



STRATHMORE UNIVERSITY BUSINESS SCHOOL
BACHELOR OF SCIENCE IN SUPPLY CHAIN AND OPERATIONS MANAGEMENT
END OF SEMESTER EXAMINATION
SCM 2205: Food and Wood Supply Chains

Date: Thursday, 3rd August 2023

Time: 13:00-15:00

INSTRUCTIONS:

Answer question ONE (COMPULSORY) and any other two questions

Question One

Zimbabwe cuts reliance on dairy imports as local production surpasses 91m litres

Efforts towards dairy self-sufficiency in Zimbabwe have started bearing fruits with local production rising from 91.4 million litres in 2022 from 79.6m a year prior. The higher milk output comes from a growing national herd population which has grown to 39000 heads of cattle. This growth has been attributed to the governments multiple initiatives as revealed by the Lands, Agricultures, Fisheries, Water and Rural Development permanent secretary Dr. John Basera.

The spike in local production has caused a 17% drop in milk powder imports from 8.9 million kgs in 2021 to 7.4 million kgs in 2022 according to Dr. Basera. With increased production, Zimbabwe now wants to increase the uptake of raw milk by processing companies from the current level of 70 million litres to 130 m per annum by 2025, according to Finance and Economic Development Minister Prof. Mthuli Ncube

To achieve this goal, Prof Mthuli urged dairy processors to increase their uptake of raw milk from smallholder farmers and increase their support to out-grower schemes so as to help build the stock of the dairy herd. In line with that, the government has also proposed to gradually reduce milk powder and cheese imports in a sliding scale manner starting at 75% in 2023 to 50 % in 2024 and 25% in 2025

Source: Food Business Africa

- a) Discuss 5 key roles a government can play in improving food supply chain **[10 marks]**
- b) Smallholder farmers are important in food supply chains in Kenya and Africa as a whole. What would you suggest as 5 key pillars to enhance production in order to increase volumes as seen in the article above **[10 marks]**
- c) Manufacturing/Processing is a crucial stage in food supply chains. Discuss the four types of processing and state which one is conversion of raw milk to milk powder **[10 marks]**

Question Two

Kenya Forest Services resumed commercial harvesting of trees in May this year. One of the biggest concerns of environmentalists is whether there will be no timber theft

- a) Discuss the benefits of government resuming commercial harvesting of trees **[10 marks]**
- b) Furniture retailers (both formal and informal) have to think about consumer trends and preferences. Explain factors they should consider **[10 marks]**

Question Three

- a) Inventory control is important especially for saw millers in Kenya.
 - i) Define Inventory control **[2 marks]**
 - ii) explain why it's important in wood supply chain **[6 marks]**
- b) Discuss the difference between the formal and informal furniture sector **[12 marks]**

Question Four

Unga Group in Kenya is a food processing company with a plethora of products e.g. EXE wheat flour. They source their inputs locally from farmers and they have to maintain relationships with them. As of 2023, the company stated that foreign exchange losses affected their bottom-line

- a) State **five** key ways on how firms maintain relationships with farmers that supply them **[10 marks]**
- b) Discuss **five** challenges of running international food supply chains **[10 marks]**

Question Five

- a) "The transportation of logs, wood residues, and chips, as raw materials, as well as the overall transportation system, contribute to 45% of the total costs of this industry" Explain sustainability and how transportation in the wood supply chain can be made more sustainable **[10 marks]**
- b) Discuss the challenges faced by food online retailers in Kenya **[10 marks]**