Life in the Shea belt

A mini-multinational

A new alliance for a better Shea industry

Improving the sustainability of Shea production with recommendations from Rainforest Alliance experts
Dear Readers,

Welcome to this one-off edition of Shea Matters. The magazine’s title means more than you might think. Obviously it deals with the subject of shea. IOI-Loders Croklaan has been working with shea for more than 50 years, but it is still a relatively unknown crop to many of our customers and potential customers. A primary purpose of this magazine is therefore to give you useful and – we hope – interesting information about the origins of this very unusual semi-commodity crop, how it is processed, and the impact it has on the regions in which it grows.

“ Shea really does ‘matter’, in many different ways”

Mattering to millions
But shea really does ‘matter’, in many different ways. Along with palm oil and its related fractions, shea is of key importance to IOI-Loders Croklaan. It is a primary ingredient in the Cocoa Butter Equivalents (CBEs) created by our specialty fats division. Consequently, it matters to customers around the world who use our shea-based products. Even more importantly, shea matters most of all to the countries in which it grows. Millions of people in West Africa, especially in rural areas, depend on it for their very livelihood.

Controlling the supply chain
For all these reasons, IOI-Loders Croklaan started working 10 years ago to acquire complete control over every aspect of the shea supply chain – from beginning to end. Having such control has become a top priority with our company, whether we’re talking about palm oil or shea butter. It ensures that we will have a consistent supply of the crops that are so important to our business at optimum cost, as well as good control over food safety and the sustainability with which crops are produced and processed.
Transferring value
Particularly over the past five years, we’ve been setting up local offices and a laboratory in West Africa, as well as establishing dedicated storage and transport partnerships, to upgrade and solidify our management of the supply chain at its very beginning. IOI-Loders Croklaan also became the first international company ever to initiate and develop West African-based partnerships in locally processing shea kernels into shea butter. And as we transfer important knowledge and technology that strengthen the links of the supply chain, we’re also making it possible to shift more of the value and profits in the shea business back to the people in the country of origin.

Creating together
We aim to continue this way of working, and hope to even increase the volume of shea that we buy in the future. In the meantime, the articles in Shea Matters will give you insight into shea as a crop in general, and into our commitment to the strength and sustainability of our supply chain in particular. There are a number of reasons why we have made this commitment, but one of the most important is our customers. We source our products with care, so you can buy them with complete confidence. It’s the first step in our always-open invitation to customers: Let’s Create Together!

Chee Kuan Wong
Senior General Manager
IOI-Loders Croklaan
Life in the **Shea Belt**

The Shea Belt is the term for the geographical region in Africa in which the shea tree grows. It stretches for thousands of kilometers through numerous countries – from Senegal to Ethiopia – across the middle of the continent, with growth concentrated mainly in West Africa. This area, located just under the Sahara desert, is harsh, dry savannah and almost completely undeveloped. It is populated by some of the poorest people in these African countries, which are already quite poverty-stricken to start with.

The shea tree is an integral and crucial part of the local people’s lives and livelihood, particularly since the ripening of the fruits coincides with the leanest season of food production. The pulp around the ripe fruit is edible, and the kernel provides important raw material for cooking and other uses. After the fatty matter has been extracted from the kernel, the remaining residue can be mixed with mud for plastering traditional mud huts, and also serves as excellent biomass fuel for cooking.

**Tree of life**

Oil that has been processed into butter is used for a variety of purposes. It is rubbed into the skin of newborn babies before they’re given a bath. Shea butter is also used as a base for traditional ointments that are used to treat broken bones – the butter’s stableness in formulations enables the fast release of active ingredients in the medicines. The roots and bark of the shea tree have numerous medicinal uses as well. They are boiled or ground into powder for the treatment of dysentery and other ailments.

**Cash for their crop**

And there is another benefit that the local people get from the shea tree: The kernels are a desirable commodity, but it is difficult for companies to organize large-scale harvesting, considering the conditions under which they grow. Gathering the nuts, and selling the kernels give the local women a rare opportunity to earn money they can use to buy important necessities which they cannot get from the land or make themselves.
The shea tree is quite remarkable. It is extremely difficult to cultivate – unusual for a crop-bearing tree – and is therefore generally only found in the wild. After the germination and early development stage (which takes up to five years), it becomes fire- and termite-resistant, and continues to grow very slowly, developing an extensive root system. Flowering and fruit-bearing don’t start until the tree is around 15 years old, and there are often cases where maximum productive capacity isn’t reached until the tree is approximately 50. The lifespan of the shea tree can be as long as 300 years!

Nothing wasted
Almost all parts of the shea tree – including the leaves, roots, sap, cortex and bark – have practical or medicinal uses. However, it is the small, brownish-green, plum-shaped fruits, about 4cm in diameter, which have the greatest importance and economic value. The mature kernel of this fruit contains on average 50% fat which, when extracted, is edible and can also be used in medicinal and cosmetic applications. The product of the shea tree kernel is one of the most important oil crops in Africa, and for that reason, the tree enjoys legal protection in a number of countries, and protection by local custom in many more.
All-round natural goodness

Shea butter is naturally rich in fat-soluble vitamins, and is in widespread use as a cooking oil and ingredient for food products. Its largest and most important role in the industry, however, is in the chocolate and confectionery sector. Shea butter’s fat composition is remarkably similar to that of cocoa butter, which is why it is a key ingredient in Cocoa Butter Equivalents (CBEs), one of IOI-Loders Croklaan’s earliest innovations back in the 1950s. CBEs are not only an excellent, more cost-effective replacement for expensive cocoa butter, they also have wider application possibilities since the results they give are firmer and more stable.

Good on the ‘outside’ too
Shea butter is also a popular ingredient in cosmetics and personal care products, thanks to special characteristics that aren’t found in other plant- or mineral-based oils. It has the same chemical make-up as sebum – the human body’s own natural hair and skin lubricant. It has superior moisturizing properties, and special antioxidant compounds that promote quicker, scar-free healing of small wounds and burns. Shea also helps stimulate and increase the formation of collagen and elastin in the skin. All this together gives shea exceptional restorative properties for treating aging or damaged skin, and enhancing its health in general.

A key ingredient
Over the years, IOI-Loders Croklaan has developed many groundbreaking innovations in the field of edible oils and fats. One of the first – and greatest – was Cocoa Butter Equivalents (CBEs), which we created in 1957. CBEs are vegetable fat mixtures with physical and chemical properties so similar to those of cocoa butter, that they can be used to partially or even completely replace this expensive ingredient. It is primarily shea butter that gives CBEs these unique properties.

Today, our CBE products are a mainstay of the international chocolate confectionery industry, and we need a great deal of high-quality shea butter to produce them. We source it through a dedicated supply chain that’s under our control from beginning to end. At the start of the chain in West Africa, it includes local agents and offices, laboratory and storage facilities, and transport and processing partners spread throughout Ghana, Burkina Faso, Togo, Benin and other countries. This careful control gives us an extra measure of security that our key ingredient will be available in the quantities and high quality that we – and our customers – need and demand.
SheafruitsareharvestedbetweenAprilandAugusteveryyear. Whens ripe, they fall to the ground, where they are gathered by local villagewomen. Until relatively recently, it was these villagers who primarily processed the fruit into shea butter. Today, there are a growing number of local crushing operations that buy shea kernels from these women and process them in semi-automated ways. But whoever does the processing, the way the kernels are prepared can have great impact on the quality of the shea butter.
Processing shea fruit into butter is a tedious and time-consuming process. It’s estimated that it can take one person more than 24 hours to produce just 1kg of shea butter from shea kernel if done in the proper, traditional way. After collection, the shea fruits are de-pulped and then – ideally – sorted to weed out inferior specimens. The good fruits are then par-boiled and sun-dried to prepare them for removing the hard shell that protects the kernel – the part from which the butter is made. De-shelling and crushing of the kernels takes place by hand, using the end of a pestle.

