

Reference Date: 22-February-2016

FOOD SECURITY SNAPSHOT

- Limited fodder after dry summer and severe cold winter raises serious concerns for livestock sector
- Wheat output in 2015 declined sharply from last year's record due to dry weather
- Wheat imports forecast to increase considerably in 2015/16 marketing year (October/September)
- Prices of beef and mutton dropped sharply in second half of 2015

Limited fodder after dry summer and severe cold winter raises serious concerns for livestock sector

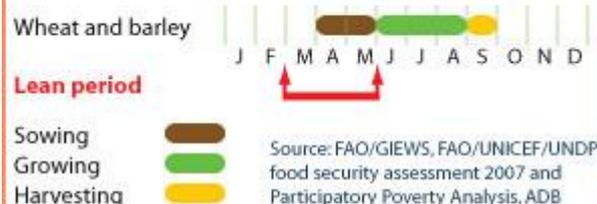
Heavy snow cover since early November 2015 over large parts of the country, including rangeland on which herds usually feed in the winter, has prevented livestock from accessing pasture. This severe winter follows a summer drought, which had already caused a reduction in production of hay as winter fodder for animals. According to the latest official reports, as of early January, 50 soums (districts) in 16 aimags (provinces) mostly located in the northeast are already affected by the dzud (extreme cold and heavy snow following a summer drought). Considering herders' reduced fodder supplies, if the cold weather and continuous snow cover persists in the coming weeks this is expected to have a negative impact on the livestock sector.

Given the current unfavourable outlook, it is important to closely monitor developments in the coming weeks to ensure that contingency plans are in place that can mitigate possible negative impacts. Meanwhile, since early January, the Government has started the distribution of fodder and allocated over USD 3.4 million to support herders to overcome the ongoing harsh winter.

Wheat output in 2015 declined sharply from last year's record due to dry weather

Harvesting of the 2015 main season cereals, mainly wheat, barley and oats, was completed last September. According to official sources, total wheat plantings in 2015 reached a record high level of 360 700 hectares, an expansion of 24 percent compared to 2014, reflecting good rainfall during the planting period from April to May and Government support, including partial tax exemption, interest free loans and advance payments for wheat seeds. However, generally poor rains between June to mid-August over the main wheat-producing aimags (provinces), including Selenge and Töv, which together account for about 65 percent of the national wheat output, negatively affected wheat crops during the critical growing period, from the boot stage through heading and grain flowering. This caused considerable yield reductions and, as a result, latest official estimates for the 2015 wheat production stand at 252 300 tonnes, almost 50 percent down from the 2014 record harvest and 40 percent below the average of the past five years.

Mongolia Crop calendar

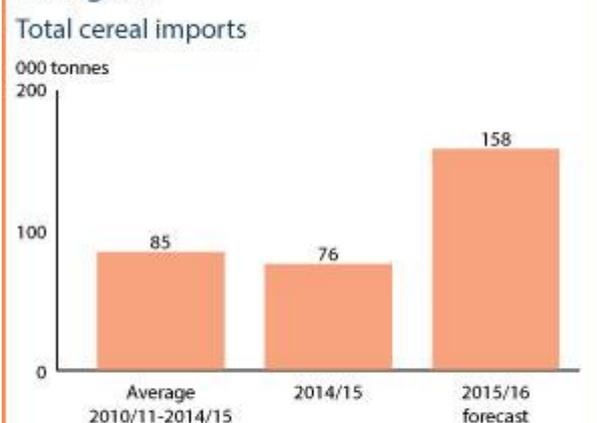


Mongolia Cereal production

	2010-2014 average	2014	2015 estimate	change 2015/2014
	000 tonnes		percent	
Wheat	420	488	252	-48
Barley	6	7	6	-14
Oats	5	5	5	0
Others	0	0	0	0
Total	431	500	263	-47

Note: percentage change calculated from unrounded data.
Source: FAO/GIEWS Country Cereal Balance Sheets

Mongolia Total cereal imports



Notes: Total cereal includes rice in milled terms. Split year refers to individual crop marketing years.
Source: FAO/GIEWS Country Cereal Balance Sheets

Wheat imports forecast to increase considerably in 2015/16 marketing year (October/September)

Wheat and rice are the two major imported cereals, mainly from the Russian Federation and Kazakhstan. Cereal imports in the 2015/16 marketing year (October/September) are forecast to almost double from last year's near-average level and reach 157 800 tonnes. This mainly reflects higher wheat imports, which are forecast at 120 000 tonnes, about three times more than in the previous year, as a result of the reduced 2015 harvest. Rice imports in 2016 are anticipated to remain close to last year's level at 32 000 tonnes.

Prices of beef and mutton dropped sharply in second half of 2015

Prices of beef and mutton meat in Ulaanbaatar dropped sharply in the second half of last year, due to increased supplies in the market, as farmers sell higher quantities amid concerns about the impact of the dzud on livestock. In December, prices of mutton and beef meat were 30 and 26 percent, respectively, below their year earlier levels.

Wheat flour and rice prices in Ulaanbaatar remained relatively stable in late 2015.

