

NATIONAL UNIVERSITY OF SCIENCE AND TECHNOLOGY

FACULTY OF COMMERCE

DEPARTMENT OF BUSINESS MANAGEMENT

AGRI-BUSINESS MARKETING – CBU 4206
SUPPLEMENTARY EXAMINATION – SEPTEMBER 2007

INSTRUCTIONS TO CANDIDATES

- Answer all questions.

Agribusiness in practice: The Case of Cashel Valley

Export vegetable out grower scheme benefits Zimbabwean small holder farmers

More than 300 horticulture farmers at Cashel Valley in the Chimanimani District of eastern Zimbabwe have intensified the production of baby corn, gooseberries, butternut and fine beans, in a move that has earned a number of them a fortune, and the economically strapped country much-needed foreign currency.

The Cashel Valley community horticulture project is spearheaded by horticultural exporter Mitchell-Mitchell, for whom the farmers are out growers. Dawson Jombe, the operations manager of the project, said farmers had responded positively to the initiative, as evidenced by their high quality produce, which are attracting buyers even beyond the country's borders.

Jombe said, "Each of the 313 growers has been able to produce gooseberry, baby corn, butternut and fine beans for export. Since the programme started, Mitchell Mitchell has exported at least 64 tonnes of produce produced here in Cashel Valley from the farmers, who are working plots as small as 0,1 hectares.

Jombe said of the 313 farmers they assisted with free seed, fertilizers and chemicals as well as technical knowledge, 95 percent of them have been hardworking and achieved good yields from their land. "Ninety-five percent of the new farmers' fields are being put into maximum use and they have potential to surpass what a commercial farmer can produce on a larger piece of land. We intend to increase land under use to increase the yields for export," he said.

In appreciating the role Mitchell-Mitchell was playing in empowering local farmers, a visiting official said, "This was an eye-opening exercise and a learning mission. Farming is enriching and local growers are now producing for export and getting a fortune." The tour included Nyambeya Scheme (for gooseberry and baby corn), Mandima Irrigation Scheme (baby corn, butternut and beans) and the Cashel Valley canning factory and cold rooms.

Publication date: April 5 2007 Author: [Chido Makunike](#)

Copyright: www.freshplaza.com

http://www.freshplaza.com/2007/0405/1-9_zw_vegetable.htm (Retrieved on 23 Jun. 07]

1. Discuss the consumer behaviour these fresh produce marketers/exporters will have to envisage (10 marks)

2. PTA Bank has just extended to Agribank a foreign credit line facility meant for the horticulture sector and Cashel Valley is set to benefit. What type of financing mechanism should Agribank use and what are its limitations thereof? (10 marks)

3. What will/should Cashel Valley do in order to gain market access and market entry? (10 marks)

SECTION: B

Answer all questions

Question 4

a. Discuss price discovery and how can farmers safeguard themselves against price risk? (10 marks)

b. Given the "cobweb" behavior of agricultural commodity prices, how might better coordination of supply and demand be achieved? (10 marks)

c. Robert L. Thompson a member of the International Food & Agricultural Trade Policy Council, who formerly served as Assistant Secretary of Agriculture at USDA and as Director of Rural Development at the World Bank and who holds the Gardner Chair in Agricultural Policy at the University of Illinois at Urbana-Champaign, attributed the demise of the Doha Round to US agricultural and rural politics which played a key role in this demise and in particular US farmers who were in favor of agricultural subsidies for cotton farmers etc. You have just been appointed Zimbabwe's representative to the WTO and among other things you will have to lobby against these subsidies.

Explain how you would go about lobbying against these subsidies? (10 marks)

Question 5

Discuss how agribusiness marketing evolved in Zimbabwe? (20 marks)

Question 6

A Chinese firm is interested in entering the cotton industry in Zimbabwe and you have been appointed its agribusiness marketing consultant. Discuss how you would analyze the market structure of the industry? (20 marks)