

# Reforming the Renewable Natural Resources Sector

*A Perspective of a Retiree*

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## Unsustainable Food Imports

The pandemic has clearly demonstrated the need for food self-sufficiency in Bhutan. Our monarchs have repeatedly stressed the importance of food self-sufficiency for a small, landlocked country. The Ministry of Agriculture and Forests (MoAF) has done well in adapting appropriate agricultural technologies to date.

Development partners, especially specialised international research centres such as the International Rice Research Institute (IRRI), International Potato Centre (CIP), International Food Price Research Institute (IFPRI), and the International Centre for Research on Maize and Wheat (CIMMYT) have also made invaluable contributions to our agricultural policies.

The weak link has always been the marketing of Renewable Natural Resources (RNR) products and a lack of the use of appropriate and enabling fiscal and monetary policy instruments. Today, the most common complaint of farmers -- aside from wildlife damage to their crops -- is the lack of markets for their products. They can produce what the nation needs even in our difficult conditions.

The predominantly subsistence orientation of the farmers, who treat their livelihood more as a way of life than as a business, has stalled the commercialisation of agricultural production. More importantly, the burgeoning imports (see graphs at the end of the article) of relatively low-priced food items from outside has been a major disincentive for Bhutanese farmers, whose costs of production are much higher on account of farm labour shortages and a limited scope for mechanisation and agro-processing.

Given the need to protect urban consumers from rising food prices, the governments in the past have not used the necessary fiscal and monetary policies to compensate for the inability of Bhutanese farmers to compete with imported products. Default policies have tended to be biased against Bhutanese farmers and in favour of liberal imports. This has resulted in a huge trade imbalance and the rapid decline in food self-sufficiency.

### **Transformation of the RNR Sector with a Pro-farmer Food Policy**

Thanks to lessons learned in 2020, the time is right to transform the RNR sector into an engine for sustainable green growth, using all available means to enable our farmers to produce, as well as to market their products, and meet the national demand for affordable, nutritious, and safe food for all citizens at all times. The starting point would be the formulation of a pro-farmer food policy and concomitant strategy, after consultations with our farmers throughout the country.

### **RNR Census Using Internationally Comparable Methodology**

The strategy and plan should be based on facts. Sufficient time should be taken to collect the necessary information through an RNR census, involving the complete enumeration of all farming households. The financial and technical support of our development partners could be utilised.

A full year of painstaking data collection would be needed to cover all the seasons. The National Statistics Bureau (NSB), as the statistical authority in Bhutan, would conduct the RNR census with support from MoAF and other agencies, such as the Ministry of Education, local governments and youth organisations.

The period could also be used to design -- and train farmers to use -- an online RNR management information system that is real-time and based on inputs through smartphones. So in the future, censuses would not be necessary, as the information could be updated daily and used by all stakeholders for planning and operational purposes.

### **An Agricultural Transformation and Food Sovereignty Act**

The final policy -- strategy and action plan -- should be translated into an Agricultural Transformation and Food Sovereignty Act in late 2022, to be

implemented over a period of eight to ten years. A bold new agricultural policy for the future, aimed at securing a sustainable and economically viable agri-food system in Bhutan, should be backed by the necessary legislation to nurture and protect our farmers for some years, until they graduate from subsistence farming to commercial production systems with integrated value chains. We cannot ensure access to affordable, safe and nutritious food for all Bhutanese if the present default anti-farmer policies are not altered in favour of our farmers.

Whilst in the past, food self-sufficiency and sovereignty were important considerations only in times of war, we now know that other factors also warrant food self-sufficiency prioritisation. Climate change and natural disasters are in the offing, and Bhutan would do well to be prepared for such situations, in addition to COVID-like challenges and disruptions to open trading systems. This is a challenge but also a golden opportunity to finally bring our farmers -- especially the youths -- into the mainstream of our economy, and redress some long-standing biases against agriculture and farmers.

