



Extracting the fat from the nuts is one of the most important tasks in producing shea butter

## Improved shea butter trading through certification

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The Union of Women Producers of Shea Products of Sissili and Ziro (UGPPK-S/Z) counts members from 53 clusters of 38 villages in the provinces of Sissili and Ziro, in Burkina Faso. It is commonly known as the "Léo Union", as its headquarters is found in Léo, 165 km from Ouagadougou, the capital. The Union is proud to have recently gained organic certification, in addition to the Fairtrade certificate they obtained in 2006. This dual certification gives this organisation a definite advantage to penetrate the international market. The labels and the quality of their products justify a higher price. This higher price, together with increasing volumes being sold, will allow 2300 women members to increase their income, their standard of living and that of their families.

### Shea butter and the global cosmetics market

The shea nut or *karité* tree (*Vitellaria paradoxa* or *Butyrospermum parkii*, fam. Sapotaceae) grows in the Sahel region in North Africa. It produces a yellow-green fruit containing a nut with fat used in the manufacture of shea butter. The production of shea butter is an activity traditionally reserved for women, who shell the nuts and manually churn the fat into butter. In Africa, this product has been used in enormous quantities for thousands of years, both for personal care as well as for cooking. There is now also a large global demand for shea butter. The

food industry (for chocolate, margarine, confectioneries) uses approximately 95 percent of the international supply, while the rest is absorbed by the cosmetics industry. Large multinationals presently buy the nuts (or shea butter) at a low price from intermediaries, from which the oil is extracted through chemical solvents in the importing country.

The cosmetics industry is increasingly demanding more and more of it, as its benefits for personal care are increasingly recognised in many industrialised countries. Unlike the food industry, which buys shea butter for its high efficiency and low price, the cosmetics industry is interested in the product for its exceptional quality and characteristics. Due to growing demand for cosmetics made from natural and certified organic inputs, the cosmetics industry is particularly interested in shea butter produced using methods which are not harmful to the environment, and which preserve the intrinsic properties of the nuts. This represents a real opportunity for an organisation such as the Léo Union to increase its revenues. In addition, many of those buying cosmetics in Europe or the United States are willing to pay more for a product if they know that additional fair trade revenues are distributed to producers.

### Support from foreign NGOs

Recognising the potential of the shea butter industry for increasing the standard of living of African women, the Centre for International Studies and Co-operation (CECI), a Canadian NGO, has for over ten years been supporting a number of organisations in West Africa, including the Léo Union. CECI's

objective has been to stimulate companies to purchase directly from the producers' organisations. The processing of shea butter on the spot creates added value locally and increases the income of the local producers. Since 2001, the Léo Union has been exporting its products to France, and to Canada since 2004. The producers receive approximately 500 to 700 CFA francs (US\$ 1.50-2.10) per kilogramme of shea butter on the conventional market.

In 2004, a consortium of NGOs was able to mobilise additional funds to support the Léo Union in their production and marketing activities and to obtain fair trade and organic certification, considering they could aim at a more lucrative market. The financial and technical support provided by NGOs helped establish the Centre for Shea Production and Marketing (CPCCK), the first of its kind in the region, which since then constitutes a platform for export. CPCCK is equipped with the necessary tools for producing shea butter, with storage rooms (for nuts and butter), a packing room and a loading dock. The butter from different villages is standardised here, filtered and stabilised.

### Organic and fair trade certification

Producers' organisations need to follow some well-defined principles in order to benefit from a fair trade certificate: they must be organised under a co-operative model, and must follow a democratic and transparent management structure. They must also determine a fair and equitable price for all members. As the Léo Union was the first organisation to obtain this certificate for the production and marketing of shea butter, the first step in the process meant setting a guaranteed minimum price for this product.

This was done in collaboration with the Fairtrade Labelling Organization International (FLO), an international body with a mandate to develop standards and principles of fair trade. A representative of Max Havelaar, one of the major fair trade organisations, visited Léo in June 2005, met with union leaders, exchanged ideas with producers, and looked at the management, production and living conditions of the population. One month later, the union welcomed a group of students to determine all production costs and the minimum possible price for "fair" shea butter. This was the basis of the standards which FLO adopted in February 2006, fixing the guaranteed minimum price at 1198 CFA francs (US\$ 2.75) per kilogramme, and a premium of 121 CFA francs (US\$ 0.28) per kilogramme, to be invested in the community (in projects related to health and education). Complying with all the standards set, the union was awarded a Fairtrade certificate in July 2006.

Later on, the members of the union were encouraged to certify their production as organic, and thus demonstrate the efforts taken in favour of the conservation of the local natural resources. As in the case of the Fairtrade certificate, many steps were needed before their production process was certified as organic. These included the establishment of shea nut tree parks in protected areas and the organisation of a nut collection process. These parks were inspected after the union applied for a certificate, together with the storage infrastructure, the production equipment and all management tools. The certificate was given in December 2007. In addition to the positive impacts which producing organically has on the environment, the actual certificate is very beneficial to the producers. At the moment, members of the union receive 2400 CFA francs for a kilogramme of organic shea butter, almost five times more than a kilogramme of butter at the conventional price!



Photo: Ginette Primi

*Members of the Léo Union look forward to a bright future*

### Impacts and challenges

Both certificates give the Léo Union a commercial advantage over its competitors, as it can now offer a wider range of products (conventional, organic and also Fairtrade shea butter), and they are widely recognised as the only organisation which holds both labels. One of the direct impacts which members experience now is a higher income as a result of the higher selling prices. Moreover, even though the volumes sold as Fairtrade only represented 11.6 percent of total exports in 2006 (8 tonnes from a total of 69), the Léo Union has considerably increased its turnover, which has doubled the income of medium producers (rising from 26 000 CFA francs in 2005 to about 52 000 CFA francs in 2006). The outlook for the 2007-2008 campaign is also very good because the orders confirmed so far reach 95 tonnes, of which 30 tonnes (32 percent) are to be sold as organic or Fairtrade. Given the growing international attention to this product, the organic certification will have long term impacts on the resources from which it is produced. The Fairtrade certification, in turn, guarantees a minimum price to all producers, reduces the number of intermediaries and thus favours direct relationships between producers and consumers.

But while the benefits of dual certification for producing members of the Léo Union are many, the challenges are equally pressing. First, the organisation needs to increase its sales by attracting new customers, while respecting its overall production capacity (estimated at around 200 tonnes annually). The Léo Union furthermore needs to become a financially independent and viable organisation, not having to rely on the support of foreign NGOs to pay, for example, the costs associated with annual certification or those related to the search for new markets. Although the members of the Léo Union produce shea butter of the highest quality, they still need to hire people familiar with the export procedures, who can communicate easily with their foreign contacts and who can help them consolidate their production and sales.

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