

Agribusiness of Uzbekistan: Features of Legal Regulation, Problems of Law Enforcement Practice and Ways to Improve Legislation

Robiya Sobirovna Toshboeva

Department of Entrepreneurship and Corporate Law, Tashkent State University of Law, Tashkent, Uzbekistan
Email: ruxayo97@gmail.com

How to cite this paper: Toshboeva, R. S. (2026). Agribusiness of Uzbekistan: Features of Legal Regulation, Problems of Law Enforcement Practice and Ways to Improve Legislation. *Open Journal of Business and Management*, 14, 568-586.
<https://doi.org/10.4236/ojbm.2026.141034>

Received: June 24, 2025

Accepted: January 17, 2026

Published: January 20, 2026

Copyright © 2026 by author(s) and Scientific Research Publishing Inc.
This work is licensed under the Creative Commons Attribution International License (CC BY 4.0).
<http://creativecommons.org/licenses/by/4.0/>



Open Access

Abstract

The article analyzes the features of agribusiness in Uzbekistan as a sub-branch of entrepreneurial law and an integral part of the agro-industrial complex. The author reveals that despite the widespread practical use of the scientific contamination “agribusiness”, it is still not regulated in legislation. Conditionally dividing the current legislation into three stages, the author analyzes the legal features of the formation and development of national agribusiness at various stages of economic reforms. The Uzbek practice of conducting agribusiness has its own peculiarities, which consist in an attempt to link the requirements of a market economy with outdated management approaches. The ban on the privatization of agricultural land, the priority position of agro-industrial clusters over other agribusiness entities, and attempts by the state to control the activities of major agricultural producers through land ownership prevent the full implementation of market mechanisms in agribusiness. The unsatisfactory state of legal education in the agricultural sector further worsens the situation of agribusiness. Based on this, the author proposes to adopt laws “On agriculture” and “On the activities of agro-clusters”, which would fill the existing legal gap related to agribusiness and regulate residual phenomena in relations involving agro-clusters.

Keywords

Agribusiness, Agro-Industrial Complex, Agriculture, Dehkan Economy, Farming, Individual Entrepreneur, Small Business, Agricultural Land, Agricultural Digitalization, Artificial Intelligence

1. Introduction

The agricultural sector remains one of the most important sectors of the economy

for Uzbekistan, as the country has favorable natural and climatic conditions for the production of a wide variety of agricultural products. National agriculture is represented as a solid agro-industrial complex, in which agribusiness occupies a central place. Agribusiness is not a new institution for Uzbekistan, as the country has always been considered agrarian. For a long time, Dehkans have been growing agricultural products on their land and selling it on the market. After gaining independence in 1991, in connection with the transition to market relations, agricultural entrepreneurship began to form as a separate type of state-regulated economic activity for the purpose of carrying out agricultural activities, based on state orders for the dominant crops—cotton and raw materials, in which pricing was determined by the state. Agricultural entrepreneurship was directly dependent on local authorities in terms of allocating land plots and determining the type of activity. In the period from 1991-2017, Uzbekistan firmly maintained the status of an agrarian state, which made it possible to consolidate the priority position of agriculture in the economy. At this stage of development, land reforms were carried out, collective farms and state farms were liquidated and farm and dehqan farms were created on their basis, the state order for cotton and grain was settled, and the beginning of the national agro-industrial complex was laid. In the period 2017-2022, Uzbekistan's economy experienced a gradual decline in the share of the agricultural sector. But despite these economic indicators, fundamental changes in the legal regulation of agribusiness began during this period. In particular, the abolition of the powers of khokims to allocate land for agribusiness entities and the introduction of an online auction mechanism, the phased cancellation of the state contract for cotton and grain from 2020, the digitalization of agribusiness and the transfer of pricing to market mechanisms, the creation of a value chain, the expansion of investment attractiveness of agriculture, strong government support for agriculture, etc. Today, national agribusiness is a business activity based on the use of the latest technologies, eliminating direct government intervention in the activities of agribusiness entities, offering equal access to natural resources and the possibility of insuring against agricultural losses.

1.1. Goals and Objectives of the Study

The purpose of the study is to analyze the specifics of the legal regulation of agribusiness since the independence of Uzbekistan, identify existing problems and develop scientific and theoretical provisions and practical recommendations for further improvement of legislation, as well as substantiate the directions and ways of agribusiness development. The objectives of the research are to analyze the scientific, theoretical and regulatory framework of national agribusiness, study best practices from abroad, identify problems of agribusiness development and develop proposals for improving legislation in this area.

1.2. Research Methods

The research uses such general scientific methods of theoretical and empirical

knowledge as deduction and induction. The method of legal and comparative analysis of legislation, as well as foreign and national experience in the field of agribusiness, is widely used. A statistical method is also used to analyze agricultural sector data to identify agribusiness problems. Using the synthesis method, it was possible to combine various elements, concepts and data to develop new solutions for the further development of agribusiness based on various approaches in the scientific literature. The method of legal futurology has made it possible to predict what changes may occur in legislation, which allows you to prepare for these changes in advance, identify possible legal risks associated with the development of agricultural land and suggest ways to minimize them.

2. Literature Review

For the first time, the scientific contamination of “agribusiness” appeared in 1955 thanks to the former Deputy Secretary of Agriculture of the United States, J. P. Morgan. According to David Davis and Goldberg P. A., who defined its essence as follows: “Agribusiness means the total amount of all operations for the production and distribution of manufactured goods for agriculture, production operations on a farm, storage, processing and distribution of agricultural products and goods. Thus, “agribusiness” covers the functions that the term “agriculture” included 150 years ago, “and means a system of measures for the production, distribution, transportation, storage, and processing of products necessary for farming.” (Davis & Goldberg, 1957). The National Encyclopedia of Uzbekistan defines “agribusiness” as a sector of the economy related to agricultural production, processing, sale and distribution of its products. C. Judy defines agribusiness as a free economic activity in conditions of effective competition based on the use of land, water resources and vegetation (Judy, 2004). A. A. Pereletov analyzes the concept of agribusiness from three approaches: a functional approach (as a combination of three areas of the agro-industrial complex), organizational (as small, medium and large agricultural businesses) and subject (as a system of economic relations between agricultural enterprises, farms, consumers and the state) (Perelyotov, 2009). M. Tracy defines agribusiness as a combination of marketing, processing, and distribution (Tracy, 1995). R. Goldberg believes that agribusiness is vertical integration, in which an integrator firm controls two or more consecutive stages of production and marketing, etc. (Goldberg, 1968). The national entrepreneurial science uses the scientific category “agricultural entrepreneurial activity” (Rozinazarov, Saidov, Rashidov, Rahimov, & Toraev, 2002), which is described as the activity of agricultural entities in the production and supply of agricultural products. Further, it continued to be the object of research in both entrepreneurial and agricultural science, while the content of the concept remained virtually unchanged (Yuddashev, Khodiev, Kasimova, & Samadov, 2010; Khodzhaev & Egamberdiev, 2008; Samadov & Ostanakulova, 2008).

