

## **BEEF CATTLE FARM**

### **Project outline**

Project background: The number of cattle has decreased by 1770.1 thousands for the last 3 years. The cattle population of Mongolia is only 45% of what it had in 1999. It shows that beef cattle husbandry based on pastureland alone is not promising. Therefore, commencing to set up semi-stationary and intensive beef cattle farms along the "Millenium road" program is desirable for improving the supply of food, increasing the export of meat, easing the overpopulation and the unemployment tensions. Russia is a potential market for meat.

In the 1999-2000 period, Mongolia has produced 104.6-113.6 thousands tons of meat every year and exported 14.0-16.3 thousands tons of meat to Russia. This project for developing beef cattle farms, if to be implemented, 7 cattle farms with 4000 cattle would produce 192.0 tons of meat a year, account for 0.4% of the total beef production of Mongolia.

Cooperation mode: Long term loan and JVC.

Total investment amount: US\$600,000

What is needed from overseas investment: US\$600,000

Project venue: Zaamar soum Tuv aimak, Sumber soum Dornod aimak, Gurvanbayan soum Khentii aimak, Tumentsogt soum Sukhbaatar aimak, Ikhmamir soum Arkhangai aimak, Tsagaannuur soum Selenge aimak, Khyargas soum Uvs aimak

Occupation and construction area of the project: An enclosure of ameliorated pasture covering 16,000 hectares.

Estimated economic benefit of the project:

Sales US\$282.8 thousand

Sales cost US\$208.6 thousand

Gross profit US\$74.2 thousand

Tax US\$11.0 thousand

Net profit US\$63.2 thousand.

Estimated investment profit rate: IRR-10.4%, investment recovery period- 9.5 years.

Project progress: Calculation of economic justifications

### **Introduction to the Mongolian partner**

Enterprise name: Shilmel Sureg Company

Ownership: Private.

Enterprise outline: Deals in selective breeding of cashmere goats and meat sheep, research and production in the biotechnological field, and domestic and foreign trade.

Inputs to be offered to the project by company: Some equipment and tools for breeding animals and a laboratory, 16,000 hectares pasture.

### **Contact address**

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