



Shea Kernel Export Restrictions in West Africa: Economic Impacts Market Dynamics, and Policy Lessons

Presentation by **Kornel Mahlstein**

Sidley Austin

Introduction & Context:

Strategic Importance of Shea

- West Africa supplies **>90% of global shea kernels**
- Critical input for:
 - chocolate (CBE)
 - cosmetics
 - food processing
- Key income source for **millions of rural households**, especially women

Introduction & Context:

- Since 2024–2025, governments in the region have adopted export restrictions: (i) **export bans**, (ii) **export taxes**, and (iii) **quotas and licensing restrictions**
- Policy goals include:
 - Retaining value domestically through local processing
 - Securing raw materials for domestic industry
 - Increasing fiscal revenue
 - Countering volatility in global shea markets
- Shift from open markets to interventionist value-addition policies
- Policies have spread contagiously across ECOWAS, creating a new regional market structure

POLICY REGIMES:

Three Policy Regimes

□ Open regimes

- Ghana, Guinea
- Full access to export markets

□ Intermediate regimes

- Benin, Nigeria, Togo
- Taxes, temporary bans, inconsistent enforcement

□ Strict restriction regimes

- Burkina Faso, Mali, Côte d'Ivoire
- Export bans or equivalent measures

👉 Export restrictions are not uniform — they form a **policy spectrum**, and policy regimes differ in **intensity and credibility**

DATA & APPROACH

Empirical Strategy

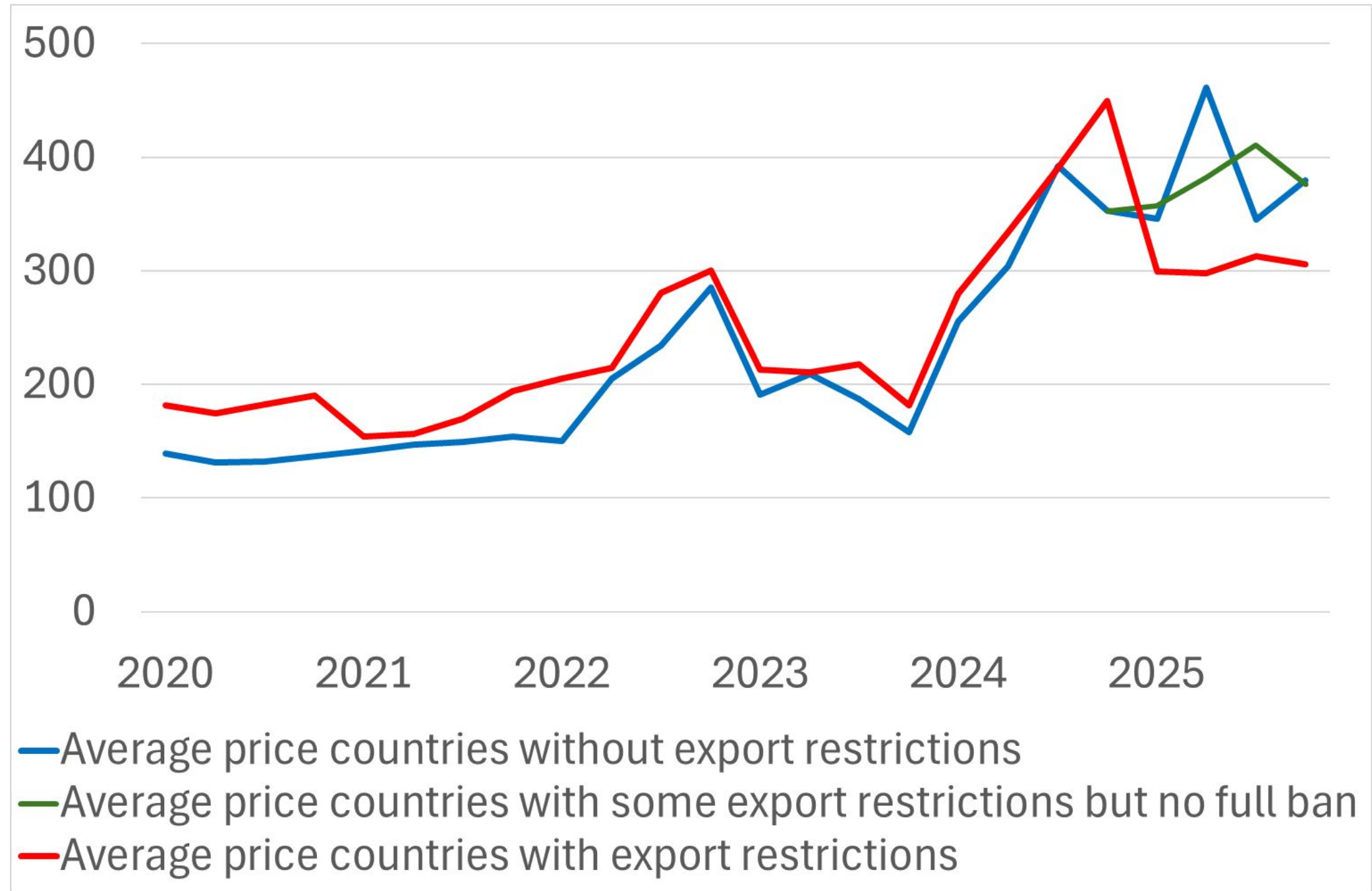
- Data: Nkalo farm-gate prices
- Prices converted to **CFA francs**
- Weekly → monthly averages
- Focus on **harvest season (Sep–Dec)**

