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Chapter 1: Market demand for shea

1. Introduction

Objective of the market study

The objective of this market study as part of the project's inception phase is to provide a comprehensive analysis of the shea butter demand in Europe. The study aims to assess export market opportunities SMES in Benin, identify challenges and opportunities for growth, and highlight potential areas for investment and development. It focuses on value chain dynamics, key stakeholders, and market trends.

The report aims to outline market opportunities for two groups of Benin companies: 1) oriented towards EU export

Methodology

This market study was conducted through a combination of desk research and stakeholder interviews. Desk research involved the review and analysis of existing reports, market data, government publications, and industry studies related to the shea butter sector in Benin and internationally.

To complement secondary data, qualitative insights were gathered through interviews with key stakeholders, including EU-based buyers, exporters (AAK and Bunge), Global Shea Alliance team, shea butter and product producers in Burkina Faso, Nigeria, Ivory Coast, shea market players in Senegal, and industry experts (Peter Lowett, Raymond Abogonye). These interviews provided practical perspectives on market demand for various shea products, as well as trade dynamics, quality requirements, and sector challenges.

2. Shea trading and export

The shea industry connects rural producers in Africa with major global markets. Africa remains the core origin of the shea trade, while Europe and Asia serve as the main processors and distributors of value-added shea derivatives to the global markets. West Africa exports between 265,000 and 445,000 tons of shea nuts annually, with Ghana, Burkina Faso, Benin, Côte d'Ivoire, Nigeria, Mali, and Togo being the main exporters.

Nuts are primarily exported from West Africa to processing hubs in Europe and Asia (Figure 1). Once processed, shea butter (medium blue arrows) is shipped to North America, Europe, and Asia. A by-product of butter processing, shea stearin (light blue arrows) is mainly exported to Asia and Europe, where it is used as a base for (CBEs) in the chocolate and food industries.

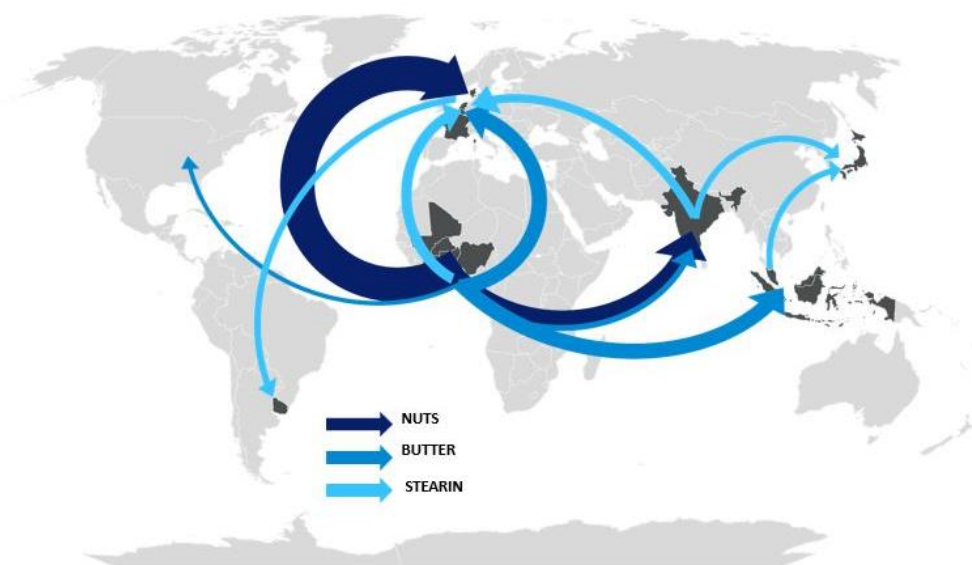


Figure 1 -Major global shea trade flows

Shea kernels and butter are traded both locally and internationally (Figure 2). Notably, many countries of origin are now imposing export bans on raw nuts to encourage local value addition and strengthen their agro-industrial sectors. Exporters often seek quality certifications to access premium markets. However, challenges like inconsistent quality and limited processing capacities can hinder market access.

