Exporting shea butter for cosmetics to Europe

The European shea butter market is very competitive. Especially if you target the food industry, you will face a lot of competition. If you target the cosmetics industry you will also face competition from many suppliers, but this industry offers more opportunities to differentiate yourself from other suppliers. European cosmetics companies are interested in ethical shea butter with an interesting marketing story, supported by certification.

1. Product description

Shea butter is a vegetable fat, which is extracted from sun-dried kernels of the shea tree (Vitellaria paradoxa synonyms Butyrospermum parkii and B. paradoxum; or Vitellaria paradoxa subsp nilotica).

Originally, shea trees were classified as Butyrospermum parkii. Now the correct botanical name is: Vitellaria paradoxum. However, for cosmetic purposes shea butter is still known as Butyrospermum parkii.

Shea trees are native to sub-Saharan Africa, in a region known as the shea belt. The region extends from West to East Africa. Most commercial harvesting takes place in West Africa. The trees are not cultivated but instead managed traditionally in parklands.

In East Africa the species of shea tree is Vitellaria paradoxa subsp. nilotica. The fatty acid composition of the butter extracted from these trees is different from shea from West Africa (see Table 1). The physical characteristics of the two butters are different as well. Uganda and Kenya are the main producers in Eastern Africa.

Shea nilotica has the same International Nomenclature Cosmetic Ingredient (INCI) name as shea butter from West Africa. This creates some confusion because the two shea butters are distinctive in terms of their physical characteristics.
Table 1: Fatty acid composition of shea butter

<table>
<thead>
<tr>
<th>Main components</th>
<th>East Africa (nilotica shea)</th>
<th>West Africa</th>
</tr>
</thead>
<tbody>
<tr>
<td>Oleic acid (Omega-9)</td>
<td>56-60%</td>
<td>44-50%</td>
</tr>
<tr>
<td>Stearic acid</td>
<td>29-32%</td>
<td>40-44%</td>
</tr>
</tbody>
</table>

The largest market for shea butter is the food sector. The food industry mainly processes the butter into stearin, a cocoa butter replacement. In this sense it is more like a commodity competing with other cocoa butter replacers. Globally, 90% of all shea exported from Africa is used in the food industry.

In the cosmetics market, shea butter is used for its excellent emollient properties (softening the skin). It is found in body care and face care products, especially for treating dry skin areas.

A small share of shea butter is also sold as a final consumer product. This is either to use it in do-it-yourself cosmetic products or to apply directly to the skin. It is registered in the European Commission cosmetic ingredient database (COSING) with skin conditioning and viscosity controlling properties, but being a triglyceride fat, it is mainly used as an emollient.

See Table 2 for the classification names and codes for shea butter. These codes and ingredient names are used as product identifications in documentation (as listed in COSING and with Chemical Abstracts Service (CAS) number) and in trade (Harmonised system codes).

Table 2: Classification of shea butter

<table>
<thead>
<tr>
<th>Source</th>
<th>Classification</th>
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</table>
| **CosiNg**: European Commission database with information on cosmetic substances and ingredients | COSING lists 29 ingredients known as or derived from shea butter, including:
- Butyrosperum parkii butter
- Butyrosperum parkii oil
- Butyrosperum parkii butter extract |

| CAS numbers include | - 194043-92-0
|                     | - 91080-23-8 |

| Harmonised system codes (trade) | - Vegetable oil: 1515.90 (other fixed vegetable oils and fats, refined or not, not chemically modified)
|                                 | - Nuts: 1207.92 (shea nuts / ‘karite nuts’), but no trade is recorded under this code.
|                                 | - 1207.99100: several African countries record trade of shea nuts under this code |

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

Shea butter is one of the most important natural vegetable oils used in cosmetics.

Production and exports of shea butter

No European trade is recorded for shea nuts and butter specifically. Instead, imports of the butter are part of a larger product group with other fixed vegetable oils and fats (see HS codes under the section ‘product description’).
Because shea is exported in various forms (as nuts, butter, components and finished products), exports of shea are usually calculated into Shea Nut Equivalent Tonnes (SETs). For example, it takes 3kg of shea nuts to produce 1kg of shea butter. To compare to total exports, this 1kg of shea butter is recorded in data as 3kg of shea nut equivalent.

