

DEVELOPMENT OF SMALL BUSINESS AND ENTREPRENEURSHIP IN AGRICULTURE

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Abstract: The agricultural sector plays a key role in ensuring food security, sustainable rural development, and generating national income. Agricultural entrepreneurship is an important factor in modernizing agricultural production, implementing innovation, and enhancing competitiveness.

The purpose of this article is to analyze current trends, problems and prospects for the development of entrepreneurship in the agricultural sector, as well as to identify key mechanisms for its stimulation.

Key words: agricultural sector, entrepreneurship, agriculture, innovation, government support, sustainable development.

Introduction. Developing entrepreneurship in the agricultural sector is a key area of socioeconomic policy in most countries with developed and developing agricultural production. In the context of global change, climate challenges, and increasing competition in food markets, the importance of effective agribusiness based on modern management approaches and innovative technologies is increasing.

Despite agriculture's high potential, entrepreneurs in the agricultural sector face a number of barriers: unstable market conditions, limited access to financing, poor infrastructure in rural areas, and a shortage of qualified personnel. In this context, creating a favorable environment for agricultural entrepreneurship is becoming an important focus of government policy.

Effective development of entrepreneurship in the agricultural sector will contribute to improving the standard of living of the rural population, providing employment, and increasing agricultural production.

Agricultural entrepreneurship occupies a significant place in the economies of industrialized countries and is a crucial element of their market systems. It thus contributes to achieving an optimal economic structure, developing and implementing flexible management strategies and tactics, fostering strong economic innovation, maintaining competition at an appropriate level, accelerating innovation processes, shaping the social orientation of market relations, addressing employment issues, and promoting balanced development across the country's regions.

The role of further development of entrepreneurship in agriculture is particularly increasing in modern conditions in connection with the adoption of the national priority project for the development of the agro-industrial complex.

Relevance of the study . Agricultural entrepreneurship is a specific type of economic activity related to the production, processing, and sale of agricultural products, as well as the provision of agricultural services. It combines features of traditional agricultural labor and an innovative business approach, involving a high level of risk, seasonality of production, and dependence on natural and climatic conditions.

Key characteristics of agricultural entrepreneurship include: high levels of uncertainty; significant capital intensity; long investment cycle; and the need to comply with environmental and social standards.

Currently, agricultural entrepreneurship is demonstrating mixed trends. On the one hand, there is a growing number of farms and peasant enterprises, expanding cooperatives, the adoption of digital technologies (AgTech), and the development of organic agriculture. On the other hand, structural problems persist: market monopolization, poor technical equipment, and insufficient support for small agribusinesses.

A number of countries are seeing positive growth trends in agricultural startups , particularly in vertical farming, biotechnology, and industrial automation. However, such projects require significant investment and access to knowledge, limiting the participation of small businesses without external support.

Key issues facing the development of entrepreneurship in the agricultural sector include:

- Financial constraints: limited access to credit resources, high cost of borrowing, low level of investment attractiveness of the industry.
- Institutional barriers: instability of the regulatory framework, insufficient development of rural infrastructure, weak support for cooperation.
- Personnel shortage: outflow of youth from rural areas, lack of specialized educational programs, weak motivation for innovative activity.
- Technological backwardness: low level of mechanization and digitalization , limited implementation of modern agricultural technologies .

Public policy plays a key role in creating conditions for the sustainable development of agricultural entrepreneurship. Key areas of support include: subsidizing loan interest rates; developing rural infrastructure (roads, communications, logistics); supporting young farmers and family farms; creating agroparks and industrial clusters; and implementing agricultural education and innovation programs .

Furthermore, digitalization of the agricultural sector is becoming an important tool—the use of precision farming technologies, process automation, remote monitoring, and big data analytics.

Going forward, the development of agricultural entrepreneurship should be based on the principles of sustainability, environmental friendliness , and inclusiveness . The following areas are projected to gain increasing importance:

- development of environmentally friendly and organic production;
- activating women's and youth entrepreneurship;
- expansion of international cooperation and export of agricultural products ;
- integration of science and business in the agricultural sector ;
- sustainable use of natural resources and adaptation to climate change.

Conclusion. Agricultural entrepreneurship is a strategically important element of the national economy and sustainable rural development. Its development requires a comprehensive approach, including institutional reforms, financial support mechanisms, human resources, and innovation. Only by creating a favorable business environment can the agricultural sector reach a qualitatively new level, ensuring food security and social stability.

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