ADB ASIAN DEVELOPMENT BANK

Mongolia: Sustainable Fodder Management

Project Name	Sustainable Fodder Management
Project Number	53035-001
Country	Mongolia
Project Status	Proposed
Project Type / Modality of Assistance	Technical Assistance
Source of Funding / Amount	
Strategic Agendas	Environmentally sustainable growth Inclusive economic growth
Drivers of Change	Governance and capacity development Knowledge solutions Partnerships
Sector / Subsector	Agriculture, natural resources and rural development - Livestock
Gender Equity and Mainstreaming	Some gender elements
Description	The proposed knowledge and support technical assistance (TA) will support the Government of Mongolia to develop a sustainable and economically viable fodder industry. The TA will raise technical capacity and increase knowledge to address a range of issues including the fodder demand-supply gap, requirements for quality standards for production, processing, storage, and supply. The Government of Mongolia requested a TA from the Asian Development Bank (ADB) to support the sustainable development of its fodder industry. The TA is included in the country operations business plan, 2020-2021.
Project Rationale and Linkage to Country/Regional Strategy	Mongolia heavily relies on its agriculture sector which contributes over 12% of its gross domestic product. The share of livestock in agriculture output is 84.2%, it provides employment to one third of Mongolia's economically active population and involves 230,800 herder households. Livestock numbers have reached 66.46 million with meat and milk as the primary products. The livestock industry remains an important priority to reduce rural poverty, boost incomes and diversify economic growth through food production and export of high-quality meat and wool products, yet productivity remains low. Degraded pastureland and the lack of an adequate quantity and quality of feed resources are among the major factors in poor livestock productivity. As with increasing livestock numbers, it is important to ensure feed resources are sufficient with a stable supply, and the production itself do not cause a decline in pastureland quality. Livestock fodder is provided as unprocessed or processed forms of native hay, planted hay from annual and perennial grasses and legumes, fodder crops such as barley, oats, corn, beans and sunflowers as well as crop by-products such as bran. Since the transition from the planned to market economy in 1990, with an extended absence of management and investment, the livestock product market and services that supported it have been drastically decreased with lost capacity in infrastructure and services, its transportation and seasonal pasture management. Responsibility was passed to herders whom did not have the skills to take up activities and faced additional constraints due to unfavorable weather conditions, limited production areas with inadequate infrastructure, outdated technology and equipment, and limited market opportunities. Currently fodder supply is insufficient, of low quality and unreliable. In 2016, an estimated 1.4 million tons of fodder were domestically supplied with a market value of $120 million (MNT321 billion), with an approximately similar amount imported (1.43 million tons worth $128 million). With the intensified livestock farming (dairy, beef, pig and poultry farms) set to increase the demand for additional feed types, beyond basic roughage to high-quality feed (concentrates, silage, high-protein feeds, green fodder, and grains) will furthermore increase demand beyond current levels. Current policy aims to support increasing domestic production rather than balancing fodder needs through imports. However, domestically produced fodder resources remain constrained by gaps in production, processing, and storage across the diverse agro-ecological regions, limited skills of fodder producers or incentives for farmers to grow fodder, outdated technology, equipment and infrastructure, lack of quality standards and an underdeveloped value chain. In the short-term, improved fodder production with appropriate postharvest handling practices can address the critical fodder quality and shortage problems. However, for long-term and sustainable industry development, an integrated approach to land, pasture and fodder management with improved herd management and increased resilience to climate change will be fundamental to the industry's resilience with emphasis on ensuring a sustainable balance between livestock numbers and pastureland quality and livestock feed availability. This will require increased knowledge, capabilities, and coordination among government agencies, fodder producers and herder groups. Institutional coordination to increase knowledge sharing and improve extension services are required to transfer the knowledge that presently remains with research centers and is not reaching producers and herders resulting in limited use of improved products and constrains industry development. There are little experiences and provisions for institutions and cooperatives to support the fodder value chain as the lack of monitoring and coordination in terms of fodder supply with livestock movements further limit the access to feed when needed, increase the transportation costs and exacerbate the lack of confidence in the industry. Raising awareness among stakeholders will help support organization and coordination of the industry as well as foster a positive attitude to engage in sustainable fodder management.
Impact	Sustainable and economically viable fodder industry in Mongolia improved (Mongolian Sustainable Development Vision 2030) a
Outcome	Sustainable fodder management practices (production, processing, storage, and supply) adopted
Outputs	Fodder production, supply, and demand assessed
Geographical Location	Nation-wide

Summary of Environmental and Social Aspects
Environmental Aspects
Involuntary Resettlement
Indigenous Peoples
Stakeholder Communication, Participation, and Consultation
During Project Design
During Project Implementation

Business Opportunities	
Consulting Services	ADB will engage the consultants following the ADB Procurement Policy (2017, as amended from time to time) and its associated project administration instructions and/or staff instructions.
Procurement	ADB will carry out procurement following the ADB Procurement Policy (2017, as amended from time to time) and its associated project administration instructions and/or staff instructions.

Responsible ADB Officer	Suzanne Robertson
Responsible ADB Department	East Asia Department
Responsible ADB Division	Environment, Natural Resources & Agriculture Division, EARD
Executing Agencies	Ministry of Food, Agriculture, and Light Industry (MOFALI) Strategic Planning and Policy Department MOFALI, Peace Avenue, Ulaanbaatar, Mongolia

Timetable	
Concept Clearance	31 Jul 2019
Fact Finding	-
MRM	-
Approval	-
Last Review Mission	-
Last PDS Update	02 Sep 2019

Project Page	https://www.adb.org/projects/53035-001/main
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