Data on production and exports of shea nuts and derivatives are limited and often unreliable. Estimates on the total market size vary.

Production of shea nuts in West Africa is commonly estimated at 600,000 Shea Nut Equivalent Tonnes (SETs). A large share of this is consumed locally and does not enter international markets. Estimates on shea exports vary between 150,000 SETs and 350,000 SETs. This includes shea nut, butter and fractions (stearin).

The Global Shea Alliance estimates that more than half of the exported shea leaves Africa as butter. The remainder is exported as nuts. According to Coherent Market Insights, the shea industry in Western Africa is expanding rapidly. In the past 10 years, demand for shea butter that is produced in the region has doubled.

Europe and North America are the largest international markets for shea butter. According to the Global Shea Alliance, 10% of shea exports are used in the global cosmetics industry. Industry sources estimate that this amounts to 10,000 tonnes of shea butter (30,000 SETs).

The main producers of shea nuts are located in Western Africa:

- Mali
- Burkina Faso
- Ghana
- Nigeria
- Ivory Coast
- Benin
- Togo
- GuineeConakry

Figure 1 gives an overview of shares in exports of shea butter and shea nuts in 2013 of the leading West African suppliers. Of these, Burkina Faso and Ghana are estimated as the largest producers and exporters of shea butter. More recent data is unavailable.

Burkina Faso and Ghana are more developed in shea butter processing. They both process shea nuts mechanically. According to the Global Shea Alliance, Ghana has the largest mechanical shea processing capacity.

Burkina Faso and Ghana exported between 8,000 and 10,000 tonnes of shea butter in 2013. In Figure 1, this is recorded in shea nut equivalent tonnes (25,000 and 30,000 tonnes, respectively).

Tip:

- See the trends section below for more information on the growing exports of shea butter.

3. What trends offer opportunities on the European market for shea butter?

Growing popularity of natural ingredients

There is a strong public perception in Europe that natural ingredients are safer and healthier than synthetic substitutes. As a result, natural cosmetics sales grow more strongly than conventional
cosmetics. This offers opportunities for shea butter, in both natural and conventional cosmetics.

The natural cosmetics market is growing at a much faster rate than the total cosmetics market. See table 3 below. At the same time, conventional cosmetics brands increasingly use natural ingredients at low percentages to make a marketing claim. Shea butter itself is an increasingly popular ingredient in cosmetics.

Table 3: Comparison of global natural cosmetics market with total European cosmetics market

<table>
<thead>
<tr>
<th></th>
<th>Global natural cosmetics market</th>
<th>European cosmetics market</th>
</tr>
</thead>
<tbody>
<tr>
<td>Market size</td>
<td>$ 33 billion (€ 29 billion) in 2015 estimated, around 13% of the total cosmetics market</td>
<td>€ 78 billion in 2017</td>
</tr>
<tr>
<td></td>
<td>Of which 45% certified natural</td>
<td></td>
</tr>
<tr>
<td>Market growth</td>
<td>10–11% annually 2015–2019</td>
<td>0.8% in 2016</td>
</tr>
</tbody>
</table>

Sources: Brands with a Conscience, Ind & Horlings (2016); Cosmetics Europe (2017)

Germany, France and the United Kingdom have the most natural product launches and a strong focus on innovation. Switzerland, Scandinavia and Italy are also important markets for natural cosmetics.

Tips:
- See our study on market channels and segments for more information on natural and conventional cosmetics brands.
- See our study on buyer requirements for natural ingredients for cosmetics for more information on certifications for natural cosmetics. Always discuss these options with your buyers. It only makes sense to certify your shea butter according to natural cosmetics standards if the final product is also certified.

4. Growing importance for marketing stories

Consumers are increasingly interested in the story behind the cosmetic products they use. Ingredients can be an important component of such stories.

Shea butter combines several elements for an interesting marketing story. The butter is often produced using traditional methods and has a history of use in cosmetics. Traditional manufacturing techniques give a more natural and personal character to the product.

