

Eurasian
Research Bulletin

Economic Methods of Land Use In Agriculture

**Islamov Farkhod
Rakhmatullayevich**

**Head teacher
Tashkent State Agrarian University, TSAU, Uzbekistan**

ABSTRACT

This article discusses the problems of protecting agricultural lands in the Republic of Uzbekistan. During the study, issues of improving the existing unified land tax system were considered and, on their basis, proposals and recommendations were made.

Keywords:

land, rational use of land, agricultural land, level of profit capitalization, land rent.

Introduction. In our country, large-scale reforms aimed at comprehensive development of the agrarian sector, protection of agricultural lands and their rational use are being carried out. This is done based on the economic, social and ecological importance of agricultural land for our country. The products grown on the agricultural land, together with improving the material lifestyle of the population and satisfying their daily needs, are the basis for the growth of the state economy.

According to the decree of the President of the Republic of Uzbekistan "On the development strategy of New Uzbekistan for 2022-2026" through the intensive development of agriculture on a scientific basis, the income of farmers and farmers should be increased by at least 2 times, the annual growth of agriculture should be at least 5%, the scale of state support in agriculture issues of expansion and implementation of new mechanisms of insurance as well as improvement of soil fertility and protection are defined.

The total land area in the administrative territory of the Republic of Uzbekistan is

44,892.4 thousand hectares. As of January 1, 2022, the agricultural enterprises and other organizations operating in the republic and citizens use the land of 27,148,5 thousand hectares, the area of agricultural land is 22,116,1 thousand hectares, of which the land for irrigation is 3,694,9 thousand hectares.

Among the existing land categories in the Republic of Uzbekistan, land intended for agricultural purposes is given a great advantage both in terms of territory and importance. As of January 1, 2022, agricultural land in the Republic of Uzbekistan occupies 60.48 percent of the total area and is in constant use. [1, 2]

In the process of using agricultural lands, protection of these lands is required. Continuous use of agricultural lands and their unreasonable use seriously affect the lands and lead to deterioration of their condition.

Agricultural production is based on land. Economical and efficient use of land is the most important and urgent issue due to its limitation and difficulty in restoration.

According to B.V. Erofeev, "land protection is a legal, legal system aimed at rational use of

land, prevention of unjustified withdrawal from agricultural circulation, protection from harmful effects and restoration of land productivity, including the forest fund, increasing production and soil productivity. includes a system of organizational, economic and other measures. Land protection is carried out on the basis of a comprehensive approach, taking into account the natural location of the land, the uniqueness of the territory, and sets the following goals.

Land protection means the rational use of land for its intended purpose, the restoration and improvement of soil fertility, the effectiveness of forest fund land, the prevention of unjustified withdrawal of land from the agricultural cycle and the composition of the land of protected areas, legal and organizational measures aimed at protecting them from harmful anthropogenic influence. , covering the system of economic, technological and other measures, and it is understood that it is implemented on the basis of a comprehensive approach to land as complex natural products (ecosystems), taking into account the characteristics of the zone and region.

The right to protect land is related to the use of land, and in turn has its own characteristics. Before talking about the right to use land, it is necessary to clarify the essence of the concept of land use.

N.F. Reimers states that the use of land is the use in the process of social production aimed at satisfying the material and spiritual needs of society. Land protection is closely related to their productive use, which in turn has its own characteristics. Therefore, land use is a system of measures implemented in order to meet the various socio-economic needs of society members from the properties of useful elements of land resources. The right to use land is a system of legal regulation of activities carried out on the basis of influence on the land in order to satisfy the economic and cultural needs of legal entities and individuals.[4]

Based on the use of lands, their organic system decay, deterioration, reduction of mineral substances has a harmful effect on the quality indicators. Among the available land categories in the Republic of Uzbekistan,

agricultural land is given a high priority. Because agricultural production determines the main directions of our future.

According to Article 43 of the Land Code of the Republic of Uzbekistan: "Lands given for agricultural purposes or designated for these purposes are considered agricultural lands. This category of land is divided into agricultural land and tree groves necessary for agriculture, internal farm roads, communications, forests, closed reservoirs, buildings, buildings and structures. Arable land, hayfields, pastures, abandoned land, perennial trees (gardens, vineyards, orchards, fruit tree nurseries, orchards, etc.) are included in agricultural land. Artificial irrigation based on the system of irrigation and water use of agricultural lands is the basis of the organization of agricultural production and is a condition for effective use of lands and increasing their productivity.

