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Structural Trends in the U.S. Coffee Market

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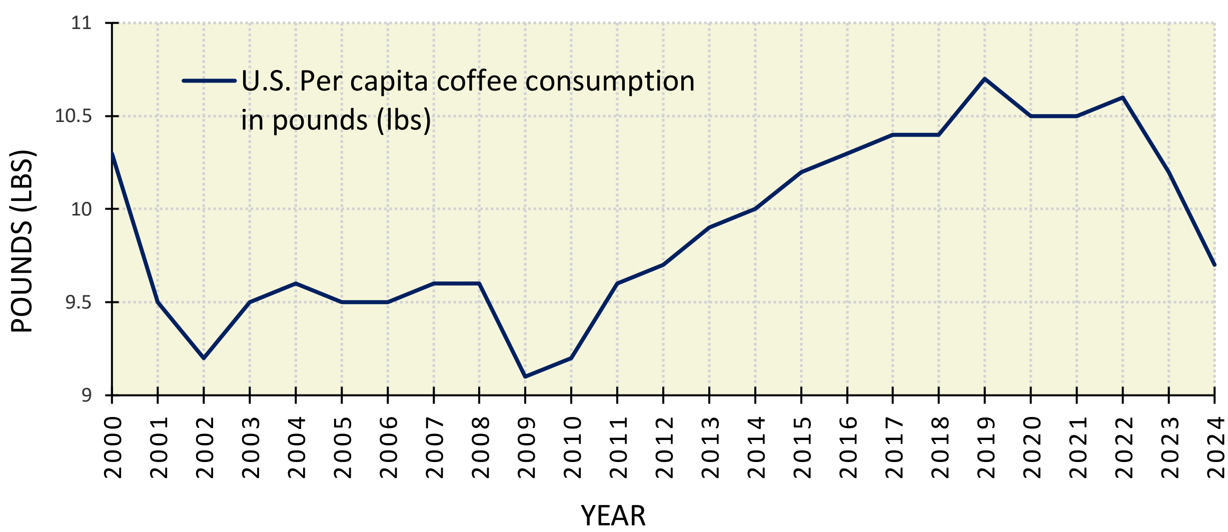
A Stimulated Market Under Global Uncertainty

The U.S. coffee sector enters Q4 2025 in a precarious equilibrium. While demand continues to grow incrementally, the cost environment remains volatile, and global supply chains are increasingly vulnerable to environmental and economic shocks. Still, coffee remains embedded in American consumer routines. In 2025, U.S. consumption is projected to reach approximately 1.68 million tons of coffee (U.S. Department of Agriculture, Foreign Agricultural Service [USDA-FAS], 2025a; World Population Review, 2025).

Yet behind every brewed cup is a fragile system governed by climate risks, currency fluctuations, and highly concentrated sourcing. As the market shifts toward premium and specialty products, U.S. coffee importers and roasters face higher procurement costs, increased price sensitivity among consumers, and growing structural dependencies on a handful of suppliers.

Figure 1

Annual U.S. Coffee Consumption and Per Capita Trends 2000-2024



Source: IBISWorld. (2025). Per capita coffee consumption in the United States. IBISWorld.

The Architecture of U.S. Coffee Imports: Green vs. Processed

U.S. coffee imports are dominated by green, unroasted beans, accounting for more than 90% of the annual volume (USDA-FAS, 2025a). These beans are classified into two main types: Arabica, grown primarily in Brazil and Colombia, and Robusta, produced mainly in Vietnam, Indonesia, and Uganda. In 2024/25, the largest suppliers of U.S. coffee imports included Brazil, Colombia, Vietnam, and Honduras (USDA-FAS, 2025a).