Moreover, its production by women, and in areas were few other income options exist, is used extensively in international marketing. Cosmetics manufacturers use marketing stories on how production of shea butter empowers women.

Certification of your shea butter can add to your marketing story. Industry sources have even indicated that organic or fair trade certifications are needed to set it apart from the competition, and that it can be quite difficult to sell non-certified butter. Brands also use fair trade certification to support their claims about shea production empowering producing communities.
Tips:

- In your marketing, focus on the ethical production process of your shea butter. You can also link this to the traditional use of shea butter in cosmetics. Include a story about the women who collect the nuts and process them into butter.

- Give your buyers good quality pictures that show how your shea nuts are collected and processed into shea butter, or information on how your product helps local communities. Buyers often communicate ingredient stories with pictures and short stories on the end product, in their corporate image or cosmetic brand.

- Be prepared to support any statements that you make with documentation. Increasingly, you also need to prove your policies on Corporate Social Responsibility (CSR).

- Have a look at our study about trends for natural ingredients for cosmetics for more market trends and information on organic and fair trade cosmetics.

- If you want to obtain organic or fair trade certification, see our study on buyer requirements for natural ingredients for cosmetics for more information. Always discuss your options for certification with your buyers.

- Check the website of the Global Shea Alliance for trade information, market trends and industry news. This organisation is dedicated into creating a sustainable shea industry worldwide.

Growing capacities to produce shea butter at origin

Both international demand for shea butter and capacities to process shea nuts into butter are growing. As a result, shea butter production is increasingly shifting to Africa. If you can comply with European quality requirements, you can produce shea butter yourself. West Africa has the capacity to process at least half of its exported crop into butter, with both mechanical and hand-crafted facilities.

Be aware that for use in final products, shea butter needs to be refined to take out the colour and odour. There are still barriers to refine shea butter at origin. See the section on market channels for more information.

Tips:

- Determine if you can comply with European quality requirements for shea butter.

- To produce good quality shea butter, start with using good agricultural and collection practices for your shea nuts and apply good postharvest and processing practices. See the Global Shea Alliance guidelines for more information.

- See the section on buyer requirements for more information on the documentation you need to provide.

5. What requirements should shea butter comply with to be allowed
on the European market?

Requirements for cosmetic ingredients

You can only export your shea butter to the European cosmetics market if you comply with the legal requirements for natural ingredients for cosmetics. These include:

- relevant European cosmetics legislation (Regulation (EC) 1223/2009) which includes criteria for the substantiation of claims for finished products;
- well-structured product and company documentation to supply to your buyers;
- Registration, Evaluation and Authorisation of Chemicals (REACH), from which unmodified shea butter is exempt;
- Classification, Labelling and Packaging of chemicals (CLP) — You can also discuss this requirement with the freight forwarder or transport company, who will usually be happy to advise you.

Tips:

- Comply with market access requirements in terms of quality control, traceability and sustainability. You need to show where your butter comes from and where it is processed.
- See our tips for doing business for additional information.
- See our workbook on preparing a technical dossier for cosmetic ingredients for more information and tips on documentation requirements.

Global requirements

You also need to comply with requirements derived from international treaties on using plant resources.

The Nagoya Protocol provides guidelines for accessing and utilising genetic resources and traditional knowledge and the fair and equitable sharing of the benefits, called Access and Benefit-Sharing (ABS). When provisions of ABS apply, European companies are legally required to ensure that the ABS legislation has been followed in the country of origin and downstream to their businesses.

The European Union has translated guidelines on Access and Benefit-Sharing (ABS) into European law. Most likely, these are also part of your national law.

Additional buyer requirements

Many European buyers have additional requirements that can go beyond legislation and standards. These elements are established in buyer specifications and include the following requirements:

- Deliver a good and reliable level of quality by following basic practices such as Hazard Analysis and Critical Control Points, or Good Manufacturing Practices of the European Federation for Cosmetic Ingredients if you want to do more.
- Make sure you are a sustainable supplier in order to guarantee the future availability of your ingredients. Avoid overharvesting of wild plants, provide living wages to your collectors and ensure that you can deliver stable quality and quantities of extracts. Certification of these sustainable practices is only a requirement for niche markets;
- Show good Corporate Social Responsibility practices such as developing a code of conduct and improving your performance in key areas, for example, verifying that there is no child labour in your supply chains and limiting damage to the environment. Have a look at social responsibility platforms such as the Supplier Ethical Data Exchange (SEDEX), which provide a template of the
typical information required. They also facilitate the sharing of this information with potential customers.

