

# Entering the European market for shea butter for food

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As a shea butter exporter targeting the European market, you must comply with specific requirements for product control, traceability, labelling, and maximum contamination levels. European buyers, especially those in the food industry, often have additional standards and expectations you will need to meet, especially if you want to enter niche markets. Your main competitors are big processor-exporter companies, including AAK, Bunge, and Fuji Oils.

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## 1. What requirements and certifications must shea butter meet to be allowed in the European market?

As an exporter of shea butter, you must ensure the safety of your products for use in the European market. You must therefore comply with the mandatory requirements established by the European Union (EU). Also read the [CBI study on requirements for natural food additives](#).

### What are the mandatory requirements?

Food safety is one of the most strictly regulated issues in Europe. As an exporter, you must ensure that your products comply with the regulations specific to your products. Non-compliance with these regulations can result in the rejection of your shea butter at European borders.

#### Food safety

The [General Food Law](#) sets traceability, hygiene, and control requirements. Compliance with this legislation means that the shea butter is safe to eat and that legal limits for food contaminants are not exceeded.

Specific regulations under this law include the Food Hygiene Regulations ([Regulation \(EC\) No 852/2004](#)), which require that shea butter is handled, processed, and transported under hygienic conditions. Exporters must ensure that shea butter is processed, handled, and stored in sanitary conditions, limiting any risks of contamination. Producers are also required to implement Hazard Analysis and Critical Control Points (HACCP) systems to identify and reduce risks in the production process.

#### Contaminants and pesticides

The Contaminants in Food Regulation ([Regulation \(EC\) No 1881/2006](#)) requires that shea butter does not exceed

specified limits for contaminants such as heavy metals, aflatoxins, and polycyclic aromatic hydrocarbons (PAHs). Regular testing and quality control are necessary to ensure compliance.

EU Regulation ([EC](#)) No 1935/2004 sets safety requirements for food packaging. The packaging should not release harmful substances such as plastics or heavy metals into the food, and manufacturers must test packaging materials for safety.

The Pesticide Residues Regulation ([Regulation \(EC\) No 396/2005](#)) requires that shea butter complies with the established Maximum Residue Limits (MRLs) for pesticide residues. The [EU Pesticides Database](#) provides information on the different categories and MRLs.

## Controls and non-compliance

To protect its consumers, the EU conducts regular inspections at the border and at all further stages of the value chain. If a product does not comply with European food legislation, it is reported through the [Rapid Alert System for Food and Feeds \(RASFF\)](#).

Repeated non-compliance with [European food legislation](#) by a particular country can lead to special import conditions, restrictions or even the suspension of imports from that country. Those stricter conditions include laboratory tests for a certain percentage of shipments from specified countries. The [New Official Controls Regulation](#) will extend its scope to include organic products.

## Food additives

EU [Regulation \(EC\) No 1333/2008](#) is used as the framework for food additives in the European Union. It provides clear definitions of what a food additive is. The regulation outlines specific conditions under which these additives can be used. It limits the types and amounts of additives permissible in food products. Additionally, it includes labelling requirements for food products containing additives. This ensures that consumers are informed about what they are eating. The regulation also includes procedures for assessing the safety of new additives. It ensures that all food additives on the market are safe for consumption.

## Labelling

In compliance with [regulation \(EU\) No 1169/2011](#), shea butter must be labelled accurately, including information on ingredients, allergens, nutritional content, and country of origin. Labels must be clear and not misleading. Shea butter suppliers must provide proper product documentation and labelling to comply with legal and buyer standards. The label should include the following:

- Product name
- Batch code or number
- Place of origin
- Exporter's name and address
- Date of manufacture
- 'Best before' date
- Net weight or content
- Recommended storage conditions

Add the certifier's name/code and certification number if you offer organic certified shea butter.

You should make individual batches traceable by marking each container. You should also register these batches in an administrative system, whether they are produced by blending or not. Your labels should be in English unless your buyer requests a different language.

