

THE DEPARTMENT OF CINNAMON DEVELOPMENT

# STRATEGIC PLAN

2025-2029



கருநாடக சாஸ்திர சேவா  
கருவா அபிவிருத்தி திணைக்களம்  
DEPARTMENT OF CINNAMON DEVELOPMENT

**DevPro**

DevPro Guarantee Limited

The Department of Cinnamon Development

## **Strategic Plan 2025 - 2029**

2025 May

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# EXECUTIVE SUMMARY

The Department of Cinnamon Development (DCD) was established on September 01, 2023, as a strategic initiative by the Sri Lankan government to elevate the cinnamon industry from a minor export crop to a major commercial plantation crop. Sri Lanka, renowned for its Ceylon Cinnamon (*Cinnamomum verum* Syn. *Cinnamomum zeylanicum*), holds a dominant position in the global cinnamon market, accounting for 80-90% of true cinnamon production. In 2024, cinnamon exports reached US\$226 million, contributing significantly to the national economy and supporting over 350,000 livelihoods, predominantly women. However, the industry faces challenges such as low productivity, labor shortages, climate change risks, and competition from cheaper alternatives like cassia cinnamon from countries such as Indonesia, Vietnam, and China.

The Department of Cinnamon Development (DCD) presents this **Five-Year Strategic Plan (2025–2029)** to revitalize the industry, aligning with Sri Lanka's national policy pillars of *A Fulfilling Life, A Modern Life, and A Dignified Life*. This comprehensive roadmap aims to elevate Sri Lanka as the global benchmark for premium, sustainable cinnamon production while driving inclusive growth, technological advancement, and environmental resilience.

The Strategic Plan outlined in this report aims to address these challenges and unlock the full potential of Sri Lanka's cinnamon industry over the next five years (2025-2029). The plan is structured around five key strategic goals:

- **Enhance Production, Productivity and Farmer Livelihoods**
- **Promote Value Addition and Innovation**
- **Expand Global Market Access**
- **Ensure Sustainability and Climate Resilience**
- **Strengthening Policy and Institutional Frameworks**

The plan emphasizes cross-cutting themes such as gender inclusion, technology adoption, and youth engagement to ensure inclusive growth. Key strategies include **Modernizing farming practices, developing value-added products, enhancing export infrastructure, promoting agroforestry, Boosting R&D investments.**

The Strategic Plan also includes a robust Monitoring and Evaluation (M&E) Framework to track progress, measure outcomes, and ensure accountability. Key performance indicators (KPIs) such as yield per hectare, export volume, and adoption of sustainable practices will be used to assess success.

By implementing this comprehensive strategy, Sri Lanka aims to solidify its position as the global leader in premium cinnamon production, enhance the competitiveness of its cinnamon industry, and improve the livelihoods of all stakeholders involved in the value chain. The plan aligns national development priorities and global sustainability demands, ensuring long-term growth and resilience for the cinnamon industry.

# CHAPTER 01

## 1.1. Introduction

Sri Lanka is renowned for its breathtaking landscapes and rich culinary heritage. Among its many prized agricultural products, cinnamon stands out as a spice that has been coveted for centuries. Sri Lanka's geographical location and tropical temperature provide ideal conditions for growing high-quality cinnamon. The spice is predominantly grown in the island's southwestern coastal regions, where the fertile soil and abundant rainfall create a perfect environment for cinnamon trees to thrive.

Sri Lanka is home to one main species of cinnamon: *Cinnamomum verum* (Syn. *Cinnamomum zeylanicum*), commonly known as "True cinnamon" or "Ceylon cinnamon". Ceylon cinnamon is considered superior due to its delicate, sweet flavor and significantly lower coumarin content compared to cassia cinnamon, which is produced in other countries.

Cinnamon plays a vital role in Sri Lanka's economy, contributing significantly to the country's Gross Domestic Product (GDP). As the world's largest producer and exporter of true cinnamon, Sri Lanka holds a dominant 90% share of the global market. In 2024, the country's cinnamon exports were valued at US\$ 226 million with shipments reaching over seventy countries. Major export destinations include the United States, European Union nations, and the Middle East, with top importing countries include Mexico, the USA, and Peru.

Beyond its economic impact, the cinnamon industry is a key driver of employment in Sri Lanka, providing livelihoods in cultivation, processing, and export activities. The cinnamon industry supports local communities by generating employment opportunities. It is the most important and valuable spice produced in Sri Lanka, surpassing all other spices in terms of trade volume, economic value, and cultivated acreage. However, the cinnamon industry faces several challenges, including low productivity, labor shortages, fragmented supply chains, and competition from other cinnamon producing countries. Additionally, climate change poses significant risk to cultivation and yields.

Recognizing to address these challenges and unlock the full potential of the cinnamon industry, the Sri Lankan government established the Department of Cinnamon Development (DCD) on September 01, 2023. This initiative marks a significant step in the government's commitment to transforming cinnamon from a minor export crop into a major commercial plantation crop.

The primary objectives of the Department of Cinnamon Development (DCD) include:

- Enhancing cinnamon production through expanded cultivation and improved farming practices.
- Strengthening local and international collaborations to boost sales and expand market access.
- Ensuring the sustainability of the cinnamon industry by promoting environmentally friendly practices and supporting the livelihoods of cinnamon farmers.



- Promoting and encouraging the development of value-added cinnamon products.
- Assisting stakeholders in improving the quality of cinnamon products and diversifying their product offerings.

Through its various initiatives focused on quality, sustainability, and market expansion, the department is poised to drive industry growth, enhance competitiveness, and improve the wellbeing of all stakeholders in the cinnamon value chain.

A strategic approach is essential to overcoming global competitiveness, capitalizing of untapped value addition opportunities, and meeting sustainability requirements. Sri Lanka faces increasing competition from countries like Vietnam, Indonesia, and China, while new Ceylon cinnamon exporters, such as, Madagascar and Northwestern India are entering the global market. Currently, Sri Lanka primarily exports cinnamon quills in bulk, with limited emphasis on value added products.

To maintain and strengthen its market position, a strategic plan must focus on:

- Increasing value addition through product diversification, such as cinnamon oil, powder, and other high-value derivatives.
- Promoting sustainable cultivation and processing practices to align with evolving global market demands.
- Addressing industry challenges, including poor plantation management, low productivity, high labor costs, and labor shortages.
- Creating greater market awareness to highlight the unique qualities of Ceylon cinnamon and differentiate it from cassia.

By implementing a well-defined strategy, Sri Lanka can enhance the competitiveness, sustainability, and economic contribution of its cinnamon industry, securing its status as the global leader in premium cinnamon production.

## 1.2. The Department of Cinnamon Development

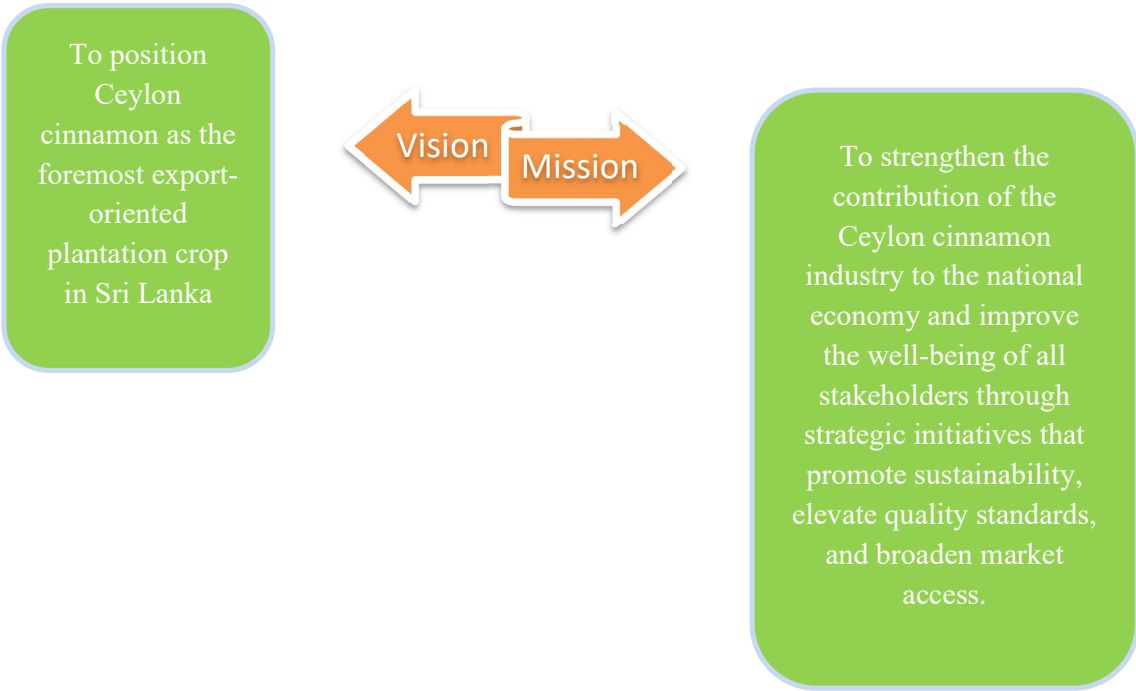
In Budget Proposal No. 16 of 2023, the Sri Lankan government introduced a plan to stimulate the country's cinnamon industry. Recognizing the need to transform cinnamon from a minor export crop into a major commercial plantation crop, the proposal called for the establishment of a dedicated department to oversee its development. The initiative quickly gained traction and was approved by parliament.

Building on this decision, His Excellency the President and the Minister of Plantation Industries jointly submitted Cabinet Paper No. 23/1501/601/050, titled "Establishment of a New Department for Cinnamon Development," at the Cabinet meeting on August 14, 2023. As a result, the Cabinet granted approval for the creation of the Department of Cinnamon Development on September 01, 2023.



To further strengthen the new department the National Cinnamon Research and Training Center, which had previously operated under the Department of Export Agriculture, was transferred to the DCD, as outlined in the Cabinet paper dated January 24, 2024.

The head office of the Department of Cinnamon Development was established in Karadeniya, Galle district. While the department currently operates without sub-offices, plans are underway to establish four regional offices in major cinnamon-growing areas to enhance outreach and development efforts. As of now, 20 field officers have been assigned to cover seven key districts: Galle, Matara, Ratnapura, Hambantota, Gampaha, Kurunegala, and Matale. These officers play a crucial role in supporting cinnamon farmers, facilitating extension services, and implementing development initiatives at the grassroots level.



*Figure 1: Vision and Mission*  
Source: <https://cinnamon.gov.lk>



- **Sustainability** - Promoting environmentally and socially sustainable practices across the cinnamon sector.
- **Collaboration** - Fostering strong partnerships with farmers, researchers, institutions, and the private sector.
- **Service Orientation** - Demonstrating a strong commitment to serving farmers and stakeholders with dedication, responsiveness, and professionalism.
- **Innovation** - Encouraging creative thinking and scientific research to improve cinnamon cultivation and value chains.

*Figure 2: Values*  
*Source: DCD data*

The Department of Cinnamon Development carries out its activities under four main divisions.

### 1.2.1. Research and Development Division

The Research and Development Division focuses on advancing cinnamon-related research, developing innovative technologies, improving cultivation practices, and providing training to enhance productivity and quality in the cinnamon industry. The National Cinnamon Research and Training Centre is the main research institute of the Cinnamon Development Department. It is the only dedicated research center for cinnamon in Sri Lanka. It is also considered the oldest and only research center globally dedicated to true cinnamon. This center is situated on a 22-acre land in Palolpitiya, Thihagoda, in the Matara District, Southern Province. Research activities are carried out under four main divisions Agronomy and Crop Improvement, Soil and Plant Nutrition, Plant Protection, and Post-harvest Technology.

#### Role of the Research and Development Division

- i. Agronomy and Crop Improvement Division
  - Introducing good agronomic practices
  - Developing superior quality cultivars
  - Advancement of nursery management practices
  - Research on producing good quality planting material
  - Collection, conservation and evaluation of the germplasm of true Cinnamon
  - Feasibility studies on alternative nursery pots and nutrient addition plans for nursery pots
  - Studies on feasible intercropping systems with cinnamon



- ii. Soil and Plant Nutrition Division
  - Improving soil fertility and developing integrated nutrient management systems for cinnamon.
  - Site specific fertilizer recommendations.
  - Development of methods for formulation of low cost and efficient nursery potting mixtures
  - Research on improving soil fertility and productivity
  - Studies towards enhancing nutrient availability with soil amendments
  - Identification of major and minor soil related constraints
  - Identification of visible indicators of cinnamon to monitor soil nutrient deficiencies
- iii. Plant Protection Division
  - Conduct experimentation on major pests' diseases & weeds on cinnamon, their biology, bionomics, yield loss and management.
  - Pest management research with minimal usage of agrochemicals
  - Crop health-based pest management and post-harvest pest management
  - Research on pest management using pheromone and antagonistic microorganisms
  - Use holistic and site specific (precision agriculture) approaches in cinnamon pest management
  - Cinnamon germplasm screening for resistant varieties
  - Studies related to major fungal diseases of cinnamon
- iv. Post-Harvest Technology Division
  - Identifying harvesting practices for increasing bark and oil yield
  - Quality and hygienic conditions of cinnamon processing
  - Post-harvest handling and increasing storage life
  - Value addition for cinnamon and product development
  - Post-harvest pest control
  - Screening of health properties of Cinnamon
  - Studies on packaging of cinnamon
  - Studies on quality and quantity variation of true cinnamon in different Agro-ecological regions
  - Studies on quality of cinnamon quills at different levels of value chain after primary processing
  - Feasibility studies on mechanical harvesting of cinnamon
  - Proximate and nutrient analysis of selected accessions of True Cinnamon

Annually, a significant number of people engage with the National Cinnamon Research and Training Center to fulfill their service needs. Students from universities and agricultural institutes participate in practical training, internships, and research activities at this institution. Numerous public and private entities seek knowledge related to the cinnamon industry or to



start new ventures, often utilizing the center’s library or contacting the center directly. The training center and dormitory associated with this research center conduct approximately 15 training programs that cover all stages of cinnamon cultivation and exportation

### **1.2.2. Administration Division**

The Administration Division oversees staff cadre management, recruitment, transfers, promotions, disciplinary actions, public complaints, HR development, capital asset maintenance, parliamentary responses, vehicle administration, and compliance with the Cinnamon Development Act.

#### **Role of the Administration Division**

- i. Acquiring the staff carder approvals and undertaking update-related activities.
- ii. Perform organizational functions assigned under departmental posts and disciplinary authority, including the preparation of a Scheme of Recruitment for non-combined service department-specific positions, managing recruitment processes, overseeing transfers, promotions, and enforcing disciplinary measures on officers
- iii. To undertake general institutional tasks related to the responsibilities assigned to the department head concerning the appointment, transfer, promotion, and disciplinary oversight of all-island service/combined service officers, and to provide recommendations.
- iv. Coordinating with the Ministry of Agriculture and Plantation Industries, Ministry of Public Administration, Home Affairs, Provincial Councils and Local Government, Department of Management Services and Public Service Commission related to administrative functions.
- v. Managing the administrative and operational functions of the Circuit Bungalow situated in Matara Palolpitiya.
- vi. Rehabilitation and improvement of capital assets, including buildings, constructions, machinery, equipment, and vehicles at both the Head Office and the National Cinnamon Research and Training Centre. This also encompasses the acquisition of furniture, office equipment, machinery, land and land improvement, software development, and other related capital assets.
- vii. Handling public complaints and grievances.
- viii. Executing tasks related to corporate human resource development, including preparing and implementing human resource development plans.
- ix. Managing activities related to granting advances to government officials.
- x. Drafting responses to parliamentary questions and preparing cabinet memoranda for ministry review.



- xi. Referring and coordinating documents and reports to be submitted to the Sri Lanka Human Rights Commission, Commission to Investigate Bribery or Corruption, Parliamentary Commissioner for Administration (Ombudsman), and Committee on Public Petitions, Sectorial Oversight Committees, and Consultative Committee on Parliamentary Affairs.
- xii. Managing vehicle administration and maintenance.
- xiii. Performing foundational tasks related to formulating legal and statutory requirements under the Cinnamon Development Act.
- xiv. Ensuring continuous office utility services.

### **1.2.3. Finance Division**

The Finance Division is a key unit responsible for managing financial operations, ensuring fiscal accountability, and maintaining compliance with financial regulations. It plays a crucial role in budgeting, expenditure management, revenue collection, and financial reporting to support the overall objectives of the Department of Cinnamon Development.

#### **Role of the Finance Division**

- i. Budget Preparation & Allocation:
  - Formulating and preparing annual budgets
  - Allocating financial resources to departments and projects.
  - Monitoring budget utilization and ensuring adherence to approved allocations.
- ii. Financial Transactions:
  - Processing payments, staff salaries, pensions, and supplier invoices.
  - Maintaining accurate and up-to-date financial records.
- iii. Compliance & Audits:
  - Ensuring adherence to national financial regulations, including the Fiscal Management (Responsibility) Act and Sri Lankan Public Sector Accounting Standards.
  - Facilitating internal and external audits to ensure transparency and accountability.
- iv. Financial Reporting:
  - Preparing financial statements and reports for submission to the General Treasury, Auditor General's Department, and other relevant oversight bodies.
- v. Coordination:
  - Collaborating with entities like the Ministry of Finance and the Central Bank to align with macroeconomic policies.



#### **1.2.4. Planning Division**

The Planning Division is responsible for formulating and implementing strategic plans, monitoring projects, conducting research, coordinating development activities, and ensuring the effective allocation of resources to achieve departmental objectives.

##### **Role of the Planning Division**

i. Strategic Planning and Implementation:

- Execute comprehensive planning, monitoring, and progress control for development programs and projects overseen by the Department of Cinnamon Development.
- Formulate and implement short-term, medium-term, and long-term public investment strategies, ensuring alignment with national policies and sectorial needs.
- Ensure meticulous execution of plans according to allocated resources, with regular assessments of both physical and financial progress.

ii. Enhancement of the Progress Control System:

- Bolster and streamline the project monitoring and progress control system to enhance the implementation efficiency of development programs and projects.
- Deliver detailed progress presentations on a monthly, quarterly, and annual basis to the line Ministry and higher authorities, ensuring transparency and accountability.

iii. Website Progress Updates:

- Provide quarterly updates on the progress of development projects exceeding Rs.100 million on the departmental website, facilitating public access to information and promoting transparency.

iv. Annual Action Plans:

- Lead comprehensive progress reviews to ensure the achievement of physical and financial targets outlined in the annual action plans.

v. Performance Report Preparation:

- Compile and present a detailed performance report at the end of each year, summarizing the outcomes and achievements of the department's initiatives.

vi. Budget Estimate Preparation:

- Develop precise annual budget estimates, ensure timely submission to relevant institutions, and coordinate effectively to secure necessary funding.



vii. Parliamentary Budget Committees:

- Prepare and submit detailed annual progress control reports for review during parliamentary budget committee sessions, ensuring thorough scrutiny and oversight.

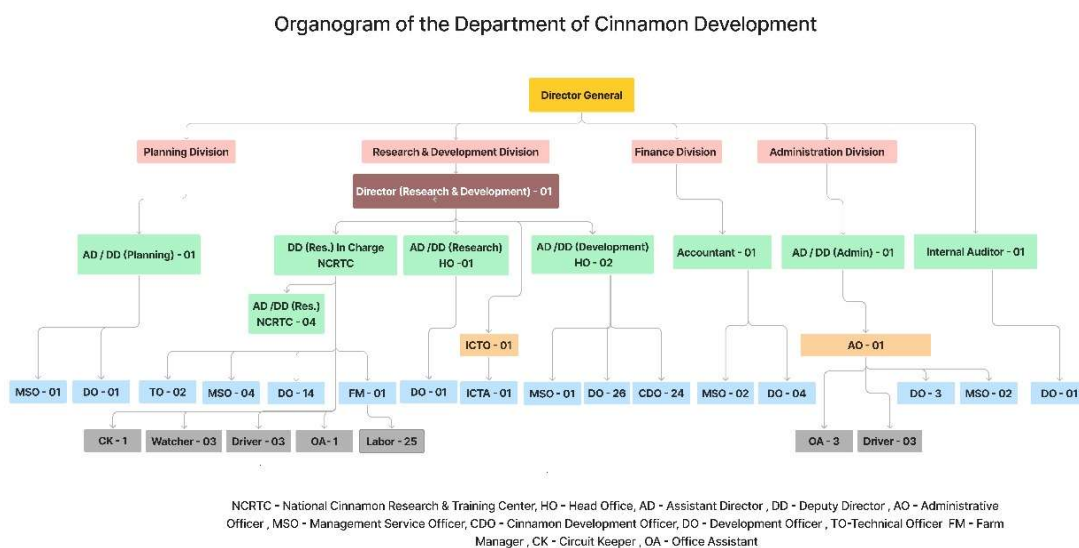
viii. Interagency Coordination:

- Enhance the efficiency of development activities by coordinating with key government agencies, including the Ministry of Agriculture and Plantation Industries, the National Planning Department, and the National Budget Department.

ix. Maintenance of Departmental Data System:

- Sustain a robust data management system to accurately track and document all development activities, facilitating data-driven decision-making and continuous improvement.

