Agricultural Development in Uzbekistan

during Period of Independence

From the first days of Independence the Government of Uzbekistan has been implementing a coherent and comprehensive policy in agricultural sector aimed
at ensuring food security. The approach based on the importance of fruits
and vegetables production for the whole system of livelihood, maintaining the health of the population, as well as creation of employment opportunities has become one
of the main vectors of economic and social policy in Uzbekistan.

An unprecedented decision was adopted in 1989 to allocate over 400 thousand hectares of irrigated land for garden plots was among initial measures to radically change the approach for achieving food independence in Uzbekistan. Further steps
on implementing the market and institutional reforms in agricultural sector included modification of sown areas structure and reduction of cotton cultivation for almost
2 times in favor of crops. As a result, Uzbekistan, which previously imported over 80% of the demand in grain, has gained “grain” independence, producing more than
7 million tons annually.

Other important vectors of the State policy in agricultural sector include:

- Liquidation of state and collective farms in favor of private farms to ensure productivity growth based on modern agricultural technologies;

- Diversification of sectors in agriculture, development of potato farming, viticulture, apiculture, poultry and fish production;

- Expansion of preferential crediting system of agricultural production;

- Establishing of an effective system of maintenance for farming enterprises, as well as supplies for their needs necessary material and technical resources (fuel, chemical fertilizers, biological and chemical pesticides, seeds);

- Formation of logistics system for storage and transportation of agricultural products, as well as its industrial processing.

Development of farming is among top priorities. Currently, there are 67.804 farms
in the country. The legal framework is established and being coherently improved.
In accordance with the Law “On Farms” and the Presidential Decree “On measures
of further improving the organization of activities and development of farming
in Uzbekistan”, a range of activities are undertaken with the aim to transform
the farms – major producer of agricultural products, to a powerful social and political force capable to take responsibility for the further development of the agricultural
and other sectors, as well as increase the level and quality of life.

During the short period of independent development, major reforms are implemented in Uzbekistan, allowing almost entirely diversifying the agricultural sector
and providing population with main food crops, as well as establish large volumes
of their export.

Since 1997, our agriculture demonstrates steady positive 6-7% growth annually. Since 1991 the volume of agricultural production has more than doubled allowing to increase consumption per capita of meat by 1,3 times, milk and dairy products – 1,6 times, potatoes – 7 times, vegetables – more than 2 times, fruits – almost by 4 times. Currently, over 17 million tons of fruits and vegetables are produced in the country annually, constituting 300 kg of vegetables, 75 kg of potatoes and 44 kg of grapes. These figures are roughly three times higher than the average consumption rates.

The comprehensive measures help to steadily increase the export potential
of the industry. In recent years, Uzbekistan has become a major exporter
of high quality and competitive fruit and vegetable products. In order to ensure year-round supply, a significant attention to the processing and storage is devoted.
Over the past 10 years, the volume of processing of vegetables and grapes increased by 3.5 times, including the canned fruits and vegetables by 2.5 times, dried fruits –
4 times, natural juices – 7 times. More than 16% of total production of vegetables and grapes are processed. Currently, more than 180 types of fresh and processed fruit
and vegetable products are exported. Its share in the structure of exports is 73%.

The geography of horticulture and viticulture exports is also expanding. Previously Uzbekistan traditionally supplied Russia, Kazakhstan and other CIS Countries, whereas now it exports to the markets of over 120 countries worldwide, including Indonesia, Japan, Mongolia, Norway, Saudi Arabia, Slovakia, Thailand and USA.

Since gaining independence, there were also positive changes in water sector. Reclamation of irrigated lands, rational and careful use of scarce water resources, and increase of soil fertility are among top priorities for further development. Uzbekistan has managed not only to maintain its irrigation potential during the years of Independence, but also successfully modernized and improved its irrigation system.

Principles of integrated water resources management, advanced water-saving technologies, automated monitoring and management of water distribution are being introduced. Measures to improve agricultural diversification, the technical conditions of water facilities, irrigated land, and more are taken.

10 basin irrigation systems, 1.502 associations of water users with about 70 thousand members are operating across the country since 2003 in order to more effective water and water supply management.