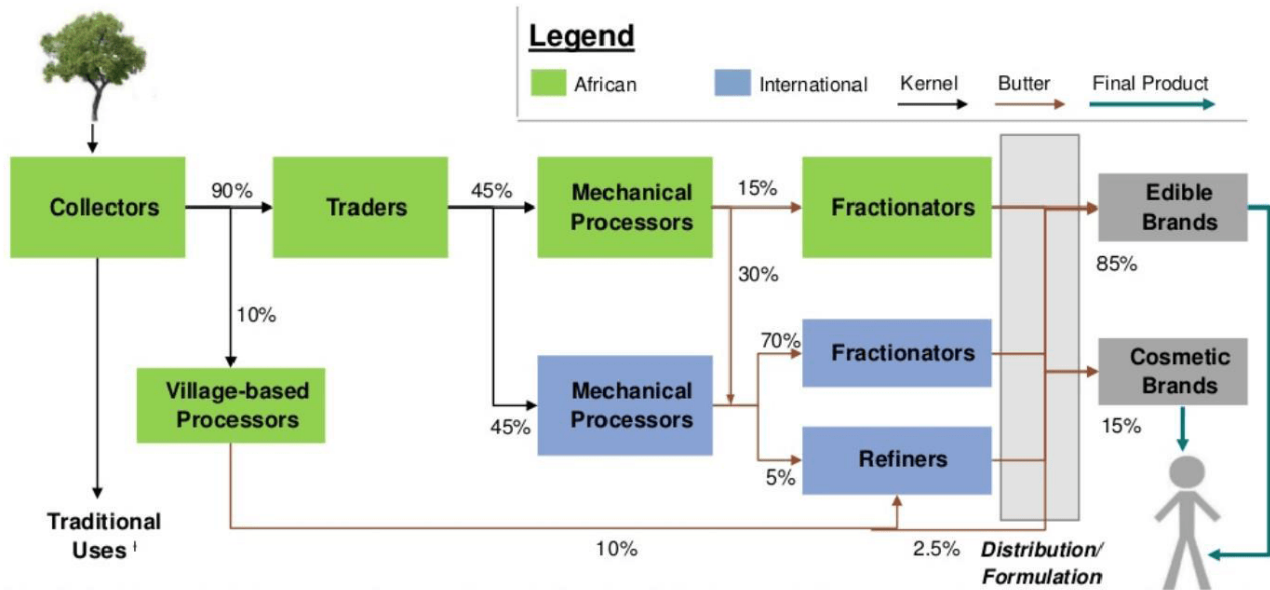


Figure 2 - Shea butter export value chain

Source: Global Shea Alliance, 2022

3. Major industries using shea

The international demand for shea butter is primarily concentrated within the food/chocolate and cosmetics industries, although secondary markets exist in the pharmaceutical sector (CBI, 2023) (Wardell, 2021). In Europe particularly, shea butter predominantly being utilized in two major industries:

1. **Food industry:** Approximately 85-90% of exported shea is employed in food applications, mainly within the confectionery sector, as well as vegan food. It is used as Cocoa Butter Alternative (CBE) in chocolate production, enhancing texture, taste, and shelf-life (CBI, 2024).
2. **Cosmetics and personal care:** Approximately 10-15% of shea finds extensive use in the cosmetics sector. Its emollient properties make it a key ingredient in skincare and haircare formulations, including lotions, creams, shampoos, and conditioners. The skincare segment is the largest in the European cosmetics market and uses significant amounts of shea butter for its various beneficial properties. There's a growing preference for natural and organic ingredients in cosmetics among European consumers, driving demand for shea butter.

While these two sectors dominate shea butter consumption, emerging applications are being explored in pharmaceuticals (due to shea butter's anti-inflammatory and healing properties) and nutraceuticals (the health and wellness trend has led to the incorporation of shea butter in dietary supplements and functional foods, leveraging its rich content of vitamins and antioxidants).

Demand for sustainable and ethically sourced products is increasing, with consumers in Europe interested in the story behind cosmetic ingredients, including benefits to local communities and environmental sustainability. There is a growing interest in organic certified shea butter in markets like Germany, Italy, the UK, and France (ProFound Advisers in Development, Organics & Development, & Arbenz, M., 2020).

Stearin and olein are two distinct fractions obtained from fractionating shea butter. Shea olein is ideal for skincare and cosmetics because it spreads easily and absorbs well. Shea stearin adds thickness and structure to balms and lipsticks. In the food industry, shea stearin is used as Cocoa Butter Equivalent (CBE) used for chocolate making and other food products. Both fractions are also used as basis in pharmaceuticals.

Food industry

Shea stearin plays a particularly important role in the chocolate industry as a key ingredient in the production of CBEs (Opoku – Mensah, 2023). It is characterized by a high concentration of symmetrical triglycerides, making it chemically and physically similar to cocoa butter. Shea stearin is often blended with other vegetable fats. CBEs are incorporated into a wide range of chocolate products, including chocolate bars, coatings, pralines, and compound chocolates.

The primary advantage of CBEs is their ability to partially replace cocoa butter without significantly altering the taste, texture, or melting behavior of the chocolate (Wardell, 2021) (CBI, 2023) (Global Shea Alliance, 2022). CBEs offer functional benefits such as enhanced heat resistance, controlled melting properties, and improvements in chocolate snap and gloss.

According to European Union legislation (Directive 2000/36/EC), up to 5% of the finished chocolate product may consist of approved vegetable fats, including shea stearin, without the need for additional labeling beyond standard ingredient disclosure. In the North American markets, on the other side, this is not the case.

The demand for shea butter in the chocolate industry is growing steadily, particularly within Europe. Major chocolate-producing countries such as Belgium, Germany, Switzerland, France, the United Kingdom, the Netherlands, and Denmark represent key markets for CBEs. Several factors drive the increasing demand for shea stearin in chocolate production:

- Price competitiveness: Shea stearin offers a cost-effective alternative to cocoa butter.
- Functional properties: Its melting point and hardness align closely with those of cocoa butter.
- Market expansion: Rising chocolate consumption in emerging markets supports greater use of CBEs.
- Supply chain stability: CBEs help stabilize production when cocoa butter availability fluctuates.

The shea-chocolate link also promotes sustainable sourcing initiatives, as large chocolate manufacturers increasingly seek ethically sourced shea from West Africa.

As companies continue to seek out cost-effective, sustainable, and versatile ingredients, CBEs are likely to become even more widespread in the coming years. While traditional cocoa butter will always have a place in premium and artisan chocolate products, the flexibility offered by CBEs gives manufacturers the ability to innovate, meet diverse market demands, and produce more consistent, affordable chocolate options.

Besides chocolate, refined shea butter finds applications in the broader food industry, including margarine, spreads, pastries, vegan products and confectionery, driven by its functional properties and as a potential alternative to dairy butter and palm oil (CBI, 2023).

The quality requirements for shea in the confectionery industry are extremely high and continue to become more stringent.

Cosmetics Industry

Shea butter has long been recognized for its beneficial properties in cosmetic and personal care products. Its rich composition of fatty acids, vitamins, and bioactive compounds makes it a valuable ingredient in formulations aimed at skin protection, moisturization, and anti-aging (Global Shea Alliance, 2022).

Shea butter is utilized in a diverse range of cosmetic products, including skincare, haircare, decorative cosmetics, and toiletries, as both raw butter and shea olein (Lovett PN, 2024). The increasing consumer preference for natural and organic ingredients fuels this demand (Virtue Market Research, 2024). Germany has the largest market for cosmetics in Europe (8.0% in vegetable oil), with France being the second-largest cosmetics market.

