



COOPERATIVES IN BHUTAN

ToT on Climate Change and Action for Women Cooperators in Thimphu, Bhutan, 2024

Contribution of cooperatives to Bhutan's economy

- 122 cooperatives in Bhutan.
- 711 farmer groups in Bhutan.
- 17,334 members in cooperatives and farmer groups.
- 264 individuals are employed with cooperatives and farmer groups.
- 15 cooperatives composed exclusively of women members
- Cooperatives account for 19.25% of Bhutan's economy.

Source: Department of Agricultural Marketing and Cooperatives (DAMC), Bhutan, 2024.

Did you know?

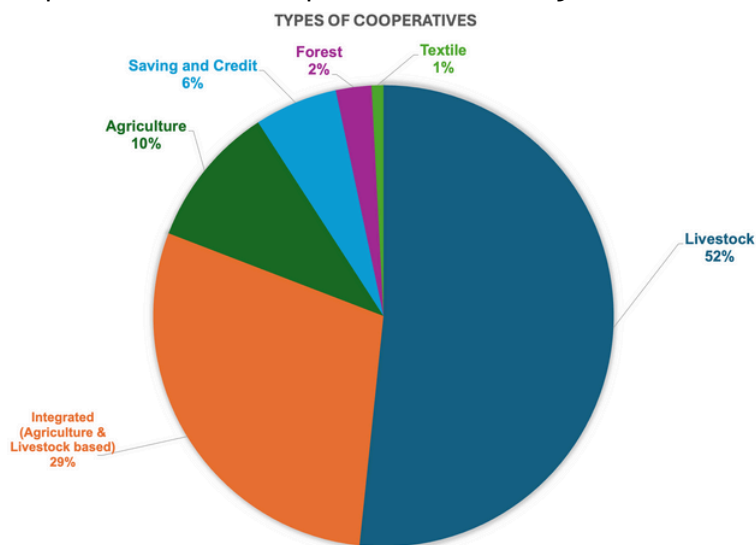
- DAMC, under Bhutan's Ministry of Agriculture and Livestock (MoAL), oversees the promotion and registration of cooperatives, ensuring they are legally recognized and structured to serve their members effectively.
- The first registered cooperative in Bhutan was the Chaskar Gonor Gongphel Nyamley Tshogdey from Mongar District, formed on November 10, 2010, with 24 members.
- The first registered farmer group in Bhutan was the Berti Community Group from Zhemgang District, established on September 13, 2010, with 22 members.
- Bhutan's 2021 Voluntary National Review (VNR) recognized cooperatives and farmers' groups for advancing SDG 2 (Zero Hunger) and SDG 8 (Decent Work) by promoting sustainable agriculture and generating rural employment.
- Bhutan's Gelephu Mindfulness City is envisioned as a zero-carbon city built on cooperative principles—where every citizen is a stakeholder—reflecting the country's commitment to inclusive, sustainable development and Gross National Happiness.
- DAMC joined the ICA as a member in 2013.

The cooperative movement in Bhutan

The cooperative movement in Bhutan emerged from traditional community-based practices and gained formal recognition in the early 2000s. Cooperatives now play a key role in rural development by supporting the Renewable Natural Resources (RNR) sector, including agriculture, livestock, and forestry, as well as sectors beyond RNR, promoting inclusion and Bhutan's vision of Gross National Happiness.

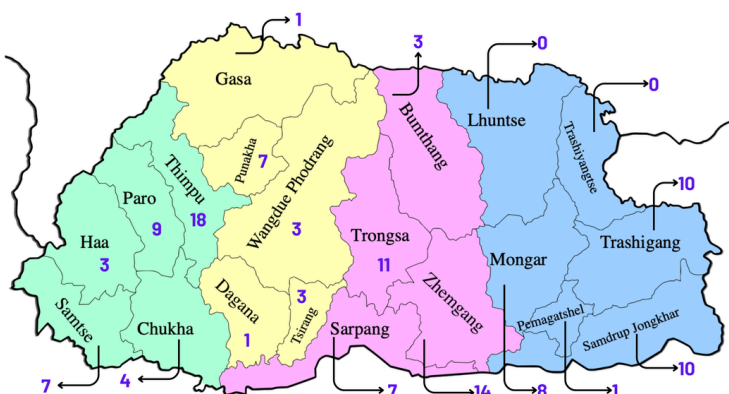
Types of cooperatives

Cooperatives in Bhutan are present in the following sectors:



Geographical presence of cooperatives

Cooperatives are established in 18 out of 20 districts in Bhutan



Evolution of the cooperative movement

→ 2001-2010

- Bhutan's cooperative spirit traces back to the 1960s, when local groups like resups (forest caretakers) and chusups (water caretakers) managed communal resources, serving as early models of collective action.
- In 2001, cooperatives in Bhutan were envisioned as institutions that serve Tsa Wa Sum, the King, the Government, and the People, reflecting their role in advancing national unity and public welfare.
- The Ministry of Home Affairs (MoHA) was designated as the regulatory authority under the Co-operatives Act of Bhutan, responsible for overseeing the registration, monitoring, and legal facilitation of cooperatives and farmers' groups.
- In 2009, the mandate for promoting and regulating cooperatives was transferred from the Ministry of Home and Cultural Affairs to the Ministry of Agriculture and Forests (MoAF).
- In 2010, the Department of Agricultural Marketing and Cooperatives (DAMC) was established under the MoAF and designated as the nodal agency for cooperative development. DAMC has since played a central role in supporting cooperative formation, capacity building, and market linkages.

→ 2011-2020

- The 11th (2013–2018) Five-Year Plan recognized cooperatives as key to Bhutan's inclusive, sustainable development, supporting self-reliance, rural livelihoods, and Gross National Happiness (GNH) goals.
- The Federation of Poultry Cooperatives of Bhutan was established in June 2013 to unite poultry cooperatives from Tsirang and Sarpang Dzongkhags, aiming to strengthen the sector and promote sustainable development.
- In 2014, the B-Coop Shop was inaugurated in Thimphu to provide cooperatives and farmers' groups with a platform to market their products directly, reducing reliance on intermediaries. Currently, there are three operational and functional Bhutan Cooperative Shops (B-Coop Shops) across the country.
- In 2021, the Bhutan Yak Federation (BYF) was established to support yak farming communities, promote sustainable practices, and advocate for policy and investment support.

→ 2021-present

- Bhutan's National Pathways for Food Systems, 2021, emphasizes strengthening farmer cooperatives to enhance value, reduce waste, and maximize returns by improving aggregation, processing, and marketing of farm produce, thereby linking smallholders to larger markets.
- SAMJONG Cooperative was established in December 2023 to unite farmers and youth entrepreneurs in Samdrupjongkhar. It drives branding and marketing of local products under the SAMJONG brand, launched earlier on June 23, 2023, to strengthen regional identity and boost the local economy.
- Over 35 farmer groups and cooperatives are supplying quality agricultural commodities to the Gyalsung Institutes under Bhutan's Royal Project, a national service initiative focused on youth engagement and community development.

Laws on cooperatives

The Cooperatives Act of Bhutan, 2001

This legislation provided a formal framework for establishing cooperatives and farmers' groups, marking a significant shift towards structured agricultural collaboration.

The Cooperative (Amendment) Act of Bhutan, 2009

The revised act emphasized cooperatives as private, member-owned enterprises, enhancing their autonomy and operational flexibility.

The Cooperatives Rules and Regulations of Bhutan, 2010

The Cooperatives Rules and Regulations of Bhutan, 2010, framed under the Cooperatives (Amendment) Act of 2009, laid the foundation for the legal registration, governance, financial management, and monitoring of cooperatives and farmers' groups across Bhutan. It positioned cooperatives as critical instruments for strengthening economic development, building social capital, and supporting Bhutan's democratic and Gross National Happiness (GNH) goals, while encouraging cross-sectoral cooperative formation beyond agriculture, into areas like tourism, finance, housing, and transport.