3. The Main Problem

3.1. The History of the Formation and Development of the Legal Foundations of Agribusiness in Uzbekistan

The formation of the legal foundations of agribusiness in independent Uzbekistan can be divided into three stages.

The first stage covers the years 1989-1999. At this stage, the lands of the former collective farms and state farms of the Uzbek Soviet Socialist Republic were transferred to the rural population for the organization of personal subsidiary farms. The first subjects of agribusiness were dehqan farms, whose status changed twice. The first law “On the Dehqan farm” (1992) was adopted, in which the Dehqan farm was recognized as a legal entity and a form of entrepreneurship and could be established either separately or as part of a collective farm on a contractual basis. Dehqan farms were defined as entities engaged in agricultural production based on the personal labor of family members as well as on wage labor. The law “On Joint-Stock Companies and Protection of Shareholders’ Rights” (1996) was adopted for the first time, which is of great practical importance, since most agribusiness entities were created in the form of a joint-stock company. A separate law “On the rehabilitation of agricultural enterprises” (1997) was adopted, providing for the rehabilitation of agricultural enterprises. The second law “On the Dehqan farm” (1998) was adopted, in which the Dehqan farm was allowed to be established both in the form of a legal entity and without its formation. In addition, it was forbidden to use permanent wage labor, which distinguished a dehqan farm from a farm. The status of farms was first regulated by the Law “about the farm” (1998), according to which farms differed from dehqan farms in the size of allocated land plots, the procedure for creation and liquidation. At the same time, both agribusiness entities were created based on the khokims’ decisions. At the same time, the law “About the Agricultural Cooperatives” (2023) was adopted in the same year, which laid the foundations for agricultural cooperation. Shirkats were created to conduct joint agricultural activities on a voluntary basis and were registered as legal entities. A state order for cotton and grain was introduced. At this stage, the main focus was on cotton and grain crops, while other areas of agricultural activity developed poorly. The state-owned joint-stock insurance company “Uzagrosugurta” was established. The law “On Leasing” (1999) was adopted, which made it possible for agribusiness entities to use agricultural machinery without having the means to do so. At this stage, state support for agribusiness entities was established, which is expressed in the provision of subsidies, grants and preferential loans.

The second stage of agribusiness development occurred in 2000-2016. The law “On Guarantees of freedom of entrepreneurial Activity” (2000) was adopted for the first time, which established guarantees for the implementation of agribusiness. The law “On Limited and Additional Liability Companies” (2001) was adopted, which at that time were the most widespread organizational and legal forms of agribusiness. Shirkat, farm and dehqan farms retained their leading po-

sitions in agribusiness, but farms were recognized as the main subjects of agribusiness in accordance with the law “About the Farm” (new edition) (2004). They were created on a competitive basis. The lease term of the land plots was not less than ten and not more than fifty years. Since then, farms have been established both in the form of a legal entity and without its formation. The average size of a farm’s land plot in 2008 The area was 27 hectares, with the bulk of the land used for cotton and wheat production. Irrigation systems, transportation routes, and crop storage were gradually developed. The state order for cotton and grain expanded at the expense of other agricultural activities. The Concept of Farm Development for 2004-2006 (2003) was adopted, which provides, in particular, for the creation of a modern system of training and retraining of farmers. In addition, the law “About E-Commerce” (2004) was adopted, allowing agribusiness entities to operate in the Internet space. Departments for ensuring the rule of law and protecting the rights of business entities in the field of agriculture were established in the structure of the Prosecutor’s Office. The law “About Electronic Payments” (2005) was adopted, which provided ample opportunities for agribusiness entities to make payments electronically. Government support for agribusiness entities was mainly focused on basic agricultural crops. In 2007, a number of agricultural enterprises were transformed into farms. The List of Activities that individual Entrepreneurs (2011) can engage in was approved, which includes 4 types of agricultural activities. The Law of the Republic of Uzbekistan “On licensing procedures in the sphere of entrepreneurial activity” (2012) was adopted, regulating licensing procedures in agricultural land. The law “On Joint-Stock Companies and Protection of Shareholders’ Rights” (new edition) (2014) was adopted in a new edition, which allowed joint-stock companies involved in agribusiness to further improve their activities. In 2015, Uzagroexport, a specialized foreign trade company for the export of fresh and processed fruit and vegetable products, was established.

The third, stage begins in 2017 and continues at the present time. At this stage, major changes have taken place in the field of agribusiness. In particular, the Strategy for the Development of Agriculture of the Republic of Uzbekistan for 2020-2030 (2020) was adopted, which defines the basic principles of the development of agribusiness and agricultural science. Since the 2020 harvest, the practice of state contracting for cotton and grain has been phased out, and pricing for these facilities has begun to be based on market mechanisms. Mandatory plans for cotton and wheat have been reduced, with the exception of the volume of the intervention fund. In 2021, a number of special laws were adopted, which played an important role in the development of agribusiness as an integral part of the agro-industrial complex. In particular, a new version of the law “On the Dehkan farm” (new edition) (2023), was adopted, according to which the Dehkan farm operates with the right of lifelong inherited ownership, lease and sublease both with and without the formation of a legal entity, which laid the foundation for the intensive development of fruit growing, vegetable growing, orchards and vineyards. The Law “Licensing, Permitting and Notification Procedures” (2020) contains all types

of administrative procedures necessary for the implementation of agribusiness. At this stage, the use of the latest technologies in agribusiness in the form of drip irrigation began, and interest in organic farming increased due to the adoption of the Law “About Organic Products” (2022). A number of important laws were also adopted, further consolidating the contribution of agribusiness to the country’s economy. In particular, shirkats were abolished completely. New agribusiness entities were created—agro-industrial clusters, whose activities were regulated by the Law on Agricultural Cooperatives. The law “About Food Security” (2024) was adopted, which consolidated agribusiness as the basis for ensuring food security. The regulation of agricultural insurance based on the law “About agricultural risk insurance” (2024) has become another incentive for the further development of agribusiness. In addition, the process of digitization of agribusiness and the use of artificial intelligence has begun. Agricultural exports have increased, new markets have opened, and logistics and product certification have improved significantly. Government support for agribusiness has increased significantly. Government support for agribusiness has reached wide volumes.