Preparing for top quality
Afterwards, the kernels need to be thoroughly sun-dried to completely dehydrate them. This is a particularly important step: the intensive drying process causes latex coagulation and concentrates the oil in the kernel. If this preparatory work is done properly, it facilitates optimal, high-quality oil extraction and also makes it possible to store the kernels for several years without reduction of oil quality or danger of spoilage.

In the actual butter-production process, the kernels are first pounded into a coarse paste, which is then ground even smoother. A small amount of water is added, and the mixture must then be vigorously and continuously stirred with the bare hands for up to four hours, until the mixture becomes lighter in color – a sign that the fat emulsion is breaking away from the other components. Hot water is then added to melt the fat, and more vigorous mixing follows to completely break down the emulsion. When the mixture is very soft and light, a large amount of cold water is added, followed again by vigorous stirring. This completely separates the fat, which rises in a thick white layer to the top of the water. This ‘butter’ is skimmed off, washed and then boiled in two stages to completely dehydrate, purify and clarify it.

Generating future opportunities
This is the timeless, traditional method for making shea butter. Some things, however, have changed – and will probably continue to do so in the future. The establishment of local, semi-automated crushing operations is reducing the time and effort involved in butter production, and increasing the yield. But these operations depend on the quality of the shea kernels sold by the women. They, in turn, are becoming more aware that the kernel value is linked to how it’s been prepared, and are being increasingly encouraged to do this properly.

Kernel preparation is also being better organized at community level – something that is being stimulated by local development organizations. It is a development that is encouraged as much as possible by our local crushing operations and IOI-Loders Croklaan, which require the highest-quality shea butter possible. This is turning what was previously a purely ‘opportunistic’ trade into a growing cottage industry that has great potential for generating better income, education and health opportunities for the local people in the future.
A mini-multinational

Shea is just one area of IOI-Loders Croklaan’s business. A large part of it is focused on palm oil and palm-oil fractions, of which the company is one of the world’s leading suppliers. But the requirements and responsibilities of establishing and maintaining an end-to-end supply chain have made the shea business a self-sufficient powerhouse within the company. Han Breedveld, Global Head of Cosco Supply Chain, and Joost van Ginneken, Supply Chain Manager Africa, describe how the initially modest shea operation grew and evolved over the years to become a mini-multinational of its own.

IOI-Loders Croklaan’s involvement in shea stretches back to 1957. This was when IOI-Loders Croklaan – at that time part of Unilever – began producing the world’s first Cocoa Butter Equivalents, of which shea butter is a key ingredient. For many years, outside trading companies sourced and delivered the shea kernels to Europe, where they were then crushed and processed. But towards the end of the last century, says Han Breedveld, IOI-Loders Croklaan began to seriously reconsider its way of working. “Aside from the fact that it was unnecessarily expensive, it was not according to the philosophy of how we wanted to do things in terms of quality assurance and sustainability,” he says.

“One thing leads to another…” And, of course, once you’re involved in processing locally, it’s logical to start paying attention to the channels through which the kernels are sourced. Within just a couple of years, IOI-Loders Croklaan partnered up with Antoine Devulder, a French expat and long-term Burkina Faso resident, who had plans for establishing an extensive and better controlled kernel-sourcing network. “Sourcing is probably the most difficult part of the supply chain to get a grip on.”

“We began looking for people who could process shea locally for us. In collaboration with local entrepreneurs, we established several greenfield projects, and acquired other partners with existing facilities who wanted to fill production holes. But it was more than just a question of finding people who could do what we needed locally. We had a clear vision of creating long-term partnerships and transferring knowledge, which would benefit everyone concerned.”

Han Breedveld and Joost van Ginneken
middlemen. That leaves a lot to be desired in terms of price and quality control, as well as sustainability. These are matters that Antoine was sensitive to, and which he hoped to address in his business. The partnership was therefore clearly a win-win situation. After 10 years, he’s our most important, dedicated supplier, and he’s made good progress in the difficult challenge of making sourcing more streamlined and transparent.

But a decade ago, there was still a lot to be done. “One thing leads to another,” says Han. “You have your crushers and your kernels. But you also have to transport them, and back things up with contracts. You have to start dealing with taxes, financing and insurance, and then you have to have more controls, you need more people – from car drivers to experienced executives you can trust and count on to manage the supply chain and monitor quality control on the spot. Before you know it, you’re building up a local company, and it hasn’t stopped yet. Until recently, quality-control samples were sent by courier to the Netherlands. You start wondering, wouldn’t it be faster, cheaper and safer to put a lab here? What would be the best location? What equipment do we need? Can we get parts locally? And you’re off in a new direction.”

Staying on top of everything
Today, says Joost, IOI-Loders Croklaan’s shea operations have all the aspects of a global company. “Human resources, IT, logistics, quality control, standard operating procedures – we have it all, either on a large or small scale,” he points out. “Aside from our employees in Ghana and Burkina Faso – a combination of expats and locals – there are five people fully dedicated to the shea supply chain at the Wormerveer headquarters, and we can also tap into the expertise of others at the headquarters who are not directly involved in the supply chain. It’s very well set up and efficient – lines of communication are very short.”

The fun, but also the disadvantage, of running such an international, but compact, organization is that you have to be up to date and on top of everything, says Han, or you have to learn to be! “We have to work within IOI’s targets, but, at the same time, we’re delivering a raw material that – to all intents and purposes – doesn’t have a price. Shea is a wild crop. There’s supply
and demand for it, like palm oil, but you know what palm oil costs. The price of shea isn’t listed, there’s no futures market. One crop, one season – that’s all you have to work with. There’s no terminal buffer stock. What’s the price of shea now? I couldn’t tell you.

Working with the unknown

“And you can only estimate how much you’re going to get every season. The climate – especially rain – is unpredictable. It can fall in uninhabited areas and create a great crop, but there won’t be anyone there to harvest it. We’re working to create a system to make things more transparent; we already have teams that go out into the field to make forecasts. But essentially, everything is still pretty much unknown.

Personally, I think it’s the greatest job you can have. Every day there’s a different question, different challenges. There’s so much variety! But a supply chain where everything is unknown can make things stressful, as well as interesting. And West Africa remains a place where you have to keep a very close eye on your resources and assets. Ensuring that the business runs smoothly comes down to one key thing – control, control, control.”

Joost agrees that there’s ‘never a dull day in shea’! “It’s a completely different world in West Africa. One morning you’re talking to a factory worker, and that afternoon to a high government official. You never know what’s going to happen next. But, of course, you have to try and anticipate it. That’s something we’re always doing. For instance, we expect demand for shea to grow. The cake needs to get bigger, and it’s something that could be achieved. If the trees aren’t that close to a village, the fruit won’t be gathered. A lot of it rots away. We can try and help the women to collect more. It wouldn’t be difficult. With a donkey cart, for instance, they could go farther afield. But we also have to remember they have other activities and responsibilities in their daily lives. As with most things in the shea supply chain, we have to find a balanced solution. To structure the complexity in a way that makes things manageable, and that ensures we can always deliver a good, sustainable product to customers at a good price. We hope to make even better progress towards achieving that consistent reliability with the Global Shea Alliance, because – in the long run – reliability is what matters most to our customers.”

