

## **Market study for local rice**

**Location:** Thimphu & Paro Market

**Targets:** Local Rice Dealer, Schools, hoteliers, General shops and colony.

**Number of participants:** 20

**Team Involved:** Marketing Section

### **Introduction:**

One of the Farm Machinery Corporation Limited's mandates is contract and commercial farm, where we carry out farm activities which are located in different parts of Bhutan. Farms such as Chuzugang farm, Gelephu farm, Phuntshothang farm, Dechenphu farm and Ramthangkha farm cultivates different variety of rice. We have four variety of rice such as Khamti, Sata, Tan tshri and spring rice available in stock. The quantity that we have is around 40 tons including 2018 & 2019 stock which needs to be marketed.

### **Objectives:**

- For communicating/connecting with the local rice dealers and users,
- Studying market price,
- Our targets expected price for our rice and the quantity they demand, and
- For marketing experience.

### **Methodology:**

To collect information from the targeted group, we have use simple questionnaire during telecommunication survey and we directly interviewed with the targeted groups. We randomly picked up the participants from each group to expedite the survey.

### **Results and discussion:**

1. **Regarding rice:** Over all, Indian rice are more consumed/ sold in the market due to its price and quality. Local rice is consumed less in proportion with Indian rice or they are cooked along with Indian rice which makes rice affordable for customer in case of hotelier. For local rice dealer, they purchase from the farmers as per the market price which is almost same over period and places.
2. **Price:** the selling price of the tan tshri, ray sata and kamti at vegetable market is around Nu. 70-100 per kg. According to our targeted participants, their expected price for loose local rice

such as sata and tan tshri is less than Nu. 70 or to be exact Nu.63. Our price for the khamti rice is reasonable given the quality is good, as per the local rice dealers.

3. **Transportation:** For local dealers they manage themselves and its cost them Nu.1 per kg from Paro and Nu.2 from Punakha till Thimphu market. Whereas for the shopkeepers, the transportations are free from the dealers.
4. **Purchasing from FMCL:** Most of our participants are willing to purchase from us given the price reasonable and according to quality of our rice. For packed rice in 5 and 10 kg bags, most of the general shops are willing to try and even colonies are seen as potential customer for our packed rice.
5. **Demand collected:** Regarding khamti, sata and tan tshri, dealers are willing to take up all that we have in stock if the price is favourable for them.
6. **Feed back:** the concern regarding the demand of our packed rice (marketing of our packed rice).

#### **Way Forward:**

1. Proposing management regarding the price and quality.
2. Contacting rice dealers for checking the quality and communicating regarding the price.
3. Online advertisement