Voluntary standards and certifications

Standards for cosmetic ingredients include:

- Natural cosmetics: the largest and most important niche market — NaTrue and Cosmos;
- Organic cosmetics: Soil Association (United Kingdom) and Ecocert (France) also certify according to the Cosmos standard for natural and organic cosmetics. BDiH (Germany) also has its own standard;
- You can also use the ISO 16128 standard part I and part II as an alternative minimum self-certifiable standard for natural and organic cosmetic ingredients and products. This is especially interesting for smaller producers, if certification according to a private standard is too expensive or not required;
- Fair production: a small niche market in terms of certified cosmetic ingredients — Fairtrade and FairWild (for wild-collected ingredients).

Quality requirements for shea butter

- The quality of shea butter mainly depends on the right processing of the nuts. However, a lot of shea butter used in cosmetics is refined to remove the colour and odour. It may also go through a fractionation process to improve the melting and crystallisation properties.
- Unrefined shea butter has a ‘clean’ creamy, paleyellowish or ivory colour and may even have a green hue. Fully refined whole butter is pure white.
- Currently there is no industry-agreed grading system for shea nuts or butter. The Global Shea Alliance has a working group that is actively developing shea nut standards for, and by, the industry.
- The fatty acid composition of shea butter depends on the origin (see Table 1). This also affects its properties and use in the cosmetics sector. For example, butters from Eastern Africa are slightly softer and have a lower melting point.
- Shea butter has a high concentration of unsaponifiables (57%). Among others, these bioactives are reported to have soothing and antioxidant properties, although the main use for shea butter is as an emollient.
- Shea butter for use in cosmetics should have a low Free Fatty Acid content (FFA <0.75%), low peroxide value (preferably <1 milliequivalents per kg), low impurities (<0.1%) and low moisture content (<0.1%), for refined butter. See the regional standard from Codex Alimentarius for unrefined shea butter for more information.

Tips:

- See the poster quality shea nuts best practices for production from the Global Shea Alliance for guidelines on harvesting and handling shea nuts.
- Only collect fresh fruits without knocking or shaking trees.
- Process fruits within a week. They need to be soaked in boiling water for 1540 minutes and quickly sun-dried after that. De-husk them within 3-4 days and clean them of impurities. If you do not process them right away, store them in clean jute sacks to minimise contamination. Once the nuts have a moisture content of under 7%, place them in well-ventilated warehouses.
- Process shea nuts in a way that matches your buyers’ preferences and specifications. Shea butter can be handcrafted or produced with mechanical processing. Buyers may also want you to specify the iodine value (50-60 Wijs, Ghana standard) and melting point (20°C–40°C) to show that the butter has a minimum level of purity.
- Keep facilities and equipment clean to prevent contamination with foreign materials. Produce your shea butter with a minimum of impurities. You can refine the butter yourself
or work with a (European) toll refiner.

- Create a standardised product with a well-defined specification. Monitor collection practices and blend seeds or butters from different crops (for instance, early and late crops, or crops from different slopes or areas) to standardise your product’s quality.

- Work together with a local university department to determine the composition of your shea butter. You need to include this in your product documentation.

- If you produce organic shea butter, dedicate your processing plant to only producing organic butter, to avoid contamination from nonorganic particles. If you cannot do this, clean your machinery and equipment thoroughly between conventional and organic production.

Labelling requirements for shea butter

You need to include product documentation and labelling to comply with legal and buyer requirements. Your product documentation needs to include:

- Product name and International Nomenclature Cosmetic Ingredient (INCI) name
- Batch code
- Place of origin
- Name and address of exporter
- Date of manufacture
- Best before date
- Net weight
- Recommended storage conditions

If you export shea butter to European buyers, the product must contain the following documentation:

- Technical data sheet (TDS) — check this example of a TDS for shea butter
- Chemical Abstracts Service (CAS) number
- Certificates of analysis — check examples for refined and unrefined shea butter
- Safety data sheet (SDS)
- Genetically Modified Organism (GMO) certificate, if requested
- Certificate of origin
- Product information sheet

Additional declarations may also be required such as Non-Animal Testing declaration.

