

# 3

91530



NEW ZEALAND QUALIFICATIONS AUTHORITY  
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## Level 3 Agricultural and Horticultural Science, 2017

### 91530 Demonstrate understanding of how market forces affect supply of and demand for New Zealand primary products

9.30 a.m. Wednesday 29 November 2017

Credits: Five

Achievement	Achievement with Merit	Achievement with Excellence
Demonstrate understanding of how market forces affect supply of and demand for New Zealand primary products.	Demonstrate in-depth understanding of how market forces affect supply of and demand for New Zealand primary products.	Demonstrate comprehensive understanding of how market forces affect supply of and demand for New Zealand primary products.

Check that the National Student Number (NSN) on your admission slip is the same as the number at the top of this page.

**You should attempt ALL the questions in this booklet.**

If you need more room for any answer, use the extra space provided at the back of this booklet.

Check that this booklet has pages 2–12 in the correct order and that none of these pages is blank.

**YOU MUST HAND THIS BOOKLET TO THE SUPERVISOR AT THE END OF THE EXAMINATION.**

**TOTAL**

ASSESSOR'S USE ONLY

## INSTRUCTIONS

This assessment requires you to answer questions related to TWO distinctly different primary products. Note the following points.

1. Select your primary products and write them in the box below. **Before** doing this, however, carefully read ALL of the questions in this paper to ensure that your selection will allow you to meet ALL the requirements of the questions.
2. The primary product for your discussion of demand (Question 1) **must** be different from that for your discussion of supply (Question 2).
3. At least ONE of your selected products must gain significant export earnings for New Zealand producers.

Choice of market forces affecting product **demand** for discussion in Question One:

- quality requirements of processors or buyers
- consumer preferences
- promotion
- reliability of supply.

Choice of market forces affecting product for **supply** discussion in Question Two:

- biosecurity (phytosanitary regulations)
- political intervention
- food miles
- production costs.

Question Three asks you to discuss changing trends in the export market(s) for a selected product. This may be a product you have already used, or a different product. It must be **exported** at a nationally significant level.

### SELECTION OF PRIMARY PRODUCTS

Primary product (1) for discussion of demand: \_\_\_\_\_

Primary product (2) for discussion of supply: \_\_\_\_\_

Primary product for discussion in Question Three: \_\_\_\_\_

**Note:** In your answers, use specific examples, including recent units and values where appropriate, to help explain how market forces affect supply and demand – e.g. volume of product, typical costs, and returns to producers.

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The examination continues on the following page.**

**QUESTION ONE: Market forces affecting the demand for primary products**

Note that the product you have chosen for discussion in Question Two cannot be used for this question.

Primary product (1): \_\_\_\_\_

(a) Choose TWO of the market forces listed below, and analyse their effect on the demand for your selected product.

Quality requirements of processors or buyers	Promotion
Consumer preferences	Reliability of supply

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**QUESTION TWO: Market forces affecting the supply of primary products**

Note that the product you have chosen for discussion in Question One cannot be used for this question.

Primary product (2): \_\_\_\_\_

“New Zealand’s geographic position has significant advantages for the supply of agricultural and horticultural exports.”

With reference to ONE specified product, discuss whether you agree or disagree with this statement.

In your answer, use at least TWO of the market forces listed below, ranking and explaining their relative importance in influencing the supply of your specified product.

Biosecurity (phytosanitary regulations)	Food miles
Political intervention	Production costs

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**QUESTION THREE: Trends in New Zealand's primary production**

## RESOURCE A

**Trade relationships**

The volume of New Zealand's trade with China has nearly tripled over the past decade, with

[REDACTED]

[REDACTED]

and Trade has said.

Source (adapted): [http://www.stats.govt.nz/browse\\_for\\_stats/industry\\_sectors/imports\\_and\\_exports/trade-china-tripled-decade.aspx](http://www.stats.govt.nz/browse_for_stats/industry_sectors/imports_and_exports/trade-china-tripled-decade.aspx).

## RESOURCE B

**Sectors of the economy**

There have been major changes to how New Zealand's gross domestic product is made

[REDACTED]

[REDACTED]

manufacturing industries that could no longer compete with imports.

Source (adapted): <http://www.teara.govt.nz/en/economy/page-2>.



The resources on page 8 indicate there are changing trends in New Zealand's agricultural production and export partners.

Briefly describe the trends in the export market(s) for a selected product.

In your answer, discuss the changing market trends, by:

- explaining the impacts on supply and demand for your selected product in recent times
- giving reasons for these changes
- discussing and justifying your predictions regarding future stability for your selected product.

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**More space for this answer  
is available on the next page.**