Both refined and unrefined shea butter are utilized, depending on the product requirements and target markets, with unrefined, hand-crafted, or cold-pressed varieties gaining traction in the natural segment (CBI, 2023) (Global Shea Alliance, 2022). Additionally, shea butter is considered safe for cosmetic use, with minimal reports of allergenicity, further enhancing its desirability as a multifunctional ingredient. The global cosmetics industry's demand for shea butter is driven by several interconnected factors:

- Consumer preference for natural, minimally processed ingredients resulting in demand for unrefined and organic shea butter.
- Product innovation targeting specific concerns such as dry skin, anti-aging, and textured hair care has expanded the application of shea butter.
- Increasing consumer awareness of ethical sourcing practices has led brands to prioritize fair-trade shea butter, often promoting social impact initiatives that benefit women's cooperatives in West Africa.

Besides that, as shea trees are wild-harvested, their cultivation does not typically require extensive agricultural inputs, contributing to the environmental sustainability narrative of shea-based cosmetics.

Several West African countries, particularly Ghana and Burkina Faso, are primary sources of cosmetic-grade shea butter. Cosmetic-grade shea butter must comply with safety and quality standards such as those set by the EU Cosmetics Regulation (EC No. 1223/2009). Certifications related to organic production and fair-trade sourcing (Organic, Fairtrade International, NaTrue, Cosmos, and Ecocert's Fair for Life) increasingly influence consumer trust and brand positioning. These certifications facilitate entry into niche, high-value markets (Enhanced Integrated Framework (EIF) , 2021) (ProFound , 2020). Besides that, the price premium for selling certified shea butter is estimated to be quite high. Organic-certified shea butter can attract a premium margin of approximately 25–30% compared to non-certified shea butter. Fairtrade-certified shea butter often secures a higher price, with the Fairtrade minimum price being about four times the local market price.

Export-grade shea butter must meet strict quality specifications. Key parameters include low impurity levels, Free Fatty Acid (FFA) content below 8% (preferably lower for unrefined butter), and peroxide values under 10 mEq/kg (ideally <5 mEq/kg). A valid Certificate of Analysis (CoA) is mandatory for all shipments (ProFound , 2020).

Europe has a significant number of cosmetic sector brands and producers of various size using shea butter. Some of the major manufacturers include L'Oréal, L'Occitane en Provence, The Body Shop, Beiersdorf (Nivea), CLARINS, Dr. Hauschka, Typology, Caudalie, Nuxe, and others.

Buyers increasingly require evidence of ethical sourcing and transparent supply chains. Sustainable parkland management and harvesting practices are essential for European shea buyers. Corporate Social Responsibility (CSR) compliance for the major cosmetic brands is now standard. Traceability is also becoming critical for many cosmetic brands.

Just some examples: L'Oréal mandates that all shea butter used in its products be certified under the Fair for Life standard. This certification ensures ethical sourcing and traceability. The company sources its shea butter through a sustainable program in Burkina Faso, benefiting over 42,000 women. Shea butter is a key ingredient in approximately 1,700 of L'Oréal's products, including balms, creams, and haircare items. Unilever enforces its Responsible Sourcing Policy (URSA), requiring suppliers to undergo independent audits assessing compliance with legal and ethical standards. This includes adherence to environmental regulations and labor rights. Suppliers like Savannah Fruits Company have successfully passed these audits, demonstrating alignment with Unilever's stringent sourcing criteria.

Environmentally responsible sourcing practices, such as promoting biodiversity conservation and minimizing deforestation, enhance the long-term viability of shea supply chains. Responsible sourcing practices contribute to biodiversity conservation and mitigate deforestation. Such practices strengthen the long-term viability of the shea supply chain and enhance the environmental credibility of exporting enterprises.

The anti-inflammatory and healing properties of shea butter contribute to its use in medicinal products and topical formulations (Opoku – Mensah, 2023). Besides that, shea by-products cater to niche markets: shea meal for biofuel and animal feed, karite for soap making, and shea cake

ash as organic fertilizer. Shea stearin also has industrial uses in candle manufacturing (Obeng, 2024) (Michael Akpabey, 2023).

4. Market Analysis

Major European players

Shea butter distributors (including importers, processors and refiners) are the most important entry point into the European market.

Denmark stands out as a major importer, particularly of shea kernels, due to the presence of **AAK**, a leading company in plant-based oils. AAK supplies shea nuts from Ghana and Ivory Coast and processes kernels into shea stearin and olein for distribution across Europe. They were also actively working in Burkina Faso from 2008 but eventually closed its business there due to national security concerns. In Benin, AAK, same as other exporters, unfortunately is not permitted to buy nuts directly from the producers at the farm gate, so they work with the network of around 40 aggregators to ensure stable supply.

Overall, AAK sources shea nuts from 250,000 female suppliers that receive training in nut collection and quality standards and are paid fair prices. In some cases, AAK also supports them by providing logistics, using its own transport to collect the nuts directly at the farm gate. While AAK produces shea butter using automated machinery—allowing for greater efficiency (producing 1 kg of butter from just 2 kg of nuts, compared to the traditional 4 kg when using manual labor)—they also purchase handmade butter from women's groups for further refining.

The shea kernels sourced by AAK are exported to Denmark, where the company operates a processing facility that fractionates the kernels into stearin and olein. These are then shipped to other European plants for further processing and transformation into final products for sale. One of the reasons for AAK to transport kernels to Europe for processing rather than shipping butter from Africa is because kernels can be shipped in standard containers at a lower cost. Transporting butter is more complex and expensive, often requiring the use of fish tanks due to the lack of insulated containers.

AAK's client base includes major confectionery companies such as Ferrero, Nestlé, and Hershey's, which purchase stearin directly, while cosmetics companies like Nivea and L'Oréal purchase olein.

