



## ROLE OF "COTTON-TEXTILE CLUSTER" IN GROWING, PROCESSING AND EXPORTING OF COTTON FIBER

Roziyev Oibek Abdumominovich

Director of the educational center for training Afghan citizens

Salimov Ikram Javliyevish

Graduate student of TERDU

<https://doi.org/10.5281/zenodo.7956475>

**Abstract:** In the article, the role of cotton-textile clusters, which today show their effectiveness by growing and processing and exporting cotton, and on the side of our government, in increasing the well-being of the population in our country, providing employment to the population in this regard, the reforms being carried out were discussed.

**Key words:** Cluster, cotton-textile cluster, cotton processing, export, productivity, etc.

In the development of the economy of the Republic of Uzbekistan, the agrarian sector is considered one of the main priority and support sectors, and ensuring its proportionality in relation to other sectors by increasing the efficiency of the processes implemented in it is one of the urgent issues today. Today, it satisfies the demand of the population of our country for food products, and the demand of processing industry for raw materials. As we know, about 90 percent of food products are produced in agricultural sectors. Cotton growing is very important in agriculture.

At the time of independence (1991), 7% of the raw cotton produced in our country was processed in our country, and in 2016 this figure reached 37%. got. As a result, the export of raw materials was completely stopped. On the contrary, it began to be processed and exported as a value-added product.

Undoubtedly, this is the honor of the introduction of the cluster system in agriculture based on the idea and initiatives of our President Sh. That is, the number of cotton-textile clusters operating in the system of the Union of Cotton-Textile Clusters of Uzbekistan is 134, and the number of large factories launched by the clusters is more than 350. 1,034 million in 2022 by clusters. cotton was grown on a hectare of land. In particular, cotton-textile clusters have 727.9 thousand tons from 174,970 hectares of cotton area attached to them, and 2,781.8 thousand tons from 859,253 hectares on the basis of futures contracts with 29,970 farms. 3,509 million in total. Tons of raw cotton were harvested. The average productivity of the republic was 34.0 centners per hectare.

Due to the intensive and innovative agro-technologies applied by them, the productivity index and quality of cotton growing are improving every year. Without going too far, if we analyze the current season, it is gratifying that most of the clusters harvested an average of 35-40 centners of cotton per hectare. For example, before the introduction of the cluster system, the cotton yield was 20-30 centners, but after the introduction of the cluster system, the average yield increased by 10-20 centners, and this year it reached 30-40 centners. As a result, 60 thousand tons of additional industrial raw materials were collected. The main reason for this is self-interest. After all, it is the clusters themselves who order cotton raw materials, grow them and process them. In this sense, he is primarily interested in the production of abundant and high-quality raw materials!

Intensive and cost-effective technologies began to bear fruit, in 2017 only 0.9% of the gross cotton crop grown in our country was contributed by clusters, in 2018 this figure increased to 15.1%, in 2019 It was 68 percent, and in 2020 it was 91 percent. Starting from this year, 100 percent of raw cotton is produced by cotton-textile clusters.

In 2021, the clusters planted cotton on an area of more than 1 million hectares, and they managed to harvest the cotton crop earlier than ever before. If we compare with the previous seasons, this year's cotton harvesting season is distinguished by the fact that it was conducted the fastest and most organized in the last 30 years. Of course, it was not easy to achieve this in the unfavorable weather conditions of this year.

The beginning of the year was full of anomalously cold days, and the sowing of seeds was quite late, while the dry and hot weather of the summer months had a negative effect on the cotton comb, flower and crop buds. But due to taking into account the peculiarities of the season, quick measures were taken, intensive agro-technologies were used, the harvest was saved. On the other hand, the dry and hot weather of September caused the buds on the tips of the cotton bushes to open naturally faster. This made it possible to partially compensate for the crop lost in the summer heat. As a result, the forecasts that the cotton yield in the republic will be 85-90 percent did not come true. The target crop was grown and a high cotton threshing floor was created.

Another noteworthy aspect is that negative situations such as forced labor and child labor were not allowed during the season. On the contrary, the crop was harvested with the help of cluster workers and volunteer pest control workers. In addition, mechanization of cotton growing is accelerating. In the Jizzakh region alone, 401 high-efficiency cotton picking machines were deployed to the cotton fields, and a large part of the crop was harvested with their help.