3.2. The State of Legislation

The current legal framework of agribusiness today is a set of norms of various legal force, which lacks elements of consistency. There is still no single law in the country regulating the legal status of agriculture as a whole. And the status of agribusiness is informally defined as a complex legal institution and is regulated by various legal branches, in particular, civil, entrepreneurial, agrarian, land, tax, labor, environmental, administrative, criminal and other branches of law, which creates certain difficulties in law enforcement. In addition, most of these sources are of a subordinate regulatory nature, which creates a certain legal instability in practice. According to the hierarchy established in national law, the basis of legal regulation of agribusiness consists of constitutional principles governing the foundations of the economic system. The following table shows the main changes in the constitutional principles governing the country’s economy (Figure 1).

As the analysis shows, a number of new principles have emerged that contribute to the further deepening of market mechanisms in agribusiness.

The codes regulating agribusiness to varying degrees include the Civil Code, the Land Code, the Tax Code, the Labor Code, the Code of Administrative Responsibility, the Criminal Code etc.

In addition, the conceptual acts of the country’s development contain norms that fragmentarily regulate the development of agribusiness. In particular, the *Development of the Republic of Uzbekistan for 2022-2026* (2022), the *Concept for the efficient use of land and water resources in agriculture* (2019), the *Concept for the development of the water Sector of the Republic of Uzbekistan for 2020-2030* (2019), the *Strategy for the transition of the Republic of Uzbekistan to a “green” economy of the Republic of Uzbekistan for 2019-2030* (2019), the *Strategy “Uz-*

Uzbekistan-2030” (2020), the Strategy “Uzbekistan-2030” (2023) etc., which contain a set of measures aimed at the development of agribusiness, specifying a specific mechanism and time frame for implementation.

Constitutional principles of agribusiness development in Uzbekistan	
The Constitution of 1992	The Constitution of 2023
freedom of economic activity, entrepreneurship and labor, taking into account the priority of consumer rights	fair competition, freedom of economic activity, entrepreneurship and labor, taking into account the priority of consumer rights
equality and legal protection of all forms of ownership	equality and legal protection of all forms of ownership.
inviolability of private property	inviolability of private property
free ownership, use and disposal of the owner of his property	free ownership, use and disposal of the owner of his property
deprivation of property only in cases stipulated by law	deprivation of property only on the basis of a court decision
non-damage to the ecological environment, non-violation of the rights and interests of citizens, legal entities and the state when using property	non-damage to the ecological environment, non-violation of the rights and interests of others, society and the state
natural resources are a national wealth subject to rational use and protection by the state	natural resources are a national wealth subject to rational use and protection by the state
-----	favorable investment and business climate
-----	the unity of the economic space, the free movement of goods, services, labor and financial resources
-----	regulation and restriction of monopolistic activity
-----	partial private ownership of land

Figure 1. The share of the agricultural sector in Uzbekistan’s GDP (2015-2024).

In particular, the Strategy for the Development of Agriculture in Uzbekistan for 2020-2030 (2019) provides for such fundamental principles of development as the value chain, the creation of a favorable agribusiness climate, providing for the widespread introduction of market principles in the procurement and sale of agricultural products, the development of quality control infrastructure, export promotion, and the production of high-value agri-food products competitive in the target international markets. cost, the introduction of mechanisms to reduce the role of the state and increase the investment attractiveness of the industry, providing for an increase in the flow of private investment capital to modernize, diversify and support the stable growth of the agri-food sector, increase efficiency and gradually redistribute government spending through the development of sectoral programs aimed at increasing labor productivity in farms, improving product quality, creating high added value and diversifying small entrepreneurship in the agricultural sector.

The Strategy for the development of artificial intelligence technologies until 2030 (2024) provides for the following measures in the field of agriculture:

Development of technologies for monitoring the state of soil and crops based

on remote sensing of the earth, as well as monitoring the operation of agricultural machinery, including combines, using global navigation systems;

Assistance in decision-making based on artificial intelligence to increase crop yields;

Creation of online monitoring of the growth (reproduction) of agricultural crops, as well as cattle, poultry, fish and other plant and animal species.

The use of artificial intelligence to determine the amount of water in the soil, yield, and provide recommendations for saving water resources and mineral fertilizers.

3.3. Uzbek Agribusiness Practice

The country's agribusiness consists of enterprises with the participation of the state (Enterprises with state participation include subjects of agrarian entrepreneurial activity, a legal entity engaged in economic activity, in the authorized fund (authorized capital) of which the size of the state's share exceeds 25 percent, as well as a state institution that has been granted the right to carry out economic activities) and private entities. State-owned enterprises as agribusiness entities are mainly represented in the form of joint-stock companies and limited liability companies (the largest state-owned enterprise is Uzpakhtasanoat Holding, which was liquidated in 2020, and the functions were transferred to clusters. Ferganaazot, the largest producer of mineral resources in the country, also passed into private hands. Currently, Uzdonmakhsulotlari JSC is operating, and its enterprises are being gradually privatized). Currently, the agricultural sector is undergoing extensive privatization of state shares in the largest agribusiness entities based on a system of placing state shares on international markets. At the same time, the state maintains its position in the supply of agricultural machinery to farms through state-owned machine and tractor fleets. The private sector in agribusiness is identified with small businesses, which include such entities as individual entrepreneurs, dehqan and farming enterprises, as well as agricultural firms (established by individuals with an annual income of less than 1 billion soums) and small enterprises (annual income of 1 - 10 billion soums). The procedure for the creation of these entities is regulated by the general rules of business law, according to which the registration of agribusiness entities takes place on the website (<https://fo.birdarcha.uz/>) landing in turnout and online modes in Public Service Centers based on the extraterritorial principle. Despite the fact that farms are recognized as the main producers of agricultural products, in practice, most of the agricultural products are produced by Dehqan farms. Despite the commonality of the main purpose and the procedure for allocating land, these entities differ significantly from each other (Figure 2).

