



MINISTRY OF INDUSTRY AND AGRICULTURE, MONGOLIA

# **AGRICULTURAL MACHINERY and CUSTOM HIRING POLICY**



# COUNTRY PROFILE

<b>Geography:</b>	<b>Northern Asia, between China and Russia, landlocked</b>
<b>Territory:</b>	<b>1.566.500 sq. Km</b>
<b>Population:</b>	<b>2.754.685 (as of 2010)</b>
<b>Capital :</b>	<b>Ulaanbaatar</b>
<b>GDP:</b>	<b>\$8.506 billion</b> <b>Per capita \$3,042 (as of 2013)</b>
<b>Terrain:</b>	<b>vast semi desert and desert plains, grassy steppe, mountains in west and southwest; Gobi Desert in south-central</b>
<b>Climate:</b>	<b>continental (large daily and seasonal temperature ranges: lowest -40°C; highest 38°C)</b>
<b>Precipitation:</b>	<b>200-350 mm in a year</b>
<b>Land use:</b>	<b>arable land: 1%</b> <b>permanent pastures: 80%</b> <b>forests and woodland: 9%</b> <b>other: 10%</b>



# ECONOMY

Mongolia's manufacturing sector of the economy are **AGRICULTURE** and **MINING**.

Agriculture sector is an intensively growing main traditional economic sector.





# AGRICULTURAL SECTOR

**Agricultural sector produces 21.7% of total GDP .**

**80% livestock and 20% crop sector.**

**40% of total working force is worked in agricultural sector.**

**Main crops are wheat-100% , potato -100%, vegetables-60% / local market total consumption /**

**Meat , and dairy products -100%**

**Total livestock at the end of 2012 has reached approximately 44 million herds.**

**Main agricultural export product: Leather, organic cashmere, meat, sheep and camel wool .**

# AGRICULTURAL POLICY

**The general agriculture policies are following:**

- Self sufficiency of the stable crop production such as wheat, potato and main vegetable species
- Sustainable supply of **safety food** and **ecologically pure crop production** to the consumers
- Reduction of the poverty in rural area through income diversification due to engaging small vegetable and fruit farming.



# POLICY FOR CROP PRODUCTION SECTOR

- “Green Revolution” national programme /1998~2012/
- State policy toward food and agriculture /2003~/
- “Crop rehabilitation campaign-3” national programme for development of crop production /2008~2010/
- “Seabuckthorn” programme /2010~2016/



## GREEN REVOLUTION NATIONAL PROGRAM

### *Goal:*

**Increasing income.**

**Reducing unemployment and poverty**

**Supply their own demand by establishing their own greenhouses and planting potato, vegetable and fruit, which has high biological value.**

