

The European market potential for shea butter

There is an increasing demand for shea butter on the European cosmetics market. Shea butter is a versatile ingredient that has a wide range of applications in the cosmetics industry. The main driver is the increasing demand for natural and organic cosmetics on the European market. It is expected that the demand for shea butter will continue to rise in Europe.

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1. Product description

Shea butter is a vegetable fat extracted from the sun-dried kernels of the shea tree *Vitellaria paradoxa*. The shea tree grows in the so-called shea belt, which includes roughly 21 countries: Benin, Burkina Faso, Cameroon, Central African Republic, Chad, Ethiopia, Eritrea, Ghana, Guinea-Bissau, Ivory Coast, Mali, Niger, Nigeria, Senegal, Sierra Leone, South Sudan, Sudan, Togo, Uganda, the Democratic Republic of the Congo, Kenya and Guinea. The largest shea butter-producing countries are Ghana, Nigeria and Uganda (Northern part).

Vitellaria paradoxa grows mainly in Western Africa, while *Vitellaria Nilotica* (a sub-species of *Vitellaria paradoxa*) is native to East African countries such as Uganda, Kenya and Sudan. Both trees produce slightly different shea butter in terms of consistency, texture and nutrient content. The shea butter from Western Africa is denser, while the shea butter from East Africa (nilotica shea butter) is more liquid.

Other differences between the shea butter from West and East Africa are as follows:

Western African Shea Butter

- Higher concentration of vitamin A
- Higher melting point
- Lower concentration of oleic acid
- Harder in consistency
- Higher concentration of sterol

East African Shea Butter

- More yellow in colour
- Lower melting point
- Higher concentration of oleic acid
- Soft and creamy texture

East African shea butter is considered a more luxurious product. East African shea butter spreads more easily and is more suitable for sensitive skin, ageing skin, bruised skin, burns, wounds, dry peeling skin and baby skin. West African shea butter is used for scars, blemishes, wrinkles and stretch marks because of its high content of vitamin A. East African Shea Butter is also scarcer because of a limited supply.

According to the Global Shea Alliance, the majority (90%) of processed shea butter goes to the food industry. The rest is used in personal care products; some of its main applications are:

- hair treatment products for damaged and dry hair;
- anti-ageing and anti-wrinkle creams;
- face- and body-moisturising creams;
- aftersun products and skin treatment after sunburn;
- stretch mark prevention products during pregnancy;
- hair treatment for dry scalp;
- shaving and aftershave creams to reduce skin irritation;
- creams to ease muscle fatigue and pain;

- treatment products for insect bites and stings;
- baby care products against diaper rash.

Cosmetics companies in Europe either use shea butter as a moisturising body butter in their products, or use shea-based ingredients obtained from stearin or olein. The cosmetics sector is also less constrained by costs.

Shea butter can be traded as a nut or as oil with these HS codes: 151590 for oil and 1207.92 for nuts. HS code 151590 refers to other fixed vegetable fats and oils (including jojoba oil) and their fractions, whether or not refined, but not chemically modified. HS code 120792 refers to shea nuts, but no trade is recorded under this HS code.

2. What makes Europe an interesting market for shea butter?

The demand for shea butter in the European cosmetics market is growing. Shea butter is used mainly in skincare and haircare products because of its properties. This growth is driven by rising consumer awareness of shea butter and the consumer demand for natural cosmetics. Shea butter has unique properties and its widening availability makes it a favourite choice of cosmetic companies.

[A publication from the African Journal of Biochemistry Research in 2018](#) stated that Africa produced around 1,760,600 tonnes of raw shea nuts a year in 2013. However, more than half is used in domestic applications. According to FAO STAT, Nigeria was the largest producer of shea nuts in 2017. The majority of shea butter produced in Nigeria is for domestic consumption. There is also undocumented trade of shea nuts across the country's borders with Benin, Togo and Ghana.

The largest [exporting countries of shea nuts](#) are Mali (75,000 shea nut-Equivalent tonnes – SET), Burkina Faso (70,000 SET) and Ghana (60,000 SET). Shea nut-equivalent tonnes refer to dry kernel equivalent, as shea products can be exported in various forms. For example, 1 tonne of butter exported requires 3 tonnes of shea nuts. According to the Global Shea Alliance, the total exports have increased from 50,000 tonnes to 350,000 tonnes over two decades. In Ghana, the largest exporter of unrefined shea butter, there are around 94 million shea trees in the country, which produce around 60,000 tonnes of shea nuts a year. The exports of shea nuts reached 27,967 tonnes in 2018. The exports of shea butter from Ghana are currently valued at USD 66 million. [According to an article about a documentary from CNN Marketplace Africa](#), the country wants to [double its shea butter exports](#) by 2023.

