

## UZBEKISTAN'S ECONOMIC POLICY ON GRAIN INDEPENDENCE

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### Abstract:

This article notes that the Republic of Uzbekistan, before gaining independence, was based on a cotton monopoly, which led to a shortage of food, especially grain products. The reasons for the high need of our country's population for grain compared to other union republics, and the reforms carried out to solve these problems during the years of independence, as well as their results, are discussed.

**Keywords:** Grain independence, agrarian policy, grain imports, macroeconomics, economic independence, credit, subsidy, farmers, diversification, food security, food safety, quality control, personnel issues.

### Introduction

The historical significance of independence and the need for grain independence. The independence of our republic marked a turning point in the history of our country. In addition to political freedom and the realization of national identity, the young state that had gained its new independence faced important tasks such as ensuring economic independence, meeting the vital needs of the population, and finding its place in the international arena. Among these tasks, ensuring food security, in particular, achieving grain independence, was of particular importance. Since Uzbekistan's agriculture during the former Soviet Union was mainly focused on cotton cultivation, the volume of grain production was completely insufficient to meet the republic's domestic needs. This situation led to Uzbekistan's dependence on grain imports. Therefore, in the early years of independence, achieving grain independence was defined as a strategic task for ensuring national security, economic stability, and social well-being of the Republic of Uzbekistan.

### Analysis of literature on the topic

Since the late 80s - early 90s, when, at the initiative of the President of the Republic, the further expansion of cotton fields was first stopped, and then they began to be reduced on a planned basis, attention to the grain industry has improved somewhat. Cotton occupied 1690 thousand hectares in 1993, which is 400-500 thousand hectares less than in previous years. This made it possible to improve the structure of cultivated areas and expand the areas of food and feed crops. However, no significant changes occurred in the grain industry. However, the rapidly



growing population of our Republic (over 22 million in the specified year) felt a greater need for food grain. It is known that to provide the Republic with food and feed grain, it is necessary to grow more than 6 million tons of grain. In total, our grain production did not exceed 2.1 million tons, and we had to buy the missing part, almost 4 million tons of grain, from abroad. Every year, a lot of money was spent on this. These expenses were very significant due to the sharp increase in our energy resources. [3]

“In the 1990s, each person in Uzbekistan consumed an average of 170 kilograms of grain per year, while by 1994 this figure had reached 152 kilograms. This figure is 25-30% higher than in other regions of the former Soviet Union.” [6]

Any participant in economic processes can achieve optimal results only when they are economically independent. Economic independence is a concept inherent in a market economy. Economic independence ensures the competitiveness of an organization, the implementation of its goals, and creates opportunities for free choice of the type of activity, raw materials, market, and partners. Economic independence ensures economic growth based on market laws, including supply and demand, and allows for profit maximization. Where there is economic independence, forms of ownership are diverse and develop freely, that is, economic pluralism occurs. Economic independence can be at the micro and macro levels.

**Research methodology.** Economic independence at the macroeconomic level is the free operation of a state or national economy without economic dependence on other countries. Independence at the macroeconomic level allows the state to freely satisfy its economic needs for food and does not have colonial features. It independently solves problems such as inflation and unemployment. Economic independence is sharply different from economic autarky. It has been historically proven that a society cannot be closed off and solve its needs alone. In a market economy, society pursues its goals as an independent, equal participant in various international organizations. In addition, we can also consider economic independence in certain areas.

Uzbekistan, while experiencing the colonialism of the former Soviet Union, also experienced economic hardships. Our republic had become a raw material base for the center. For the center, it was important that Uzbekistan only supplied raw cotton. The life, economic situation, and social lifestyle of the population of this country did not interest the colonialists at all.

The center demanded that the leadership of our republic supply more cotton to the country. They argued that we would provide the population of Uzbekistan with machinery, fodder, grain, and products ourselves. Very little arable land was allocated in our country for grain and other crops. The allocated arable land consisted of fallow lands or areas with poor irrigation. The population of Uzbekistan was in a situation where it could not provide itself with grain.

Before Uzbekistan gained independence, grain was mainly imported from other regions of the Soviet Union. Russia was the main grain-growing region of the former Soviet Union and supplied Uzbekistan with grain. Kazakhstan and Ukraine also occupied leading positions in grain production within the Soviet Union and supplied grain to Uzbekistan.