Key highlights of The Cooperative (Amendment) Act of Bhutan, 2009

- Requires a minimum of 15 members and formal registration with a constitution and bylaws.
- Mandates financial reporting, auditing, and surplus allocation to reserves and education.
- Assigns MoAF, restructured as MoAL in 2022, for registration and oversight.
- Ensures cooperative assets are distinct from members' and governs dissolution by law.

Cooperative landscape of Bhutan

Cooperatives across the country are playing a significant role in promoting financial inclusion, employment generation, rural empowerment, and food self-sufficiency. The success stories of cooperatives exemplify how collective efforts can lead to economic resilience, innovation, and sustainable livelihoods across Bhutan's rural communities.

Zambala Om Detshen: Journey from Farmer Group to Thriving Dairy Cooperative

Zambala Om Detshen, established in 2017 and registered in 2019, is a dairy cooperative in Neyngshingborang, Pema Gatshel, with 69 members (31 male, 38 female). The group collects 700 liters of milk daily from four villages, processing it into 35kg of butter, 650 cheese balls, and 10 liters of curd. They market 30% locally in Nganglam and 70% in Thimphu, where butter is sold for \$4.76/kg and cheese for \$3.90 per ball. The group generates \$12,195 in monthly revenue, with a net profit of \$853 after expenses. Their total retained earnings currently amount to \$48,780. Additionally, the cooperative contributed \$865 to His Majesty's Kidu Fund for COVID relief.

Members maintain 1-2 acres of fodder for year-round supply, supported by the Climate-Resilient and Low-Emission Agriculture Project (CARLEP). The project also aids in cattle shed improvements, breeding programs, and artificial insemination services to enhance milk yield and quality.



PC: DAMC

Bee Cooperatives of Bumthang: Leading Sustainable Honey Production and Empowerment



PC: DAMC

Founded in 1990 and registered in 2012, the Bee Cooperatives of Bumthang started with 104 members and now has 50 members. The cooperative specializes in honey production, collecting and processing honey from its members in Jalikhar, Dumbethang, Dhur, and other villages. Initially using local bees, honey production gained momentum with the introduction of the European species *Apis Mellifera*, boosted by buckwheat cultivation in the region. The cooperative buys honey from members at \$6.77 per kg and sells it at \$10.43 per kg. They produce an annual harvest of 15-20 metric tonnes of honey. Despite challenges like the COVID-19 pandemic, they continue to sell honey to local markets and tourism-related businesses. The cooperative supports members with loans at a 7% interest rate and has provided assistance in beekeeping equipment, training, and cattle sourcing. The cooperative is ISO certified and looks forward to expanding its market reach, both locally and internationally.

Lamgong Tsesey Yargay Detshen: Ensuring Food Security through Collective Farming

Lamgong Tsesey Yargay Detshen, a farmers' group from Lamgong Gewog, Paro, was formed in 2014 and registered in 2019 with 18 active members. The group's mission is to support Bhutan's food self-sufficiency, enhance nutrition, generate income, and create jobs. They cultivate vegetables like potatoes, green chilies, broccoli, and carrots on one acre of leased land, earning an annual income of \$731.71. The group has expanded its operations with winter chili production inside a greenhouse, supported by the Dzongkhag RNR sector.

The group has received support from DAMC, including potato chips processing equipment and a mini rice mill under the Co-operative Business Development Scheme (C-BuDS). In 2019, the group underwent governance training and further developed skills in pickling and chip processing. They are committed to expanding, diversifying, and inspiring their community by adding value to their products and marketing collectively.



PC: DAMC

Mongar Kuendrel Nyamley Tshogdey: Empowering Women and Smallholder Farmers through Accessible Credit



PC: DAMC

Founded in 2015, Mongar Kuendrel Nyamley Tshogdey is a savings and credit cooperative with 88 members, 90% of whom are women. The cooperative promotes financial inclusion by offering accessible loans with a 10% interest rate, calculated annually. Members save \$1.22 monthly, and the cooperative has accumulated a total of \$16,467.83 in savings and loan interest. The cooperative has significantly impacted its members by providing crucial loans for livestock and agricultural inputs. This support has empowered members to expand their agricultural and livestock ventures, resulting in greater productivity and improved livelihoods. As the cooperative continues to drive economic growth within the community, it plans to introduce additional loan schemes, further promoting sustainable development and fostering long-term financial independence for its members.