An agricultural cooperative can be created by at least 7 individuals and legal entities, and a joint cooperative can be created by at least three cooperatives. The following diagram shows the most common forms of cooperation in agribusiness (Figure 3).

Differences between a dehkan farm and a farm		
The main criteria	Debkan farms	Farms
type of agricultural activity	gardening and viticulture or the cultivation of vegetables and melons or other agricultural crops	production of agricultural products and other types of non-prohibited non-agricultural activities
the size of the land plot	from 0.06 hectares to 5 hectares	from 3 hectares to 30 hectares, depending on the type of agricultural activity
membership of the bousehold	the head of the family, his spouse, parents, children, including adopted children, grandfathers, grandmothers and grandchildren, other relatives, employees (not on a permanent basis)	the head of the farm and his family members, employees
organizational and legal fornn	with and without the formation of a legal entity,	only with the formation of a legal entity
subject status	family small-scale farming	he main subject of agribusiness

Figure 2. Differences between a dehkan farm and a farm.

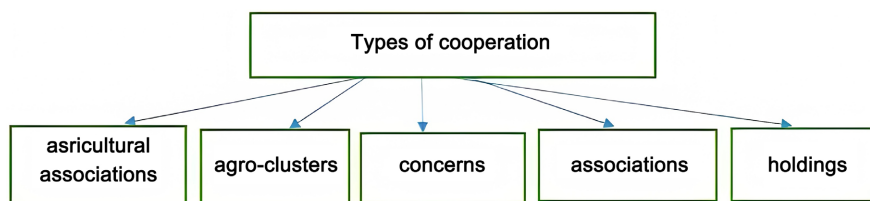


Figure 3. Types of cooperation.

Agro-industrial clusters currently play a key role in agribusiness, as they are specialized in such strategic agricultural sectors as grain and cotton farming. In addition, there are cotton-textile, vegetable, potato, silk, livestock, and other clusters. It should be noted that agro-industrial clusters in the country are created on the basis of an act of the government (in national practice, this method of creating a business entity is called the constituent and administrative method), which already gives certain advantages to these entities in terms of administrative and political resources. This, in turn, creates problems in the field of unconditional fulfillment of contractual relations between the cluster and its members. Pricing in contractual relations involving clusters is based on the principles of a market economy, with the government annually determining cotton prices based on prices on world markets (in 2024, cotton prices in the agreement between clusters and farms were formed in the range of 7800 - 8000 soums. But due to the fact that cotton prices dropped to 6500 - 7000 soums and farmers were forced to accept low prices).

With such a system, it becomes very risky for farmers to enter into futures contracts with clusters. The land use of agribusiness entities has undergone drastic changes. The district and city khokimiyats lost the authority to directly allocate land to agribusiness entities, in exceptional cases it remained with the regional khokims and the Cabinet of Ministers. This process has become very transparent thanks to the online electronic auction system, in which the starting price of the

lease right for a land plot is set at the standard value of the land plot. At the same time, private ownership of agricultural land is not allowed in Uzbekistan, which hinders the transition of agribusiness to market relations. With respect to a land plot, a lease for 30 years is allowed, as well as subletting (subletting does not allow the transfer of land plots to third parties who cannot be the object of purchase, pledge, donation, exchange. The sublease period, depending on the location of the land plot, is from 1 to 10 years) and transfer (The loan is carried out when the land plot is used by the tenant for at least 3 (in some cases 5 years) by decision of the state body with the condition of making payments based on the results of electronic online auctions), which makes it possible to use already used land plots more efficiently and obtain more products without changing the main purpose of using the land plot.

Water use by agribusiness remains the central problem of the entire industry in the context of the escalating national water crisis (Sobirovna, 2025), as the agricultural sector is the main consumer of water and often allows inefficient use of water resources (according to the Food and Agriculture Organization of the United Nations (FAO). 90% of the country's water resources are spent on agriculture, while 50% of them are used inefficiently due to outdated technologies and approaches, exacerbating the water crisis in the country). The introduction of public-private partnerships and outsourcing in water management, which provides for the transfer of use to farms and clusters, provides good opportunities for agribusiness entities in the efficient use of water resources.

The share of the agricultural sector in the country's economy is variable. While agriculture played a key role in the early years of independence, in recent years the share of the agricultural sector in the country's GDP has been declining (official statistics on this issue differ greatly due to the so-called unobserved economy. According to statistics, more than 1/3 of the country's entire economy remains outside the field of view of official statistics, so the figures may vary dramatically. According to the results of the data for 2024, agriculture, forestry and fisheries are the leaders in the structure of the unobserved economy with a share of 63.6%. In September 2023, the shadow economy was estimated by experts at \$32 billion (about 40% of GDP).

Figure 4 shows the share of the agricultural sector in GDP over the past ten years.

Nevertheless, the role of agribusiness remains significant due to its fulfillment of the task of ensuring food security. Government support for agribusiness continues to increase through subsidies, loans, leasing and insurance.

Subsidizing agribusiness is the allocation of subsidies (subsidies are funds allocated from the republican budget of the Republic of Uzbekistan for partial reimbursement of expenses incurred) to financially support a particular line of activity. The state actively subsidizes such areas of agricultural activity as mechanization and irrigation. The legal basis of subsidies is mainly expressed in the form of separate by-laws. Lending as a process of receiving money, goods, or things with

terms of refund and repayment in the future is carried out by commercial banks, credit institutions, and foundations. For agribusiness, loans are provided on a preferential basis (Low credit rates are determined at a rate not higher than the minimum rate set by the Central Bank of Uzbekistan. In 2025, this figure was 13.5% per annum. For preferential agricultural loans, this indicator ranges from 7% - 14% of the loan amount. In addition, conditions such as exemption from VAT, customs and other mandatory payments may be provided for when importing goods, services, equipment and technologies at the expense of a preferential loan.) at low interest rates and with a grace period (the main idea of this system is to combine information technologies (sensors, GPS, drones, and Big Data) with traditional agriculture). A type of lending is leasing (the main idea of this system is to combine information technologies (sensors, GPS, drones, and Big Data) with traditional agriculture), the object of which is agricultural machinery.

