Mongolia Dairy Ingredients Overseas Market Analysis Report

▯ Target Country: Mongolia ▯ Main Category: Dairy Ingredients

▯ Report Date: July 19, 2026

Data updated to July 2026 | Compiled from public market reports

Mongolia Dairy Ingredients Key Conclusions

Mongolia's dairy ingredients market exhibits an **import dependency of approximately 62%**, with significant seasonal fluctuations in domestic raw milk (oversupply in summer, shortage in winter). Russia and Belarus are the primary source countries, together accounting for about 68% of imports. In H1 2026, global dairy prices rose moderately, putting pressure on Mongolia's import costs. ⚠ Monitor exchange rate volatility Fluctuations in the Mongolian Tugrik (MNT) against the RMB may impact the price competitiveness of Chinese dairy ingredient exports to Mongolia.

- Annual dairy ingredient imports: approx. **32,000–38,000 tons** (2025, latest available data)
- Domestic raw milk output: approx. **920,000–980,000 tons**, processing conversion rate only 35%–40%
- FAO Dairy Price Index June 2026: **128.6 points**, up 4.2% year-on-year

Source: FAO Dairy Price Index June 2026; National Statistics Office of Mongolia Annual Report 2025; World Bank Mongolia Economic Brief Q1 2026

Supply-Demand Fundamentals

Mongolia's dairy ingredients market faces a structural supply-demand gap. Domestic raw milk output is constrained by seasonal pasture availability and smallholder grazing practices. During the processing season (May–Sep), milk supply is ample, but deep-processing capacity is insufficient. In winter (Nov–Mar), raw milk output drops by approximately 40%–50%, forcing processors to rely on imported milk powder and butter to maintain production.

Indicator	2024	2025 (Est.)	YoY Change
Cattle Inventory (10k head)	542	553	+2.0%
Raw Milk Output (10k tons)	94.5	97.1	+2.8%
Dairy Ingredient Imports (10k tons)	3.5	3.7	+5.7%
Apparent Consumption (10k tons)	128.0	132.4	+3.4%

Source: National Statistics Office of Mongolia; Mongolia Ministry of Food and Agriculture Annual Livestock Report 2025 (latest available); FAOSTAT 2025

China Market Status

China's dairy ingredients market remained stable in H1 2026, with whole milk powder prices holding in the **28,500–31,000 CNY/ton** range. Domestic raw milk supply is ample, with large dairy enterprises operating at approximately 75%–82% capacity. However, exports to Mongolia remain limited, constrained by Mongolia's small market size and competitive pressure from lower-priced Russian alternatives.

- China whole milk powder (industrial grade) spot price: **29,800 CNY/ton** (early July 2026, 100ppi.com)
- China whey powder (feed grade) spot price: **9,600–10,500 CNY/ton**
- China's dairy product exports to Mongolia: approx. **USD 4.2 million** (full year 2025, General Administration of Customs)
- Domestic major dairy companies' milk powder inventories at medium-to-high levels, increasing export willingness

Source: 100ppi.com Dairy Price Monitor July 2026; General Administration of Customs of China 2025 Annual Trade Statistics; Sublime China Information (SCI) Dairy Weekly Report, 2nd week July 2026

Mongolia Market Status

Mongolia's dairy ingredients market is **import-driven**. The wholesale price of whole milk powder in Ulaanbaatar is approximately **32,000–35,000 MNT/kg** (equivalent to approx. 68–74 CNY/kg), significantly higher than China's domestic market price. The premium is primarily due to logistics costs and import tariffs. Russian milk powder holds a market share of approximately 45% in Mongolia, with a clear price advantage.

- Major import source countries for Mongolia's dairy ingredients: Russia **45%**, Belarus **23%**, China **11%**, EU **9%**
- In Mongolia's dairy retail consumption, traditional dairy products (milk skin for milk tea, dried cheese) account for approx. 55%, modern processed dairy products approx. 45%

Source: National Statistics Office of Mongolia Trade Data 2025 Annual; Mongolian National Chamber of Commerce and Industry Dairy Market Brief May 2026 (latest available)

Product Segment Structure

Among Mongolia's imported dairy ingredients, **whole milk powder accounts for the largest share at approximately 48%**, followed by skim milk powder (22%), butter/anhydrous milk fat (18%), and whey powder (8%). Import sources vary by segment: whole milk powder is primarily from Russia and Belarus, butter mainly from New Zealand and the EU, and whey powder predominantly from China.

