

Mongolia Agrochemical Overseas Market Analysis Report

□ Target Country: Mongolia | □ Main Category: Agrochemicals |

□ Report Updated: July 19, 2026

Mongolia Agrochemical Key Conclusions

Mongolia's agrochemical market is **fully reliant on imports**, with H1 2026 fertilizer imports reaching approximately 42,000 tons and China accounting for over 65% of supply. Affected by tightened Chinese phosphate export policies, DAP CIF prices have risen approximately **12%** year-on-year, while urea prices remain volatile at elevated levels. Mongolia has no large-scale domestic fertilizer production capacity, with agricultural planted area stable at 550,000 hectares. Fertilizer demand is rigid but total volume is limited. Exchange rate fluctuations and overland logistics bottlenecks are the core risk variables.

- H1 2026 total fertilizer imports: approx. **42,000 tons** (physical volume), +6.3% YoY
- China supply share: **65.8%**, Russia approx. 22%, remainder from Central Asia
- DAP CIF Ulaanbaatar price: approx. **4,850-5,100 CNY/ton**, **↑12%** YoY
- Mongolia fertilizer self-sufficiency rate: **0%**, no large-scale fertilizer production facilities

Source: Mongolia National Statistics Office (NSO) H1 2026 Report; China General Administration of Customs (GACC) June 2026 Data; Longzhong Information July 2026

Supply & Demand Fundamentals

Mongolia's annual fertilizer consumption is approximately 80,000-90,000 tons (physical volume), entirely reliant on imports. Demand is concentrated in the April-June planting season, with wheat, potatoes, and feed crops as the main consumption areas. In 2026, Mongolia's "New Revival Policy" is driving expansion of planted area toward a 600,000-hectare target, with fertilizer demand expected to grow modestly.

Indicator	2024	2025	H1 2026
Fertilizer imports (10k tons)	7.6	8.1	4.2
Planted area (10k hectares)	53.5	55.0	55.2 (planted)
Fertilizer consumption growth	+5.2%	+6.6%	+6.3%

Source: Mongolia National Statistics Office (NSO) June 2026; FAO Database 2025; Mongolia Ministry of Food, Agriculture and Light Industry Q1 2026

China Market Status

In July 2026, China's urea ex-factory price is approximately 2,180-2,350 CNY/ton, and DAP ex-factory price is approximately 3,720-3,950 CNY/ton. Phosphate fertilizer export quota management continues to tighten. Urea operating rate is maintained at around 76%, while DAP capacity utilization is approximately 72%. China's fertilizer exports to Mongolia are primarily via road transport, with the Erenhot port serving as the core gateway.

- Urea (Shandong) ex-factory price: **2,180-2,350 CNY/ton** (2nd week of July 2026)
- DAP (Hubei) ex-factory price: **3,720-3,950 CNY/ton**, flat MoM
- China urea operating rate: approx. **76.3%**, phosphate fertilizer capacity utilization approx. **72.1%**
- Fertilizer exports to Mongolia (H1): approx. **27,600 tons**, +8.5% YoY

Source: Longzhong Information July 15, 2026; Shengyishe July 17, 2026; China General Administration of Customs (GACC) June 2026

Mongolia Market Status

Mongolia's fertilizer market radiates from Ulaanbaatar outward to central agricultural regions. Imported fertilizers enter via the Erenhot-Zamyn-Üüd port and are distributed by rail and road. Chinese supply holds a dominant position, with Russian and Central Asian supplies serving as supplements. In Q2 2026, Mongolia's fertilizer retail prices carried an approximately 18-25% premium over import CIF prices, reflecting relatively high domestic distribution costs.

- Ulaanbaatar urea retail price: equivalent to approx. **3,100-3,450 CNY/ton**
- Import dependence: **100%**, no domestic large-scale fertilizer production
- Main source countries: China **65.8%**, Russia **22.1%**, Kazakhstan **8.5%**
- Consumption structure: Nitrogen fertilizer approx. **55%**, phosphate approx. **28%**, potash approx. **12%**, compound approx. **5%**

Source: Mongolia National Statistics Office (NSO) H1 2026; Mongolia Customs General Administration Q2 2026; Asian Development Bank (ADB) Mongolia Agriculture Brief May 2026

Product Segment Structure

Mongolia's agrochemical imports are dominated by nitrogen and phosphate fertilizers, with urea and DAP together accounting for 72% of total imports. The pesticide market is led by herbicides as the largest category. In H1 2026, imports increased across all sub-categories, with DAP showing the largest increase, reflecting the rigid demand for phosphate fertilizer in Mongolia's wheat cultivation.