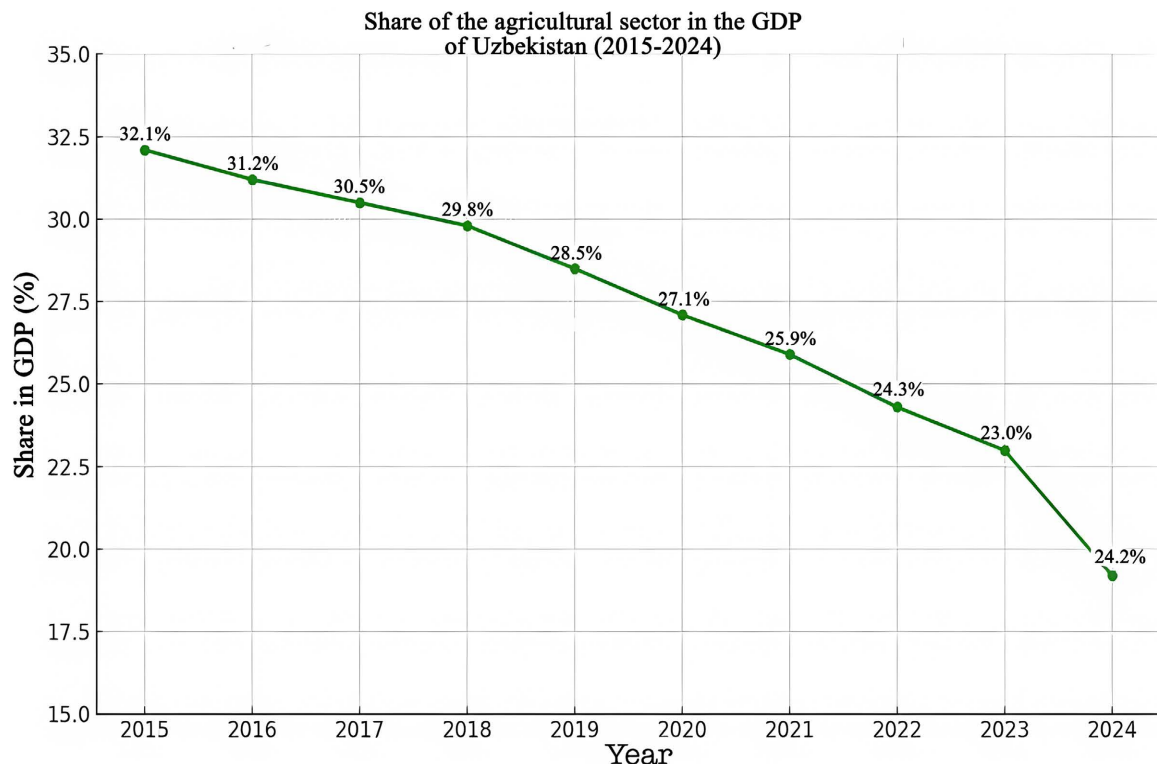


Figure 4. The share of the agricultural sector in Uzbekistan's GDP (2015-2024).

The Institute of insurance in the agricultural sector is still underdeveloped. The special law "On Insurance of agricultural risks" was adopted only in 2025 and it became the basis for the development of this institute, the mechanism of which is to insure against natural and man-made disasters, fire, damage to plants by pests and diseases, the spread of infectious diseases and poisoning of farm animals, damage to damage to crops or damage to farm animals by wild animals, as well as from the actions of third parties.

Attracting investments into agribusiness is a top priority. For this purpose, at-

tractive conditions are created for investors in the form of tax benefits and preferences. The digitalization of agribusiness and the introduction of artificial intelligence have begun.

Digital platforms such as the online platform “AgroZamin O’zimizniki”, the electronic portal of the agro-industrial market “Marketplace”, the Unified state Information System “Agrosubsidiya”, the Unified integrated platform “Agroplatform”, the geographic information system “ArcGIS”, the information system “E-IJARA” for the lease of agricultural land, the information system CropAgro, an information system for automated cluster rating assessment by REARGO and others.

An example of the use of artificial intelligence in large agro-clusters, greenhouses and large farms is the smart agriculture system, which allows to increase yields and product quality, save water and fertilizers, reduce manual labor, increase environmental friendliness and profitability of production (the main idea of this system is to combine information technologies (sensors, GPS, drones, and Big Data) with traditional agriculture).

Uzbekistan uses Chinese experience in the development of agribusiness, which has helped bring China out of poverty and overcome poverty (the republic is actively using the Chinese method of planting seeds under oilcloth and drip irrigation, which give a positive result). Overcoming poverty is also a priority task of Uzbekistan, which is most pronounced in rural areas, where almost 50% of the population lives. Chinese crop irrigation technologies are actively used. A common factor in conducting agribusiness in China and Uzbekistan is the land ownership model based on property law.

The possibilities of using international global systems such as Global Food Systems Dashboard, FAOSTAT, UN COMTRADE, World Development Indicators, Global Food Security Indicators and their application in national practice are being studied. The country has implemented a number of international projects with the support of the World Bank, in particular, the “Project for the development of horticulture in Uzbekistan”, implemented in 2014-2023, as well as the project “Development of horticulture in Uzbekistan”, which is estimated to have helped create more than 34 thousand new jobs, of which 13 thousand are for women: investments in the amount of US \$1 million, the project has created an average of 31 jobs in greenhouses and 50 jobs in cold storage and processing plants.

3.4. Problems of Legal Regulation of Agribusiness

At the same time, there are a number of problems of national agribusiness that hinder the full-fledged development of agribusiness. Firstly, there is no single legal act regulating agricultural activity in general, including regulating the very concept of “agribusiness”.

