

Chapter 3 Livestock-based Industry

3.1 Problems of Animal Husbandry in Mongolia

Mongolia has been in the process of a transition from a centrally planned to market-oriented economy since the beginning of the 1990s. All negdels¹ were dismantled and their assets, including livestock, were parceled out to former employees. The collapse of the negdels has provided rural people with considerable opportunities and motivation to increase their individual assets, however, negdel function of regulating pastureland use, managing livestock production and distribution systems, and providing social services are lost. On the other hand, local governments are not given any resources to play the critical role formerly held by the negdels. As a result, rural areas are largely devoid of any substantive governmental services, and rural livelihood has deteriorated.

The overall problems that the animal husbandry in Mongolia has been facing since the introduction of market-oriented economy are summarized as follows.

3.1.1 Overgrazing of Pastureland due to High Concentration of Livestock

Since most ex-negdel employees became herders without any other alternatives, the number of herders households, which was approximately 70,000 in 1990, increased to 200,000 at the end of the 1990s. These herders tried to increase their livestock to stabilize their livelihood. As a result, the number of livestock rapidly increased from 2.5 million in 1990 to 3.3 million in 1999 according to official statistics.²

¹ Negdeles are economic units responsible for managing livestock breeding, producing livestock products, marketing them, and supplying inputs and consumer goods as well as fodder and transport services to its members (Neupert and Goldstein, 1994)

² The actual number of livestock would be much larger than what is shown in the statistics since most herders have a tendency to report the number of their animals less than actual in order to decrease tax payment.

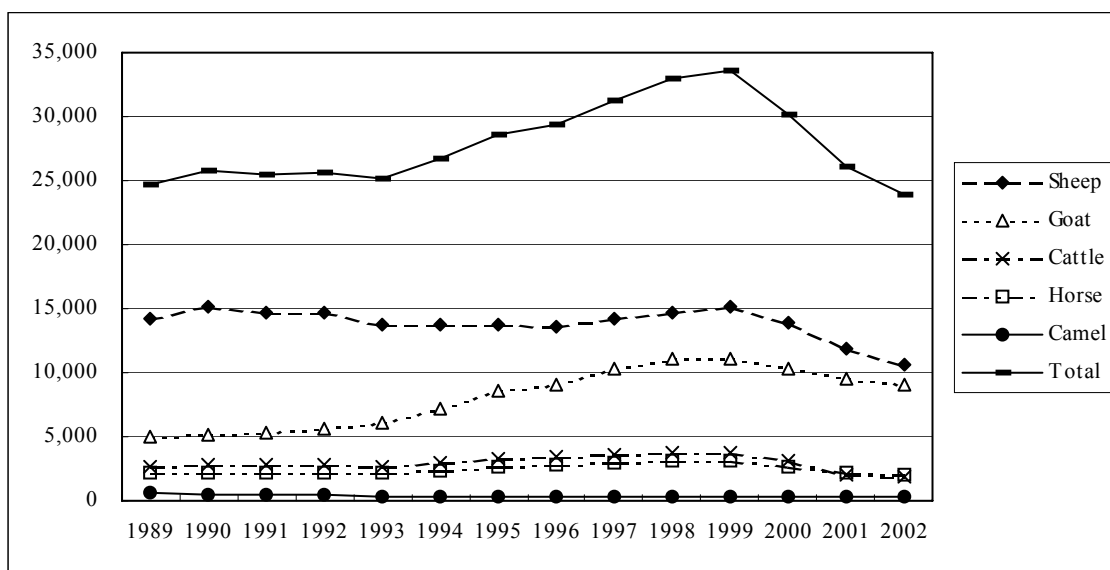


Figure 3.1: Number of Livestock in Mongolia 1990- 2001

Source: Statistical Yearbook, several years, NSO

Another factor that contributed to the increase in the number of livestock is the inability for rural inhabitants to bring their herds to market. Since the national-level livestock distribution of compulsory procurement has collapsed, those areas that are located far from large markets face increased difficulties in selling their livestock, which has resulted in a decrease of the number of animals slaughtered. On the other hand, herders increased the number of goats because cashmere is often the sole source of cash income, especially in Govi areas.³ As a result of the overgrazing caused by the increase in livestock, especially goats⁴, the pastureland's quality has deteriorated, leading to an aggravation of dzud disasters. After three consecutive winters of severe dzud from 1999, the number of livestock has returned to 1990 levels. A significant number of herders lost all or most of their livestock, which was their primary source of income .

3.1.2 Decrease of Wells to Water Livestock

Pastureland cannot be used for grazing if water is not available. As of 1989, 45,000 deep and shallow wells were maintained across Mongolia. Well management systems fell apart at the same time the negdel system collapsed.

³ Although the proportion of sheep and goats were historically 3 to 1 in Mongolia, it has risen to 1 to 1 due to the sharp increase in goat population.

⁴ Goats do not choose feed but eat almost any plants up to their roots. Thus, an increase of goats contributes to the desertification of land.

Although management and maintenance of each well were entrusted to local governments or individual herders, no one was willing to bear responsibility for old, high-cost, Russian-style mechanical wells. More than two-thirds of mechanical wells were abandoned after they broke down or local people stole parts. As a result, the number of usable wells in 1996 decreased to 50 to 60 % of the 1989 level. The drop in the number of wells means a decrease in usable pastureland, leading to the increased concentration of animals in limited areas.