The [global shea butter market](#) is estimated to reach USD 1.74 billion by 2025. Europe accounts for about a 35% share of the global market. The majority is used in the food industry. However, food processors tend to import shea nuts and process them in Europe. Cosmetics manufacturers source both shea butters. There is a shift towards the production of shea butter in Africa (countries of origin).

Table 2 Imports of other fixed vegetable fats and oils to Europe, 2011–2018

Other fixed vegetable fats and oils (including jojoba oil) and their fractions, whether or not refined, but not chemically modified, HS 151590	2011	2012	2013	2014	2015	2016	2017	2018
EU28/`000 EUR	489,310	486,492	528,510	700,291	657,198	694,187	744,887	770,994
% change		-1%	9%	33%	-6%	6%	7%	4%
EU28/`000 tonnes	290	255	258	423	322	328	344	368
% change		-12%	1%	63%	-24%	2%	5%	7%

Source: Eurostat

Table 2 shows that the demand for vegetable oils is rising in Europe. Between 2011 and 2018, the imports increased by 27% in terms of volume and by 57% in value. There has been a steady demand for other vegetable oils and fats in Europe. This trend is expected to continue in the near future. A major driver is the growing consumer demand for cleaner and more natural personal care products.

According to industry sources, the demand for shea butter is growing in the cosmetics industry. The growing demand for vegetable oils in the cosmetics industry is driven by an increasing demand for natural personal products. Shea butter has unique properties and a wide range of applications, making it an attractive ingredient to cosmetic companies.

Europe is the main export market for shea products. It is estimated that around 250,000 tonnes of shea products are exported to Europe annually. The volume of shea butter imported to Europe ranges between 50,000 and 70,000 tonnes. Finished cosmetic products with shea butter are also exported from Africa to Europe.

There is currently no official grading system for shea butter in the cosmetics industry. In 2017, an [African standard was approved for unrefined shea butter](#) in the food industry. The [African Organisation for Standardisation](#) is currently in the process of developing a standard for shea butter. The Global Shea Alliance has developed a standard only for shea kernels.

The European market for natural and organic cosmetics was worth EUR 3.64 billion in 2018. The market grew at a healthy rate (6–8%) between 2013 and 2018. The market is forecast to grow at a similar rate in the coming years. More information on the growing market for natural and organic cosmetics is available in the [CBI study of Market Outlook and Statistics](#) on natural ingredients in cosmetics.

European consumers are willing to pay more for high-quality personal care products, especially those with natural/organic ingredients. The growth of shea butter is driven by a growing demand for natural cosmetics on the European market. This trend is expected to continue in future. [The CBI Trends report](#) gives details on the opportunities in the sector of natural ingredients for cosmetics.

Tips:

If you are a shea butter producer, connect with the [Global Shea Alliance](#) for more information on shea production standards and industry updates.

Visit trade fairs when looking for buyers. Examples include [InCosmetics](#) and [Vivaness](#).

See the [CBI Report](#) on 10 tips to find buyers when exporting natural ingredients for cosmetics to Europe.

3. Which European countries offer the most opportunities for shea butter?

The most attractive countries for shea butter exporters are considered to be France, the Netherlands, Sweden, Italy, Germany and Denmark. These countries are the leading importers of vegetable oils in Europe. Countries such as Germany, France and Italy have large markets for conventional as well as natural cosmetic.

Table 3 shows the volume and value of imports to the largest importing countries in Europe.

