Agricultural policy of Mongolia enhancing productivity of agricultural sector

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www.mofa.gov.mn
Locations: between China and Russia;
Territory: 1.566 thous sq. km
Land boundaries: 8,158 km, with Russia 3,485 km with China 4,673 km
Average altitude: 1,580 m above sea-level
Temperatures in the winter -15 C and -40 C, in the summer +10 C and +35 C,
Precipitation in the plains and mountains 380 mm, in the desert and Gobi areas 125 mm
State structure: administratively divided into 21 aimags (provinces)
Capital city: Ulaanbaatar
Population: 2.7 million
Density: 1.6 persons per sq. km
Sex ratio at births: 105 males per 100 females
Life expectancy: male 61 years, female 66 years

Ethnic group: Mongols (Khalkha) 86%, Kazaks 6%, Others 8%;
Religions: Tibetan Buddhism 96%, Muslim, Christian and Shamanism 4%
Languages: Mongolian
National currency: Tugrik (MNT)
Highlights of the current situation of the Food and Agriculture Sector

- The Sector accounts for more than 20 per cent of the Gross Domestic Product (GDP) of Mongolia.

- The sector contributes 14 per cent of the foreign currency revenues of Mongolia.
Current situation in the Sector

• Livestock sub-sector:
  – Accounts for more than 80% of Agriculture production.
  – Over 180,000 herder households work in the sub-sector.
  – Mongolia has 42.2 million heads of livestock as per the end of 2008 with 10% increase compared to previous year.
Sown area and harvested yield

Current situation

Near future

Sown area thousand ha

Harvested yield thousand ton

Sown area

Yield
Vegetable sown area and harvested yield

- Sown area (000' tn)
  - 1990: 3.6
  - 1995: 3.2
  - 2000: 5.4
  - 2001: 5.6
  - 2002: 7.1
  - 2003: 6.1
  - 2004: 5.6
  - 2005: 5.8
  - 2006: 5.8
  - 2007: 6.1

- Harvested yield (000' tn)
  - 1990: 41.7
  - 1995: 27.3
  - 2000: 43.9
  - 2001: 44.5
  - 2002: 39.7
  - 2003: 58.9
  - 2004: 50.6
  - 2005: 62.5
  - 2006: 70.4
  - 2007: 79.1
Number of tractors and combine harvesters

<table>
<thead>
<tr>
<th>Year</th>
<th>Tractor</th>
<th>Combine</th>
</tr>
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<tbody>
<tr>
<td>1995</td>
<td>1980</td>
<td></td>
</tr>
<tr>
<td>1997</td>
<td>1735</td>
<td>1736</td>
</tr>
<tr>
<td>1999</td>
<td>1506</td>
<td>1420</td>
</tr>
<tr>
<td>2000</td>
<td>1320</td>
<td>1380</td>
</tr>
<tr>
<td>2005</td>
<td>950</td>
<td>820</td>
</tr>
<tr>
<td>2006</td>
<td>930</td>
<td>810</td>
</tr>
<tr>
<td>2007</td>
<td>701</td>
<td>760</td>
</tr>
<tr>
<td>2008</td>
<td>536</td>
<td>600</td>
</tr>
<tr>
<td>2009</td>
<td>675</td>
<td>820</td>
</tr>
<tr>
<td>2010</td>
<td>910</td>
<td>675</td>
</tr>
</tbody>
</table>

Near future: 2008-2010
Labor force in Agricultural Sector
/Total 390,000 person/

- Livestock sector: 85%
- Crop production sector: 15%
Cultivated crop land use
/in thousand ha/

- Abandoned, 479.4,
- Unused, 375.7
- Sown, 194.8
- Fallow, 146.7
“Third Crop Rehabilitation Campaign”

**National Programme**
Programme Goal

- Create favorable economic condition
- Increase agricultural production
- Ensure food safety
- Eliminate import dependence
- Increase self reliance
- Intensify development of crop production
To reach total arable land of 600,000 hectares

Re-cultivate abandoned crop land:

– in 2008: 50,000 ha
– in 2009: 88,000 ha
– in 2010: 100,000 ha
Supply of Agricultural Machinery

- 725 tractors, 550 combine harvesters are to be imported
- 70-80% of agricultural machinery require renovation
To reach irrigation on 54.2 thousand ha

- Renovate irrigation system on 10 thousand ha
- Build new irrigation system on 22.0 thousand ha
- Make water reservoir with capacity of 15 mio sq. m
Seed Supply

- Drought resistant, high quality varieties of wheat seeds for Mongolia’s harsh climatic conditions will be imported, as follows:
  - 2008 - 6000 tons;
  - 2009 - 5000 tons;
  - 2010 - 4000 tons;
- Technical assistance is required for strengthening the capacity of the Seed Multiplication Centers;
### Expected Results

**Increase in Self Sufficiency**

(e.g. currently Mongolia produces only about 30 % of its domestic consumption of wheat)

<table>
<thead>
<tr>
<th>Year</th>
<th>Wheat</th>
<th>Potato</th>
<th>Vegetable</th>
</tr>
</thead>
<tbody>
<tr>
<td>2008</td>
<td>49.0 %</td>
<td>93.5 %</td>
<td>58.3 %</td>
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<tr>
<td>2009</td>
<td>67.0 %</td>
<td>113.2 %</td>
<td>80.4 %</td>
</tr>
<tr>
<td>2010</td>
<td>100.0 %</td>
<td>131.0 %</td>
<td>101.8 %</td>
</tr>
</tbody>
</table>
Conclusion

Mongolia has vast potentials for the improvement of Agro-Production. The following problems and constraints hinder the improvement of both sub-sectors, Cropping and livestock.

- Poor infrastructure - Road, bridge, irrigation systems
- Lack of safety and quality control
- Storage and transportation facilities
- Inappropriate loan portfolio
- Low level of education
- Lack of improved seeds, fertilizers and pesticides
Thank you very much for attention!