



## Market and Technical Survey: Shea Nuts

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### Introduction

Shea nuts are primarily grown in West and Central Africa in the semi-arid Sahel, referred to by traders as the "Shea Belt". *Vitellaria paradoxa* and *Vitellaria nilotica* are the two main varieties. *Vitellaria paradoxa* is exported in the largest volume and grows throughout the West African region. *Vitellaria nilotica* is produced primarily in northern Uganda and southern Sudan. Shea nut products, the solid fat (butter or stearin) and the liquid oil (olein), are ideal for use as raw materials in cooking oil, margarine, cosmetics, soap, detergents and candles, but it has found its primary market niche as a substitute for cocoa butter in the chocolate and confectionery industry.

### Production Method

Shea nut trees grow widely and naturally in West Africa. They only begin to bear fruit after about 20 years and do not reach maturity for 45 years. They may continue to produce nuts for up to 200 years after reaching maturity.

The long period taken to reach maturity has discouraged plantation planting, although they are used as shade trees for other crops in certain dry areas. Also the fact that supply far outstrips demand has fouled attempts to domesticate the trees.

The nuts, which are embedded in a soft fruit, fall to the ground during the harvesting period (typically June through August). They are then buried in pits which causes the pulp to ferment and disintegrate and produces enough heat to prevent germination. The nuts are dried for a few days and are later shelled and winnowed, usually by hand. The kernels are dried further to reduce moisture content from about 40 percent to about 7 percent.



*The Shea Nut Tree*  
(Photo Credit: KARITEA, France)

A process called fractionation separates the oil (olein) and butter (stearin). This can be done locally and allows for the extraction of the liquid oil - which is much more valuable to West Africans because of its nutritional content - by a process involving the heating and kneading of the crushed kernels and straining the resultant oily mass.



*Shea Nuts*  
(Photo Credit: CREDO, Finland)

Manufacturers in the chocolate and other food industries prefer to buy the shea nuts as opposed to the butter so that they can have as much control as possible over the processing and quality of the final product. Nuts are also preferred because they can be stored for up to five years in the right conditions, while the butter is more expensive to store and deteriorates more rapidly. Exports of shea butter from African countries tend to be unrefined.

Shea butter is produced on a commercial scale in Europe using hydraulic presses on the nuts and then placing them in hot air ovens. The product is then bleached with a hexane solvent. The butter must then be stored and transported in cool conditions and in airtight containers to avoid becoming rancid.

For a more detailed description of the production method, please refer to excerpts of a Fintrac-produced technical report in Annex A.

## Supply

Shea nut supply far outstrips demand. Over 600,000 MTs of the dominant variety, *Vitellaria paradoxa*, is produced in West Africa (see Table 1 below). Most is used as a cooking oil or as a butter for the skin and hair locally. The other variety, *Vitellaria nilotica*, has a superior quality which is preferred by the cosmetics firms (see excerpts from a shea nut technical report produced by Fintrac in Annex A). Unfortunately this variety is primarily grown and processed in northern Uganda and southern Sudan, both currently states of civil unrest, and so it is generally unavailable on the market. Several other countries, including Israel and Germany, are attempting to replicate this variety. A contact for the project that is marketing this variety can be found at the end of this survey.

	1994	1995	1996	1997	1998
Benin	15,500	15,000	15,000	15,000	15,000
Burkina Faso	70,100	75,700	70,000	70,000	70,000
Côte d'Ivoire	19,785	20,000	20,000	20,000	20,000
Ghana	57,000	56,000	55,000	55,000	55,000
Mali	85,000	85,000	85,000	85,000	85,000
Nigeria	353,000	384,000	345,000	355,000	355,000
Togo	7,000	8,520	2,504	6,500	6,500
<b>TOTAL</b>	<b>607,385</b>	<b>644,220</b>	<b>592,504</b>	<b>606,500</b>	<b>606,500</b>
<i>Source: FAOSTAT</i>					

FAO export statistics of major supplying countries are provided in Tables 2 and 3 below, although they are not considered to be completely accurate and are primarily estimates. Exports during the last two years of available statistics hovered around 50,000 MTs with an export value of around \$10 million. Exports in 1996 and 1997 are more than double the five year low recorded in 1993, but lower than the high recorded in 1994.