Table 3 Imports of other fixed vegetable fats and oils to leading European countries, 2011–2018

2018	000 Tonnes	% Change in Volume (2011–2018)	m EUR	% Change in Value (2011–2018)	Exporters	Important Market Players
France	70.0	35%	157.36	52%	Spain (28.8%), Germany (16.2%), Belgium (15.7%), Netherlands (14.4%)	Ceratec Sarl, OLVEA
Netherlands	52.9	-25%	107.35	23%	Togo (22%), Germany (20%), Ghana (17%)	Jan Dekker/IMCD, More Natural

Sweden	44.2	95%	74.64	230%	Denmark (92%), Ghana (6.9%)	AAK, Opella
Italy	20.7	35%	53.57	38%	Spain (31.3%), Denmark (11.9%), Thailand (10.9%), India (10.9%)	A&A Fratelli Parodi Spa, EICO Novachem
Germany	20.7	-9%	107.25	63%	Netherlands (32.7%), Austria (10.4%), France (9.8%)	Gustav Heess, OPW Ingredients
Denmark	13.5	88%	39.67	101%	Ghana (82%), Netherlands (5%)	AAK, Hedenhus

Source: Eurostat

France

France is the leading importer of other fixed vegetable fats and oils. The level of imports increased between 2011 and 2018. In 2018, the volume of imports reached 70,000 tonnes, an increase of 35% from 2011. Around 82% of imports is from intra-EU trade. The share of extra-EU trade grew from 8% in 2011 to 18% in 2018.

France has one of the largest cosmetic markets in Europe. It also has the second-largest market for natural and organic cosmetics. The country has a strong cosmetics manufacturing sector. The demand for shea butter in the French market is expected to continue.

The Netherlands

The Netherlands is a significant entry point of raw materials into Europe. The value of other fixed vegetable fats and oil imports increased by 23%, but the volume decreased by 25% between 2011 and 2018. More than 40% of the imports come from outside the EU; this share has decreased from 54% in 2011.

The Netherlands is an important processor of shea nuts. [IOI Loders Croklaan](#) and Maas Refinery are important refineries. Loders Croklaan sources around 70% of its shea directly from West Africa, while the rest comes from third-party suppliers. Shea butter from the Netherlands is then re-exported to other European countries.

Sweden

Sweden is an important importer of other fixed vegetable oils such as shea butter. The imports increased in value and volume between 2011 and 2018. More than 90% of other fixed vegetable oils imported to Sweden are from intra-EU trade. Denmark is the main importing country. The share of intra-EU trade increased from 0.8% in 2011.

The Swedish-Danish company [AAK](#) is a significant producer and processor of shea. The company is one of the founding members of the Global Shea Alliance. There is a growing demand for natural and organic personal care products in the Scandinavian countries. Sweden and Denmark have the largest country markets in the Nordic region.

Italy

The imports of other fixed vegetable fats and oils to Italy have increased since 2011. Volumes increased by 35% to 20,700 tonnes in 2018. The value of imports increased by almost 38% to EUR 53.6 million from 2011 to 2018. Around 31 percent of the imports come from outside the EU.

The Italian cosmetics market is one of the largest in Europe. There is also a growing demand for natural and organic cosmetics. The demand for natural cosmetics is expected to continue to increase in the coming years.

Germany

The imports of other fixed vegetable oils to Germany decreased by 9% in volume between 2011 and 2018. However, the value of imports increased at a double-digit rate over the same term. Around 23% of imports come from extra-EU trade, an 18% increase from 2011.

Germany has the largest market for conventional and natural cosmetics in Europe. The market for natural and organic cosmetics in Germany is considered the most advanced in the world. German consumers are well aware of natural ingredients/cosmetics and are willing to pay for high-quality products. The demand for shea butter is expected to remain high on the German market in future.

Denmark

The imports to Denmark increased in volume and value between 2011 and 2018. Almost 85% of other fixed vegetable oils come from extra-EU trade. Ghana is the main exporter. Denmark is also an important processor of shea nuts and an exporter of shea butter to other European countries. The share of extra-EU imports has increased from almost 58% in 2011.

The demand for natural ingredients such as shea butter is forecast to grow. A growing number of entrants are coming to the Scandinavian market for natural and organic cosmetics. For example, Sigr is a Danish men's care brand using shea butter as one of its natural ingredients.

Tips:

When approaching European buyers, be prepared to provide documents and marketing materials on how sustainable and traceable your shea butter is. Buyers can use this information as a selling point when approaching cosmetic companies. For example, [AAK materials](#) provide extensive information on sustainability best practices of shea butter sourcing.

Be transparent when working with European buyers. Quality is one of the main requirements that European buyers look for when sourcing shea butter. Make sure that there is consistency in quality between batches.

Focus on creating long-term relationships with buyers. Larger buyers create partnerships with shea producers. Be open to buyers visiting your facilities on a regular basis.

