

**Royal Government of Bhutan**

**Ministry of Agriculture and Forests**



**Rules & Regulations for Collection/Harvesting and  
Marketing of Ophiocordyceps sinensis  
for 2011 Season**

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*By*

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## ***1. Background:***

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As resolved in the stakeholders workshop on devolution of cordyceps auction held on 31<sup>st</sup> March to 1<sup>st</sup> April 2011 in Thimphu, the marketing of cordyceps in 2011 season will be done in “direct buying and selling” mode. Though the Geog and the community will play the lead role in ensuring sustainable management of the resources and its profitable marketing, the participation & collaboration of numerous stakeholders will be necessary. The main stakeholders involved are geog administration, public/collectors, Department of Forest & Park Services (DoFPS), National Post Harvest Center (NPHC), Department of Agricultural Marketing and Cooperatives (DAMC), Bhutan Agricultural Food Regulatory Authority (BAFRA), Geog RNR staff and the security personnel.

To ensure smooth functioning of marketing of cordyceps and also to contribute towards its sustainable management, **this rules and regulations** shall be referred and adhered to by all the stakeholders. This rules and regulations will supersede the rules and regulations of 2010.

## ***2. Definitions:***

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- 2.1 Gup means the geog administration.
- 2.2 Business Transaction Document (BTD) means the letter issued by the Gup against purchase of cordyceps from the seller.
- 2.3 Buyer means the registered exporter and the trader.

## ***3. Permit:***

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- 3.1 Permits for collection of cordyceps will be issued by the concerned Gups.
- 3.2 A permit fee of Nu. 250 shall be collected for each permit issued. The revenue generated shall be deposited in the Geog CD account and utilized for activities related to it after obtaining endorsement from the Geog Yargye Tshogchung. However, if the Geog has a cordyceps groups/cooperative, the same shall be deposited in the groups account.
- 3.3 The entry and exit routes to be followed by cordyceps collectors should be noted on the permit.

## ***4. Royalty:***

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- 4.1 A sum of Nu. 7000.00 (seven thousand) or 10 % of the buying cost per kilogram of cordyceps whichever is less shall be charged as Royalty to the Buyer.
- 4.2 Buyers will pay the royalty to the Department of Forest and Park Services

## ***5. Information Sourcing:***

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5.1 The Gups shall maintain record of the cordyceps collected and transaction data of each collector that has been issued with the collection permit. The information shall be circulated to relevant agencies at the end of each business season.

## ***6. Harvesting/Collection Rules:***

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- 6.1 Cordyceps collection is strictly restricted to one month time period.
- 6.2 Depending on local situations, Gups in consultation with the area Divisional Forest Officer (DFO)/Park Manager (PM) shall fix the start date for Cordyceps collection for each season although the harvesting end date shall not be extended beyond June end. The period determined by the concerned Geogs will be submitted to the nearest Department of Forest office (Range Office/ Divisional Forest Office/ Park Office).
- 6.3 The soil should be replaced after the collection of Cordyceps and one must ensure that there is minimum damage to the surrounding area.
- 6.4 Collection of other medicinal plants is strictly prohibited.
- 6.5 No collector will revisit the harvested site twice.
- 6.6 An awareness campaign will be organized by the SFD, DoFPS on Cordyceps collection and management. The training and awareness campaign will be carried out before the issuance of Permits. The concerned Gup or the representative will implement these collection/harvesting rules.
- 6.7 The hand picking method of harvesting shall be followed and use of tools shall be discouraged.

## ***7. Eligibility for Harvesting of Cordyceps:***

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- 7.1 The following categories of people are eligible for collection/harvesting of Cordyceps.
- 7.1.1 Residents of the high altitude villages who have their thram registered in the Geog administrations concerned.
- 7.1.2 The people are either fully dependent on high altitude tsamdrosks or have registered tsamdrosks which are being used for raising yaks.
- 7.1.3 Absentee yak herders, who own yaks and tsamdruk but residing in the lower valleys.
- 7.2 Only up to 3 persons from each household falling under clause 7.1 are eligible for Cordyceps collection.
- 7.3 Harvesting of Cordyceps will be allowed only within their administrative jurisdiction.
- 7.4 The Gup will verify the applications and issue permits for collection. A permit should bear the name and official seal of the Gup.
- 7.5 Special consideration will be accorded on a case-by-case basis.

## **8 *Garbage Management:***

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- 8.1 The concerned Gups will assign camp leaders to ensure proper management of garbage.
- 8.2 The camp leaders should ensure that the camps are cleaned after the harvesting season.
- 8.3 A fine as per the Forest and Nature Conservation Rules 2006 should be imposed to those who are found littering the camp site with plastics, bottles and papers.
- 8.4 The camp leaders should ensure that all plastics, bottles of any kind, jerry can that were used in the camps are brought back to their respective homes after the collection season.
- 8.5 A garbage pit should be dug for disposing the organic matter and papers should be burnt.
- 8.6 A one day cleanup campaign by the collectors should be conducted around the camp sites in order to make sure that the camp sites are cleaned. The camp leaders and the forestry monitoring teams should impose fine as per the FNC rules 2006 to those individuals who are found to be leaving the camp without cleaning the camp sites.