<b>HS Code 120792</b>	1993	1994	1995	1996	1997
Ghana	1,793	13,988	6,000	19,654	19,654
Benin	7,870	15,266	9,504	9,504	9,504
Côte d'Ivoire	4,792	12,163	11,195	5,422	5,422
Burkina Faso	5,000	5,000	7,633	7,633	7,633
Togo	1,112	6,562	4,606	8,330	5,284
Nigeria	-	5,000	-	-	-
Mali	500	500	500	500	500
UK	-	215	182	28	-
Other	28	10	34	21	31
<b>TOTAL</b>	<b>21,095</b>	<b>58,704</b>	<b>39,654</b>	<b>51,092</b>	<b>48,028</b>

Source: FAOSTAT

<b>Table 3: Worldwide Shea Nut Exports by Value, 1993-97 (US\$000s)</b>					
<b>HS Code 120792</b>	<b>1993</b>	<b>1994</b>	<b>1995</b>	<b>1996</b>	<b>1997</b>
Ghana	340	2,590	1,500	5,846	5,846
Benin	1,071	2,223	1,400	1,400	1,400
Côte d'Ivoire	1,319	1,601	1,973	793	793
Togo	137	764	788	1,274	972
Burkina Faso	500	500	847	847	847
Nigeria	-	1,500	-	-	-
Mali	150	150	150	150	150
UK	-	45	37	9	-
Other	6	9	38	10	33
<b>TOTAL</b>	<b>3,523</b>	<b>9,382</b>	<b>6,733</b>	<b>10,329</b>	<b>10,041</b>

Source: FAOSTAT

## Import Markets

A few companies based in Europe control the import market for shea nuts. Their main clients are chocolate manufacturers as the shea nut by-products are among the principal ingredients in cocoa butter equivalents (CBEs). Many countries, including the US, forbid the manufacture of CBEs, so the main importers tend to be in Europe with minor amounts also shipped to Japan. However, even in Europe not all countries allow CBE manufacture, but they all allow the sale of CBE products. The countries that allow its manufacture include the UK, Denmark, Sweden, Portugal, Ireland, Russia and Japan.

Accurate trade statistics are difficult to obtain. Statistics from the UN Food and Agriculture Organization (FAO) and the European Union report that European imports were in the range of 2,500-5,000 metric tons (MTs) in 1997. Based on interviews with traders, previous years' import statistics and export statistics of producing nations, the European import market is probably much larger (possibly reaching 50,000 MTs with an import value of over \$13 million per year).

Major European importing companies are primarily based in Denmark, Sweden and the UK. Denmark and the UK each imported approximately 20,000 MTs last year, while Swedish imports were estimated at around 10,000 MTs. Fewer imports were recorded by France, as importers there are more interested in shea butter as opposed to nuts. The list of importers interviewed for this market study can be found at the end of this survey.

The market is not open to much speculation and trades are done in a closed circuit dominated by the Europeans. Japanese importers complain of being unable to break into the Europeans established network of clients and suppliers.

Shea butter is becoming increasingly popular as an ingredient in cosmetics and soaps, especially in France and the US. According to one importer interviewed, they have seen a threefold increase in demand for shea butter in the past year. Chocolate and confectionery products account for 95 percent of shea butter demand, with only 5 percent currently used for cosmetics and pharmaceuticals.

## Prices

Over the course of the past export season (September through April/May), the price for shea nuts ranged from \$240-350 per MT (CIF Europe) with \$300 per MT being the average price. Ghanaian and Nigerian nuts are preferred because of their higher oil content and thus fetch a slightly better price (\$275-\$350) per MT. Incentives are offered for better quality nuts (see quality standards below) through premiums that are paid to exporters.

Historically the price has reached a high of \$1,000 per MT, but there has been a gradual downward trend as the price of cocoa beans and butter has decreased (see Annex B). The price of shea nuts and butter follows the movement in the price of cocoa beans and butter but at a substantially lower price because it is only a substitute for cocoa butter in chocolate. The price of cocoa beans has decreased 40 percent in the past year due to increased supply at origin and lower consumption in the market.

Manufacturers add the shea butter to their CBEs in the hope that they can provide a discount on their product in order to increase sales, although they often try and convince consumers that there is a quality issue involved in their marketing decision. With lower cocoa bean prices there has been less of an incentive to purchase shea nuts. Chocolate manufacturers remain committed to CBEs, nevertheless, because their thinking is long-term and the confectionery industry has a labeling cost to contend with in Europe as they must state whether a product has CBEs in it or not.

There is a large mark-up for the various shea nut by-products: fractionated oil can fetch a price of \$3,300 per MT and the refined butter from Europe trades at \$1,000 per MT (all prices CIF US). The retail price for the refined butter is \$6 per ounce in the US. The unrefined *Vitellaria nilotica* shea butter from Uganda is priced at \$60/kg, while unrefined shea butter from West Africa is priced at \$200/MT (CIF Europe).

## Quality Standards

Individual companies specify their own quality standards for purchases of shea nuts. The following is a benchmark for the composition of the shea nut required for import:

- Free Fatty Acids (FFA) = less than or equal to 6%
- Moisture Content = less than or equal to 7%
- Oil Content = greater than or equal to 45%
- Latex = 4-10%

The oil content is the most crucial element of the shea nut as that component is an important ingredient in the composition of the butter that goes into CBEs and other by-products. If the oil content is higher and the FFA and moisture content is lower, then the exporter will receive a price premium.