In the centralized planning system, grain supplies to Uzbekistan were carried out on the basis of a plan approved by Moscow. Uzbekistan did not have the opportunity to independently purchase or produce the grain necessary for its needs.

Uzbekistan specialized in cotton cultivation, and the volume of grain production was completely insufficient to meet the needs of the republic. In Uzbekistan, which was part of the Soviet Union, the issue of grain production was very lame, and cotton was grown on the main part of the irrigated arable land. Before gaining independence, Uzbekistan's agriculture was under the influence of the centralized planning system of the Soviet era.

Uzbekistan's agriculture was mainly specialized in cotton cultivation, which was an important source of raw materials for the entire Soviet Union. The priority of cotton cultivation hindered the development of other agricultural products, such as cereals, vegetables and fruits.

Grain prices were set by the state and kept artificially low. This did not encourage local grain producers. Grain products were distributed to the population through state stores. In some cases, grain shortages were observed, and the population's demand was not fully satisfied.

Uzbekistan, which gained independence, faced serious problems in satisfying the population's demand for grain products. Among the factors of economic independence of states, grain independence is of paramount importance. Previously, the majority of agricultural enterprises consisted of state-owned collective farms and state farms. These enterprises operated on the basis of centralized planning, and the economic independence of farmers was not established. The inefficiency of collective farms and state farms and the imbalance in the distribution of land had a negative impact on grain production. The process of land privatization also created chaos and uncertainty at the initial stage. Agricultural production was strictly planned by the state, and farmers did not have the right to choose their crops and determine the volume of production. This old system was gradually abandoned during the transition to a market economy.

Uzbekistan's agriculture is dependent on irrigation, and most of the existing irrigation systems are outdated and inefficient. Irresponsible use of water has led to salinization of the land and water shortages. The agricultural machinery fleet is outdated and insufficiently equipped with modern equipment.

All these factors hindered the development of grain production in Uzbekistan and led to the republic's dependence on grain imports. In such conditions, Uzbekistan's grain supply depended on a centralized system, and the republic's ability to self-sufficiency was limited. After independence, changing this situation and achieving grain independence became

one of the main tasks of the Uzbek government. The Uzbek government launched large-scale reforms to solve these problems and achieve grain independence.

After gaining independence, Uzbekistan paid great attention to developing its grain production in order to achieve grain independence and ensure food security. In the early years of independence, the strategy of achieving grain independence of the Republic of Uzbekistan was the main task.



The main reason for the high consumption of grain and grain products in Uzbekistan compared to other Soviet republics was that bread became the main source of food for the population. This was because the former Soviet leadership restricted the cultivation of various fruits, vegetables and other crops on the arable land of our republic. During the former Soviet era, after cotton was planted on the main irrigated land in Uzbekistan, there was almost no attention paid to growing various fruits and vegetables from food products in our republic. Therefore, the need for grain in Uzbekistan was much higher than in other Soviet republics. Most of the arable land was converted into cotton fields.

After independence, eliminating food shortages was considered a very important task for the state. Much attention was paid to this area during economic reforms.

Laws and regulatory documents regulating land relations in the agricultural sector were adopted. Laws were developed on the organization of farms and support for their activities. The Decree of the President of the Republic of Uzbekistan No. 412 of May 28, 1992 on the exemption of agricultural enterprises of the Republic of Uzbekistan from paying value-added tax to the budget helped to solve these problems to some extent. The Decree stated: "Agricultural enterprises shall be exempted from paying value-added tax from June 1, 1992. Farmers were provided with preferential loans and subsidies.

It was recommended that collective farms, state farms and other agricultural enterprises spend the additional funds received as a result of tax exemptions mainly on increasing wages, ensuring that the wage fund reaches 70% of the cost of production," [1] it said. The decree greatly helped improve the consumption of grain products by the population in newly independent Uzbekistan. Thus, the reforms aimed at achieving grain independence of our country were consistently implemented.

By the decisions of the state government, a number of measures were taken to improve the volume and quality of grain and grain products. In this regard, the Resolution of the Cabinet of Ministers under the President of the Republic of Uzbekistan dated May 29, 1992 "On increasing the purchase price of grain" became an important factor in increasing grain production. Laws were adopted regulating economic relations in the field of production, processing and sale of agricultural products. The establishment of purchase prices for grain and the purchase of products grown by farmers were guaranteed.

