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IMPORTANCE OF INVESTMENTS IN AGRICULTURE

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Abstract: A necessary condition for effective and sustainable development of agriculture is their sufficient investment. An important task of agrarian policy is to create favorable conditions for increasing the level of investment in agriculture.

Keywords: importance of investments, investment, efficiency, agriculture, funds, source of investment,agricultural,sector

Investment is a long-term placement of funds (capital) in economic sectors for the purpose of obtaining income (profit). They reflect the creation, expansion, reconstruction and technical re-equipment of fixed assets, as well as changes in working capital related to them. In addition, investments are the acquisition of patent intellectual rights to securities, etc. Investments are placed in objects of business activity that generate income (profit) or achieve a certain social effect.

Investments have the following characteristic structures for economic categories: they depend on the economic development of agriculture and industries; considers the use of resources and efficiency; the possibility of possible results from investment projects has a risk character; there is a certain (as a rule, long-term) temporary (unit of measurement) between the use of resources and the achievement of results.

The main principles of the state investment policy at the modern stage are the reduction of existing interest rates to the level of the corresponding efficiency of investments in the real sector of the economy: simplification of the existing tax system, improvement of depreciation policy; formation of organizational legal perspectives to reduce investment risks in order to encourage direct investments of foreign and domestic investors; increasing the effectiveness of the use of budget investment resources on the basis of selection.

With the development of market relations, the sources and methods of capital investments also change. At the current stage, investments are financed according to:

• private financial resources and intra-household reserves of investors (income and depreciation deductions; savings and deposits of citizens and legal entities, payment funds by insurance agencies in the form of compensation for losses in natural disasters, accidents, etc. lari and others);

• financial funds of investors in the form of debt (bank and budget loans, bonds);

• attracted financial funds (funds received from the sale of shares, shares and other payments of members of labor teams, citizens, legal entities;

• formation of state, local budgets and extra-budgetary funds.

In the market economy, the main source of investment in agriculture is private funds: income and depreciation deductions. As a rule, depreciation allowances provide for the reproduction of fixed assets, and simple income is extended

Sustainable development of agriculture requires reasonable reproduction of means of production available in the network. This process consists of the sum of purchasing, repairing, building, innovative and social relations of means of production.

All investments are formed and implemented from the following two main sources:

• at the expense of small funds of the enterprise;

• through foreign funds.

Small funds of the enterprise used in the formation of investments include:

- funds allocated from the net profit of the enterprise;

- funds in the depreciation fund;

- funds received from liquidation and sale of fixed assets;

- proceeds from the rental of fixed assets;

- funds allocated from dividends received by agricultural enterprises as a result of buying securities of other enterprises and others.

The seasonality of the production process in the agricultural sector limits the investment opportunities of entrepreneurs operating in this sector. The participation of living organisms as means of production in the network, the need for them to pass a certain vegetation period in the process of product production, leads to a long continuation of the production process. For example, winter wheat is planted in October and the finished product is obtained in May of the next year, that is, the finished product is obtained only after 7-8 months. In this case, entrepreneurs operating in the network

lack of funds for long-term investment.

Funds attracted from abroad in the formation of investments include:

- funds allocated from the state budget for agriculture;

- loans from commercial banks;

- funds received from partners;

- idle funds of local and foreign enterprises and citizens attracted by the sale of securities;

- from charity funds, funds allocated by sponsors, etc.

Among the funds attracted from abroad, bank loans have a special place. They make it possible to make investments,

taking into account the needs of individual enterprises, regardless of the results of production activities. Bank loans accelerate the investment process without the company having to collect the necessary amount of its own funds for investment. Loans are used as a source of investment not only in capital construction, but also in the introduction of new equipment. The main task of investments is to increase the output of the network and ensure the acceleration of the growth rate of production efficiency.

Increasing the effectiveness of investments in the agricultural sector allows for the development of rural infrastructure, the volume of production of agricultural products and the well-being of the population. For this, it is necessary to improve the financing mechanisms of investments in the agricultural sector. Domestic and foreign economists have researched issues of increasing the efficiency of investment in the agricultural sector.

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