

**STUDY ON MARKETING EXTENSION WITH RESPECT  
TO CINNAMON QUILLS PRODUCTION IN MATARA  
DISTRICT**



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## ABSTRACT

Cinnamon (*Cinnamomum zelanicum*), an indigenous spice in Sri Lanka, has decreased in its total production and the average yield without many changes in the extent of cultivation during the last two decades. Although cinnamon is one of the major spices important in export economy that exported more than 90% of the total production, cinnamon growers are not satisfied with continuing this crop. Because, profit of this industry is low due to very high price of cinnamon lands is not matching with the opportunity cost of cinnamon cultivation, high market margin, poor marketing extension activities related to cinnamon quills production, high cost of production, over-burdened by the lack of skilled labour for harvesting and processing. These have presently created an uncertainty regarding the future of the cinnamon cultivation in the Matara district.

This study investigated into marketing extension with respect to cinnamon quills production in Matara district. A field survey was conducted covering 50 cinnamon farmers in three divisional secretariats in Matara district during the period of October to November 2007. Objective of this study was to examine the marketing problems of the cinnamon farmers and suggest ways to improve the cinnamon marketing.

Study reveals that there were several marketing problems of cinnamon farmers such as shortage of skilled labour (94%), low labour productivity, very high cost of harvesting and processing (50% of income), use of inappropriate technology (all the farmers use drying under shade), traditional management of processing and grading (92% do not practice any grading before selling), lack of market information to the growers, lack of knowledge about quality requirements (68 % of respondents have poor sanitary condition of their processing shelter and final product), inadequate government subsidies (16%) and lack of entrepreneurial skills of the growers and low profitability.

In the study area the average net income of the cinnamon farmer was Rs 9640/month and the middleman margin was Rs414/kg while the farmer's profit margin was Rs126/kg, indicating that middle man obtained significantly higher profit than the producer. Development of appropriate machinery, education and training of peelers, make producer aware of the proper sanitary standards, provide necessary institutional support, eliminating the middleman involvement and supply of subsidized credit facilities identified as recommendations to improve the cinnamon marketing.

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