

Value Chain Analysis of Cinnamon in Galle District in Sri Lanka

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Although Sri Lanka is the main supplier of cinnamon in the world market, we receive low level of returns due to poor level of value addition. Thus, the aim of this research was to analyse the value addition activities of the main actors of cinnamon value chain in Galle district. The three main actors of cinnamon value chain; cultivators, middlemen and consumers were selected as the target groups. Therefore three samples as 50 cinnamon cultivators, 50 middlemen (collectors, retailers, wholesalers, processors, and exporters) and 50 consumers were used for this study. Data collection was done using three surveys from January to April 2016. Descriptive data analysis and Ranked Based Quotient were used in data analysis. Findings highlighted that, other than production of raw cinnamon, most of the cinnamon cultivators have not significantly contributed on value addition of cinnamon due to number of issues and challenges. However, when considering the income from cinnamon, a significant amount of cinnamon cultivators (12%) was highly satisfied about their income from cinnamon where majority (56%) was satisfied. Moreover, considering the middlemen, only the exports have done a considerable level of value addition. But, cultivators and the middlemen have positive attitudes towards value addition practices. In focusing consumers, while cinnamon quill was the first preference of them, cinnamon based products, cinnamon flour, and cinnamon oil have been taken second, third and fourth places respectively. Therefore, motivation of cultivators and middlemen towards value addition practices of cinnamon can be recommended as it will help to get better returns for them.

Keywords: Cinnamon; Cinnamon Cultivators; Consumers; Middlemen; Value Chain