

**DIRECTIONS OF STATE SUPPORT FOR THE
MODERNIZATION OF THE DAIRY CATTLE BREEDING
NETWORK**

Sevara Tursunova,

Tashkent State Agrarian University, independent researcher

Abstract. *The article scientifically substantiates the role and importance of state participation in the modernization of the dairy cattle industry. It also substantiates the need to improve the modernization of dairy cattle breeding in accordance with the stages of development of state support. The principle mechanisms of state support aimed at the effective development of the dairy industry are developed and their practical significance is highlighted.*

Key words: *animal husbandry, milk production, livestock, network, modernization, support, mechanism, market. logistics, breeding, efficiency.*

The process of modernization of the dairy cattle sector is not fully referred to the market mechanisms, because the specific characteristics of the sector make the participation of the state an objective necessity. Including:

First, since capital turnover in agriculture is slow, risk is high, and technological equipment is expensive, competition mechanisms alone cannot stimulate modernization, and the private sector is cautious about investing in long-term assets.

Secondly, dairy products are considered the main segment of food security of the population, and sudden changes in this market have a direct

impact on social stability. Therefore, tying the network to market principles alone may create situations contrary to the interests of society.

Thirdly, infrastructural facilities such as laboratories, cooling centers, logistics hubs, which are necessary for the sustainable development of the industry, are expensive, and the direct entry of private capital into them is ineffective in most cases; since this infrastructure is the main foundation of network modernization, the initial investment support of the state is crucial.

Fourth, the adoption of modern breeding technologies, smart farm equipment, digital monitoring systems, and environmental innovations creates high entry barriers for private farms. Therefore, government grants and subsidies act as an accelerator of innovative transformation.

Fifth, environmental outcomes such as the introduction of resource-saving technologies in the sector, energy recovery from waste, waste management, and reduction are not directly driven by market demand, but they provide long-term environmental sustainability criteria that are of strategic importance to the state.

Sixth, in a context where small-scale dairy production is dominated by commodity farming, small farms lack access to technology, capital, and knowledge resources. Therefore, stimulating the modernization process through cooperation, infrastructure partnerships, and services will not be practical without state involvement.

These aspects make modernization of the network not only an economic goal, but also a strategic necessity, justifying the need for a systematic and purposeful orientation of state support mechanisms.

The experience of countries with highly developed dairy farming shows that the process of modernization of the national sector has never been based

solely on market mechanisms, and they have also historically passed this stage with state support. For example, in the USA, during the 1930s-1950s, the process of creating dairy infrastructure, introducing sanitary standards, and providing farms with machinery was carried out through federal subsidies, soft loans, and industry integration along the value chain.

In the European Union countries, since the 1960s, the Common Agricultural Policy (CAP) has ensured the technological transformation of the sector by regulating the dairy market, tightening quality standards, supporting genetic selection, and developing the infrastructure of rural areas.

Even today, these countries do not operate entirely on the basis of free competition; rather, market mechanisms and state instruments are used in a coordinated manner. For example, support tools such as grants for adapting manufacturers to quality standards, subsidies for energy-saving technologies, preferential loans for purchasing innovative equipment, and compensatory mechanisms for sudden changes in the market have been preserved.

The main goal here is not to limit competition, but to ensure continuous innovation, high quality, environmental sustainability and economic security in the sector. Therefore, the experience of developed countries shows that the key to success in strategically important sectors such as dairy farming is not the elimination of state participation, but its evolutionary improvement in combination with market instruments.

Based on the experience of developed countries and the specific dynamics of the sector, the most correct approach is to organize state support for dairy farming on the basis of a differentiated approach, commensurate with the stages of development of the sector. Because at each stage the problems and

needs are completely different, and the same instruments are not suitable for all periods.

