

SPECIALTY COFFEE TRANSACTION GUIDE

2022 Specialty Coffee Transaction Guide

A collaboration between researchers at Emory University and a growing roster of specialty coffee producers, cooperatives, exporters, importers, and roasters.

Version 5.0

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For more information, visit www.transactionguide.coffee

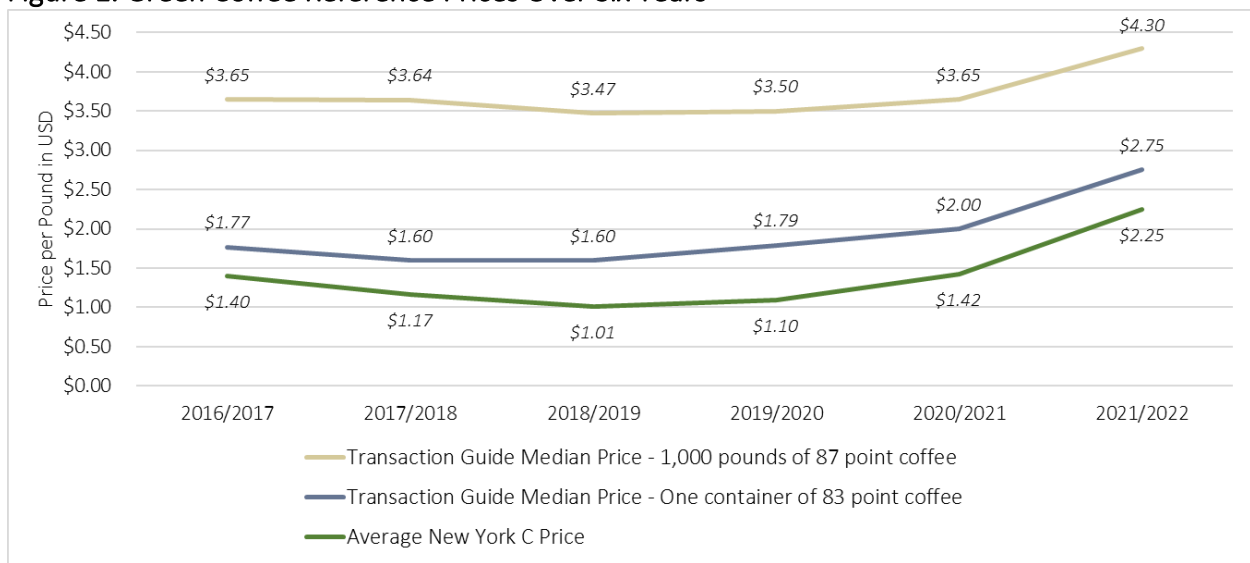
Direct questions or comments to contact@transactionguide.coffee

* The numbers in this Transaction Guide represent our best efforts to organize and analyze contract data provided by data donors in compliance with applicable laws. As the project develops over the next several years, we will make every effort to expand the roster of data donors. We will also develop and implement additional plans to validate data, to identify and remove duplicate observations (i.e., same-contract data supplied by different data donors), and to improve the presentation of the patterns revealed in the data.

Introduction

The first *Specialty Coffee Transaction Guide* included specialty coffee contracts from the 2016/2017 harvest year, when the average New York C price was \$1.40 (see **Figure 1**). Over the next two harvest years, this average fell to \$1.17 and then to \$1.01. These low and falling commodity prices created serious concerns about ongoing access to both commercial and differentiated green coffees. In the 2020/2021 harvest year, the average commodity price returned to its 2016/2017 level (\$1.42). The New York C price continued its rise into the 2021/2022 harvest year, averaging \$2.25 per pound. As commodity prices rose, specialty coffee buyers struggled with unexpected price increases, while coffee producers (who were dealing with increased input and labor costs) expected premiums to rise alongside higher reference prices and wondered how long this more advantageous green coffee pricing environment would last.

Figure 1. Green Coffee Reference Prices Over Six Years



As futures prices continue along their volatile path (falling below \$1.60 per pound in November 2022), industry leaders at various points along the supply chain must become more serious about the need to cushion the people who grow specialty coffees from price references that come from commodity futures markets.

