

# BUSINESS PROPOSAL FOR EXPORT OF CINNAMON



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Import & Export (Pvt) Ltd



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## 1. Introduction

Sri Lanka renowned to be the producer of the best cinnamon in the world. It's called Ceylon cinnamon alias true cinnamon and is indigenous to Sri Lanka. In Sri Lanka it is cultivated under varying conditions ranging from semi-dry to wet zone conditions in Galle, Matara, Kalutara, and Rathnapura Districts. The most suitable temperature is between 25°C and 30°C. Major exports of Sri Lanka used to be Tea, Coconut and Rubber. However, the rapid growth of cinnamon industry in Sri Lanka will soon claim the title for top exported product of island nation.

Cinnamon bark is largely available in the form of quills and making quills is unique to Sri Lanka. Cinnamon is also available in pure ground form or as an ingredient in curry mixtures and pelleted form too.

Cinnamon is mostly used in cooking and baking. Cinnamon is a versatile spice which can be added to any food item such as salads, confectionaries, beverages, soups, stews and sauces. Cinnamon drink made by immersing pieces of bark in hot water is popular among Latin American countries. Cinnamon flavored tea is becoming popular. It is also used as a common ingredient in Chinese and Herbal medicine. Cinnamon leaf and bark oils are used to flavor food products, in perfumery industry and in pharmaceutical industry. Cinnamon products from Sri Lanka are exported to many countries especially from Europe and South America.



## 2. True Cinnamon (Ceylon Cinnamon) Vs Cassia

Though True Cinnamon and Cassia share some common characteristics they are neither identical nor obtained from the same plant. They should be treated as separate foods, both from a nutritional and a health standpoint. Ceylon cinnamon grows in Sri Lanka, Madagascar and the Seychelles, while cassia cinnamon comes from Indonesia, Vietnam and China.

Scientifically speaking, there is only one true cinnamon, which is most commonly called "Ceylon cinnamon" or "true cinnamon". The term "cassia" never refers to Ceylon cinnamon but rather to other species of cinnamon. You'll often find species coming from China being referred to as "Chinese cinnamon" or "Saigon cinnamon," and you'll find species coming from Indonesia being called "Java cinnamon" or "Padang cassia". Ceylon cinnamon is typically more expensive than any of the cassia versions gives potential health benefits involving blood sugar regulation.

Unfortunately, there is no way to tell the difference between cinnamon powders that have been made from Ceylon/true cinnamon versus the cassia cinnamons. If you are buying cinnamon powder to use in a recipe, we recommend purchasing a cinnamon product that identifies the source of its cinnamon or calling the manufacturer to obtain this information.

However, if you are an avid cinnamon lover and likely to consume large amounts of cinnamon, we recommend Ceylon cinnamon (true cinnamon) as your best choice.

<b>Ceylon Cinnamon</b>	<b>Cassia Cinnamon</b>
A highly valued culinary and medicinal spice. Price can be up to 10 times more than the Cassia/Chinese cinnamon.	Commonly available and very cheap. You get a bag of the sticks for less than a dollar.
Contains a small, negligible amount of coumarin, a naturally occurring blood-thinning substance. Recommended for regular use, Eg. for correcting blood sugar level.	Contains a high level of coumarin content, which can be harmful for the liver and kidney when consumed daily or regularly. Not a concern for occasional use.
Tan brown in colour.	Reddish dark brown.
Thin and paper-like textured bark that forms multiple layers when rolled up.	Uneven thick bark that forms only a few layers when rolled up.
Fragile, easily broken.	Tough, difficult (if not impossible) to grind to powder with an electric home kitchen grinder.
Delicate, sweet with subtle notes of clove.	Pungent, full-bodied taste.

### 3. Objective



The objective of this business proposal is to introduce and opening up new business relationships to supply highest quality True Cinnamon from the tropical of Sri Lanka to the Middle East market at a very competitive range on long-term basis.

### 4. Range of Products



We offer a range of commonly available products on offer to cater demands from different market segments. Below are the most common forms of cinnamon in our product range.

- Cut Cinnamon sticks

This product includes a cut cinnamon sticks on any requested grad of cinnamon. The length of the cinnamon stick can be changed according to customer demand (Typically in 2,4,6,8 inches). The packet size typically has 100g, 200g, 500g, 750g, 1kg & 1.5kg but we are flexible for customer demand packet sizes.



Cut cinnamon sticks

- Cinnamon sticks in bale form

Each bale of cinnamon contains a graded bundle of cinnamon sticks. The length of a stick is approximately (0.9 m to 1.1m) and bales are in the range of 25kg, 30kg,40kg & 50kg. The bales are wrapped with approved packaging techniques. Cinnamon bales can be supplied on any grade of cinnamons depending on customer demand.



Cinnamon sticks in bale form

The Cinnamon bales and cut forms are available on following grades.

