



Value Chain Analysis of Palmyrah (*Borassus flabellifer*) Sap-Based Products in Jaffna District, Sri Lanka

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Abstract: The Asian Palmyrah (*Borassus flabellifer*) plays a crucial role in the northern region of Sri Lanka due to its versatility and multiple uses. The Jaffna district is renowned mainly for its palmyrah trees and sap production industry, but only a fraction of its potential is currently utilized despite its significance. However, more comprehensive studies must focus on the unique value-addition opportunities in producing palmyrah sap-based products in the Jaffna district. Therefore, the main aim of this study was to identify and map the stakeholders involved in the value chain for fermented products such as toddy, bottled toddy, palmyrah arrack, and non-fermented product of jaggery. In total, 62 stakeholders were purposively selected in the Jaffna district, and a pre-tested semi-structured questionnaire was used to collect primary data. The study analysed profitability by calculating each level's value addition and gross profit margin percentages. Also, a SWOT analysis was conducted to evaluate the industry. The study's findings revealed that tappers achieved a high gross profit margin of approximately 95.5%, primarily due to their low tapping costs throughout the season. Exporters gained higher gross profit margins than processors, with bottled toddy at 42.86%, palmyrah arrack at 20.8%, and jaggery at 32.84%, while processors' margins were slightly lower. Additionally, findings revealed that retailers in the jaggery industry achieved a substantial gross profit margin of 41.41%. The study also highlighted the challenges faced by the palmyrah sap-based industry, including the complex and less-esteemed nature of the tapper profession. This discourages younger individuals from entering the field and risks the industry's future. So, implementing laws that benefit tappers and developing a solid brand identity for palmyrah sap products is essential.

Keywords: Palmyrah sap-based industry, Value addition, Value chain mapping.