

INNOVATIVE METHODS OF FINANCING IN AGRICULTURE: CROWDFUNDING

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A B S T R A C T	K E Y W O R D S
The article studies the opinions of leading world scientists on innovative methods of financing agriculture: crowdfunding, discusses in detail the main features and types of crowdfunding platforms and mechanisms in the agricultural sector, analyzes platforms designed to support agricultural projects around the world, conducts a SWOT analysis of crowdfunding platforms designed to support agricultural projects, and develops substantiated conclusions and proposals for the introduction of crowdfunding in the farming sector in Uzbekistan.	Agriculture, innovative financing, crowdfunding, crowdfunding in agriculture, agro finance, online investments, crowdfunding, farming projects, electronic platform, social fundraising.

Introduction

Agriculture is one of the sectors of strategic importance in the economies of many countries worldwide. It plays an important role not only in providing food for the population but also in ensuring economic stability and providing employment for a large part of the population. However, traditional financing tools in the sector are often insufficient. Sources such as bank loans and state subsidies are not always able to meet the needs of farmers and agricultural enterprises. In such conditions, innovative financing methods, including crowdfunding, appear to be an important solution in the agricultural sector.

The word crowdfunding itself is formed from the words "crowd" (public) and "funding" (financing), and its essence is to attract funds from the public for a project or idea. In this process, many people contribute small amounts of money to the project through special Internet platforms and help it to be implemented. Crowdfunding not only attracts financial resources but also plays a significant role in the implementation of new ideas and innovations. This mechanism offers new solutions as an alternative to traditional financing.

Financing problems in the agricultural sector are becoming increasingly serious. A number of farmers are still deprived of the opportunity to expand their businesses due to a lack of capital. In addition, factors such as natural disasters, declining yields, and volatility of market prices create additional difficulties for farmers. In such a situation, new financing methods such as crowdfunding can not only alleviate existing problems but also further develop the agricultural sector.

Literature Review

In the process of analyzing the literature on the topic, several leading economists and experts from around the world conducted scientific research on innovative methods of financing agriculture: crowdfunding. Among them, B. Murodov's article "Crowdfunding - as a Modern Form of alternative financing" analyzes the essence, advantages, and stages of crowdfunding. The author studies the alternative financing markets in America and Asia and emphasizes the role of crowdfunding in financing various projects[1].

Yarov Akbarali Ibodullaevich analyzed the theoretical foundations of crowdfunding and its application in the experience of foreign countries in his article "Alternative forms of cluster financing". He noted that crowdfunding is an effective way of financing clusters, which serves as an additional financial source for small and medium-sized businesses [2].

Kamolov Sh.U. in his research on "Innovative Methods of Financing Agriculture" discusses modern methods and innovative mechanisms of financing. In his opinion, venture capital, crowdfunding, and public-private partnerships are of great importance in financing agriculture. These methods help to introduce new investments and innovations in the agricultural sector[3].

Research methodology

Innovative methods of financing in agriculture: analysis of research conducted by world scientists on crowdfunding, collection of all information on the topic, comparison, and logical thinking were used in economic research methods.

Analysis and discussion of results.

The importance of crowdfunding is very wide-ranging. With its help, farmers can attract public attention to their projects, gain trust, and increase economic opportunities. At the same time, crowdfunding allows farmers to sell their products, be competitive in the market, and create a new customer base. Today, crowdfunding platforms and mechanisms are becoming increasingly popular on a global scale, creating opportunities for innovations in agriculture.

Crowdfunding in the agricultural sector is distinguished by the following main features:

1. Supporting innovative projects.
2. Financing environmentally friendly ideas.
3. Increasing public participation in the sector.
4. Creating connections between farmers and consumers.

The main feature of crowdfunding is that it speeds up and simplifies the process of raising funds. Compared to traditional financing, through crowdfunding, the public has the opportunity to support new projects in agriculture. For example, if a farmer plans to start organic production in his area, he can raise the necessary funds through crowdfunding platforms and implement this idea.