Alba grade cinnamon

C5-Special & C5 grade cinnamon

C4 & C3 grade cinnamon

M5,M4,H1,H2 & H3 grade cinnamon



Alba grade cinnamon

#### Specifications

- Nominal diameter of quills 6-8 mm
- No. of whole quills per kg (1m in length) 45-50
- Grade Name – Alba



#### Specifications

- Nominal diameter of quills 6-8 mm
- No. of whole quills per kg (1m in length) 35-40
- Grade Name – C5 Special

### C5 Special grade



#### Specifications

- Nominal diameter of quills 10-12 mm
- No. of whole quills per kg (1m in length) 28-32
- Grade Name – C5

### C5 grade



#### Specifications

- Nominal diameter of quills 13-15 mm
- No. of whole quills per kg (1m in length) 22-26
- Grade Name – C4

### C4 grade



#### Specifications

- Nominal diameter of quills 16-18 mm
- No. of whole quills per kg (1m in length) 20-24
- Grade Name – M5



### H1, H2, H3 grades

#### Specifications (H1)

- Nominal diameter of quills 23-25 mm
- No. of whole quills per kg (1m in length) 10-12
- Grade Name – H1

#### Specifications (H2)

- Nominal diameter of quills 25-28 mm
- No. of whole quills per kg (1m in length) 9-10
- Grade Name – H2

#### Specifications (H3)

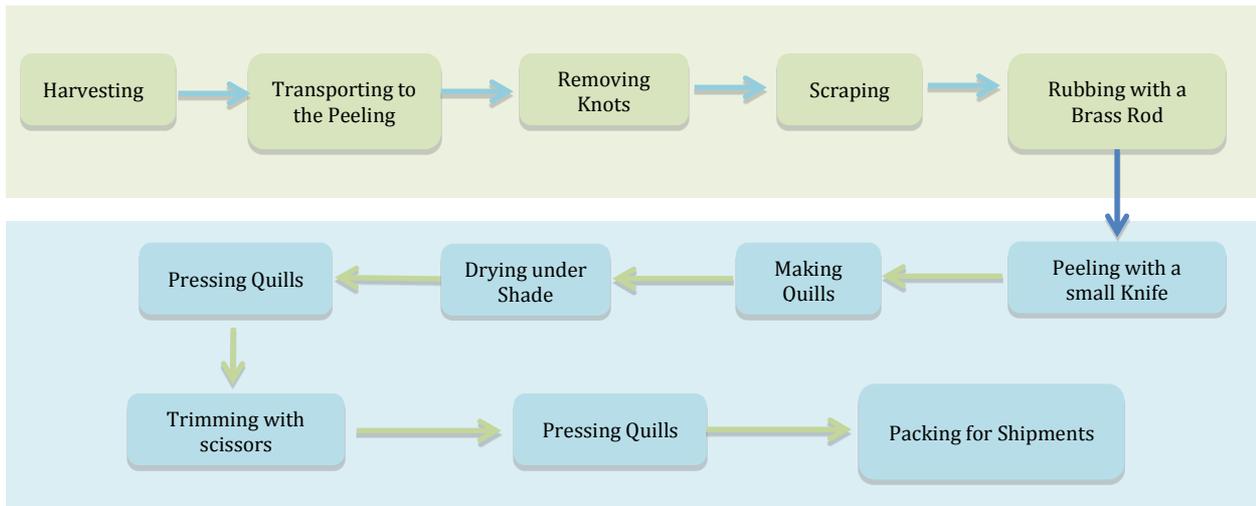
- Nominal diameter of quills 38-40 mm
- No. of whole quills per kg (1m in length) 6-8
- Grade Name – H3

In addition to the standard products we can provide customized products as per the customer requirement. In additions if there is any Cinnamon product of special interest of the buyer, which is not listed above, can also be discussed as a future prospect. The Package and product details can be customized according to the customer requirement and we ensure the quality of packaging too would meet world-accepted standards.



## 5. Production

Our production facilities in Sri Lanka are primarily located in Matara and Ratnapura areas where two cities are considered to be the heartlands for cinnamon cultivation. Production process in Sri Lanka is shown below.



Production Process in Sri Lanka

Peelers go to the plantation in the morning and collect the stems sufficient for the day's work. Transport to the peeling sheds is done by hand, bicycles, two wheel tractors or carts.



Harvesting



Transporting



Removing Knots



Scraping



Rubbing

The collected harvest stored in a controlled environment and will be further processed as per the customer requirement. Both production facilities at Matara and Ratnapura have the supply capacity of 7500 Kg each per month. Both facilities are setup and maintained according to the quality regulations imposed by the Export Development Board of Sri Lanka.

Our storages facilities have the capacity to stock (7500kg) at any given time and it will ensure uninterrupted supply of products throughout the year. Exclusive long-term contracts with large number of farmers/owners of Cinnamon cultivation is the main strength of our company and total cultivated area accounted by them is 350 hectares.

Below images shows the production and storage facilities of our associates.







## 6. Quality Certification

Our company obliged to comply all regulations expected by the Export Development Board and other local standard institutions. Country specific standards/certification required by the buyer depending on the country of import can be discussed and arranged.



## 7. Supply Capacity/Payment Terms

Top and bottom ceiling for supplying capacities in different forms is given below.

- |    |   |  |
|----|---|--|
| 1. | Cinnamon in bale form                       | - Minimum order quantity 100kg<br>- Maximum supply capacity 7500kg/ Month  |
| 2. | Cinnamon in cut form<br>(Without Packaging) | - Minimum order quantity 100kg<br>- Maximum supply capacity 7500kg / Month |
| 3  | Picketed Cinnamons                          | - As ordered by customer (Max 7500kg/Month)                                |

We are open for long-term contract on agreed conditions including payment terms.

