The High Stakes of West Africa's Shea Policy Revolution

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Introduction

The shea industry in West Africa, is being shaken by sudden government interventions. Export bans, floor prices and abrupt suspensions promise value addition at source, yet risk marginalising women collectors, unsettling traders and undermining trust in supply chains. The question now is whether these protectionist measures and policies will secure the industry's future or put families, shea parklands and international trade at risk.

The shea tree (*Vitellaria paradoxa*) is indigenous to Africa's savannah and stretches across a 21 country belt from Senegal to South Sudan. This vast 'shea belt' covers more than 2 billion trees, naturally regenerating across 3.4 million square kilometres of dryland forest and parkland. For centuries, shea has been more than just a tree, it has been a cornerstone of rural life, providing food, medicine, fuel and income for millions of households. The shea industry has undergone a remarkable transformation over the past two decades. What began as a locally consumed resource deeply embedded in West African traditions has evolved into a billion dollar global industry. Annual shea nut exports are around 500,000 metric tonnes in 2023, a jump of more than 600% from a decade earlier, establishing shea as a strategic commodity in international food and cosmetics markets. This growth trajectory reflects both the industry's resilience and its increasing integration into global food and cosmetics industries, which demand consistent quality and sustainable practices.

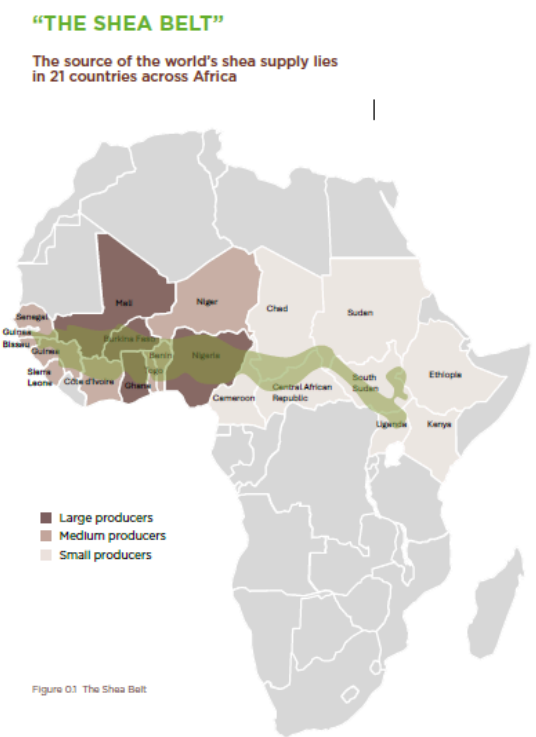


Figure 0.1 The Shea Belt

At the heart of this transformation are more than 16 million women across West Africa who collect, process and trade shea products. These women form the backbone of an industry that not only sustains rural livelihoods across the Sahel but also generates substantial export revenues, over $500 million annually, which goes into households across shea producing countries. Despite facing climate volatility, lack of access to finance, limited infrastructure support and oppressive land tenure systems, women have demonstrated remarkable innovation and persistence in their leadership. Whether through formal co-operatives or individual effort, their collective organisation has built supply chains that stretch from remote villages to international markets, reflecting both economic empowerment and community resilience in some of the world's most challenging environments.

Shea trees dominate West African agroforestry parklands, intercropped with indigenous species to create complex ecological systems that extend far beyond commercial value. These parklands support biodiversity, improve soil fertility and provide multiple income streams for farming communities. According to FAO research[1] on agroforestry systems, well managed tree crop combinations can capture between 1.5 to 3.5 tonnes of carbon per hectare every year, with carbon stocks potentially tripling over two decades. Shea parklands represent one of Africa's three major carbon sinks, alongside the Congo Basin and the Miombo woodlands.[2] As the dominant tree in West Africa's savannah landscape, the shea tree plays a vital role in capturing carbon, protecting biodiversity and supporting millions of rural households. The environmental significance of these systems extends beyond their economic value, they are ecological pillars supporting both human communities and global climate stability.

Policy Evolution Across West Africa: A Protectionist Turn?

Analysis of West African government engagement with the shea sector reveals a distinct shift in policies over the past two decades. Historically, limited public sector investment in shea infrastructure and extension services reflect resource allocation decisions that prioritised established cash crops such as cocoa, cotton and cashew. Government expenditure reviews indicate a stark imbalance: in Ghana, for example, the dedicated cocoa subsector commands around 56% of public agricultural spending, whilst non cocoa crops, including shea, receive only about 4%.[3]

[1] FAO Research

[2] https://shorturl.at/ILZ1H

[3] https://shorturl.at/sf8mU

The industry's growth occurred primarily through private sector networks and co-operative structures, with women's groups establishing supply chains that connected rural communities to international markets.