**Gradually replace imported vegetables through supplying the market with fresh domestically planted vegetables.**

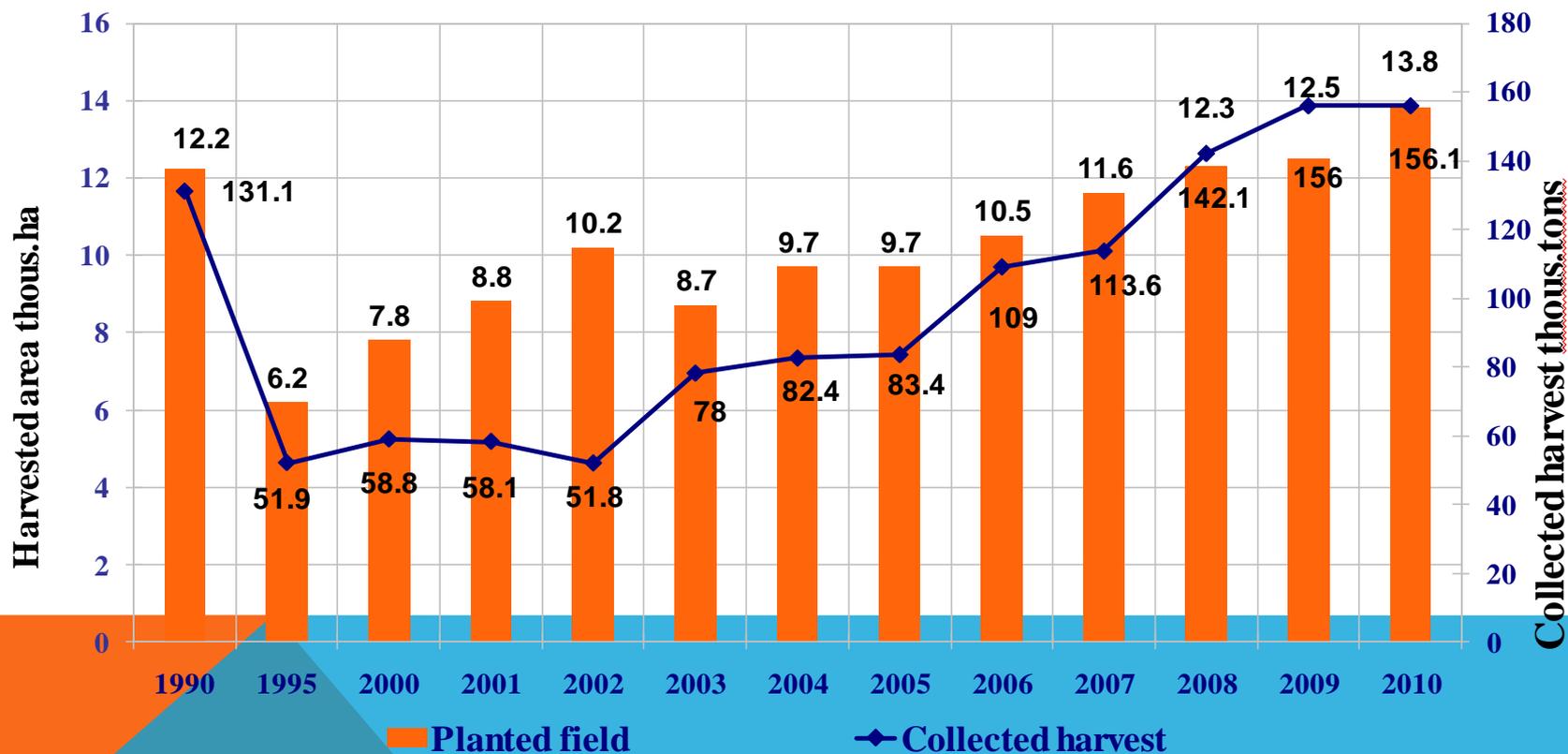
**and improve food supply through promoting more greenhouse fruit cultivation for individuals, families and small coope**