## **9 *Direct Buying and Selling Rules:***

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- 9.1 Business transactions shall be coordinated by the Gup or the representative at the designated location and the specified time frame.
- 9.2 A seller wishing to conduct business elsewhere shall be allowed upon obtaining a transit permit from DoFPS and a letter/certificate from the Gup. A sale deed duly signed by the registered buyer shall be handed over to the Gup.
- 9.3 A security deposit of Nu. 500,000 (Nu. Five Hundred Thousands only) either in the form of a 'Bank Guarantee' or 'Cash' will be submitted by buyer at the time of registration with Department of Agricultural Marketing and Cooperatives.
- 9.4 Buyers shall be issued an identity card from DAMC after depositing the security guarantee.
- 9.5 Mode of business transaction shall be carried out on cash and carry basis.
- 9.6 A BTD indicating sale and receipt shall be issued by the Gup/Representative. The BTD shall bear the name and official seal of the signatory.
- 9.7 The copy of BTD shall be retained with Gup and BAFRA office at the exit point.
- 9.8 The BTD in original must be carried by concerned parties at all times and produced on the demand by concerned officials. Failing to do so, will lead to seizure of goods.
- 9.9 Collectors/harvesters can sell Cordyceps at any specified location within the given time. Any sale at the harvesting area shall be considered illegal.
- 9.10 Registered buyer can depute/authorize his representative to participate in the business transaction, subject to verification and endorsement by the concerned Gups.
- 9.11 Trading of cordyceps with unregistered buyers & foreigners are not permissible. The defaulter shall be dealt as per the penalty specified under Forest and Nature Conservation Act and other relevant laws of the country.

- 9.12 If registered buyers are found to be involving themselves in formation of syndicate/cartel to take undue advantage of the sellers, they will be dealt with according to the laws of the Kingdom.

#### ***10 Role of Buyers:***

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- 10.1 Buyers should intimate packing site and date to BAFRA.
- 10.2 Buyer shall submit application form for Export Certificate in advance to BAFRA along with a letter of recommendation to authenticate the Exporter's identity from BCCI.
- 10.3 The buyer shall produce the verified BTD along with the inspection report to the relevant BAFRA Office to obtain Export Certificate for the consignment.
- 10.4 The Consignment along with the Export Certificate is required to be presented to the BAFRA Officials at the Exit point, who will then inspect the package/consignment for any tempering. If found tampered, the package/consignment will be opened for inspection to confirm the authenticity of the goods and quantity as prescribed in the Export Certificate. This is also to prevent the export of restricted goods as specified in the RNR Acts.

#### ***11 General:***

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- 11.1 All exports through any means should be accompanied with Export Certificate failing to which shall be considered illegal.
- 11.2 Export rules/procedures will have to be followed even while sending samples.
- 11.3 No Department/agency will be responsible for compensation nor will grievances be entertained for not being able to sell/export Cordyceps.
- 11.4 For Bio-Bhutan and other alike enterprises, where customer can purchase cordyceps from retail outlets, a cash memo will have to be produced at the airport/exit point; upon which a certificate will be issued. All procedures required by BAFRA will have to be met by the incumbent individual/company before products are supplied to retail outlets. A list of all shops to which Cordyceps have been supplied for retail sale will have to be provided to BAFRA.
- 11.5 In case, the amount of cordyceps brought for inspection is more than what is indicated in the BTD, the excess shall be considered illegal and surrendered to the concerned authority for further necessary action.
- 11.6 All concerned parties shall follow the **implementation guidelines for collection/harvesting and marketing of cordyceps for 2011 season.**

#### ***12 Monitoring and security services:***

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- 12.1 The DFO/PM or any forest personnel authorized by a competent authority will carry out monitoring of collection/harvesting of Cordyceps.
- 12.2 The DFO/PM and the Gup concerned shall constitute a monitoring team comprising of forestry personnel and members of the local community during and after Cordyceps collection/harvesting season.

- 12.3 Forestry personnel shall not camp at the same sites occupied by certified collectors to ensure proper monitoring of illegal collectors.
- 12.4 The concerned DFO/PM shall issue transit permits to facilitate movement of Cordyceps from one location to another.
- 12.5 The concerned Gups and the local authority will be responsible to enforce and ensure compliance to the above mentioned rules by the collectors.
- 12.6 The Gup and the community shall be responsible to apprehend any foreign poacher and accordingly inform the nearest Forest Office. Failure to which, shall be treated as an offence under the Law.

### ***13 Penalty:***

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- 13.1 Violation of any of these rules will be treated as an offence and will be dealt as per Section 28 of the Forest and Nature Conservation Act 1995 and Forest and Nature Conservation Rules 2006 which include:
  - 13.1.1 Confiscation of anything illegally taken or proceeds from the sale thereof,  
or
  - 13.1.2 Payment of compensation at fair market value or according to the schedules of compensation fixed by the Ministry from time to time.
- 13.2 Continuous violation of rules will result in suspension by the Royal Government of harvesting/collection rights and imposition of section 38 of Forest and Nature Conservation Act 1995.
- 13.3 If a bonafide collector holding a permit commits an offence, the materials will be seized which will be released only on the payment of a fine of 100 percent of the fair market value and 200 percent on the second offence. If the offence is repeated for the third time, a fine of 300 percent will be imposed with the confiscation of the materials. Besides the individual will be disqualified from collection/harvesting of Cordyceps in future.
- 13.4 If any unauthorized individual commits an offence, the materials will be confiscated with a fine of 100 percent of the fair market value. 100 percent incremental fine will be imposed on repeated offences with the seizure of materials.

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