Shea butter buyers may also specify its iodine value and a melting point of between 30° C and 40° C - which signifies a minimum purity. Needless to say, the product should be free of foreign bodies. Users in the cosmetic industry want a very highly refined butter product (such as the butter of *Vitellaria nilotica*) and may require a detailed specification of the different fatty acids, the refractive index and a saponification value.

### List of Importers

Loders-Croklaan  
Hogeweg 1  
P.O. Box 41520 AA  
Wormerveer THE NETHERLANDS  
Tel. +31-75-6292911  
Fax +31-75-6292421  
Contact: Mr. Japp Biersteker  
WWW: <http://www.croklaan.com>

(This office is a subsidiary of Unilever UK PLC and does all its tropical nut and edible oil buying)

Karlshamns AB  
37482 Karlshamn SWEDEN  
Tel. +46-454-82000  
Fax +46-454-82839  
Contact: Ms. Monika Hjorth  
email: [mh@karlshamns.se](mailto:mh@karlshamns.se)

Aarhus Oliefabrik A/S  
M. P. Bruuns Gade 27  
P.O. Box 50 DK-8000 Aarhus C DENMARK  
Tel. +45 8730 6000  
Contact: Mr. Soeren Laursen  
email: [sla@aarhus.com](mailto:sla@aarhus.com)

Brittania Food Ingredients Ltd.  
Goole DN14 6ES UK  
Tel. +44-1405-767776  
Fax +44-1405-765111  
Contact: Mr. Phil Nash  
email: [office@britfood.demon.co.uk](mailto:office@britfood.demon.co.uk)  
(Raw material supplier to Mars and Cadbury's UK)

Agritropic s.a.r.l.  
Rue des Moulins  
43100 Vieille-Brioude FRANCE



Tel. +33-4-71749790  
Fax +33-4-71749282  
Contact: Mr. Georges Brun  
(also acts as Commercial Director for Aarhus out their Abidjan office)  
email: [sla@africaonline.co.ci](mailto:sla@africaonline.co.ci)

Eurobroker  
30, rue d'Astorg  
75008 Paris FRANCE  
Tel. +33-1-44948787  
Fax +33-1-40060313  
Contact: Mr. Michael Becker, Tropical Nuts Division  
email: [michael@eurobroker.fr](mailto:michael@eurobroker.fr)

Aarhus Olie Côte d'Ivoire  
(subsidiary of Aarhus Oliefabrik A/S, Denmark)  
Résidence de la Tour B.I.A.O  
8-10 rue Joseph Anoma  
(entrée avenue Lamblin)  
Abidjan 01 BP 1730  
COTE D'IVOIRE  
Tel. +225-327052/53  
Fax +225-327055  
Contacts: Mr. Søren Laursen, Managing Director  
email: [ghb@africaonline.co.ci](mailto:ghb@africaonline.co.ci)

EXA Cosmetics  
112 rue de Lagny  
93100 Montreuil FRANCE  
Tel. +33-1-42879698  
Fax +33-1-48708870  
Contact: M. Philippe Monmarché  
(Use refined shea butter in their line of cosmetics)

D2E  
202, rue de la Croix Nivert  
75015 Paris FRANCE  
Tel. +33-1-53785858  
Fax +33-1-53785850  
Contact: Dr. Laurent Sousselier  
(Use refined shea butter in their line of beauty creams)

Fuji Oil Company, Ltd.  
1-5, Nishi Shinsaibashi 2-chome, Chuo-ku  
Osaka 542 JAPAN  
Tel. +81-724-631364  
Fax +81-724-631601  
Contact: Mr. Uragami, Manager  
email: [780040@so.fujioil.co.jp](mailto:780040@so.fujioil.co.jp)  
(Import shea nuts, butter and oil)

Fuji Vegetable Oil, Inc.  
(US based subsidiary of Fuji Oil)  
120 Brampton Road  
Savannah, GA 31408 USA  
Tel. (912) 966-5900 x 315  
Fax (912) 966-6913  
Contact: Mr. Don Tanegawa  
email: [fvo\\_finance@gapcdr.com](mailto:fvo_finance@gapcdr.com)  
(Imports shea butter and oil only for sale to chocolate manufacturers in  
Canada and S. America)

AFAJATO, Inc.  
6455 E. Briar Drive  
Lithonia, GA 30058 USA  
Tel. (770) 482-4451  
Fax (770) 413-6389  
Contact: Mr. Paul Agbemashior  
Email: [afajato@aol.com](mailto:afajato@aol.com)  
(Imports shea butter only for sale to health food and arts and crafts stores,  
primarily from Ghana)