Specialty Coffee Transaction Guides rely on a group of specialty coffee producers, cooperatives, exporters, importers, and roasters who provide detailed contract data covering specialty coffee transactions from recent harvests on a confidential basis.¹ Researchers at Emory University use

¹ Data donors agree to “provide information on all of our green coffee transactions for the period covered by the Transaction Guide”; that “all of the information that we provide will be accurate to the best of our knowledge”; and would “support efforts to verify a small number of contracts by seeking confirmation from the affected contract counterparties.”

this anonymized and appropriately aggregated information to create tables and figures that describe the distributions of recent prices for green (unroasted) differentiated coffees.²

Annual releases of the *Specialty Coffee Transaction Guide* provide more relevant reference prices for differentiated specialty coffees. Consider how median prices for containers of green coffee that cup at 83 points rose \$1.15 per pound, from \$1.60 in 2018/2019 to \$2.75 in 2021/2022. Over the same period, median prices for lots of 1,000 pounds that cup at 87 points rose \$0.83, from \$3.47 to \$4.30 per pound (see **Figure 1**). Both these increases were more modest than the \$1.24 per pound increase in the New York C price.

Tables and figures in the *2022 Transaction Guide* rely on data from 119 companies and organizations headquartered in countries around the world (see the Appendix). They summarize information from contracts signed in the October 2018 to September 2022 period.³ This three-year window is divided into three periods based on harvest timelines: 2019/2020, 2020/2021, and 2021/2022.

The *2022 Transaction Guide* summarizes more than 58,000 contracts that cover almost 1.2 billion pounds of green specialty coffee valued at more than \$2.6 billion (see **Table 1**).⁴ Roughly two-thirds of the three-year sample represents contracts from specialty coffee importers, followed by exporters and roasters (see **Figure 2**).

Table 1. Current Sample

Period	Contracts	Total Pounds (Million)	Total Value* (USD Million)
2021/2022	18,443	332.26	\$972.89
2020/2021	20,154	342.43	\$787.55
2019/2020	19,523	477.10	\$894.59
3 Years	58,120	1,151.79	\$2,655.02

* Sum of contracted volumes multiplied by FOB prices

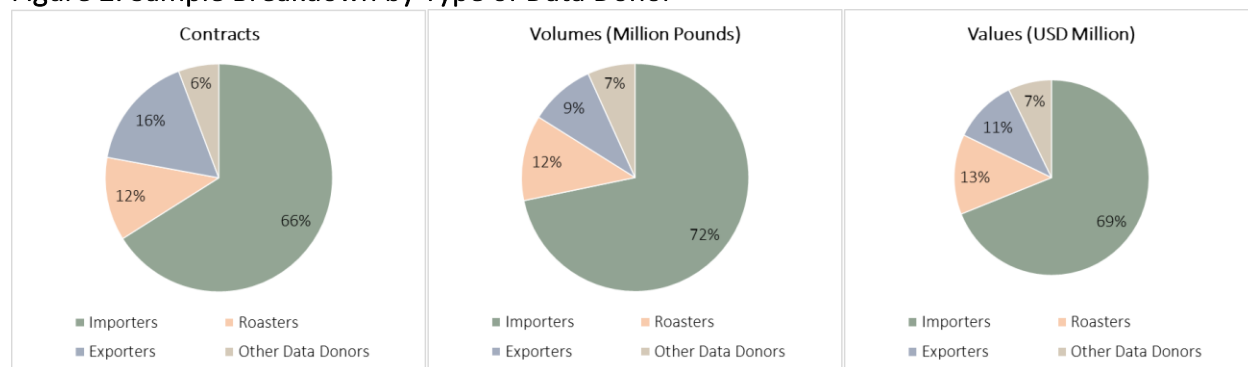
Because these tables describe actual prices paid for green specialty coffees, they provide relevant information to consider as part of current and future price negotiations.

² *Specialty Coffee Transaction Guides* are designed to comply with applicable antitrust and competition laws by providing appropriately anonymized, aged, and aggregated information that allows industry participants to better understand the marketplace in which they participate so they can independently develop strategies to achieve value propositions that meet consumer demand.

³ We assign contracts to specific periods based on the “date the contract was finalized/signed.”

⁴ We set aside contracts that do not report FOB prices or lot sizes, and that report quality scores below 80. We also set aside contracts that are likely duplicates by identifying those that report the involvement of another organization that is also a current data donor.