### 1.3. Organizational Structure of The Department of Cinnamon Development



**Figure 3: Organizational Structure of The Department of Cinnamon Development**

Source: <https://cinnamon.gov.lk>



## 1.4. Background of The Assignment

The Department of Cinnamon Development was recently established to spearhead the growth, sustainability, and global competitiveness of the cinnamon industry, which is a cornerstone of the country's agricultural economy. Cinnamon has long been a key export commodity, contributing significantly to foreign exchange earnings and rural livelihoods. However, despite its potential, the industry faces numerous challenges that hinder its ability to fully capitalize on local and global market opportunities.

The establishment of the Department of Cinnamon Development marks a strategic move by the government to address these challenges and unlock the industry's untapped potential. The Department has already prepared a roadmap outlining its vision, mission, and key priorities for the development of the cinnamon sector. This roadmap emphasizes the need for a coordinated approach to enhance production, improve value addition, strengthen market access, and ensure sustainable practices. As part of this consultancy assignment, the strategic plan we develop will align closely with this roadmap, ensuring consistency and synergy with the Department's broader objectives.

### Alignment with The Department's Roadmap

The Department of Cinnamon Development's roadmap highlights the need for a strategic, inclusive, and sustainable approach to address these challenges. Key focus areas of the roadmap include:

- Enhancing productivity and quality through modern farming techniques and technology adoption.
- Promoting value addition and diversification of cinnamon products to capture higher margins in global markets.
- Strengthening market linkages and branding to position the country's cinnamon as a premium product.
- Building the capacity of farmers, processors, and other stakeholders to improve competitiveness.
- Ensuring environmental sustainability and climate resilience in cinnamon cultivation.

This consultancy assignment is designed to support the Department in achieving these objectives by developing a comprehensive strategic plan that addresses both local and global market challenges, aligns with the roadmap, and provides actionable recommendations for sustainable industry growth. By doing so, the assignment will contribute to the broader goal of transforming the cinnamon industry into a high-value, globally competitive sector that benefits all stakeholders, from farmers to exporters.



## 1.5. Importance of The Five-Year Strategic Plan

The Five-Year Strategic Plan for the Department of Cinnamon Development is a visionary roadmap that addresses the challenges and opportunities facing Sri Lanka's cinnamon industry. By focusing on productivity, value addition, market access, sustainability, and policy support, the plan aims to transform the industry into a high-value, globally competitive sector. Through inclusive growth and innovation, the plan will not only enhance the economic contribution of cinnamon but also improve the livelihoods of thousands of farmers and rural communities, ensuring long-term resilience and prosperity for industry.

- Sri Lanka is the world's largest producer of true cinnamon (Ceylon Cinnamon), accounting for 80-90% of global production. However, the industry faces challenges such as low productivity, labor shortages, climate change risks, and competition from cheaper alternatives like cassia cinnamon. The strategic plan aims to address these issues and solidify Sri Lanka's position as the global leader in premium cinnamon production.
- Cinnamon is a vital export crop, contributing \$232 million in export revenue in 2022 and supporting over 350,000 livelihoods, predominantly women. The plan seeks to enhance the industry's economic impact by increasing productivity, promoting value addition, and expanding market access.
- The plan emphasizes sustainable farming practices, climate resilience, and environmental conservation, aligning with global trends toward eco-friendly and ethically sourced products.
- The plan prioritizes gender inclusion, youth engagement, and technology adoption to ensure that the benefits of the cinnamon industry reach all stakeholders, including smallholder farmers and rural communities.

## 1.6. Objectives of The Five-Year Strategic Plan

The five-year strategic plan for the cinnamon industry in Sri Lanka aims to address challenges, leverage opportunities, position Sri Lanka as a global leader in sustainable premium cinnamon production and improve the well-being of all stakeholders. There are three specific objectives for this Plan:

- To enhance operational efficiency and effectiveness of the department while aligning with and fulfilling the strategic goals and expectations of the stakeholders in the industries.
- To guide the cinnamon sector medium-term development aspirations over the period 2025-2029.
- To provide the cinnamon sector's priorities for projects and programs, As well as for budgeting for public spending; and
- To put in place a comprehensive monitoring and evaluation system.



## 1.7. Scope and Limitations of The Assignment

The scope of this assignment encompasses a thorough analysis of the cinnamon industry, including its value chain, market dynamics, policy environment, and institutional frameworks. The consultancy will focus on:

- i. **Strategic Planning:** Developing a 5-year strategic plan with clear goals, objectives, and actionable strategies.
- ii. **Stakeholder Engagement:** Consulting with key stakeholders, including farmers, processors, exporters, and policymakers.
- iii. **Market Analysis:** Assessing both local and global market trends, opportunities, and challenges.
- iv. **Policy Review:** Evaluating existing policies and regulatory frameworks affecting the cinnamon industry.
- v. **Capacity Building:** Identifying capacity gaps and recommending interventions to strengthen the industry.

### Limitations:

- The assignment is constrained by the availability and accuracy of secondary data on the cinnamon industry.
- The consultancy will rely on stakeholder participation, and delays in engagement may impact the timeline.
- The strategic plan will be developed within the context of existing national and international trade policies, which may evolve during the implementation phase.



# CHAPTER 02

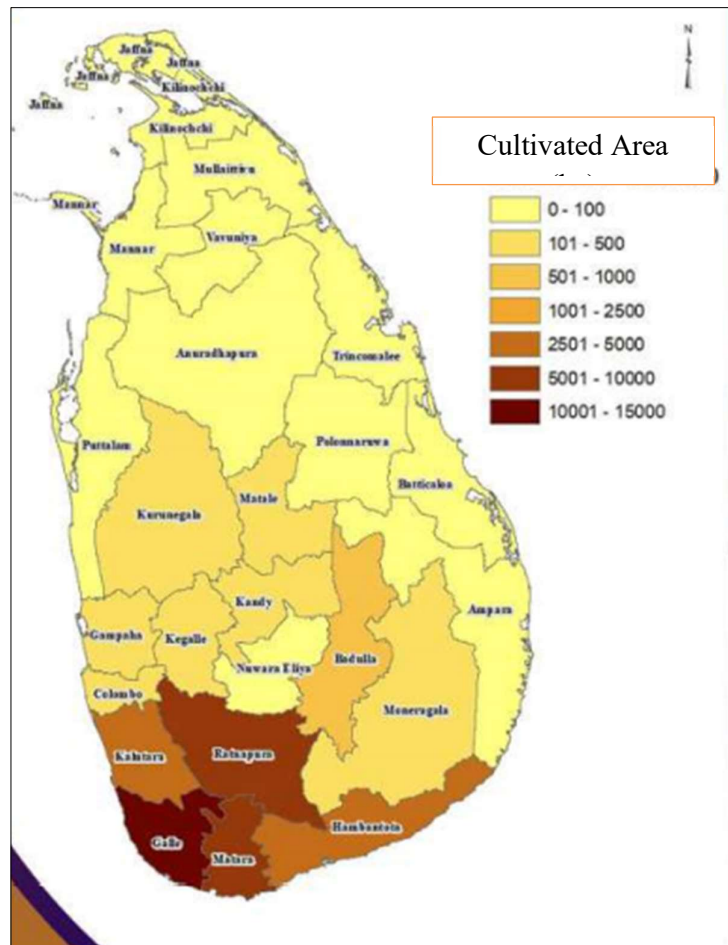
## 2.1. Current Situation of The Cinnamon Industry, History, and Legal Framework

Sri Lanka's cinnamon industry is deeply rooted in the island's history, culture, and economy. Known globally as the home of Ceylon Cinnamon (*Cinnamomum verum*), Sri Lanka has been a dominant player in the spice trade for centuries. The industry's journey from ancient times to the modern era reflects its resilience and adaptability, even as it faces contemporary challenges and opportunities. Today, Sri Lanka produces 80–90% of the world's true cinnamon, a testament to its unique agro-climatic conditions and the expertise of its farmers. However, industry must navigate issues such as low productivity, climate vulnerability, and competition from cheaper alternatives to maintain its global leadership.

The history of cinnamon in Sri Lanka dates back to antiquity, when the spice was highly prized by ancient civilizations for its medicinal and culinary properties. Traded along the Silk Road, Sri Lankan cinnamon reached markets as far as Egypt, Rome, and Arabia. By the 14th century, the island had become the epicenter of the global cinnamon trade, with Arab traders controlling its supply to Europe. The colonial era further shaped the industry's trajectory. The Portuguese, who arrived in 1505, exploited cinnamon as a key export, while the Dutch (1658–1796) formalized its cultivation and established plantations under the Dutch East India Company. The British (1796–1948), however, shifted focus to tea and rubber, leading to a decline in cinnamon's prominence. Despite this, small-scale cultivation persisted, and after gaining independence in 1948, the Sri Lankan government revived cinnamon as a strategic export crop in the 1960s. Today, Ceylon Cinnamon is synonymous with quality and authenticity, protected by Geographical Indication (GI) status in key markets.

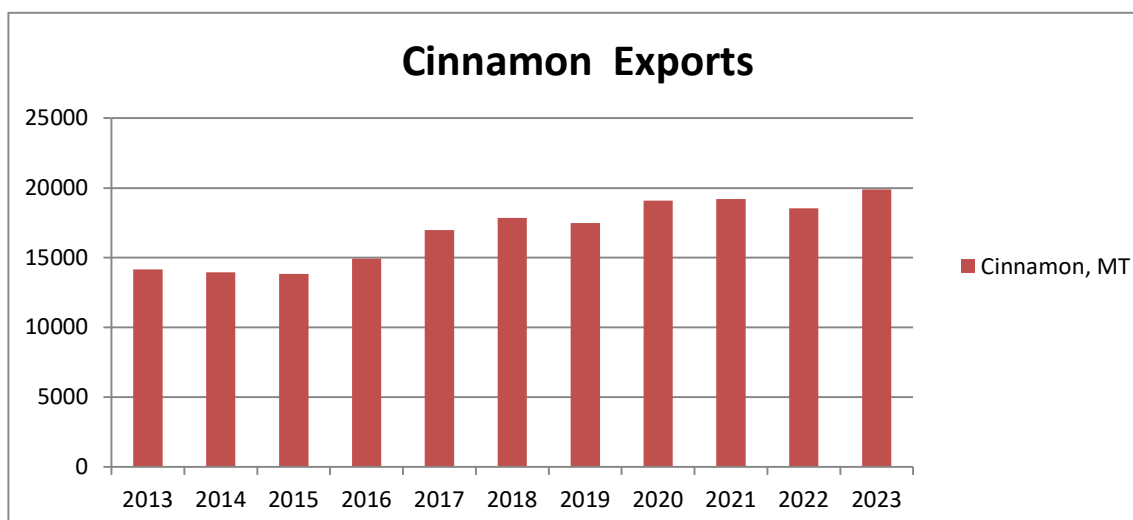
In the modern era, Sri Lanka's cinnamon industry plays a vital role in the national economy, contributing significantly to export earnings and rural livelihoods. Although cinnamon is a crop traditionally cultivated in tropical regions, it can thrive under a wide range of climatic and soil conditions. In addition to the five main districts where cinnamon is traditionally grown Galle, Matara, Hambantota, Kalutara, and Ratnapura cinnamon cultivation has now expanded to 14 other districts. Except in extremely arid zones, cinnamon can be successfully cultivated in dry and intermediate zone districts through irrigation, and land from sea level up to 700 meters in elevation is recommended for this purpose. With a total cultivated area of approximately 36,000 hectares, the industry produces 25,000–30,000 metric tons of cinnamon annually, mainly in the form of quills, chips, and powder.





*Figure 4: Cultivated Areas*  
Source: <https://cinnamon.gov.lk>

Smallholder farmers, who typically own plots of 0.5–2 hectares, account for 90% of production, while large plantations managed by companies also play a significant role. Despite its global reputation, the industry faces several challenges. Average yields remain low at 500 kg per hectare, compared to 800–1,000 kg per hectare for cassia cinnamon in countries like Indonesia. Additionally, only 10% of exports are value-added products, such as oil and extracts, limiting revenue potential. Climate change further exacerbates these issues, with droughts and erratic rainfall threatening yields and farmer incomes.



**Figure 5: Cinnamon Exports Details**

Sources: Central Bank of Sri Lanka (Developed by Consultant)

The legal and policy framework governing Sri Lanka’s cinnamon industry is designed to protect its unique identity, ensure quality, and promote sustainable growth. The Geographical Indication (GI) Protection, granted under the *Intellectual Property Act No. 36 of 2003*, safeguards the authenticity of Ceylon Cinnamon and differentiates it from cheaper alternatives like cassia. This GI status has been recognized in key markets, including the European Union and India, enhancing the spice’s global appeal. Quality control is enforced by the Sri Lanka Standards Institution (SLSI), which certifies cinnamon under SLS 81:2017 standards, ensuring low coumarin content (less than 0.004%) and moisture levels (below 14%). For organic cinnamon, the National Organic Control Unit (NOCU) provides certification under EU and USDA standards, catering to the growing demand for eco-friendly products. The government has also introduced several initiatives to support the industry, including the National Export Strategy (NES) 2023–2027, which identifies spices as a priority sector for export diversification. Subsidized seedlings, training programs, and tax incentives for value-added product development are among the measures aimed at empowering farmers and boosting productivity.

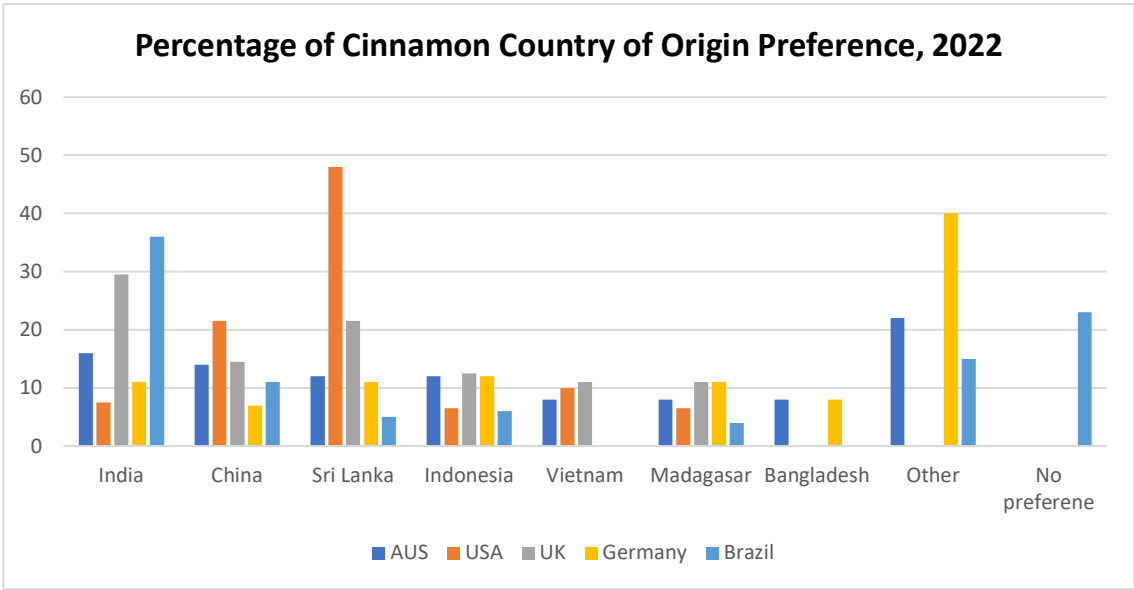
Despite these efforts, gaps in the legal framework and implementation persist. Adulteration of Ceylon Cinnamon with cheaper cassia remains a challenge in some export markets, undermining consumer trust. Farmers, particularly smallholders, often lack access to fair pricing mechanisms, leaving them vulnerable to exploitation by middlemen. Additionally, limited investment in research and development has hindered the adoption of modern technologies, such as disease-resistant varieties and mechanized peeling methods. Addressing these issues requires a multi-stakeholder approach, involving the government, private sector, and international partners. For instance, block chain-based traceability systems, like Ceylon Cinnamon Trace, can enhance transparency and combat adulteration, while partnerships with NGOs can promote sustainable farming practices and carbon credit programs.



Sri Lanka’s cinnamon industry is a cornerstone of the nation’s agricultural heritage and economic development. Its rich history, coupled with its global reputation for quality, positions Ceylon Cinnamon as a premium product in the international spice trade. However, the industry must overcome challenges such as low productivity, climate risks, and competition from cheaper alternatives to sustain its leadership. Strengthening the legal framework, investing in research and development, and empowering smallholder farmers will be critical to unlocking the industry’s full potential. By balancing tradition with innovation, Sri Lanka can ensure that its cinnamon industry continues to thrive, benefiting both the economy and the thousands of families who depend on it.

## Global Context

The global cinnamon market is experiencing growth and is projected to reach significant values in the coming years. The global cinnamon market size is estimated to reach \$996.8 million by 2027, growing at a Compound Annual Growth Rate (CAGR) of 2.7% from 2022-2027. Other reports indicate the market could expand to \$1.89 billion by 2034, fueled by a 6.4% CAGR. In 2022, cinnamon was the world's 945th most traded product, with a total trade value of \$968 million.



**Figure 6: Percentage of Cinnamon Country of Origin Preference, 2022**  
Source: Baseline Export Assessment Report Sri Lanka Cinnamon – International Finance Corporation (Developed by Consultant)

Asia-Pacific Region is dominating cinnamon production, holding the largest market share at 41.1% in 2023. The region is also expected to grow at a CAGR of 7.9%. The Asia-Pacific Region dominates cinnamon production, holding the largest market share at 41.1% in 2023. The region is also expected to grow at a CAGR of 7.9%. China was the largest cinnamon

producer in 2022, accounting for approximately 40.6% of global output with 90,398.8 metric tons. Indonesia and

Vietnam were significant cinnamon producers and exporters. In 2021, Vietnam's cinnamon exports were valued at \$0.175 billion. Sri Lanka is known for Ceylon cinnamon (True Cinnamon), with 23,764 metric tons produced in 2021 and Sri Lanka had the highest revealed comparative advantage scores from 2001-2020.

The global cinnamon market is experiencing notable growth driven by several key trends and factors.

## 2.2. Research and Development

Research and development (R&D) in plant protection are crucial for sustainable cinnamon cultivation, particularly for *Cinnamomum verum* (true cinnamon or Ceylon cinnamon). As the demand for cinnamon grows worldwide, so does the importance of protecting this valuable crop from threats like pests, diseases, and environmental stressors. Plant protection in the cinnamon industry involves safeguarding the health of *Cinnamomum verum* trees from issues that can negatively impact yield, quality, and long-term sustainability. Effective R&D in this area is essential to ensure consistent production, minimize losses, and support the livelihoods of farmers and producers who rely on this crop.

### 2.2.1. Overview of Plant Protection Challenges in Cinnamon Cultivation

#### Pests and Diseases:

- **Rough bark disease** - (*Pestalotiopsis*, *Phomopsis*, *Colletotrichum* and *Botryodiplodia* spp.)  
Rough bark disease has spread to almost all cinnamon growing areas in Sri Lanka. This is a fungal disease that affects the immature bark of the cinnamon tree.
- **Leaf blight disease** - (*Colletotrichum* spp.)  
The disease condition referred to as cinnamon leaf blight or leaf spot is visible at almost every stage of the cinnamon plant's life. However, this disease usually reaches economically damaging levels during the nursery stage or sapling stage after being established in the field. The disease becomes severe during the rainy season, while its spread is minimal during dry periods.
- **White root disease** - (*Rigidoporus microporus*)  
This fungal disease is commonly seen in cinnamon plantations established on land previously used for rubber cultivation or in cinnamon plots adjacent to rubber plantations.
- **Brown root rot disease** - (*Phellinus noxius*)  
Even though the external symptoms of this fungal disease are largely similar to root rot, it can be accurately identified by examining the root system. The infected roots take on a brownish color, and a distinctive feature is the presence of a sand/soil crust on them.