Another big international shea importers and processor - **Bunge** – is a significant processor of shea operating large shea butter processing facilities in Ghana and Malaysia, where they produce raw shea butter and its fractions (olein and stearin). Bunge often buys shea kernels from both Benin and Ghana. In Benin they work directly with Fludor on shea nuts supply (Fludor does local procurement/aggregation of nuts for them). Shea fractions are then further shipped (often using flexi tanks) and processed in BLC's facilities in Europe, Malaysia, the US, and Canada to produce ingredients used in various food and non-food applications, such as for example CBEs for chocolate confectionery. Olein from Bunge is then used by various soap, animal feed, food and

cosmetic sector producers, and stearin used primarily for the food sector (confectionary/chocolate). In terms of quality, Bunge established and follows global quality standards. General observations from Bunge are that the demand for shea is stable and growing, and it will remain so if cocoa prices are high.

The Netherlands serves as another crucial entry point for vegetable oils, including shea butter, into Europe. In 2022, Dutch imports of vegetable oils reached 57,000 tonnes, with a significant portion sourced from African countries. Ghana was the main supplier, accounting for 31% of total vegetable oil imports to the Netherlands. (CBI, 2023)

Germany plays a significant role in the shea butter market, with numerous importers and buyers seeking products for various applications, including cosmetics and food industries. Among the major players are All Organic Treasures (AOT), Symrise AG, and others.

Besides that, Europe hosts several prominent shea butter distributors and wholesalers catering to various industries, including cosmetics, food, and pharmaceuticals. These distributors play a crucial role in supplying high-quality shea butter to meet the growing demand for natural and sustainable ingredients in European markets.

5. Market barriers, buyers' expectations and opportunities

The global shea butter market is experiencing consistent steady growth, driven by increasing demand for natural ingredients in cosmetics, health and wellness trends in food, and the rise of sustainable and ethically sourced products. The demand is projected to continue rising (Just Rural Transition, World Business Council for Sustainable Development, the Global Shea Alliance, & Acacia Sustainable Business Advisors, 2021).

Growing consumer awareness creates opportunities, particularly in Europe, for organic and fair-trade certified shea butter, which can attract price premiums (Bockel, 2020). It includes mostly stearin and olein, but also raw purified/refined handmade shea butter to some extent. Besides that, shea butter is also widely utilized for domestic purposes in West Africa for local food preparations, cosmetics, medicines, skin ointments, and is expected to continue being in demand.

Overall, access to international markets is contingent on meeting quality and certification standards and stable supply volumes. The major requirements for the shea butter SME processors can be summarized as follows:

Table 1 – General market requirements for shea butter

Access factors	EU market requirements
Quality and purity	European buyers expect and demand shea butter with high purity, low FFA, and low peroxide value, along with a Certificate of Analysis (CoA) to verify these specifications (CBI, 2023). Most cosmetics manufacturers prefer refined, bleached, and deodorized shea butter for consistency, color, and odor neutrality, although a niche market exists for unrefined, minimally processed (e.g., cold-pressed, hand-crafted) butter, especially in natural cosmetics (CBI, 2023), (ProFound , 2020)
Consistent supply and volume	Buyers often require consistent supply and the ability to fulfill large orders (full container loads) (CBI, 2023)
Traceability and transparency	Buyers increasingly demand transparency and traceability throughout the shea supply chain to ensure ethical and sustainable practices.
Sustainability and ethical sourcing	Buyers, particularly in the natural and organic cosmetics sectors, value or require organic and/or fair-trade certifications. They are interested in the story behind the ingredient, including its origin and benefits to local communities (CBI, 2023)
Compliance with regulations	Buyers expect suppliers to comply with all relevant legal requirements in the importing markets, such as the EU Cosmetics Regulation and REACH (CBI, 2023)
Proper documentation	Suppliers need to provide well-structured product documentation (TDS, SDS, CoA, etc.) that meets regulatory requirements and buyer needs (CBI, 2023)
Competitive pricing	Buyers seek competitive prices and are often well-informed about price levels from various suppliers (CBI, 2023)
Reliability	Buyers appreciate reliability in terms of quality, delivery, and packaging (CBI, 2023)

Chapter 2: Overview of Benin's shea sector

1. Introduction

This chapter outlines the main features of Benin's shea market. It covers the geographic focus, sector size, and key value chain stages (production, aggregation, processing, and marketing). It also describes the available services and enabling environment. The chapter analyzes the sector's strengths and weaknesses, with a focus on private sector actors and shea processors. It identifies current business models and women's roles in them. It also reviews the work of development organizations, both past and present, and summarizes key lessons from their interventions.

2. Shea processing and fractionation

Shea trees grow wild across the Sahelian belt, with the majority of them growing in the wild (not yet cultivated on plantations). The general value chain process for shea – from nuts collection to processing, fractionation and trade – is presented in figure 3:

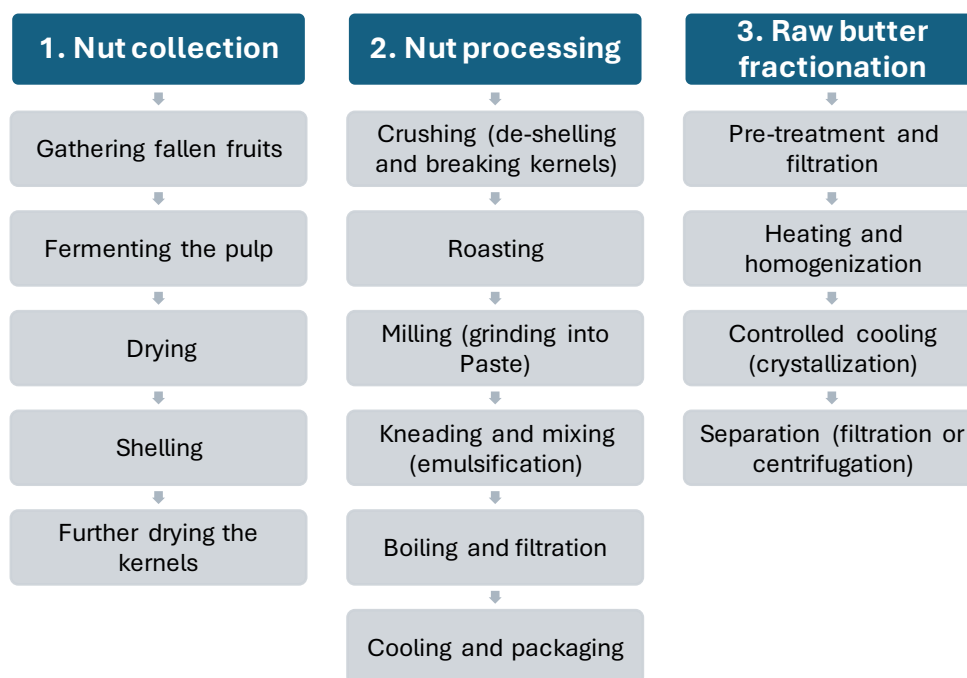


Figure 3 – Shea production process

1. Nut Collection

Collecting shea nuts is traditionally female job. The collection process is seasonal, typically from June to August, and involves gathering fallen fruits, fermenting the pulp, drying, shelling, and further drying the kernels to reduce moisture content from about 40% to 7% (World Bank, 2023)

2. Processing

Processing transforms shea kernels into butter through the following steps:

- ✓ **Crushing (de-shelling and breaking kernels):** Once the shea fruits are harvested, fermented, and dried, the nuts are cracked open to extract the kernels. These kernels, when dried to around 7% moisture content, become the raw material for butter production. This step is essential because it increases surface area, making roasting and oil extraction more efficient. Crushing involves:
 - Manual or mechanical breaking of the dried kernels into smaller pieces.
 - Traditional methods use stones or wooden mortars.
 - Semi-mechanized setups use mechanical crushers or hammer mills.
- ✓ **Roasting:** Crushed shea kernels are roasted over a fire (in artisanal production) or in a controlled drum roaster (in industrial processing). Roasting helps to soften the kernel matrix, releasing fats, and imparts a characteristic smell and color to the butter. Over-roasting can reduce butter quality.
- ✓ **Milling (grinding into paste):** Roasted kernels are then milled into a thick brown paste. This is done either manually, using grinding stones (in artisanal production), or mechanically, using plate mills or motorized grinders (in industrial processing). Obtained shea paste contains fats suspended in solids and water.
- ✓ **Kneading and mixing (emulsification):** The paste is further kneaded with water by hand (or with a mechanical stirrer) to emulsify the oil. The butter fat rises to the surface, forming a cream layer. It is then skimmed off and collected.
- ✓ **Boiling and filtration:** The collected fat is boiled to remove residual water and impurities. This step ensures longer shelf life and removes remaining solids. The liquid butter is then filtered through cloths or fine sieves.
- ✓ **Cooling and packaging:** Once cooled, the shea butter solidifies into a creamy, yellowish or ivory product. It can be packed in containers (plastic jars, aluminum bags, or buckets). Raw or "unrefined" shea butter is sold locally or exported for further processing.

3. Raw shea butter fractionation

Fractionation is a post-processing technique used to separate raw shea butter into its two main lipid components:

1. Shea stearin – solid at room temperature, high-melting-point fraction, rich in stearic and palmitic acids
2. Shea olein – liquid or semi-liquid, low-melting-point fraction, rich in oleic and linoleic acids

This process is especially important in the cosmetics, food, and pharmaceutical industries, where different applications require different physical and chemical properties.

- ✓ Pre-treatment and filtration: Raw, unrefined shea butter is filtered to remove solid impurities (fibers, residues). Sometimes a mild refining step is performed (degumming and bleaching) to ensure purity.
- ✓ Heating and homogenization: The butter is melted (typically around 45–50°C) to form a uniform oil mixture. This helps in separating the components during cooling.
- ✓ Controlled cooling (crystallization): The molten butter is slowly cooled under carefully monitored conditions (e.g., 20–25°C). Crystallization begins: the higher-melting triglycerides (mostly stearin) solidify first.
- ✓ Separation (filtration or centrifugation): the solid fraction (shea stearin) is separated using:
 - Filtration (press or vacuum)
 - Or centrifugation (industrial setups)

The remaining liquid portion is the shea olein.

Unlike full refining, fractionation retains much of the butter's natural properties, especially if done under gentle conditions.

2. Benin's shea sector overview

Benin is a significant producer of shea nuts, with shea nuts production ranking as the country's third largest export sector. In 2022, national shea production was estimated at approximately 70,000 tons, of which around 35,000 tons were exported. The primary export destinations included Denmark (77.53%), India (11.73%), and Nigeria (3.33%).

In terms of shea butter production and export, while specific figures for shea butter exports are limited, it's noted that Benin produces a modest amount for export, estimated at around 100 metric tons per year in 2014, and has a limited number of large-scale shea processing facilities. For instance, the Sinocog Bohicon plant has a capacity of 10,000 tons but operates at only 25% utilization, while the Sonicog Cotonou plant has a capacity of 5,000 tons with 20% utilization. The rest of shea butter processing is done by small and micro-enterprises.

As of May 2025, there have been no official reports indicating that Benin has implemented a ban on the export of raw shea nuts. However, discussions and actions in neighboring countries have brought attention to the topic, highlighting regional efforts to enhance local processing and value addition in the shea industry. For example, in September 2024, the government of Burkina Faso announced a temporary suspension of shea nut exports. This measure aimed to support local processing industries and boost the national economy by retaining more value-added activities within the country. Similarly, Togo suspended the export of shea nuts and almonds to encourage local production and processing, aiming to strengthen domestic industries and create employment opportunities.

While Benin has not enacted a similar export ban, the actions of neighboring countries may influence future policy considerations. The regional trend towards promoting local processing could prompt Benin to evaluate its shea export strategies to ensure competitiveness and maximize economic benefits.