### Tips:

Check the CBI study on [requirements for natural food additives to be allowed on the European market](#), which provides further information about mandatory requirements you must comply with to enter the European market.

Read the EU's [guidance on complying with and implementing the EU's General Food Law](#). This gives you a better understanding of the mandatory requirements you must comply with to enter the European market.

Read the EU's [factsheet on food traceability](#), which provides useful information and guidance about food traceability in the EU.

## What additional requirements and certifications do buyers often have?

Besides mandatory requirements, buyers often have extra expectations about quality, food safety, and sustainability.

### Quality

The market for shea butter prefers clean, standardised products that meet ISO and HACCP standards. These certifications help ensure the butter is produced safely and consistently, reducing the chance of contamination. For example, a shipment of high-quality, handmade shea butter was rejected because it contained flies, showing the importance of pasteurisation and strict refining processes.

In the mass market, buyers expect standardised products with as consistent quality and safety, making refined and pasteurised shea butter a common choice. Artisanal shea butter, made using traditional methods, is less standardised and can vary in quality, making it less suitable for large-scale commercial use.

Some key shea production and processing recommendations include processing the fruits within one week after harvest. Remove the fruit from the nuts, wash them thoroughly to eliminate any remaining fruit residue, and boil the nuts for 30-40 minutes. After boiling, sun-dry them immediately. De-husk the nuts within 3-4 days and remove any impurities. If immediate processing is not possible, store the nuts in clean jute sacks to reduce contamination risks. Store the nuts in well-ventilated warehouses once their moisture content drops below 7.0%.

Additionally, ensure your processing method aligns with your buyers' requirements. Shea butter can be handmade or produced using mechanical methods depending on buyer preferences.

### Documentation

European buyers require exporters to provide elaborate documentation of the product and company. This documentation is needed to prove that the product requirements have been met.

European buyers usually expect exporters to provide them with Safety Data Sheets ([SDS](#)), Technical Data Sheets ([TDS](#)) and Certificates of Analysis ([CoA](#)). A Safety Data Sheet includes information such as the properties of the shea butter, including any physical, health, and environmental hazards, protective measures, and safety precautions for handling, storing, and transporting the product. The technical data sheet lists the product specifications and summarises the product's technical characteristics. A Certificate of Analysis shows the results of laboratory testing.

## Sustainability requirements

European buyers and manufacturers are under growing pressure from EU regulations and consumers to ensure sustainable and transparent supply chains. Key developments include the [European Green Deal](#) and the [Corporate Sustainability Due Diligence Directive](#). These initiatives will indirectly impact you if you do business with European companies.

As a result, one of the main priorities for European buyers is a transparent, traceable supply chain. They want to ensure that products can be traced back to their origin, ensuring social and environmental responsibility throughout the chain.

Suppliers are expected to demonstrate strong Corporate Social Responsibility (CSR) practices, such as creating a code of conduct to improve performance in areas like working conditions and reducing environmental impact. Platforms like the [Supplier Ethical Data Exchange \(SEDEX\)](#) offer tools and guidance for suppliers to operate ethically and source responsibly.

Investing in sustainability in your production and supply processes makes you a more attractive partner for European buyers, who are pressured to work only with responsible and transparent suppliers. This not only increases your competitiveness but also helps build long-term business relationships.

## Packaging requirements

Packaging is essential in protecting shea butter for food during transport and storage. It protects the products against external factors like light, oxygen, moisture, and physical damage, which can affect the quality of the product. As such, buyers often have specific requirements for packaging.

Depending on the buyer, they may request that the shea butter be shipped in plastic-lined 25kg cardboard boxes, plastic buckets, drums, or IBC containers for industrial use.

Figure 1: Different packaging options for shea butter



Source: [Freshskin Beauty](#), [Mudfarm Organix](#), 2024

### Tips:

Consider using recycled and recyclable packaging materials, as environmental sustainability is becoming increasingly important for European buyers.

Always use [food-grade packaging](#) and try to avoid reusing packaging that was previously used for other products.