Segment	Annual Import Volume (tons)	Avg Import Price (USD/ton)	Main Source Countries
Whole Milk Powder	17,500–18,200	3,300–3,600	Russia, Belarus
Skim Milk Powder	8,000–8,500	2,700–3,000	Belarus, Russia
Butter/AMF	6,200–6,800	5,200–5,800	New Zealand, Russia
Whey Powder	2,800–3,200	1,100–1,400	China, EU

Source: Mongolia Customs General Administration 2025 Annual Import Classification Statistics; Mongolian National Chamber of Commerce and Industry Dairy Market Brief May 2026

Core Finished Product Supply & Demand

Mongolia's annual demand for milk powder (whole + skim) is approximately 26,000–29,000 tons, while domestic production is only about 3,000–4,000 tons, leaving a supply gap of approximately 23,000–25,000 tons entirely reliant on imports. Annual butter demand is about 7,000 tons, with domestic output below 1,000 tons. Milk powder inventories typically hit their annual low during winter, with import restocking concentrated in September–November.

- Only 3–4 small-to-medium milk powder processing plants in Mongolia, total capacity approx. 5,000 tons/year
- Milk powder import dependency is as high as 88%–92%
- Winter (Nov–Feb) wholesale milk powder prices typically 10%–15% higher than summer

Source: Mongolia Ministry of Food and Agriculture Dairy Processing Capacity Statistics 2025; Mongolia Customs Import Data 2025 Annual

Intermediate & Raw Material Values

Raw milk, as the core intermediate for dairy ingredients, has a Chinese farm-gate price of approximately 3.8–4.2 CNY/kg, while Mongolia's pastoral collection price is approximately 1,800–2,200 MNT/kg (equivalent to approx. 3.8–4.6 CNY). Mongolia's raw milk prices exhibit sharp seasonal volatility: at the summer trough, the price gap with China narrows to within 5%, while at the winter peak, the gap can reach 20%–30%.

- China raw milk farm-gate price: 4.05 CNY/kg (June 2026, MOARA monitoring)
- Mongolia raw milk pastoral collection price (summer): approx. 1,800 MNT/kg (approx. 3.8 CNY)
- Mongolia imported whole milk powder CIF Ulaanbaatar: 3,400–3,700 USD/ton
- Feed corn China northern port price: 2,450 CNY/ton (July 2026)

Source: China Ministry of Agriculture and Rural Affairs (MOARA) Livestock Product Price Monitor June 2026; National Statistics Office of Mongolia Pastoral Price Survey Q4 2025; Sublime China Information (SCI) Feed Ingredient Price July 2026

Trade & Macro Indicators

Mongolia's GDP growth rate in 2025 was approximately 5.2%, with mining exports driving steady economic growth. Bilateral trade between China and Mongolia continues to expand, and dairy product trade—while still a small share of total trade—has considerable growth potential. The MNT exchange rate is a key variable affecting import costs.

Indicator	Value	Data Period
Mongolia GDP Growth Rate	5.2%	Full Year 2025
Mongolia CPI Inflation Rate	7.1%	May 2026
USD/MNT Exchange Rate	1:3,452	July 2026
CNY/MNT Exchange Rate	1:475	July 2026

Source: World Bank Mongolia Economic Brief Q1 2026; Bank of Mongolia Exchange Rate Published Data July 2026; National Statistics Office of Mongolia CPI Report May 2026

Risk & Opportunity Window

⚠ Risk Depreciation pressure on the MNT (approx. 3.5% depreciation against USD in H1 2026) is pushing up import costs; Russia, affected by international sanctions, faces uncertainties in the stability of its dairy product supply chain to Mongolia. ▲ Opportunity Chinese dairy ingredients have an **8%–15% price gap opportunity** in the Mongolia market. Improved China-Mongolia railway transport capacity has reduced logistics costs, and localized processing cooperation and brand substitution potential merit attention.

- Geopolitical risk: Russian sanctions may affect the stability of its dairy supply to Mongolia
- Exchange rate risk: MNT depreciated approx. **4.2%** against CNY in H1 2026
- Opportunity: Mongolian government encourages development of local dairy processing industry, opening a window for Chinese technical cooperation
- Logistics improvement: China-Mongolia rail freight transit time reduced to **3–5 days** (direct to Ulaanbaatar)

Source: Bank of Mongolia Exchange Rate Report July 2026; World Bank Mongolia Risk Assessment Q1 2026; Mongolia Government 2025–2030 Dairy Industry Development Plan

Data Source Summary

- FAO Dairy Price Index, published June 2026
- National Statistics Office of Mongolia, 2025 Annual Report and Q1 2026 data
- General Administration of Customs of China, 2025 Annual Trade Statistics
- 100ppi.com (www.100ppi.com), Dairy Price Monitor, July 2026
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- Mongolian National Chamber of Commerce and Industry, Dairy Market Brief, May 2026
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