



“Investing in Africa’s future”

COLLEGE OF HEALTH AGRICULTURE & NATURAL SCIENCES

NAEC 502: AGRIBUSINESS STRATEGY & POLICY

END OF FIRST SEMESTER FINAL EXAMINATIONS

NOVEMBER 2022

LECTURER: DR K. MUKUMBI

DURATION: 3 HOURS

INSTRUCTIONS

1. Do not write your name on the answer sheet

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2. Use Answer Sheets Provided

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3. Begin your answer for Each Question on a New Page
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SECTION A

Answer ALL questions in this section

Question 1

Read the passage below and answer the questions that follow.

Windmill is the largest 100% privately-owned fertilizer producer in Southern Africa outside South Africa with its principal market in Zimbabwe while exporting its products mainly to Zambia and Malawi, and some exports to Mozambique with long term plans to pursue opportunities in the Democratic Republic of Congo (DRC) and Angola. The headquarters is at Westgate on the north western boundary of Harare. Windmill assets include two fertilizer manufacturing plants, bulk handling and bagging facilities and a crop chemical formulation plant as well as a stock feed plant, all in or close to Harare. All sites are serviced by road and rail. The company manufactures and distributes granular and blended fertilizers and a wide range of straight fertilizers using domestically sourced nitrogen and phosphates, and imported raw materials, principally potassium chloride and potassium sulphate. Windmill imports and markets specialty fertilizers principally for the horticulture market and some field crops. In addition, Windmill also formulates a variety of specialty fertilizers. Windmill also imports and markets crop chemicals supplied by a number of the world's leading principal companies. Windmill thus supplies a comprehensive package of fertilizer and crop chemical products to its customers.

For more than 20 years Windmill has been an established stock feed manufacturer and sells beef concentrates as well as phosphate licks for supplementary feeding of cattle in winter and summer and a wide range of poultry and pig feeds. Windmill is also a retailer of animal health drugs and accessories. Windmill's product portfolio is marketed domestically by a dynamic countrywide marketing team while export business is handled by subsidiaries in Zambia and Malawi. Windmill's high standing as a reliable and competitive supplier of top quality products, owes much to the fact that the company has Zimbabwe as its home market. In addition to being amongst the most intensive users of fertilizers and crop chemicals in the developing world today, Zimbabwean farmers are renowned for their discerning and innovative attitude towards fertilizer crop chemicals and stock feeds. With such knowledgeable and critical customers, and intense competition in the market place, Windmill has had to be continually alert to changing agricultural practices in terms of technology, marketing and packaging, in order to maintain its place in the market. Operating in such an environment has enabled Windmill to amass a wealth of agronomic, technical and marketing knowledge in the agricultural field that are invaluable to its customers. Both Zimbabwean and regional customers have reaped the benefit of the company's accumulated expertise.

Vision statement

Our vision is to become the dominant supplier of selected agricultural inputs in the Zimbabwean market and a major player in the Southern and Central African markets.

Mission statement

Our mission is to profitably contribute to the success of our customers(farmers) through the provision of our agricultural inputs. We offer a one stop shop for fertilizers, crop chemicals, special fertilizers, animal health and stockfeeds extensively distributed throughout the country through our network of stockists located in major farming areas. This is well supported by our field support staff and R&D offering technical support and training to farmers for better yields and increased productivity.

We have set ourselves and are focusing on market share growth in all our business lines and as a result we have deliberately expanded presence in rural areas through a network of rural agro-dealers so as to ensure fertilizers and other agro inputs are readily available in proximity to rural, A1 and A2.

- a) What are the strengths and weaknesses of the Windmill vision statement? (4 marks)
- b) What are the strengths and weaknesses of the Windmill mission statement? (5 marks)
- c) How can the Windmill vision statement be improved on? (4 marks)
- d) How can the Windmill mission statement be improved on? (4 marks)
- e) Develop a new vision statement for Windmill. (4 marks)
- f) Develop a new mission statement for Windmill. (4 marks)

Question 2

What can an agribusiness company do to ensure it is fit for a VUCA world?

(25 marks)

SECTION B

Answer any TWO questions in this section

Question 3

What are the reasons an agribusiness enterprise in Africa may decide to engage in corporate social responsibility and environmentally sustainable business practices? Include examples. (25 marks)

Question 4

A new farmer has asked for your advice on farm diversification. Give the farmer your recommendations on 10 diversification ideas that are not traditional farm enterprises, justify each recommendation. (25 marks)

Question 5

You decide to start up your own agribusiness company.

- a) Describe the nature of the agribusiness company you will engage in. (2 marks)
- b) Which generic competitive strategy will you use? Justify your response? (3 marks)
- c) Develop a customer service policy for your agribusiness policy. Your response should include:
 - i. the objectives of the policy (3 marks)
 - ii. an explanation on why the policy is being developed (4 marks)
 - iii. list who the policy applies to (3 marks)
 - iv. set out what is acceptable or unacceptable behaviour (5 marks)
 - v. set out the consequences of not complying with the policy. (5 marks)

END OF EXAMINATION PAPER