The Shea Butter Company, Ltd.  
16781 Torrence Avenue  
Lansing, IL 60438 USA  
Tel. 1-877-489-2700 (toll free)  
Fax (708) 481-3144 or 1-877-489-9917 (toll free)  
Contact: Mr. Thom Rivers  
Email: [trivers@naturalessence.com](mailto:trivers@naturalessence.com)  
WWW: Terry Labs  
390 N. Wickham Road, Suite F  
Melbourne, FL 32935 USA  
Tel. (407) 259-1630  
Fax (407) 242-0625  
Contact: Ms. Gail Falco or Mr. Dave Wellsley  
email: [aloe@terrylabs.com](mailto:aloe@terrylabs.com)  
WWW: <http://www.terrylabs.com>  
(Sells refined shea butter to cosmetic companies in US)

Edible Oils Marketing Consultant  
Nyland Coach House  
Nyland, Cheddar, Somerset BS27 3UD, UK  
Tel. +44-1934-741137  
Fax +44-1934-741862  
Contact: Mr. Ian Campbell CA  
email: [I\\_DCampbell@compuserve.com](mailto:I_DCampbell@compuserve.com)  
(Previously worked for Unilever; excellent shea marketing contacts in  
Europe and Canada)

## Shea Nut WWW References



## 1. TECO Finance Export

URL: <http://www.sheabutter.com/>

Main activity is international trade of tropical raw materials. TECO collects these products in Guinea-Bissau, Ivory Coast, Mali, Burkina Faso, Togo, Benin and Nigeria. The main products are cashew nuts and shea nuts. Collection requires a strong organization with financing facilities, distribution of bags, quality control, warehousing and Export formalities from the loading port. Processing, packaging, and distribution take place in France.

For more information: 24 rue Violet, 75015 PARIS - FRANCE, Tel : 331 45.78.92.91, Fax : 331 45.77.00.69, email : [info@sheabutter.com](mailto:info@sheabutter.com)

## 2. The Cooperative Office for Voluntary Organizations of Uganda (COVOL Uganda) - Shea Project

URL: <http://www.covol.org/Shea/index.html>

The Shea Project for Local Conservation and Development is an integrated, long-term effort to preserve the ecological integrity of savanna woodland in northern Uganda through reinforcement of the economic importance of the shea butter tree, *Butyrospermum parkii*, source of the food oil known as shea butter. Funded to 75% by the USAID Action Program for the Environment (APE), the Shea Project is a collaborative effort of COVOL Uganda and the women's farming groups of Lira District in northern Uganda.

For technical information: Mr. Eliot Masters, Project Coordinator, COVOL, P.O. Box 833, Lira, UGANDA, Fax +256-41-543565, email: [covol@bushnet.net](mailto:covol@bushnet.net)

For marketing information: Ms. Alisa Puga, 4680 Portola Drive, Santa Cruz, CA 95062 USA, Tel./Fax (831) 462-2182, email: [alisap@earthlink.net](mailto:alisap@earthlink.net)

## 3. UNIFEM - "Eradicating Feminized Poverty" (Report)

URL: [http://www.unifem.undp.org/ec\\_povh1.htm](http://www.unifem.undp.org/ec_povh1.htm)

## 4. Meeting on Karité (*Vitellaria paradoxa*) 15-17 April 1998, FAO, Rome, Italy

URL: <http://www.fao.org/waicent/faoinfo/forestry/NWFP/KARITE.HTM>

## 5. Solutions Cite Case Study

URL: [http://www.solutions-site.org/cat9\\_sol66.htm](http://www.solutions-site.org/cat9_sol66.htm)

The Songtaaba Women's Group has transformed karité (shea nut) processing and made it into a substantial industry run by women, from

production to marketing of a wide range of consumer products.

6. "Le vrai faux chocolat qui irrite l'Afrique"

URL: <http://www.francophonie.org/syfia/88bchoco.htm>

EU regulations on chocolate content and effects on cocoa-producing nations / vegetable oil imports, including karité (shea nut).

7. "Karité: extraction sans peine" - Centre Technique de Cooperation Agricole et Rurale ACP-EU (CTA)

URL: <http://www.agricta.org/ctafr/spore73.htm#anchor1489889>

New press for extraction that is less labor intensive. Women are responsible for much of the extraction process in the production of shea butter.

8. KARITEA

URL: <http://www.adx.fr/karitea/karitea4.html>

Beauty product producer - partner/source from Groupe Coton et Développement (Mali)

9. IDRC - Adventures in Development - Vegetable Oils (Burkina Faso)

URL: <http://www.idrc.ca/adventure/ehuiles.html>

10. Mission Nature - Association for New Hope and Ideas (ANHI)

URL: <http://www.credo.fi/eko/oil.htm>

11. University of Southampton - International Center for Under-utilized Crops

URL: <http://www.soton.ac.uk/~icuc>

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