THE EGG MARKET SITUATION IN BHUTAN

by
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1. Introduction

Eggs represent one of the most nutritionally complete and cost-effective food sources globally. Literature indicates that a single large egg delivers approximately 6 to 7 grams of high-quality protein containing all nine essential amino acids. Additionally, eggs are rich in Vitamins A, B2, B12, and D, alongside critical minerals such as iron, phosphorus, zinc, and selenium. The yolk serves as one of the few natural dietary sources of Vitamin D, a vital micronutrient for calcium absorption and skeletal health.

For a substantial segment of Bhutanese households—particularly rural and lower-income families—eggs constitute the most accessible and affordable source of animal protein. However, at the prevailing retail price of Nu. 18 per egg, a household purchasing a single tray (30 eggs) per month incurs an expenditure of approximately Nu. 540. This represents a significant financial burden for families earning below the median income. Consequently, nutritionally vulnerable demographics—including children, pregnant women, and the elderly who have heightened protein and micronutrient requirements—are disproportionately impacted when elevated prices restrict regular dietary consumption.

Currently, the Ministry of Agriculture and Livestock (MoAL) maintains a strict ban on egg imports. Under this regulatory framework, imports are permitted exclusively during acute domestic supply shortfalls. These emergency imports are managed solely through the Food Corporation of Bhutan Limited (FCBL), which distributes the commodities at government-determined prices. The practical effect of this policy is the insulation of domestic producers from international market competition. As demonstrated by the market data compiled in this report, retail prices have remained persistently elevated relative to regional benchmarks.

2. Methods and Materials

Retail prices of locally produced eggs were collected from 16 grocery stores and supermarkets across Thimphu during May 2026. To validate and confirm the price discrepancies identified in this baseline survey, the Competition and Consumer Affairs Authority (CCAA) conducted a follow-up round of retail price monitoring for local eggs on June 19, 2026. Prices were recorded on a per-tray basis (30 eggs) and subsequently converted to a per-egg unit price to facilitate direct comparison.
Survey data were benchmarked against contemporaneous retail prices in India, Bangladesh, Pakistan, and Nepal. These regional figures were sourced via digital platforms from the respective national poultry industry publications and official market price monitoring boards of those countries.

3. Results and Discussion

3.1 Domestic price landscape

The average retail price of eggs in Thimphu was recorded at Nu. 539.31 per tray (~Nu. 17.98 per egg) in May 2026, rising further to Nu. 548.25 per tray (~Nu. 18.27 per egg) in June 2026. The retail price range in May 2026 spanned from Nu. 500 to Nu. 597 per tray, widening slightly to between Nu. 520 and Nu. 600 per tray in June 2026. These findings are summarized in Table I.

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Table I: Average Retail Egg Prices in Thimphu — May and June 2026

Metric	May 2026 (Nu.)	June 2026 (Nu.)
Average Price per Tray	539.31	548.25
Average Price per Egg	17.98	18.27

Source: CCAA Market Survey, May–June 2026

The FCBL distribution price for controlled imports is established at Nu. 330 per tray (Nu. 11.00 per egg), which sits approximately 39 percent below the prevailing open-market average. The persistence of this vast price differential indicates that existing domestic supply volumes and current market structures are insufficient to exert downward pressure on retail prices. Notably, despite the active availability of imported eggs in the open market during June 2026, retail prices for locally produced eggs remained high. The competitive pressure that regulated imports were intended to generate did not materialize, and the primary objective of the import intervention—price moderation—was not achieved.

3.2 Comparison of prices with regional countries

Table II outlines Bhutan's egg pricing within the broader South Asian context. Indian Rupee-equivalent figures are utilized as the common denomination, given the Ngultrum's monetary peg to the Indian Rupee at parity.

Table II: Comparative Retail Egg Prices — South Asia (June 2026)

Country	Price per Egg (Rs. equivalent)	Data Source
India	7.00 – 7.10	National Egg Coordination Committee (NECC)
Pakistan	6.13 – 7.50	Pakistan Poultry Association / Karachi Wholesale Market
Bangladesh	8.40 – 8.75	Bangladesh Poultry Industries Association / Dept. of Agricultural Marketing
Nepal	8.86 – 9.89	Nepal Egg Producers Association / Kalimati Market Price Board
Bhutan	18.00	CCAA Market Survey, June 2026

Source: Respective national poultry industry publications and market price boards; CCAA Market Survey, June 2026

Egg prices vary substantially across South Asia; India offers the most competitive retail rates, whereas Bhutan records the highest prices in the region by a considerable margin. At the prevailing rate of Nu. 18.00 per egg, Bhutanese eggs are approximately 155.3 percent more expensive than the Indian average—equivalent to more than 2.5 times the cost of an Indian egg. Given Bhutan's geographic proximity to India, full currency parity, and free bilateral trade, the Indian retail price serves as the most directly relevant competitive benchmark.

Notably, even the FCBL-controlled import price of Nu. 11.00 per egg—which factors in import duties, logistical expenses, and state distribution overheads—remains 65 to 96 percent higher than the prevailing Indian market price. This differential underscores that there is clear scope for further price optimization under a more competitive, liberalized import framework.