Furthermore, clear brownish line patterns that penetrate the inner part of the root can be observed.

This disease is common during the early stage of cultivation (2-3 years after planting) and in the mature stage. The damage is prominent in shaded areas and in soils with poor water drainage.

- **Stem Cankers**

The specific cause of this condition has not yet been identified. It is believed that damage to the cambium in cinnamon stems causes abnormal growth of cells, leading to stem tumors during the secondary growth stage. When the stems are harvested, these enlarged tumors make the bark difficult to peel and significantly affect the quality of the cinnamon bark. This condition is frequently reported when nitrogen-containing fertilizers are applied in amounts exceeding the recommended ratios.

- **Swollen fruit disease - (*Exobasidium cinnamomi*)**

This fungal disease causes the fruits of the cinnamon plant to become larger and deformed compared to their normal size. When the red-brown fungal spores spread on the seeds, they also appear red brown. Peeling the bark from diseased trees becomes difficult. This disease is not very widespread.

#### **Pests:**

- **Pink Stem Borer - (*Ichneumoniptera cinnamomumi*)**

This is the most disastrous pest for cinnamon in Sri Lanka. The adult female deposits eggs at the base of the stems and the larvae that hatch out dig into the base of the cinnamon bush, devouring the internal tissues, resulting the emerging shoots fall. If this condition persists, the base will decay, and new shoot emergence will be disrupted. The fecal material of the larva can be observed as “saw dust” on the base where its attack has been occurred. Also, it’s a prominent symptom that above the damaged area, new roots grow out.

- **Leaf Gall forming Louse - (*Trioza cinnamomi*)**

Plant louse causes galls on the upper side of the leaf. Newly formed galls are pink in color and turn greenish when they mature. Only one louse is found inside each gall, sucking plant sap. This attack is prominent during wet and cool climates and common in nursery and sapling stage.

- **Leaf gall forming mites - (*Eriophyes boisi*)**

Cinnamon mites cause leaf galls underside of the leaf. Nymphs suck the plant sap, and it results in these nonuniform, large galls, that cause significant damage to new flush, during the nursery stage. Under cool and wet conditions this attack is prominent.

- **Cinnamon Thrips attack - (*Heliothrips annosus*)**

Sap sucking of adult and nymph of thrips from the immature leaves cause the apex of the leaves to appear burnt. Under the infested leaves, shining spots like fecal drops of these insects can be observed. When the attack is severe, leaf shedding, death of apical buds, formation of many deformed buds and the total death of the plant can occur.

- **Leaf miner attack - (*Acrocercops spp.*)**



The larva of the leaf miner tunnels through the upper and lower epidermal layers of the leaf. This can be commonly observed in nursery and newly planted trees.

- **Root grub**

This soil dwelling grub eats the roots of the cinnamon plant causing the death of plants. Mature plants show resistance to this attack, but the death of immature plants of 1 – 3 years of age could result a significant damage to the plantation.

- **Leaf eating caterpillars**

There are many species of leaf eating caterpillars and they do not cause significant damage.

### 2.2.2. Economic Impact

#### **Rough bark disease** (*Pestalotiopsis*, *Phomopsis*, *Colletotrichum* and *Botryodiplodia* spp.)

The disease damages cinnamon bark, resulting in rough, cracked, or discolored bark that is less desirable in the market. High-quality cinnamon bark is essential for both flavor and aesthetic appeal, and any reduction in quality can lead to lower prices and customer dissatisfaction.

Infected trees may exhibit stunted growth or reduced bark yield, especially as the disease spreads over time. Since cinnamon bark is the primary economic product, any reduction in bark thickness or harvestable area leads to decreased yields per tree or hectare. Managing rough bark disease often involves fungicide applications, improved sanitation, and other disease management practices, which add to the production cost.

Rough bark disease in cinnamon directly affects the economic returns of cinnamon farmers and exporters due to reduced quality, lower yields, and increased costs associated with disease management.

#### **Leaf blight disease** - (*Colletotrichum* spp.)

Leaf blight causes lesions, necrosis, and defoliation directly affecting the quality and quantity of harvestable leaves. This is particularly impactful for cinnamon cultivations focused on leaf harvest for essential oil extraction, as affected leaves yield lower-quality oil and sometimes in reduced quantities.

Reduced yields mean that farmers harvest less per tree, which affects overall profitability, especially in regions where leaf oil production is a key source of income.

#### **White root disease** - (*Rigidoporus microporus*)

*Rigidoporus microporus* causes extensive root rot, which disrupts water and nutrient uptake in the plant. This leads to symptoms like leaf wilting, stunted growth, and, eventually, plant death. The disease spreads quickly through soil, infecting entire fields if not managed.

The loss of cinnamon plants results in a direct reduction in yield, as affected plants are often completely unharvestable. This can devastate smallholder farmers or large-scale plantations, where losing multiple plants equates to a significant financial setback. White root disease in



cinnamon, caused by *Rigidoporus microporus*, has severe economic impacts, including plant mortality, reduced yield, high replanting and management costs, and loss of market value.

#### **Brown root rot disease - (*Phellinus noxius*)**

*Phellinus noxius* primarily infects and degrades the root system, leading to severe wilting, stunted growth, defoliation, and ultimately plant death. As the fungus spreads, it can devastate entire fields, especially in densely planted areas where root contact accelerates transmission.

This widespread mortality results in a direct reduction in yield, as large numbers of infected plants become unharvestable. This loss has an immediate financial impact, as farmers face reduced productivity and diminished returns on their investment.

Managing brown root rot disease requires rigorous monitoring, root sanitation, soil treatments, and, in some cases, removal of affected plants to contain the spread. These interventions incur costs associated with labor, chemical applications, and equipment, adding to production expenses.

#### **Stem Cankers**

Stem cankers cause lesions and decay on the bark, which can make cinnamon bark unsuitable for high-quality processing and extraction. Since cinnamon bark is the primary economic product, any reduction in bark quality directly affects market value.

#### **Swollen fruit disease - (*Exobasidium cinnamomi*)**

For farmers who rely on selling cinnamon seeds (used for propagation or as a secondary product), reduced quality leads to lower prices and a diminished ability to compete in quality-sensitive markets, directly affecting revenue.

But fortunately, this is not causing widespread disease, and no significant economic loss has been recorded.

### **2.2.3. Current Trends in R&D for Cinnamon Plant Protection**

Research and development in cinnamon plant protection focus on a comprehensive understanding of the causal agents behind pest and disease outbreaks, emphasizing accurate identification and analysis of these pathogens. Advancements in this field require detailed knowledge of the biology and life cycles of the pathogens, identification of vectors and alternative means of disease spread, and recognition of host-specific symptoms. Additionally, studies on population genetics contribute to understanding the variability and adaptation of pathogens, helping to develop targeted control strategies.

Environmental and climatic conditions play a significant role in disease prevalence, as certain conditions can favor pathogen survival, reproduction, and infection. Research also examines the mechanisms of host penetration, enabling a better understanding of how pathogens invade cinnamon plants. This holistic approach to studying pathogen behavior and interaction with cinnamon plants is essential for developing effective, sustainable management strategies.



A significant amount of research has already been conducted to achieve the goals outlined above, such as **identifying the causal organisms** of pests and diseases and studying their **biological characteristics**, which are foundational steps in plant protection. Over the past two decades, research has also **identified various chemical control methods** and some sustainable practices to manage these issues effectively. However, considering current global trends and the increasing demand for pesticide-free, healthy food production, the next step is to focus on alternative, non-chemical options for pest and disease control. This shift aligns with the movement towards safer, more sustainable agricultural practices. Here are the suggested alternative research pathways to consider in the coming future.

- **Biological Control:** using natural predators or beneficial microorganisms to control pests and diseases in cinnamon.
- **Genetic Research:** advancements in genetic research to develop disease-resistant cinnamon varieties. gene-editing technologies or selective breeding programs if applicable.
- **Chemical and Pesticide Innovations:** developments in environmentally friendly pesticides and fungicides specifically tailored for cinnamon crops.
- **Involvement of sophisticated physical pest control techniques developed with novel technology:** phototactic traps & acoustic traps
- **Integrated Pest Management (IPM):** IPM practices and how they are applied to cinnamon.

Instead of the above alternatives, revisiting the existing pest and disease recommendations is also important.

#### 2.2.4. Current Situation (Ongoing and Upcoming Research Initiatives)

Currently, researching to develop formulations from Trichoderma which is one of the effective biocontrol fungi to control devastatingly spreading White root disease instead of completely relying on inorganic chemical fungicides. But this has to be developed with new technology and should get more hands-on experience and training from successfully implemented countries.

To control the nursery pests – pesticides made of plant extracts are testing

To control the Cinnamon stem and base of the bush damaging pink stem borer several sustainable practices have been identified by the research done in the last decade. Besides that, another pest-controlling technique decides to test in the coming future - phototactic traps and pest-repellant systems

Some research has been conducted to identify sustainable IPM practices for managing Cinnamon Rough Bark Disease; however, further research is needed.



Commercially available ultrasonic vertebrate pest-repelling machines have also been evaluated.

Periodically revisiting the recommendations - has been done by some.

## 2.3. Local and Global Market

### 2.4.1. Local Market

The local cinnamon industry is a cornerstone of the agricultural sector, providing livelihoods for thousands of smallholder farmers and rural communities. The industry is characterized by:

- **Production:** High-quality cinnamon cultivation, primarily in specific regions with favorable Agro-Climatic conditions.
- **Value Chain:** A fragmented value chain with limited value addition, focusing mainly on raw cinnamon exports.
- **Challenges:** Inconsistent quality, lack of modern processing facilities, and limited access to finance and technology.

### 2.4.2. Global Market

The global demand for cinnamon is driven by its applications in the food, pharmaceutical, and cosmetic industries. Key trends include:

- **Demand:** Increasing consumer preference for natural and organic products, boosting demand for high-quality cinnamon.
- **Competition:** Strong competition from other cinnamon-producing countries, such as Indonesia, Vietnam, and China.
- **Opportunities:** Growing markets in North America, Europe, and Asia for value-added cinnamon products like essential oils, supplements, and processed foods.
- **Challenges:** Stringent quality and safety standards in international markets, requiring compliance with certifications such as Fair Trade, Organic, and ISO.

## 2.4. Gender Equality and Economic Inclusion

The cinnamon industry in Sri Lanka is a significant economic sector, providing livelihoods for numerous families and employing a substantial portion of the workforce. From a gender perspective, the industry presents both opportunities and challenges for women's participation and empowerment.



### **2.4.1. Women's Participation in the Cinnamon Industry**

The cinnamon industry is one of the few sectors in Sri Lanka with a high rate of female participation. Women are predominantly involved in labor-intensive activities such as harvesting and bundling cinnamon quills. This involvement is crucial given the low overall female labor force participation rate of 30%. Women are concentrated in the upstream ends of the cinnamon value chain, engaging in tasks that require manual dexterity and attention to detail. These roles are often labor-intensive and are traditionally passed down through generations.

The industry supports the livelihoods of over 70,000 smallholder growers and provides jobs to more than 350,000 Sri Lankans, with the majority being women. This highlights the critical role women play in sustaining the industry and their families.

### **2.4.2. Challenges Faced by Women in the Cinnamon Industry**

- **Labor Shortages and High Costs**  
The industry faces a shortage of skilled labor, particularly peelers, which results in high labor costs. This shortage affects women who are often the primary labor force in peeling and processing cinnamon.
- **Working Conditions**  
Traditionally, women worked in basic and unhygienic environments with long hours and no social benefits. However, recent initiatives have improved working conditions through upgraded processing centers and vocational training programs.
- **Social Stigma**  
There has been a social stigma associated with cinnamon peeling, which has historically deterred women from entering the sector. Efforts to mitigate this stigma through social marketing and improved working conditions have been successful in attracting more women to the industry.

### **2.4.3. Opportunities for Empowerment**

The introduction of vocational training programs has provided women with skills in food safety and hygiene, enhancing their employability and career prospects within the industry.

Upgraded processing centers have created safer and more secure working environments, making the industry more attractive to women.

The cinnamon industry offers women a stable income and the potential for economic empowerment. The "line system" in factories provides secure employment with basic daily salaries, which has increased the demand for jobs among local women.



## 2.5. Risk Analysis of the Cinnamon Industry

The cinnamon industry in Sri Lanka is a significant contributor to the country's economy, being the world's largest producer and exporter of Ceylon cinnamon. However, the industry faces several risks and challenges that could impact its sustainability and growth.

### 2.5.1. Market Position and Competition

Sri Lanka's cinnamon industry is renowned for its high-quality Ceylon cinnamon, which accounts for a substantial portion of the global market. In 2022, Sri Lanka exported \$214 million worth of cinnamon, making it the second-largest exporter globally. Despite this, the industry faces intense competition from countries like Indonesia, China, and Vietnam, which produce cassia, a cheaper alternative to Ceylon cinnamon. The lower production costs in these countries allow them to offer cassia at a significantly reduced price compared to Ceylon cinnamon, posing a threat to Sri Lanka's market share.

### 2.5.2. Production and Supply Chain Challenges

- **Low Productivity**  
The national average production is about 600 kg per hectare, far below the potential capacity of 1,500 kg per hectare. This is attributed to poor management practices and inadequate efficiency in crop management and processing.
- **Labor Shortages**  
There is a shortage of skilled peelers, with only 25,000 employed against a requirement of 35,000. This shortage leads to high labor costs and impacts the quality of production.
- **Supply Chain Complexity**  
The supply chain involves multiple actors, which complicates traceability and control, leading to potential quality issues.

### 2.5.3. Economic and Social Risks

- **Rising Production Costs**  
The sudden ban on chemical fertilizers and the end of government subsidies have increased production costs for small-scale farmers. This has led to socio-economic challenges for farmers who are already struggling with high costs of living.
- **Price Fluctuations**  
The industry is vulnerable to price fluctuations, which can affect the profitability of exports. This is exacerbated by the lack of effective pricing strategies and competitive dynamics.

### 2.5.4. Quality and Regulatory Challenges

- **Quality Control**  
There is a decline in the quality of cinnamon products due to deteriorating grading practices and non-application of food safety standards. This affects the competitiveness of Sri Lankan cinnamon in international markets.
- **Geographical Indication (GI)**



Implementing GI could help maintain the quality standards of Ceylon cinnamon by preventing it from being mixed with cassia. However, the effectiveness of this measure depends on its enforcement and recognition in international markets.

#### **2.5.5. Social and Market Challenges**

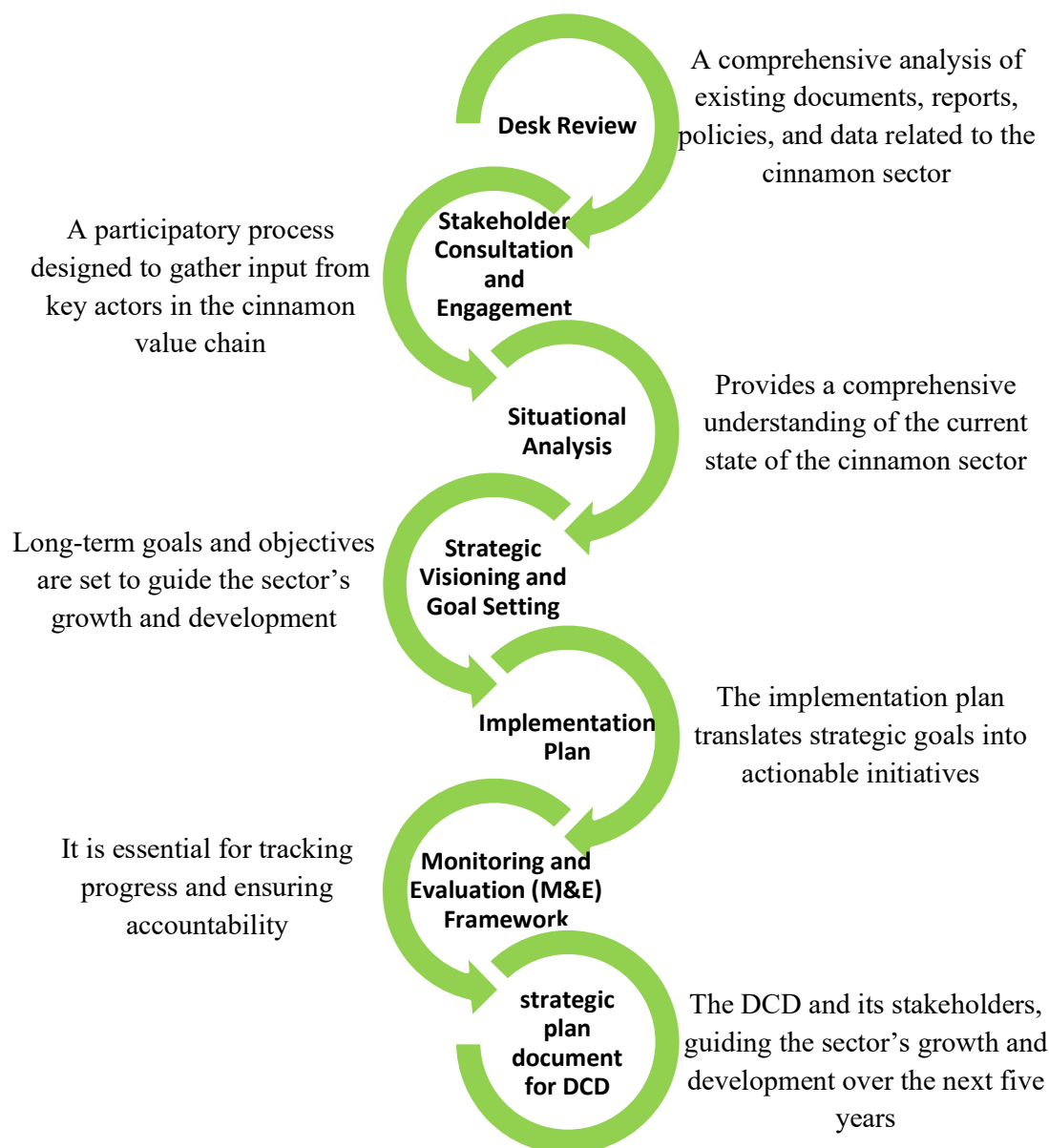
- **Middlemen Exploitation**  
Farmers often do not benefit fully from their produce due to exploitation by middlemen who control the supply chain and pricing.
- **Lack of Market Information**  
Many farmers lack access to market information, which hinders their ability to make informed decisions about pricing and production strategies<sup>3</sup>.



# CHAPTER 03

## 3.1. Methodology

The process begins with a thorough review of existing reports, policy documents, and industry analyses relevant to the cinnamon sector. This includes Examining the Road Map of the Cinnamon Industry to understand the current direction and priorities. Analyzing policy documents to identify regulatory frameworks and government support mechanisms. Reviewing industry analyses to gain insights into market trends, challenges, and opportunities.



*Figure 7: Methodology*  
(Developed by Consultant)



### 3.1.1. Desk Review

The desk review involves a comprehensive analysis of existing documents, reports, policies, and data related to the cinnamon sector in Sri Lanka. This step aims to understand the current state of the industry, identify gaps, and gather insights from previous initiatives. It provides a foundation for informed decision-making and ensures the strategic plan is grounded in evidence.

- **Data Collection:** Gathering secondary data from government reports, industry publications, academic research, and international trade statistics.
- **Policy Analysis:** Reviewing national policies, regulatory frameworks, and international agreements affecting the cinnamon industry.
- **Benchmarking:** Comparing Sri Lanka's cinnamon sector with global best practices and competitor countries (e.g., Indonesia, Vietnam).
- **Gap Analysis:** Identifying gaps in knowledge, infrastructure, technology, and market access.

### 3.1.2. Stakeholder Consultation and Engagement

This step focuses on engaging key stakeholders in the cinnamon sector, including farmers, exporters, policymakers, researchers, and industry associations. Stakeholders are clustered into groups based on their roles and interests to ensure inclusive participation. Their input is critical for identifying challenges, opportunities, and priorities, ensuring the plan is aligned with the needs of the sector.

