COST CONSCIOUS



Bitter Brew: How Tariffs Are Impacting Your Cup Of Coffee

Tension is brewing across the country as American businesses are confronting a challenge that could change how consumers get their caffeine fix.

Unlike steel or aluminum, <u>coffee isn't widely produced in the United States</u> and the <u>majority</u> of coffee in the country is imported. Potential tariff increases ranging from <u>10% to 46%</u> on imports from Asia, Central and South America, along with a <u>10% global tariff</u>, could soon raise the cost for American consumers at the counter.

The average retail price of coffee in the United States has <u>risen significantly in past years</u>, largely due to supply chain disruptions and inflation. Tariffs would add further pressure, potentially pushing retail coffee prices up even more and <u>destabilizing an already volatile market</u>.

<u>Tariffs on coffee beans</u> would affect <u>three in four Americans</u>, with more than <u>70%</u> of American adults drinking coffee weekly and <u>63%</u> consuming it daily. For local coffee shops, this means losing customers, increasing menu prices and struggling with inventory.

Small and local coffee shop owners are now facing a tough decision: absorb the increased costs and potentially go out of business, or pass the expenses directly to customers and risk losing their loyal following.

Here's how Americans are feeling the grind on their wallets:

Supply Chain Chaos and Increasing Import Prices



- The United States imports over 99% of its coffee.¹
- In 2024, the United States **imported nearly \$9 billion worth of coffee** and coffee products from across the globe.²
- In 2023 and 2024, **Colombia supplied \$1.4 billion worth, or 20%, of the coffee imported by the United States**, making it the country's second-largest source after Brazil, which provided 32%.³
 - A potential **46% tariff on Vietnamese coffee beans would cost American importers nearly \$8,000 per to**n – a steep increase of \$2,500 from the global standard of \$5,400 per ton.⁴
- 1 https://www.cbsnews.com/news/tariffs-coffee-price-trump/
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- 3 https://intelligence.coffee/2025/02/trumps-trade-wars-fuel-coffee-prices/
- 4 https://www.reuters.com/markets/commodities/import-tax-coffee-pressures-us-roasters-already-facing-high-prices-2025-04-03/