

THE MAIN PROBLEMS OF THE DEVELOPMENT OF AGRICULTURE IN NKR

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The article highlights the strategic importance of agriculture in terms of addressing the country's food security problem, which is one of the components of the country's economic security. Favorable conditions for the development of the agriculture of the NKR have been singled out. In the conditions of risky agriculture, the directions of forecasting, prevention and overcoming the consequences of risks were noted. The need to introduce an agricultural insurance system is emphasized.

Key words: gross output, plant growing, animal husbandry, investments, agrarian policy, risks, insurance

Introduction

Agriculture in the Republic of Nagorno Karabakh has an important strategic importance, first of all, in the context of the country's food security problem, which is one of the components of the country's economic security.

State regulation of agriculture is carried out through legislative, tax, credit and subsidizing forms. It is worth mentioning that at the present moment, those engaged in agriculture in Nagorno-Karabakh are in dire need of material and financial resources, the most efficient and perspective way of crediting is the state subsidies. This is explained by the fact that legislative regulation does not directly affect the agricultural resource capacity, the impact of the tax form is not significant with respect to existing privileges and mandatory payments.

The credit form should be provided here in the form of preferential lending of agricultural producers, as the commercial lending of agriculture today is a heavy burden on the risk. Thus, there is a need for a new system of state institutions for economic relations and agricultural support. This system should be flexible, respond to current agricultural requirements, to rapidly changing economic situations. The problem is to develop an optimal mechanism of economic relations between the state, agricultural producers and commercial structures.

By supporting the investment in agriculture, the state should first of all emphasize the need to allocate funds on the basis of repatriation that will lead to more efficient use of resources and investment activity.

The government implements agriculture crediting through the NKR Agriculture and Agricultural Support Fund, which provides preferential loans to economic entities. Unlike bank loans, interest rates on these loans are lower. Long-term loans are provided by the Fund. However, these loans are provided on a mandatory basis under a pledge that limits the borrower's access to these credit resources as they are pledged as collateral, in particular for real estate.

Conflict settings

It is necessary to elaborate a detailed leasing mechanism with the participation of commercial banks.

The NKR Village and Agricultural Support Fund provides leasing companies with equipment. In particular, the cost of one German combine harvester, including the cost of delivering to Nagorno-Karabakh, is 60.0 million drams. The soil cultivators are provided with leasing at 2/3 of the equipment, i.e. 40.0 million drams, with a 10% prepayment period of up to 5 years. Up to 5.0 million

drams worth of equipment are provided annually by 12 percent, 6 percent of which is subsidized by the state. Techniques with a value greater than 5.0 million are provided annually by 12 percent, of which 12 percent is subsidized by the state.

The situation in the Nagorno-Karabakh Republic has led to a sharp drop in the economy as well as the agro-industrial production. There are a number of problems that require urgent solution.

Gross agricultural output in 1995 has decreased for six times compared to the previous times in 1985. In 2012 it has reached and exceeded 1985 level, and in 2016 gross product grew only 1.4 times.

Gross agricultural output in 2016 made 68467.6 mln. drams, which, compared to the same period of the previous year, increased by 7.4%. The dominant share in its structure belongs to grain production - 29.8%, meat - 26.4%, milk - 15.0% [1].

Table1**Gross agricultural output [2]**

Mln AMD

Years	In all branches of economics		
	Total gross product	Including	
		Plant breeding	Livestock
1985	47859,0	31108,0	16751,0
1995	7854.1	4278.4	3575.7
2012	50313.0	33262.9	17050.1
2013	55172.2	34901.0	20271.1
2014	57646.8	27949.3	29697.5
2015	64309.6	33293.4	31016.2
2016	68467.6	36024.2	32443.4

The steps towards agricultural reform related to the reorganization of the collective farms and the soviet farms, the privatization of the land and the development of land lease basics have allowed to lay the foundations for the development of the branch, the implementation of land reform.