The shea value chain in Benin is predominantly informal, with a significant reliance on intermediaries. These intermediaries often serve as the primary link between female cooperatives (women collectors) and export markets. While they facilitate market access, their involvement often limits the bargaining power of cooperatives and reduces their share of profits. This structure has its pros and cons: while allowing to aggregate significant volumes of shea kernels for further processing and/or exports, it also often hinders cooperatives from establishing direct relationships with exporters, thereby affecting their income and growth potential. Intermediary layer in the shea value chain in Benin often has more than one link, and those intermediaries get the biggest profits as they have better access to finance and to the final buyers.

3. Value chain analysis

Collection

Women and women groups dominate in the early segments of the shea value chain in Benin, specifically collection, pre-processing and artisanal processing (BIO TIMPEREGOU, 2024). Shea collection activities in Benin are highly seasonal, taking place primarily from June to August, and are predominantly undertaken by women's groups, underscoring the sector's socio-economic importance in terms of rural employment and gender inclusion.

Normally, the women collect and process shea nuts alongside other activities like farming, household chores and taking care of children (Agúndez, 2019). Women groups are predominantly composed of older women or widows who have limited alternative income opportunities. The sector's informal and seasonal nature reinforces their marginalized status, hindering progress toward professionalization and improved working conditions.

At a higher level of organization, cooperatives serve as intermediaries that represent a certain number of these women's groups. While their role is primarily administrative, they often act as the main point of contact for small and medium-sized enterprises (SMEs) or other buyers. In some instances, cooperatives facilitate the sale of shea nuts or butter to SMEs; however, direct sales from women's groups to buyers are also common.

Though women perform the majority of the work in the shea sector, particularly collection and artisanal processing, they experience very low incomes and poor working conditions. There is a clear underrepresentation of women in the more profitable parts of the value chain (industrial processing and exporting). This likely contributes to the undervaluing of their roles at earlier stages, reinforcing their lower status within the sector.

Many cooperatives lack the necessary infrastructure, such as storage facilities and processing equipment, to meet international quality standards. This deficiency not only affects the quality of their products but also their ability to carry large orders, making them less competitive.

Women who engage in shea collection and processing often possess minimal formal education, which can be a barrier to advancement. Women's groups and cooperatives in the sector have weak capacities and have limited influence. Trainings on production practices/quality need to be repeated annually. This cycle limits opportunities for these women to progress and directly market their products.

Post-harvest, the nuts undergo traditional processing methods, including fermentation, drying, and shelling, to prepare them for sale or further processing into shea butter.

Shea butter processing at village level comprises only about 10% of total processing, the rest being done by industrial processors. This industrial processing is mostly managed by men.

Opportunities for differentiation among shea butter exporters are scarce, limiting their access to higher-value markets. Consequently, even exporters with good intentions find it challenging to improve conditions for their female workers.

Women in Benin typically receive lower prices: at the beginning of the season, the minimum price for shea kernels established by the Government can be as low as 100 FCFA per kilo, and later on it gradually increases and can reach sometimes up to 800 FCFA per kilo depending on availability.

Aggregation

The Government of Benin, by the Law adopted back in 1998, prohibits direct sales of shea nuts to exporters, therefore supporting commercants. The government sees commercants as essential to the functioning, scalability, and export performance of the shea sector. Government also regulates the procurement starting date and minimum selling price.

Therefore, after collection, the shea nuts are sold to intermediaries or traders, commonly referred to as *commerçants*, who aggregate the nuts for bulk sale. These traders play a pivotal role in the value chain, acting as a bridge between the rural collectors and larger processing entities or export markets. The aggregation process often involves the purchase of nuts from multiple collectors, followed by storage and transportation to processing facilities or export points.

While aggregators play a vital role in consolidating production into volumes suitable for export and can be useful for reducing informal and often undocumented cross-border trade and serving as important points for shea trade data collection, their presence also creates power imbalance, resulting in price control over rural collectors, reducing incomes for women producers.

Commerçants typically have more working capital and market connections than local collectors, and are often equipped with transportation and storage capacity, enabling them to move goods from dispersed rural communities to urban centers or border markets (e.g., to Nigeria or Senegal).

They may offer advance payments or informal credit to collectors, incentivizing early sales and ensuring supply; yet they tend to capture the highest margins in the supply chain, leaving collectors with minimum profits.

Processing and export

Shea butter industry in Benin ranges from big industrial companies exporting shea nuts for further processing, to small and micro enterprises (SMEs and MSEs) doing local processing, with varying degrees of market power and access.

Among the key industrial companies in Benin are LCB Corporation, Fludor, and KNAR, with Fludor dominating national processing and export volumes. KNAR, a subsidiary of the Danish multinational AAK, functions as a central purchasing office that exports shea kernels from Benin to international markets. Fludor, by contrast, is strongly connected to Bunge Loders Croklaan, one of its principal clients in the European Union. KNAR/AAK and Fludor have significant control over the market, effectively forming a duopolistic or near-monopolistic structure, with KNAR/AAK informally setting the seasonal purchasing price for shea nuts in Benin. This pricing power has downstream implications for all other actors in the value chain, limiting the bargaining capacity and profitability of smaller enterprises.

At the medium enterprise level, processors such as Wakapou SARL, Natura SARL, and Karéthic have established relationships with female shea collectors and attempt to organize supply chains based on fair trade principles. However, despite their social commitment and processing capacity, these enterprises face structural difficulties in maintaining consistent access to international markets that reward sustainable and ethical sourcing.

Some of the Beninese companies working in the shea butter exports, such as for example Africa Green Corporation (AGC) and ITRAK, have better market access and proactively collaborate with female collectors. They often have established formal contract defining the terms of collection and supply volumes and provide training and support for women working in shea collection. The main export target markets are Europe and sometimes also Asia. Nevertheless, even when the companies are well established, they still struggle with the supply of quality raw materials, and access to appropriate financing. The productivity of shea trees is declining while the demand for shea nuts is growing sharply on the international market. Increase of cocoa butter price also worsens the situation. This creates significant competition for local processors, resulting in the decrease of their purchasing capacity.