“Ensuring that the business runs smoothly comes down to one key thing – control, control, control.”
Every single day – 24/7 – the IOI-Loders Croklaan shea supply chain generates countless chunks of information – from crop forecasts and quality-analysis results, to the weight differences in specific loads of kernels between dispatch and arrival at a crusher. It all lands on the desks of our dedicated back office control team for the shea organization. By carefully tracking, cross-checking and analyzing the information – and documenting the results – the three-man team helps us achieve two key priorities: to maximize risk management and to make our finely-meshed supply-chain network even finer and better.

**Keeping track of ‘everything’**

“Some people might find it strange that none of the things we deal with even happen here,” says Christiaan. “We’re dependent on data and other input supplied to us from Africa. We’re the hub for information about everything that’s happening over there, right up to the moment of final delivery.” And the word ‘everything’ is pretty accurate. The information can range from weekly stock reports and price trends to the amount of time it took a particular truck to get from A to B, and even the temperature of a load of shea butter as it’s being shipped.

As Jan Hein points out, the supply chain is active 24 hours a day. “And we get ongoing data from everyone involved in it. We monitor, analyze, compare and cross-check everything, which gives us clear insight into what works, and where things can go wrong. We meet twice a week with Han Breedveld, the Global Head of the Cosco Supply Chain, and Joost van Ginneken, the Supply Chain Manager Africa, to discuss the latest results, which then help us create new, specific targets for improvement.”

**Creating order and transparency**

In the early days of IOI-Loders Croklaan’s local involvement in West Africa, there was a lot that had to be done! Many of the partners that the company dealt with weren’t used to working according to European norms and standards, where certain things in the business world are simply understood, and people respond quickly. “In the beginning, some things were tolerated,” says Erik. “But at a given point, you have to say, ‘You’re doing business with us – you have to adhere to certain terms and conditions. We can’t accept a crumpled piece of paper as an invoice, for example. The initial focus was to improve things in a way that would establish transparency and standards for everyone to follow.”

This entailed determining certain key criteria, developing quality specifications and Standard Operating Procedures, and creating a good, mirrored administration in terms of forms, invoices and other reporting templates. “Long-distance and cross-cultural communication is often difficult,” says Jan Hein, “and when problems arise, it creates a disproportionate amount of friction. The back office has standardized several documents and reports in order...
to be able to process data even better and more easily, and keep mistakes from happening in the first place. That gives us the insights and grip on things we need to review and fine-tune the supply chain as a whole."

Answering crucial questions
The leading and guiding light in the team’s activities, says Christiaan, is the procurement plan. “Management indicates how much shea is needed and we make sure it comes in on schedule. To keep on top, we’re constantly checking in with the IOI-Loders Croklaan people in West Africa.” Combined with the other improvements already made, this puts the team in a stronger position to make further improvements. “We can now follow a truck from purchase to crusher – we know who the driver is and the license plate number – and we can find out why it took the truck so long to get from A to B and address the problem.”

In fact, there is a very wide variety of parameters that the team can analyze. A particular crusher has a certain capacity, and took on so many tons in kernels: Did he deliver the complete yield that he should have? There were price differences this year – is this in any way related to fluctuating kernel quality? “When you have data that enables you to answer questions like these, you can make even stronger and more productive agreements with partners,” says Erik. “The information enables Han and Joost – as well as the IOI-Loders Croklaan people in West Africa – to make smart, informed decisions even faster.”

What’s next?
The team has obviously made an extremely valuable contribution to the overall quality of the supply chain. What areas of potential improvement do they still see? “Well, we’re already very good, you know,” laughs Jan Hein. “As it is, there are really almost no mistakes that get through. Now it’s a question of ongoing fine-tuning and perfecting the supply chain. We have to be able to justify everything to Corporate Headquarters, and we’re developing tools to make the mesh even finer on the operational side.”

Having said that, we could make further improvements to the information we gather about the crushing process, points out Christiaan. “Ecosafe, our local monitoring company, can tell us how many kernels came in and how much butter went out. The next step could be to see if we can determine exactly when each truck load was crushed and how much it produced. It’s something we can work on, at least.” Erik points out that we could also make more improvements to the way sea transport is managed. “For example, we could look at drawing up annual contracts, especially since the storage capabilities in Ghana are limited. The more efficiently we can handle this side of things, the better prepared we’ll be for everything. Making improvements is now an ongoing process. And I don’t think it will show signs of stopping anytime soon.”
A new alliance for a better shea industry

In October 2010, the first private sector collaboration to build a better shea industry was born: more than 50 representatives of every level of the industry – from the women’s groups that collect shea nuts to the world’s leading specialty fats companies and the retail outlets that sell shea-based products – signed an agreement to set up the Global Shea Alliance. IOI-Loders Croklaan was one of them.

The goal of the non-profit alliance is to encourage an economically viable and environmentally and socially responsible shea business for all concerned, with a more equitable division of income and profit. “It’s a very encouraging development,” says Han Breedveld, Global Head of Cosco Supply Chain at IOI-Loders Croklaan. “Those involved represent every part of the shea value chain. It creates the broad level of support necessary to get things done and increase the sustainability of the whole.”

Removing layers, redistributing value

“There are still too many layers between the women who gather and the international market, some of which don’t provide much – or really any – value,” Han continues. “IOI-Loders Croklaan already tries to buy more directly at the village level, but there’s only so much that one company can do alone. Such an alliance can make it easier to leave a bit more of the shea business income with the women who make it possible for the industry to exist in the first place, and it can also help facilitate improvements in the way the kernels are locally prepared and stored. This increases the overall quality of the shea butter – which is better for everyone. US Aid and the West Africa Trade Hub, the NGOs that are the key enablers of the Global Shea Alliance, did something similar for the cashew nut industry which was very successful. We at IOI-Loders Croklaan are proud to be part of this new initiative, and look forward to making the most positive contribution that we can.”
IOI-Loders Croklaan first began working in the late 1990s to create its own end-to-end shea supply chain – one that would put us in more direct contact with the shea gatherers, and also enable us to do the necessary processing locally. Our goal was to leave more of the value of the shea trade in the region to benefit the local communities, and also to obtain better quality shea butter for our customers at lower costs.

Better business all round
Since then, we’ve made good progress in achieving our vision. Our shea supply chain is now very well established, monitored and audited. There’s still room for improvement – particularly in establishing direct contact with local gatherers who sell the nuts at the very beginning of the supply chain. We are, however, reducing the number of middlemen involved to a minimum, and most of them are now directly contracted and supervised via local IOI-Loders Croklaan offices. We also now have reliable local crushing and transport partners who closely follow our strict quality control and assurance standards, as well as dedicated storage facilities. Together, these factors deliver a variety of benefits in terms of higher product quality, lower product cost, and increased operational sustainability. Having total control of the supply chain also gives us – and our customers – unprecedented advantages in terms of food safety and traceability. And last, but certainly not least, total control gives us the necessary insight and ability for outstanding contingency planning, so we can prevent interruptions and better safeguard our customers’ business continuity. ‘Buying butter better’ is simply good business for everyone concerned.

“Our shea supply chain is now very well established, monitored and audited.”
Safeguarding shea
A tale of two companies

For its shea transport and storage needs, IOI-Loders Croklaan calls on the services of specialists.