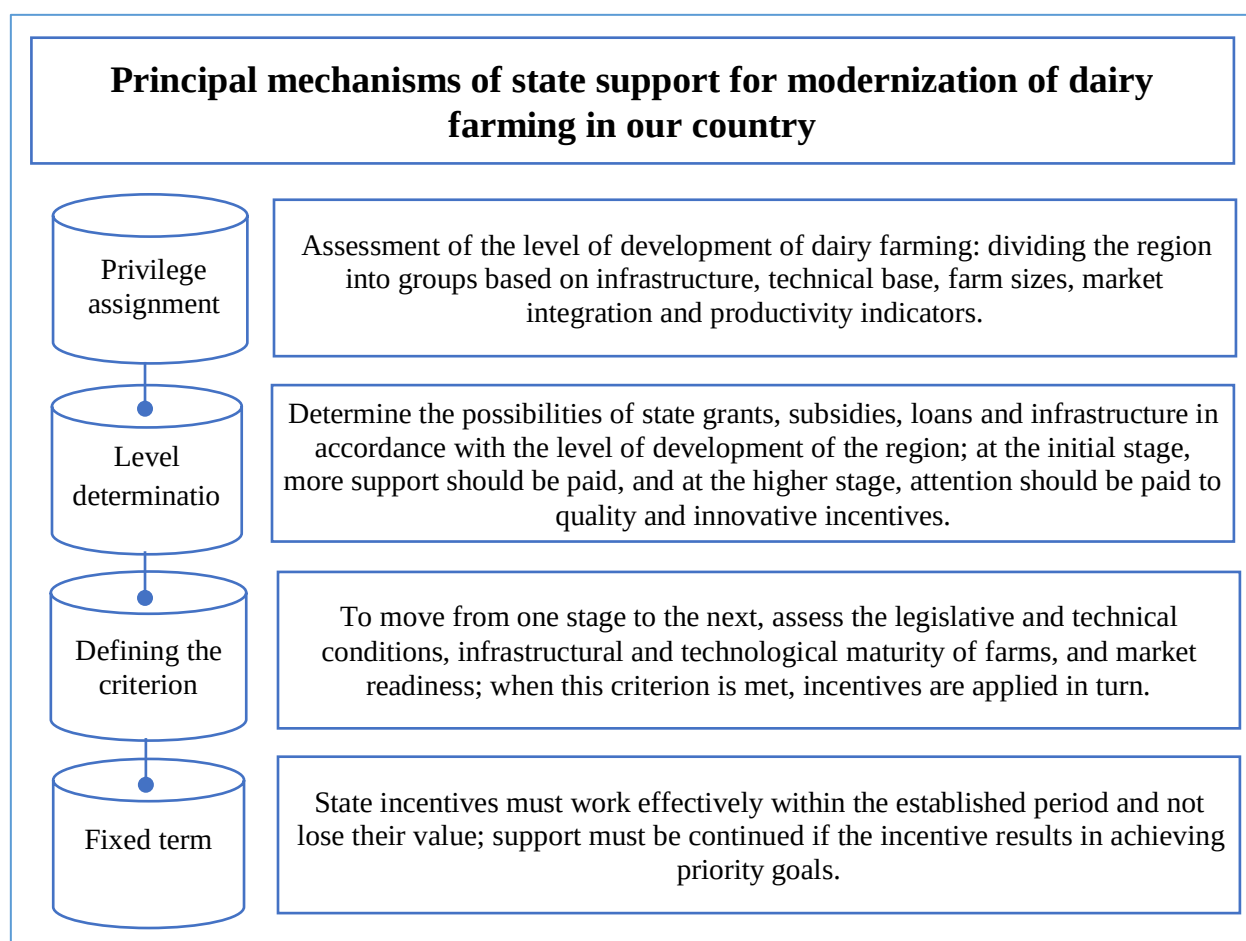
From this point of view, the following conceptual framework can be formed in the scientific approach:

The first stage is the stage of forming the initial foundation of the transformation, in which the level of technology and equipment in the sector is low, small-scale trading predominates, and the infrastructure is insufficient. At this stage, the role of the state is mainly to perform a “pioneering” function. That is, it provides support through major investments in cooling stations, laboratories, logistics and veterinary infrastructure, preferential loans for farmers, grants for breeding pedigree animals, institutional incentives for cooperation between households, and other methods. At this stage, market mechanisms do not provide sufficient efficiency, so large-scale support for the sector is critical.

The second stage will focus on shaping a competitive environment and orienting the sector towards technological innovation. After the main part of the infrastructure is built, the state will focus on accelerating innovation, strengthening quality standards and strengthening market discipline. At this stage, the composition of instruments will change. Grants will decrease, and leasing programs, targeted subsidies for energy-efficient equipment, digital monitoring requirements, and incentives for the introduction of AI and smart farm technologies will take center stage. The state will move from direct support to “higher-level” instruments that serve the effective functioning of the market.

The third stage is an attempt to regulate a stable competitive sector with active market instruments. When the technological level in the sector is high,

the main task is to solve long-term problems such as prioritizing quality, adapting to export standards, environmental sustainability and reducing methane emissions. At this stage, the role of the state is not minimal, but rather deepening market mechanisms. The emphasis is on differential subsidies according to quality indicators, financial incentives for "green" technologies, marketization of risk insurance, institutional support for the system of agreements between the parties.



Priority mechanism of state support for modernization of dairy farming in our country

Thus, state agricultural policy is not a uniform, but rather a multi-stage mechanism that evolves according to the level of development of the sector.

This approach is consistent with the practical experience of developed countries and ensures continuous technological and institutional development in dairy farming.

The importance of a phased approach to the modernization of dairy farming is that without the full implementation of the first stage, higher-level incentive mechanisms will not work effectively and often remain only within the framework of regulatory documents. This is because the initial stage creates the technical, infrastructural and institutional foundation necessary for the modernization of the sector. It includes cooling and collection points, veterinary services, laboratories, logistics, breeding work and platforms for cooperation between farmers. If this basic infrastructure is not fully operational, the digital monitoring, smart farm technologies, differential subsidies for quality indicators or environmental incentives envisaged in the subsequent stages will not be implemented in practice. The reason is that these methods require a highly organized market, standardized production, a stable raw material base and a certain technological maturity of farms.

In the absence of a foundation, high-level instruments become a mechanism that is both incomprehensible and impractical for farmers. Therefore, if the consistency and evolutionary consistency between the stages is not ensured in the state policy, the reforms in the modernization process, although they are defined in the documents, cannot affect the real development trajectory of the network.

The concept of a phased organization of state support for the dairy industry should naturally be consistent with the principle of territorial differentiation. Since regions within the country differ significantly in terms of the level of development, infrastructure provision, technological maturity of

farms, and market integration. Therefore, single, one-size-fits-all mechanisms will not yield real results and, in some cases, will even lead to inefficient allocation of resources.

REFERENCES:

1. Abdullayeva S. Dissertation for the degree of PhD on the topic “Economic foundations of improving the dairy farming system”. Tashkent – 2018.
2. Adilov S. Dissertation for the degree of PhD on the topic “Economic foundations of the introduction of market mechanisms in the livestock sector”. Tashkent – 2025.
3. Sadullaev U. Dissertation for the degree of PhD on the topic “Main directions of stimulating the modernization of the meat and dairy industry”. Tashkent - 2020.
4. Khudaiberdiev O'. Improvement of the mechanisms of state support for the livestock sector. Scientific Journal of Agricultural Economics. 1(22)/2024. Pages 120-123.