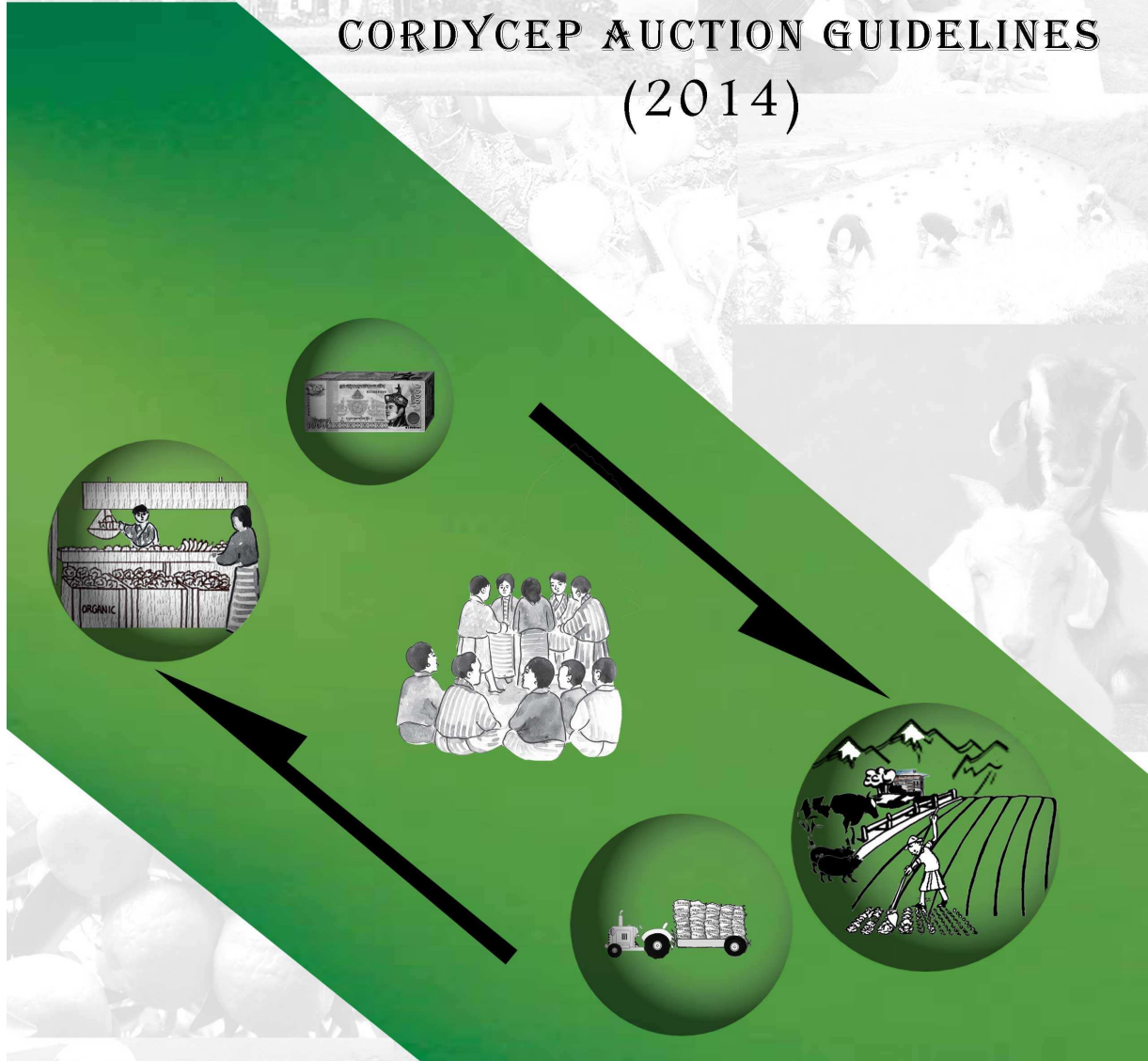




CORDYCEP AUCTION GUIDELINES (2014)



Department of Agricultural Marketing & Cooperatives
Ministry of Agriculture & Forests
Thimphu, Bhutan

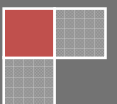
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2014

Guidelines on Cordyceps Auctioning for 2014 season



Department of Agricultural Marketing and Cooperatives,
Ministry of Agriculture and Forests



A. Agencies/Committees and their responsibilities in Cordycep Auction:

i) Overall responsibility:

The respective Geog Administration led by the concerned Gup will be the overall coordinator of the auction for 2014 season. However the Geog Administration will consult and seek support from the relevant government agencies and committees as detailed below. In particular the Department of Agricultural Marketing and Cooperatives (DAMC) of MoAF as the focal Government agency on the matters related to the marketing of cordyceps will provide the support as deemed necessary.

ii) Auction Committee:

The Geog Adm. will institute the Geog Auction Committee with the following memberships:

- Gup – Chairperson of the committee
- Geog Administrative officer - member
- Mangmi - member
- Gedrung – member
- Tshogpa - member
- Geog Accountant (Service Charge Collector) – member