### ***Gewog* RNR Co-ops, *Dzongkhag* RNR Co-ops and a National Farmers' Corporation of Bhutan (NFCB)**

The best solution may be to establish RNR co-operatives in each *gewog* with each farming household as shareholders. This would be a logical add-on to People's Democratic Party's "wangtshe chirpel" (decentralisation) and Druk Nyamrup Tshopa's "narrowing the gap". These *gewog* co-operatives could collectively constitute the *dzongkhag* level RNR co-operative, and the sum of the *dzongkhag* co-ops would constitute, at the national level, the apex NFCB. The NFCB could be given the overall responsibility to coordinate, plan, produce and market farm products for the domestic market, as well as exports of RNR products.

Such a farmer-owned and managed entity, in close league with the MoAF, could be given some of the responsibilities and resources that the MoAF currently controls. It could also replace the FCB. The co-operatives would work closely with local governments -- or be an integral part of local governments -- but operate strictly in accordance with corporate principles. They could become the backbone of the private sector in Bhutan. The

Consumer Protection Department in the Ministry of Economic Affairs could provide the needed counter-balance on behalf of consumers.

## Deepening Democracy at the Grassroots Level

A truly farmer-centred approach would make them shareholders and give them democratic rights in the governance of their co-operatives. The deepening and furthering of democracy amongst the vast majority of the Bhutanese population, beyond the national and local government elections, would be a positive externality of the new policy. The anti-agriculture biases<sup>1</sup> in our legislation and policies could be removed for the benefit of our farmers, and their determination to fulfil the national goal of attaining food sovereignty by 2030.

## Opportunities for Rural Youths

Youths could play a critical role in the agriculture census and in the operation of the modern RNR co-operatives at the *gewog*, *dzongkhag* and national levels. They can become key players in a modern digital-based RNR co-operatives system using technology for production, such as e-agriculture, marketing, processing, transport and trade. The Royal Securities Exchange of Bhutan's commodity exchange system that is already operational and profitable, can overcome the disadvantages of physical auction yards.

## Conclusion 1

First, conduct a comprehensive RNR census to generate accurate data/evidence and prepare the ground for the launch and implementation of a bold new RNR Sector Transformation and Food Sovereignty Act, with a coherent agricultural policy, strategy and operational plan. It should be strategic, tactical and evidence-based.

The future agri-food system may best be managed by farmer-owned co-operatives, which will create a network of integrated logistics centres. The detailed planning for such a new agri-food system should be based on a well-designed and carefully conducted RNR census.

<sup>1</sup> To cite an example, the bias against agriculture exists in the form of duties and taxes on imports of agriculture inputs and an overvalued Ngultrum which tends to hurt Bhutanese producers in two ways. If the Ngultrum were to be devalued, Bhutanese farmers whose products are exported would receive more Ngultrums for their produce and imports such as rice would also be more expensive in terms of Ngultrums thus giving Bhutanese farmers a certain degree of protection.

Extensive consultations with farmers will ensure that the new strategy and plan are doable and understandable to the farmers when it comes to implementation. The structures and groups formed and capacitated during the RNR census would be the basis for the sound implementation of the operational plan during the roll-out. Census investigators could be selected on the basis of their likelihood to take up key jobs in future co-operatives in a particular *gewog*.

The RNR census would be an investment and capacity development phase, during which detailed plans could be formulated for each *gewog*, *chiwog*, and village, primarily by the farmers themselves with the aid of specialists, such as agronomists, farming systems economists, horticulturalists, marketing specialists, veterinarians, dairy and poultry experts, as well as post-harvest and agro-processing professionals.

## Conclusion 2

Act now to secure food sovereignty by 2030. Bhutan can decide to aim for attaining food sovereignty by 2030, and be in tandem with the UN Agenda 2030: Sustainable Development Goals. As His Majesty the King has pointed out on various occasions:

“...it is high time, we take the right decision at the right time!”

A decision on such a crucial national goal need not await the end of COVID-19. If the decision is taken to conduct the RNR census, we could immediately employ at least 205 graduates with the right attitude, background, and outlook for about 10 to 18 months, with the possibility of being employed in the same *gewog* where they are deployed as chief investigators for the census. They would be trained, exposed to rural life, and may even be spared a shady life in the Middle East or a laborious future Down Under (Australia).

I am sharing this personal perspective with the hope of receiving some feedback, and stimulating an open and productive conversation on the most fundamental sector. The RNR sector is vital to our national security, sovereignty and prosperity.

### Food Imports