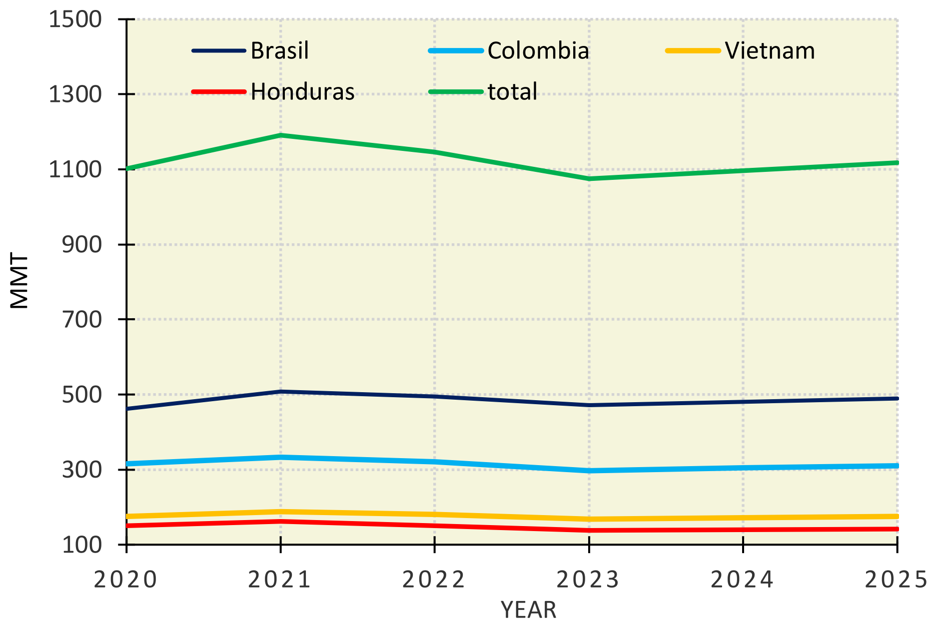
This raw form is processed domestically by large-scale roasters and specialty companies. The roasted product then enters various consumer channels, from packaged supermarket brands to café-exclusive blends.

In contrast, processed coffee—such as roasted, soluble, and instant varieties—represents a much smaller share of U.S. imports but offers higher unit value and greater consumer convenience. Multinationals like Nestlé and Kraft Heinz dominate this segment, particularly in instant and ready-to-drink products (Mordor Intelligence, 2025a). These processed imports also require higher conversion factors to green-bean equivalents when reported in trade statistics (USDA-FAS, 2025a).

The distinction is more than technical. Green coffee imports expose the U.S. industry to agricultural risks in exporting countries, such as drought, pests, or fertilizer prices, while processed imports reflect innovations in consumer convenience, branding, and premium differentiation.

Figure 2

Total Annual Green Coffee Imports by Country 2020–2025 (MMT)



Source: USDA Foreign Agricultural Service (FAS, 2025b), Coffee: World Markets and Trade, 2020–2025
Note: MMT = million metric tons.

Tariff Policy: From Low Duties to Reciprocal Tariffs

Unlike many agricultural commodities, green coffee historically entered the United States under low tariff rates, for example, U.S. tariff rates for 2020 were 1.52%, a 12.26% decline from 2019, and tariff rates for 2021 was 1.47%, a 0.05% decline from 2020 (Macrotrends LLC, 2025). Even countries without free trade agreements, such as Vietnam, Brazil, and Ethiopia, enjoyed full access to the U.S. market.

Agricultural trade, including coffee, has long exemplified tariff escalation, a structure in which unroasted or green coffee enters duty-free, while processed forms such as roasted or soluble coffee face higher tariffs, as established under the Harmonized Tariff Schedule of the United States (HTSUS, 2025). This pattern has historically benefited importing economies by fostering domestic roasting industries while limiting value addition in producing countries (United Nations Conference on Trade and Development [UNCTAD], 2025a). In 2025, however, this structure showed temporary signs of reversal. Recent reports show that the United States imposed extraordinary tariffs of up to 50% on green coffee from Brazil, as well as 20% on Vietnamese and 19% on Indonesian imports, with rates that in some cases exceeded duties on processed coffee products (Reuters, 2025b; Reuters, 2025d; Genuine Origin, 2025b). This inversion reflects a shift from industrial policy to trade retaliation, showcasing a new policy agenda for tariff structures within agricultural commodities. In this sense, tariff escalation remains a documented pattern that limits value addition in exporting countries (UNCTAD, 2025b). Recent reports also suggest a broader use of tariffs during geopolitical tensions (Reuters, 2025c).

It is important to note that these figures represent reciprocal tariffs imposed as retaliatory trade measures, rather than as components of existing free trade agreements. In practice, they function as temporary duties established under Section 301 of the U.S. Trade Act, designed to rebalance perceived trade deficits and apply reciprocal pressure on exporting partners (Office of the United States Trade Representative [USTR], 2025).