On the roads of West Africa, we count on Stellar Ghana Limited, part of the leading African logistics company of Stellar-Africa. At the port of Tema, our storage facilities are provided by our long-term partner GOPDC (Ghana Oil Palm Development Company), which operates a food-grade storage facility with multiple tanks at the entrance to the harbor.

On the road
Stellar Ghana’s roots in West Africa, which began growing with the founding of its sister company Hull Blyth in 1847, are deep and well established. Today, the company provides travel services, hospitality, courier services (as the local TNT agent), property services and logistics services to companies across Ghana. In all of what it does, Stellar is renowned for its professionalism and exceptionally high standards, with a particular focus on Health, Safety and Environmental concerns.

For more than three years, Stellar Ghana has been providing IOI-Loders Croklaan with the vehicles and the drivers that carry the shea from the procurement hub to the processing centers and then on to the port. These vehicles are equipped with satellite tracking and satellite telephones, and their itineraries include pre-scheduled stops to check on route planning and cargo quality, to ensure maximum control on the road.

At the sea’s edge
When the shea butter reaches the port of Tema, it is chemically and physically analyzed once more before unloading. When the quality standard of the cargo has been verified, the butter is pumped from the butter truck into one of the two stainless-steel food-grade tanks that GOPDC built for IOI-Loders Croklaan to our own specifications. That tank is then security-sealed to prevent degradation or contamination and is not opened again until further analysis, or the arrival of more butter. From the tanks, the butter is transferred directly to tank vessels for export out of Africa. As those ships depart from Tema, they carry with them shea butter that meets the high quality standards of IOI-Loders Croklaan and their partners in transport and storage.
Sourcing shea
A journey with a key supplier

Among the most important shea suppliers we have is Antoine Devulder, a shea procurement agent based in Burkina Faso. Antoine, who is based in Burkina Faso but also does some buying in Côte d’Ivoire and Mali, has been working with IOI-Loders Croklaan since 2000. At the beginning, Antoine was providing us with a couple of truck loads of shea kernels a year. Today, he supplies us with many times that amount.

Seven days on the road
Antoine’s supply chain begins with a network of agents who buy the shea kernels in the villages where the produce has been collected. The kernels are then transported to a central hub, checked for quality, and repacked for export to Ghana and Togo. Once the shea kernels have been repacked, they begin the long journey down by lorry from Bobo-Dioulasso to crushing facilities near the port cities of Tema in Ghana, and Lomé in Togo – journeys that mean an average of a week’s time on the road. During this trip, special attention is paid to maintaining proper humidity levels, preventing rain damage, and overcoming any delays due to trouble on the roads or at busy border check-points. To help things move along as smoothly as possible, Antoine assigns escort couriers to the trucks and also keeps support teams in place along the way, just in case they’re needed.

Close to the ground
Planning and execution are strong points in Antoine’s business strategy, and he’s very happy to see those same qualities evident in the IOI-Loders Croklaan operations in West Africa. “The success of our long partnership is based on the professionalism that IOI-Loders Croklaan exhibits, as well as on their willingness to work ‘close to the ground’ and in such a way as to ensure that the local communities benefit from the business,” he says. “They’re more interested in developing long-term relationships than in acquiring short-term gains, and they’re always keen to work together to improve business. This makes them very good partners.”

Long-term vision
Antoine’s own agents do the bulk of his buying. However, no matter who he’s working with, Antoine has the same demands of all his sub-suppliers. “First, there must be mutual confidence and trust. That’s essential for business. Then, they must have the knowledge and the experience needed to work successfully in this sector. Of course, the way they work is important as well – above all, we need flexible people with long-term vision to help us build a strong and sustainable business.”

Respect and awareness
At the same time, Antoine isn’t interested in imposing his vision, or his approach, on others. “My wife, who comes from a Burkina Faso family with a great deal of experience in the groundnut trade, has helped me learn a lot about local business culture and habits. As a European working in Africa, I’m careful to remember that different business cultures operate in different ways. It’s important to remain respectful, to be sure that you understand what people are telling you and that they understand what you’re saying. It’s also essential that everyone is aware of the consequences of what we do and what we’re planning to do.” Over the last ten years, this approach has brought Antoine – and IOI-Loders Croklaan – a great deal of success.
Local women

Why is gathering the shea nuts important to you and your family?
When we were born, we found the shea trees all around us and we have learned from our mothers, who learned from their mothers, what to do with the nuts. We use the butter to cook and cure several diseases. And selling the nuts can bring us some extra money to improve our life and the life of our household. Gathering the nuts is a very difficult activity, but as we are poor, it makes a big difference. We want our daughters to learn, and to continue to earn money with shea.

Your people have been collecting shea nuts for a long time. Is there anything different about it now compared to years ago?
We haven’t changed anything in the way we collect or process the kernels. We have seen that more people from outside Africa are interested in them, especially in the last 5-10 years. Some years, traders need a lot of nuts and we have to go deeper in the bush – which is dangerous. The price of the nuts has gone up a bit, but at the same time, basic things are now more expensive. The price of soap used to be 150 CFA, now it is 300! More and more, people cut down the shea trees. We tell them not to, because this is an income for us. We ask our husbands to make sure that the shea trees on our lands won’t be cut down.
What kinds of things do you use the money for that you get from selling the shea kernels?

We sell the kernels when we need money to buy food, soap, or medicine when we are ill. And also for special reasons, such as school fees for the children or religious festivities. We don’t get a lot of money for the kernels, and sometimes we have to carefully decide what to spend it on. When the season is good (in terms of demand and prices), we might be able to buy a bicycle. We know women in some villages who have even been able to buy a moped!

Is there anything you would like to see changed about the way shea gathering and selling works?

People have to realize that collecting the nuts is a difficult job, and we would like to get more money from it. We wake up and go in the bush around 5:00 am to collect, and then go into the field to work. We are often bitten by the snakes that are attracted by the shea pulp, and hurt by the spines of the plants that grow under the trees. As you see on my hands, I have a lot of scars. We need gloves and gum boots to protect us. Also, we don’t know each season if we have to collect or not, and if people will come to buy. We want to be sure that the people who buy nuts will be in Burkina for a long time, and we want the price to be increased so that we are able to send all our children to school.
Quality Assurance and Quality Control move closer to the source

Nothing is more important to IOI-Loders Croklaan than food safety and product quality. Our Quality Assurance (QA) and Quality Control (QC) operations play key roles in guaranteeing this. But when it comes to shea, QA activities and QC testing help do even more – they support the integrity, efficiency and productivity of every stage of the shea supply chain. To optimize this support, we recently even established a brand-new laboratory in West Africa. Anton Hutten, Global QA/QC Coordinator, and Rene Blok, Head of the Analytical Labs at Wormerveer and Rotterdam, talk about the benefits that the QA and QC activities bring to the local shea operation.
Unique challenges
Shea is not your average food crop. Shea trees grow only in the wild and can’t be cultivated. “The fruit is gathered out on the savannah by local women,” Anton explains, “and it’s often these same women who carry out the first stages of processing right there in their villages, treating the kernels in boiling water and then drying them. Once the kernels are dried, they’re sold to shea suppliers, which is where we become involved. The suppliers sell us the dried kernels, which we send on to be crushed into shea butter by commercial operators known as crushers. But because it’s a wild fruit crop, and because it’s treated locally first, shea kernel quality can show wide variation. That’s where quality testing comes in. With an analytical lab in place, we can monitor the quality of the kernels that we buy, ensuring that we choose our suppliers correctly. And we can also evaluate the quality of the butter that the crushers deliver, which helps us choose our crushers, too.”