4. Which trends offer opportunities on the European cosmetics market for shea butter?

The growing demand for natural ingredients in cosmetics is stimulating the demand for shea butter in Europe. Increasing innovation in the European cosmetics industry is also stimulating the demand. Sustainability standards and ethical sourcing are becoming increasingly important, as European buyers ensure that shea butter comes from verified sources.

Growing innovation of shea butter-based ingredients

Shea butter, including its fractions and derivatives, can be used in a wide range of products due to its versatility as an ingredient and its functional properties. The growing demand for natural and organic cosmetics is leading companies to invest in more efficient yet quality-natural ingredients.

Cosmetic ingredient suppliers are looking at new market opportunities for shea butter and its derivatives. For example, the [Danish-Swedish company AAK](#) produces a wide range of cosmetic ingredients based on shea. Its portfolio includes bioactive ingredients, as well as functional ingredients such as emollients, surfactants and emulsifiers.

In spring 2019, AAK introduced a liquid shea ingredient under the [Lipex SheaLiquid TR](#) name. According to the company, the material saves up to 50% of energy and 30% of time in production compared with solid shea butter. The ingredient is also fully traceable to its origin.

More investments in shea butter ingredients are likely to be made in the coming years. Shea butter already has a wide range of applications in the cosmetics industry, as it is present in face care, haircare, men's care and baby care products.

Suppliers of shea butter from developing countries should familiarise themselves with the wide spectrum of ingredients made from shea butter. This knowledge can help exporters when approaching European buyers. Exporters of shea butter can use its versatility and the wide range of shea-derived ingredients as a selling point when negotiating with importers.

Tip:

Clearly communicate the active and functional properties of shea butter when approaching buyers. Shea butter does not have one competing ingredient in the cosmetics industry. Be prepared to substantiate your claims with scientific evidence.

Increasing importance of sustainability standards for shea production

In 2014, the Global Shea Alliance (GSA) launched a 5-year programme that focuses on improving the standards of shea butter production. The organisation dedicated USD 13 million for a project to improve standards such as better health and increased safety for women pickers.

The project was created to tackle the health and safety challenges that women face when collecting as well as processing shea nuts. GSA set out to find practical solutions in order to improve the conditions of workers. The organisation also wants to measure the impact of the programme.

At the beginning of the project, around 300 women participated. The health and safety practices were first tested on a sample of women. The findings were published in GSA annual reports. GSA and partnering organisations set out to follow all the data gathered as well as to publish them annually. Recommendations and

feedback were also given to the GSA secretariat for improvement.

This project led to the training of around 40,800 women. According to the 2017 GSA annual report, around 3,200 articles of health and safety equipment were distributed to women's shea cooperatives. Tools such as gloves and boots were donated in order to reduce snake bites. Masks were used in order to reduce inhalation during processing and tricycles were used to improve the transport of shea to warehouse facilities.

The Parkland Management programme trained more than 5,400 women and helped to raise 68,000 shea seedlings. The aim of this project is to build capacity in order to maintain and restore shea woodlands. Women are trained in planting shea trees. The programme also helps to refine planting techniques and fertiliser application.

Sustainability practices in the shea industry are expected to become more important in future. The [West African region](#) is expected to be affected by climate change, as temperatures are forecast to rise by 3–6°C by 2100. The rising demand for shea, coupled with climate change, creates pressure on natural resources and women collectors.

Suppliers of shea nuts/butter are advised to introduce shea tree conservation and management practices. Soil health and fertility are also important for shea production. Suppliers of shea nuts/butter should also consider adopting certification schemes such as Organic and Fairtrade to improve the standards of their shea butter. This procedure can help them to make their shea butter more competitive and attractive to European buyers. The demand for sustainably produced shea butter is expected to continue to grow in future due to rising consumer awareness and the demand for high-quality ingredients.

Tips:

Consult the Global Shea Alliance about the Parkland Management practices for shea production. See the [Parkland Management Guidelines](#) for more information on the project and its outcomes.

Consider certifying your shea butter. Consider standards such as [Fairtrade](#) and [Organic](#). There is an increasing demand for high-quality natural ingredients on the European market. Certification schemes also prove sustainable production practices, an important selling point for European buyers.


See the [CBI report](#) on which trends offer opportunities on the European market for natural cosmetics. You can find more information about which trends are present on the European cosmetics market and how to take advantage of them.


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