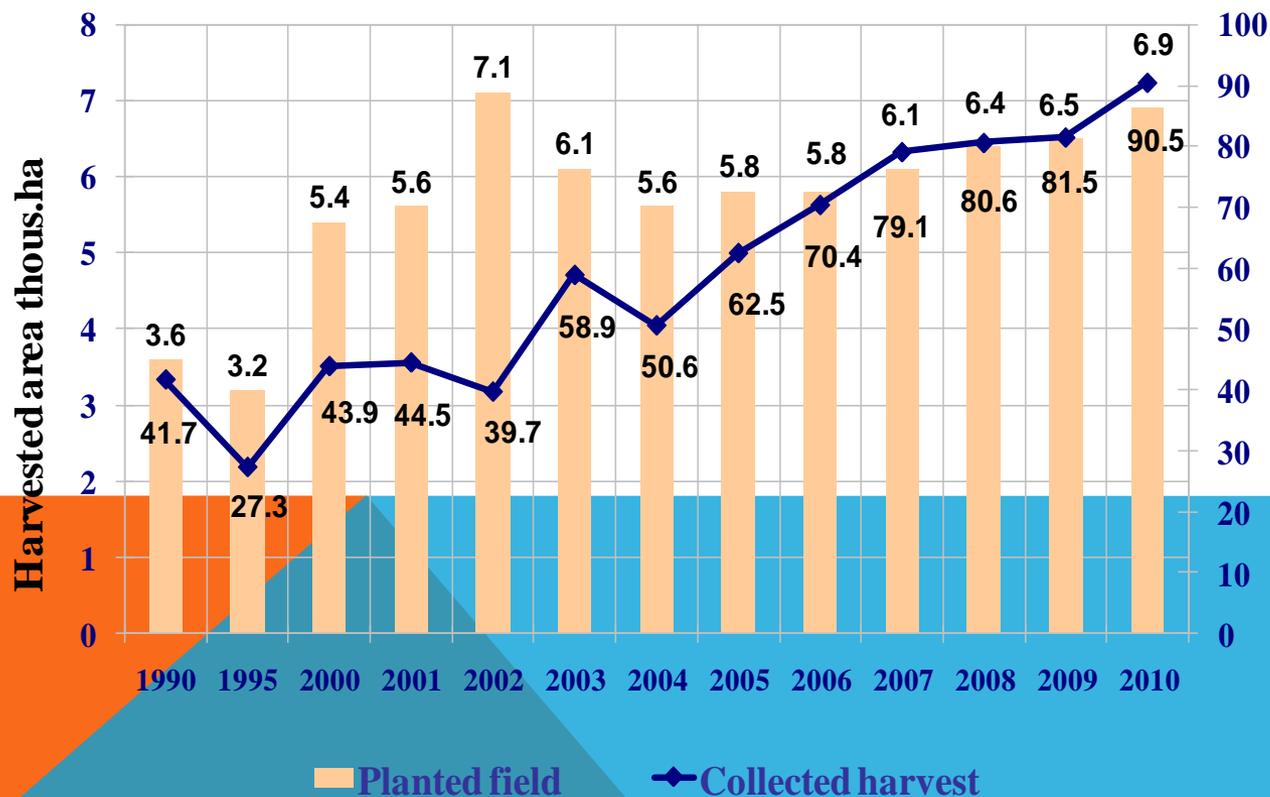
### *Objective:*

- Reduce potato and vegetable shortage, which are rich in vitamins, decrease import of the latter and improve both food supply and food safety.
- Contribute in sustainable economic development through utilizing natural resources sustainably.

