

## **Increasing the economic efficiency of production of livestock products**

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### **ABSTRACT**

*The article analyzes the state and level of livestock production, substantiates the need to develop livestock farmers specializing in meat and dairy farming. To increase production efficiency, it is recommended to make fuller use of available natural lands: pastures and hayfields. The analysis of competition in the livestock market revealed the influence of natural and climatic factors on production. The production costs of the selected facility based on monographic surveys of livestock farmers were analyzed, and the results of a comparative analysis with the costs of peasant farms were obtained, and scientific proposals and recommendations were developed.*

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In general, it is important to determine the expenses in the production of livestock products, to evaluate their type, and therefore it is possible to evaluate the economic efficiency by determining the composition of production expenses and analyzing them. Among the production costs, coarse hay, strong fodder and other types of additional feed prepared based on zooveterinary requirements make up the main weight. Therefore, in the development of the dairy livestock sector, it is necessary to first of all improve the feed base of the sector, identify and plan its internal and external production sources, form and diversify infrastructure entities related to feed supply, take into account the importance of the role of structural-organizational and technical-technological measures, and recognize the need for their rational use. It should be noted that today, although the cattle industry is mainly involved in the production of dairy products in our republic, goat milk production also occupies a significant place in developed countries. It should not be forgotten that horse and camel milk are also produced in our republic, albeit in small volumes.

Our research was based on data from the relevant regions and monographs of the studied economic entities. In particular, the analysis showed that although in 2024 there were more than a hundred private business entities engaged in the distribution of feed for livestock in the Tashkent region, most of the feed is imported, and although local feed is mainly sold through stock exchanges, its retail price is quite high. Because, as a result of the fact that economic entities engaged in the sale of feedstuffs add their shares to the stock exchange prices, the price increases. Considering that almost 90 percent of dairy and meat products produced in Uzbekistan are produced on peasant farms, we can understand how large the volume of feedstuffs sold through retail is. For example, an analysis of the process of purchasing feed types on the stock exchange and selling them to farms showed that, while 1 kg of corn meal purchased on the stock exchange costs 2,850 UZ sum, and 1 kg of husks costs 530 UZ sum, these feeds are being sold to buyers at retail prices that are almost twice as high: 1 kg of corn meal costs 4,155.5 UZ sum, or a markup of 1,305.5 UZ sum (45.8%), and 1 kg of husks - 800 UZ sum, or a markup of 370 UZ sum

(46.3%). According to studies, such formation of strong feed prices includes taxes and other mandatory payments paid by entities engaged in feed trade, entrepreneurial profits, transportation and storage costs. It should not be forgotten that the cost of dairy and meat products is also increasing due to the fact that most farmers purchase feed from suppliers or informal intermediaries. Solving such urgent problems in food supply on a scientific basis is one of the urgent problems of today.

According to studies, when analyzing the cost of livestock products, the largest share in the cost structure is accounted for by the share of feed, which accounts for about 50-55% of total costs. In order to increase the efficiency of the industry, it is necessary to pay attention not only to creating a solid feed base, but also to solving such tasks as reducing the cost of producing all its types (juicy, coarse hay, mixed feed, etc.), improving livestock feeding technologies and rations, as well as intensifying veterinary work, and developing a system for providing the industry with knowledgeable and highly specialized qualified personnel.

From this point of view, it is important to study the production activities of downstream economic entities producing meat and dairy products directly on the spot and, in the process, identify existing problems in this area and justify ways to eliminate them. During the research, monographic observations were conducted among subjects engaged in livestock breeding, and mainly 40 farm entities were selected for the observations and questionnaires were conducted. In particular, in the first region, the total land area of the 20 peasant farms that participated in the survey was 0.15 hectares, and each subject had an average of 3.5 heads of cattle. Of these, an average of 1,280 liters of milk was milked from 1 cow, the weight of one head of cattle sold was 142 kg, on average, milk production per household was 2,260 kg, and meat production was 43 kg. Of the surveyed dehkan farms, only 20 percent of respondents artificially inseminate their livestock and are engaged in improving the breed. Also, each dehkan farm spent an average of 72.2 thousand UZ sum on veterinary services provided to livestock. In general, in the course of our research, it became clear that most producers do not have accurate information on the economic efficiency of their livestock. This undoubtedly complicates the full assessment of the economic efficiency of meat and milk production. This, in turn, naturally has a negative impact on identifying reserves (potentials) for increasing production volumes and improving efficiency and determining measures for their implementation. At the same time, taking into account that the vast majority of livestock in our republic (more than 90 percent) is owned by peasant farms, we can see that organizing the production of pedigree livestock in the sector is significantly more complicated.

As is known, in our republic, large livestock farms operated on the basis of shirkat farms, engaged in the production of dairy and meat products. At that time, due to the volume of production and the large number of livestock in shirkat farms, systematic work was carried out to strengthen the breeding and feed base. In particular, in the republic, only in the Republic of Karakalpakstan, 10 shirkat farms specializing in cattle breeding operated until 2017. In accordance with the Resolution of the President of the Republic of Uzbekistan No. 2841 dated March 16, 2017 "On additional measures to deepen economic reforms in livestock farming", cattle shirkat farms were liquidated and farms were established on their basis. Although this is considered a rapid step in the formation of private ownership relations in the field, however, due to the difficulties in managing private ownership in large livestock farming, the activities of large livestock farms were not effectively organized.

