

## ENSURING FOOD SECURITY AND IMPROVING THE INSURANCE PROTECTION THROUGH AGRICULTURAL DEVELOPMENT

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**Abstract:** The article raises the issue of priority development of agriculture and increasing the volume of agricultural production and insurance protection of the industry in order to ensure the food security of the population, while protecting the health of the world's population at a time when the global pandemic is of concern to all of us today. Ensuring food security of the population in the context of priority development of agriculture is one of the most important issues in the implementation of strict measures against rising food prices in the regions, which provide basic needs. Therefore, further improvement of the mechanism of insurance protection of the agricultural sector in overcoming the problems of food security on the basis of increasing the volume of agricultural production is becoming a requirement of the time. Suggestions and recommendations were made on priority development of the agricultural sector in ensuring food security, consistent continuation of reforms in the agricultural sector and further improvement of insurance relations in the financial support of agricultural entities.

**Keywords:** pandemic, quarantine, food security, agriculture, agricultural insurance, insurance protection, insurance premium, insurance liability, insurance coverage, insurance reform.

### Introduction

The fact that the pandemic, which is taking on a global character, continues to shake the countries of the world, raises specific contradictory problems in different countries. In the context of the pandemic, along with health and comprehensive social protection of the population, ensuring food security, which is their primary need, has also risen as one of the most pressing issues.

In his Address to the Oliy Majlis, President of the Republic of Uzbekistan Shavkat Mirziyoyev said: "It is time to radically reform the provision of medical services to patients with this type of treatment. We need to increase funding for the early detection and treatment of blood and viral diseases, the training of qualified hematologists, virologists and immunologists, drugs and medical equipment" (Mirziyoyev, 2020).

Decree of the President of the Republic of Uzbekistan No. PF-5978 of April 3, 2020 «On strengthening social protection and ensuring the stability of economic sectors in the fight against the spread of coronavirus infection» and additional measures to prevent the spread of coronavirus infection in the Republic of Uzbekistan PP-4649 of March 26, 2020 «On measures». Also, the adoption of the Resolution of the Cabinet of Ministers of the

Republic of Uzbekistan dated March 23, 2020 No 176 «On additional measures against the spread of coronavirus infection» became an important basis for the protection of citizens of the country in pandemic conditions (2020).

Based on the requirements of these normative and legal acts, the measures taken to declare a quarantine state in all regions of the country and to protect the health of the population, to prevent the spread of the coronavirus pandemic are yielding positive results in practice.

The influx of pandemics into our country has also had a negative impact on the activities of all types of production and service entities. It has also been able to influence the rise in food prices, which in some areas provide basic needs, while posing specific risks, mainly in terms of food supply to the population. At the same time, the sharp decline in employment, the emergence of unemployment has had a significant impact on the social security of citizens who do not have a stable source of income.

Today, it is time to further improve the mechanism of insurance protection in order to increase the volume of agricultural production and overcome the problems of food security.

### Literature review

Sherrick BJ, Barry PJ (2004), Just RE, Calvin

L, Quiggin J. (1999), Cai J, Song C. 2017) conducted research.

Du X, Hennessy DA, Feng H. (2014), Du X, Ifft J, Lu L, Zilberman D on the issues of insurance of crop yields in agriculture, insurance protection against various natural and man-made phenomena encountered in the process of growing agricultural products. (2015), Farzaneh M, Allahyari MS, Damalas CA, Seidavi A. (2017), and others who have contributed to the insurance of the agrarian sector.

Agricultural economists AV Nikitin (2008), YN Parakhin (2011), NM Yashina (2008), DI Egorov (2010), AA Nazarova (2015) Agricultural Insurance conducted research on In the research of these authors, the theoretical and methodological bases of insurance, taking into account various risks, focus on the specific aspects of the factors affecting agricultural insurance, as well as on the methodological basis for the development of direct agricultural insurance activities.

### **Results and Discussion**

At a time when the risk of a coronavirus pandemic is growing worldwide, it is difficult to guarantee that the pandemic will not affect the economy of our country. It is important to develop measures to prevent the spread of the coronavirus pandemic, to mitigate and eliminate the damage to our economy, to combat the crisis that is imminent.

In the context of the global pandemic, it is likely that a decline in world agricultural production will be observed. In this regard, it is natural that a decline in agricultural production will automatically increase food risk.

As a result of the pandemic, there are cases of inability to provide the population directly with agricultural products or food shortages and malnutrition. It can be said that the coronavirus pandemic has a negative impact on the level of employment in agriculture, the untimely implementation of agro-technical measures in agriculture, as well as the export of agricultural products in the country.