Unlike tariff concessions established under bilateral or multilateral trade frameworks, these reciprocal tariffs lack long-term predictability and may be lifted or intensified depending on evolving political and economic conditions (The White House, 2025).

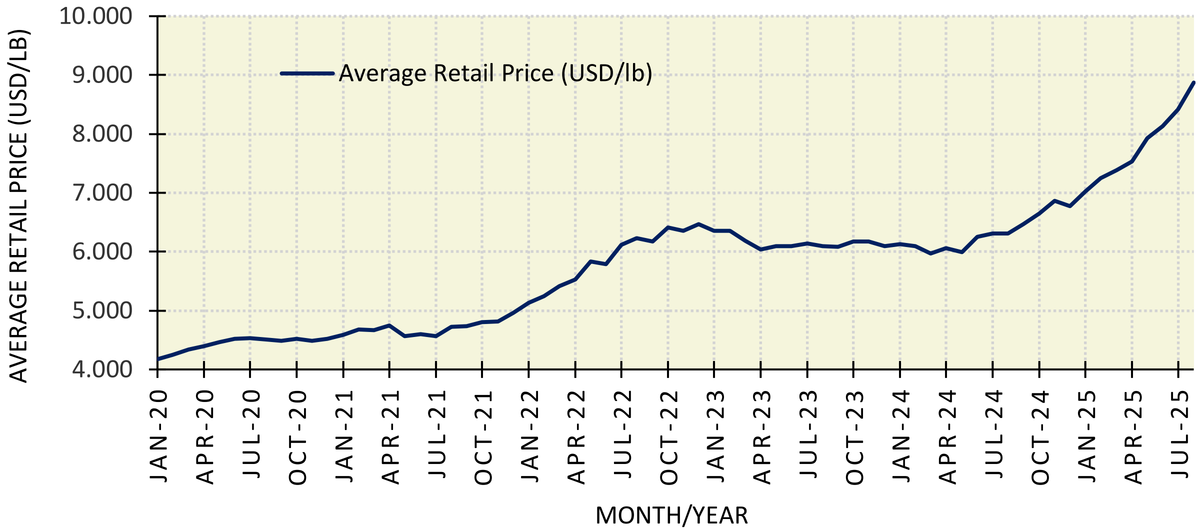
The consequences of these tariffs have been significant for both exporters and U.S. consumers. In Brazil, the newly imposed 50% tariff sharply reduced export competitiveness (Reuters, 2025a; Conselho dos Exportadores de Café do Brasil [Cecafé], 2025). As a result, U.S. importers turned to alternatives such as Central America and Colombia, though these often carried higher premiums and greater logistical uncertainty (Reuters, 2025e).

Retail Prices Under Pressure

U.S. retail prices for roasted coffee increased by approximately 74% over five years (Bureau of Labor Statistics [BLS], 2025). This trend reflects multiple pressures along the supply chain. Global port congestion, elevated fuel and shipping costs, and container shortages, particularly along South American routes, have sharply increased landed costs for green coffee imports (Commodity Board Europe GmbH, 2025; San Francisco Business Times, 2025; Genuine Origin, 2025a). At the same time, shifting consumer demand toward premium, organic, and single-origin blends has further raised the average unit value of imports.

Figure 3

Monthly Average U.S. Retail Coffee Prices, 2020-2025 (USD/lb)



Source: Federal Reserve Bank of St. Louis. (n.d.). Consumer price index for all urban consumers: Coffee (Series APU0000717311). FRED., Bureau of Labor Statistics (2025), Average Retail Food and Energy Prices – Coffee, 2020–2025.

