



STRATHMORE BUSINESS SCHOOL
MASTER OF MANAGEMENT IN AGRIBUSINESS
END-OF-SEMESTER EXAMINATION
MMA 8304: STRATEGIC MANAGEMENT IN AGRIBUSINESS

DATE: Friday, 28th March 2024

TIME: 3 Hours

Instructions

1. This examination consists of **FIVE** questions.
2. Answer **QUESTION ONE** and **ANY OTHER THREE** questions.
3. Question **ONE** is compulsory and is worth 30 marks.
4. Questions **TWO** to **FIVE** are worth 20 marks each

QUESTION ONE – COMPULSORY (30 MARKS)

Read the Case Study Provided and Answer the following questions: Olymel: Strategic Expansion in the Pork Industry.

- a) Using SWOT analysis evaluate whether Saskatchewan is a suitable location for Olymel's expansion. **(8 Marks)**
- b) Critically assess the major risks and uncertainties that could impact Olymel's decision to expand. How can the company mitigate these risks? **(6 Marks)**
- c) The CEO Casey Smit is considering two options, (1) building a new finishing barn, and (2) outsourcing to a third-party finisher. Evaluate using financial data from the case, which option is more cost-effective, and why? **(10 Marks)**
- d) If Olymel decides **NOT** to build a new finishing barn, propose an alternative growth strategy that supports business expansion. **(6 Marks)**

QUESTION TWO (20 MARKS)

The East African coffee market is known for its premium Arabica and Robusta beans. The region faces both opportunities and challenges in strategic competitiveness. Countries like Ethiopia, Kenya, and Uganda dominate production, yet value addition remains low, with most exports being raw beans. Strategic management and internal resource development are crucial for firms seeking sustainable growth. Firms must strengthen their core

competencies, such as high-quality coffee processing, branding, and direct trade models, to compete globally. The internal environment plays a key role, with resources, capabilities, and core competencies being essential. Outsourcing logistics and packaging can enhance efficiency, allowing firms to focus on quality control and direct consumer engagement. A competitive edge will depend on investing in technology, farmer training, and strategic partnerships to optimize production and market positioning.

- a) Differentiate between resources, capacity and core competence (use Examples) **(6 Marks)**
- b) Evaluate **Three** internal resources and capabilities that are essential for sustaining competitive advantage for Coffee Firms operating in the EA Market. **(6 Marks)**
- c) Based on the above statement, analyse how East African coffee firms can build core competencies to sustain their regional competitiveness globally. **(8 Marks)**

QUESTION THREE (20 MARKS)

Twiga Foods, a leading Kenyan aggregator of bananas and perishable foods, has revolutionized agricultural supply chains by connecting smallholder farmers to urban markets. However, as competition intensifies, Twiga faces business challenges, including rising operational costs, inefficiencies in logistics, and new market entrants such as direct farm-to-retail platforms. Additionally, the growing presence of technology-driven e-commerce players and supermarket chains sourcing directly from farmers threatens Twiga's market share. To stay competitive, Twiga must refine its business-level strategy while enhancing its core competencies in supply chain efficiency, digital infrastructure, and strategic partnerships.

- a) Critically, evaluate the **FOUR** business-level strategies and the most appropriate strategy for Twiga Foods to adopt to remain competitive among the rivals. **(10 Marks)**
- b) Drawing on Porter's five forces, discuss how Twiga can manage the competitive industry rivalry in the Agritech sector. **(10 Marks)**

QUESTION FOUR (20 MARKS)

Mulumbe Dairy Ltd, a mid-sized dairy firm, has grown rapidly, becoming a key player in Uganda's dairy industry. The CEO Mike Mulumbe faces a crucial strategic decision: should the company dominate the local market by focusing on its primary products pasteurized milk, yoghurt, and cheese, or should it diversify and expand into Eastern and Central Africa? While local dominance allows for brand consolidation and cost efficiencies, regional expansion provides new revenue streams and market share growth. However, entering foreign markets poses logistical, regulatory, and competitive risks. To make an informed decision, Mulumbe

Dairy Ltd must evaluate its value chain efficiency, competitive strengths, and internationalisation strategies.

- a) Discuss **FOUR** key advantages and **TWO** risks of focussing on local market dominance versus diversifying into new product lines. **(6 Marks)**
- b) Evaluate **THREE** factors that Mulumbe should consider when assessing its ability to diversify successfully. **(6Marks)**
- c) Critically review **THREE** international market entry strategies and recommend which one Mulumbe Dairy Ltd can adopt to compete in Eastern and Central Africa. **(8 Marks)**

QUESTION FIVE (20 MARKS)

- a) Discuss **FOUR** critical factors that make it difficult for farmers (particularly small-scale) to switch to technology-driven farming. **(4 Marks)**
- b) *“The innovator must develop the value proposition (especially to non-technologists and identify customers who are likely to benefit most”* Drawing from the technology diffusion theory, discuss how innovators can create value for small-scale farmers when designing technologies for their use. **(6 Marks)**
- c) *“Very often, agriculture is seen as one of the contributors to climate change. I think we can fundamentally turn this around and make agriculture not just a part of the solution, but one of the biggest contributors to addressing climate change. Farmers have the opportunity to become the heroes of the climate solution”* (Anonymous, 2020)
 - i. Who should bear the burden of responsibility within the agribusiness value chain? **(2 Marks)**
 - ii. Evaluate the different stakeholders in the agricultural value chains and discuss their responsibility regarding the current concerns of climate change. **(6 Marks)**

THE END