Figure 2. Sample Breakdown by Type of Data Donor



FOB Prices

To provide context for sellers and buyers of specialty coffees, *Specialty Coffee Transaction Guides* describe recent FOB price distributions, all in USD per green pound. Because we do not want observations to be influenced by outliers, we report median prices when describing the middle of each market category.⁵ Lower prices and higher prices refer to the 25th and 75th percentile of prices, respectively, observed in each category.

Thinking about FOB prices. Free on board (FOB) prices are “paid for coffees that are delivered and placed onto the ship at the port in the country of embarkation. They typically cover any overland transportation costs from mills or warehouses to the port of origin, but not any overseas shipping, insurance, or any transportation, customs, and overland freight costs incurred on arrival to the port of destination” (International Chamber of Commerce). These prices, which are consistently reported in most export contracts, speak to pre-export valuations and indicate the amounts of money that stay in the countries where coffees are produced. However, FOB prices only tell part of the economic story because they do not indicate how much of the contracted revenues make it back to coffee farms. Moreover, a number of transactions between farm gates and ports do not stipulate prices in USD per green pound. These shortcomings must be kept in mind when interpreting the numbers presented in the following tables.

Table 2. Three Harvest Years of FOB Prices

Harvest Year	Contracts	Lower Price (25 th percentile)	Middle Price (median)	Higher Price (75 th percentile)
2021/2022	18,443	\$2.83	\$3.50	\$4.48
2020/2021	20,154	\$2.18	\$2.85	\$3.70
2019/2020	19,523	\$1.90	\$2.60	\$3.58
3 Years	58,106	\$2.25	\$3.00	\$3.97

* All prices are reported in USD per green pound

* Each harvest year runs from October 1st to September 30th

⁵ The median price is the middle – or 50th percentile – observation in the sample.

Key Observations:

- Overall, the median price for green specialty coffees rose 35%, from \$2.60 per pound in 2019/2020 to \$3.50 per pound in 2021/2022.
- Lower (i.e., 25th percentile) prices increased 49% to \$2.83 in 2021/2022 from \$1.90 per pound in 2019/2020, while higher (i.e., 75th percentile) prices rose 25% to \$4.48 in 2021/2022, a \$0.90 per pound increase over 2019/2020.
- In each harvest year, the range of prices paid for green specialty coffees was quite large. In 2021/2022, 50% of the prices in the sample covered a range of \$1.65 (from \$2.83 to \$4.48).

FOB Prices by Quality Level

One variable that influences prices for specialty coffees is quality. **Table 3** organizes FOB prices into seven quality bands.

Thinking about Quality Scores. Quality scores in the Transaction Guides rely on Specialty Coffee Association (SCA) standards reported in a range of 80 to 100. Despite ongoing efforts to develop standardized cupping scores, coffee quality is subjective and different sellers and buyers will arrive at different scores. The scores and ranges in these tables provide a general indication of prices paid for coffees at different quality levels. However, the data donors exhibit different biases when assessing coffee quality.⁶ Moreover, some donors report specific quality scores, others report quality ranges, while others do not provide any quality information. When quality scores are reported in ranges, we assign the lowest value in the range. To account for coffees contracted without reference to a quality score, we include a separate “No Quality Score” category.⁷

Key Observations:

- Higher-quality coffees tend to receive higher prices. In 2021/2022, the median price for 86-87.9 coffees (\$4.21) was 50% higher than the median price for 82-83.9 coffees (\$2.80).
- For lower-quality coffees, lower-end prices increased in each of the last three harvest years. For example, the 25th percentile price for 82-83.9 coffees rose 15% (\$0.24), from \$1.57 in 2019/2020 to \$1.81 in 2020/2021, before rising another 40% (\$0.72), to \$2.53 in 2021/2022.
- For higher-quality coffees, lower-end price increases were less dramatic. The 25th percentile price for 86-87.9 coffees rose 2%, from \$3.00 in 2019/2020 to \$3.07 in 2020/2021, before rising another 17%, to \$3.60 in 2021/2022.
- The range of prices for lower-quality coffees is lower than for higher-quality coffees. In 2021/2022, 50% of the 82-83.9 coffee prices covered a range of \$0.54, from \$2.53 to \$3.07, while 50% of the 86-87.9 coffee prices covered a range of \$1.37, from \$3.60 to \$4.97.

⁶ Efforts to standardize quality scores across data donors are underway and will be a priority in the coming year.

⁷ The “No Quality Score” band also includes contracts where quality was considered during price negotiations, but where data donors’ current records do not link contract data with the relevant quality information.

