



Stabilizing long-term investment in Zambia's agri-food sector for 260 Brands



260
Brands
Taste the good life

In Zambia, high levels of food insecurity remain a structural concern. In this context, strengthening domestic food processing and storage capacity is a strong imperative. Yet domestic savings cannot provide the necessary investments, and thus entrepreneurs rely on foreign capital, which has one structural challenge: foreign exchange risk.

Storage, solar and scale

In October 2025, the Africa Agriculture and Trade Investment Fund (AATIF) provided a USD 10 million loan to 260 Brands (Seba Foods), a Zambian agri-processor. The funding is for increased storage capacity and to finance the installation of solar power to reduce reliance on diesel generation. The company procures from smallholder farmers to produce a range of nutritious consumer food products based on maize and soy. As is often the case with industrial upgrades, the project required imported machinery and long-term capital.



TCX's Role

TCX provided a foreign exchange hedge to AATIF, enabling AATIF to offer local currency financing to 260 Brands (Seba Foods). TCX does not assess or select projects based on environmental characteristics. The solar installation and other project outcomes described below are determined by AATIF and 260 Brands.

As Lombe Lumbwe, investment lead at AATIF, put it during the interview:

“Anybody trying to invest in long-term infrastructure has a dollar exposure regardless. There’s no way around it.”

Even businesses with a largely local footprint must access USD to procure equipment. In a volatile currency environment such as Zambia’s, this creates a mismatch that can quickly undermine project economics.

The kwacha has depreciated against the dollar consistently in recent years and unhedged USD liabilities have placed significant strain on otherwise viable businesses and fiscal budgets. At the same time, local long-tenor financing is scarce. Following macroeconomic stress, private sector borrowers may struggle to access funding in local currency at reasonable rates and necessary tenors.

This is where TCX and the BMUKN-supported blended finance facility can play a role. TCX converted USD 1.5 million of the total investment into Zambian kwacha (ZMW) terms through a cross currency swap. The conversion aligned part of the company’s debt obligations with its local-currency revenue base. Importantly, the structure provided an over 8-year tenor, matching the infrastructure profile of the investment.



Lombe Lumbwe
Investment lead — AATIF

For AATIF, the objective was clear: address the currency mismatch at the outset, rather than allow it to become a destabilizer later. As Lombe explained:

“For me, the first measure of success is resilience — ensuring that 260 Brands can continue operating and servicing its customers without being derailed by exchange rate swings.”

At the same time, Lombe pointed to a broader lesson about development finance. Impact does not always present itself directly in traditional output indicators. Often, the most important outcome is far more fundamental: a business that continues sourcing from farmers during a volatile cycle and keeps essential products affordable on local shelves.

And that is why foreign exchange volatility does not stay confined to the balance sheet. Because unhedged USD liabilities in more volatile markets inevitably filter through into lower reinvestment capacity or higher prices for consumers. Each would pose a challenge to 260 brands’ ability to continue to grow and to sustain its role in Zambia’s food system.

Managing FX risk at the financing stage therefore serves a dual purpose:

- 1. It protects the financial resilience of the business
- 2. It safeguards the affordability of its products

The transaction was supported by the BMUKN facility, which provided interest rate subsidies that reduced the effective hedging cost for AATIF. This made the local currency financing commercially viable for 260 Brands while maintaining TCX’s risk-reflective pricing approach.

In a market where long-dated local currency financing is rarely available, this transaction shows what targeted FX risk mitigation and blended finance can unlock. By shifting currency risk away from the operating business, TCX, AATIF and BMUKN strengthened the company’s foundation for long-term growth.

Deal highlights



TCX COUNTERPARTY

Africa Agriculture and Trade Investment Fund (AATIF)

BORROWER

260 Brands
Seba Foods Zambia Ltd.

COUNTRY

Zambia

CURRENCY

ZMW

TRANSACTION SIZE

USD 1.5m into local currency

BLENDED FINANCE

BMUKN facility support

TENOR

Over 8 years

Impact



“By stabilizing our ability to invest for the long term, this facility has unlocked widespread adoption of renewable energy and enabled significant expansion of local food processing capacity. The effect ripples beyond our own operations — it strengthens the entire value chain, from smallholder farmers who gain more reliable demand and better prices, to processors who can scale and innovate, to consumers who benefit from steadier supply and more affordable, nutritious products. Ultimately this investment builds resilience across the system, reduces dependency on imports, supports job creation and local enterprise, and improves food security and nutrition outcomes across Zambia and the wider region.”

Ethel Mwambazi
Head of Marketing & PR — 260 brands