ENSURING FINANCIAL STABILITY IN HOUSEHOLD FARMING

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Abstract: *This article discusses the necessity of ensuring the financial stability of household farms, key challenges, and international practices. It analyzes the operations and financial stability indicators of household farms in the Republic of Uzbekistan, as well as relevant legal documents. The article also provides conclusions on ways to ensure financial stability and the future prospects for household farms.*

Keywords*:Household farming, financial stability, rural areas, finance, economic development, sustainability*

Introduction

Household farms hold a significant place in Uzbekistan's agricultural system, playing a vital role in improving the livelihoods of rural populations. According to data from 2023, household farms have emerged as a critical resource for ensuring food security, increasing rural employment, and fostering economic stability in rural areas. These farms serve as an additional source of income for families, contributing substantially to the improvement of their socio-economic conditions.

The importance of household farms in Uzbekistan's agriculture is steadily increasing. These farms, often utilizing small plots of land and limited resources, primarily focus on producing essential food items for their families. Surplus products are marketed, generating additional income. In 2023, household farms accounted for a significant share of agricultural production, playing a pivotal role in strengthening the country's food security and meeting the demands of the domestic market.

Particularly noteworthy is the contribution of household farms to the production of vegetables, fruits, and other daily food staples. By efficiently utilizing small-scale landholdings and applying local agricultural knowledge, these farms have become leaders in supplying fresh produce. Their role extends beyond self-sufficiency to include substantial contributions to local markets, thereby supporting rural economic resilience..

Methods

This study employs a mixed-methods approach to analyze the financial stability of household farms. The methodology includes a review of academic literature and regulatory documents to understand the theoretical and institutional framework. Statistical data on household farms in Uzbekistan were collected and analyzed to assess financial performance and production efficiency. Comparative analysis with international practices and case studies of successful

farms provided practical insights. Expert interviews and a SWOT analysis were conducted to identify challenges and opportunities. The findings were used to propose actionable recommendations for improving the financial stability and efficiency of household farms.

Results

The study of household farms is a pressing issue today, as global climate change, limited resources in agriculture, and a growing population have further emphasized the importance of ensuring food security. Therefore, improving the efficiency of household farming systems, providing financial and technical support, and introducing innovative solutions have become key strategic directions.

International experience demonstrates that household farms serve as an effective tool for ensuring economic stability and increasing household incomes. In Uzbekistan, attention is also being directed toward this sector through the implementation of specialized financial programs, subsidies, and digital services for the agricultural sector and household farms.

Thus, conducting research and analysis on the support and development of household farms, as well as deeply examining their role in economic growth, is considered a highly relevant and promising research direction.

Under the Presidential Decree No. PD–4767 on "Additional measures to improve the efficiency of household plot utilization" special attention was given to achieving higher yields from household plots. As a result, in 2022, significant efforts were made to increase agricultural production on household plots. By employing crop rotation 2–3 times on 60,113 hectares of cultivated land, the total yield grew by 105.2% compared to the previous year. Specifically, early spring crops were planted on 60,113 hectares, secondary (intermediate) crops on 29,797 hectares, and late-season (August–September) crops, including onions, garlic, and late-harvest crops, on 21,439 hectares.

In the spring of 2023, household plots in Kashkadarya region saw the planting of spring crops across 62,074 hectares, resulting in high yields. The harvest included:

vegetables 360,718 tons, potatoes 187,279 tons, legumes 21,947 tons, melons 233,409 tons, oilseed crops 3,495 tons, other crops 222,686 tons. This demonstrates the effective utilization of household plots and the significant contribution of these efforts to agricultural productivity in the regions.

Table 1

Crops planted in household farm fields in the Kashkadarya region[1]

12	Years					Change in 2023 compared to 2019, %
	2019 year	2020 year	2021 year	2022 year	2023 year	
Crop area allocated to household farms, ha	55963	55963	55963	65945	65945	118

[1] Compiled by the author based on data from the Kashkadarya regional Council of farmers, dehkan farms and household landowners.

Of which, annual crop area	46114	48541	57107	60113	62074	135
Intermediate crop area	22858	24061	28307	29797	30936	135
Crop area of nine crops	16447	17312	20367	21439	29199	178
Total gross yield grown on household farms (tons)	1472726	1550238	1823810	1919799	2027322	138
Of which, annual crops	790288	831882	978685	1030194	1029535	130
Intermediate crops	391335	411932	484625	510132	480773	123
Nine crops	291103	306424	360499	379473	517014	178
Rate of crop area utilization, of which, annual	82	87	87	91	94	115
Intermediate	41	43	43	45	47	115
Nine crops	29	31	31	33	44	152

Table 2

Indicators of household economy in Kashkadarya region[2]

Indicators	**Years**					**Change in 2023 compared to 2019**	
	2019 year	**2020 year**	**2021 year**	**2022 year**	**2023 year**	**(+;–)**	**%**
Number of households	462606	462606	611459	611459	611459	148853	132
Income of households (billion soums)	2209	3100	4012	4799	6082	3873	275
Expenses of households (billion soums)	663	930	1204	1440	1825	1162	275
Area of crops allocated to households, ha	55963	55963	65945	65945	65945	9982	118

[2] Compiled by the author based on data from the Kashkadarya regional Council of farmers, dehkan farms and household landowners.

Profit or loss of households (billion soums)	1546	2170	2808	3359	4257	2711	275
Average profit or loss per household (thousand soums)	4775	6702	6562	7849	9947	5171	208

As a result of ongoing reforms in agriculture, the use of various new management methods, comprehensive support for farmers, the widespread introduction of the cluster system, and financial support for household farms are directly linked to ensuring future food security.

Currently, 45% of the total arable land used for agricultural production in the region is saline to varying degrees. One of the primary reasons for this is the overuse of water beyond the recommended norms and the failure to fully adhere to scientifically based agricultural production technologies.

Modern drip irrigation technology is applied to only 2.4% of the total arable land, with plans to increase this figure to 12% in the future. However, there is a lack of scientifically grounded innovative approaches in agricultural production, and no new high-yield crop varieties adapted to the region's climatic conditions have been developed.

Conclusion

In all regions of Uzbekistan, effective measures are being implemented based on a series of regulatory documents to improve the material well-being of the population.

Household farms play a significant role in Uzbekistan’s agricultural system, contributing to increasing household incomes, ensuring food security, and stabilizing local economies. However, the financial stability of these farms depends on several factors, including state support, the adoption of modern technologies, and the efficient utilization of financial resources.

Ensuring the financial sustainability of household farms and fostering their further development can be achieved by leveraging international experience and adopting innovative practices.

It is essential to establish special subsidy and grant programs for household farms and provide them with short- and long-term loans. These measures play a crucial role in enhancing their financial stability. Increasing production efficiency and ensuring the rational use of resources can be achieved by widely introducing digital services and innovative technologies in household farming.

To improve the financial and business knowledge of farm owners, it is necessary to organize specialized training and seminars and provide them with advisory services. Developing trade infrastructure and supporting marketing programs are recommended to expand opportunities for household farm products in domestic and international markets.

Studying financial and technological solutions used for household farms in foreign countries and implementing them in Uzbekistan can further boost the efficiency and development of this sector.

These proposals serve as effective measures to ensure the financial stability of household farms, enhance economic efficiency, and improve the well-being of the population

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