

SECTOR BRIEF

CINNAMON

About GREAT

The Gender Responsive Equitable Agriculture and Tourism (GREAT) program is building the social and economic resilience of ethnic minority women in Northwest Vietnam. GREAT partners with the private sector, government agencies and civil society to unlock opportunities for women's economic empowerment in the agriculture and tourism sectors. Funded by the Australian Government, GREAT is delivered in partnership with the Provincial People's Committees of Son La and Lao Cai provinces. GREAT began in 2017 and is a 10-year program with an investment of AUD 67.4 million.



CINNAMON

An emerging sector presenting economic opportunities to Lao Cai communities

Vietnam is the world's fourth-largest cinnamon producer behind China, Indonesia and Sri Lanka, yet the leading cinnamon exporter in the world. The most commonly-grown cinnamon variety in Vietnam is cassia, a variety well-suited to many Asian cuisines. A versatile commodity, cinnamon trees can be harvested for wood, bark and oil and processed into a range of products.

World cinnamon prices have increased significantly in the last ten years, averaging an annual growth rate of between 10% and 11%, including for the cassia variety. Global demand remains strong, however exports from leading cinnamon-producing countries have not yet increased in line with that demand.

There is also strong global demand for sustainably produced spices, including cinnamon, particularly within the European Union and United States. Demand for certified organic cinnamon is estimated at more than 60,000 tonnes and has been forecast to grow by as much as 14% per year until 2025.

Cinnamon production in Lao Cai Province increased significantly from a total production area of 1,200 hectares in 2011 to 45,000 hectares in 2021. Since 2020, 3,500 hectares have been certified as organic cinnamon, making up 7.8% of the total cinnamon production area in the province. Organic cinnamon production is mainly concentrated in Van Ban District (1,255 hectares and 742 households) and Bac Ha District (2,248 hectares and 683 households).

GREAT AND THE CINNAMON SECTOR

Work to date

Between 2017 and 2022, GREAT worked with the private sector (Son Ha and Vinasamex), an international NGO and local government (the Department of Agriculture and Rural Development and the Agriculture Extension Service Centre) to support the establishment of a high-value organic cinnamon sector in Lao Cai province. The partners worked to address system constraints restricting market growth, while also ensuring the sector was more inclusive of ethnic minority women through improved business practices and sector policies. To this end, they strengthened women producer groups, supported market expansion, improved processing facilities and coordinated between key market actors. Important progress was made, including:



40

women-led producer groups were established and supported to develop quality control systems and training on organic standards.



3,203

women reported an increase in income.



Through their involvement in production groups, women reported stronger social connections and networks.

Moving forward

GREAT seeks to capitalise on opportunities to continue increasing productivity and incomes of ethnic minority women producers. These opportunities include more jobs in local primary processing enterprises and cooperatives, and increased income through value addition to cinnamon products. GREAT is working with partners to improve sector coordination, policy, and domestic and international market opportunities in order to:



Promote sustainable production

- Support market research, organic area mapping and policy support to the provincial government.
- Develop sustainable cinnamon production guidelines and support training for farmers in sustainable production practices.
- Establish cooperatives and facilitate links to enterprises.
- Integrate sustainable cinnamon production into village regulations.



Support for sector expansion

Work aims to better connect government, the private sector and producers, strengthen producer groups including cooperatives, build the competitiveness of the sector and attract more investment. Activities will include:

- Strengthen capacity of the Lao Cai Cinnamon and Anise Association.
- Support for Lao Cai sustainable cinnamon policy and brand development.
- Build connections, profile and brand awareness in domestic and international markets.
- Support the Lao Cai Cinnamon and Anise Association to coordinate the sector to address problems and advocate on policy.



Improve linkages and supply chain governance

- Facilitate improved market information sharing between enterprises and producers.
- Strengthen capacity among cooperatives to manage producer certification.
- Support the Lao Cai Cinnamon and Anise Association to develop the Lao Cai high-quality cinnamon brand and foster the growth of the cinnamon sector.



PARTNERS

GREAT is working with the Lao Cai Department of Forest Protection, Farmers Union and the private sector to build and strengthen the cinnamon sector. As the lead technical co-facilitator, the Lao Cai Department of Forest Protection will:

-  Support the development of policies and regulations to manage and develop sustainable cinnamon, including organic cinnamon
-  Contribute to promoting the Lao Cai cinnamon brand and investment resources
-  Support stronger linkages between farmers and cooperatives
-  Establish and strengthen capacity of cooperatives and groups
-  Support the operation of the Lao Cai Cinnamon and Anise Association
-  Promote sector linkages and facilitate information exchange in the cinnamon sector





KEY EXPECTED RESULTS

The Lao Cai Cinnamon and Anise Association has improved management capacity



4,800



hectares of sustainable cinnamon, including organic cinnamon are developed

4,000



farmer households are trained to improve technical capacity in production and service provision

15%



increase in the number of women participating in household expense decision-making

2,800



households have increased income

80%



of women participating in production or services provision have confidence in their technical capacity



Environment and climate change

Environmental risks associated with sustainable cinnamon production will be mitigated through well-planned production areas, cultivating, harvesting and processing techniques. Increased farmer awareness and adaptation of sustainable techniques will ensure the cinnamon industry in Lao Cai can remain profitable whilst minimising its environmental footprint. It will be important that the sector continues to be monitored in terms of the effects of climate change, and how production techniques can be enhanced to manage future climate change impacts on the industry itself.



Contact information

For further information on our work in the cinnamon sector, please contact:

Hoang Thanh Hai (Mr.)

National Agriculture Portfolio Manager

The GREAT Program



7th floor, Vinapaco Building, 142 Doi Can, Ba Dinh, Ha Noi



hai.hoang@aus4equalityvn.org



024 3211 5225 | 0905199523

GREAT