For the first time, the concept of “agribusiness” in the national regulatory framework was mentioned in 1992 in the Resolution of the Cabinet of Ministers under the President of the Republic of Uzbekistan “On the transformation of the

Republican Higher School of Management of the Agro-industrial complex into the Republican Institute of Agribusiness” dated January 13, 1992, No. 13, according to which the Republican Institute of Agribusiness was established. More than 30 years later, the Agricultural Development Strategy of the Republic of Uzbekistan for 2020-2030 mentions the term “agribusiness climate”, while the very concept of “agribusiness” is also not regulated. The law “On Guarantees of Freedom of Entrepreneurial Activity” also does not separate the concept of “agribusiness”;

Secondly, there is an unofficial predominance of cotton-textile and grain clusters over other agribusiness entities, which is reflected in their creation by the national government. This fact, in turn, hinders the uniform implementation of the Law on Agricultural Cooperation. Furthermore, such inequality in the formation of agribusiness entities also impacts cluster compliance with contractual discipline, leading to numerous violations by agricluster members;

Thirdly, the state of agricultural law science is unsatisfactory. The current regulatory legal acts are aimed at supporting only agricultural science, while its issues of legal regulation of the agricultural sector have been ignored. The basics of legal regulation of agribusiness activities are not taught separately in law schools, and in agricultural and economic universities the quality of methodological support for legal literature remains very low. The scientific and theoretical foundations of agribusiness as an integrated sub-branch of business law and an integrated institute of law in relation to neighboring branches of law have not been sufficiently studied. Today, much attention is being paid to the development of agricultural science, as evidenced by the adoption of a number of regulatory acts, but they do not address the issues of the formation of agrarian law and agricultural entrepreneurial knowledge, which, in our opinion, is a big gap in the law;

Fourth, the state, on the one hand, seeks to preserve some elements of the socialist management system in agribusiness, on the other hand, it is actively introducing new market mechanisms in the agricultural sector. The continued monopoly of the state on agricultural land prevents the establishment of long-term plans and the formation of confidence among agribusiness entities that the state will not take away the land used. This, in turn, is the reason for neglecting their responsibilities for the restoration and rational use of land and unwillingness to invest in modern technologies. In addition, such a restriction contradicts the constitutional principle of fair competition among business entities, which can be formed only if there are equal conditions, including equal access to natural resources.;

Fifth, direct interference in the entrepreneurial activities of agribusiness entities through the use of a compulsory system of placing agricultural crops on quota-based land plots, which allows farmers to decide for themselves where and what to plant. This provision directly contradicts Article 34 of the Law of the Republic of Uzbekistan “On Guarantees of Freedom of Entrepreneurial Activity,” according to which “state bodies, other organizations, and their officials have no right to interfere in the entrepreneurial activities of dehqan and farm enterprises, including in their choice of agricultural practices, the range of products produced, determining their price, and the direction of sale, with the exception of purchases

intended for state needs.” The Agricultural Development Strategy of the Republic of Uzbekistan for 2020-2030 envisages a gradual phase-out of the system of allocating agricultural crops to quota-based land plots. Despite the five years since the adoption of this document, a mechanism for transitioning to alternative market instruments has not yet been developed. The continuation of the old system will allow for the establishment of a fully-fledged market mechanism in agribusiness.

Sixthly, the new law “On Agricultural Cooperatives” has not solved the problems between agricultural clusters and its members. Today, Agro-clusters are created on the basis of an act of the government, which already gives it certain advantages over other agribusiness entities and violates the principle of equality of subjects. In addition, each cluster being created is regulated by a separate subordinate regulatory act, which prevents the formation of a unified practice.

3.5. Foreign Experience

CIS countries. In the Russian Federation, the Federal Law “On the Development of Agriculture” was adopted in 2006, which regulates such issues as the state agrarian policy and measures for state support of agriculture, the state program for the development of agriculture, the state program for the development of agriculture and regulation of markets for agricultural products, raw materials and foodstuffs, agricultural insurance, the legal status of agricultural commodity producers, government procurement interventions, etc.

The Law of the Republic of Kazakhstan has been in force in Kazakhstan since 2005 “On state regulation of the development of the agro-industrial complex and rural areas”, which is a systematic regulatory act. Thus, this law first defines the competent state bodies in the field of agriculture and highlights their competencies, regulates issues of ensuring food security and international cooperation. A separate chapter in the law is devoted to the state regulation of the agro-industrial complex on issues of lending, subsidies, veterinary, sanitary and phytosanitary safety, and the legal status of agri-food markets.

In the United States, the first version of the law “On Agriculture” was adopted back in 1933, which established compensation for farmers for reducing acreage under wheat, corn, cotton, etc. These measures were aimed at raising prices for agricultural products in order to save farmers from ruin. The law encouraged the destruction of some of the products already received, for which a certain premium was given. Later, the Supreme Court of the United States declared it unconstitutional and in 1938 a new version of this law was adopted, which is still in force and is reviewed every 5 years. This law approves programs for state support of agriculture every five years. It was last updated in January 2025. The new law provides producers with a financial cushion in the face of economic challenges and contributes to maintaining the sustainability of the agricultural sector.

East Asian countries. The Law of the People’s Republic of China “On Agriculture” was adopted in 1993 and regulates such issues as the system of agricultural production and operation, agricultural production, turnover and processing of

agricultural products, grain safety, contribution to agriculture, its support and protection, agricultural science, technology and education in agriculture, agricultural resources and protection environmental protection in agriculture, protection of farmers' rights and interests, development of rural economy, law enforcement and supervision, as well as legal responsibility.

Japan's first agricultural law was passed back in 1961. In 1999, the new Basic Law on Food, Agriculture and Rural Areas (New Basic Law on Food, Agriculture and Rural Areas 1999) was adopted. The new law defines the direction and principles of Japan's agricultural policy in the 21st century and is more in line with the World Trade Organization regime. As a result, there have been changes in the paradigm of Japan's agricultural policy, and its goals have expanded, one of which is ensuring food security through a stable food supply and promoting rural development.