Stakeholder consultation is a participatory process designed to gather input from key actors in the cinnamon value chain. This step includes,

- **Stakeholder Mapping:** Identifying and categorizing stakeholders into clusters such as farmers, processors, exporters, policymakers, researchers, and consumers.
- **Engagement Methods:** Conducting focus group discussions (FGDs), interviews, surveys, and workshops to collect diverse perspectives.
- **Needs Assessment:** Understanding the challenges, aspirations, and priorities of each stakeholder group.
- **Inclusivity:** Ensuring representation from marginalized groups, such as smallholder farmers and women in the sector.

The consultation process ensures that the strategic plan is inclusive, equitable, and reflective of the sector's collective vision.



### 3.1.3. Situation Analysis

The situation analysis involves a detailed assessment of the internal and external environment of the cinnamon sector. This includes analyzing strengths, weaknesses, opportunities, and threats, as well as examining market trends, regulatory frameworks, and competitive positioning. The findings help in identifying strategic issues that need to be addressed.

The situation analysis provides a comprehensive understanding of the current state of the cinnamon sector. Key components include:

- **SWOT Analysis:** Identifying the sector's strengths (e.g., Sri Lanka's unique Ceylon cinnamon), weaknesses (e.g., low productivity), opportunities (e.g., growing global demand for organic products), and threats (e.g., climate change).
- **PESTEL Analysis:** Examining political, economic, social, technological, environmental, and legal factors influencing the sector.
- **Value Chain Analysis:** Mapping the cinnamon value chain to identify gaps, inefficiencies, and areas for improvement. The cinnamon value chain encompasses the entire process from cinnamon cultivation by smallholder farmers to the final sale of cinnamon products to consumers, including stages like harvesting, peeling, grading, processing, wholesale trading, exporting, and reaching the retail market, with key actors being growers, peelers, collectors, exporters, and distributors at various levels depending on the product type and market destination; often characterized by a complex network of intermediaries, particularly in the initial stages of collection and processing.
- **Resource Analysis:** Evaluates the Department of Cinnamon Development (DCD) in terms of Human resources – Staffing gaps, training needs, and field officer deployment. Financial resources – Budget allocations, funding sources, and investment requirements. Physical and Technological Infrastructure - Research facilities, technological assets and Operational Infrastructure. Strategic Resources and Partnerships - Knowledge resources, farmer networks, research Output, training and extensions.

This analysis provides a clear picture of the sector's current realities and informs the development of strategic priorities.

### 3.1.4. Strategic Visioning and Goal Setting

Based on the insights from the desk review, stakeholder consultations, and situation analysis, a clear vision and mission for the cinnamon sector are developed. Long-term goals and objectives are set to guide the sector's growth and development. This step ensures the strategic plan is forward-looking and aligned with national development priorities.

This step involves defining the long-term direction for the cinnamon sector. Key activities include:



- **Vision and Mission:** Crafting a compelling vision (e.g., “To establish Sri Lanka as the global leader in premium cinnamon production and exports”) and mission statement.
- **Goal Setting:** Establishing high-level goals aligned with national development objectives (e.g., increasing export revenue, improving farmer livelihoods).
- **Strategic Objectives:** Defining specific, measurable, achievable, relevant, and time-bound (SMART) objectives to achieve the goals.
- **Alignment:** Ensuring alignment with global frameworks such as the Sustainable Development Goals (SDGs) and national policies like Sri Lanka’s National Export Strategy.

This step ensures the strategic plan is visionary yet grounded in practical objectives.

### 3.1.5. Implementation Plan

The implementation plan outlines the specific actions, timelines, resources, and responsibilities required to achieve strategic goals. It includes detailed programs, projects, and initiatives, as well as a budget and resource allocation framework. This step ensures the plan is actionable and feasible.

The implementation plan translates strategic goals into actionable initiatives. It includes:

- **Action Plans:** Detailing specific activities, programs, and projects to achieve the objectives.
- **Timelines:** Setting clear milestones and deadlines for each initiative.
- **Resource Allocation:** Identifying financial, human, and technical resources required for implementation.
- **Partnerships:** Defining roles and responsibilities for government agencies, private sector players, and development partners.
- **Risk Management:** Identifying potential risks (e.g., price volatility, climate risks) and mitigation strategies.

The implementation plan ensures the strategic plan is operational and actionable.

### 3.1.6. Monitoring and Evaluation (M&E) Framework

An M&E framework is developed to track progress, measure outcomes, and evaluate the impact of the strategic plan. Key performance indicators (KPIs) are established to assess the success of the initiatives. This step ensures accountability, learning, and continuous improvement throughout the implementation period.

The M&E framework is essential for tracking progress and ensuring accountability. It includes:



- **Key Performance Indicators (KPIs):** Developing quantifiable metrics to measure success (e.g., increase in export volume, improvement in farmer income).
- **Data Collection Systems:** Establishing mechanisms for regular data collection and reporting.
- **Evaluation Methods:** Conducting periodic reviews and impact assessments to evaluate the effectiveness of the plan.
- **Feedback Loops:** Using M&E findings to refine strategies and improve implementation.

The M&E framework ensures continuous learning and adaptation throughout the plan's lifecycle.

### 3.1.7. Final Strategic Plan

The final strategic plan consolidates all the findings, goals, and implementation strategies into a cohesive document. It serves as a roadmap for the Department of Cinnamon Development and its stakeholders, guiding the sector's growth and development over the next five years. The plan is presented to stakeholders for validation and approval before implementation.

The final strategic plan consolidates all the insights, goals, and strategies into a cohesive document. Key elements include:

- **Executive Summary:** A concise overview of the plan's vision, goals, and key initiatives.
- **Strategic Framework:** A detailed presentation of the vision, mission, goals, and objectives.
- **Implementation Roadmap:** A clear outline of activities, timelines, and responsibilities.
- **Resource Requirements:** A budget and funding plan for the initiatives.
- **Appendices:** Supporting documents such as stakeholder consultation reports, situation analysis findings, Logical Framework Approach and M&E frameworks.

The final plan is presented to stakeholders for validation and approval, ensuring buy-in and commitment from all parties.

This structured approach ensures the strategic plan is comprehensive, inclusive, and actionable, addressing the needs of the cinnamon sector in Sri Lanka while aligning with national and global market demands.



## 3.2. Key Policy Areas of The Cinnamon Sector

When developing a strategic plan for the cinnamon industry in Sri Lanka, it is essential to consider a wide range of policy areas to ensure sustainable growth, competitiveness, and value addition. Below are the key policy areas that should be prioritized.

- i. Quality Assurance and Standards
- ii. Research and Development (R&D)
- iii. Market Access and Promotion
- iv. Financial Support and Incentives
- v. Infrastructure Development, Capacity Building and Training
- vi. Sustainability and Environmental Protection
- vii. Labor and Social Welfare
- viii. Regulatory and Institutional Framework
- ix. Value Chain Development
- x. Innovation and Technology

By addressing these policy areas comprehensively, Sri Lanka can enhance the global competitiveness of its cinnamon industry, ensure sustainable growth, and maximize benefits for all stakeholders involved.

A comprehensive strategic plan for the cinnamon industry must address these policy areas holistically. By focusing on quality, sustainability, market access, and innovation, Sri Lanka can strengthen its position as a global leader in the cinnamon industry while ensuring equitable benefits for all stakeholders in the value chain.

### 3.2.1. Strategic Alignment with National Policy Priorities

The Department of Cinnamon Development (DCD) strategically aligns its 2025–2029 goals with the government’s three core policy areas to drive equitable growth, technological advancement, and national resilience. Below is a comprehensive mapping of how DCD’s initiatives support Sri Lanka’s vision of a comfortable, wealthy, and strong nation.



Government Policy Focus	DCD Strategic Goals	Key Initiatives	Alignment Rationale
Focus Area 1: <i>A Fulfilling Life – A Comfortable Country</i>	Enhance Productivity and Farmer Livelihoods Gender Equality and Economic Inclusion	<ul style="list-style-type: none"> <li>Farmer cooperatives for collective bargaining</li> <li>Solar dryers and storage facilities to reduce post-harvest losses</li> <li>Microfinance programs targeting women peelers</li> </ul>	Improves rural livelihoods by increasing incomes, reducing poverty, and empowering women in the workforce. Ensures equitable access to resources and opportunities.
Focus Area 3: <i>A Modern Life – A Wealthy Nation</i>	Promote Value Addition and Innovation Expand Global Market Access	<ul style="list-style-type: none"> <li>Blockchain traceability (<i>Ceylon Cinnamon Trace</i>)</li> <li>E-commerce platforms for B2B/B2C exports</li> <li>R&amp;D partnerships for cinnamon-based nutraceuticals</li> </ul>	Drives industrialization, digital transformation, and export-led growth. Positions Sri Lanka as a global leader in premium, tech-driven cinnamon products.
Focus Area 4: <i>A Dignified Life – A Strong Country</i>	Ensure Sustainability and Climate Resilience Strengthen Policy and Institutional Frameworks	<ul style="list-style-type: none"> <li>GI enforcement in 10+ markets</li> <li>Carbon credit programs for agroforestry</li> <li>Streamlined export regulations and compliance</li> </ul>	Protects Sri Lanka's heritage (GI status), promotes environmental stewardship, and strengthens governance. Enhances global competitiveness and sovereignty.

*Table 1: Strategic Alignment with National Policy Priorities*

# CHAPTER 04

## 4.1. Stakeholder Consultation and Engagement

This Stakeholder mapping and the stakeholder matrix are foundational tools in the Department of Cinnamon Development's (DCD) strategic planning process, designed to systematically identify, prioritize, and engage key actors critical to the success of Sri Lanka's cinnamon sector. These frameworks ensure that DCD's initiatives align with the needs, influence, and expectations of diverse stakeholders, fostering collaboration, mitigating risks, and maximizing synergies across the value chain.

Stakeholder Mapping is the process of identifying and categorizing individuals, groups, or institutions that impact or are impacted by the cinnamon industry. This exercise goes beyond mere listing to analyze stakeholders' roles, interests, power dynamics, and interdependence. For instance, the DCD's mapping revealed smallholder farmers and peelers as the backbone of production, while entities like the Export Development Board (EDB) and Ceylon Cinnamon Geographical Indication Association (CCGIA) emerged as pivotal influencers shaping policy and market access. By mapping stakeholders, the DCD gains clarity on who drives decisions, who holds resources, and who faces the greatest risks or benefits from sectoral reforms.

The Stakeholder Matrix builds on this mapping by classifying stakeholders into four quadrants based on their level of influence (ability to affect change) and degree of interest (stake in outcomes).

The importance of these tools lies in their ability to transform complex stakeholder landscapes into actionable strategies. For example, the matrix revealed that while smallholder farmers (Keep Informed) lack formal influence, their collective dissatisfaction could disrupt supply chains, necessitating targeted engagement through cooperatives. Conversely, financial institutions (Keep Satisfied) require streamlined communication to maintain credit flows without overwhelming involvement.

For the DCD, stakeholder mapping and the matrix are not static exercises but dynamic frameworks guiding resource allocation and policy design. By prioritizing Key Players for high-level consultations and empowering Keep Informed groups through training programs, the DCD ensures no stakeholder is marginalized. These tools also mitigate risks, such as non-compliance with GI standards, by clarifying accountability and fostering transparency.

Ultimately, stakeholder mapping and the matrix enable the DCD to balance competing priorities, align interventions with stakeholder capabilities, and drive consensus on contentious issues like pricing reforms or climate adaptation. By embedding these frameworks into its governance model, the DCD positions itself as a proactive, inclusive steward of Sri Lanka's cinnamon sector, capable of transforming stakeholder collaboration into sustainable, equitable growth.



## 4.2. Stakeholder Mapping

Stakeholder mapping for Sri Lanka's cinnamon industry is essential to identify and engage key actors who influence or are impacted by the sector's growth and sustainability. The framework categorizes stakeholders based on their interests, level of influence, and roles within the value chain. Government agencies play a regulatory and supportive role, shaping policies, funding research, and ensuring quality standards. Farmers and smallholders, who form the backbone of production, are critical but often lack bargaining power, facing challenges such as price volatility and limited access to technology. Processors, exporters, and traders hold significant influence over market access and pricing, though inefficiencies and middlemen reduce farmer profitability. Research institutions drive innovation in cultivation and processing, while international buyers and retailers dictate quality demands and market trends. Additionally, NGOs and development organizations contribute through capacity-building programs and sustainability initiatives, while financial institutions provide essential credit and investment support. Understanding these stakeholders' dynamics helps align strategies, foster collaboration, and address gaps, such as improving farmer incomes, reducing value chain inefficiencies, and enhancing global competitiveness to ensure the long-term success of Ceylon cinnamon in international markets.

### 4.2.1. Classification of key stakeholders

Institution Type	Stakeholders
Government Institutions	<p>Ministry of Plantation Industries - This ministry is involved in initiatives to enhance the competitiveness of Ceylon Cinnamon</p> <p>Department of Export Agriculture (DEA) - Focusing on research and development (R&amp;D) activities to improve export of agricultural crops, including cinnamon.</p> <p>Export Development Board (EDB) - The EDB plays a crucial role in promoting and supporting Ceylon Cinnamon exports</p> <p>Board of Investment (BOI) - Attracting and promoting foreign and local investment</p> <p>Sri Lanka Standards Institution (SLSI) - This institution is involved in initiatives to enhance the competitiveness of Ceylon Cinnamon</p> <p>Southern Provincial Council - Out of the total extent of cinnamon lands (72%) belong to the Southern Province</p> <p>Industrial Technology Institute (ITI) - This institute is involved in initiatives to enhance the competitiveness of Ceylon Cinnamon</p>



	<p>Industrial Development Board - Multifaceted role-spanning technological advancement, value addition, and human resource development</p> <p>Department of Agriculture - Supporting research and development</p> <p>National Plant Quarantine Services - Facilitate the international movement of plant products for the development of cinnamon industry</p>
Private Sector and Industry Associations	<p>Village Level Collectors - Small-scale traders who buy cinnamon from local farmers</p> <p>Regional Level Traders - Larger traders who aggregate cinnamon from village collectors and export markets</p> <p>Cinnamon Traders and Exporters - Facilitating the flow of cinnamon from producers to international markets, acting as intermediaries between local farmers and foreign buyers</p> <p>Cinnamon Processing and Manufacturing Associations</p>
Farmers and Cooperatives	<p>Cinnamon growers (small and large scale) - Over 70,000 smallholder growers rely on Ceylon Cinnamon for their livelihoods. Some large-scale cinnamon production occurs on plantations</p> <p>Cinnamon Peelers - Approximately 350,000 Sri Lankans are employed in the cinnamon industry, the majority of whom are women</p> <p>Cinnamon growers' associations - promoting sustainability, improving quality standards, and expanding market access</p> <p>Cooperative societies and farmers' organizations</p> <p>Ceylon Cinnamon Geographical Indication Association (CCGIA): This association represents all stakeholders in the cinnamon industry and is responsible for implementing an internal control mechanism to monitor members' compliance with GI specifications</p>
Research and Educational Institutions	<p>Universities and agricultural Research Institutes</p> <p>Technical and vocational training institutes</p>
Environmental and Community Organizations	<p>Environmental authorities</p> <p>Community organizations and non-governmental organizations</p>



Financial Institutions	Banks and small financial institutions
International and Development Agencies	<p>FAO - Offers a wealth of knowledge and resources on topics related to agriculture, trade, and food safety.</p> <p>World Bank - Financial assistance for development projects, technical expertise, and market development programs</p> <p>ADB - Accessing financial and technical assistance through ADB's existing programs and projects. Specifically, exploring opportunities within the Small and Medium-Sized Enterprises (SME)</p> <p>UNDP - Focus on collaborating with government ministries, departments, and local authorities, particularly those involved in agriculture, trade, and industry development</p> <p>International Finance Corporation (IFC) - The IFC partners with the Ministry of Plantation Industries and the EDB to promote quality Ceylon Cinnamon exports</p> <p>International Cinnamon Procurement and Trading Partners</p>

*Table 2: Classification of key stakeholders*

#### 4.2.2. Stakeholder Matrix

A Stakeholder Matrix is a strategic tool used to categorize stakeholders based on their level of influence (ability to impact decisions or outcomes) and degree of interest (stake in the project or sector). This visual framework helps organizations prioritize engagement strategies, allocate resources efficiently, and tailor communication to different stakeholder groups. By plotting stakeholders on a grid divided into four quadrants, the matrix clarifies who need to be actively managed, informed, or monitored, ensuring alignment with organizational goals.

##### Clarifications & Rationale

**High Influence/High Interest (Key Players)** - These stakeholders control policy, funding, and market access. They can involve in policy design like GI standards, export incentives and Regular high-level consultations for example, led export strategy meetings.

**High Influence/Low Interest (Keep Satisfied)** – Their approval is required but they may not engage deeply unless issues arise. Provide them with periodic compliance updates and align with their priorities.

**Low Influence/High Interest (Keep Informed)** - Farmers/peelers depend on the industry for livelihoods but lack decision-making power. Research institutes provide technical support but rely on government/industry funding. Need to share market trends, training programs, and policy changes. Use cooperatives as feedback channels to address their concerns.



**Low Influence/Low Interest (Monitor)** – This group makes minimal direct impact unless issues escalate. Track them sentiment via media/social listening and provide basic updates to maintain goodwill.

<b>Influence</b>	<b>High</b>	<b>Key Players</b> <ul style="list-style-type: none"> <li>- Ministry of Plantation &amp; Community Infrastructure</li> <li>- Export Development Board (EDB)</li> <li>- Sri Lanka Standards Institution (SLSI)</li> <li>- Ceylon Cinnamon Geographical Indication Association (CCGIA)</li> <li>- International Finance Corporation (IFC)</li> <li>- Spice Council</li> <li>- International Buyers</li> </ul>	<b>Keep Satisfied</b> <ul style="list-style-type: none"> <li>- Board of Investment (BOI)</li> <li>- Southern Provincial Council</li> <li>- Industrial Development Board</li> <li>- National Plant Quarantine Services</li> <li>- Financial Institutions (e.g., banks)</li> <li>- Environmental Authorities</li> </ul>
	<b>Low</b>	<b>Keep Informed</b> <ul style="list-style-type: none"> <li>- Cinnamon Growers (smallholders &amp; plantations)</li> <li>- Cinnamon Peelers</li> <li>- Farmers' Cooperatives &amp; Associations</li> <li>- Regional Level Traders</li> <li>- Universities/Agricultural Research Institutes</li> <li>- Technical/Vocational Training Institutes</li> <li>- Department of Export Agriculture (DEA)</li> <li>- Industrial Technology Institute (ITI)</li> </ul>	<b>Monitor</b> <ul style="list-style-type: none"> <li>- General Public</li> <li>- Peripheral Vendors</li> <li>- Community Organizations/NGOs (non-critical)</li> </ul>
		<b>High</b>	<b>Low</b>
		<b>Interest</b>	

*Figure 8: Stakeholder Matrix  
Developed by Consultant*

# CHAPTER 05

## 5.1. Situation Analysis

The strategic revitalization of Sri Lanka's cinnamon sector under the stewardship of the Department of Cinnamon Development (DCD) is grounded in a rigorous and multidimensional understanding of the industry's internal capabilities, external dynamics, and systemic inefficiencies. This section employs four complimentary analytical frameworks, SWOT, PESTLE, Resource, and Value Chain analysis - to dissect the complexities of the sector, offering actionable insights for the DCD's Strategic Plan 2025–2029.

Each framework serves as a diagnostic lens, highlighting structural bottlenecks and uncovering leverage points to enhance competitiveness, equity, and sustainability. The analysis integrates data from desk reviews, farmer surveys, stakeholder consultations, and roundtable discussions, to ensure a comprehensive and evidence-based approach to sectorial development.

### Key Components of the Analysis

#### SWOT Analysis

- The SWOT Analysis systematically evaluates the cinnamon sector's *internal* strengths and weaknesses along with *external* opportunities and threats. It forms the foundation for strategic prioritization by identifying both core competencies and critical vulnerabilities.

#### PESTLE Analysis

The PESTLE Analysis explores the macro-environmental context shaping the cinnamon industry.