Seasonal and Regional Demand Patterns

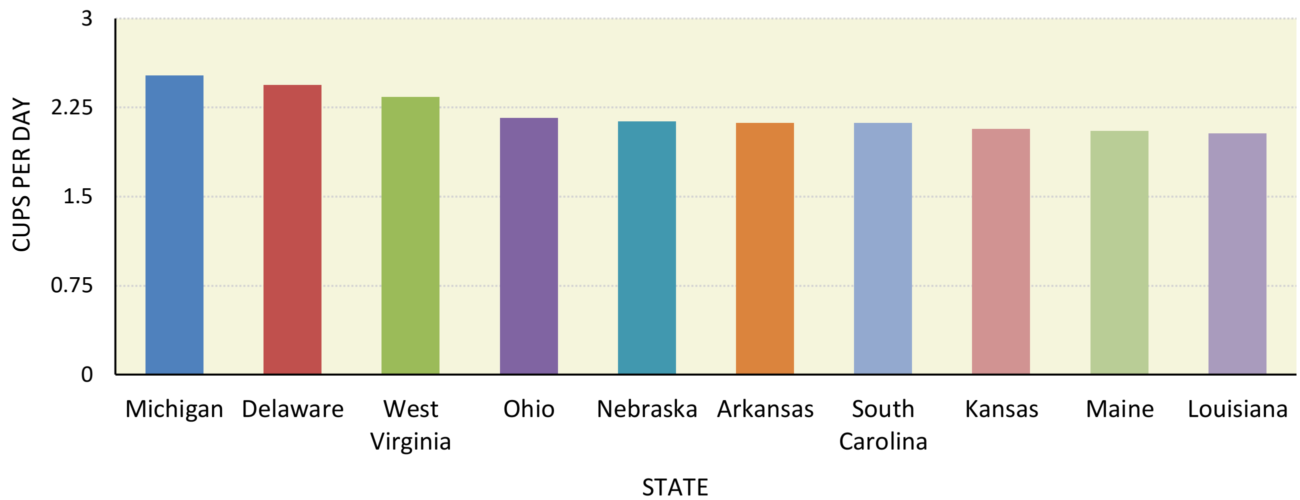
Coffee consumption in the United States is widespread, with 66% of adults reporting as coffee drinkers, amid rising prices in 2022 where ground coffee costs increased by 21.9% in the first 8 months compared to 2021 (USDA-ERS, 2022). An increase in coffee consumption occurs in autumn, driven by the introduction of pumpkin spice drinks, which have become a staple in U.S. coffee menus starting as early as late summer (Canham-Clyne, 2023).

Coffee consumption patterns vary by region, temperature (hot vs. cold), and age group, suggesting opportunities for market segmentation in different formats and preferences. Regionally, coffee consumption patterns vary: the Northeast has higher daily coffee drinking rates, ranging between 61% to 67% of people, while the West leads in specialty coffee consumption at 58% past-week, with younger consumers preferring iced and RTD formats in warmer regions (Cafely, 2024).

Northeastern states record the highest average consumption, with residents drinking around 1.97 cups per day, while Utah and Arizona rank among the lowest. Most Americans (about 79%) prepare coffee at home, primarily using drip coffee makers, though single-cup brewers and espresso machines are increasingly popular. Consumption rises with age, ranging from 37% among teens to 72% among adults over 60. Men drink slightly more coffee daily than women, yet women tend to spend more on it annually. Overall, Americans drink approximately 400 million cups of coffee per day (Balance Coffee, 2025).

Figure 4

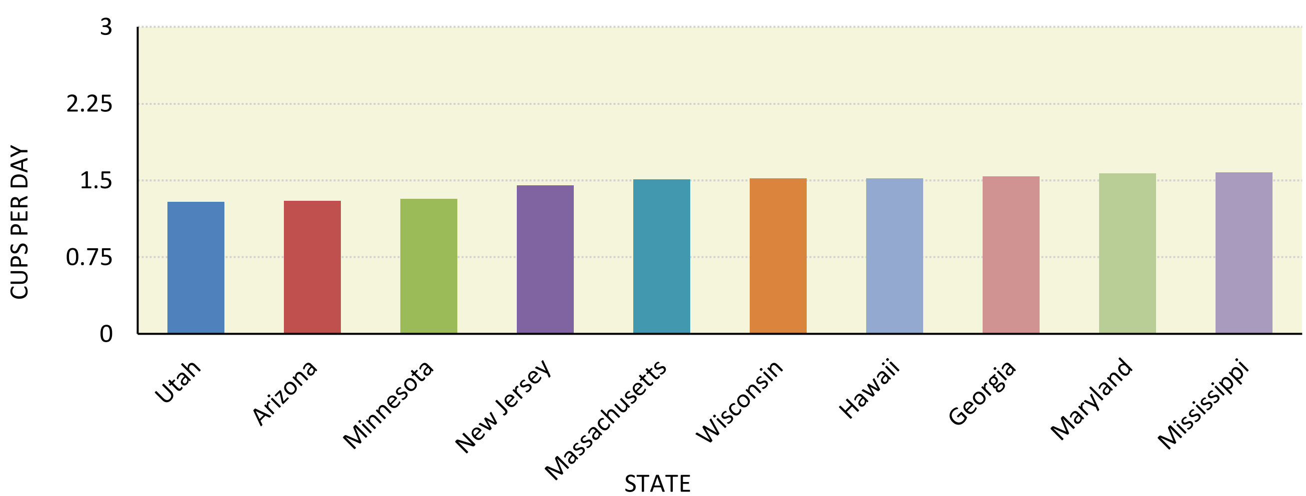
Top 10 States with Highest Coffee Consumption in the USA 2024



