

SWOT analysis of agribusiness development in Uzbekistan

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Abstract. In this article, a general-analytical analysis of the state of agribusiness in Uzbekistan has been conducted. The research work was carried out based on the SWOT analysis technique, which relies on methodological approaches. Through the analysis, we obtained information about the strengths and weaknesses, opportunities, and threats facing agribusiness in our country. We have carefully studied the existing weaknesses and developed specific proposals aimed at eliminating the shortcomings that are allowed.

1 Introduction

Agribusiness is one of the newest research areas of agricultural entrepreneurship. It is becoming an auxiliary factor in the management of products, processes, and investments in any area that brings income in agriculture.

A large amount of food products in Uzbekistan is grown in agriculture. Accordingly, it is required to create a favorable and potential agribusiness environment in the country. Because Uzbekistan's specialization is closely related to agriculture in many aspects. Even if it has a low profitability index and is not performing as expected, we cannot abandon it suddenly. The only way ahead of us is to actively support agribusiness in this region, eliminate its shortcomings and establish new branches of it.

However, in spite of this, the research of agribusiness in the conditions of Uzbekistan is at a low level. Uzbek scientists have conducted very few studies in this regard. Taking this into account, we believe that it is necessary to study and research this area more deeply, to carry out analytical analyzes and to advance the proposals accordingly.

The main goal of our research on this board is to determine whether it is possible to create a modern and competitive agribusiness in Uzbekistan. If it is possible what are the main factors that can contribute to its success and what challenges need to be addressed in order to achieve it.

2 Materials and methods

2.1. Purpose and responsibilities

The main purpose of our research work is to study the potential development aspects and shortcomings of agribusiness in the Republic of Uzbekistan, and to consider ways to

effectively use opportunities by searching for weaknesses. The tasks of our research are to develop a scientific proposal and recommendations based on the SWOT analysis of agribusiness.

2.2. Methodology

This article is devoted to the consideration of ways to create a stable agribusiness environment with the mutual integration of all agricultural infrastructure, financial-technological, resource and production management in the agriculture of Uzbekistan. Clear goals: to identify the strengths and weaknesses of agribusiness in Uzbekistan, to consider its opportunities and threatening factors. During the research, the SWOT technique of analysis was used. SWOT – is an analytical method, the advantage of which is that it determines the strengths of the research object (Strengths), areas of excellence, depending on relevant sources and existing institutions. Weaknesses include things that improve, areas that do poorly. Opportunities are factors, positive trends and comparative advantages, and threats (Threats) are obstacles to success and places to avoid it.

2.3. Literature review

Foreign researchers and Uzbek scientists have conducted several studies on agribusiness. Among them, scientists such as Najibullah Hassanzai [1], Hrabrin Bachev [2], Mandych O. and others [3], Ulrich Hess, Kaspar Richter, Andrea Stoppa [4] in their work, risk management in agribusiness, investment management, its various branches and how in practice questions are raised about its application, as well as whether agribusiness is entrepreneurship or management skills.

Khomitov KZ is one of the Uzbek scientists. Mardonova AT. Aktamov BM. RT Adilchaev [5] conducted research on increasing investment attractiveness in agribusiness.

Najibullah Hassanzoy's article titled "What is agrobusiness?" [1] provides a comprehensive understanding of agribusiness through a dual perspective. According to him, agribusiness is the art and science of managing agricultural enterprises. As an art: agribusiness combines the different skills of each individual or organization in running a profitable business. As a science: it is supported by risk, objective data collection and analysis. Agribusiness consists of a set of knowledge obtained from various disciplines.

This idea can be explained as follows: the farm works for its own income, its tasks such as the volume of production, technical support, division of labor are determined and managed by itself. That is why the effectiveness of working in such a system is clearly visible.

From the first years of the independence of the Republic of Uzbekistan, the white former union abandoned the system of farming and implemented the first agrarian reform based on world experience, that is, it adopted a very correct solution by choosing the path of farming.

The main link of agribusiness in Uzbekistan is the farm (farmer), because it is the only organization that creates agricultural products. An important thing to remember is that – farming is also a business. [6] In the conditions of a developed market economy, family farms develop equally. In a number of developed European countries, agribusiness is actively supported not only by farmers, but also by agro-firms, agro-industrial associations, and agro-clusters. They are highly specialized and based on modern scientific and technical achievements, they will be able to provide high labor productivity and quality products.

In the United States, agribusinesses are known as large agricultural corporations that are vertically integrated and participate in many activities in the agricultural value chain. Such companies seek to employ their own production, processing and sales departments, unlike organic farms, which are focused on small and plant production and use the products of other agricultural enterprises. [7]

On the other hand, it has been proven that the form of ownership has its own characteristics in agriculture. It follows that the efficiency of farmers, thanks to their high potential actions, creates the basis for the establishment of small and medium-sized businesses and entrepreneurship in the agricultural sector.

In Cambridge, “Agribusiness – is a new form of entrepreneurship related to agriculture. Its main function includes all economic activities related to farming, i.e. chemicals, breeding, growing plants, farming, agricultural machinery, marketing and sales”.[8] – is defined as.

So agribusiness is such a sector that supports the agricultural industry, which is important for economic growth. It also plays a decisive role in the development of developing countries.

