



Cordycep Marketing system

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Cordycep marketing system – a gradual transformation-then and now

Dorji Wangchuk, DAMC



Cordycep (Ophio-Cordyceps sinensis)

Genesis of Cordycep marketing:

The collection of Cordycep (*Ophio-Cordyceps sinensis*) for commercial purpose was legalized in 2004. Since then, the marketing of cordyceps was facilitated by Ministry of Agriculture and Forests (MoAF) and has been sold through auction until 2010. The government facilitated this auction mainly due to the fact that majority of the collectors were illiterate and was not able to market it themselves.

The facilitation of marketing of cordycep by the Royal Government went through many changes over the years, based on the experiences and challenges faced.

Auctioning by MoAF (2004-2010):

The auction was organized by the Department of Agricultural Marketing and Cooperatives (DAMC) in collaboration with other stakeholders

such as Department of Forest and Park Services (DoFPS) and Local Government officials. Prior to auctioning, the lots were segregated by quality- judged based on physical damage, colour, size, shape - and displayed accordingly. After the auction – where the sale is awarded to the highest bidder - the transaction takes place with the fulfillment of all documentation process.

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Direct buying and selling (2011):

However, from 2011, it was decided that, direct buying and selling without government involvement be tried. This was mainly because of the costs incurred by the government while facilitating auction. The cordycep traders / bidders too felt that business should be liberalized without government intervention. Under this mode, the Department of Agricultural Marketing and Cooperatives (DAMC) announced the starting of the marketing period, after which buyers and sellers met and did their business accordingly.

Unfortunately, the DoFPS found it difficult to get and maintain proper records of the transactions leading to one of the lowest realization of royalty that particular year. Many collectors also felt that auction is better since the system is transparent and more competitive and they got better prices.

Auctioning by FCBL:

Based on the preceding year's experience, the government reverted

back to the auction system; but with the Food Corporation of Bhutan (FCB) as the service provider- mainly considering their experience in auctioning of other RNR produce. The FCB charged 0.65% of the final bid value for their service while the royalty amount remained same.

Though the system was worked, most of the Local Government leaders felt they could provide this service. The advantage is that they can retain the service charge within their administration to be used for development work.

Auctioning by Local Government Administration:

Prior to the auctions, the DAMC conducted trainings for the local leaders on auctioning process, issuance of transaction documents and developed guidelines for cordycep marketing.

Since 2013, there hasn't been a major change on the mode of marketing, though minor changes were made constantly based upon the growing experiences. One major change

was to permit the collectors to sell their ware at which ever auctioning location they preferred – since they were of the opinion that in some auction locations, where there were a limited number of bidders, they colluded to keep prices low.

Processes involved in current system:

a. Collection:

Currently, three members from the any household in the cordycep collection Gewog are issued with permits allowing them to collect cordyceps. The collection period is usually restricted for one month keeping sustainability in mind. The respective Forestry officials are present for the entire harvesting period conducting regular patrolling functions. Apart from ensuring proper harvesting methods, they in coordination with the respective local government officials ensure that the harvesting sites are not littered. Once the collection period ends, the designated forestry officials weighs/counts the cordycep collected



Harvesting Cordycep

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Cordycep marketing system



Grading of cordyceps at auction site

and issues “Certificate of Origin” authenticating the legality of each collection.

b. Marketing:

After the collection period is over, the DAMC in consultation with Gewog Administration and other stake holders decides the venue and dates for cordycep auction. Interested bidders registers with the department in advance. The dates and venue for cordycep auctioning are informed through broadcast, radio and print media. The auctioning process stretches over a period of a month, and usually starts from western part of bhutan and ends in the eastern part.

The collectors need to produce Certificate of Origin (CO) during auction; following which their product is registered for auction. The Forestry officials make sure that, the quantity reflected in CO matches with the quantity declared at auction –though small variations are permitted as a result of weight loss.

The collectors then have the option to either participate in auction or sell directly. If they participate in the auction, the cordyceps are categorized into different grades by a committee comprising of officials from BAFRA, DAMC, Gewog

Administration and Exporters.

Goods are auctioned based on their grades, but after auction, the collectors are given the option, whether they want to sell at the offered price or explore alternative markets. If they decide to sell, then the buyer pays the price and other related charges such as royalty and service charge. In the event, if the collector decides otherwise, they are still liable to pay the royalty and service charge. They are issued with the relevant documents accordingly. They can either explore other auction locations or sell to others once they have the documents.