Use the [CBI study on technical and safety data sheets](#) to prepare these documents for your shea butter. This study provides information and guidance on preparing documentation and sending samples.

## What are the requirements for niche markets?

When selling shea butter in niche food markets, consider these key segments: organic, fair trade, and handmade. Each has specific requirements and certifications that add value to the product.

Figure 2: Examples of niche certification labels



Source: [Labelinfo](#), 2024

### Organic shea butter

You must obtain organic certification to market your shea butter as an organic ingredient for Europe. The [EU Organic Regulation \(EU\) 2018/848 describes the requirements for production and labelling](#). You need to prove that only permitted pesticides and fertilisers have been used, control weeds naturally, implement a complete traceability and internal control system, and only use permitted solvents during extraction (water, steam, or organic alcohol). Shea butter products that use hexane extraction cannot be certified as organic.

To get your product certified as EU Organic, you must be accredited by one of the [EU-recognised control bodies](#).

### Fairtrade shea butter

Fairtrade certification means that the shea butter is produced under fair labour conditions, and the producers receive fair compensation. Several fair trade standards, including Fairtrade and Fair for Life, are on the market. FLOCERT is the authorised certification body for fair trade.

### Handmade shea butter

This segment includes shea butter that is manually processed using traditional methods that use water as a solvent. It appeals to consumers who prefer artisanal products with a personal touch. It can be certified as organic or fair trade, but when not certified, handmade shea butter should still meet high hygiene and quality standards. For food use, it is recommended that the butter is refined, even if only pasteurisation and filtration steps are included. The main EU refineries for shea are located in the Netherlands ([ZOR](#) and [SRC](#)).

#### Tips:

Read the [CBI study on Requirements for Natural Food Additives](#) and [Organising Exports for Natural Food Additives](#) to learn more about mandatory requirements and buyer requirements.

Implement a traceability system and store samples from each supplier to track the product's origin if any quality issues arise.

## 2. Through which channels can you get shea butter onto the European market?

Shea butter for food is used mainly in the confectionery sector in Europe, and a large share of it is used as an ingredient in chocolate. You can use different channels to get your product to the European market, with the most important channel being importers/distributors.

## How is the end market segmented?

There are two main forms in which shea is traded: processed into butter or other fats and oils (shea butter) or semi-processed as the kernel. More than 50% of shea that is exported is processed in West Africa into butter or other derivatives; the remainder is exported as kernels. European buyers prefer to import butter since it is cheaper to transport. The companies that import kernels usually have very strong relationships with their suppliers and limited interest in finding new ones. In general it is more interesting to focus on shea butter as an export product.

Shea is almost exclusively used as an ingredient in the food processing industry, with very limited direct sales to end-consumers. There are two main end markets:

- Chocolate;
- Other segments (non-chocolate confectionery, bakery, dairy, and meat replacement products)

The vast majority is used in the chocolate manufacturing industry (see [The European market potential for shea butter for food](#) study). Multinational importers fractionate or process shea butter into CBEs or other functional fats and oils used in both segments.

### Chocolate

The European chocolate market was valued at [€43 billion in 2024](#) and is projected to grow at an average annual rate of approximately 4.5% between 2024 and 2030. [European regulations](#) permit the addition of up to 5% cocoa butter equivalents, including shea butter (together with palm, sal, illipe, mango, and kokum), in chocolate formulations while still allowing the product to be legally sold as chocolate. Shea butter improves chocolate's stability, texture, and melting characteristics. It is also more cost-effective than cocoa butter. High-quality chocolate typically does not contain CBEs but is 100% cocoa butter-based, making it a less interesting segment.

There are several big chocolate manufacturers in the European market, including [Barry Callebaut](#), the world's largest manufacturer of chocolate and cocoa products. Other large players are [Cargill](#), [Cémoi](#), [Fuji Oil](#), [Natra](#) and [Puratos](#). However, most of these companies work with suppliers of CBEs, such as [AAK](#) and [Bunge](#), and do not import shea butter themselves.

