

# BACHELOR OF SCIENCE IN AGRIBUSINESS MANAGEMENT

FOURTH YEAR FIRST SEMESTER EXAMINATION

FOR 2017/18 ACADEMIC YEAR

AGB 411: STRATEGIC AGRIBUSINESS INNOVATION

TIME: 3 HOURS

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**INSTRUCTIONS:** Answer Question ONE (1) and any other THREE (3) Questions.

## Question One

- (a). Agribusiness is comprised of not only farming, but all the other industries and services that connect farmers to consumers. List 5 industries and 5 services included in agribusiness. (4 marks)
- (b). Agribusiness Innovation is a key phrase used today.
- (i). List 4 issues which have led to the growth of this area of interest in Africa. (2 marks)
- (ii). From the list in (i) above, briefly describe how one of the issues has influenced the growth of agribusiness innovation. (4 marks)
- (iii). How is this issue which you have identified in (ii) above, being pursued or corrected through agribusiness innovation? (2 marks)
- (c) (i). Define the role of innovation in agribusiness enterprise development. (4 marks)
- (ii). Briefly describe one innovation as an example to your answer in (i) above. (2 marks)
- (d). (i). Define the terms **agro-processing** and **agro-industry**, and give 2 examples of each. (2 marks)
- (ii). Compare and contrast these two terms. (4 marks)
- (iii). Which of the two would propel Kenya into a higher development status? (1 mark)

### Question Two

- a. What are Value Chains? (4 marks)
- b. Using a Value Chain analytical approach, draw a well-labeled **flow chart** for the general livestock sector. (8 marks)
- c. One key concept used to describe the increase of value of Value Chains is upgrading. Briefly describe this term. Give 2 examples of upgrading strategies used in Value Chains. (3 marks)

### Question Three

Africa is a youthful continent with an estimated 60 percent of her population between the ages of 15 and 24, and the estimated youth unemployment rate at 40 percent. Transforming subsistence agriculture can catalyze economic growth and create employment opportunities for the youth.

Describe and fully discuss **one** agribusiness intervention you would employ to address this problem. (15 marks)

### Question Four

Cooperatives have a role to play in facilitating vertical and horizontal linkages along value chains. Using examples from **one** value chain, answer the following:

- (a). Define and describe the two terms: Vertical linkages and Horizontal linkages. (6 marks)
- (b). Describe 2 challenges faced by co-operatives in Kenya which hinder them from participating in value chains. (4 marks)
- (c). Discuss one innovation strategy which you would use to assist in the development of a cooperative in one of the linkages described in (a) above. (5 marks)

### **Question Five**

Various African poverty reduction strategies stress that growth in the agricultural sector contributes proportionally more to poverty reduction than any other economic sector.

- (a). Name and briefly describe one policy in Kenya which promotes poverty reduction through agribusiness innovation. **(4 marks)**
- (b). In your viewpoint, discuss how this policy has met its goal(s) or is meeting its goals. **(4 marks)**
- (c). Discuss how this policy has failed to meet its goals, or the challenges in meeting the goals. **(4 marks)**
- (d). Is this policy “strategic” in its goals? Briefly explain your answer. **(3 marks)**