

BINDURA UNIVERSITY OF SCIENCE EDUCATION

FACULTY OF COMMERCE

DEPARTMENT OF MARKETING

MAR 2024

**PROGRAMME: BACHELOR OF COMMERCE HONOURS
DEGREE IN MARKETING**

COMMODITIES MARKETING

BS437

TIME: 3 HOURS 15 MINUTES

INSTRUCTIONS TO CANDIDATES

1. Answer **QUESTION ONE (COMPULSORY)** and any other **THREE** questions.
2. Question one carries 40 marks and any other three questions carry 20 marks each.
3. Start each question on a new page.
4. NO cell phones are allowed in the examination room.

QUESTION ONE (COMPULSORY)

Read the case study and answer the following questions.

Delta in US\$3.9 m out grower schemes

Zimbabwe's largest beverages producer, Delta Corporation has set aside US\$3.9 million for the 2021/2022 farming season under the firm's out grower schemes targeting farmers across the country. Delta which produces traditional and clear beers is a major consumer of grain and usually contracts farmers to produce barley, sorghum and maize.

Responding to written questions from the business Chronicle, the company's corporate affairs executive said that in the upcoming season, they were setting aside US\$2.749 million targeting 2000 hectares under maize through contract farming from which 140000 tonnes would be produced.

The beverages producer has earmarked to spend US\$1.163 million on 8.835 hectares of sorghum under contract arrangement from which 14421 tonnes are expected. Delta

contracting programmes owe their success to the company striving to maintain a win-win situation with farmers no matter, the season. This drive by the company has seen Delta retaining and growing its grower base, with farmers being guaranteed of a market for the produce each and every year. Input for the programmes cover seed, fertilisers, chemicals, working capital, technical services and research and development. Benefits of the out grower schemes also include security of supply for Delta, agro-raw materials, defined quality of raw materials at best cost, increased returns for the farmers, enhanced food security and input substitution, thus saving the country the much needed foreign currency.

Recently, after touring 400ha of barley at Resurge farm, in Selous under Chegutu district, Lands and agriculture minister said Delta has contracted collectively 7000ha under the barley crop throughout the country. The minister said that this meant that Delta would be able to generate 35000 tonnes of barley, which is more than their requirement of 22000tonnes, The minister noted that the corporate sector was producing more than enough for Zimbabwe and was able to export..

Barley, a cereal grain, apart from being used in the brewing of beer and alcohol beverages, is also used to make medicine for heart diseases and high cholesterol. Delta began the contract scheme of barley in 1975 after setting up a malting sorghum in the 1980's and maize in the early 2000's. The company has annual requirements of at least 65000 tonnes, 13 000 tonnes of red sorghum and 3 000 tonnes of eagle sorghum.

(Source: Chronicle 22 December 2021)

- a) Define contract farming. (4)
- b) Describe the benefits of contract farming to Delta. (10)
- c) Describe benefits of contact farming to farmers. (10)
- d) Evaluate contract farming done by Delta. (16)

[40 MARKS]

QUESTION TWO

Discuss the major trends affecting fruits and vegetables products marketing in Zimbabwe.

[20 MARKS]

QUESTION THREE

Evaluate market information about mineral commodities in the Zimbabwean domestic market.

[20 MARKS]

QUESTION FOUR

Discuss why bench marking is very important in the marketing of minerals by Zimbabwe. [20 MARKS]

QUESTION FIVE

Recommend with justification the marketing of cash crops for Zimbabwe. [20 MARKS]

QUESTION SIX

Evaluate using relevant examples, the role of marketing boards in Zimbabwe. [20 MARKS]

END OF PAPER