

MBA in AVCM Sem.-3 Examination

IIS-19

Agriculture & Food Supply Chain

Time : 2-30 Hours]

November-2024

[Max. Marks : 70

Instructions:

- Questions no 1 to 4 carry 14 marks each
- Question no 5 carries 14 marks (each question of 2 marks). Out of the 12 questions, attempt any seven.

Question 1

- i. What is supply chain management? Discuss its key objectives and explain the differences between agricultural supply chains and industrial supply chains.

OR

- i. Classify the various types of inputs used in agribusiness and discuss the role of government in enhancing supply chain efficiency.

Question 2

- i. What is the distinction between supply chain management and value chain management? Provide a detailed explanation of Porter's Value Chain Model.

OR

- i. Describe the role of key players and stakeholders in the agricultural supply chain.

Question 3

- i. Explain the concept of "utilities" in agribusiness. Describe each of the four types of utilities with relevant examples from the agribusiness sector.

OR

- i. How can the government contribute to managing and improving efficiency in the agricultural supply chain?

Question 4-Highlights of the Success of ITC Limited in India in Food and Agribusiness

ITC was incorporated on August 24, 1910, under the name Imperial Tobacco Company of India Limited. In 1970, the Company's ownership was made largely Indian, and the name of the company was changed from Imperial Tobacco Company of India Limited to India Tobacco Company Limited and then to I.T.C. Limited in 1974. The company holds a multi-business portfolio encompassing a wide range of businesses—cigarettes and tobacco, hotels, information technology, packaging, paperboards and specialty papers, agribusiness, foods, lifestyle retailing, education and stationery, and personal care. Since 2001, the company has been called ITC Limited.

In its first six decades of existence, the company's activities were primarily devoted to the growth and consolidation of the cigarettes and leaf tobacco businesses. This was based on intense relationships with tobacco farmers. The abilities to procure, process, and market cigarettes were the key core competencies required. During the 1970s, the company witnessed the beginnings of a corporate transformation, maybe because of an ability to foresee opportunities it could exploit, and the limitations of tobacco-based businesses.

N⁸77-2

In 1979, ITC entered the paperboards business by promoting ITC Bhadrachalam Paperboards Limited, which today has become the market leader in India. Bhadrachalam Paperboards amalgamated with the company effective March 13, 2002, and became a division of the company, Bhadrachalam Paperboards Division. This business also manages natural resources and works closely with local communities.

In 1990, ITC set up the Agri Business Division for export of agri-commodities by way of leveraging its agri-sourcing competency. According to company sources, this division was one of India's largest exporters in 2011. ITC's unique initiative in agribusiness was setting up the e-choupal initiative in 2000. This started with soya farmers in Madhya Pradesh; steps were taken to cut out intermediaries and facilitate improved realizations for farmers. e-choupal has been conceived as a more efficient supply chain aimed at delivering sustained value to customers around the world. The e-choupal leverages information technology (IT) to virtually cluster all the value chain participants. Thus, it delivers the same benefits as vertical integration.

The e-choupal is a blend of click and mortar capabilities. The village-level internet kiosks are managed by farmers—called sanchalaks. This enables the agricultural community to access ready information on the weather and market prices in its local language, and to benefit from knowledge on scientific farm practices and risk management, facilitating the sale of farm inputs and the purchase of farm produce from the farmers' doorsteps.

Real-time information and customized knowledge provided by the e-choupal enhance the ability of farmers to take decisions and align their farm output with market demand. The farmers benefit through enhanced farm productivity and higher farm gate prices, whereas ITC benefits from the lower net cost of procurement, having eliminated costs in the supply chain that do not add value.

ITC Limited has extended e-choupal to 10 states, covering over 4 million farmers. ITC's first rural mall, christened "Choupal Saagar," was inaugurated in August 2004 at Sehore, Madhya Pradesh. On the rural retail front, 24 "Choupal Saagars" are operational in the three states of Madhya Pradesh, Maharashtra, and Uttar Pradesh.