As the head of our state specifically stated in his first interview with the press, "The situation reached such a level that we planted cotton up to the roof of our house, but our cup did not flow. We also drove school children to cotton wool. Until recently, every year approximately 6-7 million representatives of the social sector were forcibly mobilized to harvest cotton. For six years now, we have been freed from this hardship. No matter how difficult it may be, in this area we have introduced proven and effective methods of market economy, including the cluster system we did. With the help of clusters, we aim to harvest 50 quintals of cotton and 100 quintals of grain per hectare, and we will definitely achieve these goals." The drastic reduction of manual labor in this area is due to the fact that more than 5 thousand high-efficiency machines were brought by the clusters, including the purchase of 660 cotton picking machines. Not only the own funds of the clusters, but also the financial support provided by our state are helping to purchase these modern equipments that have become a staple of farmers. In the six months of 2021 alone, more than 6 trillion soms of loans were granted to clusters operating in all areas of agriculture, which is a confirmation of our opinion.

By systematically paying attention to the land, its irrigation system, skilled labor and agrotechnical measures, the productivity is increased to 60 centners. In the near future, it is aimed to increase productivity by at least 2 times, in-depth processing of raw materials, to increase exports, and to further increase employment and income of the population. There is a traditional wisdom in our people that says "Sara is a seed - a harvest." It is clear from this that the primary condition for achieving high productivity is to have quality varieties and

seeds. Therefore, special attention is being paid to the selection of varieties that are suitable for the soil and climate conditions of each region, resistant to diseases and insects, and at the same time adaptable to extreme conditions in the clusters of the Union of Cotton and Textile Clusters of Uzbekistan. Now, the fact that the clusters are allowed to import the most productive varieties of cotton and grain and place them independently has revitalized our work in this regard. In addition, 10 million dollars will be allocated to research institutes for the preparation of high-generation seeds, more than 40 new varieties of cotton will be tested in the next 2 years, and the 10 most promising varieties will be selected. At the same time, the projects of clusters on the introduction of water-saving technologies, the purchase of laser leveling equipment are financially supported, and customs benefits are also provided. All this creates a solid basis for raising the yield in cotton growing to 60 centners.

Also, the financing procedure is being completely changed, it must be admitted that revolutionary changes have taken place in the agricultural sector. First of all, administrative and regulatory barriers are being eliminated and market relations are being introduced to the industry. The biggest relief is that public administration is being reduced and handed over to the private sector. In this process, additional benefits are provided to cotton-textile clusters. Most entrepreneurs were facing a lack of funds due to the fact that the current financing procedure does not correspond to the production cycle of the clusters. Because according to the current financing system, loans are given for only 1 year. This only covers up to 60% of the total cost of cotton production. In order to finance the remaining part and the next stages of the production chain of finished textile products, entrepreneurs are forced to take additional loans with high interest rates (25-26% per annum).

With the initiative of our honorable President, the financing problems are being completely solved. "The main problem is the current old financing method. It does not fully meet the requirements for the development of the industry. According to the new financing procedure, now the financing of the cotton crop starts from the plowing period, i.e. October. Most importantly, from now on, loans to clusters will be allocated for a period of 24 months, and its grace period will be extended from the current 11 months to 18 months. Relief is also being provided in the repayment of loans. That is, it is extinguished after turning the raw material into at least kalava yarn and fabric. It is planned to allocate 10 trillion soums from the budget to the implementation of this system.

Cotton is not a fast return on investment in the textile industry. The process from growing cotton to deep processing and delivering the finished product to consumers takes an average of three years. In simple words, the money spent in the first year starts to recover after three years. The fact that the president decided to change the procedure for allocating credit, its percentage and determining the repayment period, taking into account the specific aspects of the industry that cannot be seen from the outside, raised the morale of us, the participants of the cluster, and started new business projects. encouraging to hit. The current task is to expand deep processing. It is no secret that the development of the sector has slowed down due to the fact that for many years insufficient attention was paid to the agricultural sector, the principles of the market economy were not implemented in practice, and the lack of interest among agricultural workers. Its industrialization was hardly observed. In the end, the cotton grown after a thousand labors was exported mainly as raw material, partly as cotton yarn. Foreign processing companies benefited from this. Therefore, at the initial stage of the clustering process, fiber export was stopped and full processing was

started. Spinning of kalava yarn has increased by 2 times, and the production of finished goods has increased by 3 times. Undoubtedly, these were the great achievements of reforms in the field. But the current results are not yet at the level of the available opportunity. Therefore, the head of our state is setting before us the task of expanding opportunities to clusters in order to increase efficiency in agriculture and agro-industry. According to him, it is planned to increase the level of kalava yarn processing by the clusters from the current 50% to 70% in the next two years.