According to the FAO (2020), the spread of the coronavirus pandemic today has led to a sharp change in the exchange rate of various countries against the US dollar in the export and import of agricultural products to ensure food security in the world market.

In the context of a pandemic, sharp exchange rate fluctuations are very good for countries that

export food products created in agriculture to ensure food security, because if it allows them to sell their products at a higher price and make more profit, food importing countries there is a high risk for This creates a serious situation in food security policies in importing countries.

In March 2020, the national currencies of Argentina, India, Japan, Russia and Kazakhstan, which are members of AMIS, fluctuated sharply against the US dollar.

So how are countries around the world responding to the economic crisis caused by the spread of COVID-19 coronavirus infection, and what are the consequences? Indeed, global employment, declining tourism, declining GDP, agricultural production and supply, rising food prices, and food insecurity are some of the major challenges facing the global economy. difficult to do.

Looking at the analysis, the global prevalence of COVID-19 coronavirus is expected to lead to an unexpectedly serious crisis in the global economy. According to a report by the United Nations (UNIDO), the decline in world GDP in the coming months of 2020 is expected to be at the lowest growth rate since the global financial and economic crisis that began in 2008. Today, the G20 (G-20) governments have adopted stimulus programs through the establishment of various funds and the allocation of budget funds to rapidly support their economies to reduce the impact of the economic and social crisis, which is likely to occur due to the spread of the coronavirus pandemic. was made.

In this regard, the Italian government has allocated 750 billion euros of its own to mitigate the impact of the COVID-19 coronavirus pandemic on the country's economy. It was decided that these funds, equal to half of Italy's GDP, will be used primarily to support large and small businesses and to revive the economy. It also introduced tax breaks for local producers. In Italy, it is planned to take security measures to support agriculture, timely organization of agro-technical measures in agriculture, as well as the supply of seeds, fertilizers, agricultural preservatives and plants.

In France, in particular, it plans to direct up to 45 billion euros directly into the country's economy and up to 300 billion euros through bank loans to prevent the economic catastrophe associated with the coronavirus. The allocated funds will be used mainly to support large and

small businesses, to cover social insurance and unemployment benefits, and to mobilize the most severely affected sectors of the economy – the air transport industry and tourism.

The UK government has also introduced a number of tax incentives to help large and small businesses in the face of a crisis that could occur in the context of a coronavirus pandemic. The British government has allocated nearly £ 50 billion in direct financial aid to help the economy emerge from this crisis.

In the context of the coronavirus pandemic, the German government has also decided to implement more than 750 billion euros (\$ 810 billion) in stimulus measures to prevent the economic crisis. The German government has also set a target of 156 billion euros from the emergency budget, which will be used mainly to support large and small businesses, the banking and financial system, social protection of the poor and the development of the health care system.

To reduce the impact of the coronavirus pandemic and fight the crisis, the Japanese government has decided to implement a \$ 1 trillion incentive program. These funds will be provided mainly through direct payments to the population, delays in tax and social insurance payments for enterprises, increase in unemployment and social security benefits, economic and social incentives and the introduction of tax benefits.

In order to stabilize the economic situation with the coronavirus in the Russian Federation, it has established an anti-crisis fund of 300 billion rubles. The funds of the Fund mainly consist of measures to provide the population of the country with the necessary products and government incentives. It is also planned to focus on measures to support high-risk sectors of the economy (air transport, tourism, construction, recreation, entertainment, etc.). In addition, it is planned to support small and medium-sized enterprises in the country through administrative and financial assistance, as well as through the provision of various benefits and tax preferences throughout Russia.

Neighboring Uzbekistan, the Republic of Kazakhstan has also allocated 4.4 trillion tenge or \$ 10 billion to implement anti-crisis measures. The decree of the President of Kazakhstan provides for the support of business in the country, ensuring the stability of the labor market, lending to local

businesses, the introduction of tax incentives, exemption of small and medium enterprises from property taxes until the end of 2020. exemption from income tax, exemption of individual entrepreneurs from income tax.

In order to prevent the impact of the coronavirus epidemic on the economy of the neighboring Kyrgyz Republic, the government decided to provide social support, food security and some tax benefits and incentives for businesses. The International Monetary Fund (IMF) has pledged \$ 120.9 million to help Kyrgyzstan fight the coronavirus.

In order to combat the coronavirus pandemic and the global crisis in our country, on March 20, 2020, the Decree PF-5969 «On priority measures to mitigate the negative impact of the coronavirus pandemic and the global crisis on sectors of the economy» was adopted (2020).