- **Political** – Government policy frameworks, trade agreements, institutional mandates, and regulatory environments.
- **Economic** – Export performance, input costs, access to finance, and global price volatility.
- **Social** – Rural Employment patterns, changing consumer preferences (e.g., health and wellness trends), and skill development challenges.
- **Technological** – Gaps in digital infrastructure, limited adoption of precision agriculture and the potential for traceability systems.
- **Legal** – Compliance with labor laws, food safety standards, certification systems, and intellectual property rights (e.g., GI protection).
- **Environmental** – Exposure to climate risks, the need for climate-smart agriculture, and sustainability practices including organic cultivation.



## Value Chain Analysis

The Value Chain Analysis maps the full journey from cultivation to export, identifying critical points of inefficiency and value leakage.

- Fragmented smallholder production systems leading to inconsistent quality and scale.
- Over-reliance on intermediaries, which erodes farmer profit margins.
- Weaknesses in processing and export compliance, particularly in quality control, traceability, and certification.

## Resource Analysis

The Resource Analysis assesses DCD's internal capabilities and institutional readiness to implement sector-wide reforms:

- **Human resources** – Analyzing staffing gaps, training requirements, and field officer deployment.
- **Financial resources** – Review of budget allocations, funding mechanisms, and investment gaps.
- **Physical and Technological Infrastructure** – Evaluation of research centers, digital platforms, laboratories, and processing hubs.
- **Strategic Resources and Partnerships** – Assessment of intellectual resources, farmer networks, collaborative research output, and extension services.

This situation analysis provides a comprehensive evaluation of both internal and external factors shaping the cinnamon sector and the DCD's role within it. By applying these analytical frameworks, the DCD gains a holistic understanding of the sector's current realities, key challenges, and opportunities. These findings directly inform the formulation of strategic priorities, ensuring that the 2025-2029 plan is grounded in empirical evidence and aligned with the broader vision for a resilient, inclusive, and globally competitive cinnamon industry.

### 5.1.1. SWOT Analysis

**SWOT** Analysis is a strategic planning tool used to identify and evaluate the Strengths, Weaknesses, Opportunities, and Threats affecting Sri Lanka's cinnamon industry. This framework distinguishes between internal capabilities (strengths and weaknesses) and external environmental factors (opportunities and threats), providing essential insight for prioritizing strategic interventions under the Department of Cinnamon Development's (DCD) Strategic Plan 2025–2029.

The SWOT analysis enables stakeholders to build on core strengths, address systemic weaknesses, capitalize on emerging opportunities, and mitigate potential risks—ultimately informing a roadmap toward a more resilient, competitive, and sustainable cinnamon sector.



Strengths	Weaknesses
<ul style="list-style-type: none"> <li>• Dedicated mandate focused exclusively on a single high-value crop (Ceylon cinnamon)</li> <li>• Head office strategically located in a cinnamon-rich region</li> <li>• Home to the world's only cinnamon-specific research institute and an accredited quality lab</li> <li>• Staff with extensive practical knowledge and experience</li> <li>• Ownership of specialized facilities, including a training center, mobile training unit, and dormitory</li> </ul>	<ul style="list-style-type: none"> <li>• Lack of legal framework governing the cinnamon sector</li> <li>• Delays in the recruitment process for approved staff positions</li> <li>• Inadequate staffing levels across key operational areas</li> <li>• Limited training and professional development opportunities</li> <li>• Absence of a comprehensive extension system and robust monitoring &amp; evaluation mechanisms</li> <li>• Lack of R&amp;D infrastructure focused on mechanization, agri-economics, and market intelligence</li> <li>• Absence of a dedicated economic research unit to inform policy and trade strategy</li> </ul>
Opportunities	Threats
<ul style="list-style-type: none"> <li>• Potential to standardize cinnamon quality and enhance international marketing</li> <li>• Scope for public-private partnerships in research, training, and market development</li> <li>• Opportunity to collaborate with the tourism sector to promote cinnamon-based experiences and products</li> </ul>	<ul style="list-style-type: none"> <li>• Unpredictable policy changes that may disrupt long-term planning</li> <li>• Political instability affecting institutional continuity and stakeholder confidence</li> <li>• Resistance to innovation due to entrenched farmer attitudes</li> <li>• Unregulated or poor-quality practices among private-sector actors, affecting industry reputation</li> </ul>

Table 3: SWOT Analysis

### 5.1.2. PESTLE Analysis

The PESTLE Analysis provides a structured evaluation of the macro-environmental factors influencing the cinnamon sector and the operations of the Department of Cinnamon Development (DCD). These factors - **Political, Economic, Social, Technological, Legal, and Environmental** - shape institutional performance, policy effectiveness, and the broader strategic direction for sectoral growth.



<b>Political Factors</b>
<ul style="list-style-type: none"> <li>• <b>Government Influence:</b> As a government agency operating under the Director General, the DCD is inherently influenced by political stability and national agricultural policy directions. Shifts in political priorities may affect funding allocations, particularly for research and training programs at the National Cinnamon Research and Training Center (NCRTC).</li> <li>• <b>Bureaucracy:</b> Hierarchical structures - such as the roles of Assistant Directors (AD), Deputy Directors (DD), and Management Service Officers (MSO) - can introduce administrative delays and reduce agility in decision-making, particularly in program implementation.</li> <li>• <b>International Relations:</b> The sector's success is closely tied to global trade agreements. Favorable trade partnerships can expand market access, while disruptions may reduce export revenue and impact the global competitiveness.</li> </ul>
<b>Economic Factors</b>
<ul style="list-style-type: none"> <li>• <b>Export Revenue Contribution:</b> As a high-value export crop, cinnamon plays a vital role in national foreign exchange earnings. Enhanced R&amp;D, improved farming techniques, and quality control mechanisms directly influence economic returns.</li> <li>• <b>Labor and Operational Costs:</b> Labor-intensive cultivation and processing methods make the sector sensitive to labor laws, wage fluctuations, and employment conditions, all of which affect overall profitability.</li> <li>• <b>Funding Allocation and Economic Shocks:</b> The Finance Division must navigate budget constraints, particularly during inflationary pressures or economic downturns, which may affect resource deployment for field operations and training.</li> </ul>
<b>Social Factors</b>
<ul style="list-style-type: none"> <li>• <b>Rural Employment and Livelihoods:</b> Cinnamon cultivation and processing provide employment for thousands, particularly in rural areas. Field-level roles and harvesting labor support income generation and poverty alleviation.</li> <li>• <b>Health and Wellness Trends:</b> Rising global demand for natural and health-promoting products - such as cinnamon - creates opportunities for R&amp;D in medicinal applications, functional foods, and wellness products.</li> <li>• <b>Community Development Through Training:</b> NCRTC's skill development programs empower local communities with technical knowledge and sustainable practices, enhancing social capital and long-term sectoral resilience.</li> </ul>
<b>Technological Factors</b>
<ul style="list-style-type: none"> <li>• <b>Limited ICT Capacity:</b> The department currently relies on a small ICT team (one officer and one assistant), limiting its ability to scale digital transformation, manage big data in research, or implement advanced farm automation tools.</li> <li>• <b>Potential for Research-Driven Innovation:</b> Ongoing efforts by the R&amp;D Division in modernizing cultivation, mechanization, and processing present significant opportunities to enhance efficiency, reduce waste, and improve competitiveness.</li> </ul>



Legal Factors
<ul style="list-style-type: none"> <li>• <b>Regulatory Compliance Mechanisms:</b> The Internal Auditor ensures compliance with financial and administrative regulations, while Cinnamon Development Officers (CDOs) and Development Officers (DOs) must adhere to agricultural and food safety laws.</li> <li>• <b>Labor Rights and Workplace Safety:</b> The department is responsible for ensuring that employment conditions across the value chain comply with national labor laws, including occupational health and safety standards.</li> <li>• <b>Intellectual Property Protection:</b> Innovations from the R&amp;D division—such as new cinnamon varieties or proprietary processing techniques—require protection through patents or other forms of intellectual property to safeguard competitive advantage.</li> </ul>
Environmental Factors
<ul style="list-style-type: none"> <li>• <b>Sustainable Agricultural Practices:</b> The DCD promotes eco-friendly farming methods that mitigate deforestation, preserve soil health, and reduce chemical inputs. These practices are crucial to long-term environmental and economic sustainability.</li> <li>• <b>Climate Change and Resilience:</b> Field officers play a critical role in helping farmers adapt to climate variability, including shifts in rainfall, rising temperatures, and increased pest pressure - all of which affect cinnamon yields and quality.</li> <li>• <b>Natural Resource Management:</b> Operational roles such as farm managers are likely responsible for water usage efficiency, waste management, and land stewardship—key components of sustainable agriculture and certification standards.</li> </ul>

*Table 4: PESTLE Analysis*

### 5.1.3. Value Chain Analysis

The cinnamon industry in Sri Lanka operates through a multi-stakeholder value chain characterized by fragmented production systems, informal trading networks, and underutilized value addition opportunities. This analysis maps the current structure of the cinnamon value chain to identify inefficiencies, structural challenges, and strategic entry points for the Department of Cinnamon Development to enhance productivity, traceability, market access, and equitable growth.

By evaluating each stage - from cultivation to international retail - this value chain analysis supports the development of targeted interventions to increase competitiveness, promote sustainability, and ensure fair value distribution among stakeholders.



### 5.1.3.1.Value Chain Mapping

The cinnamon value chain comprises the following key stages, actors, and bottlenecks:

#### Production (Cultivation)

**Key Actors:** Smallholder farmers, private estates, and organized plantations

- Predominantly smallholders with limited access to modern inputs and training
- Fragmented landholding patterns reduce economies of scale
- Low productivity due to outdated agronomic practices and poor extension coverage

#### Harvesting & Primary Processing

**Key Activities:** Harvesting, peeling, drying, and initial grading

- Labor-intensive and highly skill-dependent stages (especially peeling and grading)
- Seasonal labor shortages and lack of mechanization
- Variability in drying and grading affects consistency and quality of outputs

#### Collection & Trading

**Key Actors:** Collectors, aggregators, local traders

- Complex and informal network of intermediaries dominates early-stage trading
- Price asymmetry: Farmers receive low prices relative to final market value
- Prevalence of informal financing arrangements that can lock farmers into disadvantageous terms

#### Export Processing & Quality Control

**Key Actors:** Exporters, processing units, quality control agencies

- Post-harvest losses and contamination risks due to inadequate infrastructure
- Quality failures in export batches due to lack of standardization, testing, and certification
- Limited GI labeling or traceability systems reduce branding potential in high-end markets

#### Marketing & Distribution

**Key Channels:** Bulk exports, branding initiatives, retail packaging, e-commerce

- Export concentration: A few large exporters dominate access to global markets
- Limited local value addition in branded retail products
- Untapped potential in e-commerce and direct-to-consumer exports (e.g., wellness products)

#### Key Insights and Strategic Implications

- Fragmentation in early stages of the value chain limits traceability and economies of scale.
- Excessive reliance on intermediaries results in weak price transmission to producers.



- Lack of quality infrastructure and certification systems undermines export performance and value addition.
- Limited integration with digital technologies restricts market intelligence, supply chain transparency, and efficiency.
- Underexploited branding and e-commerce channels represent a missed opportunity for increasing Sri Lanka's global cinnamon footprint.

This value chain analysis underscores the need for a more coordinated, inclusive, and vertically integrated approach to cinnamon sector development. Strategic interventions by the DCD should focus on:

- Strengthening upstream production systems and farmer capacity
- Reducing intermediary layers through cooperative models or direct market access
- Enhancing quality assurance infrastructure and certification systems
- Promoting innovation in processing, packaging, and digital marketing
- Encouraging fair value distribution and traceability across the chain

Together, these reforms can help reposition Sri Lanka as a global leader not just in volume, but in quality, sustainability, and value-added cinnamon exports.

#### 5.1.3.2. SWOT Analysis for Value Chain

The following SWOT analysis focuses specifically on the cinnamon value chain, identifying internal and external factors that affect its performance, equity, and competitiveness. This complements the general sector-level SWOT in Section 5.1.1 by zooming into value chain-specific dynamics.

Strengths	Weaknesses
<ul style="list-style-type: none"> <li>• GI-tagged “Ceylon Cinnamon” with global recognition</li> <li>• Highly skilled workforce in cinnamon peeling</li> <li>• Strong global demand for natural, premium cinnamon</li> </ul>	<ul style="list-style-type: none"> <li>• Over-reliance on raw (non-value added) exports</li> <li>• Fragmented smallholder production system</li> <li>• Aging plantations with declining productivity</li> </ul>
Opportunities	Threats
<ul style="list-style-type: none"> <li>• Rising global health and wellness trends</li> <li>• Growth of e-commerce and direct-to-consumer exports</li> <li>• Increasing value of certifications (organic, GI, sustainability)</li> </ul>	<ul style="list-style-type: none"> <li>• Substitution with lower-cost cassia in key markets</li> <li>• Adverse climate change impacts on cinnamon yields</li> <li>• Non-tariff trade barriers and complex export regulations</li> </ul>

Table 5: SWOT Analysis for Value Chain



### 5.1.3.3.Strategic Recommendations for the DCD

To address the weaknesses and threats while capitalizing on emerging opportunities in the cinnamon value chain, the following recommendations are proposed for the Department of Cinnamon Development (DCD):

#### **Institutional Strengthening**

- Elevate the DCD to a government body empowered to regulate the entire value chain - from farm to export - ensuring compliance, quality standards, and equitable pricing.
- Recruit and deploy additional field officers for agricultural extension, farmer capacity-building, and monitoring adherence to certification protocols (e.g., GI, organic, fair trade).

#### **Public-Private Partnerships (PPPs)**

- Establish a Cinnamon Export Hub in collaboration with leading exporters, equipped with quality control labs, packaging units, and logistics support services.
- Develop a dedicated e-commerce platform (B2B and B2C) in partnership with the tech and spice export sectors to facilitate traceable, premium cinnamon exports directly to global buyers.

#### **Funding Mobilization**

- Engage with international donors (e.g., World Bank, FAO) to secure grants or concessional financing for climate-smart cinnamon farming, including agroforestry, soil conservation, and drought-resilient practices.
- Create a Cinnamon Innovation Fund, pooling contributions from government, exporters, and development partners to support R&D, mechanization, sustainable packaging, and product diversification.

#### **Global Advocacy**

- Launch a diplomatic and trade advocacy campaign to lobby for ISO standard exclusivity for "Ceylon Cinnamon", distinguishing it legally and commercially from cassia in major markets.
- Work with Sri Lanka's embassies, trade missions, and export boards to educate international buyers and regulators on the authenticity, traceability, and premium value of true cinnamon.



#### 5.1.4. Resource Analysis

This comprehensive resource analysis evaluates the DCD's human, financial, technological, and infrastructural capacities in relation to its strategic objectives and performance indicators. The Department of Cinnamon Development has rapidly emerged as a well-resourced institution supported by strong government commitment, robust international partnerships, and considerable technical expertise. Through its integrated approach – spanning research and development, farmer support services, market expansion, and quality assurance, the DCD is strategically positioned to drive a transformative shift in Sri Lanka's cinnamon industry. However, the DCD's ability to double export revenue and sustain sectoral growth will critically depend on the following.

- Consistent and sufficient resource allocation, particularly to strategic initiatives and underserved regions.
- Effective execution of its national expansion and modernization plans.
- Enhanced value addition across all stages of the cinnamon supply chain—from cultivation to international branding.

By maintaining its resource momentum and aligning operations with its long-term vision, the DCD can play a pivotal role in positioning Sri Lanka as the global leader in premium cinnamon production.

##### 5.1.4.1. Financial Resources

The DCD operates with a diversified funding portfolio, which strengthens its ability to implement national-level strategies and respond to sectoral needs. Key sources of financial support include:

- **Government budget allocations**  
Core funding is provided by the national budget, covering operational costs, staffing, and core programmatic activities.
- **Private sector partnerships**  
Collaborations with domestic and international private sector actors provide co-financing opportunities for market development, innovation, and value addition projects.
- **International Projects as loan and grants**  
Bilateral and multilateral development partners support the DCD through technical assistance, concessional loans, and grant-funded initiatives aimed at sustainability, climate resilience, and export promotion.

A balanced and well-managed financial strategy ensures DCD's operational stability and flexibility to pursue strategic expansion and modernization of the cinnamon sector.



### 5.1.4.2.Human Resources

The DCD has assembled a team of specialized professionals

Position	Approved Number	Number in Service	Surplus Number	Number of Vacancies
Director General	1	1	-	-
Director (Research & Development)	1	0	-	1
Assistant Director/ Deputy Director (Admin)	1	1	-	-
Assistant Director/ Deputy Director (SLSS)	8	8	-	-
Assistant Director/ Deputy Director (Planning)	1	1	-	-
Accountant	1	0	-	1
Internal Auditor	1	0	-	1
Administrative Officer	1	0	-	1
Information & Communication Technology Officer	1	1	-	-
Cinnamon Development Officer	24	0	-	24
Development Officer	71	49	-	22
Farm Manager	1	1	-	-
Technological Officer	2	0	-	2
Management Services Officer	10	9	-	1
Information & Communication Technology Assistant	1	1	-	-
Driver	6	6	-	-
Office Assistant	4	4	-	-
Circuit Bungalow Keeper	1	1	-	-
Field Labor	25	22	-	3
Watcher	3	3	-	-

*Table 6: Human Resources*

*Source: Department of Cinnamon Development*



### 5.1.4.3. Physical and Technological Infrastructure

The Department of Cinnamon Development (DCD) possesses a growing suite of physical and technological assets that underpin its operational efficiency, innovation, and service delivery across the cinnamon value chain.

#### Research Facilities

- The National Cinnamon Research and Training Center: The central hub for cinnamon-related R&D and capacity building.
- Laboratories for quality testing and product development: Facilities equipped for quality testing, chemical analysis, and product development to ensure compliance with international standards.

#### Operational Infrastructure

- Processing and certification facilities for GI products: Facilities dedicated to processing, grading, and certifying Geographic Indication (GI)-tagged cinnamon products.

#### Technological Assets

- Academic Research partnerships: Formal collaborations with universities such as Ruhuna, Sabaragamuwa, Rajarata, and Wayamba, which provide technical expertise and innovation support.
- Digital platforms for farmer outreach and market linkages: ICT systems for farmer engagement, extension services, and market linkages.
- Quality Assurance technologies: Adoption of traceability, analytical, and control systems aligned with international food safety and phytosanitary standards.

### 5.1.4.4. Strategic Resources and Partnerships

Beyond tangible infrastructure, the DCD has cultivated a wide array of strategic and knowledge-based resources that enhance institutional capacity and sectoral reach.

#### Intellectual Resources

- Scientific publications A growing body of research on cinnamon agronomy, plant breeding, plant protection, soil and nutrient management and post-harvest technologies.
- Collaborations: Co-publication partnerships with platforms such as *Springer*, expanding global access to cinnamon-related scientific findings.

#### Farmer Networks

- SME Engagement: Close ties with small and medium-scale cinnamon entrepreneurs across key growing regions
- GI Certification Networks: Systems for identifying, verifying, and supporting high-quality producers through GI recognition.

#### Research Output



- Thematic Research Areas: Significant studies on seed viability and hybridization, integrated nutrient management, plant protection, and post-harvest processing technologies

### **Training and Extension**

- Farmers and Processor Training: Regular capacity-building programs on cinnamon peeling, good agricultural practices (GAP), processing, and quality assurance.
- Technology Transfer: Dissemination of research findings and innovations to field-level stakeholders to improve yields and product quality.