According to the results of the study, the preferential conditions and mechanisms created in recent years by the leadership and government of the republic to accelerate the cluster movement and develop it in accordance with the principle of diversification, including in livestock production, are having a positive effect on increasing the efficiency of production.

The total area of the farm studied is 137 hectares, of which 37 hectares are irrigated. The farm employs 6 permanent employees, while 4 workers are involved in seasonal work. As of 2023, the farm planted barley on 30 hectares of fallow land, perennial grasses on 20 hectares, wheat on 17 hectares, and alfalfa on 20 hectares of waterlogged land. The total livestock on the farm is 376 heads, of which 41 are cows, 68 are bulls, 253 are sheep and goats, and 14 are horses. In 2023, the farm produced 9.7 tons of meat, 44 tons of milk, 98 hides, and 0.41 tons of wool. Based on the analysis of the farm's production and economic efficiency indicators for the last 3 years, presented in Table 1, it is appropriate to note the following main conclusions. Since this farm is located in a barren area, we can see that the probability of

increasing the number of dairy cows is low, and therefore the productivity is not high. In 2023, the farm received 2.34 billion UZ sum in income, which is 6.1% more than in 2022. Secondly, in order to feed livestock at the specified standard level, the main attention is being paid to strengthening the feed base of the network in the farm. For example, feed costs per head of livestock are up to 10 percent higher in 2023 than in 2022.

**Table 1. Economic efficiency indicators of the farm where the research was conducted<sup>1</sup>**

N	Indicators	Years			2021 compared to 2023, %
		2021	2022	2023	
<b>1.</b>	<b>Total land area, ha</b>	137	137	137	100,0
	of which hectares are agricultural land	137	137	137	100,0
	including irrigated land, ha	37	37	37	100,0
<b>2.</b>	<b>Livestock head count</b>	321	357	376	115,6
	from that				
	Cows	31	33	41	132%
	Bulls	61	63	68	111%
	Horses	8	7	14	175%
	Sheep and goats	221	254	253	114%
<b>3.</b>	<b>meat production centner</b>				
	Beef	64	60	62	96,9
	Mutton	30	32	35	116,7
<b>4.</b>	<b>Milk production, centner</b>	440	440	440	100,0
<b>5.</b>	<b>Production of wool, centner</b>	4	4,1	4,1	102,5
<b>7.</b>	<b>Production costs, thousand UZ sum</b>				
	Salary	391383,9	426608,4	456471,0	117%
	Feeding	1354702,1	1473915,9	1562350,8	115%
	Depreciation	65813,2	69103,9	73941,2	112%
	Veterinary service	5850,8	6552,8	7208,1	123%
	Other expenses	124553,1	138254,0	156227,0	125%
	Total expenses	1942303,1	2114435,0	2256198,1	116%
<b>8.</b>	<b>Income, thousand UZ sum</b>				
	From livestock	896627,8	968358,1	1016776,0	113%
	From farming	1127733,2	1240506,6	1327342,0	118%
	Total	2024361,1	2208864,6	2344118,0	116%
<b>9.</b>	<b>Profit, thousand UZ sum</b>	82058,0	94429,6	87919,9	107%
<b>10.</b>	<b>Profitability, %</b>	4,2%	4,5%	3,9%	

This trend also applies to the costs of veterinary services, which indicates that the farm pays significant attention to measures to protect livestock from various diseases and parasites. As a result of these and other innovative measures being taken, it should be recognized that the farm is conducting its production activities effectively. In particular, the farm achieved a total income of more than 2.2 billion UZ sum in 2023, or an increase of at least 319.7 million UZ sum compared to 2021. Also, the farm's profit in 2023 amounted to 87.9 million UZ sum and the profitability level was 3.9%..

Farming is still dependent on the availability of irrigation water, that is, on the weather. In addition, there are problems with the provision of the necessary production resources (mineral fertilizers, fertilizers, seeds, etc.), and these problems also exist in the livestock sector. In the arid regions, cattle breeding is mainly specialized in dairy farming, since when livestock is grazed on pasture, milking and processing

<sup>1</sup>Жиззах вилояти Ғаллаорол туманидаги “Рохат” фермер хўжалиги маълумотлари

cows becomes a problem.

This research work focused not only on the activities of farms in the field of livestock farming, but also on the assessment of the capabilities of dehkan farms, which produce about 90% of meat and dairy products. Due to the fact that dehkan farms mainly bear the cost of feed and labor, as well as the relatively high opportunities for producing tertiary feed, the level of income and profitability of dehkan farms is significantly higher than that of farm farms. It should be noted that dehkan farms have low costs due to the fact that they do not pay taxes and organize production using their own land, and at the same time, most dehkan farms do not spend extra money on veterinary services. Because the allocation of funds by the state for each local veterinarian is an extra opportunity for them to reduce costs.

In conclusion, by developing dairy and meat livestock farms, it will be possible to forecast the total production volume, as well as to use innovative methods to improve the breed of livestock and strengthen a strong feed base. Also, by creating large livestock complexes:

- it will achieve the reproduction of livestock breeds suitable for existing climatic conditions, which will increase the adaptability of livestock to climate change and reduce the incidence of disease;
- it will increase the ability to process manufactured products, ensuring the creation of added value in the sector, limiting the possibility of organizing processing enterprises due to the small volume of production in dehkan farms;
- it will increase the ability to prevent the spread of diseases in livestock, while reducing the costs of zoo-veterinary measures.

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