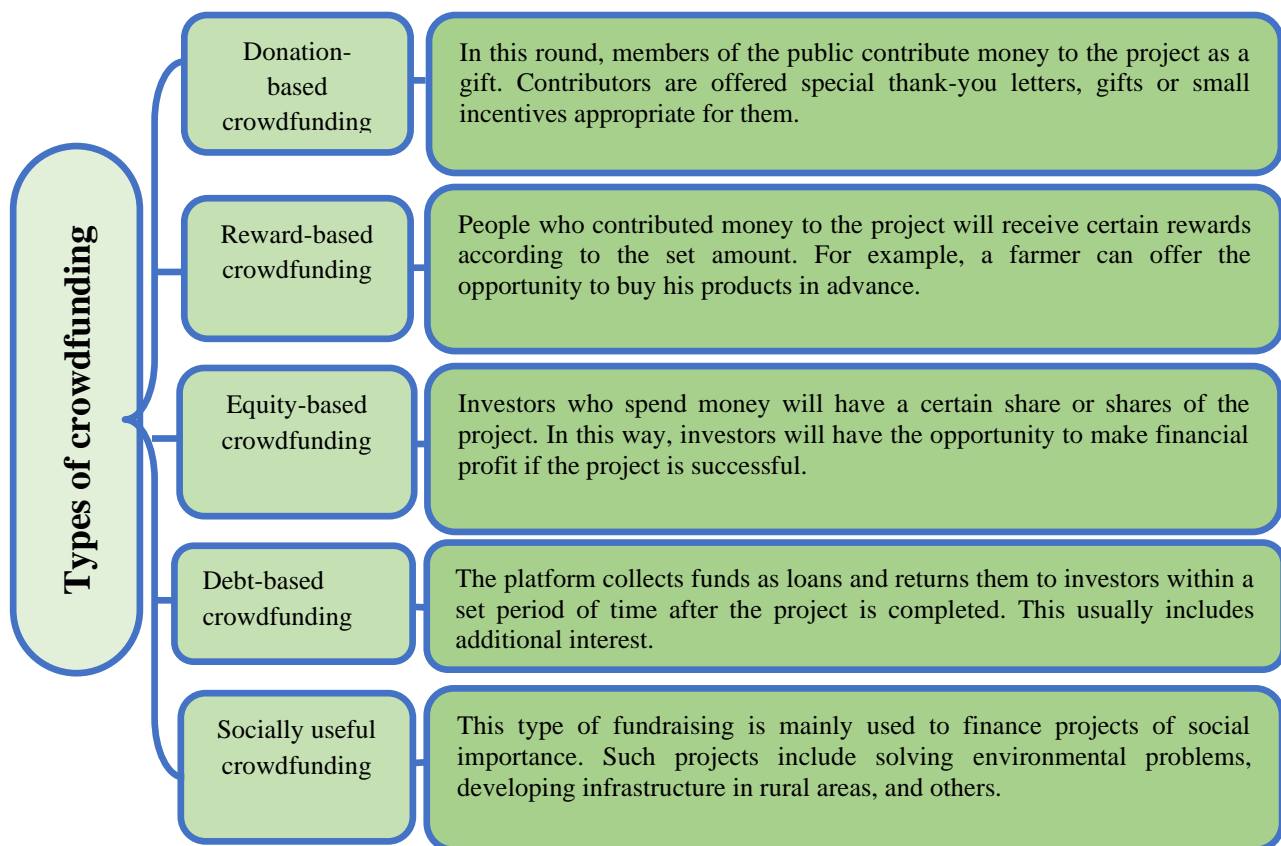


Fig. 1. Types of crowdfunding

Another important aspect of crowdfunding for agriculture is its social significance. Public participation in such projects is seen as a step towards finding solutions to global problems in the sector. For example, environmental projects can be financed through crowdfunding on such topics as climate change, water scarcity, and soil erosion. When such projects are funded by the public, their positive impact can be further expanded.