### Other segments

Other European food market segments include baked goods, spreads, and confectionery products (see Table 1). Shea butter is commonly used as an ingredient in these products, especially in the bakery and confectionery industries, where it serves as a fat substitute to improve texture, moisture retention, and shelf life. It is also used in plant-based spreads and dairy alternatives, contributing to creaminess and stability.

In the bakery sector, shea butter is particularly valued for its ability to provide flakiness and moisture to pastries and other baked goods. In confectionery, it helps enhance the smoothness and structure of products like candies and coatings.

Figure 3: Examples of food products containing shea



Source: [Pastridor](#), [De Vegetarian Butcher](#), [Lurpak](#)

Some key players in these European food segments are [Nestlé](#), [Unilever](#), and [Mondelēz](#), who incorporate shea-based fats in various food products. Like with chocolate, these companies typically buy shea-based ingredients from specialised suppliers of oils and fats, who process and refine shea butter for use in food products.

Table 1: Overview of shea butter use in non-chocolate products

Category	Product examples	Functional properties
Bakery	Pastries, croissants, cakes, margarine	Shea butter is used as a fat for texture, moisture, and flakiness.
Confectionery	Candy coatings, fudge, toffees, caramels	Acts as a fat alternative to enhance smoothness and structure.
Spreads and Margarines	Vegetable spreads, butter substitutes	Used as a plant-based fat to improve spreadability and consistency.
Ice Cream and Frozen Desserts	Non-dairy ice creams, frozen desserts	Contributes to creaminess and improves melting properties.
Ready-Made Meals	Frozen and pre-packaged meals (e.g., pies, quiches)	Provides stability and enhances texture in processed foods.
Plant-Based Alternatives	Vegan cheese, dairy-free spreads	Used as a fat source to replicate the texture of dairy fats.

Source: ProFound, 2024

Tips:

- Read [CBI market studies on chocolate and cocoa](#) to familiarise yourself with the chocolate segment.
- Evaluate your product and business model to identify which market segment fits best with your product range.

### Through which channels does shea butter end up on the end market?

The channels for shea butter are different from many other products due to a higher level of vertical integration in the supply chain. Large European importers often control multiple stages, from sourcing raw shea nuts in Africa to processing the butter in their facilities. This allows them to oversee quality, costs, and sustainability more closely, reducing the need for intermediaries. As a result, shea butter exports are concentrated. A few large importers ship the bulk of the trade between Africa and Europe.

Figure 4: Overview of the main market channels for shea butter



Source: [ProFound](#), 2024

## Collectors and traders

Shea nuts are typically harvested or collected by local groups of women, sometimes working in a cooperative with several villages. The shea nuts they collect are bought directly by bigger processing companies or by traders and aggregators acting as intermediaries. A small portion goes to handmade shea processing for local use or niche exports.

## Crushing & fractionation

Crushing companies break down the shea nuts to extract the kernels inside. The kernels are then further processed to extract the shea butter. The big industrial companies in Africa do the majority of the crushing. A smaller share is done using traditional methods. After crushing, a share of the shea butter is fractionated, which separates the shea butter into different parts by melting and cooling the butter. This process creates two products: stearin and olein. Most of the crushing and fractionation of shea butter for the European market is nowadays done in Africa, with the exception of the operations of AAK.

## Refining industry & formulators

Shea butter in fractionated forms like stearin is refined for safe use in food. These refineries extract, purify, and refine the butter, making it suitable for various industrial applications. This process is critical in ensuring that the shea butter meets specific food, cosmetic, and pharmaceutical standards. This is almost exclusively done in Europe. One example of a refinery used by these companies is [Special Refining Company \(SRC\)](#). After refining, the fractionators create shea butter-based food ingredients like CBEs. Large multinational companies, including [AAK](#), [Cargill](#), and [Bunge](#), dominate this industry.

