



MACHAKOS UNIVERSITY

University Examinations for 2018/2019 Academic Year

SCHOOL OF AGRICULTURAL SCIENCES

DEPARTMENT OF AGRICULTURAL EDUCATION AND EXTENSION

FOURTH YEAR SPECIAL/SUPPLEMENTARY EXAMINATION FOR

BACHELOR OF SCIENCE IN AGRIBUSINESS MANAGEMENT

AGB 413: AGRICULTURAL POLICY ANALYSIS

DATE: 24/7/2019

TIME: 8.30-10.30 AM

INSTRUCTIONS:

Answer question ONE and ANY TWO questions

QUESTION ONE (30 MARKS)

- a) Explain four main dimensions of an input policy that encourage adoption and use of technology (4 marks)
- b) Explain four institutional policies that aim to making market work for smallholder farmers (4 marks)
- c) Describe three fundamental objectives of agricultural policy (6 marks)
- d) With necessary examples and diagrams, describe main components of an Agricultural Policy framework (6 marks)
- e) Using appropriate examples and graphs, explain the concept of pareto optimality in welfare economics (10 marks)

QUESTION TWO (20 MARKS)

- a) Poultry farmers in Kiambu have been complaining about market glut in eggs mainly due to importation of poultry products from neighboring countries. As an agricultural policy

analyst, advice the Cabinet Secretary of Agriculture on possible policy instruments to curb the glut in domestic poultry market (10 marks)

- b) Identify five actors and explain their roles in different phases of agricultural policy process (10 marks)

QUESTION THREE (20 MARKS)

- a) Using examples in Kenya, describe five phases of agricultural policy process (10 marks)
- b) There is political pressure to calm the equilibrium price of maize to improve the income of poor maize farmers from decreasing maize prices in Kenya. As a policy analyst advice the government on:
- i. The appropriate policy instrument to impose and why (2 marks)
 - ii. The welfare effects of the proposed policy instrument in (i) above using appropriate diagram (6 marks)
 - iii. Will the proposed policy instrument hurt consumers of maize products and why (2 marks)

QUESTION FOUR (20 MARKS)

- a) Explain three macro-economic policies and how they affect agribusiness value chain (10 marks)
- b) Describe the framework for investment in agricultural sector (10 marks)

QUESTIONS FIVE (20 MARKS)

- a) Explain five reasons why liberalized agricultural markets are not the prevailing choice of most governments (10 marks)
- b) There are serious emerging food safety issues such as Avian Flu, Cholera, and chemical contamination among others that have been encountered in the recent past in Kenya and globally. Explain five food safety standards that have been put into place to counter food safety issues globally (10 marks)