

The European market potential for shea butter

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There is an increasing demand for shea butter on the European cosmetics market. Shea butter is a versatile ingredient that has a wide range on 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 leic 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. Many companies use shea butter because of its emollient properties, particularly its ability to soften the skin along with treating dry skin areas. The cosmetics sector is also less constrained by costs than the food sector .

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.

Figure 1: Examples of cosmetic products containing shea butter in Europe



Source: Various

Tip:

Familiarise yourself with the beneficial properties of shea butter and how the cosmetics industry makes use of them. For example, shea butter’s emollient properties are among its major selling points in the European market.

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 2018. 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 2.9 billion by 2025. Europe accounts for more than a quarter 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).

Figure 3: Imports of fixed vegetable fats and oils to Europe, which includes shea butter

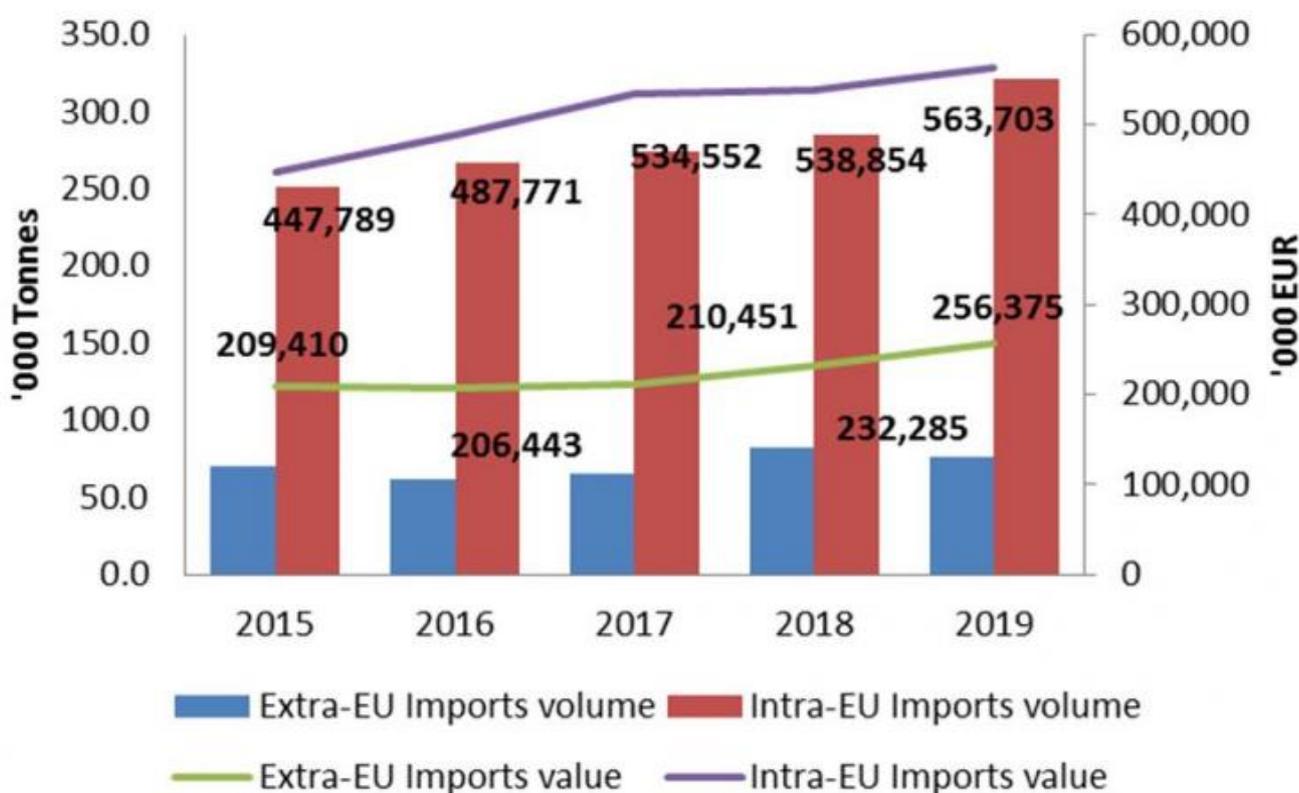


Figure 3 shows imports of fixed vegetable fats and oils, the product category under which shea butter is traded. The graph shows that imports of fixed vegetable fats and oils have increased in both volume and value in the last five years. The main reason behind this is the growing demand for natural ingredients from the cosmetics industry in Europe, a trend that is expected to continue in the near future. A major driver of this trend is the growing consumer demand for 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, a [regional standard for Africa 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. According to a European importer of shea butter interviewed for this report, one reason for it is that ‘people are very much aware of the need for strong skincare products with no preservatives or chemicals’.