Crisis phenomena in agriculture have arisen in the economy of the country and especially in the agrarian sector. The production potential has diminished, land fertility has declined, the state of pedigree cattle breeding and seed farming, agricultural machinery and equipment outdated, no land use rules and technological production proportions have been preserved.

The sharp reduction in the use of organic and mineral fertilizers has resulted in a deficit of nutritional substances, which, in turn, causes land degradation and fertility decline. Humus content in the soil continues to decline.

The former livestock complexes are not functioning and dismantled. Livestock production has been shifted to small farms. Production here is based on obsolete technology and mainly handmade.

The income level of most agricultural producers does not allow organizing the economy on the basis of reproduction, maintaining and updating the material base, timely repayment of debts to suppliers, bank loans and so on.

Rural roads rehabilitation is of great importance in the development of agriculture, which contributes to the social development of the village and the increase of agricultural productivity.

Problems arose in the scientific-educational system of the agrarian sector. An agrarian education, science and production co-operated system has not yet been formed. The material-technical base of scientific-educational institutions is weak. It is necessary to create prerequisites for effective agrarian scientific-educational system.

Many economists guarantee the use of this or that country's experience in justifying agrarian policy proposals. However, it is difficult to isolate the patterns and peculiarities of its implementation in the context of a market economy, depending on the political structure, national traditions, economic

development stages, nature conditions and so on. There is a need to generalize the whole international experience and choose the experience that will contribute to the implementation of the most effective agrarian policy.

Any state, based on the climatic conditions and the economic policy pursued, can implement an export-oriented agrarian policy or self-sufficiency policy.

In a number of western countries, they are aiming to fight with over-production, mainly for keeping the prices high, and in the NKR, in the village foodstuffs and imports should be reduced.

When defining support measures, it is important to take into account the existence of a state budget deficit, as a result of which many methods that are actively used by other countries are generally unacceptable.

The NKR agriculture is a low-productive and half-productive one. At the same time, conditions for the development of agriculture are favorable. NKR can completely satisfy its population with basic food products. It can also be exporting to other countries, not only in crop production, but also in livestock sector. Moreover, NKR can become a major food exporter.

As favorable conditions for development of NKR's agriculture can be distinguished.

- the land of agricultural significance per inhabitant, which is inaccessible to most other countries,
- soil fertility and climatic conditions, in case of proper agro-technical measures, are favorable for high yields, including fodder crops,
- construction of reservoirs and the existence of rivers will allow expanding irrigated lands where fruits and vegetables, technical crops will be grown, as well as to develop fishery in artificial reservoirs to ensure the demand for their own country,
- existence of exclusive conditions for multiple development of cattle breeding, huge massive pastures, the opportunity to receive all the crop cultivation at the expense of growing grain,
- more than half of the country's population lives in the surplus labor force. In the past, the population of Nagorno-Karabakh differed in its special diligence and love for its own land,
- the demand for food self-sufficiency in the Republic of Armenia is to allow the state to import as little as possible. In comparison with the NKR, the conditions for the development of agriculture in Armenia are not favorable and the Republic of Armenia will be able to solve its food problem through Nagorno-Karabakh. At the moment, the Republic of Armenia ensures more than half of the demand for the crop and livestock products of Nagorno Karabakh and grants an interstate loan of 2/3 of the NKR state budget to its scarce funds,
- the financial and professional potential of the Karabakhi people abroad can be used for mutual benefit both for the owner and for the Nagorno Karabakh Republic in agro-industrial complex.

Presently, the resolution proposed by P. Struewo at the beginning of the twentieth century: "If the state wants to consolidate ... land, then it can achieve that not only because it does not pursue the economic equality between peasants, but only by supporting its viable elements ... "[3, 527].

The review of the issues of state support for agriculture should be carried out using the deductive method by moving from macroeconomic level to microeconomic level step by step through partial claims of common ideas.