ITC Limited entered into the food processing business by blending multiple internal competencies to create a new driver of business growth. It began in August 2001 with the introduction of ready-to-eat Indian gourmet dishes. In 2002, ITC entered the confectionery and staples segments with the launch of the brands mint-o, Candyman confectionery and Aashirvaad atta (wheat flour). In 2003, the company entered the biscuits segment, which was highly competitive. ITC Limited has managed a high degree of market penetration with its Sunfeast brand of biscuits. In 2007, ITC entered the fast-growing branded snacks category with its brand Bingo! In eight years, ITC's foods processing business has grown to a significant size, featuring over 200 differentiated products under six distinctive brands, with an enviable distribution reach, a rapidly growing market share, and a solid market standing.

OR

Q#4 (i) How does the e-Choupal initiative improve supply chain efficiency for ITC and benefit farmers? What are the broader implications of ITC's emphasis on sustainability and community engagement through initiatives like e-Choupal?

N^o 877-3

Q#4 (ii) How does the "Choupal Saagar" concept align rural retail with ITC's broader business strategy? In light of current industry trends, how can ITC further expand its market presence in the agribusiness and food processing sectors?

Question 5 *Attempt any seven out of twelve.*

1. What is the primary goal of agricultural supply chain management?
 - a) Maximizing profit for producers only
 - b) Ensuring the efficient flow of products from farm to consumer
 - c) Reducing production costs without concern for quality
 - d) Increasing consumer demand for agricultural products
2. In an agricultural supply chain, which of the following is considered an upstream activity?
 - a) Processing of raw agricultural products
 - b) Retailing agricultural goods
 - c) Cultivation and harvesting of crops
 - d) Distribution of finished products to consumers
3. Which of the following best describes the "post-harvest" stage in the agricultural supply chain?
 - a) Transportation and storage of crops after harvest
 - b) Initial planting and soil preparation
 - c) Quality control during the production phase
 - d) Retailing and selling the finished product
4. The role of cold storage in the agricultural supply chain is primarily to:
 - a) Reduce the time needed to produce food
 - b) Maintain product quality and extend shelf life for perishable items
 - c) Increase the cost of distribution
 - d) Provide a centralized location for all supply chain activities
5. What is the primary advantage of vertical integration in the agricultural supply chain?
 - a) Reduces reliance on external suppliers
 - b) Increases the number of intermediaries in the supply chain
 - c) Minimizes government regulations
 - d) Focuses only on maximizing retail sales
6. How can government policies improve efficiency in the agricultural supply chain?
 - a) By increasing import tariffs on agricultural goods
 - b) By providing subsidies for inputs like seeds and fertilizers
 - c) By limiting the number of players in the supply chain
 - d) By promoting the use of outdated agricultural technologies
7. Which of the following technologies is commonly used in modern agricultural supply chains to improve traceability and efficiency?
 - a) Blockchain technology
 - b) Social media marketing
 - c) Traditional paper-based records
 - d) Manual inventory systems

N 877-4

8. Which of the following is a potential government intervention to improve agricultural supply chain efficiency?
 - a) Providing infrastructure development such as rural roads and cold storage facilities
 - b) Encouraging monopolies to reduce competition
 - c) Limiting market access to foreign agricultural products
 - d) All of the above
9. Which of the following is an example of "place utility" in the context of agribusiness?
 - a) Transporting vegetables to urban markets for better accessibility
 - b) Providing detailed product information to consumers
 - c) Storing fresh produce in warehouses to reduce spoilage
 - d) Offering seasonal discounts on agribusiness products
10. Porter's value chain model emphasizes the importance of:
 - a) Streamlining procurement processes
 - b) Focusing on internal business processes that add value to the final product
 - c) Cutting costs to increase profitability
 - d) Reducing the number of suppliers in the chain
11. Which of the following is a core component of Porter's value chain model?
 - a) Customer service
 - b) Logistics
 - c) Inbound logistics
 - d) All of the above
12. What does "time utility" in agribusiness refer to?
 - a) The ability to deliver products to the consumer at the right time
 - b) The cost of production associated with time-sensitive goods
 - c) The ability to increase shelf life of perishable items
 - d) None of the above

.....**END OF PAPER**.....