and methodologies, some common themes and findings emerge:

Financial support positively impacts agricultural productivity: The research by Smith, Johnson, and Garcia (2019) [5] and Lee, Park, and Nguyen (2018) both highlight a positive correlation between financial support measures, such as access to credit and grants, and agricultural productivity [3]. Improved financial resources enable farmers to invest in modern technologies, infrastructure, and inputs, leading to increased productivity and competitiveness. Access to credit has been particularly influential in driving agricultural development, especially in low-income countries.

Government subsidies promote sustainable agricultural practices: Martinez and Fernandez (2020) emphasize the positive effects of government subsidies on sustainable agriculture. Financial support measures, such as subsidies, encourage farmers to adopt environmentally friendly practices, conserve resources, and contribute to long-term sustainability. These subsidies incentivize farmers to implement practices that mitigate negative environmental impacts, contributing to the overall resilience and sustainability of agricultural systems [4].

Financial support stimulates innovation and technological adoption: Thompson and Lewis (2020) demonstrate that financial support, such as government grants and investment programs, plays a significant role in promoting innovation and technological advancements in the agricultural sector [6]. These funds enable farmers to embrace new technologies, improve efficiency, and enhance competitiveness. Financial support mechanisms that target innovation and technology adoption lead to increased agricultural productivity, improved production methods, and better market access for farmers.

Role of financial institutions in supporting agricultural enterprises: Chen, Wang, and Zhang

(2021) [1] highlight the importance of financial institutions in providing tailored financial products and services to support agricultural enterprises. Efficient lending processes, customized loan products, and financial literacy programs contribute to enhancing financial inclusion and enabling farmers to access the necessary capital for investments, expansion, and managing cash flow.

The analysis and results of the related research studies demonstrate the positive impact of financial support mechanisms on agricultural enterprises. These mechanisms enhance productivity, promote sustainable practices, stimulate innovation, and facilitate access to necessary financial resources. The findings emphasize the significance of well-designed financial support programs and policies in fostering the growth, competitiveness, and sustainability of agricultural enterprises globally. Policymakers, stakeholders, and researchers can draw upon these results to inform the development and implementation of effective financial support strategies tailored to specific agricultural contexts.

5. CONCLUSION

In conclusion, the foreign experience of financial support for agricultural enterprises offers valuable insights into the policies, initiatives, and best practices that have been implemented in various countries. This article has explored this foreign experience, highlighting the significance of financial assistance in promoting the growth, productivity, and sustainability of agricultural enterprises.

The analysis of related research studies revealed several key findings. Firstly, financial support measures, such as access to credit, grants, and subsidies, have a positive impact on agricultural productivity. Adequate financial resources enable farmers to invest in modern technologies, infrastructure, and inputs, leading to increased productivity and competitiveness.

Secondly, financial support programs play a crucial role in promoting sustainable agricultural practices. Government subsidies and support initiatives incentivize farmers to adopt

environmentally friendly practices, conserve resources, and contribute to long-term sustainability. These measures contribute to the resilience and environmental stewardship of agricultural systems.

Moreover, financial support mechanisms stimulate innovation and technological adoption within the agricultural sector. Grants, investment programs, and tailored financial products enable farmers to embrace new technologies, improve efficiency, and enhance competitiveness. This leads to increased agricultural productivity, improved production methods, and better market access for farmers.

The role of financial institutions in supporting agricultural enterprises was also highlighted in the research. Efficient lending processes, customized loan products, and financial literacy programs contribute to enhancing financial inclusion and enabling farmers to access the necessary capital for investments, expansion, and managing cash flow.

Overall, the foreign experience of financial support for agricultural enterprises demonstrates that well-designed and targeted financial assistance programs are instrumental in fostering the growth, competitiveness, and sustainability of agricultural enterprises. Policymakers, stakeholders, and researchers can draw upon these insights to develop and implement effective financial support strategies tailored to their specific agricultural contexts.

It is important for countries to learn from the successful experiences of other nations and adapt the best practices to their own agricultural sectors. By providing adequate financial resources, promoting sustainable practices, stimulating innovation, and ensuring financial inclusion, countries can support the development of thriving agricultural enterprises that contribute to food security, economic growth, and rural development.

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