

Shea Cosmetics Value Chain

Overview

The cosmetic value chain involves business activities and processes in the production of cosmetics and personal care products. It starts from input (raw material), production (warming & mixing), packaging, warehousing, transportation (distribution), wholesale/retail & consumer. The major raw material is the shea butter. The African beauty and personal care market was estimated at EUR 6.93 billion in 2012 and currently increases between 8% and 10% per year against global market growth rate of close to 4%.

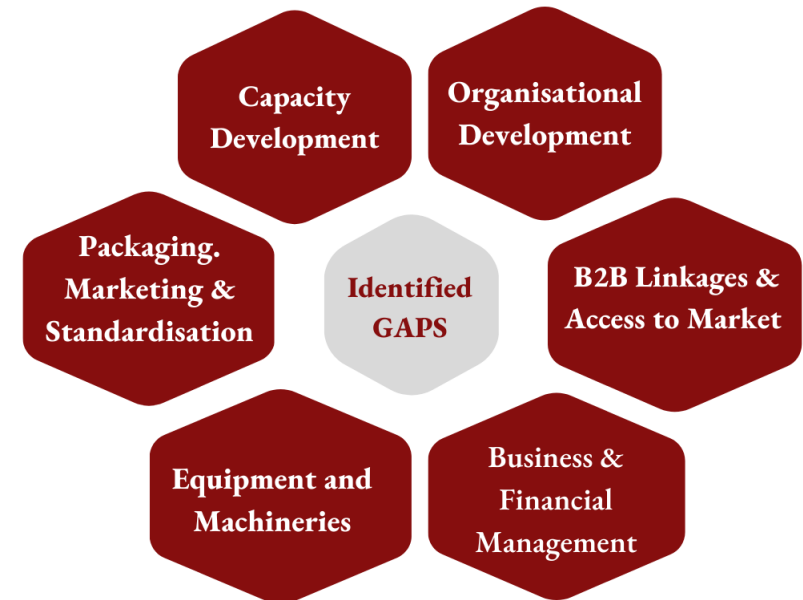
Niger State has the largest landmass (of all the 36 States) in Nigeria (29,484 square miles) and 80% is arable. Due to this vast landmass and its strategic position in the Shea belt, Niger State has most of the shea trees in the country, an estimated 54% of the trees. With an average shea nut production rate of 361,000 tonnes in the country. Niger State alone produces about 196,000 tonnes, this accounts for the 36% of the 540,000 tonnes produced annually in West Africa. Niger State has the largest cluster of shea trees in the world, with trees available in all the 25 LGAs, which creates a significant comparative advantage. The Nigeria cosmetics industry is valued at USD 3.4 billion. The shea cosmetics value chain is implemented in Niger State and was selected in 2021.

Reason for Selection

- High potential for employment along the value chain (especially in the different beauty products).
- Niger State having the largest number of shea trees in Nigeria and availability of shea nuts and butter.
- High potential for growth. Market is experiencing rapid and dynamic growth, providing lucrative opportunities for beauty businesses from around the region and beyond.
- High market share and marketing opportunities with attractive export market.
- High potential for women and youth participation.

Challenge

Some of the challenges of the beauty industry include access to finance, access to market, quality, standardisation, poor packaging and labeling, capacity building, infrastructural deficiency, multiple registration and regulations, and high cost of production, among others.



Value Chain Map