## PLANTED FIELD AND COLLECTED HARVEST OF POTATOES

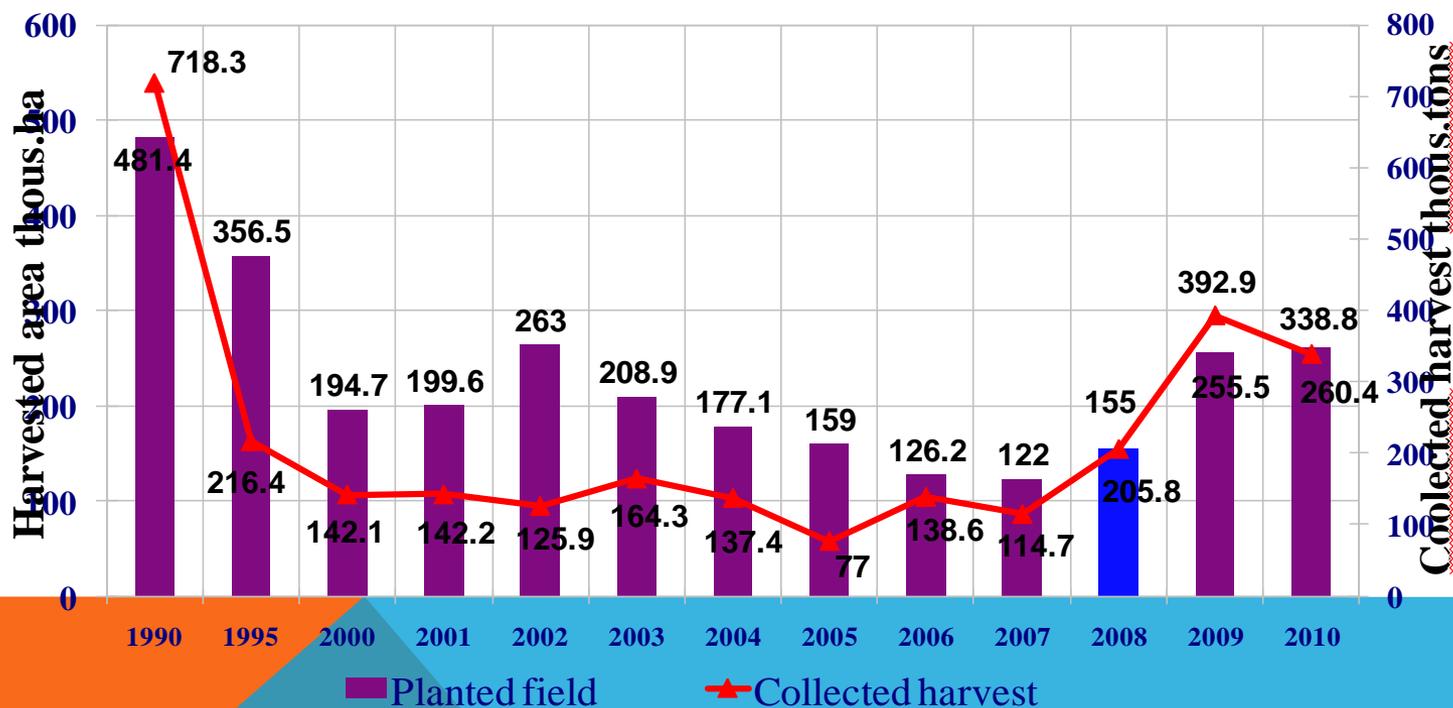


## PLANTED FIELD AND COLLECTED HARVEST OF VEGETABLES



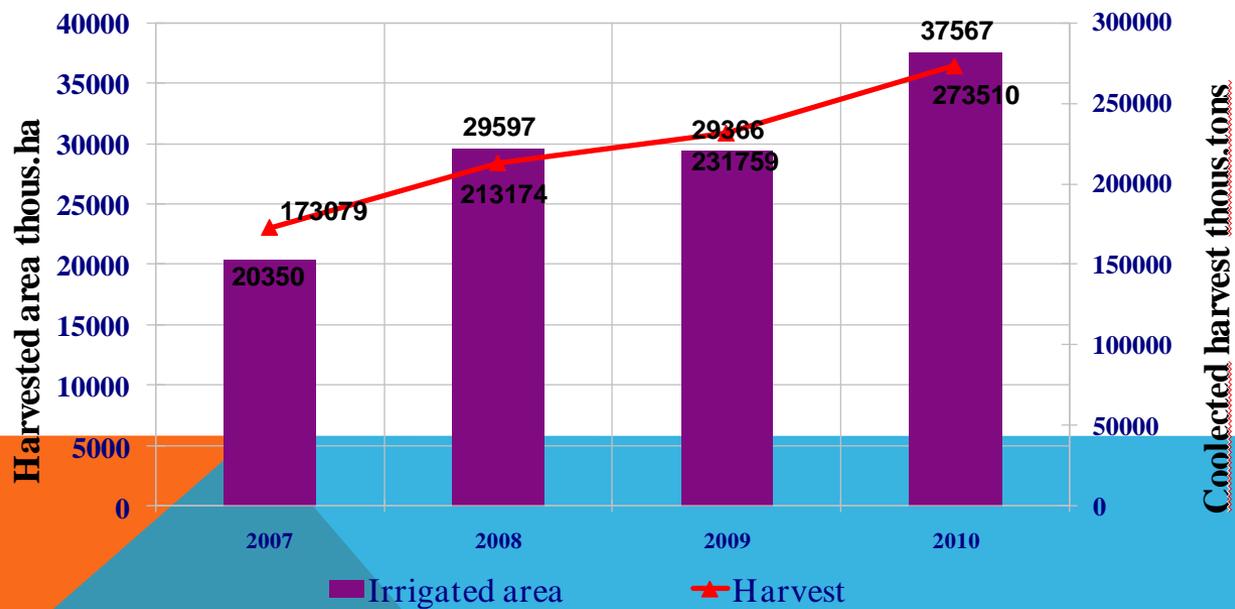
Collected harvest thous.tons

## HARVESTED AREA AND COLLECTED HARVEST OF WHEAT

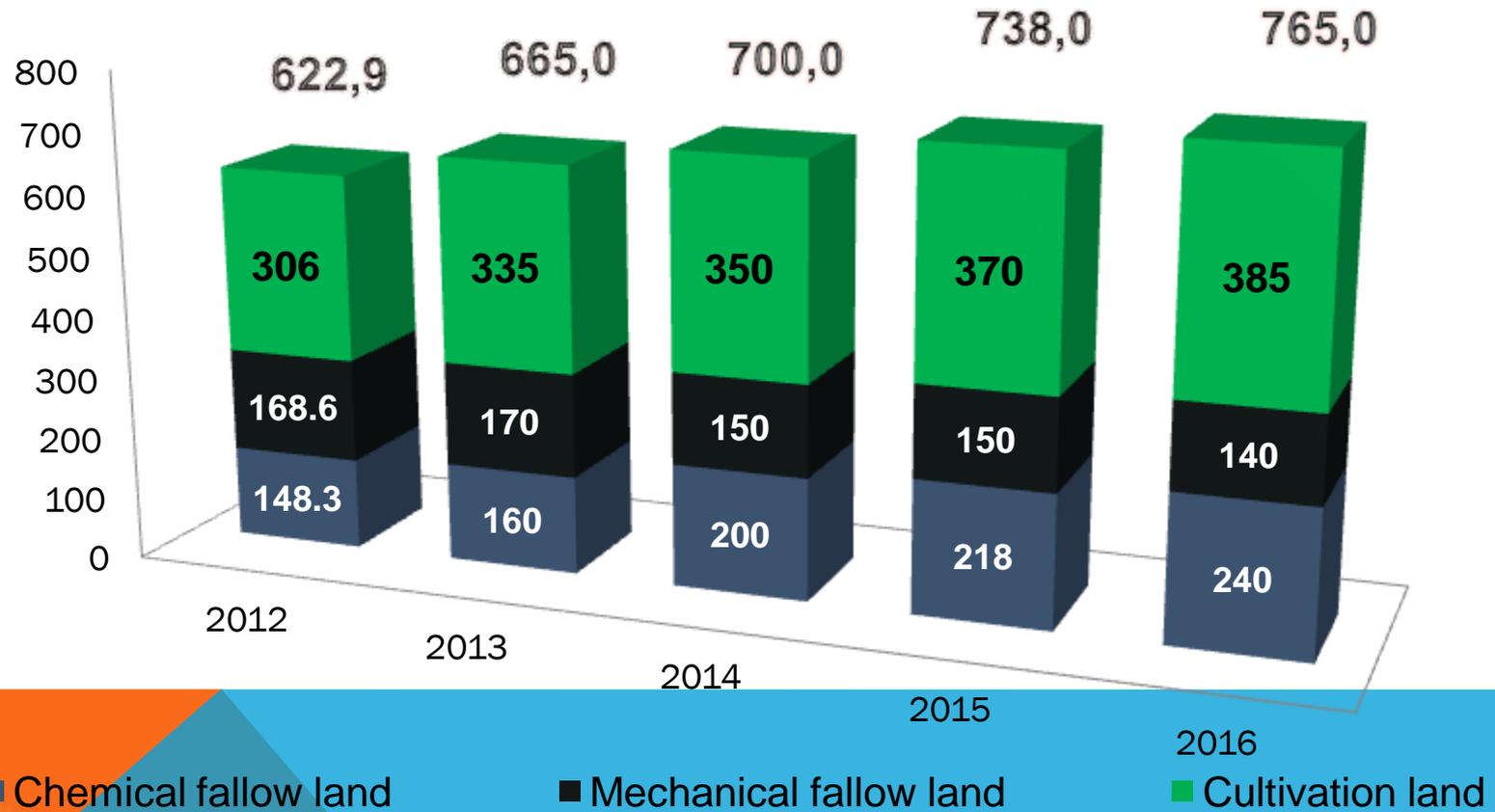




## IRRIGATED AREA AND COLLECTED HARVEST



# CURRENT CONDITION AND GOAL



# AGRICULTURAL MACHINERY



Current 40 %  
Future goal **5 %**

40 %  
**55 %**

20 %  
**40 %**

# SET MACHINERY



# FODDER PRODUCTION MACHINERY



# VEGETABLE AND POTATO PRODUCTION MACHINERY



# 200,250HP TRACTORS FOR SMALL FARMERS AND HERDERS

## FOTON LOVOL FT-200



FT-200 WITH HAY AND RACK

## FOTON LOVOL FT-250



250 WITH PLOUGH

д д	Техникийн нэр төрөл	Тоо хэмжээ /шир/	Нэгж үнэ /мян төг/	Бүгд үнэ /мян төг/
1	Трактор	3150	3,807.0	11,992,050.0
2	Хадлангийн иж бүрдэл	3150	1,134.0	3,572,100.0
<b>ДҮН</b>				<b>15,564,150.0</b>