Table 3. FOB Prices in Different Quality Bands

Period	Contracts	Pounds (Million)	Value (\$ Million)	Lower Price (25 th %ile)	Middle Price (median)	Higher Price (75 th %ile)
From 80 to 81.9						
2021/2022	1,670	73.36	\$183.73	\$2.30	\$2.54	\$2.79
2020/2021	1,519	65.03	\$121.79	\$1.55	\$1.84	\$2.17
2019/2020	1,833	94.05	\$147.98	\$1.36	\$1.60	\$1.90
3 Years	5,022	232.44	\$453.50	\$1.56	\$1.90	\$2.49
From 82 to 83.9						
2021/2022	2,617	94.23	\$256.53	\$2.53	\$2.80	\$3.07
2020/2021	3,895	128.92	\$269.92	\$1.81	\$2.03	\$2.41
2019/2020	2,708	128.52	\$237.11	\$1.57	\$1.87	\$2.19
3 Years	9,220	351.67	\$763.56	\$1.80	\$2.19	\$2.70
From 84 to 84.9						
2021/2022	2,395	54.36	\$164.66	\$2.79	\$3.13	\$3.50
2020/2021	2,546	48.23	\$118.57	\$2.16	\$2.50	\$3.00
2019/2020	2,032	48.96	\$110.39	\$2.04	\$2.30	\$2.72
3 Years	6,973	151.55	\$393.62	\$2.20	\$2.69	\$3.20
From 85 to 85.9						
2021/2022	2,157	31.42	\$102.39	\$3.17	\$3.50	\$4.05
2020/2021	2,064	28.65	\$76.40	\$2.49	\$3.00	\$3.40
2019/2020	2,889	39.82	\$91.76	\$2.25	\$2.78	\$3.43
3 Years	7,109	99.89	\$270.55	\$2.50	\$3.14	\$3.69
From 86 to 87.9						
2021/2022	4,405	22.95	\$89.66	\$3.60	\$4.21	\$4.97
2020/2021	4,512	25.18	\$82.50	\$3.07	\$3.60	\$4.48
2019/2020	3,460	22.19	\$72.28	\$3.00	\$3.50	\$4.09
3 Years	12,376	70.33	\$244.44	\$3.20	\$3.76	\$4.56
88 Plus						
2021/2022	1,328	3.38	\$18.68	\$4.52	\$5.98	\$10.00
2020/2021	1,521	3.58	\$18.33	\$4.00	\$5.50	\$9.30
2019/2020	1,108	3.35	\$15.04	\$3.78	\$5.50	\$8.75
3 Years	3,957	10.31	\$52.05	\$4.20	\$5.57	\$9.20
No Quality Score						
2021/2022	3,871	52.56	\$157.23	\$3.01	\$3.90	\$4.75
2020/2021	4,097	48.82	\$100.05	\$2.35	\$3.00	\$3.75
2019/2020	5,493	140.21	\$220.02	\$1.90	\$2.86	\$3.90
3 Years	13,461	235.60	\$477.30	\$2.35	\$3.25	\$4.20

* All prices are reported in USD per green pound

FOB Prices by Lot Size

Another variable that influences coffee prices is lot size. **Table 4** divides the sample into five quantity bands.

Thinking about Lot Sizes. Most green specialty coffees are delivered in sacks (or bags) that weigh between 100 and 154 pounds each. Large lots are purchased and exported in containers that hold roughly 40,000 pounds. At the other extreme, the smallest “microlots” come in lot sizes smaller than 1,000 pounds.⁸

