

Prospectus and challenges in Ceylon cinnamon exportation

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Abstract

Cinnamon is an important spice that is used worldwide. It is known as the king of the spices. Sri Lanka is well reputed for cinnamon exportation from king's days to present with 85% share of the international market. However, low qualities of the products bring many issues in the cinnamon export industry. Therefore, it is worthwhile to explore the prospectus and challenges of the ceylon cinnamon exportation, particularly among small and medium scale exporters. Small and medium scale cinnamon exporters were selected using a simple random sampling technique following the sampling frame obtained from the export development board. A mixed method approach was adopted to collect primary data through a questionnaire survey (n=20) and key informant interviews (n=5). Data analysis was confined to descriptive statistics, SWOT analysis and Wilcoxon Signed Rank test due to lesser number of cinnamon exporters in the country ($\mu =41$; n =20). Low Coumarin levels compared to Cassia varieties bringing higher demand and acceptability at the international market has been perceived as a strength (66.7%) for ceylon cinnamon. Moreover, majority of the sample (60.7%) is optimistic on the international market. Despite 40% of the exporters expect product modifications, innovations, and product development. Yet, 60% respondents did not have any clear idea on these aspects. This has been iterated as a challenge in gaining the competitive advantage. Furthermore, competitiveness in the cinnamon exporting industry has been hampered mainly by economic (W=3.855, P<.001), legal (W=2.038, P=0.042) and technological (W =4.057, P<.001) obstacles. Lack of advanced infrastructure facilities (W=2.798, P=.005), imperfect information on overseas market (W=2.613, P=.009) are illustrated as significant weaknesses. Moreover, the blending of pure ceylon cinnamon with imported impedes the brand image of the ceylon cinnamon (W=2.070, P=.038), appears to be a significant threat in future. Product quality development, improvement, and certification were suggested by 98% of the exporters to meet the global demand while marching with modern technology and innovations.

Keywords: Ceylon Cinnamon, Challenges, Exporters, Prospects, SWOT

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