Roles and Responsibilities of the Geog Auction Committee:

- Preparation of auction sites
- Registration of sellers and buyers
- Registration of goods
- Briefing of buyers and sellers
- Appointment of bid master (Non civil servant)
- Ensure proper weighing equipment and related logistic facilities are in place
- Issue relevant documents
- Conflict resolution based on the rules and regulations governing the harvesting and marketing of cordycep
- Withhold auctioning process, if the number of bidders is less than five.
- Collect service charges to be deposited into the Geog's CD account.
- Information sharing with concerned government organization.
- Ensure cleanliness in the auction location.
- Inform police personal in order to ensure security during the Auction.

iii. Visual Sorting Committee:

The Geog Auction Committee will put in place a Visual Sorting Committee with the following memberships. Its sole responsibility would be to sort/grade the cordyceps displayed by farmers into different categories/lots.

- Gup or representative -1
- BAFRA Representative - 1
- DAMC Representative -1
- Buyers' Representative -1
- Member from NPHC - 1

iv. Department of Forests and Park Services (DoFPS) - Roles and Responsibilities

- Verification of Certificate of Origin during the registration of sellers
- Collection of Royalty from the successful bidders
- Issue relevant documents
- Monitoring of illegal sales
- Support Geog Auction Committee

v. Bhutan Agriculture and Food Regulatory Authority (BAFRA) - Roles and Responsibilities

- Member of Visual Sorting Committee
- Issue of export related documents
- Support Geog Auction Committee

vi. Department of Agricultural Marketing and Cooperatives(DAMC) - Roles and Responsibilities

- Training of Geog Auction Committee on auction process
- Register the traders and issue identity cards
- Deregister the buyers failing to comply by the guidelines set by the Ministry of Agriculture and Forests.
- Announcements in BBS TV and major newspapers will be made on dates and the auction sites for each geog and any other important information.
- Support Geog Auction Committee
- Member of Visual Sorting Committee

- Issue/supply Business Transaction Document (Challan) standard format to all the concerned geogs.

B. Processes in Cordycep Auctioning:

i. Registration of Sellers/collectors

To facilitate proper and smooth auctioning of cordyceps, the registration of sellers/collectors will be carried out by the geog well in advance before the auction. The Geog shall carry out the registration in consultation and collaboration with DoFPS. Two Lot Cards (two cards bearing the same number) shall be issued to the sellers during the registration and the collectors be informed that one is to be displayed with their lot while one is to be retained for identification of the farmer by the lot. The sellers will be divided into groups of 15-20 farmers.

ii. Registration of Buyers

The registration of buyers will stop half an hour before the start of the auction at the respective auction site. The geog should make sure that the buyers are registered with DAMC through the ID cards issued by DAMC.

iii. Briefing on Do's and Don'ts by the Gup

Once the registration is completed and the buyers seated, the Chairperson shall brief on the DOs and DONTs of the auction system. The rights as well as obligations of the buyers as well as sellers shall be made clear.

iv. Step by Step Actions on the Auction Day

As far as possible the Geog Auction Committee or their appointee will be present during the conduct of the auction at 10.00 AM. The following steps will be carried out in presence of the Committee.

1st step: The cordyceps will be displayed as per the registration done on first come first serve basis.

2nd step: The cordyceps will be sorted into different lots by visual sorting committee

3rd step: Visual inspection of cordyceps by buyers

The auction bid master takes over:

4th step: Conduct auction by the Bid master. Buyers will start offering their bids. Auction price will be quoted in Ngultrums per kilograms.

5th step: The lot will be offered to the highest bidder. Seller will be allowed to withdraw before the bid master makes the final call. Once the produce is withdrawn, the respective geog shall not allow the individual to participate again. The individual should pay all the necessary service charge, royalty, get the necessary documents and switch to different auction site. Accordingly, the buyer can decide on buying the remaining produce in the lot after the withdrawal of few produce from the lot.

6th step: Names of sellers called out based on the lot cards to accompany the highest bidder for weighing and payment. After the final call, the bidding is complete, and then neither the exporters nor the collectors will be allowed to withdraw.

7th step: The weighing of each sub lot from the auctioned lot will be carried out by the in the presence of the sellers, the buyer and geog officials.

8th step: Geog Adm. will raise the bills on the confirmed weight against the buyer.

9th step: Payment by successful bidders to the sellers shall be made as soon as the weighing of the lot is completed

10th step: Royalty will be collected from the buyer for the lot calculated at Nu.8.4 per gm on the spot by DoFPS representatives and receipt will be issued.

11th step: Geog Administration shall prepare business transaction documents necessary for the movement and export of cordyceps.

12th step: The Geog Administration shall collect from the successful bidder a service fee of 0.65% of the value bought as establishment charges.

C. Collectors not wishing to participate in respective Geog auction will have to pay the standard royalty @ Nu. 8.4/gm to DoFPS and the service charge of Nu. 5/gm to their concerned geogs. With the necessary documents they will be allowed to move the cordycep to other auction sites or sell to individuals once the auctioning period is over in all the geogs.