Tips:

- Set up a registration system for individual batches of your shea butter, whether they are blends or not, and mark them accordingly to ensure traceability.

- Label your products in English, unless your buyer wants you to use a different language.

- See our study on buyer requirements for natural ingredients for cosmetics for information on classification, labelling and packaging (CLP).

- If you produce organic shea butter, include the name or code of the inspection body and certification number.
Packaging requirements for shea butter

Along with legal requirements on packaging of chemicals, European buyers have their own packaging requirements. One of the main requirements is to preserve the quality of the product. You need to:

- Use containers made of a material that does not react with components of the butter, such as lacquered or lined steel and aluminium. You can also use polythene-lined boxes (25 kg).
- Clean and dry the containers before loading the butter.
- Fill the headspace in the container with a gas that does not react with constituents of the butter, such as nitrogen or carbon dioxide.

**Tips:**

- Always ask your buyers for their specific packaging requirements.
- Reuse or recycle packaging materials, for example, use containers made of recyclable material, such as metal.
- Store containers in a dry, cool place to prevent quality deterioration.
- Physically separate organic certified shea butter from shea butter that is not certified.
- See our [study on buyer requirements for natural ingredients for cosmetics](#) for information on classification, labelling and packaging (CLP).

### 6. What competition do you face on the European shea butter market?

**Market entry**

The three main factors that determine a buyer’s decision to buy your product are price, quality and reliability. The price of shea butter is already low, therefore you need to focus on quality and reliability. The best way to do this is to have a well-organised and reliable supply chain, and produce a high quality shea butter.

Market entry barriers for shea butter are quite low, in terms of both the technology you need and European legislative requirements. However, you can only access the European market if you can supply stable quantities of shea at a consistent quality level.

You also need to show good practices in terms of supply chain, processing, use, availability, Corporate Social Responsibility (including labour conditions) and traceability.

**Tips:**

- Ensure that you can supply stable supplies of shea butter, both in quantity and quality. Secure sufficient supplies of shea nuts.
- If you work with suppliers, give them clear standards on the collection and/or processing of seeds you buy from them in your own specifications. If your suppliers lack technical or human resource capacities, include pictures in your specifications and train them on how to comply with these standards.
- Comply with market access requirements in terms of quality control, traceability and sustainability. You need to show where the butter comes from and where it is processed.
Product competition

Threat of substitution for shea butter is limited. As a low-priced, highly effective oil fat, shea butter has several advantages and is very familiar and dominant in the industry. The butter combines excellent availability with a very reasonable price and interesting marketing story. It could replace cocoa butter (see Table 4) and other butters with similar properties, such as illipe, murumuru and cupuacu butter.

Some European companies are turning to East African shea butter, nilotica shea, as a way to stand out from existing shea products on the market. Because nilotica shea has different characteristics, cosmetics manufacturers need to reformulate their products to include it. See Table 3 for a comparison of shea butter and mango butter.

Whether your shea butter can replace other natural ingredients depends on its properties, its origin, relevant market trends, price level, what the manufacturer plans to use the shea butter for, the positioning of his brand and company image. Once a manufacturer has included your shea butter in a cosmetic product, substitution with new ingredients becomes more difficult and expensive.