According to the decree, the Republican Anti-Crisis Commission headed by the Prime Minister was established to mitigate the negative effects of the coronavirus pandemic and the global crisis in various sectors of the economy, and it was decided to establish the Anti-Crisis Fund. In addition, 10 trillion soums were allocated to the fund from the state budget. The funds will be directed mainly to measures to combat the spread of coronavirus infection, support entrepreneurship and employment, including the implementation of infrastructure projects, ensuring the sustainable operation of economic sectors and expanding social support.

It is difficult to predict the damage that a pandemic could do to agriculture. In this regard, there is a global food shortage or declining food stocks in various countries around the world. It should be noted that today it is necessary to ensure the stability of prices for wheat, rice and corn, which are the main guarantees of food security. This will help prevent food disruptions and ensure food security for the entire population.

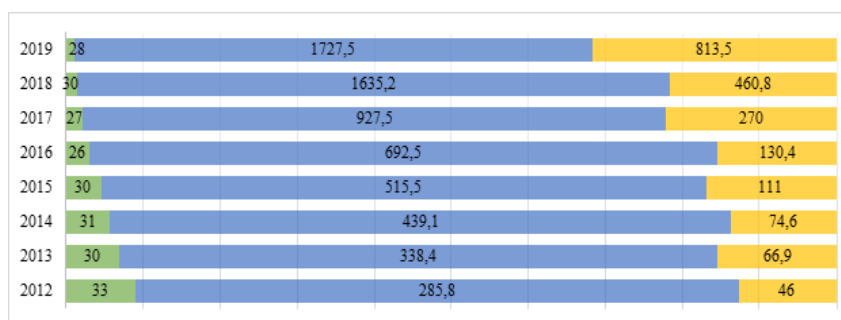
The only way to ensure food security is to ensure the sustainable development of agriculture and the potential risks in agriculture, ie the supply of labor resources in the process of growing agricultural products, timely delivery of seeds and mineral fertilizers, logistics services. difficulties, the elimination of interruptions from the field to the consumer, the supply of products to domestic and foreign markets may occur.

Due to the structure of risks that can pose a serious threat to agriculture, there may be specific difficulties in exporting domestically grown fruits and vegetables to foreign markets. One of the main reasons is that in the context of the coronavirus pandemic in the importing countries, the decline in purchasing power, as well as the processes associated with the devaluation of the national currency are likely to have a significant impact on export activity.

One of the main tasks in the context of the global pandemic is to provide the population with food in the agricultural sector through the timely planting of crops, timely implementation of agro-technical measures, development of agricultural

production, processing and supply.

At the global level, the spread of the pandemic is having a negative impact on agriculture in all countries. Therefore, in the epidemiological situation in Uzbekistan, it is necessary to protect the process from various hazards, from the sowing of all types of agricultural crops to their processing. This process today places a great responsibility on the insurance companies of our country. In any case, it is advisable to provide reliable insurance services as one of the key factors in the sustainable development of agriculture. In this regard, the country is actively working to insure the lives and property of businesses and the population.



**Figure 1. Dynamics of indicators of the insurance market of Uzbekistan (billion soums)**  
 Source: According to the Ministry of Finance of the Republic of Uzbekistan.

In 2012, the number of insurance companies in the insurance market of the Republic of Uzbekistan amounted to 33, the income from insurance premiums amounted to 285.8 billion soums, while in the same period 46 billion soums were paid to cover the losses of the insured. As of January 2020, the number of insurance companies amounted to 28, the receipt of insurance premiums amounted to 1727.5 billion soums, while in the same period 813.5 billion soums were paid to

cover the losses of the insured. Revenues from insurance premiums increased by 1441.7 billion soums compared to 2012 (Figure 1).

As a result of the ongoing reforms in the field of insurance in the country, the role and position of insurance companies in the insurance market is growing. In this regard, the volume of insurance services provided in the insurance market and the level of insurance coverage is growing.



**Figure 2. Analysis of the dynamics of insurance indicators of JSC «Uzagrosugurta» for 2012-2019 (billion soums)**  
 Source: Based on information from Uzagrosugurta JSC.



The activity of JSC «Uzagrosugurta», which has been operating in the insurance market of the country for more than 23 years, has a special significance in the field of agricultural insurance. In any case, one of the important tasks is to continue agricultural activities, prevent food insecurity on the basis of timely provision of the population with agricultural products, and insurance protection of this process.

The main customers of Uzagrosugurta are agricultural enterprises, farms, small businesses and private entrepreneurship, as well as the rural population. JSC «Uzagrosugurta» carries out certain work to insure customers against accidents caused by various natural disasters and accidents. One of the important factors is the financial support of JSC «Uzagrosugurta» in all conditions of agricultural enterprises producing agricultural products (Figure 2).