Approach

- Compare:
 - across **policy regimes**
 - before and after **policy introduction**

PRICE EFFECTS

Price effects: Farm-gate prices by policy regime (CFA/kg)



Statistical analysis: Price effect overview

Price effect: Summary (CFA/kg)

	Burkina Faso	Cote d'Ivoire	Mali	Average price countries with export restrictions	Average price countries without export restrictions
2024	405	355	330	364	326
2025	325	323	264	304	383
2024/2025	365	339	297	334	355

Price effect: Price suppression effect in percent

	Burkina Faso	Cote d'Ivoire	Mali	Average price countries with export restrictions
2024	24%	9%	1%	11%
2025	-15%	-16%	-31%	-21%
2024/2025	3%	-4%	-16%	-6%

Processing Capacities: Risk of Oversupply

	Export Suspension	Total Collection Capacity (MT)	Current Installed Processing (Crushing) Capacity (MT)	Exports (kernels) (MT)	Projected Trapped Capacity	Export value loss from not selling kernels (500 USD/MT)
Burkina Faso	Suspension	161,000	150,000	11,000	11,000	5,500,000
Mali	Suspension	100,000	60,000	40,000	40,000	20,000,000
Côte d'Ivoire	Suspension	30,000	90,000	-60,000	0	0
Togo	Suspension	45,500	45,000	500	500	250,000
Benin	No Suspension	84,000	105,000	-21,000	0	0
Nigeria	No Suspension	174,000	195,000	-21,000	0	0
Ghana	No Suspension	91,000	390,000	-299,000	0	0

Global Shea Industry Impacts

- Open markets see **temporary price increases** due to demand diversion
- Increased price **volatility** and supply uncertainty for global buyers
- International companies **diversify sourcing** (East Africa, alternative CBS fats)
- **Quality consistency** issues arise as new processors scale quickly

Medium-Run Conditional Stabilization

- Prices only stabilize if domestic processing capacity expands fast enough to absorb the diverted supply:
 - If **capacity does not grow** --> persistent oversupply --> chronically depressed prices
 - If **capacity grows** --> domestic demand increases --> prices gradually normalize
- This reflects the “capacity-constrained demand” problem: policy only works if investment follows
- This requires sustained investment and policy credibility

Conclusion:

Policy Implications

- Short-Term (Stabilization)
 - Avoid abrupt bans — use phased transitions
 - Protect smallholders through minimum price guidelines
 - Reduce liquidity stress via financing support
- Long-Term (Market Functioning)
 - Use price-compatible tools: levies, quotas, seasonal windows
 - Improve border coordination to reduce smuggling
 - Strengthen quality, storage, and logistics systems
 - Build processing capacity with incentives
 - Strengthen policy credibility: clear rules, timelines, review schedules
 - Monitor prices, not just quantities, to evaluate market functioning



**THANK
YOU!**