8400 ps on 27,930,000 US\$

д д	Техникийн нэр	Тоо хэмжээ /шир/	Нэгж үнэ /мян төг/	Бүгд үнэ /мян төг/
1	Трактор	5250	3,942.0	20,695,500.0
2	Анжис	5250	275.4.0	1,455,850.0
<b>ДҮН</b>				<b>22,141,350.0</b>

## TECHNICAL RENOVATION

- ❖ Since 2007, technical renovation have made by 80% in tractor, 65% in harvest equipments. Harvesting time reduced by 10-12 days and it is done within 30-35 days with the assistance of technical renovation. In 2014 will buy Foton tractors and Combines on 12 million US\$( China credit line)



# CUSTOM HIRING OF AGRICULTURAL MACHINERY

The Government of Mongolia, through the Ministry of Agriculture, is popularizing the concept of 'custom hiring centers' as part of achieving the objective of farm mechanization through upgradation of technology for raising agriculture and horticulture crops. The Ministry is following a two-pronged strategy of encouraging big farmers or a group of farmers to come together for purchasing high cost machinery for running custom hiring centres or from Crop Supporting Fund. The custom hiring centres will give farm machinery on rental basis to farmers who cannot afford to purchase high-end agricultural machinery and equipment apart from servicing old machinery. CSF rents Machinery with 20-30% advance payment and get back rest payment by Crops within 3-5 years. The centres and CSF plays a pivotal role in introducing high technology agriculture machinery to even ordinary farmers with the objective to boost crop production and improve quality of agriculture operations.

# CUSTOM HIRING

The government has set apart 7,7 billion tugriks for facilitating the establishment of custom hiring centres in the 2009-12 year as part of its efforts to set up the centres in every aimak in a phased manner in the district. Last 4 years about 456 farmers were benefited by the mechanisation initiatives of the government. A sum of 65 billion tugriks was spent on farm mechanisation since 2008. Initially the centres were set up in 36 agriculture divisions in the district but the strategy is to set up a centre in each of the district. The second strategy is to encourage individual farmers to dispense with manual methods of land tilling, seeding, transplanting, harvesting and processing of potato any other crop for that matter. Crop Supporting Fund supplies budget funded machinery to Custom hiring centers . Mostly farmers pay back its payment for machinery by wheat crop to CSF within 3-5 years.(CSF owns 5 wheat storages with 150 thousand tons capacity)

# RESULTS



- ❖ Overall capacity of tractors and combines reduced planting time to 12-14 days and harvesting and cultivating fallow are in 35-38 days.
- ❖ The quality of fallow is improved and the productivity from each hector increased by 0,6 tn in the last 2 years.
- ❖ Transferred into no tillage technology from plowing technology. As a result, soil erosion decreased.
- ❖ Reduced operation costs



❖ Improved soil moisture through making straw cover by using wheat combine and straw spreader at the same time.

❖ Opportunity is created to assist to small farmers without any techniques for running their businesses by installing public equipment. For example, public service units which provide technical services were established in 54 soums of 14 provinces.

❖ Interest to invest in crop production sector is increased (food and flour processing etc)

❖ Advanced technologies are being transferred from World leading brands such as John Deere, Challenger, Sun Flower, Class, Morris and some companies opened their dealer companies.



# FUTURE OBJECTIVES

- ❖ **Technical renovation and advanced technology**
- ❖ **Develop irrigated agriculture**
- ❖ **Improve quality of seeds and its supply**
- ❖ **Increase the capacity of storing facilities and elevators**
- ❖ **Develop vegetable and fruit production**
- ❖ **Capacity building of the sector**
- ❖ **Attain self sufficiency with wheat, potatoes, vegetable and develop crop production for export purpose.**

**Develop export oriented crop production**



# FUTURE OBJECTIVES

**Improve the legal environment on crop land usage, ownership**

**Improve the legal condition to protect cropping area and harvest from livestock, to set up border area for integrated crop and livestock production**