The basis of agricultural land is irrigated land. Irrigated land is land that is suitable for agricultural use and irrigation and has a permanent or balanced irrigation network connected to an irrigation source whose water resources can provide irrigation for that land. Water management bodies are obliged to provide water to the owners of land with irrigated land and to the users of the land, taking into account the scarcity of sources for irrigation works, according to the limits established by the legislation on water. Irrigated land can be used only for the cultivation of agricultural crops, as well as horticulture, viticulture and the cultivation of perennial trees. Irrigated lands should be specially protected. The transfer of such lands to non-irrigated lands in special cases, taking into account soil-ameliorative and economic conditions, water supply of the lands, existing water resources and the limits set for these waters, in accordance with the conclusions of the Ministry of Agriculture of the Republic of Uzbekistan, the Ministry of Water Management of the Republic of Uzbekistan and the President of the Republic of Uzbekistan will be implemented by decision".

Research results: It is known that land resources intended for agricultural purposes and the system of use of these lands differ from land resources intended for other purposes and

the system of their use with a number of characteristics. The use of land resources in agriculture and its results are functionally directly related to the use of other resources. Such a situation is an objective legality, and it forms the theoretical and methodological basis of the land tax system, especially the single tax, and in practice it should be implemented by determining the taxation mechanism. It is necessary to form the mechanism of taxing the land intended for agricultural purposes, taking into account the place and role of these lands in the economy of our country, as well as their social importance, the limitation of land resources, especially irrigated land in this sector, and the provision of economic stability in proportion to the interests of land users. The material basis of such a mechanism is the rent income generated in agriculture, and most importantly, a fair and efficient system of payment for land use is introduced here by ensuring the interdependence of land tax, land rent and land rent. In this case, firstly, land tax and land rent should be established based on the indicator of the amount of land rent. The practical essence of this mechanism is that in the case of private ownership of land, the land rent should be equal to the land rent, and the land tax should not exceed the rent, and if the private owner of the land uses the land himself, the land tax should not be greater than the land rent. creates a basis for the formation of an economically acceptable and fair mechanism. Taking into account the state ownership of land in our country, it is necessary to scientifically describe the material basis of land rent relations in agriculture. Therefore, land rent, land rent and land tax should be equal to each other. A similar scientific approach is observed in the Land Code of the Republic of Uzbekistan (Article 28). But in this Code, although it is said that land rent and land tax are equal, there is no norm stating that they are equal to land rent.

If we analyze the unified land tax system in the agriculture of our republic, according to the decree of the President of the Republic of Uzbekistan dated October 10, 1998 - On the introduction of a unified land tax for producers of agricultural goods No. was introduced, and in accordance with Article 362 of the Tax Code of

the Republic of Uzbekistan, the only land tax payers are agricultural producers and pilot experimental farms of scientific and research organizations in the field of agriculture, as well as training farms of educational institutions.

Currently, the single land tax for enterprises using agricultural land is calculated based on the normative value of the land. According to the decision of the President of the Republic of Uzbekistan dated December 29, 2017 No. PQ-3454 on the forecast of the main macroeconomic indicators of the Republic of Uzbekistan for 2018 and parameters of the State budget, the single land tax rate is set at 0.95% of the normative value. It can be seen that the normative value of the taxed land parcels determined in accordance with the law is the tax base. The normative value of land is determined based on the Regulation on the procedure for determining the normative value of agricultural arable land approved by the Resolution of the Cabinet of Ministers of the Republic of Uzbekistan dated August 28, 2014 No. 235 on improving the system of determining the normative value of agricultural arable land. The unified land tax system has the function of encouraging the efficient use of agricultural land, especially irrigated land, simplifying the mechanism of taxation of land users - agricultural enterprises, providing equal conditions for them due to differentiated taxation, stabilizing budget revenues, improving land reclamation and increasing productivity. must fulfill and, most importantly, direct the husband's relations in the society towards social justice.

In this regard, it can be said that there are the following shortcomings in the procedure for determining the normative value of arable land:

✓ in accordance with the Regulation on the procedure for determining the normative value of agricultural arable land, average annual prices of the main types of agricultural products sold in farmers' markets and data on agricultural arable land for the previous year for each producer of agricultural goods are determined based on the information of the State Statistics Committee of the Republic of Uzbekistan . However, statistical data for 2017 will be determined in 2018, as a result, statistical

data determined for 2017 will be used in 2019 to determine the normative value of land used by agricultural producers, and agricultural producers will pay a single land tax on this basis. From this point of view, economic changes during the period of 2 years are not taken into account, for example, price changes, inflation rate, etc.