EU countries. Agriculture occupies approximately 80% of Germany's land area. The country is a leader in sugar beet production, which is processed into sugar and ethanol, wheat (an average of 1 million tons per year), and barley—third in the world (approximately 9.5 million tons per year). Pastures and crop farming for food production occupy 50% of the country's land area. The country is home to over 200 million head of livestock, with the average farm size being 50 hectares. In Germany, the law "On Agriculture" was adopted back in 1955, which regulates issues such as supporting agriculture, increasing its productivity, and improving the social status of the agricultural population. In addition, the law of July 29, 1961 "On measures to improve the agrarian structure and on the protection of agricultural and forestry enterprises" is in force, which directly regulates agribusiness.

France is one of the largest agricultural producers in Western Europe. French agriculture is a leading sector in Europe, ranking first in terms of agricultural output. It is distinguished by a diversity of industries, including livestock farming (especially cattle, pigs, and poultry), crop production (grains, corn, and grapes), as well as fisheries and floriculture. A new era in the development of private property rights to such lands began in France with the adoption of the Law of August 5, 1960, "On the Orientation of Agriculture," which enshrined the doctrine of the social functions of land ownership. In the 1980s, legislation granted broad rights to cantonal and departmental land authorities in the area of land use, and also granted these agricultural institutions the right to appoint users of property purchased by one of the Societies for the Reconstruction and Management of the Agrarian Structure. This Law also reflects the legislator's efforts to impose on landowners the obligation to manage their land properly. For example, the owner has the right to leave the land uncultivated for no more than five years. After this period, the land may be transferred for use by others in accordance with the established legal procedure.

4. Solving the Problem

Further improvement of the regulatory framework of agribusiness by:

- 1) Adoption of the law "On Agriculture", which would regulate the legal status

of the agro-industrial complex, including agribusiness and its relationship with the state. Such a law has been adopted in many countries around the world that recognize agriculture as an important part of the country's economy. This law proposes to regulate the concept of "agribusiness" as a type of complex entrepreneurial activity based on the production, processing, storage and sale of agricultural products created in close cooperation between production and science, using the latest technologies for the purpose of making a profit, insured against natural and other types of economic risks with equal access to natural resources;

2) the adoption of a separate law "On the activities of agro-clusters", which will allow to establish common criteria for the creation, functioning and their interaction with other members of the agro-cluster cooperative, regardless of the type of activity. Agro-clusters should not be created on the basis of the administrative and constituent order of creation by a state body, which, in fact, contradicts the legal nature of cooperation;

3) amendments to paragraph 1 of subparagraph "a" of the Resolution of the **Cabinet of Ministers of the Republic of Uzbekistan** "On approval of the strategy for the innovative development of the agricultural education system until 2030" by the following subparagraph: "improving the level of legal education in agriculture and legal training of agribusiness entities." This will contribute to the establishment of teaching of fundamental agricultural and legal knowledge, as well as agricultural and entrepreneurial knowledge in law, agricultural and economic universities of the country. Graduates of agricultural and economic universities intending to engage in agribusiness should also have sufficient legal knowledge;

4) to conduct a legal experiment on the privatization of agricultural land leased from agribusiness entities located in the Tashkent region (a similar experiment was conducted with respect to non-agricultural land in 2019-2020 in the Syrdarya region). The main criteria for the privatization of agricultural land should be clearly limited to the subject composition (individuals and legal entities engaged in agricultural activities, permanently residing and registered in the territory), the size of the land (should vary depending on the status of the applicant), environmental requirements (rational use of land), requirements for activities (targeted use of land agricultural purposes), etc. These requirements are necessary in order to prevent corruption, social injustice in the privatization of land plots, as well as the deterioration of the ecological condition of the soil, Violation of these and other requirements should be qualified as grounds for the seizure of land to the state's revenue on the basis of a court decision. In many countries with developed market economies, this mechanism has been functioning for a long time (The United States, Canada, Brazil, Hungary, Romania, Bulgaria, the Russian Federation, Kazakhstan, and India have private ownership of agricultural land). Only in this case, agribusiness entities will become full-fledged owners of the land, which will contribute to their interest in investing in the land in the form of irrigation, agricultural technologies and fertilizers. In addition, privatized agricultural land will become a market asset, attract young people to rural areas and stop the out-

flow of rural population. According to statistics, the country's population as of April 1, 2025, was 37,697 people, of these, 49% live in rural areas. As of January 1, 2025, the number of youth aged 14 to 30 in Uzbekistan was 9.6 million, or 25.7% of the total population. Agriculture accounts for 44% of the country's labor force, making this sector a key source of employment in rural areas. Therefore, the opportunity to acquire land for private ownership will help reduce immigration among young people, reduce poverty, and contribute to the development of a new, full-fledged generation of agricultural entrepreneurs.

5) It is proposed to replace the mandatory crop placement system with a hybrid placement system, effective January 1, 2026, which includes a mandatory portion (40%) and a discretionary portion (60%) of the cultivated crop. This system will serve as a transitional mechanism to the complete abolition of the mandatory crop placement system by agribusiness entities. We believe that the use of this system will ensure that the rights of business entities are not violated during the transition period and will not undermine the goal of ensuring food security.

5. Research Results

Uzbekistan's agribusiness should move beyond the framework of agricultural entrepreneurship, in which the state is trying to combine old management methods with the principles of a market economy and become an integral part of business in the country. The state needs a single law regulating the main institutions of agriculture, including agribusiness. The existing system of disparate regulation of agribusiness creates difficulties in law enforcement and creates conflicts, which adversely affects its status. Legal agrarian education should become an integral part of legal education in general. Today, it has sort of fallen out of the general chain and this hinders the development of agribusiness as an independent sub-branch of business law. The time has come to legalize the right of private ownership of land used by agribusiness entities. The water crisis should be solved through the diversification of agricultural sectors, without reducing the role of the agricultural sector in the gross domestic product. It is necessary to expand the range of agribusiness entities at the expense of self-employed entrepreneurs and owners of household plots. It is necessary to expand the level of organic farming and increase the export potential.

