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མི་ནམ་ཚོང་ལྷེལ་དང་མཉམ་ལས་ཚོགས་སྡེ་ལས་ཁུངས།
Ministry of Agriculture & Forests
Department of Agricultural Marketing & Cooperatives
Thimphu: Bhutan



DAMC-MDD-05/2021-22/71

3rd March, 2022

Dasho Dzongdas
Dzongkhag Administrations
20 Dzongkhags

Subject: Implementation guideline for Incentive Scheme for Market-led Production of RNR commodities, 2022

Dear Dashos,

The Ministry of Agriculture and Forests is pleased to forward the implementation guideline/document on incentive scheme for market-led production of RNR commodities, 2022. It may be noted by Dashos that the past buy-back scheme (Ginger buyback being the last one) is herewith replaced by this scheme.

The implementation of our buy-back scheme in the past has been instrumental in keeping the spirit and encouragement of production by the farmers, however, the need to refine it towards reducing compensation losses for the government, discouragement through low buyback price offer for prioritized commodities and effect on market distortion has long been felt.

The scheme with broader scope incorporating features of crop prioritization, charter of clear implementation modalities and enforcement through better Dzongkhag decentralized mode under Dzongkhag Administration has been proposed and approved by the government. It may be noted that the scheme is to be implemented by the Dzongkhags under the direct supervision of Dashos with ownership, authority and accountability while the Ministry shall confine its role in issuing of implementation guidelines to the Dzongkhags, setting of Incentive Scheme Price (ISP) through task force, facilitation of budget release to the Dzongkhags and monitoring of the implementations as may be required.

The scheme is aimed at incentivizing farmers to promote production of RNR commodities that contribute towards achieving national food security, have better nutritional value, have potential for higher incomes to farmers, and enhance import substitution and export promotion. The scheme is to compensate farmers, at a pre-determined price, should there be no demand for RNR commodities produced or the prevailing market price is less than the cost of production. The scheme is to address market distress and market failure situation with provision of necessary incentives.



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The implementation guideline document of the scheme with ISP (as in Annexure-4), approved by the government, is being sent for necessary implementation whenever necessary. Should there be any assistance required from our side, Dashos may kindly let us know and this is being sent in anticipation of your continued support and cooperation as always, please.

With best regards.

Yours Sincerely,

(Thinley Namgyel)
SECRETARY

Copy to:

1. Hon'ble Sanam Lyonpo, MoAF for kind informaton
2. Director General, BAFRA, MoAF for information and necessary support
3. Director, DAMC, MoAF, Thimphu for necessary action
4. Director, DoA, MoAF, Thimphu for necessary action
5. Director, DoL, MoAF, Thimphu for necessary action