



“Investing in Africa’s future”

COLLEGE OF HEALTH AGRICULTURE AND NATURAL SCIENCES

NAEC502: AGRIBUSINESS STRATEGY AND POLICY

END OF FIRST SEMESTER FINAL EXAMINATIONS

NOVEMBER 2021

LECTURER: DR K. MUKUMBI

DURATION : 5 HRS

INSTRUCTIONS

Answer **ONE** question

All questions carry equal marks (100).

QUESTION 1

Read the passage SWOT analysis below and answer the questions that follow.

a) Botswana beef industry SWOT analysis

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|---|--|
| <p>STRENGTHS</p> <ul style="list-style-type: none"> • Large cattle population- more cattle available than required for domestic consumption • Natural beef- free range grazing, hormone free • Well-equipped disease prevention and control infrastructure • Excellent environment for cattle rearing • Sufficient skilled labor • Top-notch processing facilities | <p>WEAKNESSES</p> <ul style="list-style-type: none"> • Poor extension services • Declining beef exports • Weak enforcement of standards in smaller slaughter facilities • Prevalence of diseases e.g. foot and mouth, beef measles • Strong dependency on EU and RSA market • High cost structure- dependent on expensive imported inputs, high costs of domestic feed and high utility costs • Lack of structured breeding programs and hence lack of product uniformity • Low farm productivity (calving rate) • High transactions costs • Lack of vertical coordination • Volatile cattle supply and unreliable supply to markets • Heavy dependency on government support |
| <p>OPPORTUNITIES</p> <ul style="list-style-type: none"> • Preferential market access to EU for prime cuts • Regional market • Combining cattle keeping with agro tourism • Differentiated marketing strategy in export markets (e.g. branding as natural beef) | <p>THREATS</p> <ul style="list-style-type: none"> • Possible outbreaks of highly contagious diseases • Bush encroachment which results in decreased carrying capacities • Increasing competition • Sudden loss of access to key export markets because of increased requirements • Recurrent droughts, destruction of range by fire, climate change • Unstable regional economies • Changing consumer preferences and demands (plant, based diets, animal welfare, environment) • Lab grown meat |

You have been hired as a consultant by a beef producer in Botswana. You are required to advise them on strategies that they can implement in order to succeed. Your recommendations should respond to the questions below:

- i. How can the beef producer take advantage of the strengths of the beef industry? (10 marks)
 - ii. How can the beef producer turn weaknesses in the industry in to the company's strengths? (10 marks)
 - iii. Describe how the beef producer could minimize the impact of the beef industry weaknesses on the company? (10 marks)
 - iv. How can the beef producer turn the threats in the industry into opportunities for your business? (10 marks)
 - v. What can the beef producer do to avoid the threats? (10 marks)
- b) Develop a CSR strategy for the beef producer. (20 marks)
- c) Which generic competitive strategy would you recommend for the beef producer. Justify your response. (10 marks)
- d) Describe a blue ocean strategy can use to avoid the increasing competition. Justify your choice. (20 marks)

End of Question 1

QUESTION 2

Read the passage SWOT analysis below and answer the questions that follow.

a) Zimbabwe cotton industry SWOT analysis

| | |
|---|--|
| STRENGTHS <ul style="list-style-type: none">• Knowledgeable farmers• Climate conducive for cotton production• High quality cotton• Hand-picked cotton | WEAKNESSES <ul style="list-style-type: none">• High production costs- high price of inputs• Side marketing by farmers• Decline in cotton production• Decline of domestic textile industry• Lack of GMO cotton• Farmers switching to other cash crops |
| OPPORTUNITIES <ul style="list-style-type: none">• Organic cotton• GMO cotton• Value addition | THREATS <ul style="list-style-type: none">• Low and volatile cotton prices on world market• Climate change• Proliferation of cheap second hand clothes• Competitors in other countries |

You work for a cotton contracting company in Zimbabwe. As the Agribusiness Expert in the company you have been asked to recommend strategies that the business should implement in order to succeed. Your recommendations should respond to the questions below:

- i. How can the cotton contracting company take advantage of the strengths of the cotton industry? (10 marks)
- ii. How can the cotton contracting company turn weaknesses in the industry in to the company's strengths? (10 marks)
- iii. Describe how the cotton contracting company could minimize the impact of the cotton industry weaknesses on the company? (10 marks)
- iv. How can the cotton contracting company turn the threats in the industry into opportunities for your business? (10 marks)

- v. What can the cotton contracting company do to avoid the threats?
(10 marks)
- b) In order to increase the weight of their cotton bales, some farmers have resorted to soaking their cotton bales in water, placing stones or pumpkins in the cotton bale. You have been asked by a cotton contracting company to write a 3-page article explaining to the farmers:
- i. Why it is important for farmers to engage in ethical strategies as they produce and deliver their cotton to contractors? (15 marks)
 - ii. Effects of engaging in unethical strategies such as placing stones in cotton bales. (15 marks)
- c) Recommend strategies on how a cotton contracting company can survive and thrive in a VUCA environment. (20 marks)

End of Question 2

QUESTION 3

Read the passage below and answer the questions that follow

Africa University is a commercial farm with 300ha of arable land, that produces poultry, dairy, grain and horticultural products. It would like to shift its focus from conventional to organic, sustainable and environmentally friendly farming methods. In addition, the farm intends to switch its focus from the domestic market to regional markets (i.e. SADC). In line with these changes you are asked to prepare the following:

- a) Develop a new vision statement for AU farm. (5 marks)
- b) Develop a new mission statement for AU farm. (5 marks)
- c) Develop a set of 5 values for AU farm. (5 marks)
- d) Recommend 4 strategies for entering the SADC market. Justify each recommendation. (20 marks)
- e) Recommend and describe a blue ocean strategy for the farm. Justify your recommendation. (20 marks)
- f) Develop a child labor policy for the farm.

Your response should include:

- i. the objectives of the policy (5 marks)
 - ii. an explanation on why the policy is being developed (5 marks)
 - iii. list who the policy applies to (5 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)
- g) Recommend 5 strategies on how AU farm can thrive in a VUCA environment. Justify your responses. (20 marks)

End of Question 3