Table 4: Example of product substitution for shea butter

<table>
<thead>
<tr>
<th>Which other ingredient(s) could shea butter replace?</th>
<th>Shea butter</th>
<th>Cocoa butter</th>
</tr>
</thead>
<tbody>
<tr>
<td>Because shea butter is mostly used for its functional properties, you can find substitute products by looking at their composition.</td>
<td></td>
<td>Shea butter can replace cocoa butter. Although their fatty acid content is slightly different, both butters have similar properties in cosmetic products and both are solid at room temperature.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>What are the competitive advantages of shea butter? (price, ease/costs of substitution, legislation)</th>
<th>Shea butter</th>
<th>Cocoa butter</th>
</tr>
</thead>
<tbody>
<tr>
<td>· <strong>Availability of shea is sufficient.</strong> The nuts are mainly wild-collected but supply exceeds demand.</td>
<td></td>
<td>· <strong>Availability of cocoa butter is higher, but a large share is also used in the food industry.</strong></td>
</tr>
<tr>
<td>· <strong>The price of shea butter is lower.</strong></td>
<td>· <strong>Marketing potential for shea is higher.</strong> Shea butter has a long-standing history of use as a cosmetic ingredient. Its traditional production methods, production by women and benefits to local, rural communities are also used extensively in the butter’s marketing.</td>
<td>· <strong>Marketing potential for cocoa butter is much lower.</strong></td>
</tr>
</tbody>
</table>
Tips:

- Determine the chances of substitution and which competing ingredients should be included in your market analysis. Have a look at Table 4, which gives some considerations for product substitution by looking at shea’s competitive advantages over cocoa butter.
- Differentiate your product by excellence in terms of CSR, sustainability and traceability, or by providing additional services compared to your competitors.
- Investigate the feasibility and show how shea butter can substitute other oils and butters, by comparing the properties of shea butter and its alternative.
- Build and communicate the strong marketing story of shea, focusing on a tradition of use or production, its origin, or how it offers benefits to local communities.

Company competition

Because the market for shea butter is very competitive, you need to be able to stand out with your company and product.

You will face competition from many other West African producers. The Global Shea Alliance website gives an overview of their 450 members, which include many brands, retailers, collectors and suppliers. West African producers compete with you on the market for shea butter, and also in terms of getting access to sufficient raw materials. You will also face strong competition from large-scale European companies producing shea butter. Moreover, European buyers have a lot of negotiating power because they can choose from a wide range of suppliers.

To differentiate your shea butter from rivals on the market, you need to find your unique selling point. You can do this with:

- Marketing stories.
- Certifications, such as organic or fair trade. However, because these markets are nearing saturation, you need to take care before you make investments, which can be high.
- Corporate Social Responsibility (CSR) — This is becoming a basic market requirement. Buyers expect you to have CSR policies, procedures and targets, so it is difficult to get a better price for this.
- Producing a different type of shea butter, such as shea nilotica (East African shea butter), if you have access to those trees.
- Offering a better, more reliable and faster supply chain.
- Providing excellent traceability.

If you can position your shea butter as a speciality product, this will give you a competitive advantage.

Tips:

- Organise your supply chain to differentiate your company on the market. Make sure that your supplies are traceable and well-documented.
- Establish clear agreements on the amount and quality of shea nuts you buy from your suppliers that match your specifications and supply contracts. Build trust between yourself and your suppliers and be consistent in your purchases of raw materials.
- Always be available for communication! Be open and honest in your communications and promptly answer questions and requests from your (potential) buyers.
- Also demonstrate that you are a reliable supplier in terms of quality consistency, delivery,
7. Through what channels can you get your shea butter on the European market?

Which market segments to target?
In order to determine which market segment you should target with your shea butter, you need to answer the following questions.

What does your shea butter do?
You need to consider how your butter relates to the general functional properties of shea butter and other fats. As a vegetable fat, shea butter is mainly used as an emollient in cosmetics. In COSING it is also registered with viscosity controlling and skin protecting properties.

For which industry segment is your shea butter useful?
Once you know what your shea butter can do, you need to determine which industry segments and cosmetic products it can be used in. Shea butter is commonly used in skin and hair care products and in soaps:

- Shea butter’s skin conditioning properties offer opportunities in skin care products. Here, the butter is often marketed as moisturising and to soften the skin. Products include face creams, body lotions and lip balms.
- Hair care products offer opportunities as well. Some cosmetics manufacturers already use shea butter in shampoos and conditioners.
- Shea butter is also used in soaps, for which it is used traditionally.
- Moreover, the butter is also sold to consumers directly.

For which kind of market players is your shea butter interesting?
Both natural and conventional cosmetics brands are interesting for shea butter. Shea butter is not a new ingredient anymore, and is already used in a wide range of products.

