

Embarking on the Dairy Marketing Front: Batsuwong Nagzor Om Tshongdrel Detshen

Background

Bhutan, over the period, has come to realize the importance of the farmers' groups (FGs) and cooperatives (Coops) towards achieving the goal of self-sufficiency and the growth of economy. Department of Agricultural Marketing and Cooperatives (DAMC) has been continuously encouraging our farmers into forming the groups and cooperatives and this inclination is accredited to an objective to enhance the economic growth of farmers. Since then, there has been an establishment of 348 farmer's group and 55 cooperatives in the country. The registration and monitoring of the groups in the east is facilitated by Regional Agricultural Marketing and Corporative Office (RAMCO) in collaboration with Dzongkhag RNR sectors. In 2016-17 financial year RAMCO has registered 15 FGs which includes 7 Dairy marketing groups and 8 Vegetable marketing groups with financial support from Commercial Agriculture and Resilient Livelihoods Enhancement Program (CARLEP).

Group's Profile

Located in Batshuwong and Nagzor village under Orong Gewog in Samdrup Jongkhar Dzongkhag is a dairy marketing group consisting of 24 members (*18 male and 6 female*). The group is known by the name Batsuwong Nagzor Om Tshongdrel Detshen.



It is one of the 15 FGs that RAMCO in collaboration with Dzongkhag RNR Sectors formally registered under the Corporative Act of Bhutan, 2009 in the last FY through CARLEP fund support. The group was registered on 20th April 2017. The group however was initially formed on 7th May, 2015 with an objective to enhance the livelihoods of the members through mutual and cooperative assistance. The group is focused on fresh milk production and marketing. The Executive members responsible for managing and operation of the group are Mr. Dorji

Gyeltshen (*Chairman*), Mr. Dendup Tshering (*Secretary*) and Mr. Dorji Gyeltshen (*Accountant/treasurer*).

Production and Marketing

The group on an average produces 93 litres of fresh milk daily and 2,400 liters per month. The group markets fresh milk to Samdrup Jongkhar town and Daranga, Assam, India at Nu. 45/litre. The members are paid Nu.30/ litre and Nu.8 /litter is saved in the group saving (*after deducting Nu.1500 per month for the executive members*) and remaining Nu.7 per litre is paid as transportation cost. On an average each farmer earns a gross income of Nu. 34,750 per month. The members make a monthly gross income as high as Nu. 57,000 while at the lower end earn Nu. 12,500 from the sales of fresh milk by the group. As of August 2017, the group has saving to the tune of Nu. 3,25,689 in their common saving account with Bhutan Development Bank Limited (BDBL). At the time of commencement, every member contributed Nu.500 as an initial capital share. Besides, the members also contribute Nu.100 as monthly group saving in the group account.

As per the members, some of the benefits they reaped following the formation of the group are;

- Financial stability emanating a sense of security and satisfaction.
- Reduction of post-harvest and marketing expenditure and enhanced bargaining power attributed to collective approach in the group.
- Developed a sense of belongingness and further propelling to make necessary investments towards realizing the group's objective.
- Members are able to contribute financially towards social cause and welfare in the community.

Way forward

The group is looking forward to buying improved cattle breeds and develop pasture land by leasing the government reserve land. To sell milk independently and directly to Samdrup Jongkhar they have a plan to purchase milk marketing van. The group also plans to diversify their product in to butter, cheese, ice cream and yoghurt. The Chairman stated, *"Now that we have understood the importance and benefit of group, we feel motivated and energetic. We want to sustain and progress every day and will work for it."* Dzongkhag livestock sector has been pivotal in the success of the group by providing necessary technical backstopping in production, equipment and training.

Need for further support

Considerably, the group is functioning satisfactorily with quite a production volume and identified markets. The group has potential to prosper provided their capacities in production, post-harvest handling and marketing is enhanced. Further, the group in foreseeable future has plans to procure/ source improved cattle breeds which eventually will result in group experiencing an upsurge in production volume. The CARLEP can weigh the possibilities of building capacity of the group especially the executive members on aforementioned subject plus can also look into providing training on good milk processing practice led by RLDC and

Dzongkhag Livestock Sector. Additionally, the programme can also aid the sourcing of improved cattle breeds for the group and the pasture development along with some dairy equipment as it is observed that the equipment available with the group doesn't suffice the actual requirement.

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