



# GSA News Quarterly

the official newsletter of the Global Shea Alliance

## Shea 2012

Cotonou, Benin Apr 23-27, 2012

www.globalshea.com



# shared value

## Shea 2012 in Perspective

By Joe Lamport

Consensus on establishing a sheanut quality program and a new initiative to increase the use of shea in the U.S. food industry were among the outcomes of the fifth annual shea conference, "Shea 2012: Shared Value," in Cotonou, Benin, co-organized by the Benin Association for Export Promotion, the Global Shea Alliance and the USAID West Africa Trade Hub.

More than 420 stakeholders participated in the annual conference itself April 25 and 26, which was opened by Benin's Minister of Commerce and Industry Sefhou Madina, Burkina Faso's Minister of the Environment and Sustainable Development Jean Couliaty and U.S. Ambassador James Knight III.

"Shea is an important factor in job creation and it drives value addition in many ways, generating revenue that is important to Benin's and the regional economy," said Minister Madina. "The exchanges at this conference will allow stakeholders to address the challenges to the entire value chain."

"A profitable shea industry is contributing to the improvement of lives," said U.S. Ambassador James Knight III. "The U.S. Government will continue to offer its support to this value chain via the USAID West Africa Trade Hub in order to continue to create shared value."

During the annual general assembly of the Global Shea Alliance, stakeholders acted to address significant issues affecting the industry: international demand and creating shared value – ensuring that the 16 million women who collect sheanuts across Africa see a greater return for their efforts.

The importance of the Savannah-Sahel's environmental condition for regional food security and agribusiness was widely discussed. And shea is fundamental to its vitality, USAID Trade Hub Shea Advisor Dr. Peter Lovett reminded stakeholders. "What if the parklands just vanished?" he said in a plenary session. "Unique biodiversity lost, massive carbon stocks released, climate adaptability



I would like to introduce the new Managing Director of the Global Shea Alliance, Joseph R. Funt to you all. He has joined the team at the secretariat and will be managing the day to day activities of the GSA. Joe is a Development Specialist, a former nonprofit director with more than 10 years of experience leading community and economic development services. Most recently, he was employed as the Director of the Community Empowerment Center in New York City. He oversaw five technical program areas, 35 staff, and an annual budget of \$4M. Joe also has several years of international development experience, served as a Peace Corps volunteer in Mali, and speaks English and French. He is very excited to join the Global Shea Alliance to establish a sustainable organization that serves the interests of its members and the millions of rural African women who collect and process shea nuts as a source of income.



On behalf of the General Assembly of the GSA, I would like to wish Joe all the best in his new position and look forward to working with him.



Eugenia Akuete

zeroed and the Niger, Volta and other major watersheds dry up as the West African ecosystem collapses. This ancient and productive ecosystem provides an environmental life-support for the entire sub-region," he said.

That fact was broadly acknowledged at Shea 2012, including by the world's largest chocolate and confectionary corporations.

"If the Global Shea Alliance did not exist, it would be necessary to invent it," said Mamatou Djire, who operates a shea company in Mali and is a member of the Global Shea Alliance Executive Committee. "The shea industry is important to 200 million people in West Africa. The Alliance is the platform to improve the industry and we are happy to see that it is thriving."

In two days of training before the conference, more than 250 representatives of companies, members of women's groups and others participated, but the primary buzz running through the conference was generated by dozens of meetings among stakeholders seeking business

partners, analysis and insight. A business-to-business forum formally matched companies to discuss trade and investment opportunities, but informally the meetings were taking place throughout the week.

"The conference provides so many linkages," said Diaka Sall of Root Capital, the social investment firm. "It gives us the opportunity to understand what's going on in the shea industry, to meet the different players and to know the level of the value chain."

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# Regional Sheanut Quality Improvement Project Begins

By Aaron Adu, Peter Lovett and Senyo Kpelly

The quality of sheanuts varies significantly across West Africa, leading to significant differences in the yield and quality of vegetable fat they can produce. Variation of up to 40% in yields is common—an anomaly within the agribusiness sector. The first four steps in post-harvest processing are critical—rapid harvesting of fresh shea nuts, boiling the kernels, efficient drying and aerated storage in jute sacks.