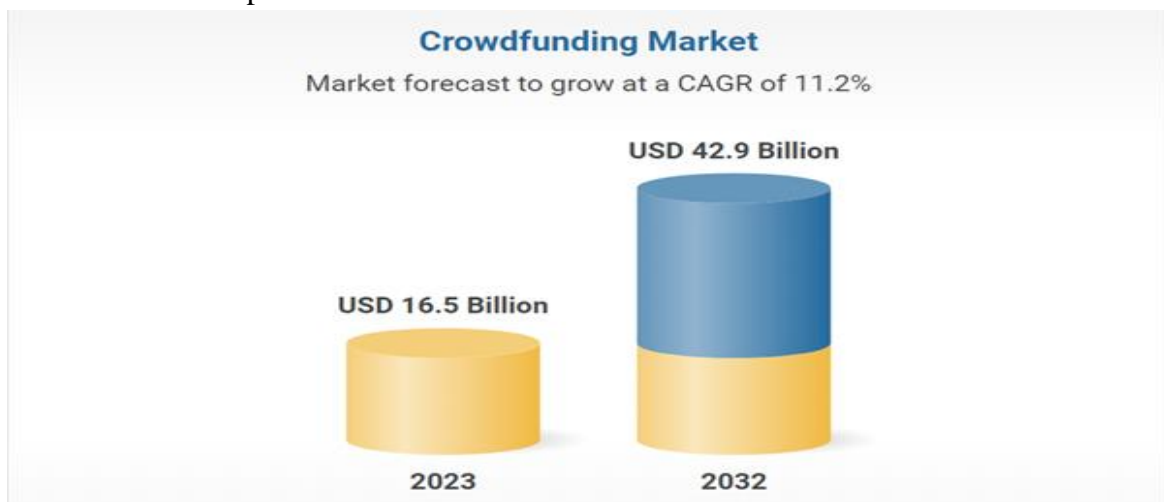


Figure 2. Crowdfunding market [4]

The size of the global crowdfunding market will reach 16.5 billion US dollars in 2023. This showed a slight increase compared to previous years. Looking ahead, the publisher expects the market to reach 42.9 billion US dollars by 2032 and show a CAGR of 11.26 percent in 2023-2032. Growing technological innovations in crowdfunding platforms, increasing demand for crowdfunding campaigns to better influence future projects, and increasing number of startup projects are the main factors driving the market [4].

Increasing crowdfunding activity on social media platforms to increase the demand and availability of future projects. Market expansion is a key factor. Social media platforms such as Facebook, Twitter, Reddit, Instagram, and LinkedIn are gaining more popularity for crowdfunding activities to collect donations from investors. At the same time, growing technological innovations in crowdfunding platforms using artificial intelligence (AI) and machine learning technologies are the main factors contributing to market growth.

One of the largest crowdfunding platforms, Kickstarter, launched more than 600,000 crowdfunding platforms [5].

Table 1

Platforms for supporting agricultural projects around the world

Platform name	Region	Main directions	Briefly description
Kickstarter	Global	Innovative ideas, new projects	Innovative projects support for in the world the most big from platforms one of them. Farmers product or services for money their gatherings possible.
Indiegogo	Global	Social, environmental, rural farm	Social to the point owner and ecological projects supports. Farmers products in advance sale or financing as a platform for uses .
FarmRaise	USA	Farmers for financial help	US farmers state grants and financing sources looking for help gives.
Harvest Funders	Global	Village farm investments	Village farm to projects specialized. Investors farmers with to tie directed.
AgFunder	Global	Village farm and agricultural technologies	Village farm startups and technologies supports. Animal husbandry, product work to release and village to the farm specialized.
ThriveAgric	Africa	Farmers support, export markets with to tie	African farmers financial help and market opportunities to create focused platform.
WeFunder	Global	Village farm and small business	Small businesses for investment collection the opportunity creates. Village farm projects public by is supported.
Kiva	Global	Microcredits, social support	Developing in countries small to farmers microcredits to give focused platform.
Lendwithcare	Africa and Asia	Microcredit, small farmers support	Small farmers financing for microcredits offer will do.
Barnraiser	USA	Organic products, healthy meal	Organic products work to release and healthy to eat supports. Farmers this on the platform products for money their gatherings possible.

