

Efficient Management of Financial Resources of Farms in Uzbekistan

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Abstract. The purpose of this article is to focus on the financial sustainability of the farms in Uzbekistan by using and managing the financial resources effectively. Today, the agricultural and livestock farms in Uzbekistan are not only producing agricultural products but also storing, processing and packaging agricultural and livestock products as well as supplying and meeting the needs of consumers in the rural areas. It is important to note that providing services also contributes to the economic stability of the country. One of the challenges facing the current situation of agricultural and livestock farms is to create an optimal quantity of current assets.

Key words: Financial analysis, financial stability, financial indicators, financial resources, economic competence of farms, Uzbekistan

Introduction. In a well-known market economy, the resources available to the farms are limited. The slightest negligence of the farms in such circumstances can result in the loss of the financial resources. One of the key challenges today is the proper utilization and management of the financial resources on the farms. In order to improve the economic and financial situation of the agricultural producers and to improve the service structures of the agricultural producers, to increase the profitability, to ensure the sustainable growth of the production, to diversify the production. With the focus on development, improving the working capital management in Uzbekistan has become one of the top priorities.

On the basis of this, market relations will be widely introduced in Uzbekistan, and financing and mutual settlement mechanisms will be drastically improved. This will improve the financial and economic standing of agricultural producers and their service structures, boost profitability, guarantee sustainable growth in output, and diversify production. Improving working capital management is one of the most urgent challenges because of the focus on development.

The urgency of this issue is mainly due to the fact that the development of the production on the farm should be based on the market demand, rather than the state order. The main requirement of Uzbek government is that the farm should be able to earn additional funds or income by diversification - by developing new production sectors. The income should serve the financial sustainability of the farm. On the other hand, the financial stability of the farm requires the establishment of a new working capital structure and its management according to the principles of modern market economy. This is a new issue for many farms in the country. If this issue is not studied soon, it will lead to bankruptcy of the financial enterprises and financial incapability. Therefore, the study and development of scientifically-based recommendations and conclusions on this issue is one of the scientific and practical topics of current research.

More than 160,000 farms have been established recently as a result of the agricultural trend, and they are currently successfully operating in more than ten areas. The fact that over 12,000 farm owners are under 30 and over 6,000 are led by women is the most satisfying aspect of the industry. In the last two years, the number of multi-sector farms has climbed by 45 percent, to reach 75,000. Only as a result of this have distant villages seen the creation of hundreds of thousands of new jobs. This year, 8,377,000 tons of grain were cultivated in the nation as a result of economic changes and the growth of agriculture.

Businesses engaged in agriculture are granted financial benefits and facilities. As a result, favorable conditions are created to ensure financial stability and these businesses' place in the production of agricultural products is maintained at a respectable level.

Research methodology. Utilizing working capital becomes more feasible for farms as their output diversifies. However, farm managers must establish normative levels based on the projection of future earnings, contingent on the productivity of production elements, in order to finance new forms of production and guarantee its efficiency. Simultaneously, farms must conduct research based on agricultural or industry

features due to the normative levels chosen in science, i.e., the coefficients are tailored to the operations of industrial companies.

The farms of Uzbekistan today engage not just in agricultural production, but in storing, processing, and packaging farm and livestock products. They also supply and meet the demand of rural consumers. Notably, providing these services bolsters the farms' financial stability. A key task for farms now is forming an optimal level of working capital. Farms rely heavily on climate and environment, so must maintain and use working capital effectively. Timely agro-technical work, crop growth, product sales, and financing all hinge on astute working capital planning and management. Farms need robust accounting data to guide these decisions.

The financial condition of business entities is a complex concept that reflects the interconnectedness of all elements of the financial relations that arise in the course of its economic and commercial activities. The financial condition of business entities is characterized by the sources of placement and use of funds and their formation. To determine the financial position, a financial analysis is conducted, which includes:

- express analysis of financial condition (analysis of the structure of assets and liabilities, the state of property, reserves and expenses);
- financial stability analysis;
- analysis of financial results of activities;
- analysis of profitability and business activity.

The financial health of businesses is reflected in key metrics that track how they obtain and utilize resources. These financial results interest not just the company and its workers, but also business partners, government, financial institutions, tax agencies, and more. This widespread interest underscores the value of analyzing corporate financials to understand economic dynamics.

The purposes of financial analysis are:

- identification of changes in a financial position as well as factors affecting sustainability;
- assessment of qualitative and quantitative changes in the financial situation;
- assessment of the financial condition of business entities for a particular item;
- identification of the main directions of changes in the financial situation and others.

The analysis of a company's financial condition assesses and measures the profitability of its products, working capital, financial stability, balance sheet liquidity, solvency, and creditworthiness.

Ensuring the financial stability of an enterprise is especially important in assessing its economic health, including key financial metrics and ratios. To properly evaluate financial stability, a system of financial indicators should be used for analysis.

Financial stability and its provision first, describes not only the capital structure of individual farms but also the financial condition of farms as a whole;

- Secondly, it is a complex indicator of the activity of farms, based on the profitability and repayment of debts, the ability of farms to finance their activities, and the rapid development of resource turnover;

- Thirdly, it reflects the results of production and financial activities of farms and reflects the systemic process of harmonization of these results, taking into account the feedback between them;

-Fourth, it provides the highest return on investment through the management of the working capital of farms.

The economic literature reveals that assessing and ensuring financial stability requires an approach tailored to the unique characteristics and specialization of the entity. For farms specifically, it is prudent to gauge financial stability and adequacy using both absolute financial indicators and relative indicators like financial ratios.

The system of absolute financial stability indicators and their provision can be interpreted as either a surplus or shortage of funding sources that form reserves and expenditures. This surplus or shortage manifests as the difference between the volume of reserves and costs.

To assess the financial stability and security of farms in a comprehensive way, key financial ratios should be examined, including the absolute liquidity ratio, solvency ratio, financial independence ratio, own and borrowed capital ratio, own working capital ratio, receivables turnover ratio, accounts payable turnover ratio, and balance sheet profit margin ratio. In addition to these absolute indicators, the analysis should incorporate relative measures such as the net profit margin.

Through analyzing the aforementioned absolute and relative indicators of financial stability and provision, it becomes possible to rationally assess the financial stability of farms. Farms play a vital role in ensuring their own financial stability by developing and implementing organizational and economic mechanisms.

Conclusions. The financial stability of farms in Uzbekistan today requires improving the utilization and efficiency of fixed and circulating assets through an effective system of indicators, as current levels do not fully meet demand. Farms with insufficient fixed assets lack incentives for full utilization. To increase levels and efficiency, farms need full and proportional provisions of assets, improved maintenance to maximize uptime, balanced utilization across seasons, enhanced financial incentives, and developed markets.

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