The worst quality sheanuts—those stored in pits and then smoked—yield as little as 25% butter by weight. The best quality—perfectly boiled for a maximum of 40 minutes and sun-dried—can potentially yield over 50% of quality shea butter by weight.

International buyers have indicated that establishing improved quality will facilitate the payment of premiums to women

collectors. In this light the Global Shea Alliance has introduced pilot programmes in Ghana, Benin and Nigeria to improve the overall quality of nuts produced in West Africa. This project—affectionately dubbed SQIP by the Peace Corps Volunteers will be scaled-up in 2013.

**QUALITY SHEANUTS**  
best practices for production



**Collect**

**1** Collect ripe fruit from ground  
**DON'T SHAKE OR KNOCK FROM TREES**



**De-pulp**

**2** De-pulp quickly – by hand or feed animals  
**DON'T USE ROTTEN OR GERMINATED NUTS**



**Boil**

**3** Boil nuts in water within 7 days for 40 minutes maximum  
**DON'T OVERBOIL – SAVE WATER AND FIREWOOD**



**1st Drying**

**4** Dry quickly on clean surfaces, mats or drying racks  
**DON'T EXPOSE TO RAIN OR DIRT**



**De-husk**

**5** De-husk within 3-4 days



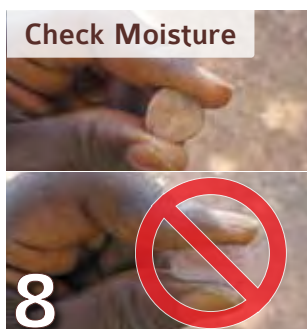
**Sort**

**6** Remove bad nuts and impurities  
**DON'T MIX WITH SAND, STICKS, STONES, ETC**



**2nd Drying**

**7** Continue to dry on clean surfaces still removing all bad nuts  
**MOISTURE SHOULD BE UNDER 7% BY WEIGHT**



**Check Moisture**

**8** Test for dryness  
**DON'T STORE SOFT OR MOIST NUTS**



**Store**

**9** Store dry nuts in jute sacks off the floor in dry airy conditions  
**DON'T STORE IN PLASTIC, FERTILISER OR PP SACKS**





## Own Brands Present New Growth Opportunities

By Leslie Shages



More than 90% of exportable shea is industrially processed and primarily used as an edible specialty fat, e.g. in chocolate production by big brands such as Kraft/Cadbury and Nestlé. However, in the confectionary industry shea largely remains an invisible ingredient. This is mainly because the big brands in the chocolate industry do not want to highlight that non-cocoa butter fats are used—despite all the functional and health benefits that shea offers. Fear of consumer backlash that might be caused by the marketing of ‘cocoa butter replacers’ has meant that shea remains hidden as a valuable ingredient – which if brought to the attention of other manufacturers could be found in more widespread applications.

The recent global financial crisis has driven a change in purchasing habits. Consumers, looking to save money on the products they love, are turning to own brands—such as supermarket brands—instead of higher-priced name brand products.

Major brands, always under the watch of the public eye, are necessarily conservative when introducing a new ingredient or changing the ratios of existing ingredients. They simply have too much to lose. Intense consumer scrutiny can lead to backlash, smear campaigns, and negative press after the slightest modification in ingredients. And when it comes to chocolate, purists believe that chocolate should contain no other vegetable oils or fats—despite the fact that shea adds a host of manufacturing and health benefits. Shea in food products remains largely unseen by consumers, which makes it harder to promote its attributes as an ingredient.

Own brand products face less scrutiny from consumers, and private labels are therefore more willing to experiment with

new ingredients, and change their offerings based on manufacturing benefits and consumer preferences. They can more easily adapt their products to changing trends and consumer demands for health benefits, social impacts, or sustainability.

Increasingly more grocery stores are relying on sales of own brand products to increase their profits. As consumers seek out cheaper alternatives, own brands are generating greater sales and higher margins. Own brands’ strengthened ability to compete with more established brands gives them a greater incentive to invest in product development, address the trend toward socially responsible products, and cater to consumer demands for more traceable, sustainable products.

Knud Larsson, Sourcing Director for AAK, claimed that own brands are an excellent channel for shea to enter the market and gain greater visibility. This appears to be the way forward to leverage promotion of shea as an edible ingredient in the international marketplace.