### **5.1.4.5.Resource Requirements**

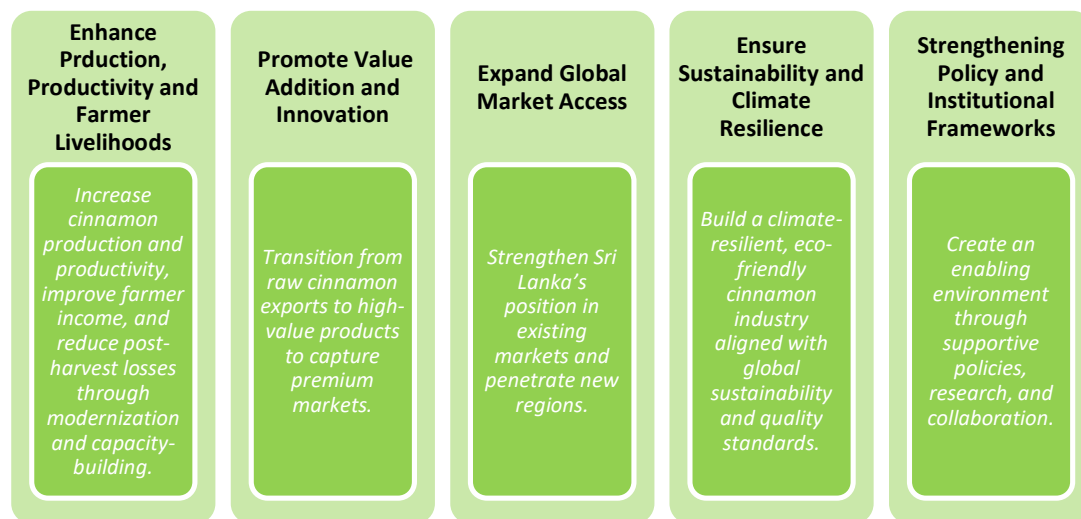
To fully realize its strategic objectives and national mandate, the DCD must address critical resource gaps across multiple domains:

- Expanded Financial Support: Additional funding for farm incentive programs, input subsidies, and price stabilization mechanisms
- Laboratory Upgrades: Enhanced capabilities for chemical, microbial, and sensory quality testing to meet evolving export requirements.
- Training Infrastructure: Scaling up of training centers and mobile extension units to meet rising demand among farmers and processors.
- Support for Value Addition: Targeted assistance for entrepreneurs in value-added product development, branding, and export-readiness.
- Sustainability Initiatives: Investment in organic cultivation techniques, biodiversity conservation, and sustainable packaging materials.
- Research Collaboration Expansion: Increased engagement with national and international research institutions to bring in advanced agronomic and processing technologies



# CHAPTER 06

## 6.1. Strategic Goals



**Figure 9: Strategic Goals**  
(Developed by Consultant)

## 6.2. Cross-Cutting Themes

- Gender Inclusion
- Technology Adoption
- Youth Engagement



## 6.3. Strategic Plan

### 6.3.1. Enhance Production, Productivity and Farmer Livelihoods

**Main Objective:** Increase cinnamon production, farm-level productivity, and farmer incomes by promoting modernization, post-harvest efficiency, and collective enterprise.

**Specific Objectives:**

1. By 2029, raise the national average cinnamon yield from 625 kg/ha to 1,000 kg/ha by disseminating high-yielding cultivars, promoting precision agriculture practices, and distributing peeling tools to 20,000 smallholder farmers.
2. By 2029, expand the total cultivated area by 20% in traditional regions (Galle, Matara, Kalutara) and 25% in non-traditional zones through land mapping, intercropping incentives, and investments in irrigation infrastructure.
3. By 2029, reduce post-harvest losses by at least 50% through the establishment of improved drying units, modern storage facilities, and targeted training on quality grading and handling.
4. By 2029, establish 50 functional farmer cooperatives / primary producer groups to enhance collective bargaining, reduce input costs, improve market access, and increase farmer income by 25%.

Strategies	Actions	Outcomes	Indicators	Responsible Stakeholders	Estimate Allocation Rs. Mn				
					2025	2026	2027	2028	2029
Expand and Optimize Cinnamon Cultivation	1.1 Identify and map underutilized or fallow land in traditional cinnamon-growing regions (e.g., Galle, Matara, Kalutara, Ratnapura)	Increased availability of land for cinnamon expansion	- Number of hectares mapped - Number of new sites identified for cultivation	DCD, Plantation companies, Growers, NRMCC	2	2.5	3	4	4
	1.2 Promote cinnamon cultivation as an intercrop	Optimized land use in mature	- Hectares converted to cinnamon intercropping	DCD, CRI, CDB, Coconut planters	1	1.5	2	3	3



	in coconut plantations (trees 20–25+ years old)	coconut plantations	- % increase in farm income from intercropping						
	1.3 Conduct soil and climate suitability studies to identify potential cinnamon lands	Scientifically guided land allocation for cinnamon	- Number of studies conducted - % of mapped land classified as suitable - Number of farmers accessing suitability data	DCD	2	3	3	4	4
	1.4 Strengthen awareness campaigns on advanced agronomy practices to boost productivity and yield	Increased farmer knowledge and adoption of improved practices	- Number of awareness sessions conducted - Number of farmers reached - % increase in yield per hectare	DCD	1.5	2	3	3	3
	1.5 Provide training and technical support to farmers in non-traditional regions to adopt cinnamon farming	Expansion of cinnamon cultivation into new areas	Number of training sessions conducted - Number of farmers adopting cinnamon farming - Area (ha) newly cultivated in non-traditional zones	DCD, SL Mahaweli Authority	2	2	3	3	3
2Improve Agronomic Practices and Resource Use Efficiency	1.6 Exploration, collection, ex-situ conservation, characterization and evaluation of cinnamon germplasm in Sri Lanka	Collection and conservation of genetic resources of cinnamon for future breeding programs	- No. of cinnamon accessions collected and evaluated	DCD, Dept. of Botanical Gardens, PGRC, Dept. of Wildlife conservation,	0.5	2	3	4	4



				Dept. of Forest conservation					
	1.7 Conducting research on all aspects of cinnamon	Expansion of knowledge based on cinnamon	- Number of research programs conducted	DCD	1	3	4	5	5
	1.8 Distribute high-yield cinnamon cultivars through selected nurseries	Wider access to improved planting material	- Number of nurseries established/upgraded - Number of plants distributed - % increase in yield from improved varieties	DCD, Registered Nursery Owners	3	3	4	4	4
	1.9 Train farmers in Good Agricultural Practices (GAP)	Improved farming efficiency and quality standards	- Number of farmers trained - % of trained farmers adopting GAP - % reduction in input waste	DCD	1	2	3	2	2
	1.10 Train farmers in sustainable techniques like drip irrigation and fertigation	Optimized resource use and environmental sustainability	- Number of farmers trained - % adoption of drip/fertigation - % improvement in water/fertilizer use efficiency	DCD, Private companies	1	2	3	4	4
Digitalize Cinnamon Farming and Decision-Making	1.11 Pilot digital farm monitoring systems with 500–1,000 progressive farmers in key production regions	Increased use of data-driven decision-making	- Number of farmers in pilot program - % productivity gain among participants - % adoption rate post-pilot	DCD, Farmers, ICTA	2	3	5	5	5



	1.12 Develop a Mobile App for farmers to access real-time pest alerts, weather forecasts, and agronomic advice	Improved access to timely and relevant farm information	- Number of app downloads - User satisfaction rating (e.g., 4.5/5) - % daily active users	DCD, Farmers, Planters, ICTA	2	3	4	4	4
	1.13 Pilot IoT soil sensors in high-yield zones to monitor moisture, pH, and nutrient levels	Enhanced resource efficiency and input optimization	- Number of sensors deployed - % reduction in water and fertilizer waste - % of farmers reporting better yield/input use decisions	DCD and Private sector, Universities	2.5	3	4	4	4
Improve Post-Harvest Management and Processing	1.14 Provide solar dryers and modern storage facilities	Reduced post-harvest spoilage and improved product shelf life	- Number of units installed - % reduction in spoilage - % increase in quality-compliant produce	DCD, Private sector	3.5	4	5	5	5
	1.15 Train farmers in proper harvesting and processing techniques	Improved product quality for domestic and export markets	- Number of farmers trained - % of products meeting export standards - % price premium achieved	DCD, Farmers, Plantation companies	2	2	3	3	3
	1.16 Establish and operationalize centralized cinnamon processing facilities	Enhanced processing efficiency, product quality, and market access	- Number of smallholder farmers utilizing facility - % increase in international quality standards met	DCD, Financial Institutes	4	4	5	5	5



			- % reduction in per-unit processing cost - Number of jobs created						
	1.17 Train farmers on ISO, GAP, GMP compliant grading and packaging	Standardized, market-ready products	- Number of farmers trained - % of graded and packaged products meeting export criteria - % price premium	DCD, SLSI, ITI, Certification agencies	2	3	4	5	6
Strengthening Farmer Organizations and Market Access	1.18 From farmer cooperatives / primary producer groups for bulk purchasing and collective bargaining	Stronger farmers bargaining power and input cost savings	- Number of active cooperatives formed - % increase in group purchases - % reduction in input costs	DCD, Dept. of Agrarian Devt., Farmers	1	1	2	2	2
	1.19 Introducing insurance mechanisms for cinnamon farmers and processors	Enhanced financial resilience against risks	- Number of policies issued - % claims successfully processed - % of farmers covered	DCD, AAIB, Farmers	2	3	4	4	4
Enhance Social and Financial Inclusion	1.20 Establish Farmer Savings Cooperatives / primary producer groups to provide low-interest loans	Improved financial resilience and access to emergency funds	- Number of savings cooperatives established - Total value of loans issued - % of members regularly saving	DCD, Financial Institutes, Farmers	1	1	1	1	1
	1.21 Cooperate Cinnamon Tourism Trails showcasing farms,	Diversified farmer income and increased Agri-tourism	- Number of operational trails - Annual number of visitors	DCD, National and provincial Tourism	1.5	2	2	2	3



	processing units, and heritage		- Total tourism revenue generated	promotion bureau, EDB					
	1.22 Strengthen financial literacy and record-keeping practices	More informed financial decision-making and income stability	- % of trained peelers/farmers adopting budgeting practices - % opening savings accounts or accessing loans - % adopting systematic record-keeping - % increase in female participation	DCD, CBSL	1.5	2	2	2	2
	1.23 Facilitate Microfinance Access Programs for farm equipment or side businesses	Increased entrepreneurship and economic mobility	- Number of microfinance beneficiaries - % increase in average income - % of loans repaid successfully	DCD, Financial Institutes, Private sector	2	3	4	4	4
Foster Youth Engagement and Innovation	1.24 Create a Youth Agri-Tech Incubator offering grants for cinnamon-related startups	Boosted innovation, youth entrepreneurship, and value addition	- Number of startups supported - Number of products launched - Jobs created through incubated startups	DCD, NYSC (National Youth Services Council), Financial Institutes	2	3	4	5	6
	1.25 Expand Vocational Training Centers with courses in processing, entrepreneurship, and export compliance	Skilled workforce and better livelihood opportunities for youth	- Number of centers operational - Number of certified trainees	DCD, VTA (Vocational Training Authority), TVEC	1	2	2	2	2



			- Graduate employment rate						
	1.26 Host National Cinnamon Innovation Challenge for students	Student-led innovations and youth involvement in the sector	- Number of participants - Number of scalable solutions proposed - Number of solutions adopted or commercialized	National Innovators Association, National and International Universities, NIPO, NIRDC	2	3	3	3	3
	1.27 Facilitate to incorporate Cinnamon Agri-Tech Modules into school curricula	Increased youth awareness and entry into cinnamon value chains	- Number of schools implementing the curriculum - Number of students trained annually - % of students pursuing careers in the cinnamon sector - Number of partnerships with Agri-Tech firms	DCD, Ministry of Education, NIE	1	1	1	1	1
Strengthen Market Access and Fair Pricing Mechanisms	1.28 Link SMEs / farmer cooperatives / primary producer groups to direct buyers/exporters	Improved access to stable, high-value markets	- Number of cooperatives linked to buyers/exporters - % increase in volume sold directly - % increase in farmgate prices	DCD, EDB, Farmers, Exporters, Processors, National Spice Council, SAPPTA	2	2	2	2	2
	1.29 Streamline the cinnamon value chain	Reduced inefficiencies and improved stakeholder coordination	- Number of intermediaries reduced - % cost reduction in value chain	DCD, Growers, Plantation companies, Exporters, Processors,	2	3	3	3	3



			- Number of new stakeholders integrated	Input suppliers, collectors					
	1.30 Launch a digital platform for producers to access real-time market prices	Increased market transparency and negotiation power	- Number of platform users - % increase in farmgate prices - % reduction in time taken for price negotiation	DCD, ICTA, Producers, Funding Agencies, Buyers	1.5	2	3	3	3
	1.31 Organize regional and district-level cinnamon auctions based on demand assessments to ensure price transparency and competitiveness.	Improved price discovery and market efficiency.	- Number of auctions conducted annually - Volume of cinnamon traded via auctions - Price differential between auction and traditional sales channels	DCD, Exporters, Producers	1.5	4	5	5	5

With **Pillar 1:** Input security, **Pillar 2:** Cinnamon Production in Revitalizing the Sri Lankan Cinnamon Industry: A Strategic Roadmap for Sustainability and Global Competitiveness 2024 - 2033.

*Table 7: Enhance Production, Productivity and Farmer Livelihoods*



### 6.3.2. Promote Value Addition and Innovation

**Main Objective:** Accelerate the transformation of the cinnamon industry by promoting value addition, enhancing product diversification, and fostering innovation to access premium markets.

**Specific Objectives:**

1. By 2029, facilitate the development and commercial launch of at least 10 value-added cinnamon products (e.g., cosmetics, nutraceuticals, beverages etc.) through public-private partnerships and industrial R&D collaboration.
2. By 2029, ensure that 10% of exported cinnamon products are certified under internationally recognized standards (e.g., GAP, GMP, GI, Organic, Fair-Trade), by streamlining certification processes and support mechanisms.
3. By 2029, upgrade 50 existing cinnamon processing units with improved hygienic infrastructure, automated grading, and packaging systems to meet international safety and quality benchmarks.
4. By 2028, deploy and operationalize a digital traceability platform for certified cinnamon products to improve transparency, authenticity, and consumer trust in value-added exports.

Strategies	Actions	Outcomes	Indicators	Responsible Stakeholders	Estimate Allocation Rs. Mn				
					2025	2026	2027	2028	2029
Promote development of value-added cinnamon products through R&D, innovation, and traditional knowledge integration	2.1 Invest in R&D for cinnamon oil, supplements, cosmetics, and functional foods etc.	Diversified cinnamon-based product portfolio	- Number of new cinnamon-based products developed - Revenue share from value-added products in total exports - Number of patents filed for cinnamon innovations	DCD, Universities, Research Institutes, Private Sector, NIRDC, National Medicines Regulatory Authority, Dept.	2	4	6	6	6



				of Ayurveda, MRI					
	2.2 Partner with universities/private labs for product innovation	Accelerated commercialization of new products	<ul style="list-style-type: none"> <li>- Number of industry-academia partnerships</li> <li>- Research publications related to cinnamon innovation</li> <li>- Rate of product commercialization from partnerships</li> </ul>	DCD, Universities, Private Laboratories	2	2	2	2	2
	2.3 Gather and refine traditional knowledge on cinnamon uses into marketable innovations	Preservation and monetization of cultural heritage	<ul style="list-style-type: none"> <li>- Number of traditional practices documented</li> <li>- Number of traditional knowledge-based products launched</li> </ul>	DCD, Dept. of Cultural Affairs, Farmers	1	2	2	2	2
	2.4 Enhance DCD's laboratory facilities to support value-added product development	Improved capacity for product development	<ul style="list-style-type: none"> <li>- Number of new technologies acquired by the lab</li> <li>- Reduction in product prototyping time</li> <li>- Number of stakeholders trained annually</li> </ul>	DCD, Funding Agencies, Universities	5	7	6	6	6
	2.5 Create a learning management platform for best practices and innovations	Enhanced collaboration and innovation adoption	<ul style="list-style-type: none"> <li>- Number of active users on the platform</li> <li>- Increase in cross-sector collaborations</li> <li>- Number of best practices shared</li> </ul>	DCD, ICTA, Universities	1	2	2	2	2
	2.6 Establish a Cinnamon Innovation Hub to pilot	Tech-driven efficiency in	<ul style="list-style-type: none"> <li>- Reduction in pest-related losses</li> </ul>	DCD, Universities, Plantation	1.5	3	4	4	4



	AI-driven pest & disease detection systems and drone-based crop monitoring	production and traceability	- Number of farmers using drone-based monitoring	Companies, Farmers, ICTA					
Upgrade processing infrastructure to meet international quality and safety standards	2.7 Facilitate low-interest loans to upgrade 50 processing units with automated grading and hygienic facilities.	Improved compliance with international quality and safety standards	- Number of upgraded processing units (target: 50) - Percentage increase in units meeting international standards	DCD, Funding Agencies, Processors, Financial Institutes	3	4	5	5	5
	2.8 Facilitate grants/low-interest loans to cover the operational cost of processing units and advocate tax incentives for value-added exports	Enhanced financial support for processing sector and export growth	- Number of units receiving financial support - Percentage increase in value-added exports	DCD, Funding Agencies, Processors, Financial Institutes	2	3	4	4	4
	2.9 Drive strategic enhancement of quality and authenticity for export products	Increased export product quality and reduced rejections	- Reduction in export rejections (%) - Percentage of exporters meeting quality standards	DCD, SLSI, EDB, Dept. of Commerce, Import and Export Control Dept.	1.5	2	3	3	3
Enhance branding and certification systems for Ceylon Cinnamon	2.10 Promote <i>Cinnamomum zeylanicum</i> as a commercial name for Ceylon cinnamon in international markets,	- Improved global recognition of Ceylon cinnamon's identity and heritage. - Differentiation from cassia and	-Inclusion of the name <i>Cinnamomum zeylanicum</i> in international promotional and marketing material	DCD, Dept. of Commerce, EDB, SLSI	0.5	2	3	0	0



	while maintaining the scientific integrity.	other cinnamon types in commercial contexts. - Strengthened branding based on historical and geographical associations	- Adoption of the name in trade publications, GI certifications, export labels, and commercial standards. - Increased consumer awareness and preference for the brand name <i>Cinnamomum zeylanicum</i>						
	2.11 Promote the “Pure Ceylon Cinnamon” brand jointly with EDB.	Strengthened brand identity and increased consumer trust	- % of exports using certification mark - Price premium achieved for certified products	DCD, EDB, Exporters	1	3	5	5	5
	2.12 Streamline the Geographical Indication (GI) certification process for Ceylon cinnamon.	Enhanced product differentiation and reduced adulteration	- Number of countries with GI certification - Reduction in adulterated products (%)	DCD, EDB, GI Association, SAPPTA, National Spice Council, National Intellectual Property Office	2	3	4	4	4
	2.13 Introduce mandatory quality certification for all cinnamon exports.	Minimized adulteration and improved product quality	- compliance with % among exporters - Consumer awareness level of certification logo	DCD, Dept. of Import and Exports Control, Dept. of Commerce, EDB, SLSI	1.5	3	4	4	4



	2.14 Implement blockchain-based certification for premium cinnamon products.	Increased transparency and consumer trust in premium markets	- % of premium exports blockchain-certified - Market share growth in target markets	DCD, ICTA, Funding Agencies, Value Chain Players	1	2	2	2	2
	2.15 Streamline certification processes via a DCD-led task force.	Faster market entry for certified products	- Reduction in certification processing time (%) - Number of SMEs certified annually	DCD, Line Ministry, Certification Agencies	1.5	2	3	3	3
	2.16 Introduce an industry-wide traceability logo for Ceylon cinnamon.	Authenticity assurance and increased consumer recognition	- Adoption rate of traceability logo among exporters - Consumer recall of logo in surveys	DCD, EDB, ICTA	1	2	3	3	3
	2.17 Initiate Ceylon Cinnamon brand protection program.	Strengthened brand protection and expanded market access	- GI/certification mark implementation - New export markets accessed	DCD, EDB, NIPO, Min. of Foreign Affairs	1.5	3	4	4	4
With <b>Pillar 3:</b> Cinnamon Processing in Revitalizing the Sri Lankan Cinnamon Industry: A Strategic Roadmap for Sustainability and Global Competitiveness 2024 - 2033.									

Table 8: Promote Value Addition and Innovation



### 6.3.3. Expand Global Market Access

**Main Objective:** Strengthen Sri Lanka's position in existing cinnamon export markets while expanding into new regions through trade facilitation, infrastructure, and digital market development.

**Specific Objectives:**

1. By 2029, achieve a 20% increase in cinnamon exports to non-traditional markets (e.g., EU, Middle East, East Asia, China etc.) by organizing targeted trade missions, promotional events, and leveraging e-commerce platforms.
2. By 2029, successfully negotiate tariff reductions under at least 3 bilateral trade agreements and obtain recognition in 5 new international jurisdictions to enhance market competitiveness.
3. By 2029, establish 2 regional cinnamon processing and logistics hubs in Galle and Matara to reduce post-harvest handling time and cut logistics costs by 15% for exporters.
4. By 2029, support the cinnamon industry to achieve 30% growth in online exports through coordinated global digital marketing campaigns and participation in e-marketplaces.