The State budget annually finances renovation of over 5 thousand kilometres
of canals, while water users cover the renovation of more than 100 thousand kilometres of irrigation and trough networks and 10 thousand units of various hydraulic structures. In recent years about 1.5 thousand kilometres of canals,
over 400 large hydrotechnic structures and 200 pumping stations were built
and reconstructed in Uzbekistan.

A specialized fund for land reclamation was created in 2007. At the expense
of this structure, a State Program of Land Reclamation for 2008-2012 was developed
and implemented.

Over $500m was spent on implementation of various programs, including drainage systems construction, reconstruction and rehabilitation.

During 2008-2012, a special company Uzmeliomashlizing provided 1.450 units
of machinery, including 600 excavators, 180 bulldozers, 670 other mechanisms
to enterprises engaged in irrigation and reclamation activities on the terms
of preferential leasing.

This document improved the condition of irrigated lands on the area
of over 1.2 million hectares, provided optimum groundwater level, which has
to a normal growth and development of crops. The area of land irrigated with groundwater level up to 2 meters decreased by 117.6 thousand hectares. The area with strongly and medium saline lands of 105.0 thousand hectares was desalted and reached the level of desalination of slightly saline and non-saline lands.

In order to further improve the reclamation and irrigation infrastructure,
a State Program on Improvement of Irrigated Land and Rational Use of Water Resources was established for 2013-2017. Over $1.2 billion were allocated for its implementation. As part of the program, 1.771 km of drainage network has been built and reconstructed in 2013-2014; on 24.7 thousand km a repair work was carried out. 360 units of reclamation equipment were purchased in terms of reduced leasing.
In addition, reclamation of irrigated lands on the area of over 1 million 700 thousand hectares was improved.

Special attention is paid to development of water-saving irrigation technologies.
n recent years drip irrigation has been implemented in over 16.3 hectares of area with an annual increase of 5 hectares. Watering by means of flexible hoses and through film is already used on more than 18.7 hectares of land, mainly in cotton fields.

Within the period from 2013 to 2017 land users and farmers will be provided,
at the expense of the state, with preferential long-term loans for implementation of drip irrigation systems on the area of 25 hectares. Farmer unions which have implemented water-saving technologies in their activities are exempt from payment of land and other types of taxes for 5 years.

A great attention is paid to the improvement of water infrastructure by attracting foreign investment. Major projects with participation of international financial institutions and partner countries are being realized.

Such projects as “drainage projects in Uzbekistan” worth $74.6 million have now been completed with World Bank’s participation. Other projects include: “Rehabilitation of Kuyumazar Pumping Station” with the Organization of Petroleum Exporting Countries ($12 million), “Rehabilitation of Karakul Pumping Station” with assistance of Chinese investors ($14 million).

In 2009-2014 the first two phases of “German Water Initiative for Central Asia” have been successfully implemented. In particular its program “Transboundary Water Management” (TWRM), under which there was reconstruction of interdistrict channel “Bad Bad” (Samarkand region), river “Padshaata” (Namangan region)
and its headwork. Also technical assistance was provided to the State Inspectorate
for Control and Supervision of the technical condition and safety of the largest
and most important water economy objects under the Cabinet of Ministers
of the Republic of Uzbekistan (Gosvodkhoznadzor), State Enterprise “Botiometrik Markaz”, the Zarafshan basin management of irrigation systems and to the Executive Committee of the International Fund for Saving the Aral Sea.

The projects “Restoration of Tashsakinskoy Main Irrigation Canals of Khorezm region” with participation of the Islamic Development Bank ($ 144.2 million)
are being continued. Together with France the program “Rehabilitation of Navoi and Uchkara Pumping Stations” ($ 38.26 million) is planned to be launched. The Asian Development Bank, in turn, allocated $284.5 million for restoration of the Amu Bukhara Irrigation System.

In the near future the implementation of two other major projects is planned – “Improving Management of Water Resources in Southern Karakalpakstan” with financial assistance from World Bank and “Improving Management of Water Resources in the Surkhandarya region” in cooperation with the Islamic Development Bank.

As a result of systematic measures, water intake throughout the country, compared
to 1990 decreased from 62 to 51 billion cubic meters (21%) per annum. Specific withdrawal of the sources for the irrigation for one hectare area was reduced from 18 thousand cubic meters per hectare to 10.5 thousand cubic meters per hectare (42%).

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