Important information about each platform is presented systematically in the table. Each type has its own place and importance. For example, gift and reward-based crowdfunding helps farmers implement short-term projects, while equity-based crowdfunding is designed to attract large amounts of

investment. Debt-based crowdfunding is considered a medium-term financing solution. Also, socially useful crowdfunding is important in attracting public attention to social and environmental issues. SWOT analysis (Strengths, Weaknesses, Opportunities and Threats) helps to gain a deeper understanding of the activities of crowdfunding platforms aimed at agricultural projects:

Table 2

SWOT analysis of crowdfunding platforms for supporting agricultural projects

Strengths	Weaknesses
1. The possibility of addressing the public on a large scale via the Internet. 2. Creating direct contact between investors and farmers. 3. Low costs and interest-free borrowing. 4. A convenient mechanism for financing new technologies and innovations.	1. Internet access may be limited for all farmers. 2. Fundraising may be difficult due to lack of trust in platforms. 3. Legal restrictions in place. 4. Competitive platform selection may be difficult for farmers.
Opportunities	Threats
1. Directing agricultural products to export and entering new markets. 2. Government support and creation of a special legal framework. 3. Attracting public attention by supporting ecological projects. 4. Development of new crowdfunding technologies and their implementation.	1. Volatility of market prices can increase the risk of investments. 2. Areas with limited access to the Internet. 3. Risk of project failure due to natural disasters and climate change. 4. Global competition for platforms.

As the SWOT analysis shows, although crowdfunding platforms for agricultural projects have many advantages, their weaknesses and threats should be taken into account for their effectiveness. The success of the platforms depends on such factors as establishing reliable connections between farmers and investors, improving the legal framework and expanding access to the Internet.

The use of SWOT analysis makes it possible to make the operation of crowdfunding platforms for agricultural projects more efficient. Its main results are as follows:

Effectiveness of planning: based on SWOT analysis, farmers and platform operators take specific measures to expand strengths and reduce weaknesses in their activities. For example, special offline mechanisms will be created for farmers in areas with limited access to the Internet.

Improving targeting: Platforms can focus on projects of environmental and social importance, with a deeper analysis of opportunities. This will help increase public interest.

Increasing competitiveness: SWOT analysis allows platforms to introduce innovative technologies to gain advantages over their competitors.

Risk management: Threats identified during the analysis, for example, market price volatility or natural disasters, allow the development of a risk management strategy in projects.

The use of SWOT analysis plays an important role in increasing the effectiveness of crowdfunding platforms for supporting agricultural projects. It helps to establish reliable connections between farmers and investors, and promotes innovation and sustainable development in the field of agriculture.

In Uzbekistan, the issue of introducing crowdfunding in the field of agriculture remains controversial. Although the country is rich in agricultural resources, there are many problems related to financing.

By organizing crowdfunding platforms and ensuring their effective operation, it is possible to develop innovations in the field and create new opportunities.

It is appropriate to implement some proposals for the introduction of crowdfunding in the field of agriculture in Uzbekistan:

1. Strengthening cooperation between interested parties - To introduce crowdfunding, it is necessary to strengthen mutual cooperation between farmers, investors and government bodies. It is important for the government to create a legal framework for supporting and regulating crowdfunding platforms in the field of agriculture.
2. Development of crowdfunding platforms - it is necessary to create and develop crowdfunding platforms, through which farmers can introduce their projects and connect with investors. In order to ensure the operation of these platforms and increase their efficiency, it is necessary to use modern information technologies.
3. Increasing investment attractiveness - To increase the investment attractiveness of farming projects, it is necessary to pay attention to the use of advanced agricultural technologies, product processing and creation of the added value chain. This will help farmers to increase their income and finance them through crowdfunding.
4. Introduction of trainings and local training programs - To make crowdfunding successful, it is necessary to organize trainings and training programs for farmers and entrepreneurs. These programs should provide knowledge on crowdfunding platforms, business planning and financing issues.
5. Government support - The government should introduce special programs aimed at supporting farming projects and financing them through crowdfunding.

These proposals will help to successfully introduce agricultural crowdfunding in Uzbekistan.

Also, crowdfunding can help reduce unemployment in rural areas. When farmers expand their businesses, new jobs are created and regional development is contributed to. Therefore, crowdfunding is effective not only in economic, but also in social spheres.

In conclusion, the introduction of crowdfunding in the field of agriculture and its popularization can greatly contribute to the development of the sector. This mechanism plays an important role in solving financing problems in agriculture, supporting innovations and creating new prospects in the field. Effective use of this opportunity is one of the most important tasks for Uzbekistan.

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