A brand-new lab
But setting up a lab from scratch in a new country isn’t an easy job. Rene Blok explains what needed to be done. “First, we assembled a small multi-disciplinary team and identified our requirements. Then, we had to pick a site. The port of Tema in Ghana was a good choice, because this is where we were shipping from. It’s also where a local palm oil company, GOPDC, has
At the Tema Lab with Jeroen Hendriks

“The lab has been up and running since July 2010. Right now, we’ve got two lab analysts and one lab assistant. I’m particularly proud of our lab equipment – it’s the best in Ghana. With it, we analyze all the kernels and butter that go through Tema, but we also use it to analyze samples from other locations in Ghana and from other West African countries where we are active.

“Having the lab in Tema brings a number of benefits. One, we get our test results much faster. What used to take four weeks or more now takes only three days, so our kernel buyers have up-to-date information about the quality that suppliers are offering. With butter, we test every truckload that comes to Tema, so we’re able to catch any out-of-spec butter before it enters the supply chain, and we can work with the crusher to resolve things more quickly.

“What’s more, our lab is set up specifically for shea, so we can analyze for more than just Free Fatty Acids (FFA), moisture and fat content. We can look at new hypotheses and methods of analysis as well, and validate them against current ideas and procedures. On the safety aspect of operations, we can keep a closer eye on flashpoint analysis, reducing the risk of accidents.

“In the end, it’s the way that a lab operates, more than the equipment it has, that determines its ability to deliver consistently good results. Here, we operate to IOI-Loders Croklaan standards. The safety equipment we have, the training we give our people, and the way we run everything – from cleaning up to record-keeping to sample storage – fully conforms to our Standard Operating Procedures. And because of this, we’re not just a valuable shea lab, we’re a IOI-Loders Croklaan lab, too, available to the whole IOI-Loders Croklaan group for any ring tests or validations they might want to do.”
The view from **Tema, Ghana**

I started working at IOI-Loders Croklaan in 2007, when I was hired as the Shea Supply Chain Manager for the French-speaking countries of West Africa. After my training in Wormerveer, I headed off to my new job and home in Burkina Faso, where I stayed for three years. Then, in June 2010, I became Shea Supply Chain Manager for Ghana. Here, my responsibilities include overseeing the various stages of the supply chain, beginning with market and crop surveys, procurement, transport, and – after processing – storage and export. I’m also responsible for managing our contracts with suppliers and processors, and general business activities, such as human resources, accountancy and IT. Quality control is another important area – we recently opened our own lab. In addition, I represent IOI-Loders Croklaan in interactions with a wide range of shea stakeholders.

**Dynamic diversity**

My work here in Ghana is more varied than it was in Burkina, and there are other differences as well. Certainly the cultures aren’t the same – there, in the Sahel, they have a different way of looking at work, at leisure, and at life. I don’t think you can really compare Ghanaians and Burkinabé, except to say that they are totally different. For me, the job I have and the life I lead are exciting and enjoyable because of the diversity that I find here, both in the responsibilities I have and in the people I work with. My colleagues are not only from Ghana and the Netherlands, they’re also from Burkina Faso and Malaysia and other countries. And those I work with from outside the company are from all stages of the shea process: I work with everyone from the pickers out in the field to the village traders and the people at the processing facilities.

**Human resources**

Our team here in Ghana is largely made up of local employees, all on contracts in accordance with local law. We carried out a benchmarking exercise to ensure that the salaries we’re paying are fair and in line with the educational and vocational qualifications of our staff. What’s more, we adjust the salaries for inflation on an annual basis. As for career development, we follow the same approach that IOI-Loders Croklaan has for all its
employees: we use close management, target-setting and personal development plans. We also organize whatever training is needed, including courses in first aid. The reaction of our team to these initiatives has been extremely positive, and we're very pleased with the high degree of engagement that everyone feels.

Building a network
When IOI-Loders Croklaan set up their first offices here in 2007, they’d already been associated with the West African shea market for more than 50 years. Over that time, the company built up a solid reputation with local suppliers, who know that we value our long-term relationships. Now that we have our own offices and other facilities here, we’ve been able to strengthen those relationships even more. I’ve extended our network step by step, helped by the fact that we have a reputation for respecting people and agreements. It’s this reputation, among other things, that attracts suppliers to us.

When new suppliers approach us about working together, we identify the most promising ones and set up trials to see how reliable they are. This was my fourth season in West Africa, and each season I’ve held trials for new suppliers: some have been successful, some have not. I also actively seek out new suppliers, even if I sometimes have to cross borders to do so. In every case, we always do it the IOI-Loders Croklaan way: we start small with a supplier, we support them and we grow our relationship over time.

A sharp eye on quality
The existence of local quality control is crucial to our supply chain. Controls strengthen contracts, and keep traders and processors accountable. Local testing, which we’re now able to do thanks to our new lab in Tema, means that problems are discovered and solved more quickly, with input from all sides. Controls also put an end to bad commercial practices, such as the old trick of hosing trucks down with water shortly before their cargo is weighed. Quality control reduces costs – bad practices always cost more – and increases profitable trade volume. In the end, this works out best for everyone involved, and that’s a very satisfying result, particularly when it comes to suppliers like the local Women’s Trade Associations that we work with. This kind of result is a success that we can all share.

Rooted in relationships
There are, of course, challenges in this business as well as successes. One of the changes that technology has brought about is a situation where pricing information travels very quickly via mobile telephone, and you get people moving products to where the prices are highest, or prices going up in one place because of what’s being offered somewhere completely different. This is a new development, and we can’t do anything to prevent it – you can’t stop communication! But the strong relationship we have with our suppliers works to our advantage. By continuing to move together with them in our chosen direction, by reducing our reliance on middlemen and speculators – who are the ones profiting from this practice – in favor of working with local traders and women’s associations, we can minimize the effect this has on our pricing strategy. Best of all, it leaves more of the money we pay for raw materials in the communities that produce them.

“Shea industry is a key export revenue earner for the country at large.”
The view from Parliament...

We do our best to act well and responsibly in our operations in West Africa, but what does our company and its activities look like to an impartial source that is in a good position to have an informed opinion? Since the capital of Accra is the base of our operations in Ghana, we asked Member of Parliament Hon. F. Fritz Baffour, who represents the Ablekuma South constituency in the Accra Metropolis District, a few questions.

**What is the importance of shea to your country and its economy?**
The shea industry is a key export revenue earner for the country at large. Even more important, however, is that it is vital to the day-to-day, socio-economic well-being of the rural population in the northern regions of Ghana. The whole process – from harvesting to the production of derivatives – impacts directly and positively on peasant life. They invest the income in education, health care, acquisition of tools and other basic needs.

**How important is the role that companies like IOI-Loders Croklaan play in helping Ghana get the most benefit of its natural shea resources?**
Companies such as IOI-Loders Croklaan are a real boon to the Ghanaian economy. In their operations, they add much-needed value to traditional products such as shea butter and raise public awareness about the importance of these commodities.

**Are you personally familiar with IOI-Loders Croklaan’s operations and, if so, what are your impressions of it?**
Yes, I am familiar with the operations of IOI-Loders Croklaan. And I’m happy to note that, along with efficient commercial expertise, it also focuses on social responsibility – unlike many other multi-national companies.