If you can ensure stable quantities and qualities, big cosmetics brands offer good opportunities. If you produce a speciality shea butter, natural cosmetics brands can be a good choice.

What is your unique selling point?
There are a lot of shea producers on the market. You need to find out how your shea butter stands out from this competition. What makes it different or special? See company competition for more information.

Tips:
- Use the properties of shea butter registered in COSING or by European manufacturers of cosmetic products in your promotional materials. Do not use terminology that is not used in the market.
- Have a look at websites such as Cosmetic Analysis, where you can find cosmetic products that use shea butter. This can help you to determine what the butter is used for and by what type of cosmetics producers.
- See our studies on finding buyers, doing business and market channels and segments for natural ingredients for cosmetics for more information.
Through what channels can you get your shea butter on the European market?

See our study on [market channels and segments for natural ingredients for cosmetics](#) for an overview of market channels, segments, trends and developments.

Shea can be exported as nuts, as crude or refined butter and as fractionates, such as stearin. In general, shea butter extraction is moving towards the country of origin. For use in cosmetics, it is common to export the crude or even refined butter. Of the crude butter produced in Africa, most is produced by hand, with mechanical processing in some stages, such as milling of shea nuts.

For use in cosmetics, shea butter needs to be refined to remove odour and colour. This is commonly done in Europe. Refining also improves the shelf life and stability of the cosmetic product it is used in.

Offering refined, bleached and deodorised shea butter to the market sounds attractive because you would by-pass European refiners. However, you need to do a full and detailed feasibility study to find out if it is a worthwhile investment.

European importers are your most important entry point into the market. They will supply the butter to refiners or processors, or directly to cosmetics manufacturers for certain products.

It is very rare for small exporters from developing countries to supply processors and refiners directly. Reasons for this include:

- Small exporters usually can’t provide sufficient volumes,
- Their prices are too high,
- Their delivery times are too high,
- The quality is too low.

**Tips:**

- If you cannot produce sufficient quantity and quality of shea butter yourself, link up with other producers.

- Do a feasibility study to find out if you could set up installations to refine shea butter yourself. Find out which installations you would need to meet your buyers’ requirements for refined oil. Research whether they prefer refined butter, which depends on their final products. Also determine if you can earn a return on your investment.

- If you are supplying shea butter directly to a manufacturer, they will have higher expectations for quality, because there is no intermediate processing stage. In the vast majority of cases, you can only target cosmetic manufacturers directly if you can produce shea butter that is refined, bleached and deodorised.

- If you can produce shea butter with a unique selling point, target European ingredient importers or refiners that specialise in small, speciality oils.

- If you produce certified shea butter, check the websites of buyers to find out if they work with certified ingredients. Buyers that do not, are unlikely to pay a premium for such certification.

- See the [industry overview of the Global Shea Alliance](#) for more information on shea butter’s value chain.

- Visit and participate in trade fairs to test market receptivity, get market information and find potential business partners. The most relevant trade fairs in Europe for shea butter exporters are [incosmetics](#) (travelling trade fair), [Beyond Beauty](#) (Paris, France) and [SANA](#).
(Bologna, Italy). For organic producers, Vivaness is an interesting trade fair (Nuremberg, Germany).

8. What are the end-market prices for shea butter?

The international market price for shea butter is affected by the price for cocoa butter, because shea butter’s main use is as a cocoa butter equivalent. According to industry sources, conventional unrefined shea butter is priced at around €1-1.50 per kg. However, it would usually be refined before use in a cosmetic product, for which prices are higher.

Organic and fair trade certification can add value to shea butter, especially for cosmetic uses. To illustrate, prices for refined shea butter that is both organic and fair trade certified can move up to around €3.95 per kg. However, these certified butters have higher costs in the chain and are produced in lower volumes.

Tips:

- See our study on [shea butter for food use](#) for more information on the link between prices of cocoa and shea butter.
- Also check the [presentation from the Global Shea Alliance](#) for more information on the global market and prices of cocoa and cocoa butter equivalents.
- Stay up to date on cocoa butter prices to anticipate price changes for shea butter. You may ask your buyers for this information.

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