

## **Draft Terms of Reference**

### **Socio-economic dynamics of winter vegetable production and marketing towards self-sufficiency and imports substitution**

#### **Background:**

Bhutan imports about 11619 MT of vegetables annually valued at about Nu 170 millions as of 2011 (figure 4). The area under vegetable production is about 23495 acres with a total national production of 55,375 MT in 2011, which is not sufficient to feed the population throughout the year since the production in the winter is less during which period most vegetables are imported. Most vegetables in Bhutan are produced during the summer-autumn period from the cool temperate regions of Bhutan while the winter-spring season are largely dependent on imported vegetables. The production season in Bhutan also sees quite a substantial amount of vegetables being exported to India mainly through auction. The exports have seen a steady increase over the recent years particularly in 2011 and 2012 at 1657 MT and 2204 MT respectively due to the seasonal comparative advantage Bhutan has over neighbouring India. In the winter however, it has been the other way round with imports coming in from India to supplement the requirement during the dry non-producing season in Bhutan.

Following directives from the Cabinet on the rupee crunch issue in the country to pursue food production and in particular vegetables for self-sufficiency and imports substitution as one of the means to curb rupee crunch, the DAMC and the DoA came up with a vegetable production and marketing plan to promote production and marketing of local vegetables. In the same line, Government's directive was also to streamline vegetable imports through FCB's involvement. The DAMC in collaboration with DoA undertook the first ever winter vegetable mass production and marketing promotions through various activities in 2012 , 2013 and 2014 seasons focusing mainly on winter vegetables.

#### **1. Consultancy Objectives and scope:**

**Based on the review of Winter Vegetable Production and Marketing Plan for last two seasons (which includes 2014 spring season) the following are the specific objectives and scope:**

1. Assess the feasibility of producing winter vegetables and marketing within Bhutan based on information and data for two winter seasons of 2012, and 2013 -2014 including Economic analysis, imports substitution. (Vegetables- types: includes list as per the production plan)
2. Assess the production situation of vegetables particularly for winter season
3. Assess the marketing situation and dynamics of vegetables trade in the country focusing on winter vegetables

4. Identify issues related to marketing of local vegetables
5. To propose marketing strategies and linking mechanisms for vegetables based on production plan of the DoA in the 11<sup>th</sup> plan
6. Estimates of domestic demand situation

The study will clearly document the market trends, issues, potentials and provide estimates of demand. It should also recommend clear way forwards on how to link production to the markets and any other strategic and or policy recommendations. The study should cover the major markets or consumption areas based on the production plan.

## **2. The study should focus on the following**

1. Conduct surveys on the imports situation in the winter vegetable producing dzongkhags of Samtse, Sarpang, Tsirang, Dagana, Chukha, Wangdue, Punakha and Thimphu focusing on the types of vegetable imports, percentage of imports versus local vegetables, the modes of imports, rupee availability, licensing
2. Collect information on production and marketing of winter vegetables for two seasons of 2012 and 2013-2014
3. Study marketing dynamics of local winter vegetables
4. A rough estimate of the market demand in these production Samtse, Sarpang, Tsirang, Dagana, Chukha, Wangdue, Punakha and Thimphu dzongkhags including the Centenary Farmers Market through visits and surveys in Sunday markets, dratsangs and institutes.
5. Compile vegetable production and marketing information from other dzongkhags focusing on production estimates and marketing mechanisms

## **3. Expected Output:**

- Feasibility of producing winter vegetables and marketing within Bhutan assessed and way forward.
- Marketing mechanisms for both local and imported vegetables assessed.
- Market demand survey for vegetables carried out.
- Market share of imported and local vegetables assessed
- Analysis of competition for local and imported vegetables carried out.
- Sellers/middlemen in the supply chain inventoried.
- Issues and constraints in the production and marketing of local vegetables identified
- Suitable marketing strategies and or policy for production and marketing of local vegetables recommended.
  - Economics/Cost benefit analysis of winter vegetable production and supplying to other Dzongkhags and to Thimphu assessed

## **4. Liaison**

The consultancy firm will work closely with the Department of Agricultural Marketing and Cooperatives and Department of Agriculture for carrying out the task and report to Director, DAMC.

## **5. Budget and Schedule for completion of Tasks:**

The budget will be met through the budget of the Department earmarked for professional services. The consultancy will start from May 1, 2014 and complete the activities and deliver the final report latest by 15<sup>th</sup> June, 2014.

## **6. Data, Services and Facilities to be provided by the Client**

The Department will facilitate in the meeting relevant agencies in the ministry and other agencies/persons outside the ministry, wherever possible. The Market Development Division (MDD) under the DAMC will be the lead agency responsible for the overall facilitation and coordination of the consultancy service.

## **7. Composition of Review Committee:**

An evaluation board will be constituted comprising of members from DAMC, DoA, AFD and PPD. The Director, DAMC shall be the Chairman of the Evaluation Board. The board shall be responsible for bid evaluation as well as the overall monitoring of the consultancy work.

## **8. Procedure for Review of Inception, Status, Final Draft and Final Report:**

The consultancy firm shall handover the final draft study report after 30 days of the award of the consultancy.

The consultancy firm shall make a presentation of the draft report to the Department and other collaborating agencies within one week after the submission of the draft for receiving feedbacks and incorporate them accordingly while finalizing the report.

A soft copy of the final report including all the annexes need to be submitted along with the hard copy to DAMC within 1 week after receipt of the feedbacks during the presentation.

The copyrights on all the information including pictures therein in the draft as well as the final report along with the survey data shall lie with Department of Agricultural Marketing & Cooperatives.

## **9. Qualifications**

The Principal consultant and the core team members should

- ☐ Have a minimum of Masters Degree or above in business administration, economics, commerce /agriculture/horticulture/natural sciences and with experience in relevant field.

- ☐ Have 5 to 10 years experience of consultancy in the similar fields

- ☐ Fluency in English and Dzongkha, and other local dialects

- ☐ Good communication and facilitation skills required

## 10. Evaluation Criteria for Short-listing of Consultancy Firms

Sl. No.	Parameter	Maximum Marks
<b>1</b>	<b>Qualification</b>	<b>10</b>
	Academic Qualification	07
	Relevant Training in the field	03
<b>2</b>	<b>Experience</b>	<b>60</b>
	Experience of consultancy in the related field	50
	Fluency in English, Dzongkha and other local dialects	10
<b>3</b>	<b>Methodology</b>	<b>30</b>
	Understanding the nature of the assigned task	10
	Work Plan to complete the task with time schedule and breakup of activities	20
	<b>Total Maximum Marks</b>	<b>100</b>

**A maximum of 5 consultancy firms acquiring the maximum marks will be shortlisted**

## 11. Evaluation Criteria for Final Selection of the Consultancy Firm

The Consultancy firm will be selected and engaged under the Quality and Cost-Based Selection (QCBS) method in accordance to the Standard Requests for Proposal (SRFP) of the Royal Government of Bhutan. However, due to shortage of time, the evaluation (technical and financial) will all be done on the same day of the opening of the tender.