Source: Balance Coffee. (2025). Coffee consumption statistics US (Charts & infographics)

Figure 5

Top 10 States with Lowest Coffee Consumption in the USA 2024



Source: Balance Coffee (2025). Coffee consumption statistics US (Charts &infographics)

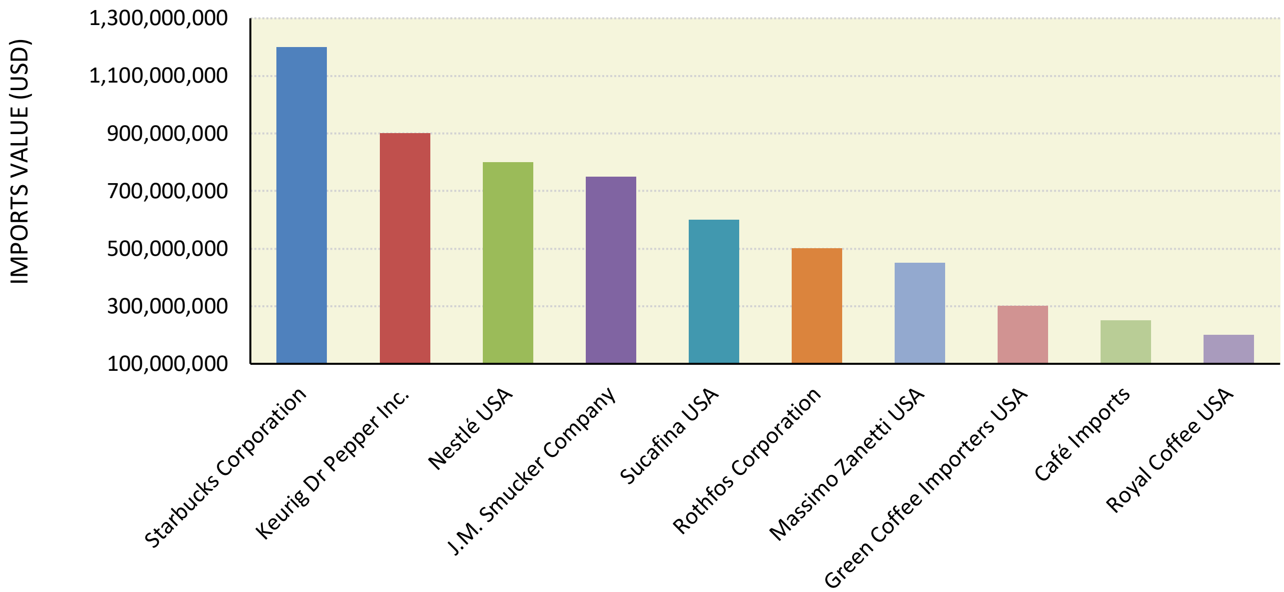
A Highly Concentrated Market

The U.S. coffee import and roasting sector exhibits pronounced concentration. According to import data for 2024, Starbucks, Keurig Dr Pepper, Nestlé USA, and J.M. Smucker rank among the top importers by value (USImportData, 2024). This suggests a dominant position in sourcing and supply control, which likely extends into roasting, branding, and distribution. These companies, by virtue of their scale and integration across the value chain, exert considerable influence in pricing and supply coordination.