Table 4. FOB Prices in Different Lot Size Bands

Period	Contracts	Pounds (Million)	Value (\$ Million)	Lower Price (25 th %ile)	Middle Price (Median)	Higher Price (75 th %ile)
More than 40,000 Pounds						
2021/2022	5,592	260.17	\$713.21	\$2.45	\$2.75	\$3.08
2020/2021	5,359	247.26	\$522.89	\$1.78	\$2.09	\$2.45
2019/2020	5,986	382.97	\$651.33	\$1.47	\$1.83	\$2.14
3 Years	16,937	890.39	\$1,887.43	\$1.76	\$2.20	\$2.70
From 10,001 to 40,000 Pounds						
2021/2022	2,201	47.34	\$156.62	\$2.85	\$3.26	\$3.78
2020/2021	2,775	66.09	\$162.59	\$2.03	\$2.45	\$3.00
2019/2020	2,813	68.05	\$156.64	\$1.84	\$2.26	\$2.96
3 Years	7,789	181.48	\$475.86	\$2.06	\$2.61	\$3.25
From 3,001 to 10,000 Pounds						
2021/2022	3,133	17.15	\$64.56	\$3.25	\$3.75	\$4.25
2020/2021	3,582	19.86	\$62.12	\$2.50	\$3.01	\$3.50
2019/2020	3,232	17.84	\$52.12	\$2.40	\$2.85	\$3.45
3 Years	9,947	54.85	\$178.81	\$2.56	\$3.20	\$3.80
From 1,001 to 3,000 Pounds						
2021/2022	3,259	5.83	\$26.10	\$3.50	\$4.20	\$4.83
2020/2021	4,044	7.16	\$27.52	\$2.75	\$3.36	\$4.14
2019/2020	3,517	6.30	\$23.22	\$2.74	\$3.34	\$4.00
3 Years	10,820	19.28	\$76.83	\$2.92	\$3.56	\$4.42
Less than 1,000 Pounds						
2021/2022	4,258	1.78	\$12.39	\$3.87	\$4.75	\$6.50
2020/2021	4,394	2.06	\$12.43	\$3.18	\$4.16	\$5.90
2019/2020	3,975	1.94	\$11.28	\$3.28	\$4.10	\$6.07
3 Years	12,627	5.78	\$36.10	\$3.46	\$4.40	\$6.13

* All prices are reported in USD per green pound

* Quantity bands are set to include roughly the same number of contracts in each group.

Key Observations:

- Median prices are higher for coffees purchased in smaller quantities. In 2021/2022, the median price per pound for lots of less than 1,000 pounds (\$4.75) was 73% higher than that paid for lots of 40,000+ pounds (\$2.75).

⁸ When thinking about FOB prices paid for green coffees versus retail prices paid for roasted coffees, remember that costs are incurred moving coffee from export ports into a coffee roastery and that there is a loss (or shrinkage) of roughly 15-20% of bean weight when coffees are roasted.

- For coffees sold in larger lot sizes, lower-end prices rose in 2021/2022. The 25th percentile price for lots of 40,000+ pounds increased 38% (\$0.67), from \$1.78 in 2020/2021 to \$2.45 in 2021/2022. There were similar price increases for coffees sold in smaller lot sizes.
- The range of prices was higher in smaller-size contracts. In 2021/2022, 50% of the prices paid for lots of 40,000+ pounds covered \$0.63, from \$2.45 to \$3.08. However, 50% of the prices paid in lots of less than 1,000 pounds covered a range of \$2.63, from \$3.87 to \$6.50.

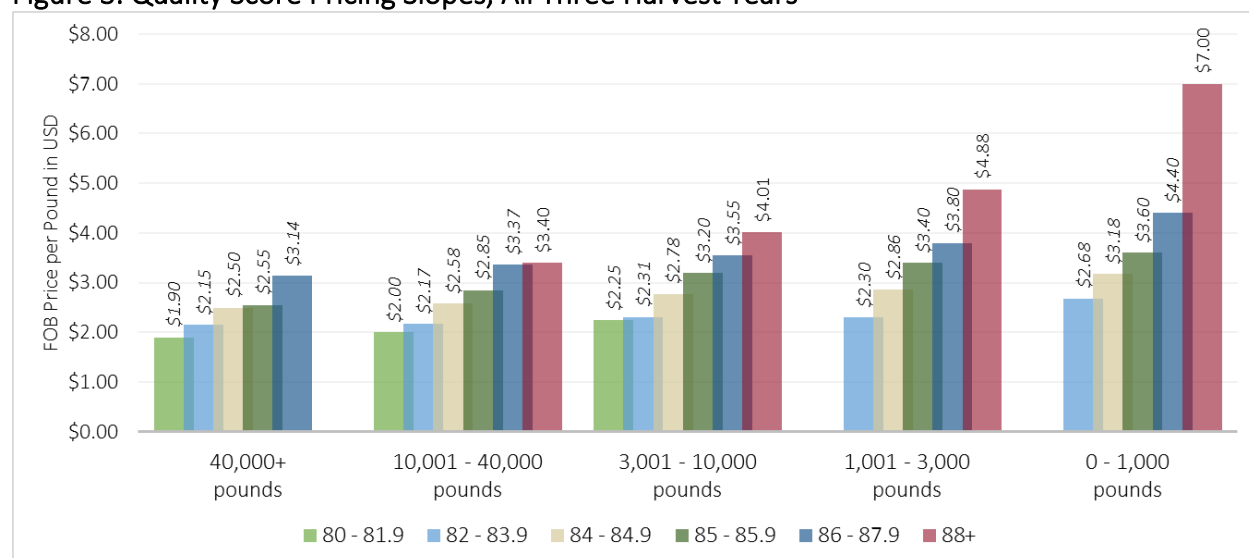
FOB Prices by Quality Level and Lot Size

