MONGOLIAN FOOD, AGRICULTURE AND LIGHT INDUSTRY SECTOR

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FOOD, AGRICULTURE AND LIGHT INDUSTRY SECTOR

LIVESTOCK

CROP PRODUCTION

FOOD PRODUCTION

LIGHT INDUSTRY

THE TOTAL LAND AREA

73.5%

is agricultural land / 114.9 million hectare

FOOD, AGRICULTURE AND LIGHT INDUSTRY SECTOR EMPLOYS

53.9%

Of total labor force /619,000 person/

FOOD, AGRICULTURAL AND LIGHT INDUSTRY SECTOR ACCOUNTS FOR

31.2% of

/ 7.4 billion USD/ GDP
LIVESTOCK SECTOR

NUMBER OF LIVESTOCK / AS OF 2017/

- Camel: 0.4 mil
- Sheep: 3.9 mil
- Cattle: 44 mil
- Total: 27.3 mil
- Horse: 30.1 mil

HERD COMPOSITION /%/

- Camel: 0.7%
- Sheep: 5.9%
- Cattle: 41.3%
- Horse: 45.5%
- Total: 66.2 mil

Resource of livestock raw materials:

- Meat: 343.7 thousand ton
- Milk: 891.5 thousand ton
- Wool: 27.4 thousand ton
- Cashmere: 9.4 thousand ton
- Leather: 14.0 million unit hides

MINISTRY OF FOOD, AGRICULTURE AND LIGHT INDUSTRY
ARABLE LAND: 1,050.0 THOU.HE
AS OF 2017

- Cultivated Land 524,0 thou hectare 50%
- Fallow Land 370,1 thou hectare 35%
- Unused/Abandoned land 155,9 thou hectare 15%

EXPECTED TOTAL PRODUCTION BY CROPS in 2018 /THOU TONN/

<table>
<thead>
<tr>
<th>Crop</th>
<th>Production (thou tonn)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Grains</td>
<td>538.4</td>
</tr>
<tr>
<td>Potatoes</td>
<td>171.2</td>
</tr>
<tr>
<td>Vegetables</td>
<td>101.9</td>
</tr>
</tbody>
</table>
FOOD PRODUCTION SECTOR

Total demand, thousand t /2017/

<table>
<thead>
<tr>
<th>Product</th>
<th>Domestic Farms</th>
<th>Imports</th>
</tr>
</thead>
<tbody>
<tr>
<td>Meat, meat products</td>
<td>96.9%</td>
<td>3.1%</td>
</tr>
<tr>
<td>Dairy</td>
<td>82.0%</td>
<td>18.0%</td>
</tr>
<tr>
<td>Flour, flour products</td>
<td>99.6%</td>
<td>0.4%</td>
</tr>
<tr>
<td>Potato</td>
<td>62.5%</td>
<td>37.5%</td>
</tr>
<tr>
<td>Vegetables</td>
<td>91.4%</td>
<td>8.2%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Product</th>
<th>2017 Demand</th>
</tr>
</thead>
<tbody>
<tr>
<td>Meat, meat products</td>
<td>184.2</td>
</tr>
<tr>
<td>Dairy</td>
<td>184.2</td>
</tr>
<tr>
<td>Flour, flour products</td>
<td>294.7</td>
</tr>
<tr>
<td>Potato</td>
<td>129.0</td>
</tr>
<tr>
<td>Vegetables</td>
<td>184.2</td>
</tr>
</tbody>
</table>
## LIGHT INDUSTRY SECTOR

### Sales

<table>
<thead>
<tr>
<th>Product Type</th>
<th>Sales</th>
<th>Export</th>
</tr>
</thead>
<tbody>
<tr>
<td>Wool and cashmere</td>
<td>320.5 Mil. USD</td>
<td>304.0 Mil. USD</td>
</tr>
<tr>
<td>Leather</td>
<td>122.0 Mil. USD</td>
<td>29.2 Mil. USD</td>
</tr>
<tr>
<td>Stitch</td>
<td>18.4 Mil. USD</td>
<td>1.2 Mil. USD</td>
</tr>
</tbody>
</table>

### Key Statistics

- **Total factories**: 2797
- **Employment**: 50,900 people
- **Production Output**: 821.7 million USD
- **Total export of light industry sector**: 390.0 million USD
CASHMERE PRODUCTION

World cashmere resource /%/

<table>
<thead>
<tr>
<th>Country</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>China</td>
<td>48%</td>
</tr>
<tr>
<td>Mongolia</td>
<td>40%</td>
</tr>
<tr>
<td>Other</td>
<td>12%</td>
</tr>
</tbody>
</table>

