

NATIONAL UNIVERSITY OF SCIENCE AND TECHNOLOGY

FACULTY OF COMMERCE

DEPARTMENT OF BUSINESS MANAGEMENT

AGRI- BUSINESS MARKETING – CBU 4206

FINAL EXAMINATION – MAY 2011

TIME ALLOWED: 3 HOURS 15 MINUTES

INSTRUCTIONS TO CANDIDATES

Answer question **One** in Section A and any other **Three** questions from Section B.

INFORMATION TO CANDIDATES

- (i) Section A carries 40 marks
- (ii) Each question in Section B carries 20 marks .
- (iii) Questions may be answered in any order.
- (iv) Credit will be given **for the use of appropriate examples.**
- (v) This paper contains **Seven** questions.

SECTION A

QUESTION 1

The case of poultry marketing in Zimbabwe

The Zimbabwe Farmers Development Trust (ZFDT) has urged the Government to restrict poultry imports which are adversely affecting local producers. ZFDT executive director Mr Tichasiyana Mapondera said local poultry farmers were struggling to make profits as the market had been flooded with cheap imports. : ‘our poultry farmers produce better quality products and the chicken has better taste than imported brands. There is need for government to restrict imports and stimulate local industry’ he said.

He said some people were importing from as far as Brazil which are popular on the local market because of their size. ‘The chickens imported from Brazil are bigger compared to

local produce due to their artificial means of growth' said Mr Mapondera. He said many farmers had suspended poultry production because it was no longer viable.

A poultry farmer, Mrs Tarisayi Zvoma said she had stopped a chicken project as the feed was expensive while returns were low. She said on selling, she would have to sell at a cheaper price since the market was flooded making no profit. We suspended the poultry project due to the expensive feed as soya beans cost US \$ 300 a tonne while the residue which is mixed with maize costs US \$ 400 said Zvoma.

Farmers associations have in the past called on the Government to restrict poultry imports to save the local industry from collapse. Most of the imported chickens are cheaper because they are genetically modified making them grow faster than local breeds.

Source: Business Reporter, "Government Urged to Restrict Poultry imports", The Chronicle May 18 2009. Bulawayo.

Required:

- a) Drawing your answer from the case, discuss the role technology plays in international agri-business marketing. **[10 Marks]**

- b) Discuss two methods which farmers can use to protect themselves against price risks in agri-business marketing. **[10 Marks]**

- c) Using the case as an example, discuss the rationale for governments to intervene in international agricultural marketing. **[20 Marks]**

QUESTION 2

Discuss in detail the nine functions of marketing and the role they play in the agri-business system.

[20 Marks]

QUESTION 3

Write short notes on the following, indicating clearly why they are important to an agri-business manager.

- i. Price determination;
- ii. Price discovery;
- iii. Seasonal price patterns;
- iv. Price cycles.

[20 Marks]

QUESTION 4

Discuss the four types of market environments that confront agri-business, highlighting their desirability to the various players in the system.

[20 Marks]

QUESTION 5

Discuss in detail five policy tools that are used by government in a bid to encourage local agricultural production.

[20 Marks]

QUESTION 6

Discuss the role of grades and standards in agricultural commodity marketing.

[20 Marks]

QUESTION 7

Discuss the different types of firms found along the agri-business marketing channel.

[20 Marks]

END OF EXAMINATION