**What kinds of changes or improvements would you like to see take place in the way the shea business is run in Ghana, and how could companies like IOI-Loders Croklaan help?**
IOI-Loders Croklaan is a little low-key in terms of its public and corporate persona. It needs to do more to make the Ghanaian public aware of its presence in the country. I’d also like to see them further intensify the social interaction with rural folk in the shea industry in terms of training, knowledge transfer and other means of socio-economic empowerment.
Growing a business together with IOI-Loders Croklaan

IOI-Loders Croklaan has a unique relationship with the local shea crushers and product manufacturers we work with in West Africa. Companies such as Ghana Nuts Limited (GNL) and Foods, Fats & Fertilizers Limited (also known as the 3F Group) are not only long-standing and highly valued partners – we’ve actually helped them grow as businesses.

Ghana’s largest shea butter processor
One of the largest shea butter producers in Ghana, GNL was first established in 2001 as an agricultural commodities trading company focusing on a number of products, including shea kernels, peanuts, cashew nuts and sesame seeds. Five years later, it began processing some of these commodities into oils and butters. The first company in Ghana to introduce solvent extraction processing, GNL is now the largest shea butter processor in the country, and its CEO Obed Asante credits much of this growth to IOI-Loders Croklaan.

A valuable business tool
IOI-Loders Croklaan has been GNL’s major customer for crude shea butter in bulk for the past four years. But it’s not just as a buyer that IOI-Loders Croklaan has been important: “We’ve learnt a great deal from them,” says Obed. “The company has a lot of experience in Quality Assurance, Sourcing and Production, and it’s been kind enough to share much of that knowledge with us. The periodic QA audits in particular have been extremely valuable business tools to help hone our production perfor-
IOI-Loders Croklaan’s various crushing partners are very community-oriented, and are involved in various initiatives that benefit the people and society in their areas. Many of the crushers are sustainably running on boilers fed by biomass waste-product from the crushing process. This tends to provide more energy than is necessary, so the generators often also provide power to the local businesses and community facilities such as hospitals.

One of our crushers in Ghana has also acquired a state-of-the-art Water Treatment Plant to increase the local efficiency of water consumption and to protect the environment. And others are involved in various Corporate Social Responsibility activities focused on providing adult education, medical assistance, and food and shelter for the poor and needy, as well as establishing medical facilities and educational institutions for the community at large. Sharing what we have makes the local communities a bit better off, and makes us ‘richer’ in the non-monetary ways that really count.

Our sourcing and processing operations in West Africa benefit the local communities in obvious ways, such as increased income and employment – including, aside from our own local personnel, the drivers, electricians and small businesses required on a day-to-day level for transportation, maintenance and other services. But our local operations make other contributions as well!

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From India to Africa
The 3F Group, which was established in 1960, has been a player in the shea butter industry since 1975, when it set up its first production sites in India. The Group made history in the 1990s when it built the very first dry fractionation and solvent fractionation plants in the country. Then, with the goal of increasing the quality and reducing the cost of their shea kernels, 3F decided to stop sourcing them from international traders and set up its own West African procurement network. This network, managed by Sushil and Jivesh Goenka, now reaches across Mali, Burkina Faso, Benin and Nigeria, as well as Ghana. Recently, the company has added to its presence in Africa by constructing a crushing plant in Tema, with a production capacity of 150 mt per day.

Help and guidance
While the 3F Group competes at times with IOI-Loders Croklaan to buy shea kernels, it also supplies IOI-Loders Croklaan with products such as shea stearin and shea butter. In this area, we work closely together to maintain the highest quality levels possible. “From the start, they’ve provided us with technical assistance and training for both quality management and logistics,” says Sushil. “They’ve helped us institute a number of their own quality test procedures, and their continuing QA audit has kept us so focused that we now have our own world-class Quality Control systems. With guidance from IOI-Loders Croklaan, we’ve also been able to implement a successful and certified Hazard Analysis of Critical Control Points (HACCP) system.”

Looking to the future
“Working with IOI-Loders Croklaan has given the 3F Group a broader perspective on running a global business,” Sushil says. But there are also other aspects of the relationship that he finds very positive and beneficial. “IOI-Loders Croklaan is a very fair company,” he says. “They always mean what they say and do not mislead either their partners or competitors – which, unfortunately – is a common problem in this business. They could take initiatives to help regulate the shea trade more, both in terms of quality standards and ethics. IOI-Loders Croklaan is a company that is both quality-conscious and principled – I’d like to see them take a leading role in building up our industry even further.”

Sustainability
Sharing what we have
The view from Bobo-Dioulasso, Burkina Faso

As Shea Supply Chain Manager for Burkina Faso, I'm involved in every step of the shea procurement chain, starting from the fruit on the trees all the way through to the export of the butter. Along the way, I keep an eye on crop parameters and market trends, and I apply our purchase strategy in line with our quality requirements.

In addition to what I do here in Burkina, where I also manage the office and its four-person team, I work quite closely with the office and the lab in Ghana. What's more, I'm also building up sourcing networks in Ivory Coast, in Benin and in Togo. I'm already working with processing partners in Togo and Benin, and I oversee the bulk export of butter from both of these countries.

The diverse aspects of quality control
What I like most about my job is the diversity: I work in five different West African countries, and in a single week I can find myself first out in the fields checking the crop production, then in a warehouse for quality control, then at a crushing facility, and finally, down in the hold of a ship checking on bulk export conditions. In each of these locations, the people I work with have different professional knowledge, and they will in all likelihood also be completely different from each other regarding cultural beliefs, personal motivation and interests. This is what I have to deal with on a weekly basis, and I love it!

My responsibilities begin out in the African countryside. Shea grows across a wide part of the West African Sahel, but there are certain areas where the quality of the fruit is highest. We focus our purchasing efforts in those areas, while also keeping an eye on other factors that can affect the quality of the shea kernels. The first of these is the way in which initial processing takes place. Shea processing starts by separating the kernels out from the pulp, which the shea fruit collector usually does at home, and drying the kernels, which can be done in a variety of ways. How the collectors do this, together with how they store the kernels afterwards, are both important in determining the final quality. To evaluate the effects of the home processing and storage, we perform quality controls at the purchase point and then follow that up with a visual control when we repack the material for transport. We also use the lab facilities in Tema in Ghana to check on other parameters.

Monitoring at every stage
Once we know the kernels meet all our standards, it's time for crushing. But we don’t just send them off to be processed – we also oversee quality assurance at all the crushing facilities. QA audits at these facilities are performed jointly with the QA/QC department in Wormerveer. And even after we have the finished product, the shea butter, there is still the matter of storing and shipping it. It’s my responsibility to monitor those phases as well, in order to ensure both product safety and operational efficiency.

IOI-Loders Croklaan has been building a strong sourcing network in Burkina Faso for years, and we’re now doing the same in Benin, Togo and Ivory Coast. I go about this by identifying candidates with good connections in the field, then meeting...
them and learning more about the shea market and logistical possibilities in their area. These encounters can be challenging, as we often have to overcome cultural differences to build a balanced partnership, but that’s also part of what makes the work so interesting.

With all suppliers, communication is the key. The shea market is seasonal and fast-moving, and we can’t afford to slow down. We have to continually adapt our purchase strategy to defend against our competitors’ activities on both purchasing and transport. This means setting daily logistical aims and getting ongoing quality reporting straight from the trucks. We maintain daily contact with our leading suppliers, either by phone or in person, to ensure a common understanding of the market trends and our strategy. The information we share with our suppliers is then relayed by them to their own sub-suppliers, so everyone knows what needs to be done.

