



Cordyceps Auction Report 2019



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Introduction

Cordyceps (*Ophiocordyceps sinensis* – *Yartsa Guenbub*) is found growing naturally in the high lands of seven districts of Bhutan: Paro, Gasa, Thimphu, Wangduephodrang, Bumthang, Lhuentse and Tashi Yangtse, covering nine (Kazhi, Dangchu, Gangtey, Sephu, Chokhor, Bomdeling, Tshento, Soe, Naro Khoma, Laya and Lunana) growing gewogs. It is considered as one of the most significant high value and a source of major revenue earner amid the non-wood forest products (NWFP) sold commercially both in domestic and international markets.

In Bhutan, Cordyceps is marketed through open auction that is being facilitated by local government and various other agencies of the Ministry of Agriculture and Forests, basically to create transparent and conducive environment for both the parties (Sellers and Buyers). Each year prior to commencement of trading, representatives from relevant agencies and stakeholders such as, collectors (sellers) and exporters meet to discuss on strategic planning for the cordyceps marketing besides finalizing the dates, auction sites and other documentation etc.

The cordyceps auction was conducted in ten different locations. For the first time, the auctions were carried out following the new Cordyceps Auction Guideline 2019 and Common Standard of Quality for Cordyceps, 2019.

Overall auction figures

Based on the resolution of cordyceps stakeholders meeting, this year the auctions started from July 22nd and continued till August 22nd 2019. There were thirty-eight bidders registered with DAMC and participated in the various auction sites. As per the record from Gewog Administrations, 3294 permits were issued to eligible cordyceps collectors and it was noted that only 3280 collectors brought their cordyceps for auction.

The auctions sold about 356 kilograms of cordyceps, followed by withdrawal of 80 kilograms which aggregated to a total of about 436 kilograms declared at the auction sites. From among cordyceps growing gewogs, Dangchu gewog, Wangduephodrang, recorded the highest collection of about 145 kilograms, while Kashi gewog was the lowest with 0.77 kilogram. The highest bid recorded was Nu. 2.04 million per kilogram for Lunana gewog and lowest Nu. 0.251 million per kilogram at the same auction site. Overall, the revenue generated through sales of cordyceps through auction was about Nu. 221.90 million. Similarly, the royalty from the cordyceps in 2019 was about Nu.3.66 million. The details of the auction are presented in the Table 1 given below.

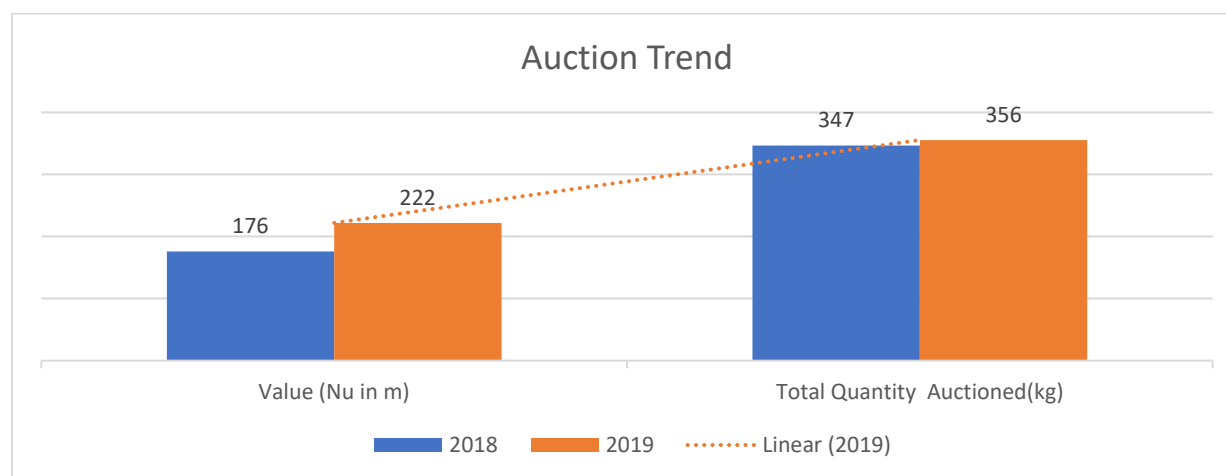
Table:1 Cordyceps Auction Detail

| S/N | Auction Venue | Highest Bid | Lowest Bid | Auction (gm) | Withdrawal (gm) | Total (gm) | Royalty (Nu) | Total Auction Transaction (Nu) |
|-----|--------------------------------|-------------|------------|----------------|-----------------|----------------|------------------|--------------------------------|
| 1 | Kashi | 803,000 | 350,000 | 492 | 274 | 766 | 6,434.40 | 131,303 |
| 2 | Dangchu | 996,000 | 332,000 | 144,495 | 388 | 144,883 | 1,216,899.60 | 97,942,720.29 |
| 3 | Gangtey | 1,100,000 | 366,000 | 38,504 | 2,907 | 41,411 | 347,852.40 | 23,580,131 |
| 4 | Sephu | 1,900,000 | 355,000 | 90,576 | 13,599 | 104,175 | 873,314.40 | 50,243,990 |
| 5 | Tshento | 661,000 | 370,000 | 2,636 | 133 | 2,769 | 23,259.60 | 139,242 |
| 6 | Yangtse (Lhuentse & Bomdeling) | 505,000 | 255,000 | 2,571 | 2,531 | 5,102 | 42,856.80 | 798,003 |
| 7 | Gasa (Laya & Lunana) | 2,040,000 | 251,000 | 18,131 | 35,095 | 53,226 | 447,105.96 | 11,501,597 |
| 8 | Kawang (Lingzhi & Naro) | 825,000 | 371,000 | 7,879 | 979 | 8,858 | 74,407.20 | 4,035,584 |
| 9 | Bumthang | 1,855,000 | 370,000 | 50,291 | 24,139 | 74,430 | 625,212.00 | 33,535,705 |
| | Total | | | 355,575 | 80,045 | 435,620 | 3,659,208 | 221,908,275.29 |

Trend

The figure below shows the auction trend of cordyceps auction in value and quantity for the past two years.

Figure 1: Auction Trend



Comparing with the records of 2018 auction report, 2019 saw slight increase both in terms of volume (2.59 %) and value (26.13%).

Discussion and Recommendations

The newly introduced Common Standard of Quality for Cordyceps, 2019 could not be implemented in most of the auction sites, owing to insufficient awareness of BAFRA officials with the new standards. A committee comprising members from different stakeholder has categorized the produce into different grades, as was done in the past years. A proper color chart that distinguishes different category of grades, will be useful in classifying the produce into different grades. *Action: DAMC to provide color chart of Cordyceps Standards.*