## New shea processing facility comes online in Ghana

By Aaron Adu

Vice President John Dramani Mahama joined shea stakeholders in Ghana to inaugurate the country’s largest shea processing facility in Buipe on May 16, 2012. Over 500 participants, including GSA representatives, attended the factory opening.

The new US\$30 million facility will have a maximum processing capacity of 40,000 metric tons of shea nuts annually, almost equal to Ghana’s entire shea harvest. This brings Ghana’s processing capacity to over 200,000 tons of sheanuts per year, firmly establishing Ghana as the regional leader for shea butter extraction in West Africa—the culmination of a decade of multi-million dollar investments by international and African firms.

PBC-Shea is a wholly-owned subsidiary of commodity trader, the Produce Buying Company Ltd—formerly a subsidiary of Ghana Cocoa Board and now a public company listed on the Ghana Stock Exchange. Once active, PBC-Shea’s Buipe factory will become the eighth mechanical plant in the country with capacity to convert over 1,000 tons of sheanuts into butter per annum. Other processing plants include facilities in Savelugu, Techiman, Juaben and Tema—in the Northern, Brong-Ahafo, Ashanti and Greater Accra regions respectively.

PBC-Shea hopes the factory will change the economic fortunes of northerners. Sheanut

collection in Ghana is currently estimated at less than 30% of processing capacity, with no more than 60,000 tons of sheanuts collected annually for export, and large quantities of sheanuts being left to rot annually.

The company has built additional infrastructure including staff bungalows, road network, street lights, dedicated electricity line and a treated-water plant for use by the factory and the Buipe community. Maximum annual production is projected at 12,000 tons of shea butter, which could produce income exceeding US\$30 million. Future plans include fractionation of shea butter to olein (liquid oil) and stearin (solid fat) to explore the global market for cocoa butter equivalents and improvers (CBE/CBIs).

PBC currently has an arrangement to sell butter to Brazil, but also plans to develop U.S., European and Asian markets. The Brazilian Ambassador to Ghana said this factory would almost double Ghana’s exports to Brazil. PBC is also collaborating with Ghana’s Savannah Accelerated Development Authority to provide safety



equipment—hand gloves, wellington boots and tricycles—to organized women’s groups to encourage more picking.

Vice President Mahama reiterated the government’s commitment to the shea industry and to improving the income and livelihoods of rural northern women. The Government—via Ghana Cocoa Board—recently established a new Shea Unit to regulate the industry; all sheanut buyers are now obliged to be licensed. The Government also introduced a minimum floor price in an attempt to protect pickers from highly volatile international prices for sheanuts.

## AAK expands partnerships with women's groups in Burkina Faso

Leading producer of specialty vegetable oils and fats AAK signed an agreement with the government of Burkina Faso in March to expand its activities with women's groups in rural Burkina Faso, West Africa, from a base of 10,000 to 30,000 women over the next two years.

The company has sourced sheanuts from West Africa since the 1950s. Over the past three years AAK has established local women's groups with whom it works closely—both to do business and to educate the women in how to improve the quality of the sheanut kernels.

"More than 10,000 women are members of these groups, and we wish to triple the number of women involved," said Knud Larsson, AAK's Sourcing Director.

AAK's partnership with the women's groups is based on fair trade principles, to provide the women with a steady income and a bonus for delivering high-quality products, without binding them to trading with AAK. Being part of a collective empowers the women as business partners and contributes to their fight against poverty and to improved living conditions locally in the villages.

Sheanuts are a strategically important raw material in AAK's solutions for the chocolate and confectionery industry. The company requires a steady supply of high-quality sheanuts, and its close cooperation with the women's groups and the government of Burkina Faso works toward this outcome.

### Executive Committee update

## Salima Makama replaces Zainab Kuchi as Nigerian EC representative

Participants from Nigeria at the Shea 2012 conference voted to replace Nigerian Executive Committee representative Hadjia Zainab Kuchi with Hadjia Salima Makama. Salima Makama, a law graduate from Amahdu Bello University, is a business woman with interests in agriculture and real estate. She is the Executive Chairperson of Kade Processing and Export Company

Ltd., involved in the processing and export of commodities including shea nuts, and recently shea butter. On behalf of the General Assembly of the Global Shea Alliance, the Executive Committee would like to welcome Hadjia Salima Makama and hopes that her vast experience will contribute to building a stronger, sustainable and profitable shea industry.