✓ *according to the Regulation on the procedure for determining the normative value of agricultural arable land, the rate of capitalization of profit in calculating the normative value of irrigated agricultural arable land is set at 5%. Considering that the inflation rate in our Republic is 14.4% (as of 2019), the budget deficit is 1% compared to GDP, and the refinancing rate of the Central Bank is 14%, it is appropriate to justify this norm from the economic side and determine the optimal capitalization level;*

✓ *in determining the normative value of arable land, the mechanism of economic incentives that directs the producers of agricultural goods to improve land reclamation and increase soil fertility in general, to effective use of land has not been introduced.*

It should be noted that the current procedure for calculating the single land tax does not take into account the driving directions for improving the melioration of land intended for agricultural purposes and increasing soil fertility, on the contrary, the credit score of the soil and the specified coefficient are determined by the indicators when calculating the single land tax. It can be seen that as the quality score of the soil increases, so does the single land tax. However, in our legislation, there are the following benefits for the collection of a single land tax for producers of agricultural goods:

✓ *In paragraph 23 of Article 282 of the Tax Code of the Republic of Uzbekistan, lands newly appropriated for agricultural purposes, during the period of their development and within five years from the time of their appropriation;*

✓ *Existing irrigated lands where reclamation works are being carried out in paragraph 24, for a period of five years from the beginning of the works;*

✓ *For a period of three years, irrespective of whether the lands occupied by newly established gardens, vineyards and orchards, between rows of trees are used for planting agricultural crops in paragraph 25;*

✓ *The legal entities specified in paragraph 2 of Article 367, in which part of the plot of land is used for drip irrigation, are exempted from paying a single land tax for a period of five years starting from the month when the drip irrigation system is introduced in that part.*

Also, Article 82 of the Land Code of the Republic of Uzbekistan defines the above benefits and additional incentives.

Despite the above-mentioned benefits and incentives in our legislation and the large amount of funds spent annually from the budget of our Republic for the purpose of restoring and improving the land reclamation condition (a total of 253.7 billion soums were spent by the Fund for the Improvement of the Reclamation Condition of Irrigated Lands in 2022), the land reclamation condition of our Republic is deteriorating. soil fertility is in a stable state (in 2018-2022, the average credit score for the Republic is 55). The reason for this is that there is no clear economic incentive aimed at increasing soil productivity, and the mechanisms for applying the above benefits have not been fully developed, as well as shortcomings in the collection of a single land tax.

As mentioned above, the higher the soil quality score of the land users, the more they pay in the single land tax. The fact that land users are not interested in improving the quality of the soil and land reclamation, on the contrary, they do not want to spend additional funds on the cost of improving the quality of the land and the uniform land tax. Therefore, taking into account that more than 150 thousand producers of agricultural goods are using a total of more than 13,730 thousand hectares of agricultural land, the quality of agricultural land, which is valuable and important for the economy of our country, is deteriorating year by year.

Taking into account the above-mentioned circumstances, we consider it appropriate to put into practice the following

proposals and recommendations in order to improve the melioration condition of lands intended for agricultural purposes and to increase soil fertility and organize efficient use of land:

✚ *Development of a specific procedure for the practical application of benefits for producers of agricultural goods specified in the Land Code, Tax Code and other legal documents of the Republic of Uzbekistan;*

✚ *According to Article 369 of the Tax Code of the Republic of Uzbekistan, producers of agricultural goods must pay the single land tax by September 1 of the reporting year - 30 percent of the annual tax amount, and the remaining amount of the tax by December 1 of the reporting year. However, according to the cotton supply contracts, 90 percent of the funds belonging to farms will be paid by the end of this year, and the remaining 10 percent by April 1 of the next year. In practice, due to the fact that payments are not made to farms by September 1, they are forced to pay an additional penalty for not paying the tax by this period. Due to the above reason, it is necessary to harmonize the terms of payment of the single land tax or the terms specified in the contracting agreements for the supply of cotton. (As of April 1, 2017, farms owe 310.5 billion soums in principal and 30.6 billion soums in penalties from taxes and state special funds.) use of a regressive tax rate in collecting the single land tax, that is, as the land's soil quality score increases, the single land introduction of a system of decreasing tax rates;*

✚ *In calculating the normative value of irrigated land, introducing the incentive coefficient (Kr) into the procedure for calculating the normative value of land in order to further increase the soil fertility of the land, to strengthen the economic strengthening of the producers of agricultural goods, and to strengthen the incentive;*

✚ *For example, if a producer of agricultural goods implements anti-erosion measures at the expense of his income, cleans the collector-drainage network, implements measures to increase soil fertility, digs up the land, or spends to develop new land, then the land rights against these agricultural commodity producers it is appropriate to use the*

incentive coefficient when calculating the normative value, because in this way it is possible to effectively support the improvement of the natural-technological condition of irrigated land, which is valuable for our country.