The collectors wishing to export directly can export only the quantity reflected in the CO. During export, BAFRA officials strictly examine quantity reflected in CO and other related documents.

The value of Certificate of Origin(CO):

One of the main objective of legalizing collection and sale of cordyceps is the enhancement of socioeconomic conditions of the people residing in mountainous border areas without much access to technology and modern amenities. However, over the years, there has been growing concern with regard

to increased number of players in the value chain. Although, the role of middlemen is vital like in any other value chains, there is concern that the increasing number of players may decrease the income for the actual collectors- thereby defeating the whole purpose of legalization.

There are reports that influential middlemen buy cordyceps right at the collection site or exchange with other goods at a minimum price and later, these middlemen participate in auction or export directly.

The government initiatives are focused toward keeping the cordycep value chain as simple as possible – and for this strict implementation of the CO regime is very critical. This will ensure the cordycep collected at the collection site is declared at the auction and not deflected elsewhere, along the chain. Realizing this, in 2016, an executive order from the MOAF was dispatched to all the respective field/ park offices for strict implementation of CO.

Nevertheless, the implementation of the CO regime is a major challenge in considering the shortage of staffs.

The success of this current marketing mode in meeting the noble Royal Government objectives is heavily dependent on one single document, and this is risky; and therefore other modes of marketing needs to be studied in the future.

With increasing literacy of the people residing in cordycep collection areas, the Royal Government hopes that the collectors will be in a position to export their own produce to the final markets deriving maximum benefit in the future, but till that time, the current marketing mode has to be followed. Nonetheless, changes and improvements have to be incorporated as we move forward, to ensure that the cordycep industry becomes sustainable and flourish, benefiting our people living in the most difficult parts of the country.



Armyworm ALERT

2018



The Extension officers and ARDCs are advised to carry out regular monitoring of the armyworm particularly in paddy nurseries and maize fields to implement control measures on time.

**If you detect armyworm outbreaks in your locality,
please contact;**

**National Plant Protection Center
at phone number: 02351016 or
email at nppcsemtokha@gmail.com.**

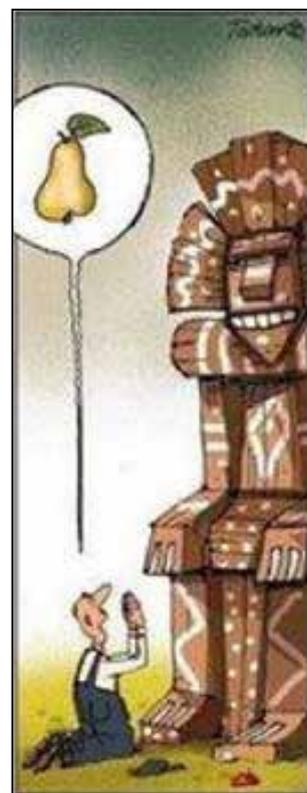
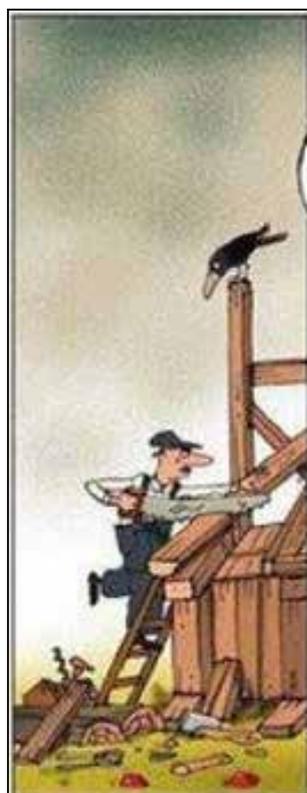
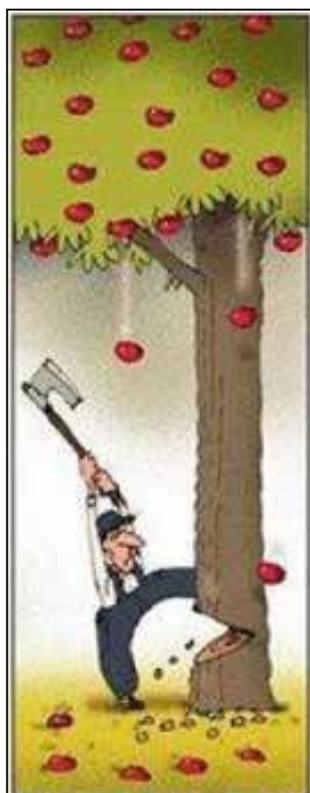
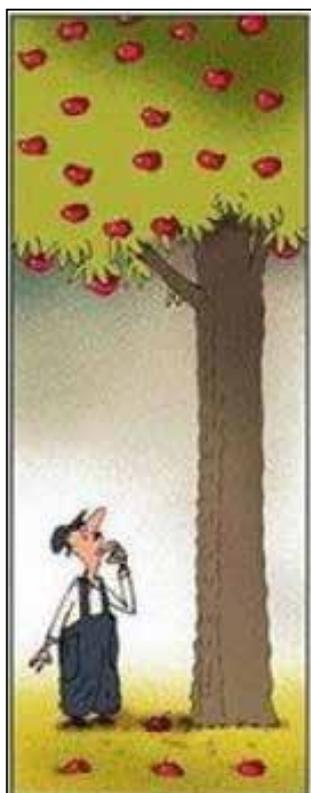
Where and when is it a problem?

