



higher education & training

Department:
Higher Education and Training
REPUBLIC OF SOUTH AFRICA

MARKING GUIDELINE

NATIONAL CERTIFICATE

MANAGEMENT: FARMING N4
(40903874)

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This marking guideline consists of 7 pages.

QUESTION 1: FARMING IN PERSPECTIVE

- 1.1 Four key role players in the agriculture industry:
- Agricultural producers✓
- Mediators (processors and marketers)✓
- Public or government institutions✓
- Consumers✓ (4 × 1) (4)
- 1.2
- To ensure that used and second-hand goods do not erode the manufacturing industry and job opportunities in the industry✓✓
- To ensure that sensitive goods and products are imported in a regulated manner (e.g. hazardous goods)✓✓
- To assist agencies with the enforcement of other legislation like safety (e.g. firearms)✓✓
- To ensure compliance with the provisions of international agreements that South Africa has with other countries✓✓
- To regulate import duties or tariffs charged in such a way to protect the industry✓✓ (5 × 2) (10)
- 1.3 A free market economic system is an economic system through which most goods and services required by the community are delivered by private undertakings with a profit objective.✓✓ (2)
- 1.4 THREE micro economic instruments:
- Price✓
- Quantitative control measures (quotas)✓
- Technology policy✓ (3 × 1) (3)
- 1.5 FIVE major structural adjustments experienced in South African agricultural:
- Abolishment of the Marketing Act (59 of 1968)✓✓
- Establishment of marketing committees✓✓
- A change in the taxation of agriculture✓✓
- A change in the direct budgetary spending on agriculture✓✓
- Land reform✓✓
- Decrease in institutional confusion
- Labour legislation in agriculture (Any 5 × 2) (10)
- 1.6 FOUR factors that have an influence on population figures in South Africa:
- COVID-19 pandemic✓
- Normal mortality figures✓
- Net migration into South Africa✓
- Annual fertility (or births) figures✓ (4 × 1) (4)

[33]

QUESTION 2: DESCRIPTION OF FARMING MANAGEMENT

2.1

2.1.1 True✓

2.1.2 True✓

2.1.3 False✓

2.1.4 True✓

2.1.5 True✓

2.1.6 True✓

(6 × 1) (6)

2.2

SIX key factors that influence decision-making process and the formulation of objectives:

- Attitude of the farmer✓
- Age and health of the farmer✓
- Financial status of the farmer✓
- Ambition and ability of the farmer/manager✓
- Progression in attaining the objectives✓
- How the farmers react to their own progress✓

(6 × 1) (6)

2.3

2.3.1 Land✓

2.3.2 Capital✓

2.3.3 Labour✓

2.3.4 Management✓

2.3.5 Compare actual with projected achievement✓

2.3.6 Monitor✓

2.3.7 Goods/products/produce✓

(7)

2.4

FOUR different leadership styles:

- Autocratic✓
- Participative✓
- Democratic✓
- Laissez-faire✓

(4 × 1) (4)

2.5

2.5.1 Motivation is the practical endeavours of a manager to convince her/his subordinates that they should deliver their best performance for the advantage of the business.✓✓ (2)

2.5.2 Organising is the management function that deals with the allocation of duties, responsibilities, power and authority to employees.✓✓ (2)

2.6

- Expansion of the business✓ – when a new branch is added to the production process.✓
- Technological changes in the business✓ – when fresh produce are processed using new technology.✓
- Further training and development of employees will create other opportunities for their utilisation in the business.✓✓ (3 × 2) (6)

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QUESTION 3: MANAGEMENT FUCTIONS IN FARMING

3.1 FIVE managerial knowledge and skills of farmers:

- Problem-solving skills✓
- Defining objectives✓
- Decision-making✓
- Prediction✓
- Technical skills✓ (5 × 1) (5)

3.2

- Operational planning is specifically aimed at how the production factors will be used over the short-term to reach the farmer's objectives.✓✓
- Reactive planning is a strategy used to establish control over a situation so that the risk that is presented by the situation is kept to a minimum or is eradicated.✓✓ (2 × 2) (4)

3.3 NINE steps in management by objectives:

- Determine the objectives before any planning, organising, implementing and controlling can take place✓
- Acquire and organise all necessary information✓
- Identify the problem and the cause✓
- Find a solution and identify any other alternatives✓
- Evaluate all alternatives with the assistance of the decision-making criteria✓
- Plan preventative measures for any coincidence that may harm probable success of the solution✓
- Accept the decision✓
- Implement the decision✓
- Evaluate the result of the decision✓ (9 × 1) (9)

- 3.4
- Standard procedure prescribes the method that is applied in an activity and determines the method of work execution.✓✓
 - A programme determines the order in which any given set of tasks is executed to complete the objectives.✓✓
 - Schedules tell the farmer when a particular task needs to be done indicating the time (date and hour) for each task.✓✓ (3 × 2) (6)
- 3.5 FIVE symptoms of a weak organisation:
- Lack of focus✓
 - Poor motivation✓
 - Departmental autonomy✓
 - Us vs them mentality/boundaries between different groups✓
 - Considerations✓ (5 × 1) (5)
- 3.6 FOUR essential components of a thorough system of recording:
- Physical and monetary inventory✓
 - Physical production details✓
 - Financial information✓
 - Human resource records for each employee✓ (4)
- 3.7 Health and Safety Act (85 of 1993)✓ (1)
- [34]