**Benefiting people and the environment**

Success is always a team effort. It’s clear, by looking at our Human resource policies, that IOI-Loders Croklaan knows this. Unlike most other international companies operating in West Africa, IOI-Loders Croklaan applies the same Human resources policy in Africa as it does in Europe. We pay our people a fair income, we hold personal follow-ups with members of staff and we help everyone create their own Personal Development Plan. We also maintain regular communication between both our offices in West Africa, in order to foster a more international view of the business by our local employees. Beyond our efforts for our own employees, IOI-Loders Croklaan has shown a real commitment to the shea industry as a whole, and to the sustainability of that industry, ever since we started working here in West Africa. Over the years, the company has made it a priority to reduce the number of intermediaries in the supply chain so as to boost the incomes of the local shea collectors and traders who make up the base of the supply pyramid.

As far as the environment is concerned, the shea industry plays an important part in helping to maintain a healthy landscape. When local farmers clear land to plant, or when they forage for firewood, they will leave the shea tree standing and unharmed, because they know that they can use the shea fruit, not just for their own household needs but also to generate additional income for the family. By sparing these trees, the villagers are protecting the land against desertification and lessening the impact of land-clearing on the ecosphere. And because the shea trees can contribute to local economies, governments, too, are recognizing the importance of the shea tree. In many places, there are now laws against cutting them down. And that’s the other thing I really like about my job – the shea industry is important to the future of West Africa. Shea provides jobs and income, it helps the communities that collect the shea fruit, and it benefits the land it grows on. That’s pretty amazing for a tree, isn’t it?

Mamadou Traore, Sylvere Kouakou N’Zué, Jean-Arnaud Janvier
The right people in the right place – how the Shea team was built

To meet a new challenge, you often need a new solution.

When IOI-Loders Croklaan decided to establish a fully developed local presence for shea operations in Africa, the first order of business was to find the right people to run those operations. How and where did IOI-Loders Croklaan find the right people for their bold new venture?

If at first you don’t succeed...
When Erica van Dijk was asked to find managerial candidates for three positions for the new in-country shea initiative, the HR Manager Europe contacted a number of external recruitment agencies that she had worked with successfully in the past. This time, however, the agencies came up empty-handed. Their lack of success didn’t particularly surprise Erica: after all, successful candidates would not only need to meet specific job qualifications, but they’d also be expected to leave behind not just their country of residence but the continent on which they lived. And in their new home, they’d be facing differences of culture, climate, and more.

…Try a new approach
To help her find job candidates who were ready for such a big move, Erica called in her colleague,
IOI-Loders Croklaan HR Advisor Saskia van Kooten. “Because some of the posts were in French-speaking Burkina Faso and others were in English-speaking Ghana, we were looking for candidates with, ideally, some fluency in both languages,” Erica explained. “But we were also looking for people who’d had experience of living and working in Africa, so that that they would be familiar with the living and working conditions there. What’s more, we were hoping to attract people who had some connection to these places, because otherwise making a commitment like that isn’t easy.” With these parameters in mind, they decided to target their efforts at university towns in Belgium and France, and also to post the vacancies on internet job sites in Europe and Africa.

A strong local presence...
This time, the search was successful. Applications came from qualified candidates from Belgium, France, and even as far away as Malaysia – that’s where Jeroen Hendriks, currently Logistics Manager Africa, was working at the time he was interviewed and hired. Further interviews were held in Paris, where IOI-Loders Croklaan hired Antoine Turpin as Supply Chain Manager and Jean Arnaud Janvier as Junior Supply Chain Manager. Currently, these three managers (together with Kouakou Sylvere N’zue, who was hired locally in 2010) are heading up local operations. Over the last three years, these operations have grown to include a team of employees working across a number of locations in Ghana and Burkina Faso. In-country activities are going well and are even intensifying – a brand-new analytical lab was set up in 2010 in the Ghanaian port city of Tema, and a new financial/administrative position is also being added to the operation in Africa.

...And a bright future
At the new lab at Tema, recently hired young Ghanaian professionals are getting the opportunity to work on state-of-the-art equipment. As they settle into their jobs, additional training opportunities will be provided to them, as they are to our employees at our other sites in Ghana and Burkina Faso. In fact, all the employees benefit from the same HR development system in place in IOI-Loders Croklaan Europe. What’s more, everyone receives medical insurance, safety and first aid training, and access to small personal loans for items such as household appliances or mopeds. Through our local presence and our commitment to the shea supply chain, IOI-Loders Croklaan is also honoring a commitment to developing the skills, the talents and the quality of life of all its employees in West Africa.
Our partnership with Ecosafe ensures we can keep a close eye on everything that could pose a threat to the quality, integrity and reliability of the local supply chain. The company keeps tally of the number of trucks transporting shea kernels, the number of bags per truck, and the average weight per bag. Ecosafe also monitors the moisture levels in the shea kernels and gathers samples for further analysis. They oversee the loading, unloading and warehousing of the shea kernels, and the transfer of the shea butter into butter trucks. And within the processing facilities themselves, Ecosafe acts as an independent surveyor, checking to make sure that facility employees are adhering to health and safety guidelines.

A dedicated team
There are two dedicated Ecosafe Field Operational Managers assigned to work exclusively for IOI-Loders Croklaan in coordinating and executing all these services. There is also an Administrative Officer, who takes care of all contractual reporting. Managing Director Sam Owusu, has made it his own personal responsibility to ensure that every part of the Superintendence Agreement between IOI-Loders Croklaan and Ecosafe is carried out to the letter. To this end, he meets with the IOI-Loders Croklaan Management Team in Ghana at least once a month.

An expanding role
The impression that Sam Owusu has of IOI-Loders Croklaan is based on this close working relationship. “I see IOI-Loders Croklaan as a company that demands the highest quality of service and innovation in both operations and reporting,” says Sam. “At the same time, I feel it’s important to point out the contributions the company has made to the economic development of Ghana. This not only includes its long-standing involvement in the shea industry, but also its recent investment in the area of laboratory services in the country, its expanded employment of Ghanaian staff, and its transfer of skills in the form of laboratory and office staff training. I’m proud that our company has helped to support these efforts.”

Ecosafe keeps an eye on operations

Our managers in West Africa are responsible for overall monitoring and quality control of every aspect of the local operations, but they can’t be everywhere at once. That’s why in 2007 IOI-Loders Croklaan began working with Ecosafe, a Ghanaian collateral management company with affiliates across West Africa, to help personally superintend the movement of raw materials and finished product at every stage of the shea supply chain.
You can’t maintain a high-quality, carefully monitored supply chain without modern IT. But that’s not always easy to get up and running in underdeveloped countries. IOI-Loders Croklaan, however, has already made great strides. Paul Bakker, IOI-Loders Croklaan ICT System & Support specialist, explains.

“There are definitely challenges to establishing an efficient IT network in West Africa. The first step, of course is providing the necessary hardware and software, which we’ve done in terms of equipment and remote connections. We can monitor, manage and update the systems from here and, in the event of problems, can simultaneously access the system and help solve them. We’ve also made it possible for local employees to put local test results directly into our central UNILAB system. Technicians in Ghana can remotely access a computer at our headquarters right from their own lab facilities to input data in one go. They don’t have to go to the office downstairs and send it to us via roundabout channels. This greatly reduces the necessity of re-writing results and the chance of input mistakes.

