



***“Investing in Africa’s future”***

**COLLEGE OF HEALTH AGRICULTURE AND NATURAL SCIENCES**

**NAEC402: AGRICULTURAL MARKETING**

**END OF FIRST SEMESTER FINAL EXAMINATIONS**

**NOVEMBER 2023**

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**DURATION: 3 HRS**

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**INSTRUCTIONS**

Answer all questions in Section A  
Answer two questions in Section B

## SECTION A

Answer all questions in this section

### QUESTION 1

a) Read the passage below and answer the questions that follow:

There are 6 producers of seeds in Zimbabwe: Zimbabwe Super Seeds, SeedCo, Agriseeds, Klein Karoo, Pannar and Mukushi Seed.

Below is the financial information for each company from October 2022- October 2023

Company	Sales (\$)	Net profit (\$)
Zimbabwe Super Seeds	10 000 000	4 600 000
SeedCo	19 755 000	2 773 000
Agriseeds	14 000 000	1 800 000
Klein Karoo	12 320 000	4 200 000
Pannar	1 875 000	600 000
Mukushi Seed	1 200 000	120 000

i. Calculate the market share for each company. (10 marks)  
Remember to include the formula and show your working.

Round off your answers to 2 decimal places.

b) Read the passage below and answer the questions that follow:

The farmgate price for bananas is \$0.55 per kg, the average wholesale price is \$0.86 per kg and the average retail price is \$1.25 per kg.

- Remember to include the formula and show your working.
- Round off your answers to 2 decimal places.

Calculate:

- The share to the farmer (4 marks)
- The wholesale margin (4 marks)
- Retail margin (4 marks)
- Total margin (3 marks)

### QUESTION 2

AU farm would like to develop a new product -pineapple flavoured yoghurt.

a) Describe the steps that you would take to develop the new product. (25 marks)

## SECTION B

Answer any two questions in this section

### QUESTION 3

Read the passage below and answer the questions that follow.

Many African smallholder farmers complain, often loudly, about what in Ghana some farmers call the lack of “marketing” – by which they mean the lack of consistent output markets for their food crops. In Sub-Saharan Africa output markets for food crops remain fragmented, and often involve individual traders going to farms to collect relatively small amounts of the crop and sending this on trucks to the main markets in the cities.

There has recently been a great surge in interest in commodity exchanges all across Africa. With the associated warehouse receipt systems, modern grading systems and the hope for sophisticated financial instruments down the road, such exchanges evoke the image of the introduction of modernity to traditional agriculture. Many African governments have hailed this as being of great benefit to poor farmers in Africa. There have however been a large number of commodity exchanges tried over the past decades, many resulting in failure or little growth and activity. There is also a great debate as to how much of an impact the exchanges which have survived have had on smallholder farmers.

- a) What is the difference between a spot price and a futures price? (2 marks)
- b) Describe 10 functions of a commodity exchange. (10 marks)
- c) What are the reasons that some commodity exchanges have failed in the past? (5 marks)
- d) What needs to be done for a commodity exchange to succeed? (8 marks)

### QUESTION 4

You would like to develop a new product – guava fruit juice.

- a) Describe 7 strategies that can be used to ensure that the new product does not fail when launched. Explain why you think each of these 7 strategies are particularly important. (15 marks)
- b) You have been asked to conduct a study to gather information on AU students’ perceptions of your guava juice product. Your study should include the following:
  - i. A description of the methodology of how you will conduct the study (5 marks)
  - ii. A list of 5 questions you will ask AU students in order to gather data (5 marks)

### QUESTION 5

Analyse the advertisement below and answer the questions that follow:



- a) What is the product/service advertised? (2 marks)
- b) Who is the promoter? (1 marks)
- c) What is the purpose of the advertisement? (2 marks)
- d) How is the attention of the audience grabbed? (2 marks)
- e) Who is the target market? (2 marks)
- f) What motivations or needs are targeted? (2 marks)
- g) How can the advertisement be improved on? (6 marks)
- h) List 4 advantages of advertising. (4 marks)
- i) List 4 disadvantages of advertising. (4 marks)

END OF EXAM