



**STRATHMORE UNIVERSITY BUSINESS SCHOOL**  
**BACHELOR OF SCIENCE IN SUPPLY CHAIN AND OPERATIONS MANAGEMENT**  
**END OF SEMESTER EXAMINATION**  
**SCM 2205: FOOD AND WOOD SUPPLY CHAIN**

**Date:** Monday, 25<sup>th</sup> July 2022

**Time:** 2 Hours

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**INSTRUCTIONS:**

- a) The examination consists of FIVE questions
- b) Answer question **ONE (COMPULSORY)** and any other **TWO** questions

**Question One (COMPULSORY - 30 Marks)**

A growing number of supermarkets are limiting how much cooking oil shoppers can buy because the Ukraine war has led to shortages, multiple reports say. Russia invaded Ukraine on February 24 after building up a military presence on the Ukraine border following months of uncertainty that the conflict would escalate. The war is causing a disruption of harvests, meaning there is limited supply of sunflower oil.

Indonesia, the world's biggest palm oil supplier, imposed a partial export ban this week on the key cooking oil ingredient, RBD Palm Oil.

UK supermarket Tesco is introducing a three-bottle limit, while Morrisons told Insider it has a "max cap" of two bottles of cooking oil. Waitrose is also capping purchases to two bottles, The New York Times reported.

Greek supermarket AB has also introduced a three-bottle limit for sunflower oil in the past few weeks, Reuters reported. Belgian supermarket chain Colruyt will only allow customers to buy a maximum of two litres of cooking oil, according to the Anadolu Agency news outlet.

Ukraine and Russia supply the majority of the UK's sunflower oil and some food companies are experiencing "severe difficulties" in obtaining it, the British Food Standards Agency (FSA) said in a statement in March.

"Food businesses are reporting that UK supplies of sunflower oil are likely to run out in a few weeks," Emily Miles, the FSA's chief executive, said at the time.

The chairman of UK supermarket Iceland, which is limiting sunflower oil purchases to one bottle, said that the commodity price of sunflower oil had gone up 1,000 per cent.

He said: "These are all unintended consequences of the war in Ukraine that is affecting supermarkets," the newspaper reported.

Source: Business Insider

- a) Define Supply chain risk stating which kind of risk referred in the article [3 marks]
- b) Discuss the seven risk mitigation strategies stating which can be applied in this scenario [14 marks]
- c) What is the role of government agencies like British Food Standards Agency in the supply chain [10 marks]
- d) Retailers across Europe capped consumer purchases. Does this affect the supply chain? How? [3 marks]

### Question Two

- a) Unga Group in Kenya is a food processing company with a plethora of products e.g. EXE wheat flour  
Discuss the four types of food processing and state the type of processing Unga group does. [10 marks]
- b) Discuss the importance of collaboration and relationships in wood supply chain [10 marks]

### Question Three

- a) Discuss the challenges faced by saw millers in the wood supply chain [10 marks]
- b) Compare and contrast sustainability practices in the food and wood supply chains [10 marks]

### Question Four

Kenya has a forest cover of 7.4%, 3.6% short of the constitutionally accepted 10% forest cover. The decreasing forest cover is aggravated by an abated environmental destruction of trees for charcoal burning.

- a) How can the rest of the supply chain help improve the percentage [10 marks]
- b) What are the similarities between the food and wood supply chain in Kenya [10 marks]

### Question Five

- a) " In Kenya during the wet season there is a glut of milk and sometimes the supply chain can't mop up the excess milk from the farmers" a manager in one of the milk processing companies

State the importance of planning and forecasting for the manager of the milk processing company **[10 marks]**

- b)** As consumers get back to work in the offices from the effects of Covid 19, their focus will shift from decorating their homes which increased demand for home furniture and also office furniture needed at home for facilitating working from home.

Discuss the effects of this on the informal sector (Jua Kali) manufacturers and traders **[5 marks]**

- c)** “People need to think more like children in trying to solve problems.” Discuss in relation to food security problems Africa is facing **[5 marks]**