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LEGACY MANUFACTURERS LIMITED

Lusaka, Zambia

Launching a business is never easy, but doing so amid a historic pandemic is even more difficult. That is the challenge that the owner of Legacy Manufacturers Limited faced as the company hoped to launch its soy- and maize-based products in the Zambian market. Financial and technical support from Visa Foundation and CFAI helped the company access the materials it needed, and the fledgling company has been able to grow despite the difficult conditions.



About the Coalition for Farmer-Allied Intermediaries

In response to COVID-19's impact on vulnerable food systems, a group of pioneering organizations working with 600+ African food companies joined together to launch the Coalition for Farmer-Allied Intermediaries (CFAI). Its mission is to catalyze a movement around vital small- and medium-sized agro-food businesses in order to transform and build more resilient African food systems. In 2021, Visa Foundation provided resiliency grants and enabled provision of technical assistance to eight Sub-Saharan food processing companies to help them navigate the continuing COVID-19 crisis, adapt to shifting market demands, and return to inclusive growth. TechnoServe and Partners in Food Solutions provided technical assistance to these firms through the Alliance for Inclusive and Nutritious Food Processing program, which is funded by USAID's Feed the Future initiative.

AT-A-GLANCE

SECTOR	SOYA CHUNKS, CORNFLAKES, CORN SNACKS, SOYBEAN OIL
Challenges from COVID-19	Difficulty sourcing high-quality raw materials due to transportation and border restrictions, and limited access to capital
CFAI support	\$50,000 grant to fund raw-material purchases and PPE; technical assistance focused on good manufacturing processes, accounting, and reaching bottom-of-the-pyramid markets
Key results	Company purchased 72 MT of soybeans, maize meal, and maize grits, providing a market for 106 smallholder farmers; 20 new full-time and 24 new part-time workers hired

ABOUT LEGACY MANUFACTURERS LIMITED

Kumbukilani Phiri did not have a background in food processing when he decided to launch Legacy Manufacturers Limited (“Legacy”) in the sector, but he saw a promising opportunity in producing soy- and maize-based products for Zambia’s national market. His vision involved purchasing raw soybeans and maize from smallholder farmers and producing nutritious soya chunks, cornflakes, soybean oil, and corn snacks for national distribution. Phiri hoped to launch sales in 2020.

CHALLENGES FROM COVID-19

The COVID-19 pandemic disrupted Legacy’s operations just as it was launching. Border restrictions made it difficult for the company to import the materials it needed, and it was a challenge for the company to purchase an adequate volume of locally-grown crops that met its quality standards. Legacy also struggled to access sufficient working capital, as a sister firm that had been counted on to provide funding faced its own challenges amid the pandemic.

Without a steady supply of crops, Legacy’s capacity utilization rate remained low—the firm was using just 35% of its soya-processing capacity—which threatened the company’s profitability. Social distancing measures also made it difficult for the company to safely accommodate workers in its plant.

RESPONDING WITH CFAI

Legacy received a \$50,000 resiliency grant from Visa Foundation to fund the purchase of raw materials and PPE. Through the USAID-funded Alliance for Inclusive and Nutritious Food Processing, the management team received training from CFAI member Partners in Food Solutions on good manufacturing processes. This helped the new business build the necessary skills to oversee a successful operation. CFAI member USADF also helped Legacy’s accounting team adopt best practices for recordkeeping.

RESULTS AND IMPACT

The grant and technical assistance helped see Legacy through its difficult start-up period. “The impact of the resiliency grant was that it enabled our business to survive, which could have not been possible under the circumstances we were operating in before the fund,” the company’s executive said.

As a result of the support that Legacy received, it was able to purchase 72 MT of soybeans through aggregators who sourced the crops from 106 smallholder farmers, more than 50% of them women. With a steady supply of crops, the company was able to increase the capacity utilization of its soya line by 15%. Legacy also hired

20 new full-time employees (half of whom are women) and 24 part-time workers (42% of whom are women) while also raising average employee pay by 10%. The company's sales grew from \$150,000 in 2020 to \$770,000 in 2021.

The stability provided by the grant and technical assistance also enabled Legacy to develop new products, such as fortified cornflakes and soya-based porridge blends.

VISION FOR THE FUTURE

Legacy is looking to build upon its early growth by entering new markets across Zambia and rolling out additional affordable, nutritious products for local consumers. It estimates that it will purchase crops from some 2,000 smallholder farmers during the upcoming harvest season.