Figure 5: Special Refining Company plant in Amsterdam, the Netherlands



Source: [Special Refining Company](#), 2024

## Food manufacturing industry

The food manufacturing industry buys the shea butter formulations to use as ingredients in various products. These products are then sold to retail and food services and ultimately to the consumer.

## Key importers of shea

Several prominent companies lead the shea butter industry in Europe and around the world. These include:

- [AAK](#), a major player in the plant-based oils sector, with extensive operations across Europe and beyond. They are the only company that mainly imports shea kernels.
- [Fuji Oils](#), a multinational company headquartered in Japan and Europe (Belgium).
- [Olam](#), a global agribusiness and food company with a strong presence in the shea industry. It sources, processes, and supplies shea butter and shea-based ingredients to various industries.
- [Cargill](#), another significant multinational company focused on food and cosmetic shea butter applications.
- [Bunge](#), based in the Netherlands and the second largest importer of shea-based products in Europe. It is known for its innovative formulations and leadership in sustainable sourcing.



- [Savannah Fruits Company](#) specialises in producing and exporting organic and fair-trade shea butter. Based in Ghana, they work closely with local communities to support ethical and sustainable shea butter production.

## What is the most interesting channel for you?

There are two main channels for exporting shea butter to Europe. The best option depends on the volume you plan to sell.

Selling to large processing companies in Africa

This involves partnering up with large firms like Bunge, Fuji, or Cargill, which operate in Africa. These companies have the infrastructure and systems to handle and distribute shea butter. Selling directly to them simplifies the process, as they take care of logistics and have strong market connections in Europe. This channel is ideal for traders supplying larger volumes of commodity-grade shea butter.

## Selling to smaller importers in Europe

This option involves working with smaller European importers and managing the export process yourself. It gives you more control over your product and allows for direct relationships with European buyers. While it does require handling logistics, meeting European regulations, and ensuring product quality, it offers more flexibility and the opportunity to target niche markets like organic or handmade shea butter. This option is better suited for smaller traders. An example is the [Savannah Fruits Company](#).

Tips:

Read [CBI's study on Finding Buyers for Natural Food Additives](#) for more detailed information on identifying buyers.

Take a look at the Global Shea Alliance's website for [more information on the shea butter value chain](#).

If your shea butter has a unique selling point, focus on European importers or refiners specialising in niche or speciality oils.

Be ready to provide high-quality samples to prospective buyers, as they will test them to evaluate your credibility as an exporter. This can give you an edge when trying to enter the European market.

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

The shea butter market is very competitive. Many suppliers compete to provide high-quality shea butter at competitive prices, as buyers, especially bulk buyers, are sensitive to price in their purchasing decisions. Reliability of supply, sustainability, and traceability are other major considerations for buyers.

## Which countries are you competing with?

Shea butter is exported from a select number of African countries, the most important being Ghana, Burkina Faso, Ivory Coast, and Nigeria.

## Ghana

Ghana is the largest shea processor and exporter. It benefits from political stability, a reasonable road infrastructure, multiple seaports, and a strong network of shea collectors, traders, and exporters. The country has multiple shea crushing and fractionation plants and produces shea butter with a high stearin content and good kernel quality. It gets strong support from NGOs, donors, and research institutions.

However, Ghana's shea industry faces challenges due to significant tree loss, crop decline, and degraded parklands caused by commercial farming, mining, urbanisation, and fuelwood production. Additional concerns include the increased use of pesticides and exchange rate volatility. Its processing capacity exceeds local crop availability, requiring imports from neighbouring countries. Moreover, Ghana's emphasis on other crops like cocoa and cashews has reduced shea tree cover and crop availability.

## Burkina Faso

Burkina Faso is likely Africa's largest collector and exporter of shea kernels, but ongoing insecurity and recent political control over shea exports raise significant concerns. The country has a reasonable road infrastructure and several shea-crushing plants. There is strong cultural and political support for shea, which helps protect the trees. Burkina Faso has a solid network of shea collectors, traders, and exporters. While the kernel quality is generally lower than Ghana's, it produces shea with a high stearin content.

