

## **Ceylon Cinnamon Value Chain Profiling**

I.C. Hettiarachchi\*, D.A.M. De Silva and M. Esham

*Department of Agribusiness Management, Faculty of Agricultural Sciences,  
Sabaragamuwa University of Sri Lanka, Belihuloya 70140, Sri Lanka  
\*isuru.susl@gmail.com*

This paper presents a framework for value chain profiling developed for the Ceylon cinnamon industry of Sri Lanka. The value chain profiling framework is the first step towards developing a value chain description scheme for the Ceylon cinnamon industry. Four leading cinnamon producing districts (Galle, Matara, Kalutara, and Ratnapura) were considered for the study. Field observations, in-depth interviews, and focus group discussions were the principal data sources. Both qualitative and quantitative techniques were instrumental in data analysis and the responses of 351 growers, 85 collectors, and 58 exporters were considered in developing the value chain profiles. The framework captured a characteristic profile of a value chain covering a wide range of operational aspects. The framework separated the value chain into seven categories, where the content and purposes were explained. Though these categories could have been considered individually, recognition of their reciprocity was vital for in-depth analysis of collected data. The Average Monthly Trading Volumes of the producers, mobile collectors, lead collectors, and exporters were 47, 3850, 14482, and 30414 kilograms respectively. Ninety-five percent of the farm gate production revealed concentration at the exporter node as lead collectors, mobile collectors, and producers exchanging 69, 39, and 22 percent of their total output directly with the exporters. ‘Higher prices, faster payments, fewer risks’, ‘higher prices, faster payments, repeat sales’, and ‘repeat sales, mutual trust, large volumes’ were the factor combinations influencing the growers, collectors, and exporters in decision making. The domestic facet of the value-added and ultra-value-added product exporters constituted with own retail establishments (21%) and outlets at one-stop luxury stores (14%). The volume traded between the exporters and their domestic client base was less than 10 percent of the total input volume. Entrepreneurial skills, risk taking, profit and market orientation, networking, and decision making varied and each value chain profile had its own unique features.

**Keywords:** Profiling, Value chain, Normative frameworks, Value chain analysis