

Exploring the export potential of Nepalese pork and dairy products to Bhutan

Context

Samarth-NMDP, through its various sectors, has been striving to develop sustainable rural markets for the poor, as well as catalyzing high level production among smallholder farmers through better inputs and adaption of newer technology. Now it aims a step further. With an objective to create a bigger market through exporting local products, it is now exploring agribusiness opportunities to export such products with its neighboring nations.

Samarth-NMDP in partnership with the Nepal government, organized a government level visit with the Bhutanese government to discuss trade opportunities between the two nations. With the local economy dwindling due to the earthquake, the political embargo disrupting the already existing markets and the importance of exporting goods a key factor for a sustainable economy, this bilateral trade talks with the Bhutanese government is a step towards opening doors to better opportunities for future growth.

Bilateral trade talks with Bhutanese government

A government level delegation headed by the Joint Secretary of the Ministry of Industry of Nepal along with Samarth-NMDP livestock team visited Bhutan from December 6th – 13th to hold bilateral trade talks to explore new agribusiness opportunities for Nepalese products of mainly pork and dairy products.

The key factors of this bilateral trade meet was to address international trade challenges and identify bilateral trade bottlenecks between the two countries including customs procedures, tariffs, transportation and informal barriers en route India.

The delegation held meetings and discussions with various government agencies including Ministry of Agriculture and Forests, Department of Livestock, National Dairy Development Centre, Bhutan Agriculture and Food Regulatory Authority and Bhutan Chamber of Commerce and Industry among others.

Outcome

- Bhutanese government and the private sector is now aware about Nepal's progress in cattle improvement, hygienic pork production, diversified dairy products and good quality milk which can be exported to Bhutan.
- Bhutanese government and the private sector is now aware that import of quality pig and dairy products from Nepal is much more time and cost effective and considers it as a better alternative to the monopoly of Indian imports.
- Bhutan Agriculture and Food Regulatory Authority has shown interest on harmonizing their food quality standards with Nepal's DEFTQC standards to ease imports.
- Bhutanese Department of Livestock and their National Dairy Development Centre has shown interest in importing Nepalese high breed cattle.
- The secretary of Ministry of Agriculture and Forests of Bhutan and our Joint Secretary of Ministry of Industry highlighted the need to implement BBIN (Bhutan Bangladesh India Nepal)

trade agreement for easy flow of transportations between the countries. This issue to be raised by both secretaries for discussion in the upcoming SAARC summit.

- The chamber of commerce assured that there will be no problems in trade between both the countries. Bhutan's chamber of commerce has an MoU with Lalitpur Chamber of commerce and provided key contacts for supporting our exports to Bhutan.
- YBC and 8 Eleven Chain of Department stores showed interest in importing processed meat products from Nepal.
- YBC, Zimdra foods and Bhutan Milks showed interest in importing fluid milk from Nepal.
- Diversified dairy **Nepalese** products like cheese, paneer and chhurpi are quite new to Bhutan and so the Bhutanese importers are hesitant to import it. A sample batch will be exported to Bhutan to test the consumer reaction towards these products.
- Bhutanese government and importers are aware about Nepalese pig quality and time saved in importing pig carcass from Nepal.
- Government and private traders in both countries have agreed to follow up on this visit and maintain regular communications to discuss common opportunities and challenges.

After-visit developments

The Nepali delegation team projects to export both pork and dairy products by the first quarter of 2016 on the occasion of their annual trade fair. Samarth Dairy team has already identified two processing plants through dairy processors in the East, through which milk will be processed and exported to Bhutan. Samarth is also working on inviting the butchers/ pork importers from Bhutan as well as Jai gaun, India – en route to Bhutan – to observe the operation of our slaughter house to check the quality of our pork for themselves.



Meeting with Bhutan Agriculture and Food Regulatory Authority (BAFRA)



Meeting with Tashi Samdup, Director General of the Department of Livestock in Thumpu, Bhutan



The joint secretary of the Ministry of Industry presenting the Nepalese dairy product to the Secretary of Ministry of Agriculture



A Nepali pork processor showcasing her pork products to a Bhutanese importer



Market players of Nepal and Bhutan interacting with each other



Nepalese delegation with the DLS team of Bhutan