However, Burkina Faso is landlocked, which creates challenges. A political ban on unprocessed shea kernels was implemented in September 2024. The shea sector is subject to political control, with taxes imposed on exports. The country faces insecurity due to religious radicalism and military coups. There are also challenges resulting from modern farming, gold extraction, fuelwood demand, and climate change. Moreover, the current processing capacity is insufficient to meet the demand for shea kernels, which is high in neighbouring countries. Processing capacity has increased since the 2010s, but Burkina Faso lacks advanced fractionation technology.

## Ivory Coast

Ivory Coast has a promising position in the shea butter market. The country has large areas suitable for shea cultivation and an active seaport. Its shea sector benefits from developing efforts, such as research initiatives. A reasonably well-equipped financial system and a stable currency also contribute to the sector's growth. Its potential as a valuable economic asset has recently increased attention for the sector.

However, there are few active factories for processing shea, leading to a lack of investment in this area. Additionally, the availability of shea nuts is low due to previous land clearing for farming. Political emphasis on cocoa production and other exotic crops has taken attention and resources away from developing the shea sector. As a result, Ivory Coast lags behind neighbouring countries in investments for processing facilities, which may limit its competitiveness in the global market.

## Nigeria

Nigeria can potentially be one of the largest producers of shea kernels. The country has a high demand for shea butter, especially for soap-making. Nigeria also has reasonably good roads, sea ports, and a growing network supporting the shea industry, including donor efforts such as the [CBI Shea Nigeria project](#). New processing plants are being built to help meet the demand.

However, Nigeria faces several challenges. The quality of shea kernels is often low because of poor processing after harvest. This makes buyers hesitant to invest. This is also due to the country's unstable economy. Security issues in some areas and the bad reputation of the Lagos port mean that some shea is exported over land to Benin instead.

## Which companies are you competing with?

Examples of companies exporting shea butter to European food industries are given below.

### Companies in Ghana

[Ideal Providence Farms \(IPF\)](#) is a Ghanaian company that trades in shea. IPF is committed to environmental and social sustainability and aligns with the United Nation's Sustainable Development Goals (SDGs). As part of its Corporate Social Responsibility (CSR) policy, [the company has benefitted multiple rural communities](#) by providing scholarships for higher education, building water systems and kindergarten schools, and giving access to electrification.

The company manages four organic-certified farms (ECOCERT) in different country regions. IPF is a member of the International Federation of Organic Agricultural Movements (IFOAM). [IPF cooperates with some 800 women in Ghana](#) to collect organic shea nuts and produce organic shea butter.

[The Savannah Fruits Company \(SFC\)](#) is headquartered in Tamale. It [works with 140 cooperatives and about 40,000 women in Ghana and Burkina Faso](#) to sustainably produce and export natural products to the international food and cosmetics markets. SFC supplies crude, unrefined, and refined handmade shea butter, which can be certified organic or "Fair for Life."

SFC is a [member of the Global Shea Alliance and works with several NGOs](#) to preserve national reserves. This company strongly focuses on offering a fully-traceable supply chain from the collection of nuts to shipping worldwide. SFC buys butter from local women's cooperatives and exports it to Europe to refine or filter it and repackage it according to international standards.

### Companies in Burkina Faso

[Agrifaso](#) is a distinguished supplier of certified organic shea butter, hibiscus, and dried ginger to Europe's pharmaceutical, cosmetics and food industries. Agrifaso works [with women shea collectors](#) in 10 villages in South-West Burkina Faso from whom it buys shea kernels directly. The company processes most of the nuts on-site, and refining is done in Europe. Agrifaso's shea butter has been certified not only as organic but also as fair trade since 2019. Agrifaso is also the first and only company in Burkina Faso to be [UEBT-certified](#) for shea butter. This label focuses on botanicals and stands out for the [ethical sourcing of ingredients](#). The UEBT standard includes criteria on biodiversity conservation, equitable sharing of benefits, and respect for human and workers' rights, among others.