Recent policy developments reflect increased government attention to the sector's economic potential. However, implementation patterns suggest a preference for regulatory approaches over collaborative policy development. Analysis of policy documents and stakeholder consultations indicates limited systematic engagement with existing industry actors during policy formulation processes. Amongst the many instances of limited engagements with their respective consequences include:

- Burkina Faso introduced a raw nut export ban in September 2024. The measure, announced without consultation or transition support, left co-operatives and exporters with stranded inventories, encouraged smuggling across porous borders and generated widespread protests
- Mali followed in October 2024, pairing export restrictions with a minimum floor price. But with limited domestic processing capacity, the policy produced little benefit whilst weakening investor confidence
- Côte d'Ivoire also enacted temporary restrictions in late 2024, with limited clarity for stakeholders on duration or enforcement
- Togo joined in March 2025, reflecting a growing regional trend of state led restrictions
- Nigeria joined the policy bandwagon and imposed a 6 month suspension of raw shea nut exports in August 2025. Whilst intended to channel nuts toward local processors and secure women's livelihoods, the ban was implemented abruptly, with no compensation or dialogue. As a result, it risks distorting markets, triggering contract defaults and fueling informal trade
- Ghana’s regulatory authority, the TCDA,[4] announced a phased plan toward restricting raw exports. Crucially, this is paired with supportive measures: the establishment of a floor price for shea nuts to safeguard women collectors’ incomes and the introduction of export certification and licences to strengthen oversight and traceability. Ghana’s approach balances state interests with stakeholder interests.

[4] https://tcda.gov.gh/

Is West Africa's shea industry sliding into protectionist trade policy?

Governments across the region appear to be reacting with policies that are not always well thought through, introduced without broad stakeholder consultation and with little regard for global perspectives. Women shea collectors fear that export bans restrict them to fewer buyers and that reduced competition will drive down farmgate prices. Traders, who have long served as the link between collectors and commercial buyers, feel squeezed out. Traditional commercial buyers, who export both kernels and processed shea butter (including stearin and olein), feel unengaged, excluded and uncertain about the reforms.

What should be the way forward?

Alternative Policy Approaches: The future sustainability of the shea sector depends on governments adopting more inclusive and strategic approaches that recognise the industry's unique characteristics and stakeholder dynamics. Policy makers can consider the following approaches to build a more sustainable shea value chain that supports women, strengthens local industries and maintains global competitiveness.

Stakeholder Engagement Through National Dialogue: Effective governance requires structured engagement platforms that bring together women's groups, exporters, processors and Non Governmental Organisations (NGOs) to shape policy decisions. Since the industry has operated successfully and grown significantly for decades without government involvement, policies must reflect ground level realities and build upon existing networks rather than disrupting them. National dialogue mechanisms can ensure that regulatory frameworks align with stakeholder needs whilst building the trust necessary for long term compliance and growth.