Strategies	Actions	Outcomes	Indicators	Responsible Stakeholders	Estimate Allocation Rs. Mn				
					2025	2026	2027	2028	2029
Market Research and Development	3.1 Conduct Global Consumer Trend Studies to identify demand for niche products (e.g., cinnamon-infused skincare, diabetic-friendly supplements)	Enhanced understanding of global consumer trends and preferences	- Consumer trend reports published - Trends integrated into product development decisions	DCD, Funding Agencies, Universities, Int. Market Research Bodies	4	4	5	5	5
	3.2 Conduct consumer preference studies in target markets (e.g.,	Products tailored to regional consumer preferences	- Market-specific product adaptations developed	DCD, International Funding	5	7	6	6	6



	EU, Middle East, East Asia, China) to tailor products (e.g., cinnamon blends for Arabic coffee)		- Exporters using study findings in market strategy	Agencies, Universities, Int. Market Research Bodies					
	3.3 Create a Cinnamon Market Intelligence Unit to analyze global pricing trends and competitor strategies	Improved industry capacity to respond to market dynamics	- Market intelligence reports disseminated - Industry stakeholder usage of reports in decision-making	DCD, Line Ministry	3	4	4	4	4
	3.4 Facilitate Buyer-Seller Meetups in target markets (e.g., Germany, UAE)	Strengthened trade linkages with target markets	- Number of meetups held annually - Buyer interest or deals initiated post-events	DCD, EDB, Min. of Foreign Affairs, Line Ministry	2	3	3	3	3
Export Infrastructure & Logistics	3.5 Facilitate two regional processing hubs in Galle and Matara (2029) with dehumidifiers and automated packaging	Improved efficiency and reduced logistics costs for exporters	- Hubs operational in targeted regions - Reduction in post-harvest losses - Exporter satisfaction with logistics services	DCD, Southern Provincial Council	4	6	6	2	2
	3.6 Coordinate with logistics firms (e.g., Maersk, DHL) for subsidized freight rates for certified exporters	Enhanced export competitiveness through cost-effective logistics	- Number of certified exporters using logistics partnerships - Reduced average freight cost per unit - Exporters reporting improved delivery timelines	DCD, EDB	2	3	4	4	4
Market Diversification	3.7 Promotional campaigns initiated in emerging	Increased awareness and demand in non-traditional markets	- Number of campaigns conducted - Export inquiries from	DCD, EDB, Min. of	4	5	6	6	6



	markets (Middle East, East Asia)		target regions - Growth in export volume to emerging markets	Foreign Affairs					
	3.8 Negotiate trade agreements to reduce tariffs	Improved market access through reduced trade barriers	- Number of agreements concluded - Reduction in tariff rates - Export growth to partner countries	DCD, EDB, Min. of Foreign Affairs, Dept. of Commerce	1	2	1	1	1
	3.9 Develop strategies to position Ceylon cinnamon in the global wellness market (e.g., nutraceuticals, functional foods)	Enhanced market positioning for health-focused product segments	- Strategies published and implemented - New wellness-oriented products exported - Recognition of Ceylon cinnamon in wellness product categories	DCD, EDB, Min. of Foreign Affairs, Dept. of Commerce	2	4	4	4	4
Market Expansion & Consumer Engagement	3.10 Launch global consumer awareness campaigns highlighting Ceylon cinnamon's unique qualities and traceability credentials	Enhanced global recognition of Ceylon cinnamon	- Number of campaigns launched - Media reach and engagement levels - Brand recognition in surveys	DCD, EDB, Min. of Foreign Affairs	6	6	4	4	4
	3.11 Integrate with international food safety platforms to streamline export compliance and market access	Improved compliance and faster entry into regulated markets	- Number of platforms integrated - Reduction in compliance-related export delays - Export growth in regulated markets	DCD, EDB, Ministry of Health, ISO	2	3	4	4	4



	3.12 Promote area-specific organic cinnamon production to cater to niche markets and sustainability-driven buyers	Increased access to premium and organic markets	<ul style="list-style-type: none"> <li>- Number of certified organic areas</li> <li>- Volume of organic cinnamon exported</li> <li>- Price premium received</li> </ul>	DCD, EDB, Organic Certification Bodies, Growers	3	3	3	4	4
	3.13 Establish a premium pricing mechanism for high-quality, traceable cinnamon products	Improved income for quality-focused producers/exporters	<ul style="list-style-type: none"> <li>- Mechanism documented and implemented</li> <li>- % of exporters using premium pricing</li> <li>- Income differential for premium products</li> </ul>	DCD, Consumer Affairs Authority	2	3	4	4	4
	3.14 Publish cinnamon industry activities in tourism sector communications to enhance sector visibility and synergies	Enhanced visibility of cinnamon industry through tourism integration	<ul style="list-style-type: none"> <li>- Number of tourism campaigns featuring cinnamon</li> <li>- Engagement of tourists with cinnamon-related content</li> <li>- Collaborations between cinnamon and tourism sectors</li> </ul>	DCD, Sri Lanka Tourist Board, Provincial Ministries of Tourism	2	4	5	5	5
	3.15 Publish cinnamon research in peer reviewed journals	Increased credibility and knowledge dissemination globally	<ul style="list-style-type: none"> <li>- Number of peer-reviewed articles published</li> <li>- Citations and downloads</li> <li>- International collaboration outcomes</li> </ul>	DCD	2	4	4	4	4



Digital Marketing Campaigns	3.16 Coordinate e-commerce platforms for global B2B/B2C sales	Expanded global digital sales channels for Ceylon cinnamon	- Online sales volume - Number of registered exporters/SMEs	DCD, EDB	2	3	4	4	4
	3.17 Use social media to highlight Ceylon Cinnamon's uniqueness	Increased digital visibility and consumer engagement	- Number of active campaigns - Follower growth and engagement metrics - Web traffic to cinnamon-related content	DCD	1	1	1	1	1
	3.18 Conduct a comprehensive traceability gap analysis across the cinnamon value chain to identify systemic weaknesses and opportunities for improvement	Identified gaps and prioritized interventions for traceability improvement	- Completion of gap analysis report - Number of recommendations developed - Stakeholder feedback sessions conducted	DCD, Line Ministry, Ministry of Digital Economy	2	3	4	4	4
	3.19 Develop minimum traceability standards for Ceylon cinnamon, mandatory for all exporters	Standardized traceability framework across the industry	- Traceability standards developed and endorsed - % of exporters adopting the standards - Compliance monitoring reports generated	DCD, SLSI, EDB	1	2	3	3	3
	3.20 Establish a centralized traceability database accessible to authorized stakeholders	Efficient and transparent traceability system	- Database operationalized - Number of stakeholders with access	DCD, Line Ministry, Ministry of	2	3	3	3	3



	(e.g., exporters, regulators)		- Data accuracy and usage reports	Digital Economy					
	3.21 Train Traceability Ambassadors (farmers/exporters) to enforce compliance through workshops	Strengthened industry capacity for traceability adoption	- Number of ambassadors trained - Number of training workshops held - Adoption rate of traceability practices	DCD, Line Ministry, ICTA	2	2	2	2	2
Participating in International Fairs	3.22 Facilitate the Participation of SMEs in 3+ international trade fairs annually	Enhanced international exposure and new trade linkages	- Number of trade fairs attended annually - Number of leads generated and converted - Stakeholder satisfaction/feedback reports	DCD, EDB	5	6	8	8	9
With Pillar 4: Improve market price & cinnamon standards in Revitalizing the Sri Lankan Cinnamon Industry: A Strategic Roadmap for Sustainability and Global Competitiveness 2024 - 2033.									

Table 9: Expand Global Market Access



### 6.3.4. Ensure Sustainability and Climate Resilience

**Main Objective:** Establish a climate-resilient and environmentally sustainable cinnamon industry that aligns with global sustainability, organic, and quality assurance standards.

**Specific Objectives:**

1. By 2029, certify 5% of total cinnamon cultivation area as organic, supported by targeted training, compliance assistance, and organic input access.
2. By 2029, implement carbon credit pilot schemes for 2,000 ha of cinnamon lands adopting low-emission technologies such as solar dryers.
3. By 2029, enable 30% of smallholder farmers to access climate risk insurance coverage, leveraging resilience funds and public-private insurance schemes.
4. By 2027, integrate agroforestry-based cultivation practices across 5% of cinnamon farmland to enhance biodiversity, soil health, and long-term sustainability.

Strategies	Actions	Outcomes	Indicators	Responsible Stakeholders	Estimate Allocation Rs. Mn				
					2025	2026	2027	2028	2029
Promote climate-smart and sustainable farming systems	4.1. Train farmers in climate-smart practices	Increased adoption of sustainable cultivation techniques among cinnamon farmers	- % of cinnamon farmers trained in climate-smart methods - % of trained farmers adopting at least one new practice	DCD	2	3	3	3	3
	4.2. Promote cinnamon as a natural fencing crop in agroforestry systems to expand cultivation	Expanded cinnamon cultivation in agroforestry systems while	- % of new cinnamon acreage integrated into agroforestry - Number of farms reporting reduced	DCD, SL Mahaweli Authority	4	5	6	6	6



	sustainably and mitigate human-elephant conflict	reducing crop damage from wildlife	wildlife conflict incidents						
	4.3. Promote Organic Certification and agroforestry (e.g., cinnamon + intercropping) through subsidies and training	Improved soil health and biodiversity through organic and intercropped cinnamon systems	- Number of farmers receiving subsidies/training - % increase in cinnamon farms with organic + intercropping systems	DCD, Organic Certification Bodies, Farmers, Lanka Organic Agricultural Movement (LOAM)	4	5	6	6	6
	4.4. Promote intercropping with climate-resilient crops (in coconut triangle) through incentives and training	Enhanced farm resilience and income diversification through intercropping models	- % of cinnamon farms practicing intercropping with resilient crops - Number of farmers accessing incentives	DCD, CRI, CDB	4	6	6	6	6
Certify sustainable practices and reduce environmental impact	4.5. Encourage Fair Trade, Rainforest Alliance, and organic certifications (including GAP)	Increased credibility and competitiveness in global markets	-% of cinnamon farms certified under at least one scheme - Number of awareness/training sessions conducted	DCD, Certification Bodies, Lanka Organic Agricultural Movement (LOAM)	3	4	4	4	4
	4.6. Subsidize certification costs for smallholders	Greater access to sustainability certifications among smallholder farmers	- Number of farmers receiving certification subsidies - % increase in smallholder-certified acreage	DCD, Lanka Organic Agricultural Movement (LOAM)	4	5	6	6	6



	4.7. Introduce Carbon Credit Programs for farmers adopting solar dryers	Enhanced climate resilience and farmer income through emission-reducing technologies	- Number of farmers enrolled in carbon credit programs - Total carbon savings reported per year (tons CO <sub>2</sub> e)	DCD, Min. of Environment, Sri Lanka Climate Fund	3	4	5	6	7
	4.8. Encourage eco-certification for exporters with incentives for using biodegradable packaging	Improved environmental footprint of cinnamon exports	- % of exporters with eco-certification - % of certified exporters using biodegradable packaging	DCD, Sri Lanka National Packaging Centre, EDB	2	4	5	6	6
Ensure social equity and economic sustainability for cinnamon growers	4.9. Establish a Fair Pricing Mechanism to eliminate middlemen exploitation and link farmers directly to exporters via a digital marketplace	Improved farmer income and market access through transparent, fair pricing	- % increase in farm-gate price received by farmers - Number of farmers using the digital marketplace - % reduction in transactions involving middlemen	DCD, Consumer Affairs Authority	2	3	4	4	4
	4.10. Implement Gender-Inclusive Policy Reforms (e.g., equal pay for female peelers, leadership training)	Improved gender equity and empowerment in the cinnamon sector	- Gender pay gap reduced to <10% in targeted regions - Number of women trained in leadership roles - % of women in supervisory or managerial positions	DCD, Line Ministry	3	5	7	9	11



Enhance resilience to climate risks and disasters	4.11. Develop drought-resistant cinnamon varieties	Increased resilience of cinnamon crops to drought and erratic rainfall	- Number of drought-resistant varieties released - Adoption rate of new varieties - Yield stability across dry zones	DCD, Universities	2	4	6	8	10
	4.12. Develop small-scale irrigation infrastructure (e.g., rainwater harvesting systems) in drought-prone areas	Enhanced water availability and reduced crop losses in drought-affected zones	- Number of farmers using improved irrigation systems - Reduction in crop failures - Installed rainwater harvesting units	DCD, NGOs, Private Sector	3	5	5	5	5
	4.13. Establish insurance schemes for climate-related losses	Reduced economic vulnerability of farmers to climate shocks	- Proportion of cinnamon farmers enrolled in climate risk insurance - Claim processing efficiency - Satisfaction level among insured farmers	DCD, AAIB, Climate change Secretariat	5	6	8	8	8
Promote sustainable inputs and organic waste recycling	4.14. Promote Bio-fertilizing based on cinnamon waste (e.g., leaf compost)	Improved soil health and reduced chemical input dependency	- Number of farmers using cinnamon-based biofertilizer - Reported reduction in chemical fertilizer use - Awareness level on biofertilizer benefits	DCD, NRMC, National Fertilizer Secretariat	2	4	5	5	5
	4.15. Support conversion of conventional	Increased certified organic cinnamon acreage	- Number of certified organic farms	DCD, Lanka Organic Agricultural	3	5	5	5	5



	farmlands to certified organic farms using subsidized organic inputs and composting training		- Participation rate in composting training - Availability and uptake of subsidized inputs	Movement (LOAM), Funding Agencies, Organic Certification Bodies					
	4.16. Establish Community Composting Units to recycle organic waste into nutrient-rich soil	Strengthened local circular economy and improved soil quality	- Number of functioning composting units - Volume of organic waste processed - Community participation and satisfaction levels	DCD, Lanka Organic Agricultural Movement (LOAM), Funding Agencies, Organic Certification Bodies, National Fertilizer Secretariat	3	4	5	5	5
With <b>Pillar 7:</b> Support services: Research & Development, <b>Pillar 8:</b> Support services: Extension in Revitalizing the Sri Lankan Cinnamon Industry: A Strategic Roadmap for Sustainability and Global Competitiveness 2024 - 2033.									

*Table 10: Ensure Sustainability and Climate Resilience*



### 6.3.5 Strengthening Policy and Institutional Frameworks

**Main Objective:** Create an enabling environment for the cinnamon sector through supportive policies, enhanced institutional capacity, digital governance, and collaborative research.

**Specific Objectives:**

1. By 2029, introduce and implement at least five policy measures to streamline export procedures, incentivize value addition, and enhance sector competitiveness.
2. By 2029, increase cinnamon-focused R&D investment to represent at least 1.5% of the cinnamon sector's contribution to agricultural GDP.
3. By 2029, digitally capture and map 50% of cinnamon farmers and farm lands, enabling data-driven planning, traceability, and targeted service delivery.
4. By 2029, establish a Cinnamon Industry Advisory Board to institutionalize multi-stakeholder coordination, policy feedback, and strategic oversight.

Strategies	Actions	Outcomes	Indicators	Responsible Stakeholders	Estimate Allocation Rs. Mn				
					2025	2026	2027	2028	2029
Policy & Regulatory Reforms	5.1. Promote tax breaks on cinnamon processing machinery	Increased private investment in modern processing technologies	Number of tax incentives introduced for cinnamon machinery	DCD, Line Ministry, Department of Inland Revenue	2	2	2	2	2
	5.2. Coordinate all permits/licenses for processors/exporters	Reduced administrative delays and increased exporter satisfaction	Time taken to obtain processing/export licenses	DCD	1.5	2	2	2	2



	5.3. Establish a higher-level advisory committee to guide DCD's strategic decisions and stakeholder coordination	Improved policy alignment and multi-stakeholder collaboration	Number of policy recommendations made by advisory committee	DCD, Line Ministry	1.5	2	3	3	3
	5.4. Advise on enacting laws and regulations to minimize cinnamon adulteration and protect product quality	Stronger regulatory enforcement and improved product authenticity	Number of quality compliance violations reported annually	DCD, Line Ministry, SLSI	1.5	2	3	3	3
	5.5. Introduce policies to streamline export permits and tax rebates for value-added products	Simplified export procedures and incentivized value addition	Number of value-added exporters benefiting from policy changes	DCD, Line Ministry, EDB, Department of Inland Revenue	1.5	2	2	1	1
Boost Investments on R&D	5.6. Allocate funds for cinnamon research	Increased volume and relevance of cinnamon-focused research	Amount of annual funding allocated for cinnamon R&D	DCD, Line Ministry	4	6	8	8	8
	5.7. Enhance the capacity of National Cinnamon Research and Training Centre	Improved research infrastructure and training delivery	Number of upgraded facilities and new research programs	DCD, Line Ministry, Funding Agencies	3	5	7	7	7
	5.8. Collaborate with SLSI and European institutes to establish accredited laboratory testing protocols	Harmonized testing standards aligned with international benchmarks	Number of internationally recognized testing protocols adopted	DCD, SLSI, International Standard Institutes, International Laboratories, SLAB	2	3	3	3	3



	5.9. Establish testing laboratories at key export hubs to verify quality parameters and validate traceability claims	Decentralized quality control and increased exporter confidence	Number of functioning laboratories at export hubs	DCD, SLSI	4	6	6	6	6
	5.10. Organize an annual cinnamon sector symposium with private sector participation	Strengthened research–industry dialogue and knowledge transfer	Number of symposium attendees and partnerships initiated	DCD, Private Sector, Value Chain Players, Universities, Funding Agencies, Line Ministry	2.5	4	5	6	6
	5.11. Promote collaboration between farmers, exporters, and retailers through forward contracts	Increased price stability and stakeholder trust	Number of forward contracts signed annually	DCD, Value Chain Players	2.5	3	5	5	5
	5.12. Formalize partnerships to register and recognize standardized peelers, creating a national database	Professional recognition and improved labor standards in the cinnamon sector	Number of peelers registered in the national database	DCD, Funding Agencies, Plantation Companies, Peelers	2	3	3	3	3
	5.13. Partner with the private sector to secure CSR funding for sectoral development projects	Increased private investment in public-good cinnamon projects	Value of CSR funding mobilized annually	DCD, Funding Agencies, Private Sector	1.5	2	2	2	2
	5.14. Disseminate research findings efficiently to stakeholders	Wider adoption of research-based best practices	Number of dissemination materials published and distributed	DCD, SLCARP	1.5	3	5	6	7
	5.15. Create an enabling environment to attract	Growth in innovation and	Number of new Agri-tech startups	DCD, BOI, Min. of	2	4	4	4	5



	foreign investments in processing infrastructure and Agri-tech startups	modernization across the cinnamon value chain	and processing investments facilitated	Foreign Affairs, ERD					
2Institutional and Human Capacity Development	5.16. Conduct training programs for extension officers and industry stakeholders on the latest trends and best practices	Improved technical capacity across the cinnamon value chain	Number of training programs conducted and participants trained	DCD	2	3	3	3	3
	5.17. Define processes to follow up the training progress, level of adoption, effectiveness and productivity	Enhanced monitoring of training impact and adoption	Number of follow-up assessments conducted	DCD	1	2	2	2	2
	5.18. Develop educational materials (manuals, videos, workshops) to raise awareness about supportive policies and institutional frameworks	Improved stakeholder understanding of institutional mechanisms	Number of materials developed and distributed	DCD, DEA, DOA	2.5	4	5	5	5
	5.19. Design collaborative / participatory research programs with private sector/farmers/processors targeting publications on cinnamon	Stronger multi-stakeholder research engagement and knowledge generation	Number of collaborative research projects and publications	DCD, Private Sector, farmers, Processors, Universities	2	4	6	6	6
Digital Governance and Platforms	5.20. Digitize all aspects of the cinnamon sector (e.g., supply chain, farmer registries, nurseries, training programs) under DCD leadership	Streamlined operations and improved traceability in the cinnamon sector	Number of sector components digitized	DCD, ICTA, Funding Agencies, Value Chain Players	2.5	4	6	6	6



	5.21. Implement digitalization across essential DCD functions	Improved efficiency and transparency in DCD operations	Number of DCD functions digitized	DCD, ICTA, Funding Agencies	2	3	4	4	4
	5.22. Develop a Digital Dashboard for real-time monitoring of market prices	Increased market transparency and timely decision-making	Digital dashboard operational and regularly updated	DCD, ICTA, Value Chain Players, Funding Agencies	2	4	4	6	6
	5.23. A digital platform for auction or trading of cinnamon to link producers and exporters	Improved market access and price realization for producers	Number of users registered on the trading platform	DCD, ICTA, Growers, Processors, Exporters, Funding Agencies	2	4	6	6	6
	5.24. Improve the DCD website for training registration, GI/GAP applications, research needs, etc.	Enhanced accessibility to DCD services and stakeholder engagement	Number of online service modules activated on the website	DCD, ICTA	2	3	3	2	2
Policy Implementation and Resilience Mechanism	5.25. Develop a Risk Mitigation Framework addressing data gaps, stakeholder delays, and policy shifts. Include contingency plans (e.g., alternative data sources, rapid response teams)	Improved resilience and responsiveness of the cinnamon sector to operational and policy risks	Risk Mitigation Framework developed and adopted	DCD, Line Ministry, NPD	1.5	3	4	4	4
Monitoring and Evaluation Mechanism	5.26. Establish a Stakeholder Feedback Loop through quarterly meetups and digital surveys to address	Increased stakeholder engagement and	Stakeholder feedback loop established and operational	DCD, Value Chain Players, Line Ministry, NPD	1.5	2	3	3	3



	implementation bottlenecks	adaptive project management							
	5.27. Create a Data Validation Task Force to audit secondary data sources and fill gaps with field surveys	Improved reliability of data for evidence-based policy and planning	Data Validation Task Force operational and reporting outcomes	DCD	2	4	4	3	3
Pillar 5: Support services – Financing & Insurance, Pillar 6: Support services – Logistics, Pillar 7: Support services: Research & Development, Pillar 8: Support services: Extension in Revitalizing the Sri Lankan Cinnamon Industry: A Strategic Roadmap for Sustainability and Global Competitiveness 2024 - 2033.									