[Olvea Burkina Faso](#) was created in 2008 in Bobo Dioulasso. This company is part of the [Olvea Group](#), a well-known French supplier of vegetable oils and fish oils. The company buys the shea nuts directly from women collectors, produces the butter locally, and does eco-refining in France. The company can produce about 2,500 tonnes of shea butter per year. [Olvea Burkina Faso](#) offers refined shea butter that can be Cosmos-approved, certified as an organic farming product, or fair for life-certified. Since 2020, this company has been a Global Shea Alliance Executive Committee member.

### Companies in Ivory Coast

[Société de Karite de Cote d'Ivoire \(SOKARCI\)](#) is a company in Côte d'Ivoire specialising in the production and processing of shea. The company focuses on providing high-quality shea products for the international market. SOKARCI has professional testing and conditioning facilities, making them reliable in terms of quality and quality control, which European buyers highly value. SOKARCI highlights its vision and values on its website and actively achieves sustainability goals.

### Companies in Nigeria

[Jean Edwards Oils](#) is a Nigeria-based company specialising in producing and distributing premium shea butter

and shea-based products. The company buys its shea nuts sustainably from local communities in northern Ghana. Their website focuses on ethical trade practices and empowering rural women.

[SALID Agriculture](#) is a Nigerian company that processes and trades shea and shea butter. Like other companies, it prominently promotes sustainable sourcing practices to attract buyers.

## Which products are you competing with?

Shea butter competes with other vegetable fats and oils in the food industry, particularly in applications like confectionery, baking, and processed foods. The edible oil market is competitive, and shea butter is often priced higher than its competing alternatives.

### Cocoa butter

Shea butter is often used as a cheaper alternative to cocoa butter in chocolate and confectionery, especially when prices for cocoa butter are high. Shea butter has a higher melting point, making it more stable in warm conditions, but it has a neutral flavour compared to cocoa butter's distinct chocolate taste. While cocoa butter is preferred for premium chocolate products and is more familiar to consumers, shea butter is used more in non-chocolate applications, such as vegan and plant-based products, where cocoa butter is less competitive. Sustainable and organic cocoa butter is in high demand.

### Palm oil

Shea butter is sometimes used as an alternative to palm oil in food products, especially in niche markets focused on sustainability and ethics. While palm oil is cheaper and more versatile, shea butter appeals to environmentally-conscious consumers, especially in Fair Trade and organic products. Its higher melting point makes it more stable in heat-sensitive items like confectionery and baked goods, and it is seen as a more natural and healthier option than palm oil, which has faced environmental and health criticisms. Shea butter's neutral flavour and health benefits make it popular in premium and plant-based products.

### Coconut oil

Shea butter and coconut oil are often used in similar food products. Coconut oil is more widely known and used, especially in vegan and plant-based recipes, due to its flavour and versatility in cooking and baking. Shea butter, traditionally linked to cosmetics, is gaining attention for its food uses. Shea butter's higher melting point gives it an advantage over coconut oil in heat-sensitive products like chocolate, while coconut oil, with its lower melting point, is less stable in warm environments. Coconut oil's sweet flavour is preferred in baking, but shea butter's neutral taste suits products that need a flavourless fat. Coconut oil is cheaper and more available, but concerns over its environmental impact have opened opportunities for shea butter in organic and fair-trade markets.

Table 2: Examples of product substitutes for shea butter

Ingredient	Shea Butter	Cocoa Butter	Coconut Oil	Palm Oil
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Properties	High melting point; rich in fatty acids; solid at room temperature.	Distinct chocolate flavour; high fatty acid content; solid at room temperature.	High in lauric acid; solid in cooler climates; liquid in warmer climates.	High in palmitic acid; semi-solid at room temperature; neutral flavour.
Main Uses	Used as a cocoa butter substitute in confectionery, chocolate, and baked goods; plant-based and vegan products.	Essential in chocolate and confectionery, it provides a smooth texture and mouthfeel.	It is used for cooking, baking, and frying, and it gives a mild coconut flavour to vegan and dairy-free products.	Used in processed foods like margarine, spreads, snacks, and baked goods; frying oil in large-scale food production.
Shelf Life	Up to 2 years.	2-5 years.	1-2 years.	1-2 years.