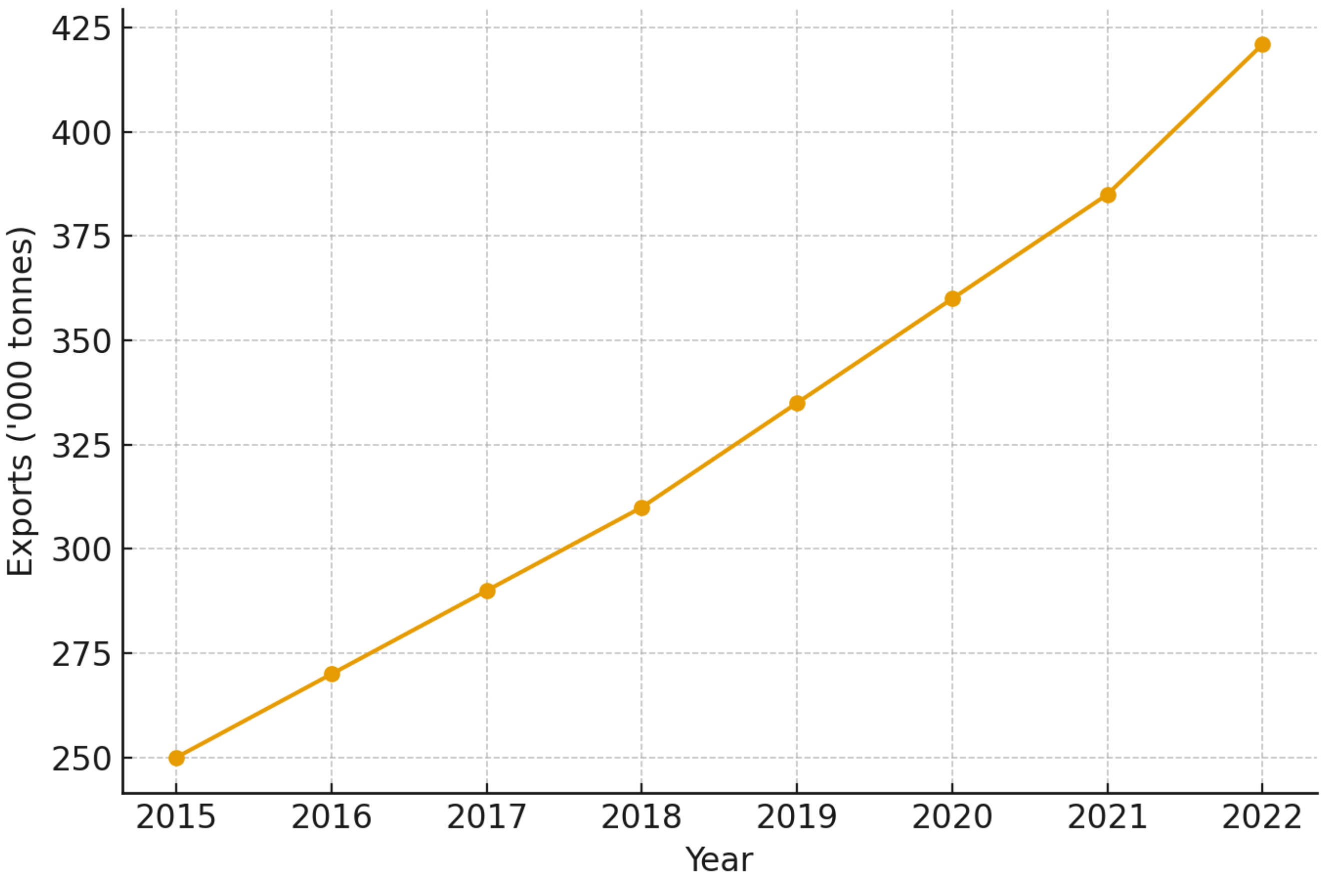
Holistic Policy Frameworks Beyond Regulation: Successful policy interventions must balance oversight with support mechanisms that address core industry challenges. Rather than relying solely on restrictive measures, governments should invest in solutions for declining tree populations through seedling distribution and parkland restoration programmes. Addressing climate change adaptation requires promoting climate smart agricultural practices and protecting biodiversity corridors. Supporting women collectors means improving access to credit, training and processing technology that can increase incomes and reduce post harvest losses.

Regional Collaboration Through Existing Frameworks: The shea belt spans 21 African countries, making national policies inadequate for addressing cross border trade dynamics. Governments should leverage regional frameworks, including the ECOWAS Trade Liberalisation Scheme (ETLS) and the African Continental Free Trade Area (AfCFTA), to promote free movement of shea products and services across the continent. Co-ordinated government to government dialogue can harmonise standards, reduce trade barriers and encourage cross border investments in processing and logistics infrastructure.

Global Market Growth and International Policy Developments

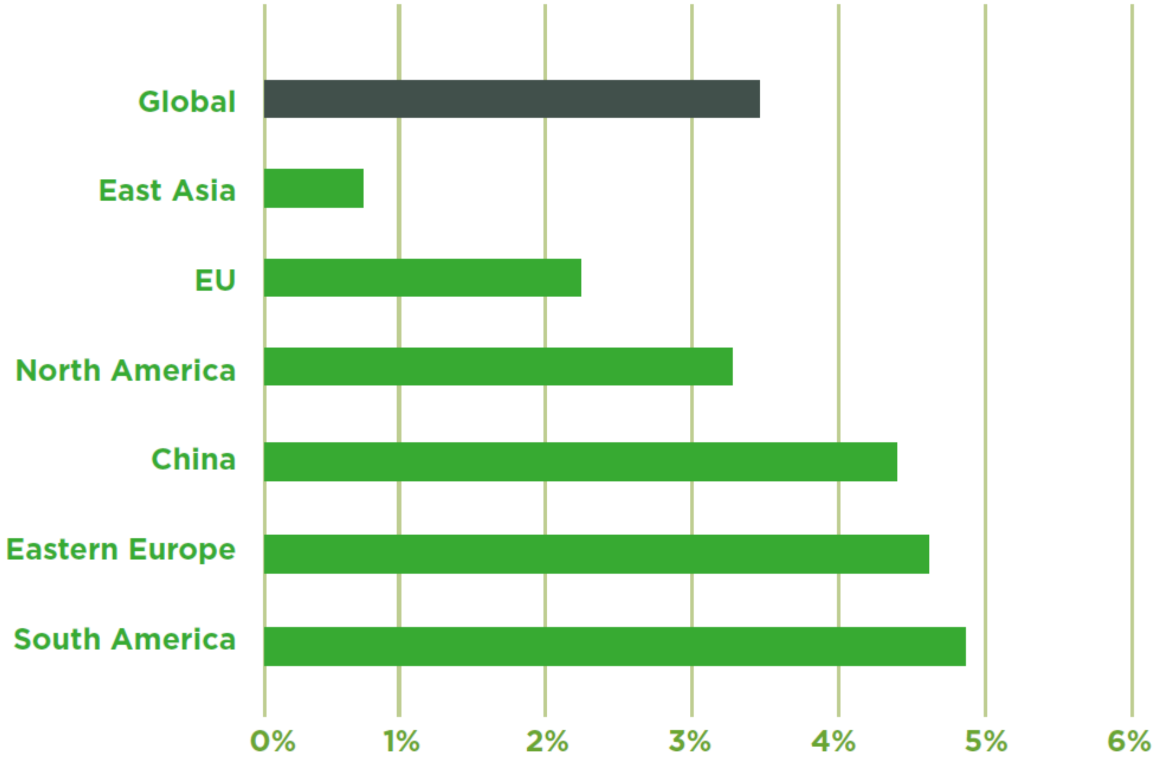
The shea industry's global outlook and expansion reflects both increasing demand and evolving international policy frameworks that have opened new market opportunities.