## Shea 2013: Call for Proposals

The Global Shea Alliance Secretariat is pleased to announce a call for proposals to host the 2013 annual shea conference. Shea 2013 will be the shea industry's sixth annual conference, and will bring together more than 400 stakeholders from around the world to discuss issues affecting the industry. Participants will have access to industry experts, the latest research, market intelligence and the newest trends in product development and branding. Key issues affecting the business will be discussed, including access to finance, transport and logistics, public policy and ICT.

Shea 2013 is expected to take place in the first week of March 2013. This time the conference, as well as the exhibition, will open on Monday and the entire event will last for 3 days. It will include field trips to locations of interest to the shea industry in the selected country. The closing ceremony on Wednesday evening will be followed by a cocktail event at the conference venue for all participants and invited guests.

Interested country associations and stakeholders should submit their application

to host the 2013 conference by 15 July 2012. Please note that countries that have hosted the conference in the past two years (2011 and 2012) are not eligible.

Applications submitted shall be rated by the Executive Committee on the following criteria:

- GSA membership for host organization (required)
- Presence of a local organizing committee to help with planning
- Accessibility of city via international/regional flight connections
- Quality of conference facilities
- Significance of shea to the national economy
- Potential for field trips to processing sites, finished products firms, research institutes, ports, tourist sites, etc
- Quality of local partnerships and sponsors (please provide a list of all potential partners/sponsors)

Please submit your application covering the information above by July 15, 2012: [info@globalshea.com](mailto:info@globalshea.com)



### Dates for the

<b>June</b>	
15-30	Sheanut Quality Improvement Program: pilot projects in Benin, Ghana and Nigeria <a href="http://www.globalshea.com">www.globalshea.com</a>
27	Natural Cosmetic Masterclass: Formulating with Sustainable Ingredients, Paris <a href="http://www.organicmonitor.com/masterclass9.htm">www.organicmonitor.com/masterclass9.htm</a>
<b>July</b>	
22-24	Cosmoprof, Las Vegas <a href="http://www.cosmoprofnorthamerica.com">www.cosmoprofnorthamerica.com</a>
<b>September</b>	
9-11	Philadelphia National Candy Gift and Gourmet Show, Atlantic City, N.J. <a href="http://www.phillycandyshow.com">www.phillycandyshow.com</a>
18-20	Sustainability in the Food Supply Chain, London, U.K. <a href="http://www.agra-net.com">www.agra-net.com</a>
19-22	Natural Products Expo East, Baltimore <a href="http://www.expoeast.com">www.expoeast.com</a>
25-27	Sustainable Cosmetics Summit, Sao Paulo, Brazil <a href="http://www.sustainablecosmeticssummit.com">www.sustainablecosmeticssummit.com</a>
<b>October</b>	
15-18	27 <sup>th</sup> International Federation of Societies of Cosmetic Chemists Congress: "Beauty in Diversity - A Global Village", Johannesburg, South Africa <a href="http://www.ifsc2012.co.za">www.ifsc2012.co.za</a>
21-25	SIAL: The Global Food Marketplace, Paris <a href="http://www.sialparis.com">www.sialparis.com</a>
<b>November</b>	
6-8	in-cosmetics Asia, Bangkok <a href="http://www.in-cosmeticsasia.com">www.in-cosmeticsasia.com</a>
12-13	Sustainable Cosmetics Summit, Hong Kong <a href="http://www.sustainablecosmeticssummit.com">www.sustainablecosmeticssummit.com</a>
13-14	SCS Formulate, Coventry, U.K. <a href="http://www.scsformulate.co.uk">www.scsformulate.co.uk</a>
13-15	Health and Natural Ingredients, Frankfurt <a href="http://hieurope.ingredientsnetwork.com">hieurope.ingredientsnetwork.com</a>
19-23	World Cocoa Conference, Abidjan <a href="http://worldcocoa.agraevents.com">worldcocoa.agraevents.com</a>
28-30	Sustainable Cosmetics Summit, Paris <a href="http://www.sustainablecosmeticssummit.com">www.sustainablecosmeticssummit.com</a>

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