

University of Fort Hare

Honours Examinations
Supplementary Examination
2018/19

AGE 404 / 504 / 606

Agricultural Marketing, Prices and Policy

Time: 3Hours

Marks: 100

This paper consists of 2 pages, excluding the cover page

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Instructions

Answer any four questions of your choice

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Question 1:

A widely accepted hypothesis in marketing is that the characteristics of an innovation strongly affect its rate of adoption. Using agriculture examples, discuss five new product innovation characteristics that can influence the rate of adoption agribusiness can target to avoid new product failure. [25]

Question 2:

- a) Discuss five costs of product line proliferation in marketing. [10]
- b) Using a diagram with agricultural examples; differentiate between a product mix and a product line. [15]

Question 3:

Using examples discuss the main advantages and disadvantages of the following promotional methods:

- a) Personal selling. [5]
- b) Sales promotion. [5]
- c) Advertising. [10]
- d) Public relations. [5]

Question 4:

Using agricultural examples discuss five factors that enhance successful marketing to middlemen. [25]

Question 5:

Using partial budgets assess the viability (change in net income) of the following post-harvest value chain initiatives commonly used by farmers:

Tomato grading & packaging as a post-harvest value addition initiative:

- Yield = 15t/ha.
- Producer price for graded & packaged tomatoes = R7.50/kg.
- Producer price for ungraded & unpackaged tomatoes = R5/kg.
- Labour cost for grading and packaging = R2/kg.
- Packaging material cost = R1/kg.

Calculate the change in net income for the farmer and recommend whether the farmer should adopt the post-harvest value addition initiative or not. [25]