**Create appropriate crop insurance system**

**Increase crop production through investment from the profit of mining sector**

**Support to establish Sea buckthorn processing factors, which can meet an international standard**



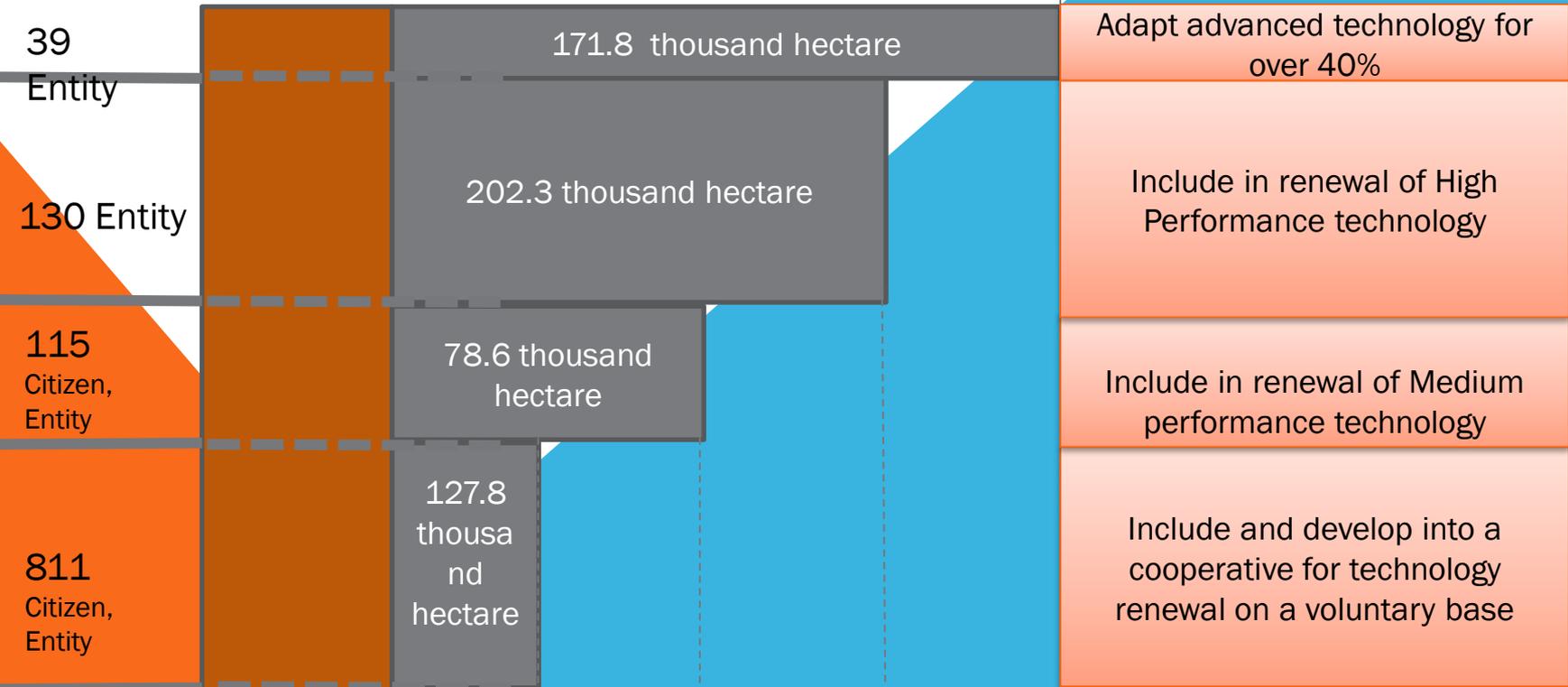
# GRAIN PRODUCTION DEVELOPMENT, DIRECTION

