

Fiji National University
COLLEGE OF AGRICULTURE, FISHERIES & FORESTRY

AEC 602
Marketing of Livestock and Livestock Products

Trimester 1 Examination -2014

TIME ALLOWED: 3 hours plus 10 minutes reading time

INSTRUCTIONS

1. This paper consists of two parts and 5 pages.
 2. In the first part, there are 2 questions and you have to answer all questions.
 3. In the second part, there are 4 questions and you have to answer all questions.
 4. Printed or written materials are **NOT** allowed in the examination hall.
 5. Pencil, ruler and calculator are needed.
 6. Make sure your identification number in all pages you use.
-

Summary of Questions

Part	Guidelines	Total Marks
I	Question 1 – 15 marks Question 2 – 15 marks	30
II	Question 3 – 20 marks Question 4 – 20 marks Question 5 – 20 marks Question 6 – 10 marks	70

PART I

1. Answer the following questions by using livestock details given in the annex in page number 5.

1.1 Egg is relatively a cheap source of animal protein in Fiji as in many other developing countries. Increase in poultry production can reduce protein malnutrition in Fiji. How do you support this statement with evidences?

1.2 To supplement 3000 kg of animal protein requirement in the tourists industry, estimate how many animals should be slaughtered if;

- poultry industry supply 2/3 rd of its requirement and

- beef industry supply 1/3rd of its requirement.

(15 marks)

2. Answer the following questions

2.1 What are the factors determining beef demand in the Fijian market?

2.2 What are the Short-run and long-run supply shifters of milk market?

2.3 How do you graphically explain the following changes on the Fiji livestock sector in terms of demand and supply?

2.3 Brucellosis outbreak in 2009

- 2.4 Income increase in poor segment of population in developing countries
- 2.5 Introduction of 'Artificial Insemination' in dairy development programs
- 2.6 Increase in world market wheat prices

(15 marks)

PART II

3. Answer the following questions.

- 3.1 What are the characteristics of a perfectly competitive market?
- 3.2 How do you characterize the following livestock and livestock product markets in Fiji?
 - 3.2.1 Processed livestock products market
 - 3.2.2 Retail milk market
 - 3.2.3 Live beef cattle trade
 - 3.2.4 Farm level poultry market
 - 3.2.5 Retail poultry meat market
- 3.3 What are vertical integration, horizontal consolidation and market segmentation? Give examples for such marketing strategies adopted by Fiji livestock sector.
- 3.4 Price and Income board of Fiji sets the price of milk for producers. How do you analyze this intervention by the government in terms of the structure of the market.

(20 marks)

4. Give descriptive answers.

4.1 Consider one of the marketing systems given below to answer the following questions.

- a. Live cattle marketing system in Western Fiji
- b. Poultry marketing system in Fiji
- c. Milk marketing system in Fiji

4.1 Draw the predominant marketing channel.

4.2 What are the functions carried out by different market participants and how do you justify the functions carried out by different market participants for an operative and effective marketing system?

4.2 How do you measure the marketing efficiency?

4.3 Marketing system of live cattle in Fiji may be in-efficient due to following reasons. Explain.

- a. Middlemen are exploitative
- b. Excess number of middlemen are there without providing a service

4.4 The government of Fiji proposes to improve the physical infrastructure to cut down the livestock/ livestock products marketing cost. What areas needing priority attention?

(20 marks)

5. Following is a typical marketing channel of live cattle marketing system. Answer the questions given below.

Farmer → Slaughter house → Consumer

Suppose 3 employees are working and they are paid fortnightly at a rate of \$ 500. The slaughter house was built in 2008 at a cost of \$ 25,000 getting a loan at a market interest rate of 4 %. Slaughter house can be used for 10 year without major repair. After 10 year it has a salvage value of \$ 3,000.

Live animals are purchased at \$ 1,500 per animal and transporting 8 live animals from village to slaughter house it costs \$ 450. Meat sales during last year were 20,000 kg.

5.1 What are the marketing functions of slaughter house?

5.2 What are the fixed costs involved?

5.3 Calculate the total marketing cost and total marketing margin per 1 kg of beef if beef could be sold at \$12.00 per Kg. What is the marketing efficiency?

	Live weight (kg)	slaughter yield at retail	Protein Content	Retail Price \$/ kg
Livestock				
Beef	475	45%	14%	13.00
Pigs	100	67%	22%	11.50
Broiler	2	63%	25%	10.00
Livestock products				
Milk			3%	2.20
Egg			13%	5.00

beef could be sold at \$12.00 per Kg. What is the marketing efficiency?

(20 marks)

6. Answer the

following questions.

6.1 What are the components of price variation you observe in monthly price variation of livestock products over a period of 10 years?

6.2 What factors may have been influencing the Fiji milk prices over the recent past and what kind of price variation you expect in future?

(10 marks)

Annex

Livestock Details