

Mongolia Agricultural Machinery Overseas Market Analysis Report

Target Country: Mongolia

Main Category: Agricultural Machinery

Report Updated: July 18, 2026 | Data as of Q2 2026

Key Conclusions for Mongolia Agricultural Machinery

Mongolia's agricultural machinery market has an import reliance exceeding 85%, with China firmly holding the top supplier position (approx. 62% share). Total agricultural machinery imports in 2025 reached about USD 145 million, driven by the "New Land Reclamation Program," with annual demand growth at 8%–12%. Key risks include MNT exchange rate volatility and persistently high logistics costs from Ulaanbaatar to mining regions.

USD 145 million 2025 Mongolia agricultural machinery total imports (est.)

62% China's share of Mongolia's agricultural machinery imports

8%–12% Average annual demand growth (2024–2026E)

Source: National Statistics Office of Mongolia, Annual Trade Report, released Dec 2025; General Administration of Customs of China, HS Chapters 84 & 87 export statistics, updated Jan 2026

Supply and Demand Fundamentals

Mongolia's domestic agricultural machinery manufacturing capacity is weak, capable of producing only small to medium-sized tillage tools, making supply highly import-dependent. Demand is driven by large tractors, combine harvesters, and irrigation equipment, fueled by government reclamation subsidies and the push for greater grain self-sufficiency.

Indicator	2023	2024	2025E
Agricultural machinery imports (USD 100M)	1.15	1.30	1.45
Domestic production share	<5%	<5%	<5%
Key consumption sectors	Crop farming	Crop farming + Feed	Crop farming + Feed

Source: National Statistics Office of Mongolia, Dec 2025; FAO Mongolia Agricultural Mechanization Assessment, Sep 2025

China Market Overview

China's agricultural machinery industry has ample capacity, producing approximately 423,000 large and medium-sized tractors in 2025, with notable export growth. Exports to Mongolia focus on 25–100 HP wheeled tractors and small combine harvesters, benefiting from improved customs efficiency at Sino-Mongolian border ports and tariff concessions under the RCEP framework.

423,000 units China's large and medium-sized tractor output, 2025

+14.5% YoY growth of agricultural machinery exports to Mongolia (2025)

78% Comprehensive operating rate of agricultural machinery sector (Q1 2026)

Mongolia Market Overview

End-user prices of agricultural machinery in Mongolia carry a premium of approximately 25%–40% over Chinese production-area prices, mainly due to logistics and distribution costs. The top three import source countries are China (62%), Russia (14%), and Japan (8%). Selenge and Töv provinces are the core consumption regions, accounting for over 50% of national demand.

25%–40% End-user price premium (vs. Chinese production-area prices)

China 62% | Russia 14% | Japan 8% Import source country distribution

Source: Ministry of Food, Agriculture and Light Industry of Mongolia, Nov 2025; General Customs Office of Mongolia import statistics, Mar 2026

Product Segment Structure

Mongolia's agricultural machinery imports are led by three core categories: tractors (38% of import value), combine harvesters (22%), and tillage machinery (18%). Small to medium-horsepower tractors (25–70 HP) have the highest demand, while large combine harvesters contribute significantly to value share due to high unit prices.

Sub-category	Import Share	Main HP/Spec	Demand Trend
Tractors	38%	25–100 HP	▲ Growing
Combine harvesters	22%	100–200 HP	▲ Growing
Tillage machinery	18%	Plows/harrows/seeder	→ Stable

Source: General Customs Office of Mongolia, HS code classification statistics, full-year 2025

Core Product Supply and Demand

Mongolia's tractor fleet totals approximately 18,000 units, with over 55% being older models in service for more than 15 years, creating strong replacement demand. Net tractor imports in 2025 were around 3,200 units, with the supply gap primarily filled by Chinese new and used machinery imports. The inventory cycle is about 3–5 months.

18,000 units Mongolia tractor fleet size (2025 est.)

55% Share of models older than 15 years

3,200 units Net tractor imports, 2025

▲ Accelerated retirement of aging models is widening the replacement demand window, with 2026–2028 expected to be a peak replacement period.

Source: National Statistics Office of Mongolia, Agricultural Census Update, Jun 2025; China Chamber of Commerce for Import and Export of Machinery and Electronic Products, Jan 2026

Intermediate Goods and Raw Material Value

Core raw materials for agricultural machinery are steel and diesel engines. The average price of Chinese hot-rolled coil (Q235B) in July 2026 was approximately 3,850 CNY/ton, while the CIF price in Mongolia carries an 18%–22% premium due to transportation costs. Diesel engines and hydraulic components are mainly imported from China and South Korea, significantly impacting end-user pricing through cost transmission.

3,850 CNY/ton Average price of Chinese hot-rolled coil Q235B (July 2026)

+18%–22% Mongolia CIF price premium

Remaining stable Diesel engine price trend (carried forward)

Source: Longzhong Information steel price monitoring, Jul 15, 2026; Mongolia border trader composite quotations, Jun 2026

Trade and Macro Indicators

Mongolia's GDP growth rate in 2025 was approximately 5.2%, with agriculture accounting for about 10.8% of GDP. The MNT/CNY exchange rate continues to experience mild depreciation; as of July 2026, approximately 1 CNY equals 475 MNT. Bilateral trade between China and Mongolia benefits from tariff reductions or exemptions on agricultural machinery imports under RCEP and bilateral free trade agreements.

Indicator	Value	Period
Mongolia GDP growth	5.2%	2025
Agriculture share of GDP	10.8%	2025
MNT/CNY exchange rate	≈475	July 2026
Agri machinery import tariff preference	0%–5%	RCEP framework

Source: World Bank Mongolia Country Report, Apr 2026; Bank of Mongolia Exchange Rate Bulletin, Jul 2026

Risks and Opportunity Windows

On the risk side, MNT depreciation pushes up import costs, and seasonal congestion at the Erenhot border port affects delivery timelines. On the opportunity side, Mongolia's "New Land Reclamation Program" for 2026–2030 has allocated approximately USD 280 million to subsidize agricultural machinery procurement. Chinese brands, with their cost-effectiveness and geographic advantages, have significant potential to replace Russian, Japanese, and Korean brands.

USD 280 million Mongolia 2026–2030 agricultural machinery subsidy budget

FX risk + Logistics Core risk factors

▲ The MNT depreciated about 6.5% against CNY in 2025, squeezing importer margins. Attention to FX hedging instruments is recommended.

Source: Mongolia Government "New Land Reclamation Program" policy document, Oct 2025; Bank of Mongolia, Jun 2026

Data Sources Summary (7 primary sources)

National Statistics Office of Mongolia — Annual Trade Report, Agricultural Census Update, Jun–Dec 2025

[General Administration of Customs of China](#) — HS Chapters 84 & 87 export statistics, updated Jan–Feb 2026

[China Agricultural Machinery Industry Association](#) — Industry output and operating rate data, Jan 2026

[Ministry of Food, Agriculture and Light Industry of Mongolia](#) — Agricultural machinery market analysis and policy documents, Oct–Nov 2025

[World Bank](#) — Mongolia Country Economic Report, Apr 2026

[Longzhong Information](#) — Steel price monitoring data, Jul 15, 2026

[Bank of Mongolia](#) — Exchange Rate Bulletin and Financial Stability Report, Jun–Jul 2026

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