Global coffee exports show concentration in key regions, with ongoing market volatility affecting producers (International Coffee Organization, 2024). A few global intermediaries, including Neumann Kaffee Gruppe, Olam Group, and Louis Dreyfus, contribute to moderate fragmentation in the green coffee market, showcasing concentration among key players (Mordor Intelligence, 2025b).

Figure 6

Top Coffee Importers and Buyers in the USA 2024-2025



Source: USImportData, "US coffee imports data, top coffee importers & buyers in USA," November 28, 2024

Hawaii and Puerto Rico as U.S. Coffee Suppliers

Hawaii is projected to produce 21.0 million lb (cherry basis) of usable coffee in the 2024–2025 season, a 9% increase from the previous year, with 7,000 bearing acres and an average yield of 3,440 lb/acre (U.S. Department of Agriculture, 2025). In 2023–2024, utilized production totaled 19.2 million lb, with a total value of 48.2 million dollars and an average price of 2.51 dollars/lb (U.S. Department of Agriculture, 2024). However, the Hawaii Department of Agriculture reported an approximately 20% decline in green-coffee prices, particularly Kona, due to oversupply and reduced demand from continental distributors, which affected producer profitability (Hawaii Department of Agriculture [HDOA], 2025).

Exports also showed contraction: between 2015 and 2024, the volume of exported green coffee fell by 82%, from 884,050 lb to 158,420 lb, largely due to higher production costs, pest pressure, and a shift toward direct sales in local and tourism markets (HDOA, 2025). Despite this decline, export prices remain high. In 2023, green coffee exported by ocean freight averaged 29.09 dollars/lb, compared with 5.53 dollars/lb for roasted coffee, confirming its premium status (HDOA, 2025). To safeguard origin and authenticity, Acts 211 (2023) and 198 (2024) increased the minimum share of locally grown beans in blends from 10% to 51%, effective July 1, 2027, reinforcing traceability and the value of origin (HDOA, 2025).

Puerto Rico is undergoing a recovery driven by reforestation and financing programs. Since February 2024, the Café del Futuro project, funded with 15 million dollars by the USDA, has distributed 325,000 trees to 190 producers, including 300,000 climate-resilient coffee varieties (Obata, Acauá, Limaní, Frontón, and Marsellesa), along with 15,000 shade and timber trees (NCBA CLUSA, 2024). The project also disbursed 125,000 dollars in cash incentives to 62 producers adopting climate-smart practices and is expected to raise the island's coffee revenue from 14 million to 50 million dollars once completed (NCBA CLUSA, 2024; 2025).

Labor shortages remain critical: there are 2,983 active coffee farms, requiring about 7,000 pickers, yet only 27 farms obtained H-2A permits between 2015 and 2024 (Centro de Periodismo Investigativo, 2025). An example of resilience is Hacienda Tres Ángeles (Adjuntas), which produces more than 18,000 lb/year and received USDA REAP support to modernize its energy systems (USDA Rural Development, 2024). Additionally, the lack of adequate agricultural insurance for non-hurricane storms continues to expose coffee growers to recurring production losses (Centro de Periodismo Investigativo, 2024).

Hawaii and Puerto Rico are the only territories with significant commercial coffee production within the United States. Hawaii provides stable output and clear origin regulations, while Puerto Rico is progressing through reforestation and innovation programs. Strengthening both sectors diversifies the domestic coffee supply and enhances the U.S. role in specialty and origin-certified markets (U.S. Department of Agriculture, 2025; HDOA, 2025; NCBA CLUSA, 2024).

Future Outlook: Moderate Growth, Persistent Risk

The future of the U.S. coffee market will be shaped by a balance between sustained consumer demand and increasing structural challenges. Growth is expected to concentrate in differentiated segments such as specialty, organic, ready-to-drink, and convenience products, reflecting evolving consumer preferences toward quality, sustainability, and technological integration. The consolidation of large multinational roasters will likely continue, yet opportunities may emerge for smaller actors capable of innovating in traceability, ethical sourcing, and climate adaptation.

At the same time, dependence on a limited number of producing countries and exposure to climatic and geopolitical risks underscore the need for diversification and resilience. Strengthening domestic initiatives in Hawaii and Puerto Rico, expanding climate-smart production, and investing in sustainable supply networks will be critical to mitigating volatility. The capacity of U.S. firms to integrate sustainability with competitiveness will determine the sector's long-term stability in an increasingly uncertain global environment.

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