## Current extent

## Goal

Distribution Field– 622.9 thousand hectare  
Crop– 475.9 thousand hectare

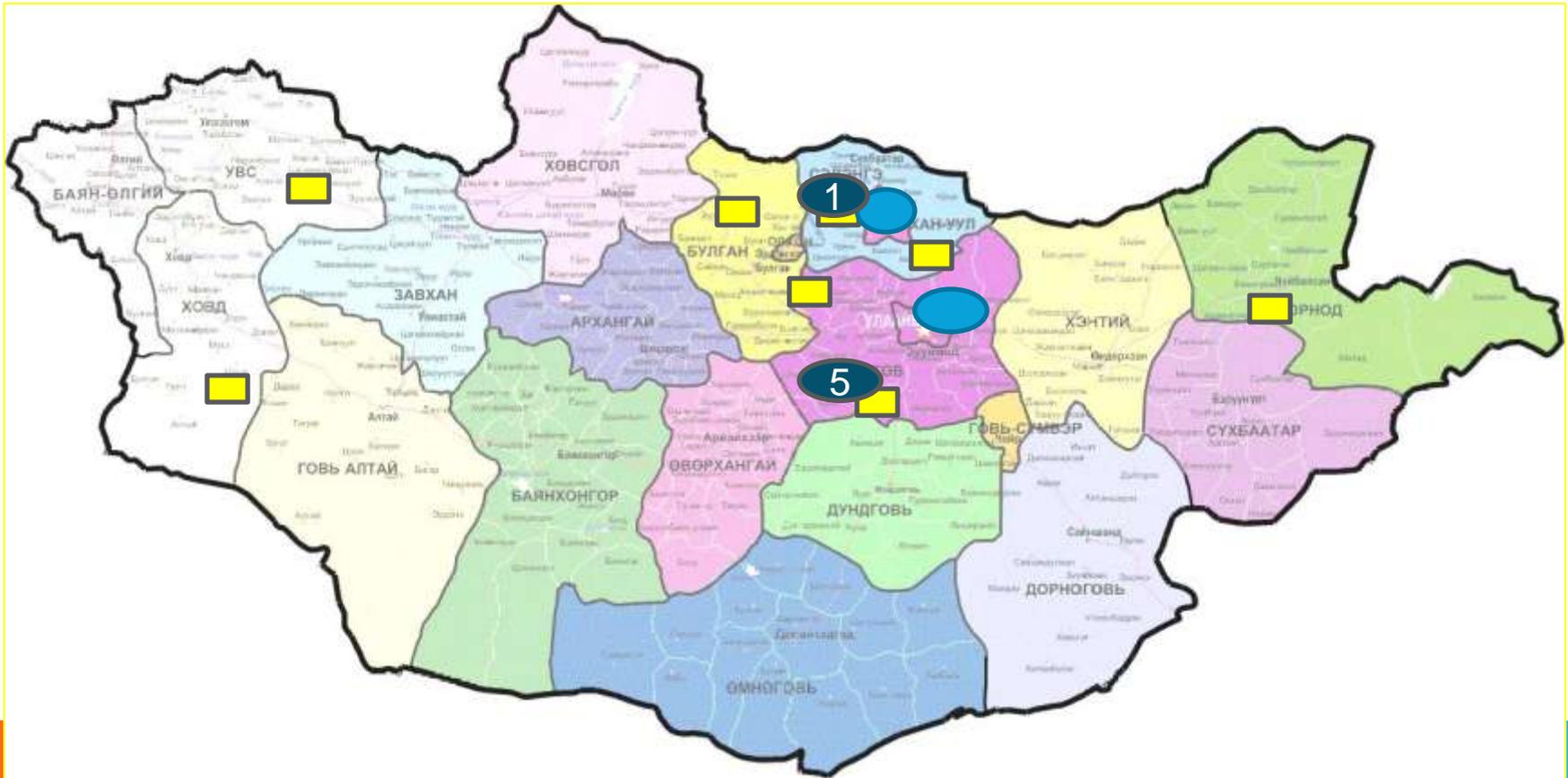
Distribution Field– 765.0 thousand hectare  
Crop– 610.0 thousand hectare



Citizen-431  
Entity-660  
Total-1091

≤ 500 hec. 501 -999 hec. 1000-2999 hec. 3000 hec. ≤

# DEVELOP A VEGETABLE PROCESSING INDUSTRY IN ALL HARVESTING PROVINCE



**NEW DEVELOPING VEGETABLE PROCESSING INDUSTRY- 1500 TON/YEAR**



**NEW DEVELOPING POTATO PROCESSING INDUSTRY - 10 thousand ton/year**



**CURRENT WORKING INDUSTRIES**

# GREEN HOUSE MECHANIZATION



Хөрс боловсруулах

Үрэлгээ

Үрсэлгээ суулгагч



# Green house mechanization





MINISTRY OF FOOD,  
AGRICULTURE AND LIGHT  
INDUSTRY



**THANK YOU FOR YOUR  
ATTENTION**

