

A Rationale, in Certitude of Good Manufacturing Practices (GMP) for Ceylon Cinnamon, Trading in the Export Market

D. I. P. De Silva and R. P. D. Gunathilaka

Uva Wellassa University, Sri Lanka

Cinnamon Is one of the best foreign exchange earning spice. In Sri Lanka the demand in the world market depends on the quality of the cinnamon produced. The local Cinnamon industry is characterized by small — holdings, primitive technology, low productivity, high cost of production and unorganized marketing system which has adverse impact on export promotion. Though we are famous for 'True Cinnamon', yet we have not been capable of meeting the most basic quality standards for Cinnamon.

The objective of this study is to analyze the status of processors and export firms in positioning GMP for their processes when producing Cinnamon for export markets. Specific objectives are identification of constraints which processors and export firms tend to face in setting up GMP for Cinnamon processes and identification of grounds for not gaining price increments for GMP holding Cinnamon products.

Seventy five randomly selected Cinnamon processors in Galle district, and 25 Cinnamon exporting companies in Colombo district were selected for this study.

Cost of processing, material wastage, awareness of GMP, market information recovery, buyer inquiry of quality standards and benefit awareness of quality standards were identified as facts influencing on implementation of GMP for processors. For Cinnamon exporting companies, quantity of exports, business status; major product of exportation, buyer inquiry of quality standards and benefit awareness of quality standards were identified as facts influencing on implementation of GMP. Lack of awareness on selling point and less processing quantity in GMP holders were constraints in implementing quality standards by processors. Less awareness on processing and poor monitoring of Cinnamon processing were observed as constraints of exporters. Hence, there is not yet a proper demand for GMP, Cinnamon exporting companies has been unable to offer a higher price for GMP owned products.

Key Words: Cinnamon, Quality standards, GMP, Exporting companies, Processors