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ADB, Ulaanbaatar Flour partner to support wheat supply chain in Mongolia

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The Asian Development Bank (ADB) and Ulaanbaatar Flour Limited Liability Company (UBF) signed a 3-year $10 million loan to support local wheat procurement to meet the increasing demand for domestically processed wheat flour in Mongolia. This financing will provide UBF with working capital to purchase wheat from local farmers.

â??Wheat flour is a key staple for Mongolian families, representing about one-third of their daily caloric intake. However, local wheat production faces challenges due to a single harvest season and vulnerability to climate events,â? said ADB Country Director for Mongolia Shannon Cowlin. â??This project will help stabilise the wheat supply chain by supporting UBFâ??s procurement from local farmers, especially women, and will contribute to a more resilient and inclusive agriculture sector. It will also enhance Mongoliaâ??s food sustainability and reduce reliance on imports.â?

The project will facilitate consistent wheat procurement and provide a stable buyer for 250 wheat farming enterprises, including smallholder and women-led farms. UBF will also integrate the needs of women suppliers into its procurement policies and disseminate awareness-raising materials that encourage the redistribution of unpaid care work and support prevention and response to domestic violence within farming communities.

â??We are proud to continue our partnership with ADB to strengthen Mongoliaâ??s wheat value chain and support local farmers,â?• said the CEO of Ulaanbaatar Flour LLC, Bakhatguli Nuktarkhaan. â??This financing is critical to ensuring a reliable supply of quality wheat for our operations while empowering smallholder and women-led farms. Through this collaboration, we aim to improve food security, promote inclusive growth in rural communities, and build resilience against climate impacts.â?•

Additionally, a $500,000 technical assistance grant will be provided to enhance the resilience of wheat farmers through training programs in financial literacy, sustainable food security, and climate-adaptive agricultural practices. These practices will include effective soil, water, and pest management.