Data analysis reveals sustained growth in both nut and butter exports over the past decade. The following growth trajectory demonstrates consistent annual increases.



Global Shea Kernel Exports (2015 - 2022)

Market research indicates that approximately 85% of exported shea enters food applications, primarily as a core ingredient in Cocoa Butter Equivalents (CBEs) used in chocolate production. The remaining 15% supports the personal care and cosmetics segment, which continues expanding as global beauty brands prioritise natural, sustainable ingredients. The steady growth observed over the decade occurred as a result of innovations in new applications, changing regulations and geographical expansion.



Regional CBE Demand, Average Annual Growth Forecasts (2020-2030)

International Policy Catalysts

Several international policy developments have expanded market opportunities for shea producers. China's 2021 approval of CBEs in chocolate production created significant new demand for shea derivatives, whilst the US FDA's recent 'Generally Regarded as Safe' (GRAS) expansion for shea derivatives (stearin and olein) allows their use in a wider range of products, including baked goods, snacks, spreads, sauces and frozen dairy desserts. Meanwhile, the EU sustainability standards and consumer preferences for traceable, deforestation free commodities are creating premium market opportunities for certified shea supply chains.

These policy shifts have unlocked new revenue streams and positioned shea as both a climate resilient crop and high value export commodity for producing countries.

Value Addition at Source

The most significant transformation in the shea industry over the past decade has been the shift toward local processing and value addition across West Africa.

Currently, over 60% of shea exports are processed at source, a dramatic reversal from a decade ago when raw nut exports dominated trade flows. This transformation has been driven by substantial private sector investment, donor supported infrastructure development and advocacy efforts led by the Global Shea Alliance [5].

Processing facilities now operate in Benin, Burkina Faso, Côte d'Ivoire, Ghana, Mali, Nigeria and Togo, ranging from women led co-operative enterprises that produce artisanal butter to large scale industrial refineries meeting international standards of the food and cosmetic industries. These facilities produce a diverse range of products, including butter, olein, stearin and various fractions, which command premium prices in global markets.

The benefits of local value addition extend beyond export revenues. Processing creates employment opportunities in rural communities, particularly for women and young people who often lack alternative income sources. It enables product diversification into soaps, cosmetics and other byproducts that serve both domestic and export markets. Most importantly, it strengthens the resilience of the entire shea sector by creating stronger linkages to global supply chains whilst retaining more value within producing countries.

Conclusion

The shea industry stands at a critical juncture where decisions made today will determine its trajectory for decades to come. Global demand continues to grow, local processing capacity is expanding and women's co-operatives are demonstrating ongoing innovation and resilience. However, climate change threatens parkland ecosystems, government policies risk disrupting established networks and competition from other commodities is intensifying.

[5] www.globalshea.com

Success requires recognising that shea represents more than an export commodity, it embodies a complex system linking rural livelihoods, environmental conservation and global markets. Protecting this system demands inclusive governance that engages stakeholders, holistic policies that balance regulation with support and regional co-operation that transcends national boundaries.

The environmental stakes are equally high. Shea parklands serve as a crucial carbon sink and biodiversity reserve whose conservation benefits extend far beyond producing countries. Maintaining these ecosystems whilst supporting rural development requires innovative approaches that monetise environmental services whilst strengthening community livelihoods.

The momentum toward value addition at source signals the industry's potential for sustainable growth that benefits producers, consumers and the environment. Realising this potential depends on creating enabling policy environments that attract investment, protect ecosystems and empower the women who remain at the heart of the shea value chain.

Ultimately, the shea industry's future will be determined by how effectively stakeholders balance competing demands for economic growth, environmental protection and social equity. Success in this balancing act could establish shea as a model for sustainable agricultural development that serves people and the planet alike.