Table III: Summary Price Comparison (June 2026)

Category	Price per Tray (Nu.)	Price per Egg (Nu.)	Premium over Indian Price
Local eggs — open market	539 – 548	18.00 - 18.27	~ 170–220%
FCBL imported eggs — government price	330	11.00	~ 65–96%
Indian eggs (benchmark)	—	~ 7.10	—

3.3 Limitations of the current import mechanism

The intermittent, regulated import mechanism managed via the FCBL provides temporary, partial price relief relative to an entirely restricted domestic-supply scenario; however, it does not function as an adequate substitute for a structurally competitive market. As the sole authorized importer, the FCBL operates without commercial competitive pressure. Consequently, its pricing structures reflect internal operational costs, administrative overheads, and state-determined margins rather than the efficiency gains incentivized by open market competition.

While inherent logistical realities would likely sustain some price premium for Bhutanese consumers above Indian retail levels, a liberalized import regime featuring multiple competing private entities could yield the following structural improvements:

- Cost reductions: Multiple licensed importers competing to source eggs from approved farms would have strong commercial incentives to minimize procurement and logistics costs, passing the resultant savings to retailers and consumers.

- Efficiency drives: Competitive import pressures would necessitate that domestic producers improve operational efficiency, adopt modern farming techniques, and lower unit production costs to remain viable, rather than relying on the indefinite protection of an import ban.

- Supply resilience: Overall market reliability and supply chain resilience would improve under a diversified, multi-channel supply model.

The current single-importer State-Owned Enterprise (SOE) arrangement has demonstrated an inability to achieve price parity with Indian markets or exert sufficient downward pressure on local egg prices. Furthermore, a domestic industry protected by an extended import prohibition lacks the structural incentives to invest in modern feed management systems, biosecure housing infrastructure, or optimized flock management—the precise operational practices that drive cost-competitiveness in peer regional countries.

3.4 Biosecurity risk: assessment and manageability

While biosecurity concerns serve as a primary rationale for the current egg import prohibition, the temporary lifting of restrictions for FCBL imports demonstrates that these risks are highly manageable through appropriate regulatory frameworks. Regulated import frameworks are standard practice globally and typically integrate the following core safeguards:

- Source certification: Designation of approved source farms or certified supply chains with verified compliance against Sanitary and Phytosanitary (SPS) standards.
- Pre-shipment verification: Mandatory pre-shipment veterinary certification, backed by periodic audits of approved farms by Bhutanese competent authorities or accredited third-party inspection bodies.
- Border controls: Point-of-entry inspection and strict quarantine protocols applied to sampled consignments.
- Emergency protocols: Automatic suspension or immediate de-listing of source farms upon notification of a disease outbreak in the country of origin.

Literature indicates that the biosecurity risk associated with commercial table eggs is materially lower than that associated with live poultry movements, particularly when eggs are sourced from certified commercial layer farms operating under strict, verified SPS protocols. International experience demonstrates that many nations manage these risks effectively via robust SPS frameworks and veterinary surveillance systems without reverting to blanket import bans.

3.5 Considerations for domestic producer support

Transitioning away from an outright import prohibition does not imply abandoning the domestic poultry sector. Recognizing the small scale of domestic egg production and the immediate challenges producers will face in adapting to an open market, a suite of targeted transitional support measures should be deployed, including:

- Superior genetic resource access: Subsidized or concessional access to high-quality, disease-resistant chick breeds through accredited national hatcheries.
- Feed subsidies: Facilitated bulk importation and stable-price distribution of balanced poultry feed, given that feed inputs represent the primary cost driver of egg production in Bhutan.
- Improved extension services: Technical extension support covering modern flock management, biosecure housing design, and standardized egg handling, delivered via the MoAL's established network.
- Financial assistance: Infrastructure grants or concessional financing instruments tailored for climate-appropriate poultry housing, with specific emphasis on higher-altitude dzongkhags.
- Fiscal adjustments: A time-bound domestic preference arrangement—such as a targeted tax incentive for locally produced eggs that tapers off over a three-to-five-year period—providing a structured adjustment window without permanently insulating the sector from market forces.

4. Recommendations

Given the current highly elevated prices, average Bhutanese consumers are effectively restricted from accessing nutritious, high-quality food. The government must therefore balance the protection of a limited number of domestic producers against the welfare of the broader consuming public. On the basis of this analysis, the following policy measures are recommended:

- Liberalize imports: Lift the blanket prohibition on private egg imports and establish a regulated import framework permitting licensed private entities to source from government-approved farms, subject to strict veterinary certification and full biosecurity compliance as stipulated by competent authorities.

- Establish transparent SPS protocols: Designate approved source farms and certified supply chains in India and other eligible exporting nations through a transparent SPS compliance process managed by relevant government agencies, with built-in provisions for periodic review, suspension, and de-listing.

- Deploy a modernization support program: Implement a targeted domestic producer support program encompassing facilitated feed access, guaranteed chick supply, advanced technical extension services, and infrastructure financing to enable the domestic poultry sector to transition effectively into a competitive market environment.

5. Conclusion

The comparative market data presented in this report demonstrate that Bhutan's retail egg prices are currently among the highest in South Asia, a condition driven by structural policy insulation rather than transitory market anomalies. The long-standing import prohibition and single-channel SOE distribution model have systemically eliminated the competitive forces required to discipline retail pricing. At Nu. 18.00 per egg, consumers pay roughly two and a half times the prevailing Indian benchmark; even the government-controlled FCBL import price of Nu. 11.00 per egg remains significantly elevated above this regional standard.

A regulated import framework, run in tandem with targeted domestic producer development measures, offers an evidence-based pathway toward lowering consumer prices while fostering a more resilient, diversified egg supply chain. A carefully calibrated dual approach—balancing strategic trade liberalization with robust local producer support—will optimally serve the economic and nutritional interests of both Bhutanese poultry farmers and the general public.