

# Promoting Investment in Timur (Sichuan Pepper) Value Chain



Government of Nepal  
**Ministry of Agriculture and  
Livestock Development**



## Background

The FAO's HiHi initiative, launched in October 2019, targets agricultural transformation and rural development to combat poverty and hunger (SDGs 1 and 2). Nepal, a priority country since 2021, advances agrifood systems with evidence-based strategies. Investments in commodities like Large Cardamom, Ginger, Highland Potato, and Timur are key, showcased at the FAO Investment Forum in 2022. Nepal will present again at the 2024 Investment Forum. This project specifically emphasizes the cultivation of Timur, underscoring its critical role in Nepal's agricultural strategy.



**Sector**  
Agriculture

### Project Rationale

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#### Description:

- Found in hilly regions at altitudes between 1,000 to 2,500 meters in Nepal
- Main Species: 6 varieties (to be elaborated)

#### Geographical Advantage:

- Nepal's unique conditions favor Timur production, offering investors a competitive market edge

#### Utilization:

- Medicinal: Treats headache, toothache
- Functions as a pesticide
- Essential Oil (EO): Utilized in cosmetics and medicine

#### High Demand Export:

- Timur Pepper in High Demand in Europe and India
- Nepal exports most of its annual Timur pepper production (850 - 1,100 metric tons)
- Unserved Demand exist in India, China, Italy, France, Denmark, UK, etc.

#### Expansion Opportunities:

Expanding cultivation to mountainous and sloped lands

#### Inclusive Farming:

Currently Involves 20,000 holdings, including marginalized groups, yielding 975 MT

#### Land Reclamation:

Farmers reclaim degraded lands with Timur cultivation  
High Potential for increased cultivation area

#### Investment Requirement:

- \$4.06 million is needed for technology and resource management
- Focusing on maximizing essential oil yield and enhancing processing and marketing

#### Supply Shortage:

Persistent demand exceeds supply, prompting exports

#### Economic Prospects:

Cultivation boosts financial, social, and rural development in Nepal

#### Income Diversification:

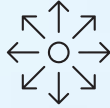
- Diversifies farmers' income sources, reducing reliance on single crops and increasing market resilience

## Project Outcomes



### International Recognition:

Quality recognition boosts market demand in Europe, India



### Income Diversification:

Diversifies farmer income, enhancing market resilience



### Supply Chain Efficiency:

Improves from cultivation to distribution, enhancing quality



### Community Development:

Provides employment, especially in rural areas



### Value Addition Opportunities:

Processing essential oils, extracts, or blends increases profitability

## Project Implementation Modality



### Public Private Partnership (PPP)

Specific Approach adopted will depend on the investor's preferences and the project's requirements

- The private entity may act as an investor, financing the project.
- Alternatively, the private sector could operate as the producer, with funding sourced from multilateral organizations or other stakeholders.

## Project Implementation Timeline



Project Ideation



## Additional Information

- Investment plan will be prepared followed by networking sessions for investors to connect directly with Timur producers to potential investors.
- By facilitating direct connections between investors and SMEs, FAO catalyze investment flows into the Timur sector, driving innovation, expansion, and sustainability.

## Relevant Agencies

- Food and Agriculture Organization of the United Nations  
Contact: shankar.sapkota@fao.org
- Ministry of Agriculture and livestock Development  
Email: info@moald.gov.np
- National Planning Commission (NPC)

## About the Agency

### Ministry of Agriculture and Livestock Development

The Ministry of Agriculture and Livestock Development (MoALD) is a governmental body of Nepal responsible for the growth and development of the agriculture sector in the country and making the country self-reliant in agricultural production. The Ministry began its operation institutionally in 1978 with the primary objective of translating policies and implementing programs related to agriculture development according to the country's needs and potential. Focused on achieving food security and poverty alleviation through a commercial and competitive agriculture system, the Ministry aims for high and sustainable growth by modernizing and diversifying agricultural production.

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