The need for the formation and use of certain cash-generating funds arises from the unwanted, unpredictable phenomena, the risk of reinsurance and active involvement of the insurance system in the agricultural sector. The role of insurance is significantly increasing, and its qualities and capabilities are particularly evident in the market economy. Insurance is a means of ensuring the continuity of people's welfare. However, mainly due to climatic conditions insurance companies avoid insurance of agriculture. The state should do the same, that is, to ensure that correct agro-technical measures are provided through consultation, and the anti-hail stations should also be studied and ensured by the reliable and efficient use of those plants. All this will be an impetus for insurance companies to actively participate in the insurance of agricultural risks.

Installation of anti-hail stations requires financial investment. Especially, the cost of procurement and installation of one anti-hail station is 5.0 million drams, and annual exploitation costs - 400.0 thousand AMD [4].

Conclusion

The following issues need to be addressed for the development of the plant cultivation of the Nagorno Karabakh Republic:

- gradual engagement of agricultural land plots that have been excluded,
- improvement of soil condition and fertility,
- solution of problems of cereal, vegetable, fodder crops and potato seeds and fertilization;
- stabilization and development of viticulture;
- establishment of pomegranate gardens;
- solution of sales and processing of agricultural products.

Activation of the recycling system and the increase in export volumes will contribute to the solution of the problems in the sale of agricultural products and increase the level of economic productivity. Positive shifts will be more significant if the problems of agriculture crediting and risk insurance have been completely resolved.

The functions of state regulation of agriculture are:

- assistance to melioration, irrigation, road construction and development of social infrastructure in the village;
- creation of legislative bases, ensuring free competition,
- monitoring and conservation of agricultural land;
- prevention of epidemic and quarantine diseases of livestock and plants;
- scientific and technical support of the sector, support for information and consulting services,
- food security,
- adoption of development programs and provision of conditions for their implementation;
- development of international cooperation and expansion of marketing opportunities [4].

Under the conditions of risky agriculture in NKR it is necessary to forecast, prevent and overcome the risks in the following directions:

- expansion of the anti-hail system;
- regulation of irrigation water use under drought and scarcity;
- investment of water saving technologies;
- investment of the agricultural insurance system.

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ԳՅՈՒՂԱՏՆՏԵՍՈՒԹՅԱՆ ԶԱՐԳԱՑՄԱՆ ՀԻՄՆԱԽՆԴԻՐՆԵՐԸ ԼՂՀ-ՈՒՄ

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Հոդվածում կարևորվում է գյուղատնտեսության ռազմավարական նշանակությունը երկրի պարենային ապահովության հիմնախնդրի լուծման տեսանկյունից, որը հանդիսանում է երկրի տնտեսական անվտանգության բաղադրիչներից մեկը: Առանձնացվում են ԼՂՀ գյուղատնտեսության զարգացման բարենպաստ պայմանները: Նշվում են ԼՂՀ դիսկային գյուղատնտեսության պայմաններում դիսկերի կանխատեսման, կանխարգելման և հետևանքների հաղթահարման ուղղությունները: Հավրկապես կարևորվում է գյուղատնտեսության ապահովագրական համակարգի ներդրման անհրաժեշտությունը:

Բանալի բառեր. Համախառն արտադրանք, բուսաբուծություն, անասնաբուծություն, ներդրումներ, ագրարային քաղաքականություն, դիսկեր, ապահովագրություն

ОСНОВНЫЕ ПРОБЛЕМЫ РАЗВИТИЯ СЕЛЬСКОГО ХОЗЯЙСТВА В НКР

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В статье подчеркивается стратегическое значение сельского хозяйства с точки зрения решения проблемы продовольственного обеспечения страны, которая является одним из компонентов экономической безопасности страны. Выделены благоприятные условия для развития сельского хозяйства НКР. В условиях рискованного сельского хозяйства отмечены направления прогнозирования, предотвращения и преодоления последствий рисков. Особо подчеркивается необходимость внедрения системы сельскохозяйственного страхования.

Ключевые слова: валовая продукция, растениеводство, животноводство, инвестиции, аграрная политика, риски, страхование