The main feature of each *Transaction Guide* is a single table that captures FOB prices for specialty coffees with different quality scores and purchased at different lot sizes (see **Table 5**).

Key Observations:

- In 2021/2022, median prices in the most-populated buckets were very different. Median prices for the largest lots of coffees that cupped between 80-81.9 and 82-83.9 were \$2.52 and \$2.75, while the median prices for the smallest lots of coffees that cupped between 86-87.9 were \$4.30 (1,001 to 3,000 pounds) and \$4.69 (less than 1,000 pounds).
- Across all three harvest years, there were consistent pricing slopes within each quantity and quality band. For example, median FOB prices for lot sizes of 10,001 to 40,000 pounds rose in tandem with quality scores, from \$2.00 to \$3.40 as quality scores rose from 80-81.9 points to 88+ points (see **Figure 3**).

Figure 3. Quality Score Pricing Slopes, All Three Harvest Years



* All prices are reported in USD per green pound

Table 5. FOB Prices for Specialty Coffees, 2021/2022

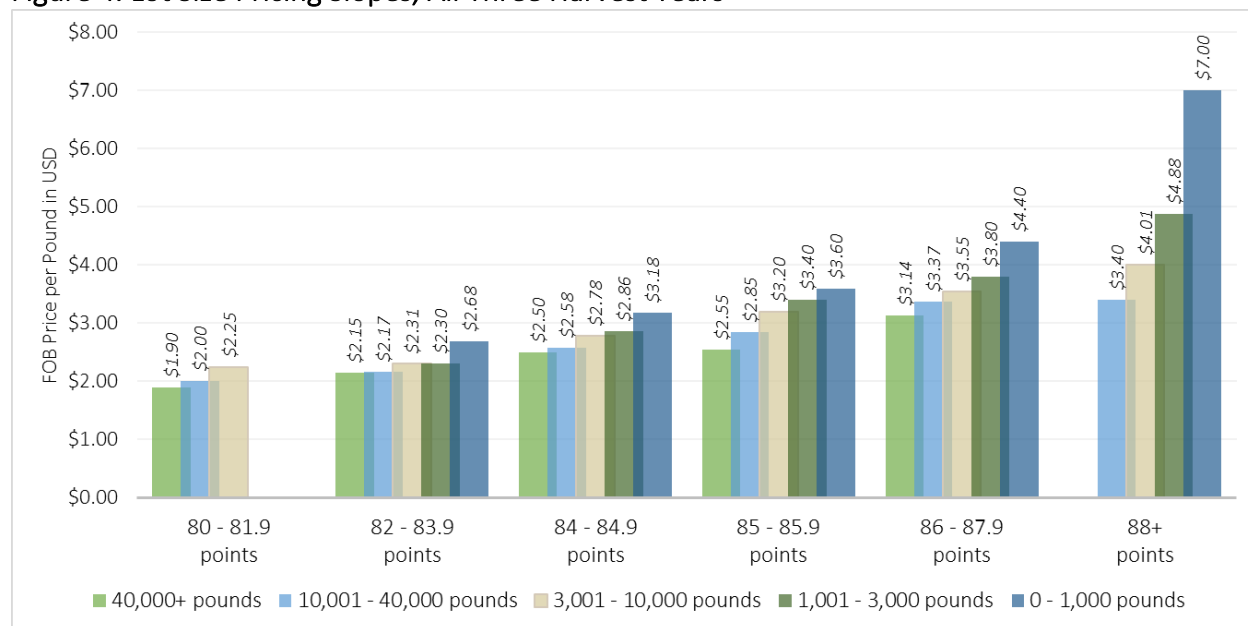
	Contracts	Pounds (Million)	Value (\$ Million)	Lower Price (25 th %ile)	Middle Price (Median)	Higher Price (75 th %ile)	Median, 3 years
More than 40,000 Pounds							
80-81.9	1,418	69.14	\$171.31	\$2.29	\$2.52	\$2.72	\$1.90
82-83.9	1,848	82.65	\$222.14	\$2.53	\$2.75	\$2.98	\$2.15
84-84.9	965	41.40	\$122.96	\$2.75	\$3.00	\$3.25	\$2.50
85-85.9	474	20.31	\$63.31	\$2.87	\$3.15	\$3.39	\$2.55
86-87.9	175	7.70	\$27.03	\$3.15	\$3.50	\$3.97	\$3.14
88 plus	-	-	-	-	-	-	-
No score	691	38.08	\$102.99	\$2.21	\$2.56	\$2.98	\$1.97
From 10,001-40,000 Pounds							
80-81.9	148	3.80	\$10.98	\$2.29	\$2.76	\$3.28	\$2.00
82-83.9	388	10.15	\$30.07	\$2.64	\$2.97	\$3.32	\$2.17
84-84.9	424	9.28	\$29.58	\$2.81	\$3.16	\$3.54	\$2.58
85-85.9	362	7.34	\$24.66	\$3.00	\$3.25	\$3.66	\$2.85
86-87.9	414	7.27	\$27.54	\$3.38	\$3.80	\$4.10	\$3.37