Source: ProFound, 2024

Tip:

Read the [website of the Global Shea Alliance](#) to stay updated on developments in the market for shea. They provide interesting resources and regularly post news items.

## 4. What are the prices of shea butter for food in the European market?

The international market price for shea butter is closely linked to the price of cocoa butter, as its main use is as a cocoa butter equivalent. This connection is particularly present in the prices of shea butter used in food products, while fluctuations in cocoa butter prices have less of an impact on the prices of shea butter for cosmetics.

Apart from the price of cocoa butter, several other factors influence the price of shea butter:

- **Product quality:** Shea butter is classified into different grades based on its purity, fat content, colour, odour, moisture content, and level of refinement. Higher-grade shea butter with fewer impurities is traded at a higher price.

- Certifications: Organic and Fairtrade certifications add value to shea butter.
- Supply chain and harvest conditions: Availability depends on seasonal harvests, weather conditions, and environmental factors. Poor harvests due to drought or unpredictable weather can reduce supply, increasing prices.
- Processing costs: Shea butter used in food requires higher levels of refinement to meet safety and quality standards. Changes in processing costs, such as energy or labour costs, can affect the final price of shea butter.
- Global demand for CBEs: The food industry's demand for cocoa butter alternatives influences the price. Increased demand for plant-based fats, vegan products, or cost-effective alternatives to cocoa butter can lead to price fluctuations.
- Transportation and export costs: Changes in shipping, fuel costs, or import/export tariffs between Africa and key markets like Europe can impact the price of shea butter for food.

Prices in the shea value chain vary significantly between different stages and actors. According to data on the Ghanaese trade, large processors and exporters in Africa typically purchase shea nuts from intermediaries at around €320 to €430 per tonne (local market trader price of €0.32 to €0.43/kg). They then sell the processed shea to European distributors and manufacturers for over €990 to €1,800 per tonne for butter (industrial solvent and expeller conventional price of €0.99 to €1.80/kg) and €3,150 to €5,400 per tonne of stearin (€3.15 to €5.40/kg).

It is difficult to determine the actual margins in the shea butter value chain because there are many processing steps and costs for different players. Determining the consumer price of shea butter in final products is challenging, as it is primarily used as an ingredient.

Table 3: Pricing of shea products in € per kg, based on Ghana data

Value Chain Stage	Low	High
<b>Dried Shea Kernel Prices</b>		
Collector price	€0.27	€ 0.39
Local market trader	€ 0.32	€ 0.43
Factory gate	€ 0.36	€ 0.47
<b>Unrefined Shea Butter Prices</b>		
Industrial solvent	€ 0.99	€ 1.35
Industrial expeller conventional	€ 1.17	€ 1.62
Industrial expeller organic	€ 1.80	€ 2.25
Handmade conventional	€ 1.44	€ 1.80
Handmade organic/fairtrade	€ 2.25	€ 2.70
Stearin	€ 3.15	€ 5.40

Olein	€ 0.54	€ 0.81
Refined Shea Butter Prices		
Industrial Solvent	€ 1.98	€ 2.07
Industrial expeller	LV	€ 2.52
Handmade Conventional	LV	€ 2.70
Handmade organic/fairtrade	LV	€ 3.15
Stearin	LV	€ 5.85
Olein	LV	€ 2.88
LV = Low Variance of price due to limited producer availability.		

Source: Peter Lovett, 2024

Tips:

Be ready to offer discounts for large orders, as European buyers expect them. Ensure you include these discounts in your initial pricing to avoid selling below your costs.

Make sure you sell your shea butter at a price that makes you a profit after accounting for all the costs. This way, you ensure the sustainability of your business.

[ProFound - Advisers In Development](#) carried out this study in partnership with Peter Lovett on behalf of CBI.

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