6. Conclusion

Agriculture is the oldest and integral part of the economy of Uzbekistan. Uzbekistan's excellent natural conditions allow it to harvest 2 - 3 times a year. Unlike in other countries, the level of chemicalization of agriculture is much lower, which makes its products in demand on international markets. In addition, agribusiness develops entrepreneurial activity, develops the entire agro-industrial complex, creating new business entities, reducing unemployment, expanding export activities, and strengthening the country's tax and foreign exchange reserves. At the same time, effective legal regulation of agribusiness will consolidate the existing

natural advantages and will serve as a guarantee of ensuring the country's food security.

Conflicts of Interest

The author declares no conflicts of interest regarding the publication of this paper.

References

- Cabinet of Ministers of the Republic of Uzbekistan Decision. *On Approval of the List of Activities That Individual Entrepreneurs Can Engage in 2011*. <https://lex.uz/docs/1727490>
- Davis, J. H., & Goldberg, P. A. (1957). *A Concept of Agribusiness* (pp. 56-58). Harvard Univ. <https://ru.wikipedia.org/wiki/>
- Decree President of the Republic of Uzbekistan (2003). *On the Concept of Farm Development for 2004-2006*. <https://lex.uz/docs/173120>
- Decree President of the Republic of Uzbekistan (2019). *On Measures for the Efficient Use of Land and Water Resources in Agriculture*. <https://lex.uz/docs/4378524?ONDATE=29.08.2023>
- Decree President of the Republic of Uzbekistan. *Agriculture of the Republic of Uzbekistan for 2020-2030*. <https://lex.uz/ru/docs/4567337>
- Goldberg, R. A. (1968). *Agribusiness Coordination* (p. 378). Harvard Business School.
- Judy, C. (2004). *Fundamentals of Agribusiness: Monograph. Law and Economics*, 24-25.
- Khodzhaev, R. S., & Egamberdiev, A. (2008). *Small Business and Entrepreneurship. TMI. Training Hand* (pp. 191-198). Economics-Finance.
- Law of the Republic of Uzbekistan (1996). *On Joint-Stock Companies and Protection of Shareholders' Rights*. <https://lex.uz/docs/14667>
- Law of the Republic of Uzbekistan (1997). *On the Rehabilitation of Agricultural Enterprises*. <https://lex.uz/docs/12860>
- Law of the Republic of Uzbekistan (1998). *About the Farm*. <https://lex.uz/docs/5826#>
- Law of the Republic of Uzbekistan (1999). *On Leasing*. <https://lex.uz/docs/85248>
- Law of the Republic of Uzbekistan (2000). *On Guarantees of Freedom of Entrepreneurial Activity*. <https://lex.uz/docs/4177>
- Law of the Republic of Uzbekistan (2001). *On Limited and Additional Liability Companies*. <https://lex.uz/docs/18793#>
- Law of the Republic of Uzbekistan (2004). *About e-Commerce*. <https://lex.uz/docs/165497>
- Law of the Republic of Uzbekistan (2004). *About the Farm (New Edition)*. <https://lex.uz/docs/275191>
- Law of the Republic of Uzbekistan (2005). *About Electronic Payments*. <https://lex.uz/docs/941884>
- Law of the Republic of Uzbekistan (2012). *On Licensing Procedures in the Sphere of Entrepreneurial Activity*. <https://lex.uz/docs/2103729>
- Law of the Republic of Uzbekistan (2014). *On Joint-Stock Companies and Protection of Shareholders' Rights (New Edition)*. <https://lex.uz/docs/2382411#>
- Law of the Republic of Uzbekistan (2020). *Licensing, Permitting and Notification Procedures*. <https://lex.uz/docs/5511879>
- Law of the Republic of Uzbekistan (2022). *About Food Security*.

- <https://lex.uz/docs/7359135#>
Law of the Republic of Uzbekistan (2022). *About Organic Products*.
<https://lex.uz/docs/5980349>
- Law of the Republic of Uzbekistan (2023). *On the Dehkan Farm (New Edition)*.
<https://lex.uz/docs/5351640>
- Law of the Republic of Uzbekistan (2023). *About the Agricultural Cooperative (Shirkat)*.
<https://lex.uz/docs/4855#>
- Law of the Republic of Uzbekistan (2024). *About Agricultural Risk Insurance*.
<https://lex.uz/docs/7477640>
- Law of the Republic of Uzbekistan. *On the Dehkan Farm (Old Edition)*.
<https://lex.uz/docs/5351640>
- Perelyotov, A. (2009). *Agribusiness Development in the Municipal Area* (pp. 7-9). Abstract of the Dissertation of the Candidate of Economic Sciences, Voronezh.
- President of the Republic of Uzbekistan Decision (2022). *On Organizational Measures for the Implementation of the Strategy of Innovative Development of the Republic of Uzbekistan for 2022-2026*. <https://lex.uz/docs/6102466>
- President of the Republic of Uzbekistan Decision. *On Approval of the Strategy for the Transition to a "Green" Economy of the Republic of Uzbekistan for 2019-2030*.
<https://lex.uz/docs/4539502>
- President of the Republic of Uzbekistan Decree. *About the "Uzbekistan-2030" Strategy*.
<https://lex.uz/docs/6600413>
- Resolution President of the Republic of Uzbekistan (2024). *On Approval of the Strategy for the Development of Artificial Intelligence Technologies until 2030*.
<https://lex.uz/ru/docs/7158606>
- Rozinazarov, Sh., Saidov, A., Rashidov, K., Rahimov, D., & Toraev, A. (2002). *Entrepreneurial Law (Special Part)* (pp. 444-446). Consauditinform.
- Samadov, A. N., & Ostanakulova, G. N. (2008). *Small Business and Entrepreneurship* (pp. 38-48). Finance and Economics.
- Sobirovna, T. R. (2025). The Water Crisis in Uzbekistan: International and National Aspects of the Problem and Ways to Solve Them. *Environment and Ecology Research*, 13, 110-119. <https://doi.org/10.13189/eer.2025.130110>
- Tracy, M. (1995). *Agriculture and Food in the Economy of Developed Countries: An Introduction to Theory, Practice and Policy* (pp. 431-433). Economic School.
- Yuddashev, J. I., Khodiev, B. Yu., Kasimova, M. S., & Samadov, A. N. (2010). *Small Business and Private Entrepreneurship* (pp. 145-150). TDIO.