In agriculture, fundamental changes have also occurred during the years of independence. While in the former Soviet Union, agricultural production was based on the principle of command, in democratic countries the managerial position is held by organizing businessmen. In the agricultural sector, importance has also been attached to expanding the private sector.

Collective farms and state farms were abolished, and farms were established on their basis. The right to long-term lease of land was introduced. The process of land privatization began, which changed the attitude of farmers to land and encouraged them to use it more effectively. The work that had been started had to be carried out in difficult conditions. First of all, it was necessary to abolish the general restrictions established on state farms and collective farms. The development of lease and cooperation relations, the establishment and encouragement of



the activities of individual and farm farms were carried out. Conditions were created for the functioning of various forms of ownership.

Cotton acreage was reduced and replaced by grain crops. In our republic, in 1998, winter wheat was sown on 1 million hectares of irrigated land. [4]

In 1994, it was planned to increase the area of irrigated grain crops to 750 thousand hectares. [3] Grain growers made good use of these opportunities. On the land allocated for grain, a second crop of grain or silage corn or other vegetable crops was grown. This played an important role in providing the population with food.

Many decrees and resolutions of the President of the Republic of Uzbekistan aimed at developing agriculture and ensuring grain independence have been adopted. These documents set specific tasks for regional khokimiyats to increase grain production.

Measures were taken to diversify agricultural crops, stimulate the cultivation of vegetables, fruits and other agricultural products.

Attention was paid to the development of livestock breeding and strengthening the fodder base. Considering that straw from grain products is a good feed for livestock, we can see that the shortage of fodder has also been eliminated.

Attention was paid to the creation and introduction of high-yielding and disease-resistant varieties of grain crops. Measures were taken to modernize irrigation systems and rationally use water resources. Methods for the effective use of mineral fertilizers and organic fertilizers were introduced. Attention was paid to updating the fleet of agricultural machinery.

Measures were taken to provide agricultural machinery and resources. Agrotechnical advisory services were organized for farmers. Cooperation was established with countries with advanced equipment and technologies to improve agricultural machinery and resources.

Attention was paid to the modernization and expansion of grain storage and processing infrastructure. Measures were taken to improve transport and logistics infrastructure. A system of training grain cultivation specialists was established in agricultural colleges and universities. Advanced training courses for farmers and agricultural specialists were organized.

**Analysis and results.** The formation and development of the grain industry has been identified as one of the strategic tasks of the Republic of Uzbekistan, and fundamental changes have been implemented in this.

The transition from a centralized economy to a market economy during the Soviet era also brought about fundamental changes in the grain industry. The privatization of state-owned enterprises, their transformation into joint-stock companies, and the liberalization of prices helped to create a market environment. Reforms to increase grain production and develop agriculture contributed to the growth of the Uzbek economy. Land was allocated to farms, which increased interest in the efficient use of land and grain production. These reforms increased the independence of enterprises, fostered competition, and encouraged increased production efficiency. Increased competition forced enterprises to improve quality, introduce new technologies, and reduce costs.



Farmers have been able to operate independently on their land and benefit from the results of their labor. Through the development of agriculture and attracting investment to rural areas, rural infrastructure has been improved, new jobs have been created, and the standard of living of the rural population has increased.

The provision of loans, subsidies and equipment by the state improved the economic situation of farmers. The volume of grain production increased, flour and bread production increased, quality improved, and the population's need for grain products was fully satisfied. The grain industry has become one of the important sectors of the Uzbek economy and has begun to play an important role in ensuring the food security of the population.

As a result of the reforms implemented, grain production in Uzbekistan has increased significantly. This has allowed the republic to reduce its dependence on grain imports and ensure price stability in the domestic market. In 1991, 221 thousand hectares of land were cultivated with grain crops in our republic, while by 2010 this figure had reached 2 million 69.5 thousand hectares. While the average yield in our republic in 1991 was 22.2 centners, by 2002 it exceeded 42.4 centners. [6]

Since the development of the grain industry directly depends on the volume of grain production, the government paid special attention to supporting grain producers. As a result of land reforms, farms were established and land was allocated to them on long-term lease. Farmers were provided with preferential loans and subsidies, modern agricultural machinery was provided, and the system of grain procurement and sales was improved. These measures served to increase the volume of grain production, develop local production, and reduce dependence on imports.