Sub-category	H1 2026 Imports	YoY Change	Main Source
Urea	approx. 18,500 tons	+5.7%	China
DAP	approx. 11,800 tons	+11.2%	China / Russia
Compound fertilizer (NPK)	approx. 3,800 tons	+3.4%	China / Kazakhstan
Pesticides (active ingredient)	approx. 980 tons	+4.8%	China

Core Finished Product Supply & Demand

Urea and DAP are the most critical fertilizer finished products in the Mongolia market. Mongolia has no domestic production capacity, with the supply-demand gap entirely filled by imports. In Q2 2026, DAP experienced intermittent supply tightness, with inventory dropping to low levels, primarily due to China's slower export pace and Russian logistics adjustments.

Indicator	Urea	DAP
Mongolia annual demand (10k tons)	4.5-5.0	2.5-3.0
Domestic production	0	0
H1 2026 imports (10k tons)	1.85	1.18
Ulaanbaatar inventory level	Moderate	Low

Source: Mongolia National Statistics Office (NSO) H1 2026; Longzhong Information July 2026; Mongolia Ministry of Food, Agriculture and Light Industry Q2 2026

Intermediates & Raw Material Values

Fertilizer production costs are significantly impacted by raw material price fluctuations. In July 2026, phosphate rock and sulfur prices in Chinese production areas remain elevated, while synthetic ammonia prices have slightly declined month-on-month. Raw material costs account for approximately 75-80% of DAP production costs, with price transmission to Mongolia CIF prices having an approximately 1-1.5 month lag.

- Phosphate rock (Hubei 30% grade) pithead price: approx. **980-1,050 CNY/ton** (July 2026)
- Sulfur (Zhenjiang port) spot price: approx. **1,380-1,450 CNY/ton**, **↑3.2%** MoM
- Synthetic ammonia (Shandong) ex-factory price: approx. **2,850-3,050 CNY/ton**, **↓2.8%** MoM
- Mongolia importer CIF premium: **18-25%** above China ex-factory price (incl. freight + tariffs + distribution)

Source: Shengyishe July 17, 2026; Longzhong Information July 15, 2026; Mysteel July 2026

Trade & Macro Indicators

Mongolia's 2026 GDP growth is estimated at approximately 5.2%, with agriculture accounting for approximately 11.3%. China-Mongolia trade volume continues to grow, and fertilizer customs clearance volume at the Erenhot port has increased year-on-year. The MNT/CNY exchange rate fluctuates moderately, but the MNT faces some depreciation pressure against the USD, affecting USD-denominated fertilizer import costs.

Indicator	Value	Period
Mongolia GDP growth	5.2% (est.)	2026
Agriculture share of GDP	11.3%	2025
MNT/CNY exchange rate	approx. 475-482	July 2026
China-Mongolia fertilizer trade value (H1)	approx. 18.5 million USD	H1 2026

Source: World Bank June 2026; Asian Development Bank (ADB) May 2026; Bank of Mongolia July 2026; China General Administration of Customs H1 2026

Risks & Opportunity Windows

- ⚠ Risks:** China's tightening phosphate fertilizer export quotas may worsen Mongolia's DAP supply tightness; MNT depreciation against the USD pushes up import costs; seasonal congestion at the Erenhot port affects logistics timeliness.
- ✅ Opportunities:** Mongolia's "New Revival Policy" drives agricultural expansion and steady fertilizer demand growth; China-Mongolia bilateral agrochemical cooperation presents room for localized repackaging, warehousing, and technical service upgrades; Chinese agrochemical enterprises can explore a Ulaanbaatar front-end warehouse model to reduce distribution costs.
- Supply chain risk:** Changes in China's export policies directly affect Mongolia's fertilizer supply stability
 - Exchange rate risk:** MNT/USD depreciation pressure increases importer procurement costs
 - Opportunity window:** Mongolia's fertilizer repackaging and blending localization remains a market gap for Chinese enterprises to enter
 - Policy tailwind:** China-Mongolia bilateral trade facilitation agreements continue to advance, fertilizer tariff preferences extended

Source: Asian Development Bank (ADB) May 2026; Mongolia Ministry of Food, Agriculture and Light Industry Q2 2026; World Bank Mongolia Economic Brief June 2026

Data Sources Summary

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| 3. Longzhong Information — Fertilizer Market Weekly Report, July 15, 2026 | 4. Shengyishe — Chemical Raw Material Price Monitor, July 17, 2026 |
| 5. World Bank — Mongolia Economic Brief, June 2026 | 6. Asian Development Bank (ADB) — Mongolia Agriculture Brief, May 2026 |
| 7. Mongolia Customs General Administration — Q2 2026 Import Statistics | 8. Food and Agriculture Organization (FAO) — Statistical Database 2025 |
| 9. Mongolia Ministry of Food, Agriculture and Light Industry — Q1 & Q2 2026 Reports | 10. Mysteel — Raw Material Price Monitor, July 2026 |
| 11. Bank of Mongolia — Exchange Rate Data, July 2026 | |

Disclaimer: The data in this report is for reference only and does not constitute any investment advice. Markets involve risk; decisions should be made with caution.