In 1987, Dr. Professor A. Roziyev's doctoral dissertation on the topic "Territorial systems of the agro-industrial complex of the Uzbek SSR and ways to improve them" scientifically based the system of processing agricultural products from raw materials to finished products. everyone is happy that it is giving results. That is, during the former USSR, our country was a country that supplied only agricultural products. Now it is aimed to carry out the production processes from yarn and yarn to yarn and ready-made knitted products in-house. As we know, over the years, our country was formed as an agrarian republic that produces only raw materials, but now we are fortunate to find new jobs and increase the level of living well-being of the population by finding more funds. That is, according to calculations, if 1 kilogram of cotton fiber is sold as raw material, its value is 1.5 dollars. If it is spun into yarn and sold, the price will reach 2.5-3 dollars, if it is turned into fabric, for example, if it is woven into denim, the value will be added up to 5-7 dollars. If ready-made clothes are sewn from this fabric, an additional value of 15-25 dollars is created. This is the real reason why at the current stage of cluster development, the main focus is on deep processing - to get more profit, to increase the material interest of agricultural workers and industrial workers.

It should be noted that 125 new enterprises covering stages from raw cotton to finished products were established in our country in a short period of time. 150,000 permanent jobs were created within the framework of these projects with a total value of 2 billion dollars. It is noteworthy that most of the new capacities were commissioned on the eve of the 30th anniversary of our independence. Speaking about this, it is appropriate to say that the first stage of the textile factory was commissioned by the "Cluster Hilol" cotton-textile cluster in Karshi district. 4 thousand 550 tons of kalava yarn are produced in this enterprise with a project value of 15 million US dollars per year, employment of 280 people is provided. In another cotton-textile cluster - "Bunyodkor" LLC in Koson district, the implementation of the "Production of ready-made knitted products" project with a total cost of 15 million euros has been accelerated. Within the framework of this project, the most modern technological equipment will be brought from abroad, and 5 thousand 900 tons of kalava yarn and fabric will be produced together with 8 million pieces of finished products per year. About 1,000 jobs will be created.

Currently, the company is exporting kalava yarn to Russia, Turkey, Pakistan and the CIS countries, and starting from the fourth quarter of this year, ready-made fabrics and clothes will be delivered to local and foreign customers. It is possible to pledge cotton fiber when getting a loan. Today, textile, sewing and knitting products with the label "Made in Uzbekistan" are delivered to all continents of the world and more than 70 foreign countries. The annual export volume in the industry reached 2 billion dollars. Undoubtedly, these results achieved in 30 years of independent development are instructive. But if we approach the issue based on the available opportunities and conditions, it becomes clear that the results are not at the level of our potential. For example, if an average of 1 million tons of cotton fiber is

produced in our country per year, it is possible to create an additional value of at least 15-25 billion dollars, and increase exports sharply.

To achieve this, by the end of 2021, the export volume is expected to reach 3 billion dollars. Our state is providing all necessary conditions to increase these numbers every year. For example, depending on the capacity of the enterprise, financial grants are provided at the expense of the state for the purchase of equipment for fabric dyeing and mixed fabric production. 150 million dollars will be allocated for lending to such projects. A new credit line of \$100 million will be opened by the state at low rates to support the export of enterprises producing dyed fabrics and finished products. The social tax rate for cluster and other textile enterprises that export at least 80 percent of this type of products will be set at 1 percent instead of the current 12 percent for three years. They will also be given the opportunity to pay the property tax three years later. Due to this, at least 500 billion soums per year will remain at the disposal of enterprises.

Also in Surkhondaryo region "Zamin Angor Cluster" LLC, "Bandikhon Textile Cluster" LLC, "ShDM Don Cluster" LLC, "Surkhan Sifat Textile" LLC, "Termiz Jayhun Cluster" LLC, "Dream Cotton Textile" LLC, "Surkhan Cotton Textile" LLC "cluster" LLC, "Denov textile cluster" LLC, "Surkhondaryo agro service" LLC, "Indenim cluster" LLC are operating. If we pay attention to the activities of "Indenim Cluster" LLC alone, today, through the operation of cotton cultivation, fiber production, "Termiz AMUDAR" yarn production, "ZIF" flat-style corzona and "Indenim" trade complex, import reducing its share and increasing the share of exports, creating new jobs, processing agricultural products in-house until the end, and most importantly, increasing the standard of living of the population. This can be done by launching modern facilities, continuously increasing the volume of deep processing, creating new brands, overcoming competition in the foreign market, and opening the opportunity to expand the geography of product export.

### References:

1. <https://uzptk.uz/Uzbekistan cotton-textile clusters association website>.
2. [www.stat.uz](http://www.stat.uz)