National shea sector in Benin also includes a set of micro- and small enterprises, such as KAZA, KOTO, Zikora, and Kala-Karité among others. They focus mainly on skincare and beauty products, such as artisanal soaps, creams, etc. Some of the companies try to produce export products, mainly soaps or purified solid shea butter and export them to European countries like France and Germany, as well as to the other African countries (e.g., Cameroon).

They often collaborate closely with female cooperatives, by buying raw shea butter from them and transforming it into value-added products. In majority of cases, they work with cooperatives

without formal contracts in place, therefore having stable supply challenges from time to time. They also face considerable barriers to growth and often remain stagnant, unable to transition to larger market shares or scale operations due to financial constraints, inadequate infrastructure and lack of market linkages and export business skills.

Local consumption

In Benin, shea butter plays a vital role in both the culinary and personal care routines of local populations, widely consumed across rural and urban areas. It is used as body cream, for hair cream and medicine, sometimes as cooking oil, etc. Often, women that produce shea butter, sell part of it, and keep another part for their household consumption, making it challenging to estimate exact production volumes (Agúndez, 2019).

Consumer preferences in Benin show a strong inclination toward specific sensory characteristics of shea butter. The most appreciated varieties are those with a slightly floral odor, a subtle fruity taste, and a firm, solid texture (Fernande G Honfo, 2013). These attributes are seen as indicators of quality and freshness, and they play a key role in determining marketability, both at the household and commercial levels (Agúndez, 2019).

4. Benin's shea competitiveness assessment

In terms of shea processing and value addition, Benin's shea sector is still underdeveloped. If we look into its overall competitiveness in comparison with countries such as Burkina Faso and Ghana (Table 2), Benin can be considered a low but growing level of development/ emerging export market.

Table 2 – Benin's shea sector competitiveness assessment

Criteria	Benin	Burkina Faso	Ghana
Shea nut production volume	Medium – estimated 60,000–90,000 MT/year	High – 200,000+ MT/year	Medium – ~100,000 MT/year
Level of value addition (processing)	Low to moderate – dominated by small-scale butter production, few semi-industrial processors	Moderate to high – active processing clusters in Bobo-Dioulasso and Ouagadougou	Moderate – growing number of SMEs and industrial processors
Shea products export volumes	100 metric tons in 2022 (primarily to Europe)	10,000 metric tons in 2022 (primarily to Europe)	28.5 metric tons in 2023 (primarily to Europe/ Netherlands)
Product range	Raw butter, traditional soaps, some cosmetics; limited fractionation capacity	Raw butter, fractionated butter (stearin/olein), soaps, lotions, balms	Raw butter, cosmetics, a few fractionation pilots
Shea butter color	Light yellow to beige	Very consistent pale yellow	Varies: pale yellow to ivory

Criteria	Benin	Burkina Faso	Ghana
Odor (raw butter)	Mild, nutty, sometimes smoky	Mild, clean, consistent	Generally mild, slightly nutty
Texture of the raw butter	Smooth if well produced	Very smooth, creamy	Smooth and soft
Free Fatty Acid (FFA) Content	Moderate (1–4% in well-processed butter)	Low (typically <2%)	Low to moderate (2–4%)
Butter moisture content	Around 0.2–0.5% (varies by processor)	Very low (often 0.1–0.3%)	0.2–0.5% in certified butter
Presence of impurities	Minimal in filtered butter	Very low in exported lots	Minimal in certified batches
Consistency across batches	Variable – depends on cooperative/process	High – structured cooperatives & QC	Moderate – growing structure & QC
Refinement suitability	Good (needs consistency improvements)	Excellent – widely used for fractionation	Good – used in cosmetics industry
Institutional support & policy	Weak – no dedicated national strategy; some ATDA-3 support for processing and equipment	Strong – national shea strategy, support from Ministry of Trade and Agriculture	Moderate – growing government interest; linked to tree crop diversification strategy
Infrastructure (roads, energy, water)	Limited – poor rural road access, inconsistent energy for processors	Better – relatively good infrastructure in processing zones	Moderate – access improving, especially with government projects
Presence of exporters / aggregators	Emerging – a few private actors and NGOs trying to develop export chains	Strong – well-organized sector with exporters linked to global markets	Moderate – some exporters integrated with EU buyers
Export readiness (certification, traceability, packaging)	Emerging – few actors with organic/fair-trade certifications; most butter not export-compliant	Advanced – strong export-oriented actors, organic/fair-trade certifications widespread	Growing – more exporters with certifications and EU compliance
Market penetration (EU, US, regional)	Low but growing – few companies exporting to EU; strong potential in Nigeria, Senegal	Strong – key supplier to L'Occitane, AAK, other EU clients	Moderate – some exporters present in EU, UK and US; solid regional reach
Fractionation capacity (stearin/olein)	Very low – mostly absent	Present – in collaboration with international buyers	Low – small-scale R&D, no large plants
Brand identity & perception	Weak – Benin not yet known as a shea hub globally	Strong – Burkina shea butter is seen as high quality and ethical	Improving – Ghanaian butter gaining reputation for cosmetics
Access to finance for processors	Very limited access; small processors often excluded from formal loans. Mostly depend on grants and NGOs.	Moderate – Strong cooperative networks access microcredit and	Improving – Some processors access credit via banks and programs (e.g.,

Criteria	Benin	Burkina Faso	Ghana
		donor-funded credit schemes.	MASLOC), but still limited for rural women.
Structural weaknesses in MSMEs	Weak organization, low business formalization, poor record-keeping, and fragile cooperative structures.	Strong cooperative tradition; most processors are organized into legally registered groups.	Mixed – some strong actors but many MSMEs still informal or under-registered, esp. in rural areas.
Level of market informality	High – many actors operate outside formal tax and registration systems, especially in rural areas.	Lower – large number of certified, traceable actors engaged in formal markets and export supply chains.	Medium – informal trade persists but policy is encouraging formalization.
Level of market access & collective influence	Weak – fragmented producer base; minimal bargaining power; poor access to regional and international buyers.	High – cooperatives and unions negotiate with exporters and buyers; Burkina is a preferred sourcing country.	Growing – rising involvement in structured markets, some collective efforts around quality and fair trade.
Quality control, storage, and testing capacities	Poor – limited access to testing labs, no national standards enforcement; basic storage conditions affect butter stability.	Strong – quality labs available (e.g., IRSAT), SOPs promoted by donor programs, and widespread awareness of export standards.	Moderate – some access to testing via CSIR and GSA; infrastructure improving but inconsistent across regions.