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, according to a European importer of shea butter interviewed for this report, who said ‘there a lot of people who want organic, so there is definitely a growing market’. [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 study on [tips for finding buyers in the European cosmetics market](#), which provides practical guidance on finding European buyers.

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, Germany, the United Kingdom and Italy. 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. e and Italy have large markets for conventional as well as natural cosmetic.



Table 1: Imports of other fixed vegetable fats and oils to leading European countries, 2015–2019

| 2019 | 1,000 Tonnes | % Change Volume (2015–2019) | € million | % Change Value (2015–2019) | Exporters | Important Market Players | |
|------|--------------|-----------------------------|-----------|----------------------------|-----------|--------------------------|--|
|------|--------------|-----------------------------|-----------|----------------------------|-----------|--------------------------|--|

| | | | | | | |
|----------------|----|-------|-------|------|---|---|
| France | 70 | 25% | 156.4 | 9% | Spain (28.3%), Belgium (25.4%), Germany (16.6%) | Ceratec SARL, OLVEA |
| Netherlands | 56 | 10% | 121.3 | 25% | Germany (34.2%), Ghana (20.1%), Togo (11.1%) | Jan Dekker/ IMCD, More Natural |
| Sweden | 50 | 42% | 86.9 | 42% | Denmark (89.6%), Ghana (9.4%), Germany (0.4%) | AAK, Opella |
| Germany | 26 | 47% | 109.3 | 26% | Netherlands (28.7%), Poland (19.1%), Austria (8.7%) | Gustav Heess, OPW Ingredients |
| United Kingdom | 25 | 148% | 62.6 | 48% | Netherlands (60.4%), Spain (6.8%), Germany (6.5%) | Kerfoot, A & E Connock, Chemlink Specialities |
| Italy | 14 | -0.1% | 37.6 | -16% | Spain (31.3%), India (16.4%), Thailand (13.9%) | A&A Fratelli, Parodi Spa, EICO Novachem |

Source: Eurostat

France

France is the leading importer of other fixed vegetable fats and oils. The level of imports increased between 2015 and 2019. In 2019, the volume of imports reached just over 70,000 tonnes, an increase of 25% from 2015. Around 81% of imports is from intra-EU trade. The share of extra-EU trade grew by 43.6% between 2015 and 2019.

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 25 percent, while volume grew by 10% between 2015 and 2019. In 2019 about 48 percent of the imports come from outside the EU; this share has decreased from 69% in 2015.

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 2015 and 2019. In 2019, more than 90 percent of other fixed vegetable oils imported to Sweden are from intra-EU trade. Denmark (89.6%) is the main supplying country. Between 2015 and 2019, the share of intra-EU trade decreased by 9.2%.

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.

Germany

The imports of other fixed vegetable oils to Germany increased by 47% in volume and 26% in value between 2015 and 2019. Approximately 20% of these imports came from extra-EU trade in 2019, a slight increase from 2015.

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.

United Kingdom

Imports of other fixed vegetable oils, such as shea butter, to the United Kingdom increased in value and volume between 2015 and 2019. Volumes increased by 148% to more than 25,000 tonnes in 2019. The value of imports to the United Kingdom grew by 48% between 2015 and 2019 to reach to €62.6 million. In 2019, 87% of the United Kingdom's imports came from intra-EU trade.

The British cosmetics market is one of the largest in Europe, also including a growing market for natural and organic cosmetics. Demand for natural and organic cosmetics is expected to increase in the UK in the coming years.

However, a potential no-deal Brexit (Britain's exit from the EU) is likely to disrupt the supply chains for ingredients such as shea butter. Time to renegotiate trade deals with developing countries may take some time, thus resulting to uncertainty for suppliers of shea butter to the UK.

Italy

Imports of other fixed vegetable fats and oils to Italy have decreased in volume and value between 2015 and 2019. Volumes decreased slightly by 0.1% to just over 14,400 tonnes in 2019. The value of imports dropped 16% to €37.6 million in 2019. Approximately 43% of these imports came from outside the EU.

The Italian cosmetics market is one of the largest in Europe, featuring growing demand for natural and organic cosmetics. Demand for natural cosmetics is expected to continue to increase in Italy in the coming years.

Tips:

Be prepared to provide documents and marketing materials on how sustainable and traceable your shea butter is when approaching European buyers. 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. However, the coronavirus pandemic creates challenges to exporters of shea butter in developing countries.

