

**ELITE SEED PRODUCTION OF CEREAL CROP  
PSARTI, DARKHAN-UUL**

<b>Location</b>	<b>Darkhan-uul province, Mongolia.</b>
<b>Project implementer</b>	<b>PSARTI</b>
<b>The direction and purpose of the activities</b>	<b>To supply the local demand of elite seed of registered varieties of cereals by domestic production.</b>
<b>Production and capacity</b>	In 2016, a total sowing area in the country reaches to 389822 ha and it requires 62371.6 ton of cereal seed for sowing. In order to supply local demand of high quality seed, about 700 ton of elite seed should be produced annually for domestic seed supply chain. Through implementation of this investment project we built capacity to produce about 600 ton of elite seed annually and this allows complete supply of high quality elite seed by domestic production. This enables farmers to use good seed higher than 4 <sup>th</sup> reproduction. PSARTI has capacity of 1057 ha including 98 ha under irrigation, experienced staff and agricultural machineries. PSARTI needed an investment for agricultural machinery renovation to enable 600 ton elite seed production of registered cereal varieties annually.
<b>Market analysis and target market</b>	The local market for elite seed of cereal crop is available. At present only 100-150 ton of elite seed produced locally and remained are imported. Last 5 years over 5200 ton of elite seed had been imported from Russia for seed renovation. But these varieties failed having low grain yield and low grain quality because of long crop duration and adaptation problem. Whereas locally bred new varieties of cereal crops have well adaptation potential, high yield, good grain quality and have high demand too. Increasing seed production of local new varieties would enhance yield increase and good grain quality.
<b>Period of implementation</b>	<b>2015-2025</b>
<b>Project progress</b>	The project starts in 2015. PSARTI released high potential new varieties of wheat including Darkhan-144, Darkha-131, Arvin, Darkhan-34, Darkhan-74, Khalkhgol-1, Tsogt, Arvin and barley varieties including Shim, Burkhgym-1, durum wheat varieties Suvd and Sondor and these varieties successfully disseminated into production. Most of these varieties have very high demand in the local market. At the moment only PSARTI is producing about 100-150 ton elite category seed of registered wheat varieties in the country.
<b>Business strategy and implementation plan</b>	The startup company for elite seed production will be established. Through the project investment the technical capacity of the company including seed storage, harvester, agriculture machineries, seed cleaning and other facilities improved and it creates favorable condition for successful seed production. The 2 rotations applied including 525 ha for sowing and 532 ha for fallow and annually 600 ton elite seed of registered varieties of wheat would be produced.

**Legal environment**

Mongolian Government continuously supports diversification of agricultural crop species, development of superior varieties with high quality, high yield, early maturity and tolerant to stresses and dissemination to production scale. The crop seed production issues strongly reflected in the government policy and development programs such as:

- The government resolution No.173 on 7 July 2010 on creation of the “List of priority areas and core technology for the development of science and technology sector of Mongolia” indicated that priority core technology for agriculture is “ the technology for the development of crop varieties, and seed production ”,
- The parliament resolution No. 29 on 18 June 2003 about the “Mongolian policy on food and agriculture” indicated to “... support a seed multiplication of registered varieties and for the supply of domestic demand”,
- The government resolution No. 2 on 3 January 2007 on the “Master plan for development of Science and Technology in Mongolia for 2007-2020”. The master plan has three priority trends. The second priority trend declared that breeding and release of new varieties adapted to Mongolian climate condition, conduct seed multiplication and development of complex environment-friendly technology for agriculture are as priority areas of agricultural sciences.

In addition, several law, government resolutions and other regulatory documents including “Law on seed and varieties of cultivated plants” /1999/, “Law on insurance for seed production” /1999/, “Law on acrop production” /2004/, ” “Law on copyrights and patents” /2006/, “Law on state resources” /2007/, “Law on plant protection”/2007/, “Law on state control over resources” /2010/ and related government regulations exist for sustainable development of agriculture sector especially seed production in the country.

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**Requested investments**

Investment amount - **1.100,0 million MNT**  
Return on Investment per year - **100,0 million tugric**

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