*Table 11: Strengthening Policy and Institutional Frameworks*



## 6.4. Requirements for DCD to Implement the Plan

This chapter outlines the critical resources and infrastructure needed to operationalize the Department of Cinnamon Development's (DCD) strategic goals (2025–2029). Aligned with findings from the Situation Analysis (Chapter 5) and Stakeholder Mapping (Chapter 4), this section identifies key gaps in funding, human capital, technology, and partnerships. By addressing these needs, the DCD will reinforce Sri Lanka's global leadership in cinnamon production while promoting equitable growth among farmers, processors, and exporters.

**Financial Resources** - Financial sustainability forms the backbone of DCD's operations. This section details funding requirements for both core activities (e.g., staff salaries, research) and strategic initiatives (e.g., climate resilience, market expansion). It highlights shortfalls in current budget allocations and proposes potential solutions such as international grants and private-sector partnerships to bridge these gaps.

**Human Resources** - Skilled personnel are essential to translating plans into actionable outcomes. This subsection addresses staffing shortages (e.g., vacant Cinnamon Development Officer roles) and training needs (e.g., climate-smart practices, digital tools). It also emphasizes gender inclusion through the targeted recruitment of female extension officers, in line with *Gender Equality* priorities in Chapter 2.5.

**Physical Infrastructure** - Modern infrastructure is key to improving productivity and maintain quality standards. This section outlines necessary investments in processing hubs, research laboratories, and storage facilities to reduce post-harvest losses and comply with international benchmarks. Initiatives such as solar dryers and retrofitted SME units directly support *Value Addition* (Chapter 6.3.2) and *Market Access* (Chapter 6.3.3).

**Technological Resources** - Technology serves as a catalyst for operational efficiency and transparency. This subsection focuses on digital innovations such as blockchain-based traceability systems and IoT sensors for precision agriculture. These technologies are aligned with the *Digital Transformation* goals in Chapter 6.3.5 and address weaknesses identified in the *SWOT Analysis* (e.g., fragmented supply chains).

**Strategic Partnerships** - Collaboration amplifies impact. This section highlights partnerships with logistics firms (e.g., Maersk), academic institutions, and certification bodies (e.g., Rainforest Alliance) to strengthen research and development, market access, and sustainability. These alliances reflect the *Stakeholder Matrix* (Chapter 4.2.2), which prioritizes high-influence actors critical to sector-wide growth.

This chapter consolidates financial, human, and infrastructural needs into a unified implementation framework. It quantifies investments across all strategic pillars, ensuring alignment with the *Monitoring & Evaluation* KPIs in Chapter 7. The summary underscores the interdependence of these resources in achieving DCD's long-term vision. Each sub-section directly addresses gaps identified in the *Situation Analysis* while capitalizing on opportunities highlighted in the *SWOT* and *Stakeholder Mapping*. By systematically fulfilling these



requirements, the DCD will foster a resilient, competitive, and inclusive cinnamon sector, positioning Sri Lanka as the global leader in premium cinnamon production.

## 6.5. Allocation Summary of the Plan

Goal	Allocation (Million Rs.)					
	2025	2026	2027	2028	2029	Total
1	55	77	99	106	109	446
2	29	49	62	59	59	258
3	59	81	88	85	86	399
4	49	72	86	92	97	396
5	56	89	110	111	113	479
<b>Total</b>	<b>248</b>	<b>368</b>	<b>445</b>	<b>453</b>	<b>464</b>	<b>1978</b>

*Table 12: Allocation Summary of the Plan*

# CHAPTER 07

## Monitoring and Evaluation Framework

### 7.1. Monitoring Framework/Plan

The monitoring framework is designed to systematically track the implementation of activities, the achievement of outputs, and the realization of outcomes in alignment with the strategic objectives. It incorporates regular data collection, timely reporting, and feedback mechanisms to promote accountability, evidence-based decision making and continuous improvement.

#### 7.1.1. Monitoring Structure

- **Responsible Entities:** The Department of Cinnamon Development (DCD) Planning Division will lead the monitoring process in collaboration with the Ministry of Plantation & Community Infrastructure, the Research and Development Division, and other relevant stakeholders, including private sector and civil society actors where applicable.
- **Frequency:** Monitoring activities will be conducted on a regular basis including
  - Quarterly progress reviews,
  - Annual performance assessments,
  - Mid-term evaluations (conducted at the midpoint of the strategic period)
- **Data Sources:** Data will be drawn from a combination of sources to ensure triangulation and accuracy, including:
  - Field monitoring reports
  - Stakeholder consultations
  - Structured surveys
  - Secondary data from relevant government agencies and industry reports

#### 7.1.2. Monitoring Indicators

The monitoring indicators are directly aligned with the strategic objectives and cross-cutting themes defined in the implementation plan. These indicators serve as the basis for assessing progress and identifying areas requiring corrective action.



Strategic Objective	Key Monitoring Indicators	Data Source
Enhance Productivity and Farmer Livelihoods	<ul style="list-style-type: none"> <li>• % increase in cinnamon yield per hectare</li> <li>• % increase in farmer income</li> <li>• % reduction in post-harvest losses</li> </ul>	Farmer surveys, DCD field reports, agricultural extension data
Promote Value Addition and Innovation	<ul style="list-style-type: none"> <li>• Number of new value-added products developed</li> <li>• % increase in SME participation in processing</li> <li>• Revenue from value-added exports</li> </ul>	Industry reports, export data, R&D division reports
Expand Global Market Access	<ul style="list-style-type: none"> <li>• % increase in exports to new markets</li> <li>• Growth in online sales</li> <li>• Number of new international buyers secured</li> </ul>	Export Development Board (EDB) data, trade agreements, e-commerce platforms
Ensure Sustainability and Climate Resilience	<ul style="list-style-type: none"> <li>• % of farms adopting agroforestry practices</li> <li>• % of exports meeting sustainability certifications</li> <li>• Reduction in climate-induced crop failures</li> </ul>	Environmental agencies, certification bodies, research institutions
Strengthening Policy and Institutional Frameworks	<ul style="list-style-type: none"> <li>• Number of supportive policies enacted</li> <li>• % increase in R&amp;D funding</li> <li>• Reduction in export-related regulatory barriers</li> </ul>	Government policy documents, budget allocations, stakeholder consultations
Cross-Cutting Themes	<ul style="list-style-type: none"> <li>• % increase in women's participation in the industry</li> <li>• % of farmers adopting technology</li> <li>• Number of youths engaged in cinnamon farming</li> </ul>	Gender inclusion reports, technology adoption surveys, youth engagement programs

*Table 13: Monitoring Indicators*

## 7.2. Evaluation Framework/Plan

The evaluation framework is designed to systematically assess the effectiveness, efficiency, relevance, and impact of the strategic plan over its five-year duration. It will employ a combination of baseline studies, mid-term evaluations, and a final summative evaluation to provide a comprehensive understanding of performance and outcomes. The framework aims to support adaptive learning and evidence-based policy development.

### 7.2.1. Evaluation Objectives

The primary objectives of the evaluation framework are to;

- Assess the extent to which the strategic objectives and outcomes have been achieved.
- Identify implementation challenges gaps and key lessons learned.
- Provide actionable recommendations to inform future strategic planning, institutional reforms and policy formulation.

### 7.2.2. Evaluation Methods

- **Baseline Study:** Conducted at the inception of the plan to establish reference points for all key indicators, enabling comparison over time.
- **Mid-Term Evaluation:** Conducted at the half way point (after 2.5 years) to assess progress toward targets, evaluate implementation fidelity, and guide any required strategic course corrections.
- **Final Evaluation:** Conducted at the end of the five-year period to assess the overall effectiveness, sustainability, and long-term impact of interventions.

Each evaluation will apply both quantitative and qualitative methodologies, including key informant interviews, focus group discussions, impact assessments, comparative analysis against baselines, and stakeholder feedback mechanisms.

### 7.2.3. Evaluation Indicators

The evaluation indicators will assess the long-term impact and the strategic effectiveness of the plan, complementing the monitoring indicators that track short- and medium-term outputs. Below is a summary of key evaluation indicators, aligned with the strategic objectives.

Strategic Objective	Key Evaluation Indicators	Data Source
Enhance Productivity and Farmer Livelihoods	<ul style="list-style-type: none"><li>• Sustained increase in average yield per hectare</li><li>• Long-term growth in farmer income</li><li>• Reduction in national-level post-harvest loss ratios</li></ul>	National agricultural statistics, poverty surveys, farmer feedback

Promote Value Addition and Innovation	<ul style="list-style-type: none"> <li>• Growth in the number and diversity of value-added products</li> <li>• Increase in SME profitability and employment</li> <li>• Export revenue derived from innovation-driven products</li> </ul>	Export data, industry reports, market analysis
Expand Global Market Access	<ul style="list-style-type: none"> <li>• Penetration into new high-value markets</li> <li>• Growth in market share for Sri Lankan cinnamon globally</li> <li>• Long-term trends in digital and e-commerce-based trade</li> </ul>	Trade data, international market surveys, brand recognition studies
Ensure Sustainability and Climate Resilience	<ul style="list-style-type: none"> <li>• Increase in climate-resilient farming practices</li> <li>• Share of certified sustainable cinnamon in total exports</li> <li>• Measurable resilience to climate shocks</li> </ul>	Environmental impact assessments, certification bodies, climate risk reports
Strengthening Policy and Institutional Frameworks	<ul style="list-style-type: none"> <li>• Quality and enforcement of new sector-supportive policies</li> <li>• Institutional capacity improvements</li> <li>• Reduction in regulatory and administrative burdens on exporters</li> </ul>	Policy documents, R&D reports, stakeholder feedback
Cross-Cutting Themes	<ul style="list-style-type: none"> <li>• Long-term participation trends among women and youth</li> <li>• Degree of technological integration across value chains</li> </ul> <p>Evidence of inclusive growth outcomes</p>	Gender and youth inclusion reports, technology adoption surveys

*Table 14: Evaluation Indicators*

### 7.3. Key Performance Indicators (KPIs)

The KPIs will be used to measure the success of the strategic plan. They are categorized by strategic objective and cross-cutting themes.

Strategic Objective	Key Performance Indicators (KPIs)
Enhance Productivity and Farmer Livelihoods	<ul style="list-style-type: none"> <li>Up to 1000kg/ha yield per hectare</li> <li>20-30% increase in farmer income</li> <li>40-50% reduction in post-harvest losses</li> </ul>
Promote Value Addition and Innovation	<ul style="list-style-type: none"> <li>5-10 new value-added products launched</li> <li>30% increase in SME participation in processing</li> </ul>
Expand Global Market Access	<ul style="list-style-type: none"> <li>15% increase in exports to non-traditional markets</li> </ul>
Ensure Sustainability and Climate Resilience	<ul style="list-style-type: none"> <li>5% adoption of agroforestry</li> <li>25% of exports meeting sustainability standards</li> </ul>
Strengthening Policy and Institutional Frameworks	<ul style="list-style-type: none"> <li>30% reduction on export-related red tape</li> <li>10% annual growth in R&amp;D output</li> </ul>
Cross-Cutting Themes	<ul style="list-style-type: none"> <li>20% increase in women's participation</li> <li>30% adoption of technology</li> <li>25% increase in youth engagement</li> </ul>

Table 15: Key Performance Indicators

### 7.4. Time Frame and Responsibilities

Activity	Time Frame	Responsible Stakeholders
Baseline Study	Year 1 (2025)	DCD, Research Institutions, NGOs
Quarterly Progress Reviews	Quarterly (2025-2030)	DCD (Planning Division), Ministry of Plantation & Community Infrastructure
Mid-Term Evaluation	Year 3 (2027)	Independent Evaluators, DCD, Ministry of Plantation & Community Infrastructure
Final Evaluation	Year 5 (2030)	Independent Evaluators, DCD, Ministry of Plantation & Community Infrastructure
Data Collection and Reporting	Ongoing (2025-2030)	DCD, Research Institutions, Export Development Board
Capacity Building for M&E	Year 1-2 (2025-2026)	DCD, Training Institutions, NGOs

Table 16: Time Frame and Responsibilities



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# APPENDICES

## Participants' list of Round Table Discussion held on 24.04.2025 at Radisson Hotel – Colombo

### Industry Representatives

1. Mr. Kishan Jayasekara  
Cinnamon Cultivator and Processor (Organic Cinnamon)
2. Mr. Muditha Jayathilaka  
Cinnamon Cultivator and Cinnamon Leaf Oil Producer /  
President, Cinnamon GI Association – Sri Lanka
3. Mr. Vijith De Zoysa Jayathilaka  
Cinnamon Cultivator and Processor
4. Mr. Nishantha Senevirathna  
General Manager, Lalan Rubber Pvt Ltd
5. Mr. Tyrel Fernando  
Exporter (Organic Spices)
6. Mr. Christopher Fernando  
CEO, Malwatte Valley Plantations / Vice President, SAPPTA
7. Mr. Jayanath  
Director, Jayanath Spices, Matara (Processor and Exporter)
8. Mr. Nanda Kohona  
Director – Marketing, Samagi Spices Pvt Ltd
9. Mr. Leel Prasanna  
General Manager, Samagi Organics
10. Mr. Vernon Abeyrathna  
Director, Joint Agro Products Ceylon Ltd (Exporter)
11. Mr. Nuwan Delage  
CEO, Worger Natural Pvt Ltd (Cinnamon Oil Exporter)
12. Ms. Nilmini Wanasinghe  
Manager – International Marketing, HDEES Group (Exporter)
13. Mr. Gihan Beneragama  
Director, PTC Holdings (Cinnamon Oil Exporter)



### **Government Representatives**

14. Mr. N.S. Wanasinghe  
Additional Secretary to the President
15. Mr. Thilak Arumaperumarachchi  
Senior Director (Retired), Sri Lanka Customs
16. Mr. Janak Badugama  
Director, Export Agriculture Division, EDB
17. Mr. Rizwan Farook  
Deputy Director, National Plant Quarantine Service (NPQS)
18. Ms. Anoma Rupasinghe  
Director Planning, Ministry of Plantation

### **Department of Cinnamon Development (DCD)**

19. Mr. L.M.J.K Lindera  
Director General
20. Mr. R.A.A.K Ranawaka  
Deputy Director
21. Ms. R. Dulhani De Zoysa  
Deputy Director (Planning)
22. Mr. E.J.S. De Soyza  
Assistant Director

### **Other Participants**

23. Mr. Thilak Karnarathne  
CEO, DevPro
24. Mr. Kelum Nishantha  
RPC, DevPro
25. Mr. W.W.S. Mangala  
Consultant
26. Ms. C.M. Weththasinghe  
Assistant Consultant



**Participants' list of Situation Analysis Workshop held on 29.04.2025  
At Management Development & Training Institute (MDTI), Wakwella, Galle.**

**From the Department of Cinnamon Development**

1. L.M.J.K Lindera	Director General
2. R.A.A.K Ranawaka	Deputy Director
3. R. Dulhani De Zoysa	Deputy Director (Planning)
4. Chinthaka Widanapathirana	Deputy Director/NCRTC
5. A.A. Wijeweera	Deputy Director/NCRTC
6. K.H.G.M Tharanga	Deputy Director/NCRTC
7. P.K.D. Pabasara	Deputy Director/NCRTC
8. H.M.T.T. Madhurangi	Deputy Director/NCRTC
9. E.J.S. De Soyza	Assistant Director
10. Kasun D. Pathirana	Assistant Director
11. Damitha Kariyawasam	ICT Officer
12. Sakunthala Liyanage	Development Officer
13. S.N. Weerasooriya	Development Officer
14. Dilanthi Piyadigama	Development Officer
15. Nimali Ekanayake	Development Officer
16. P.M.U. Isurika Lakmali	Development Officer
17. A.H.P. Ruvini	Development Officer
18. D.A.D. Jeewantha	Development Officer
19. A.A. Gammanpila	Development Officer
20. S.M. Ruwanpathirana	Development Officer
21. I.K. Ruwansiri	Development Officer
22. W.A.P.W. Kumara	Development Officer
23. Samantha Liyanage	Development Officer



## Other Participants

24. Kelum Nshanitha	RPC/DevPro
25. W.W.S. Mangala	Consultant
26. C.M. Weththasinghe	Assistant Consultant

## Participants' list of Validation Workshop held on 30.05.2025 at Radisson Hotel – Colombo

### Industry Representatives

1. Mr. Rumesch Jayasooriya  
Director, Ceylon ECO Spices
2. Mr. Gihan Beneragama  
Director, PTC Agro
3. Mr. Nishantha Senevirathna  
General Manager, Lalan Rubber Pvt Ltd
4. Mr. Nanda Kohona  
Director – Marketing, Samagi Spices Pvt Ltd
5. Mr. Leel Prasanna  
General Manager, Samagi Organics
6. Mr. Vernon Abeyrathna  
Director, Joint Agro Products Ceylon Ltd (Exporter)
7. Mr. Rayan Rambukwella  
Country Manager, Synthite Lanka (Pvt) Ltd.
8. Mr. L. B. Karunarathne  
L B Spices (Pvt) Ltd
9. Mr. Kingsly Mendis  
CICNA



### **Government Representatives**

10. Mr. W.A.S. Iroshan  
Director, NPD
11. Mr. Mr. Gayan Weerasinghe  
Assistant Director, EDB
12. Ms. Thilini Kalugalag  
Assistant Director (Technical), SLSI
13. Ms. Ganeesa Jayamini  
Deputy Director, SLSI
14. Mr. Thilak Arumaperumarachchi  
Senior Director (Retired), Sri Lanka Customs

### **Department of Cinnamon Development (DCD)**

15. Mr. L.M.J.K Linder  
Director General
16. Mr. R.A.A.K Ranawaka  
Deputy Director
17. Mr. Chinthaka Widanapathirana  
Deputy Director/NCRTC
18. Ms. A.A. Wijeweera  
Deputy Director/NCRTC
19. Mr. Chathuranga Gunasekara  
Deputy Director
20. Ms. Damitha Kariyawasam  
ICT Officer
21. Mr. W.A.P.W. Kumara  
Development Officer
22. Mr. D.A.D. Jeewantha  
Development Officer
23. C.C.M. Gunawardhana  
C.R. Officer



### **Other Participants**

- 24. Mr. Thilak Karnarathne  
CEO, DevPro
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Assistant Consultant



"CULTIVATING EXCELLENCE, ENRICHING LIVES"

THE DEPARTMENT OF CINNAMON DEVELOPMENT  
SRI LANKA



**STRATEGIC PLAN**  
2025-2029



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