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.

To capitalise on this opportunity, exporters of shea butter from developing countries should familiarise themselves with the wide range of ingredients made from shea butter. To further seize this opportunity, exporters should learn about shea butter's versatility and the wide range of shea-derived ingredients. Having this knowledge is helpful when approaching European buyers and informing them.

Tips:

Clearly communicate the active and functional properties of shea butter when approaching buyers to help increase your chances of entering the European market.

Familiarise yourself with ingredients competing with shea butter. Learn about their weaknesses and use this information when persuading European buyers to buy shea butter. Read the CBI study [Entering the European market for shea butter](#) which provides information about these competing products.

Be prepared to substantiate your claims with scientific evidence. For further information about making claims in the European cosmetics market, read the CBI study about the [requirements for natural ingredients for cosmetics to enter the European market](#).

Increasing importance of sustainability standards for shea production

Consumer demand for environmentally and socially produced products is growing across Europe. Consumers and retailers in Europe are increasingly putting pressure on companies to ensure their products are made according to environmental and social standards. European buyers of shea butter are therefore requesting suppliers to meet environmental and social standards.

In 2014, the Global Shea Alliance (GSA) launched a five-year programme focusing on improving shea butter production standards, including several initiatives presented in the [GSA's 2017 annual report](#). Since 2016, the GSA has been implementing the [Sustainable Shea Initiative \(SSI\)](#), an US\$18 million, five-year public-private partnership (PPP) between USAID and GSA. The SSI aims to promote shea market expansion and improve sustainable production in seven West African countries: Ghana, Burkina Faso, Nigeria, Mali, Benin, Côte d'Ivoire, and Togo.

Sustainability practices in the shea industry are expected to become more important in the future. is expected to be affected by climate change, as temperatures are forecast to rise by 3°C to 6°C by the end of this century. Rising demand for shea coupled with climate change creates pressure on natural resources and women collectors.

Demand for sustainably produced shea butter is expected to continue to grow in the future because of rising consumer awareness and demand for high-quality ingredients. To capitalise on this opportunity, exporters of shea butter from developing countries should consider introducing shea tree conservation and management practices, as soil health and fertility are important for shea butter production.

Exporters of shea butter should also consider adopting certification schemes, such as organic and fair trade, to improve their shea butter standards and capitalise on this opportunity. Having certification can help to make shea butter more attractive to European buyers. [Guru Nanak Oil Mills](#) is an example of a company in a developing country that has tapped into this trend, as shown in its commitment to upholding social and environmental standards, including having Ecocert fair trade certification and Fair for Life certification.

Tips:

Consult the Global Shea Alliance about the Parkland Management practices for shea production, which may lead to better production 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.

COVID-19 creates challenges for exporters of shea butter

The coronavirus pandemic has created several challenges for exporters in developing countries. It is likely that the challenges exporters face will remain for the foreseeable future as governments around the world attempt to tackle the pandemic with various public health measures.

Import and export restrictions on goods, quarantine and lockdown measures imposed by governments disrupt global supply chains, creating key challenges for exporters. For example, some port authorities have forced ships carrying goods to observe 14-day quarantine periods, while lockdown measures limit economic activity, such as agricultural production and processing. European importers of shea butter have commented that 'logistically it's been very difficult' during the coronavirus pandemic.

Prices of exporting goods have increased as the cost of air freight increased due to flight cancellations. European importers of shea butter have also reported higher transport costs, as well as delays.

It is too early to state how long the pandemic crisis will impact supply chains for products such as shea butter. However, challenges posed by the pandemic can be reduced. Exporters of shea butter from developing countries should regularly check government and trade ministries websites or contact them to request information about emergency measures in place due to the Covid-19 pandemic, as well as getting guidance on exporting.

Exporters should also look at government websites of export countries to check their latest guidance and rules. Contact freight and logistic companies to check transportation and freight procedures. Finally, exporters should also stay in regular contact with their customers to inform of possible delays and delivery times.

Tips:

Visit and review the information on the ITC Market Access Map's [COVID-19 Temporary Trade Measures](#) for the latest information on trade measures imposed by governments, including restrictions in your country and the country you are exporting to.

Regularly visit the CBI website for [news and information about exporting natural ingredients](#) during the COVID-19 pandemic.

Carefully assess and factor in likely effects the COVID-19 pandemic will cause before agreeing on terms with European buyers. Factors to consider include longer delivery times, unexpected waits and higher transport costs.

This study has been carried out on behalf of CBI by [Ecovia Intelligence](#).

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