Local challenges
“But there are also factors and problems beyond our control that we have to deal with. Internet connection in Ghana is pretty unstable. The network infrastructure is relatively old, and it’s a humid country with lots of thunderstorms and power outages. When there’s no electricity there, we can’t access each other’s systems. Burkina Faso, surprisingly, is better. The climate is drier and, because their network has been established more recently, it’s based on fiberglass optics, which delivers stable ADSL at speeds quite similar to Western Europe. In that sense, the country’s lag in IT development ended up turning to its advantage.

International solutions
“But we do have systems in place to prevent problems, and help deal with them if they arise. Not only in terms of constant data backups, but also regarding replacement parts that can take up to four weeks to get locally. Our operations in West Africa are protected by the Disaster Recovery Plan in place at the Dutch headquarters as well. Our supply chain data is kept stored and identically synchronized in two completely separate locations. We can completely recover and restore our UNILAB, SAP and mail-server data within four hours. A nice extra touch is that the Recovery Center is 100% green, with reclaimed air cooling systems, and all energy generated by wind, sun and biomass. Everything works faster and easier with the right IT infrastructure, and with ours, we work more sustainably as well.”
The SNV Netherlands Development Organisation (SNV) provides assistance in identifying and addressing a wide range of development issues to local development organizations around the world. Amagoin Keita is the SNV’s Country Director for Ghana, where the shea sector directly engages over 900,000 women. “The industry benefits over 95% of rural households in Ghana,” says Amagoin. “People use shea in medicines and on their skins as pomades, and the fruit is an important addition to local diets.” More than 40% of the shea collected in Ghana goes to the export trade, generating over $30 million annually for the national economy. But as Amagoin points out, the disconnect between the women who gather the nuts and the international markets that trade in them is huge. “Together with IOI-Loders Croklaan, we’re helping the women to get closer to their markets.”

IOI-Loders Croklaan is committed to building sustainability into every link in its international shea supply chain – and that chain starts with the women who gather the shea nuts from wild trees. Very often, these women are so far removed from the international companies that ultimately buy the shea kernels, that they receive only a tiny proportion of their market value. That’s why IOI-Loders Croklaan collaborates whenever possible with local organizations and NGOs that work to ensure more of the profit reaches these hard-working women. For many shea gatherers, these joint initiatives are already improving incomes.

The SNV Netherlands Development Organisation (SNV) provides assistance in identifying and addressing a wide range of development issues to local development organizations around the world. Amagoin Keita is the SNV’s Country Director for Ghana, where the shea sector directly engages over 900,000 women. “The industry benefits over 95% of rural households in Ghana,” says Amagoin. “People use shea in medicines and on their skins as pomades, and the fruit is an important addition to local diets.” More than 40% of the shea collected in Ghana goes to the export trade, generating over $30 million annually for the national economy. But as Amagoin points out, the disconnect between the women who gather the nuts and the international markets that trade in them is huge. “Together with IOI-Loders Croklaan, we’re helping the women to get closer to their markets.”

Proof that it’s working
And the collaboration is already generating results. “By helping to link IOI-Loders Croklaan’s dedicated shea sourcers directly with the shea gatherers, the women have more direct access to buyers, and can get a higher income from their nuts,” says Amagoin. “This was shown in the Shea Mobilization Scheme that we piloted with IOI-Loders Croklaan in 2010.” At the same time, SNV is also improving the ability of gatherers to do business with buyers. “For example, we help them organize into cooperative societies and provide training on how to improve their processing tech-nique. This boosts quality – which, of course, is also good for IOI-Loders Croklaant!”

Avoiding the middleman
IOI-Loders Croklaan also partners with Helping Hands, a community development organization that supports shea gatherers in Ghana. “Our work is heavily research-based,” says founder Inka Dumah-Streefkerk. “We identify the main factors that cause prevalent problems in deprived communities, and then use our findings to raise public awareness and attract direct support for achieving our goals.” Helping Hands then co-ordinates activities that will protect, sustain and promote the interests of under-privileged people in the local societies. That’s where IOI-Loders Croklaan comes in. “We’re working together to empower the local shea gatherers so that they’re no longer squeezed out by middlemen, and to reduce their poverty. IOI-Loders Croklaan is very organized and efficient, making it easy for the women’s groups to work with. We need more companies like IOI-Loders Croklaan that are willing and able to work with the women directly, and that are committed to helping them command higher prices.”

Tackling great complexity
But there is still much to do, and the problems remain complex. For Amagoin, one of the biggest challenges for the future is to enable rural producers to access credit. “Commercial loans are beyond the means of small producers, due to the high interest rates,” she explains. “If we’re able to build a sustainable shea industry, we need to see more innovative financing models.” Inka, however, highlights a very different kind of problem facing the shea industry. “These are very poor communities, and people often lack money for firewood. Although shea trees have protected status in many places, people still cut them down for fuel. We need more funding in order to replace trees that are lost in this way.”

IOI-Loders Croklaan will continue looking for solutions to such problems together with local organizations and NGOs. We remain convinced that the women who gather shea nuts deserve a bigger chunk of the prices their nuts command on international markets – not least because the majority of them live below the poverty line. There is still much to be done, but we’re proud of the progress we’re making in shifting more of the value in the shea business back to the people who gathered them in the first place.
Improving the **sustainability** of shea production with recommendations from Rainforest Alliance experts

Although there is no current certification system for sustainability in the shea industry, IOI-Loders Croklaan recently teamed up with the Rainforest Alliance to see how our existing shea supply chain matches up with Rainforest Alliance certification criteria, and what could be improved in the future. After an extensive field visit across the entire supply chain earlier this year, the results are now in! IOI-Loders Croklaan is the first company in the food industry to take the initiative and assess its shea supply chain in this way.

The representative of the Rainforest Alliance was impressed by some of the direct procurement projects already in place, and by the boost that these give to the incomes of the women collecting the shea fruit. On the basis of the field visit, the Rainforest Alliance representative concluded that there were no major critical issues with regard to the Sustainable Agriculture Network (SAN) standards upon which Rainforest Alliance certification is based.

**Areas of improvement**

However, maximizing sustainability is an ongoing process, so it was natural that the organization found areas where improvements could be made. These included ideas for protecting the wild shea trees and improving systems for early-season payments to the local women. Other suggestions were made regarding health and safety measures at the processing plants – although the overall health and safety conditions at all the facilities they visited were already quite positive.

An excellent opportunity to become even more future-ready

Overall, the findings were therefore very encouraging, and all stakeholders showed a commitment to further improving existing operational practices. And, although it’s not possible to be given a certification that does not – yet – exist, the assessment did give us an excellent opportunity to determine the next steps we can take to improve the social, economic and environmental sustainability of our shea supply chain.

Olaf Paulsen, consultant for the Rainforest Alliance, interviews local women for his report.
About IOI Loders Croklaan
Oils and fats are our core business, and have been for more than a century. Today, IOI Loders Croklaan is not only a reliable and leading global supplier of commodity and specialty oils and fats, but also offers customers an unprecedented combination of lipids knowledge and application expertise to respond to their specific market needs. In addition to its head office in Wormerveer, the company has production plants in the United States, Canada and Malaysia, plus another eight sales offices worldwide. Since December 2002, IOI Loders Croklaan is part of IOI Corporation Berhad, a leading Malaysian company, which is listed on the Kuala Lumpur Stock Exchange, with its own plantations, thus securing a fully integrated supply chain from Tree to Customer.

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Let’s create together

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