- DAMC participated in a virtual consultation organized by the EU Delegation to India and Bhutan in June 2020, alongside other civil society organizations (CSOs), to discuss priorities for the 2021-2027 financial framework. The consultation focused on climate resilience, green growth, digitalization, and the role of cooperatives in advancing rural development in Bhutan.
- Bhutan was represented by Hon'ble Prime Minister Dasho Tshering Tobgay at the ICA General Assembly and the Global Cooperative Conference held in New Delhi in November 2024. During this event, he reaffirmed Bhutan's strong commitment to advancing the cooperative movement, highlighting its vital role in poverty reduction, economic empowerment, and sustainable development.

Engagement with ICA-AP

- Bhutan participated in the ICA/COOPFED (Sri Lanka Consumer Cooperative Societies Federation Limited) Workshop on the Development of Consumer Cooperatives held in Colombo, Sri Lanka, on 3 December 2014. The workshop focused on strengthening consumer cooperatives across SAARC countries under the theme "Chain Store Management."
- Youth from Bhutan participated in the First ICA Asia-Pacific Youth Summit held in Bali, Indonesia, from 19-24 September 2016, which brought together young cooperators from across Asia-Pacific, Europe, and America to share experiences and promote cooperative entrepreneurship.
- DAMC and ICA-AP jointly organized a Training of Trainers program on "Building Management Capacity of Women for Cooperative Development" from 1-5 August 2017 in Thimphu, Bhutan, to strengthen women's leadership, financial management, and cooperative development skills, with support from the ICA-EU Partnership.
- Bhutan participated in the ICA-AP Regional Workshop on "Enhancing the Role of Women in Co-operative Business," held in Kathmandu, Nepal from 12-14 December 2017. The workshop focused on advancing Sustainable Development Goal 5 (Gender Equality) within cooperatives through dialogue, data collection, and policy formulation.
- DAMC represented Bhutan at the Second Asia-Pacific Cooperative Registrars' Forum held in 2018 in Vietnam, organized by ICA-AP, the Vietnam Cooperative Alliance (VCA), and the Institute for Organic Agricultural Economics, with support from the ICA-EU Partnership on Cooperatives in Development.
- DAMC hosted the first Training of Trainers (ToT) on "Climate Change and Action for Women Cooperators" in Thimphu, Bhutan from 21-24 October 2024, organized by the ICA-AP Women's Committee with support from the National Confederation of Cooperatives (NATCCO, Philippines) and the Japanese Consumers' Co-operative Union (JCCU), to build women's leadership in climate resilience through cooperatives.

What are cooperatives?

Cooperatives are autonomous associations of persons united voluntarily to meet their common economic, social, and cultural needs and aspirations through a jointly owned and democratically-controlled enterprise.

Cooperative values

Cooperatives are based on the values of self-help, self-responsibility, democracy, equality, equity, and solidarity. In the tradition of their founders, cooperative members believe in the ethical values of honesty, openness, social responsibility and caring for others.

Cooperative principles

The seven cooperative principles are guidelines by which cooperatives put their values into practice.

1. Voluntary and Open Membership
2. Democratic Member Control
3. Member Economic Participation
4. Autonomy and Independence
5. Education, Training, and Information
6. Cooperation among Cooperatives
7. Concern for Community

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B-Coop Shop	Reports by DAMC
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About International Cooperative Alliance Asia and Pacific

ICA-AP is one of four regional offices of the ICA. Established in 1960 in New Delhi, India, it unites, promotes, and develops cooperatives in the region. ICA-AP's 114 members from 29 countries spans a variety of sectors, including agriculture, credit and banking, consumer, education, fisheries, forestry, housing, and insurance.

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