According to the data, in 2012, Uzagrosugurta JSC collected 50.6 billion soums of insurance premiums as a result of agricultural insurance, while in the same period it paid 7.5 billion soums of insurance coverage to cover losses caused by natural disasters. As of January 2020, the company and its regional branches received 252.6 billion soums of insurance premiums, while in the same period 97.6 billion soums were paid to cover the losses of the insured (2020).

In general, the provision of the population with a wide range of agricultural products and the country requires further development of insurance protection to prevent food insecurity. In our view, the development of the agricultural insurance system supports agriculture as a financial mechanism that mitigates and stimulates the economic crisis.

In order to mitigate the risk of coronavirus in a pandemic, JSC «Uzagrosugurta» paid 15 billion soums of insurance coverage to legal entities and individuals who have insurance contracts during the quarantine period. Also, in order to cover the losses incurred in the insurance event in agriculture and other sectors of the economy, the

implementation of operational calculations and payment of insurance premiums was monitored. At the same time, on the basis of establishing remote contacts with the insured, the society has organized work to justify their trust and provide quality services.

#### **Conclusions and suggestions.**

Ensuring food security on the basis of continuous development of agriculture It is expedient to implement the following recommendations on insurance against various financial and natural losses that may occur in agriculture due to natural vagaries:

- Transition from administrative methods of insurance of agricultural enterprises to digital methods of insurance;
- Introduction of innovative achievements (remote services) in agriculture on the basis of identification of natural hazards;
- Development of new types of voluntary insurance to ensure food security of the population and the prevention of crop losses;
- In the insurance of agricultural crops there is a responsibility only for the harvest, and this process should be carried out from planting to delivery, processing to the period of insurance liability;
- Introduction of a mechanism of state subsidies to cover the costs of insurance of agricultural enterprises;
- Improving the efficiency of insurance agents in the insurance activities of agricultural enterprises;
- Improving the insurance mechanism of the index in the insurance of agricultural enterprises.

From the above sources, it can be concluded that the main goal of the country is to prevent the crisis by mitigating the effects of the pandemic, insuring businesses involved in food security through the development of preferential insurance rates, incentives for regular insurers to provide various bonus insurance services. .

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## MAIN DIRECTIONS OF STRENGTHENING FOOD SECURITY AND SUSTAINABLE DEVELOPMENT OF AGRICULTURE IN UZBEKISTAN

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**Abstract:** *The article focuses on strengthening of food security through sustainable development of agriculture in Uzbekistan. In particular, aspects for assessing food security, the factors influencing the food security and sustainable agricultural development in the country were assessed. Attention is also paid to attracting investments in the agricultural sector, increasing the efficiency of land and water resources use through the introduction of modern technologies.*

**Key words:** *global pandemic, Sustainable Development Goals; food security; food supply chain; eliminate hunger; production potential of agriculture; productivity; investment; modern water-saving technologies; favorable agribusiness environment; state support; public procurement; minimum and maximum prices.*

### Introduction

The United Nations General Assembly in 2015 has identified food security and sustainable agriculture as one of the 17 global objectives of the 2030 [Agenda for Sustainable Development](#) Goals: “Eliminate hunger, ensure food security, improve nutrition and promoting the sustainable development of agriculture” (United Nations, 2015). According to the data of Food and Agriculture Organization of the United Nations (FAO) “There is more than enough food produced today to feed everyone in the world, yet close to 800 million are chronically hungry” (FAO, 2015).

At a time when it is becoming clear that the coronavirus pandemic is threatening human life as well as leading to an economic crisis around the world, food shortages are on the rise and some countries are taking steps to exclude the main types of food they grow. In the context of the global crisis and pandemic, the importance of food supply and security around the world is growing. As noted in the report of the Food and Agriculture Organization of the United Nations (FAO) published on March 29, 2020, “COVID-19 and Risks in the Food

Supply Chain: How to respond?”, the measures taken worldwide in the fight against coronavirus cause disruptions in the food supply chain, causing instability in the system and, consequently, great harm to the poor, destitute population. This poses a particular risk, especially to countries that do not have alternative sources of food supply (FAO, 2020).

Therefore, agriculture and food production are becoming the most important issues today. According to the World Bank “agriculture is the largest sector of and the largest employer in Uzbekistan’s economy, and has a large role to play in reducing poverty and inequality through job creation” (World Bank, 2020).

The “Strategy of the Development of Agriculture of the Republic of Uzbekistan for 2020-2030”, approved by the Decree of the President of the Republic of Uzbekistan dated October 23, 2019 No PF-5853, provides the following tasks for the implementation: development of state policy on food security; development of food safety and improvement of consumer rations; improvement of mechanisms for production required amount