Ensuring the quality of cereals and cereal products was important for maintaining the health of the population and increasing the competitiveness of products. Therefore, requirements for the quality of cereals and cereal products were established, quality control laboratories were established and equipped with modern equipment, and a system of certification of cereals and cereal products was introduced. These measures served to prevent the entry of low-quality products into the market, protect consumer rights, and improve the image of local products.

Training qualified personnel was of great importance for the development of the grain industry. In order to train qualified specialists for the grain industry and improve the skills of employees of production enterprises, new training programs were introduced in educational institutions, advanced training courses were organized, and the practice of sending employees to exchange experience abroad was established.

By expanding the area of grain crops, land fertility has also been improved. Grain crops clean the area of crops from weeds. Prevent soil diseases. Improve the possibilities of crop rotation in arable land. This was achieved by planting winter grains.

The increase in agricultural exports increased foreign exchange earnings and improved the country's foreign trade balance. Achieving grain independence was an important condition for ensuring Uzbekistan's food security. The availability of sufficient quantities of grain products in the domestic market made it possible to meet the food needs of the population and maintain





social stability. Stabilization of grain prices in the domestic market ensured the food security of the population. These achievements strengthened Uzbekistan's food security and served to ensure economic independence.

Although great strides were made in achieving grain independence in the early years of independence, a number of problems were also encountered in this process.

Uzbekistan's agriculture is dependent on irrigation, and the limited availability of water resources has created serious problems for grain production. Modern agrotechnologies and water-saving methods have not been sufficiently introduced. In order to eliminate the shortcomings of the irrigation system and improve this system, it was necessary to establish economic cooperation with countries that have managed to use advanced water-saving technologies.

The insufficient introduction of modern technologies in agricultural production, in particular water-saving technologies, precision farming methods, and innovative seed production, limited the potential for increasing productivity. In some regions, the obsolescence of irrigation and drainage systems, grain storage, and grain processing enterprises led to crop losses and increased production costs. Old machinery and technologies left over from the Soviet era reduced the efficiency of grain production. There was a lack of modern equipment and innovative technologies. There was a lack of warehouses, dryers, and other infrastructure necessary for grain storage and processing. This led to crop losses.

The market infrastructure necessary for the sale and marketing of grain was not well developed. This created problems for farmers in finding markets and selling their products at a reasonable price.

To maintain and strengthen grain independence in Uzbekistan, it was necessary to implement the following strategic tasks. It was necessary to modernize irrigation systems, widely use water-saving technologies, and introduce effective methods of water resource management.

It was necessary to use mineral and organic fertilizers in optimal quantities, introduce a crop rotation system, and take measures to protect the soil from erosion. Providing farmers with financial resources on favorable terms, providing them with modern agricultural technologies, improving their skills, and developing agricultural cooperation were among the most important issues facing our state. Modernizing grain storage and processing enterprises, improving transport and infrastructure, encouraging fundamental and applied research in agriculture, and strengthening cooperation between research institutions and farms were problems that were waiting to be solved.

Another of the main problems for implementing agricultural reforms was the issue of personnel. The issue of personnel in grain production is of crucial importance, since achieving high yields, rational use of resources, and the introduction of modern technologies directly depend on the qualifications and level of knowledge of personnel working in the sector. By paying attention to the issue of personnel, Uzbekistan can achieve high results in the field of grain production and strengthen grain independence. It was necessary to form knowledge and skills in landowner farmers that meet the requirements of the time.



**Conclusions and recommendations:**

The work carried out by the Republic of Uzbekistan in the early years of its independence to achieve grain independence made a significant contribution to the country's economic and social development. The reforms implemented allowed for an increase in grain production, ensuring the well-being of the rural population and strengthening food security. Nevertheless, in the future, it is necessary to develop new strategies to address problems such as water scarcity, reduced land productivity and the lack of introduction of modern technologies, and to maintain and strengthen grain independence.

While significant progress has been made in some areas, challenges remain in others. By developing agriculture based on the principles of sustainable development, applying modern technologies, and investing, Uzbekistan can succeed in maintaining grain independence and ensuring food security for its population.

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