For example: the normative value of 26.96 hectares of land used by NARIMON AGRO FAYZ farm operating in Orta-chirchik district of Tashkent region is 389,206,102 soums. In turn, the farm took measures aimed at improving land reclamation or increasing soil fertility, for example, it cleaned the collector ditch for 9,400,000 soums from its income and treated the land with biohumus for 17,750,000 soums to increase soil fertility. So, the farm spent a total of 27 million 150 thousand soums from its own account.

According to the proposal, using the incentive coefficient (Kr), the normative value of the land can be calculated as follows:

✚ *The following coefficients and indicators were used to calculate the normative value of arable land:*

✚ *regional coefficient 1.2 (K1);*
 ✚ *the coefficient taking into account the method of water release for irrigation is 1% (K2);*

✚ *the coefficient of accounting for crop failure is 0.967% (K3);*

✚ *the capitalization percentage of the calculated profit is 5% (P);*

✚ *incentive coefficient 0.666% (Kr);*

✚ *The calculated amount of profit from 1 irrigated arable land is 934,002 soums.*

✚ *as it can be seen from the calculation, as a result of the incentive coefficient, the normative value of the total land area decreased by 195,187,442 soums, as a result, the farmer pays the single land tax in the amount of 3,697,457.97 soums instead of 5,551,738.67 soums. In the process of applying the incentive coefficient, it is necessary to take into account the amount of money spent by producers of agricultural goods on improving the quality of land, the amount of cultivated land (hectares) and the period of application of this coefficient, as well as the establishment of a district commission for the proper organization of this process, based on the conclusion of this commission, agricultural*

goods it is desirable to determine the incentive coefficient for producers (Table 1).

Table 1

Coefficients to be taken into account in the promotion of activities aimed at improving the reclamation of agricultural land and increasing soil fertility [5]

№	Amount of funds spent, thousand soums/ha	Coefficient
1.	1000	0.700
2.	2000	0.666
3.	3000	0.662
4.	4000	0.658
5.	5000	0.654
6.	6000	0.650
7.	7000	0.646
8.	8000	0.642
9.	9000	0.638
10.	10 000	0.634
11.	11 000	0.630
12.	12 000	0.626
13.	13 000	0.624
14.	14 000	0.620
15.	15 000	0.616
16.	16 000	0.612
17.	17 000	0.608
18.	18 000	0.604
19.	19 000	0.600
20.	20 000	0.596
21.	21 000	0.594
22.	22 000	0.592
23.	23 000	0.588
24.	24 000	0.584
25.	25 000	0.580
26.	26 000	0.500

Conclusions and suggestions: based on the above analysis, it is valuable and important for our country to eliminate the indicated shortcomings in the unified land tax mechanism and the system for assessing the normative value of land, that is, to fully implement the benefits established by law for producers of agricultural products and to expand their economic incentives. leads to the improvement of land reclamation conditions and the formation of a system directing to the increase of soil fertility and efficient use of land.

This, in turn, has a positive effect on the improvement of the quality of the land intended for agricultural purposes, the increase in the efficiency of land use and the volume of agricultural products, the growth of the economy of our country and the volume of exports. Land intended for agriculture is very important for our country.

Therefore, it is necessary to develop and adopt legislative norms aimed at preserving and increasing the productivity of agricultural lands for the benefit of current and future

generations, and to implement measures aimed at ensuring their effective implementation.

Literature:

1. Decision PQ-3454 of the President of the Republic of Uzbekistan on the forecast of the main macroeconomic indicators for 2018 and parameters of the state budget (December 29, 2017 y).
2. Resolution No. 149 of the Cabinet of Ministers of the Republic of Uzbekistan on measures to introduce market mechanisms in agriculture (February 28, 2018 y.).
3. Altiev A.S. The economic mechanism of the liberalization of the land resource use system. Tashkent: Science, 2019 y. (pages 97, 98, 111).
4. Joraev A., Tashmatov Sh., Abdurahmonov O. Taxation and taxation. Tashkent: Norma, 2019 y. (125 pages).
5. Irrigation and Melioration scientific-practical, agrarian-economic journal. 2018 y. Земельное право: Учебник / Под ред. В.Х. Улюкаева. – М.: Былина, 2020. – С.152.
6. Land Code of the Republic of Kazakhstan. - Help system LAWYER - N 442-II – 2013 y.
7. Land Code of the Russian Federation. Official text. – М.: Publishing and bookselling center “Marketing”, 2021 y. – P.80.
8. www.lex.uz, www.uza.uz, www.kun.uz/111839 www.sputniknews-uz.com/economy/20180109/7227756.html, www.uza.uz/oz/business/markaziy-bank-ayta-moliyalash-stavkasi-14-foiz-mi-dorida-old-08-02-2022.