3.1.3 Other Negative Factors of Privatized Animal Husbandry

After the negdel system disintegrated, various responsibilities that negdels had assumed were left to individual initiatives. Hay stocking for winter, which had been carried out by herders' groups under the negdels' guidance, are left to each herder, and thus no longer implemented systematically. Without dividing labor between several households, herders are not able to find time to stock a sufficient amount of hay. This led to an aggravation of dzud damages due to the lack of animal feed during the winter.

Former negdels used to allocate pastureland to herders to maintain balance between the environment and animal husbandry. Currently local governments are not effective in pastureland management; inexperienced herders have settled in areas close to critical facilities such as roads, markets and wells, instead of shifting for better grassland. Intensive use easily degrades the quality of grassland in Mongolia. The supporting system for *Otor* (long-distance livestock herding in pursuit of good pastures), which had been maintained by negdels, is no longer functioning; only those herders who have a sufficient number of livestock and resources (horses and cars) to travel are capable of leading their animals to safer locations in case of dzud.

Providing veterinary services was also one of former negdels' responsibilities, but these services were privatized after the disintegration of the negdel system. Now individual herders must pay private veterinarians in order to receive services. Since many herders are reluctant to pay for these services, the health of Mongolian livestock health has deteriorated, and animals have become vulnerable to diseases and are not strong enough to survive the dzuds. Since anti-parasitic treatment was also neglected, livestock's skins and hides are damaged by wormholes. Because damaged skins and hides do not meet international standards of quality, the prices offered for hides and skins in Mongolia declined. Additionally, since many herders do not have knowledge of appropriate breeding methodologies, their livestock are cross-bred within a family, which is also leading to the deterioration of their animals' health.

The following chart summarizes the causes and consequences of the problems that Mongolian animal husbandry is facing.

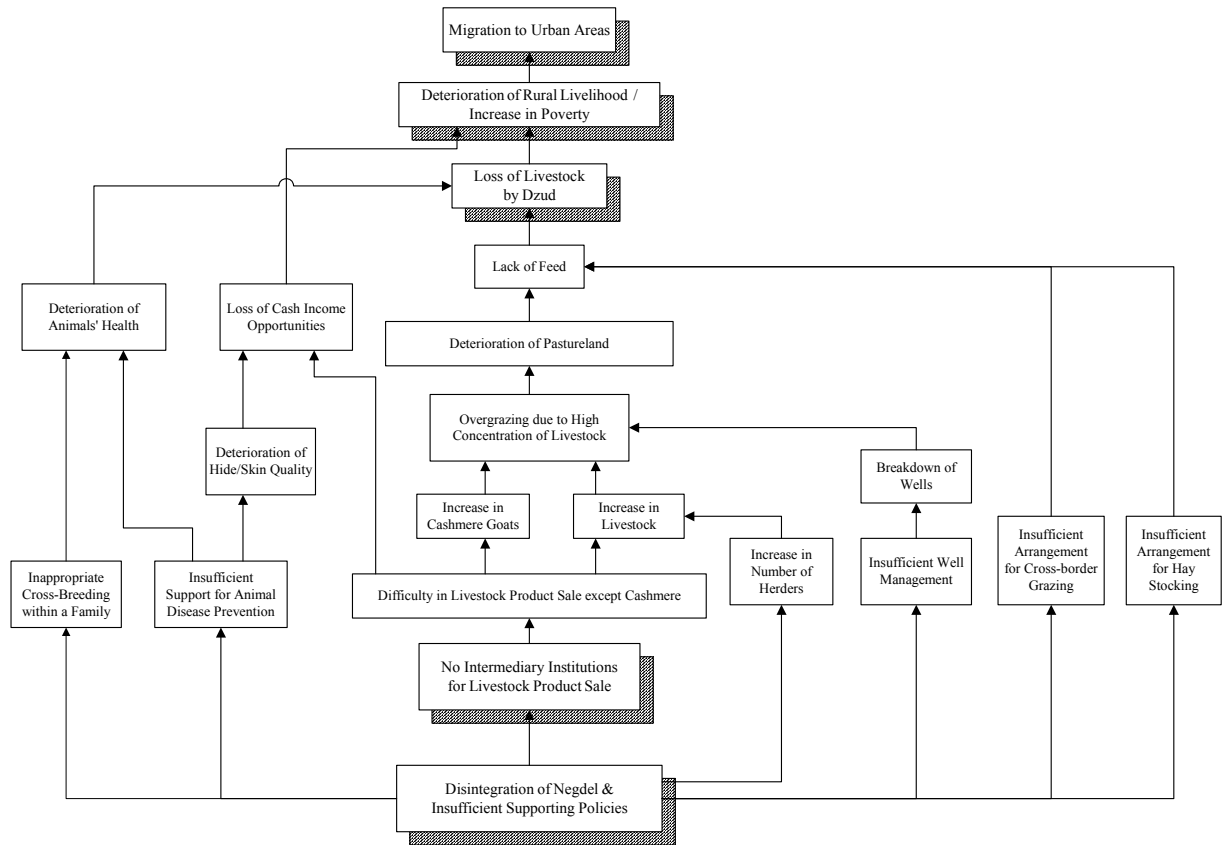


Figure 3.2: Problem Analysis for Mongolian Animal Husbandry