Agribusiness develops at different levels depending on the conditions of a particular country and becomes a prestigious type of entrepreneurship. Agribusinesses can potentially improve agricultural productivity, which is based on high labor productivity. Therefore, governments often offer subsidies to agricultural enterprises.

3 Results and Discussion

We obtained a series of analytical data on the state of agribusiness in Uzbekistan. We have taken steps to analyze information on the geographical location of agribusiness infrastructure facilities and the knowledge level of its participants. Based on the dynamic direction of the projects and research objects, we have achieved the results indicated in the table 1 below.

Table 1. SWOT analysis of agribusiness in Uzbekistan

Strengths	Weaknesses
1. Large natural resources 2. Large demographic 3. Ability to export 4. Strong traditional knowledge 5. Creates new jobs 6. Large domestic demand	1. Deterioration of infrastructure facilities 2. Geographical isolation condition 3. Ineffectiveness of professional management 4. Limited access to modern technologies 5. Dependence on climate conditions
Opportunities	Threats
1. The abundance of market opportunities 2. The vastness of the territory 3. More new generations 4. Proper utilization of natural resources	1. Global competition 2. Unorganized market 3. Bad trading practices 4. Price changes 5. The high cost of modern technology

Analysis comments:

Strengths

1. Large natural resources: Uzbekistan has a large reserve of natural resources and sufficient land area. Appropriate use of each resource helps to open up new branches of agribusiness.

2. Large demographic indicator: Uzbekistan has a population of more than 35 million. This will create a large workforce and increase the performance potential of agribusiness.

3. Ability to export: By exporting agricultural products, it is possible to generate currency flow and have valuable currency. Uzbekistan is able to export its national responsibilities.

4. Strong traditional knowledge: Agriculture preserves and applies knowledge passed down from generation to generation. Peasants, ranchers, ran farms based on their experiences and taught their knowledge to their apprentices.

5. Creates new jobs: Agribusiness offers jobs to the population through its networks. This, in turn, becomes a source of income for families with low income indicators.

6. High domestic demand: the population of Uzbekistan is considered the largest state among the Central Asian countries. There is a great demand for agribusiness products in the domestic market. This is an important positive aspect for agribusiness.

Weaknesses

1. Ageing of infrastructure facilities: Agribusiness requires good infrastructure facilities to operate sustainably. In Uzbekistan, road, transport logistics, rail and telecommunications connections are still insufficient.

2. Geographical isolation conditions: Uzbekistan is the country farthest to the sea within the Central Asian countries. The lack of access to the waterway complicates the circulation of goods, exports and allows for additional costs.

3. Lack of professional management: Professional managers are in high demand in agriculture. The management cannot fully achieve the company's objectives unless it is well managed.

4. Access to modern technologies is limited: Uzbekistan should introduce new innovative technologies in agriculture. Modern technology saves time and resources, which leads to poor productivity.

5. Dependence on climatic conditions: Agriculture is subject to all-round climate. The climate cannot be controlled by the human factor. In this context, climatic conditions have become a vulnerability.

Opportunities

1. Magnitude of market opportunities: While initially there was only a local market for agribusiness, at present the market range has widened. Agricultural entrepreneurship does not have to depend solely on the local market, it can be transferred outside the market. The expansion of the market creates tremendous opportunities for agribusiness.

2. Land area size: Uzbekistan has large agricultural areas. Since land is the basis of agriculture, its abundance allows for the free deployment of agribusiness sectors.

3. More new generations: Compliance in the field can be achieved by training new young professionals who manage agriculture. New recruits discover new knowledge.

4. Proper use of natural resources: Uzbekistan is rich in natural resources. By limiting wastage, its equitable distribution and targeted use opens the door to great opportunities for agribusiness.

Threats

1. Global competition: As in other markets, there will be a lot of competition in the agricultural sector. Small enterprises that do not cope with competition exit the market, while large enterprises squeeze others out of themselves in exchange for large capital.

2. Unorganized Market: Finding the perfect market for agribusiness is a daunting task. A good market is necessary in order to have a reasonable price for the final product. The problem of marketing is one of the significant threats to agricultural entrepreneurship.

3. Bad trading practices: Serious deficiencies in the processes of sorting, packaging, quality, delivery of agribusiness products are causing many problems in this area.

4. Price fluctuations: Companies suffer major losses due to price fluctuations in the market. Fluctuations in prices threaten to derail the farm's budget balance.

5. The downside price of modern technology: modern technology is always high, which is difficult for small businesses to buy. This situation limits the possibilities of small businesses and threatens their renewal.

4 Conclusion

Active support for agribusiness is needed as an important tool for the development of the country's agriculture. The agribusiness environment in Uzbekistan has great strength and opportunities in a competitive business environment. However, there are vulnerabilities and threats in the country that must be eliminated with prudent solutions at the macro and micro levels. In Uzbekistan, it is necessary to increase the quality of agricultural products in accordance with the demand of agriculture. This requires research on various aspects of

agribusiness models. In the context of the emergence of an entrepreneurial environment at the national and international levels, a revision of government schemes is necessary. With innovation, management skills and agribusiness technology, entrepreneurship can be a key to the economy and a tool for agricultural development. This requires exploring the potential of the agricultural industry in the light of resource management. Agribusiness entrepreneurship has taken the lead in transforming agriculture in both developing and developed countries. Such approaches to agricultural development can create a sustainable agribusiness environment in our country.

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