QUESTION 4: FARMING AS AN ENTREPRISE

- 4.1 SIX responsibilities of the marketing department of a farming business:
- Finding the customers with a need for the farming enterprise's products done through market research✓✓
 - Rearranging or repacking quantities produced into more manageable and acceptable volumes for the customer✓✓
 - Standardising and grading products to achieve quality✓✓
 - Finding the necessary transport for the products✓✓
 - Finding the intermediary in the selling process like agents, wholesalers or retailers✓✓
 - Financing the smooth flow of the produce from the farm to the selling point or consumer✓✓ (6 × 2) (12)
- 4.2 FIVE environmental restrictions:
- Quality of land✓
 - Climate change✓
 - Soil properties✓
 - Soil water✓
 - Impact on the environment✓ (5 × 1) (5)
- 4.3 FIVE major benefits of precision farming:
- Conserving underground and surface water✓✓
 - Developing rural areas✓✓
 - Increasing productivity✓✓
 - Increasing income✓✓
 - Reducing environmental impact✓✓ (5 × 2) (10)

- 4.4 SIX characteristics of a successful farm manager:
- Innovative and creative✓
 - Taking initiative✓
 - Carries risk✓
 - Good leadership✓
 - Creates a favourable work environment✓
 - Stays abreast of new developments✓
- (6 × 1) (6)
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QUESTION 5: MACRO-AGRICULTURAL MARKETING

- 5.1
- Product planning – the farmer/marketer offers the right product at the right price at the right time and place in the right quantities as required by the buyer.✓✓
 - Contractual agreement – this concludes the transaction for the same activities as mentioned under sales above.✓✓
- (2 × 2) (4)
- 5.2 TWO aspects that play a role in agricultural market conditions:
- Agricultural market is relatively static✓
 - Use of price support mechanisms is distinctive to agriculture✓
- (2 × 1) (2)
- 5.3
- 5.3.1 D✓ and I✓ (2)
- 5.3.2 Graph 1 at E✓
Graph 2 at J✓ (2)
- 5.3.3 Equilibrium is a point at which demand is equal to supply/is a point where the price for the supplier is equal to the price for the buyer.✓✓ (2)
- 5.3.4 Graph 1✓ (1)
- 5.3.5 Quantity supplied should be more than quantity demanded✓✓ (2)
- 5.3.6 Y-axis✓ (1)
- 5.4 THREE types of risks:
- Economic risk✓
 - Physical risk✓
 - Human risk✓
- (3 × 1) (3)
- 5.5 FIVE factors that affect farmers' the supply position:
- Seasonal supply✓✓
 - Production in small quantities✓✓
 - Nature of the agricultural product✓✓
 - Agricultural market conditions✓✓
 - The farmer's marketing position✓✓
- (5 × 2) (10)

- 5.6 Elasticity of demand implies the sensitivity of demand for a particular product on any price changes of that product. It is the percentage change in demand for a product in relation to the percentage change in the price of that product.✓✓✓

Price elasticity of demand = $\frac{\% \text{change in quantity}}{\% \text{change in price of that product}}$ ✓✓

(5)
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QUESTION 6: MICRO-AGRICULTURAL MARKETING

- 6.1 FIVE phases involved in the formulation of an advanced marketing strategy:
- Undertake a situational analysis/market analysis✓✓
 - Design marketing objectives✓✓
 - Determine the positioning and differential advantage of the product✓✓
 - Select a target market and determine the size of the market✓✓
 - Design a strategic marketing mix✓✓ (5 × 2) (10)
- 6.2 FOUR effective mechanisms that farmers use to differentiate their products:
- Classification✓
 - Trademarks✓
 - Packaging✓
 - Product differentiation✓ (4 × 1) (4)
- 6.3
- 6.3.1 FOUR key elements of the marketing mix:
- Product✓
 - Place/distribution✓
 - Promotion✓
 - Price✓ (4 × 1) (4)
- 6.3.2
- Product – is determined by the nature or character of the market✓✓
 - Price – is determined by the market conditions✓✓
 - Distribution/location/venue/place – determined by consumer needs or buyers' demands✓✓
 - Promotion – determined by the business's financial position or ability ✓✓ (4 × 2) (8)
- 6.4 THREE variables of positioning:
- Product assortment✓
 - Price✓
 - Service✓ (3 × 1) (3)
- 6.5 Target market refers to that group of consumers who have similar needs and characteristics.✓✓
- Market segmentation is the process of dividing the total heterogeneous (unrelated or diverse) market for a product into different segments, each of which tends to be homogeneous in all significant aspects.✓✓ (2 × 2) (4)

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