Manufacture of cashmere products /%/

- Washing: 153.1
- Combing: 108.5
- Spinning: 31.8
- Knitting: 14.2

Proposed cooperation in cashmere production and processing

- Knitting
- Weaving
- Final processing
- Establish new sales points/chain
In food, agriculture and light industry sector, we are pursuing active cooperation with international financial and development organizations such as The World Bank Group, Asian Development Bank, United Nations Food and Agriculture Organization, International Fund for Agricultural Development, JICA, KOICA, Swiss Agency for Development and Cooperation, European Union and Mercy Corps as well as countries such as China, Russia, USA, Japan, Korea, Canada, France, Germany, Italy, Bulgaria, Hungary, Belarus, Vietnam, South Korea, Turkey and Australia.

**Mongolia – Germany**
- Technique and technological renovation of agriculture
- Empowering human resources

**Mongolia – France**
- Import highly beneficial livestock
- Establish a laboratory of livestock inseminator
- Animal health, well-being and registration

**Mongolia – Czech Republic**
- Improving rural water supply
- Mark livestock, make a registration animals into a unified database
- Empowering human resources

**Mongolia – EU**
- Capacity building of Veterinary Laboratories
- Supporting Meat and Milk farming and production
- Reinforcement of small-scale plant equipment
- European Union standardization of the tanning industry
- Empowering human resources
- Producing and introducing organic *Mongol brand* to the European market

**Mongolia – Russia**
- Eliminate some export commodities tariffs
- Meat exports
- Healthy animals
- Produce and adapt new varieties of the plant
- Technique of crop farming

**Mongolia – Japan**
- Food supplies and production
- Improving rural water supply
- Increase crop production
- Empowering human resources

**Mongolia – Korea**
- Veterinary
- Improve quality of livestock genetics and livestock
- Produce and harvest seeds of elk elite
- Increase feed production
- Empowering human resources

**Mongolia – China**
- Improve genetic resources for livestock
- Fighting meat exports and trans-boundary animal diseases
- Agricultural products
- Produce new varieties of vegetables
- Technique of crop farming
- Empowering human resources

**Mongolia – Vietnam**
- Meat, meat product exports
SMALL AND MEDIUM ENTERPRISES
DEVELOPMENT FUND OF MONGOLIA
Small and Medium Enterprises
2018 Data

GDP
- SME: 17.30%
- Other: 82.70%

EXPORT
- SME: 2.30%
- Other: 97.70%

SMEs of Economic ENTITIES
- Total Entities: 85,749
- SMEs: 62,330
- Other: 23,419

EMPLOYMENT
- SME: 27%
- Other: 73%

- SME: 28%
- Other: 72%
Background

“Small and Medium Enterprises Development Fund” was established in 2009 under the MoFALI. The purpose of the SMEDF is to support micro, small, and medium sized enterprises to expand their operations, create jobs and meet market demands, and improve their operational management capacity.

Grant long-term concessional loans to SMEs and provide them with information and professional advice.

Incubation service for SME to expand their businesses and lease necessary equipment to SMEs.

Mutually exchange experiences of small and medium sized enterprises.

Help SMEs access international markets and organize events to promote SMEs activities.
Obstacles and Barriers

1. Poor technical and technological knowledge of SMEs
2. Lack of coordination among government-academic institutions, universities, and private enterprises
3. High loan interest rates for SME’s; expensive funding resources
4. Lack of opportunities in an international markets; the products produced by SMEs doesn’t meet the quality and safety standards (ISO, HACCP)
5. SMEs default rate is high
6. 17.8% of GDP and 2.3% of exports are produced by SMEs
In 2019, SMEDF granted loans to SMEs from 20million up to 1billion tugriks ($7,400-$370,000)

It is a 5 year loan with 3% annual interest rate, and the first year is a grace period.
Project Selection Process

Announcement
Check document requirement
Participate project selection committee
Report the results
Cooperation begins

Stage1
Check for documentation

Stage2
Project risk assessment and credit rating

Stage3
On-site visit

Stage4
Project selection committee
**Mongolian Brand Store – Oakbrook Center, Chicago USA**
- Offer SMEs a real opportunity to sell in sales wise 3rd biggest mall in the United States of America
- New market entry mentorship
- Introduce standards and practices to ensure SMEs are well prepared to provide high quality products
- Internet expansion

**Export Mongolia 2019 – International Business Forum and Exhibition**
- Networking
- Opportunities in International Markets
- Branding and Marketing
- Logistical Business Planning
- Understanding Legalities for Different Markets
THANK YOU FOR YOUR ATTENTION