6. SWOT Analysis of Benin's shea sector

The shea sector in Benin holds considerable promise, driven by natural abundance and strong community involvement. However, it also faces challenges that require strategic interventions. SWOT analysis of Benin's shea sector is provided in the table below.

Table 3 – Benin's shea sector SWOT analysis

Strenghts	Weaknesses
• Good raw material quality (fat content, extraction yield) • Growing awareness of organic and export standards among key actors • Active donor and NGO support (GIZ, Enabel, NGOs, CBI, etc.)	• Limited access to finance for MSMEs and cooperatives • Weak cooperative structuring and limited business formalization • Low processing capacity – few semi-industrial facilities • Limited access to testing, certification, and traceability systems • Lack of national shea development strategy or coordination platform

	Weak market linkages
Opportunities	Threats
- Rising demand for shea butter in cosmetics and food sectors globally - Potential to access regional markets (Senegal, Nigeria, etc.)	- Competition from Burkina Faso and Ghana with stronger branding and access - Inadequate rural infrastructure increases transport/storage costs - Informal market practices reduce traceability - Fluctuations in nut prices impacting the profitability and stability of the production

7. Most promising product-market combinations

Regional markets in West Africa, particularly Senegal, as well as European markets, present an opportunity for Benin's shea producers. Regional markets are large and growing, rather culturally familiar, with strong demand for both raw and value-added shea products. European markets are much more demanding, but also present better economic opportunities for Beninese processors:

Table 4 – Product-market opportunities for Beninese shea processors and exporters

Target Market	Products	General market requirements	What Beninese processors can do
European markets (France, Netherlands, Germany, etc.)	- Refined high-quality shea butter - White-label cosmetic ingredients - Fractionated derivatives (stearin/olein)	- Compliance with EU Regulation 2018/848 for organic - Fair Trade, Organic, ISO 22000 or GMP certifications - Microbiological and heavy metal testing - Traceability (from collection to export) - Batch consistency, labelling	Refined high-quality butter

Artisanal processing rates for unrefined shea butter in Benin are estimated to vary between 3 to 5 kg of nuts to produce 1 kg of butter. Using traditional (manual) methods results in lower yield (4.5–5:1). Using semi-mechanized processing results in better yield (~3–4:1). Overall, from 1 ton of quality shea nuts it is possible to obtain 200 – 320 kg of unrefined shea butter.

The processing costs of shea nuts into shea butter in Benin are estimated as follows:

Table 5 - Shea butter production efficiency in Benin: traditional (artisanal) vs. semi-mechanized

Parameter	Traditional processing	Semi-mechanized processing
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Raw nuts required per 1 kg butter	4.5 – 5.0 kg	3.0 – 3.5 kg
Butter yield from 100 kg of nuts	~20–22 kg	~28–33 kg
Extraction efficiency	~20–25%	~30–35%
Labor input	High – 6–8 women per 100 kg batch	Medium – 2–4 workers (machine-aided)
Processing time	2–3 full days for 100 kg batch	1 working day for 100–200 kg
Water & fuelwood usage	Very high (for boiling, roasting)	Reduced (uses pressers and efficient boilers)
Cost per kg of butter	~€1.50 – €2.00	~€1.00 – €1.50
Butter consistency & quality	Variable (depends on skill, smoke exposure, etc.)	More consistent – better control of temperature, purity
Scalability	Limited by labor and time	Scalable with modest equipment and batch upgrades
Best suited for	Local and regional markets	Regional and EU export preparation

Volumes vary significantly by buyer size and contract type. Regional buyers often start with small trial lots and scale up as reliability builds. EU buyers typically test first with 20–100 kg samples, then move to half-container or container-scale (20 – 40 tons) if standards are met.

The wholesale price of shea butter exported from Africa to Europe varies based on factors such as quality, processing methods, certifications, and market demand. Here's an overview of the current pricing landscape:

Table 6 - Wholesale Prices of Shea Butter in Europe (2023–2024)

Product Type	Price Range	Notes
Conventional unrefined shea butter	€1.0 – €1,8 per kg	Typically used in food and cosmetics sectors; prices depend on quality and processing methods
Fairtrade-certified shea butter	€2.4 – €3 per kg	Reflects Fairtrade minimum pricing standards; caters to ethically conscious markets
Organic-certified unrefined butter	Up to €10.90 per kg	Premium pricing due to organic certification; appeals to natural and organic product markets
Organic-certified refined butter	Up to €12.00 per kg	Higher processing standards and certifications contribute to increased prices

As previously mentioned, the wholesale prices for shea butter in Senegal are the following:

Table 7 - Wholesale prices of imported shea butter in Senegal (2025)

Product type	Price range	Notes
Shea butter from Mali	€2 per kg	Lower quality
Shea butter from Burkina Faso	€2.75 per kg	Higher quality

To identify the most promising market opportunities for Beninese MSMEs and match each target company with suitable export segments, we propose organizing a workshop in Benin. This will

allow direct engagement with processors and enable the calculation of the economic feasibility of various shea butter production models based on their actual production costs.

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Annexes

Photos from the visit to the Dakar trade fair.

Examples of traders from Mali and Burkina Faso selling raw shea butter



