



AGRI-BUSINESS MARKETING
MARCH 2023
MOCK EXAMS
<p>Time: 5:30PM – 8:30PM</p> <p>Date: 03 June</p> <p>Three hours duration</p> <p>The Mock will be 3 hours in duration.</p> <p>The mock has TWO Parts.</p> <p>Part 1 is worth 40% of the total marks available.</p> <p>Part 2 is worth 60% of the total marks available.</p>
<p>You are required to give your answers in the GSM answer book provided. Do not repeat the task in your answer but show clearly the number of the task attempted on the appropriate pages of the answer book. Please start each task on a new page.</p> <p>Rough work and notes must be written in the answer book or on supplementary sheets and must be clearly identified.</p>



PART A – CASE STUDY (40 Marks)

Instruction : Answer All Questions in this Section (*COMPULSORY*).

Case Title : Commercialization of Local Rice in Ghana, the Case of Appau Rice Limited.

Background to the case

Appau Rice Limited is a Ghanaian owned local rice production, milling and marketing entity and has been in operation the past (7) years. There are many issues faced by local rice producers in Ghana which makes the rice industry quite challenging. These problems are diverse in nature but can be categorized into (3) major themes. These includes inadequate government support, high infrastructure (capital) cost and market related issues (strong dominance of foreign brands). Despite these problems, there are quite appreciable local rice players in the Ghanaian rice industry. There are more of the cottage processors compared to the medium size rice processors with state-of-the-art processing facilities. A critical analysis of the (3) major problems facing the Ghanaian rice industry shows that the challenge of finding and sustaining market for the local rice produce stands as the most prioritised. The initial lapses and poor quality approaches of the past in terms of rice milling and unattractive packaging has left a ‘perpetual’ misconception (psychological) in the minds of the average Ghanaian consumer. This situation has formed some kind of negative image towards locally processed rice. Some of the key issues that specifically emanates from poor rice production and milling includes finished rice with some stones. The others includes absence of perfumed/aromatic rice, broken rice, mixed coloured rice and generally poor and unattractive packaging.

However, the average Ghanaian consumer brand orientation and engagement towards foreign (imported) rice brands stands high. The resultant effect is the high marketshare enjoyed by imported rice brands. There is high dominance of foreign rice brands comparatively with the local brands. There are few Ghanaian consumers that are aware of local rice brands. The local rice brand re-call in comparison with the imported brands is significantly weak. Until recently, with the improvement in the local rice production from Government and NGOs, the situation has slightly improved. The Crop Research Institute (CSIR-CRI) and private partners (Universities, allied research bodies, seed companies) have provided enormous support to mitigate the situation.



There have also been improvement in the rice production methodologies and introduction of perfumed varieties such as AGRA and Jasmine amongst others.

Operation of Appau Rice Limited

The enterprise which is based in Northern region of Ghana consist of a four (4) management team headed by the founder and Managing Director. The other management staff includes the Director of Operations, Finance Director and Agronomist. The management team receives technical and supervisory guidance from a (5) member Board of Directors. The enterprise also have supervisors in charge of their factory processing/quality control, field agronomic issues (outgrowers), marketing & transport, supply chain management and coalition of rural women rice parboilers. The enterprise fundamentally operates a contract farming scheme with smallholder farmers (SHFs) scattered in the Northern region. In this arrangement, Appau Enterprise agrees on crop budget ceilings with executives of their outgrowers and supply farming inputs such as seed, fertilizers and weedicides to farmers for cultivation of rice on credit. The farmers supplies the rice paddy upon harvest to Appau Enterprise to offset their agro-input credit and sell the rest to the firm based on the contract at slightly higher prevailing market price. The company also sources paddy rice from other alternatives such as its own buffer farm and other commercial and individual rice farmers. The multiple sourcing arrangement ensure that the company is able to accumulate adequate paddy for processing. The company through a strategic partnership with a Turkey investor in 2020 established a new state-of-the-art processing plant with installed capacity of 120MT/day compared to the previous 20MT/day. The company in a quest to remain competitive has also invested in good parboiling centers in the rural communities to enhance the work of the rural women parboilers.

The company is currently engaged in contract sales with the Government of Ghana School Feeding Programme. This route-to-market forms about **88%** of its sales channel. The management of the company however feels the current channel poses a high risk for the company and want to increase its presence in the open / mass market to remain competitive and sustainable going forward. Based on that the company plans to engage a consultant to technically guide the organization to develop and role out a commercial strategy to deepen their brand visibility in Ghana.



Required: As a consultant to Appau Rice Enterprise Limited you are required by the company to develop a **(5) year strategic marketing plan** that would ensure the commercial visibility and enhanced market share for their rice brand in Ghana. Specifically, your marketing plan to the company management should address the below concerns;

- Demonstrate both strategic and tactical deployments staggered over the **(5) year** commercialization period.
- Critically evaluate applicable agribusiness value creation or utilizations as part of the strategic marketing plan.
- Given a marketing budget of **GHc 250,000** for the commercialization over the planned (5) year period. Demonstrate and justify the financial robustness of your marketing plan to the company management. **(40 marks)**

PART B : ESSAY TYPE QUESTIONS (60 Marks)

Instruction : Answer any **THREE (3)** Questions

As a recently recruited senior consultant in Agribusiness Marketing for Appau Rice Limited, you have been tasked by the company management to suggest solutions to the below request / questions:

Q1. Provide a thorough organizational risk management framework analysis for Appau Rice Limited and make strategic and justifiable recommendations to management in respect of their overall activities. Your recommendations **MUST** focus on the entire rice value chain of the company **(20 Marks)**.

Q2. Thoroughly and practically examine the applicable regulatory measures the company must ensure to have its products and operations certified in Ghana based on entirely the case narratives **(20 Marks)**.

Q3. Make a thorough assessment of the Africa Continental Free Trade Agreement (AfCFTA) with respect to marketing learnings Ghanaian SMEs needs to put in place as self-preparedness strategy **(20 Marks)**.



Q4. Based on a critical assessment of the Appau Rice Limited case, advance an argument in justification of the most suitable competitive advantage theory and briefly illustrate its practical application (**20 Marks**).

Q5. Analyse and discuss in details (**5**) specific Agricultural risk facing Appau Rice Limited and suggest recommendations to mitigate them (**20 Marks**).

