



SUPPORTED BY:



OMEGA FOODS ZAMBIA LIMITED

Chongwe, Zambia

Omega Foods began with a mother looking for a nutritious and tasty porridge to feed her young child. Over nearly a decade, the household-kitchen operation grew into a competitive food processing business



producing a variety of healthful products. While the COVID-19 pandemic disrupted Omega's operations and threatened its ability to meet retail demand, support from the Coalition for Farmer-Allied Intermediaries (CFAI) and Visa Foundation helped the company to navigate the obstacles and continue delivering nutritious food to its customers.

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	ASSORTED FLOURS AND FLOUR BLENDS
Challenges from COVID-19	The pandemic and associated restrictions slowed operations and sales, diminishing the company's working capital for raw-material procurement
CFAI support	A \$20,000 grant from Visa Foundation to support crop procurement; technical assistance aimed at improving Omega's operations, sourcing procedures, accounting, and communicating COVID-19 safety measures
Key results	64 MT of raw material purchases from smallholders and aggregators working with smallholders; the company hired three new part-time workers and one new full-time employee, increasing the workforce by 36%

ABOUT OMEGA FOODS ZAMBIA LIMITED

Omega Foods Zambia Limited ("Omega") was launched because founder Justina Opit had a problem: she couldn't find nutritious food for her young son. She started blending her own food in her kitchen and, in time, she developed a recipe that her son particularly loved. Soon she was selling it to friends and then to a handful of local stores. In 2015, Omega was born as a grain and flour miller to provide nutritious foods for families throughout Zambia.

To help accelerate the growth process, Opit enrolled in the Alliance for Inclusive and Nutritious Food Processing (AINFP) program, where she learned the necessary business and technical skills needed to manage the company.

Today, the company sources a variety of grains, including maize, millet, and red and white sorghum and processes them into flours and samp, which are sold in a variety of stores.

CHALLENGES FROM COVID-19

With the onset of the pandemic and the enactment of restrictions to stop the spread of the virus, it became difficult for Omega to operate its production lines. In order to protect employees' health and increase social distancing, the company had to slow production, reducing its sales to customers. Due to the reduction in sales, Omega no longer had sufficient working capital to purchase smallholder crops. The business was on the verge of downsizing its workforce.

RESPONDING WITH CFAI

At that difficult moment, assistance arrived in the form of a \$20,000 resiliency grant from Visa Foundation, as well as technical assistance provided by CFAI members. The grant was designed to help Omega source sufficient crops from smallholder farmers, while the technical assistance supported the company's accounting and financial recordkeeping, crop procurement, and efforts to communicate COVID-19 prevention procedures to employees through new signage.

RESULTS AND IMPACT

The injection of working capital and provision of technical assistance helped Omega address some of the most significant challenges it faced. With the grant funding, Omega was able to purchase 64 MT of crops, making direct purchases from 15 smallholders and six aggregators that source from 450 farmers. This ensured that Omega would have enough material to operate its production lines throughout 2021 and into 2022.

Buoyed by this success, the company hired three new part-time employees and one new full-time employee, increasing the size of the total workforce by 36%.

The company was also able to secure new distribution agreements and develop new products, including fortified flours in small packages that are affordable for bottom-of-the-pyramid (BoP) consumers.

VISION FOR THE FUTURE

Omega is looking to build upon this success to grow even further. On the product-development side, it is exploring possibilities around convenient, pre-cooked cereals that would make it easier for consumers to eat healthy and nutritious food. The company also aims to develop a smallholder sourcing strategy that would enable it to purchase crops from 1,000 farmers.