The early arrival of warm dry weather followed by rain in spring is favorable for reproduction and multiplication of armyworms. Local impacts can occur every year, but significant damage only occurs when there are severe outbreaks. Such outbreaks, when large numbers of larvae move from field to field voraciously feeding on foliage, can occur every several years but are typically quite localized. They are difficult to predict.

Why is it a problem?

Armyworms can cause heavy losses to rice nurseries, with caterpillars destroying seedlings. They also attack rice and maize fields and, to a lesser extent, barley and buckwheat. Considerable losses in rice seed can result from larvae cutting of the panicles. They are readily managed provided infestations are detected early enough.

Leisure



ePest surveillance application in google Playstore

The ePest surveillance app is android based application which is maintained by the National Plant Protection Centre (NPPC), Department of Agriculture, under the Ministry of Agriculture and Forests. The main purpose is to collect and share real-time information on pests of Agricultural crops and send data via internet. It is connected to a central server that will allow rapid data entry, collation and analysis, and makes the data reports available in real time to the participating Gewogs, Dzongkhags and Research Centres. Any desired combination of qualitative and quantitative outputs can be generated, that may be used to develop strategic pest management plans. As the system gathers and store information for any given time period, it will allow the to study the trend of pests occurrence with reference to contributing factors such as climate change and changing crop production system. The trend in pest occurrence under variable climatic conditions will enable us to develop pest forecasting and Early Warning system.

Interested Researcher or Extension official may write to NPPC (nppcsemtokha@gmail.com) requesting for the user credential..

-NPPC

Submit articles for
RNR-Newsletter
to
tandindorji@moaf.gov.bt



The Ministry's week

Animal Feed Formulation Training underway

As an effort towards building capacity of livestock development workers, the Animal Nutrition Division and National Center and Development Center for Animal Nutrition of Department of livestock are conducting a training on animal feed formulation at Jamyang Resort,

Thimphu. Training group photoThe training will cover different feed formulation techniques, including formulation of Total Mixed Ration (TMR). The field personnel shall learn how the locally available feed resources can be utilized to enhance animal production.



Ambassador of the Republic of Korea, Dhaka visits Bhutan

H.E. Mr. Ahn Seong-Doo, Ambassador of the Republic of Korea, Dhaka called on Hon'ble Lyonpo, Ministry of Agriculture and Forests as a part of his farewell visit to Bhutan. The delegation comprised of the Ambassador's spouse Mrs. Song Gu Eun and Mrs. Min-Jeong Cho, Second Secretary, Embassy of Republic of Korea, Dhaka. The delegation is in the country from March 19-23.



Yogurt production started in Sarpang

The National Dairy Research Centre, Yusipang jointly with the Sarpang Dzongkhag Livestock Sector, Rural Livestock Project (RLP) and the Regional Livestock Development Centre in Zhemgang established the Yogurt Plant at Dekiling. It will be operated by the Lothuen Om Detschen that was established in 2008 and currently has a total of 172 members. The plant was established with support from RLP

and the Department of Livestock to address constraints faced by the group in marketing their milk and milk products such as butter and datshi. With the establishment of the plant, the group now has the capacity to absorb 500 litres of milk for yogurt production to enhance group income. The group will initially market their products in Sarpang and Gelephu with hopes of future market expansion to nearby regions.



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Post Box: 1095, Thimphu-Bhutan
Tel(PABX): 02-323765/321142/322855
Fax: 02-324520
Email: ics@moaf.gov.bt
Website: www.moaf.gov.bt