88 plus	-	-	-	-	-	-	\$3.40
No score	416	8.66	\$30.34	\$2.80	\$3.36	\$3.94	\$2.50
From 3,001-10,000 Pounds							
80-81.9	-	-	-	-	-	-	\$2.25
82-83.9	202	1.19	\$3.46	\$2.40	\$2.85	\$3.44	\$2.31
84-84.9	498	2.97	\$9.73	\$2.80	\$3.28	\$3.69	\$2.78
85-85.9	527	2.84	\$10.63	\$3.25	\$3.72	\$4.17	\$3.20
86-87.9	982	5.14	\$21.06	\$3.55	\$4.00	\$4.50	\$3.55
88 plus	153	0.84	\$3.81	\$4.02	\$4.50	\$5.00	\$4.01
No score	710	3.80	\$14.67	\$3.35	\$3.80	\$4.25	\$3.25
From 1,001-3,000 Pounds							
80-81.9	-	-	-	-	-	-	-
82-83.9	105	0.20	\$0.71	\$2.60	\$3.25	\$3.76	\$2.30
84-84.9	323	0.63	\$2.10	\$2.65	\$3.24	\$3.80	\$2.86
85-85.9	424	0.78	\$3.13	\$3.50	\$3.92	\$4.30	\$3.40
86-87.9	1,201	2.16	\$9.92	\$3.75	\$4.30	\$4.95	\$3.80
88 plus	309	0.52	\$3.68	\$4.52	\$5.04	\$7.00	\$4.88
No score	877	1.49	\$6.36	\$3.55	\$4.25	\$4.80	\$3.55
Less than 1,000 Pounds							
80-81.9	-	-	-	-	-	-	-
82-83.9	-	-	-	-	-	-	\$2.68
84-84.9	185	0.07	\$0.28	\$3.25	\$3.50	\$4.20	\$3.18
85-85.9	370	0.15	\$0.66	\$3.49	\$3.77	\$4.50	\$3.60
86-87.9	1,633	0.69	\$4.12	\$3.83	\$4.69	\$5.80	\$4.40
88 plus	796	0.29	\$4.28	\$5.17	\$7.58	\$15.16	\$7.00
No score	1,177	0.52	\$2.86	\$4.00	\$4.75	\$5.86	\$4.25

* All prices are reported in USD per green pound

* Price information redacted in buckets with fewer than 100 observations

- Median FOB prices for coffees with quality scores from 85-85.9 points increased from \$2.55 to \$3.60 as lot sizes declined from 40,000+ pounds to less than 1,000 pounds (see **Figure 4**).

Figure 4. Lot Size Pricing Slopes, All Three Harvest Years



* All prices are reported in USD per green pound

Year-over-Year FOB Price Changes

The 2022 Transaction Guide covers a three-year period during which commodity prices rose once (32 cents per pound) and then rose more dramatically (83 cents per pound) (see Figure 5).

Figure 5. New York C Price from October 2019 to September 2022

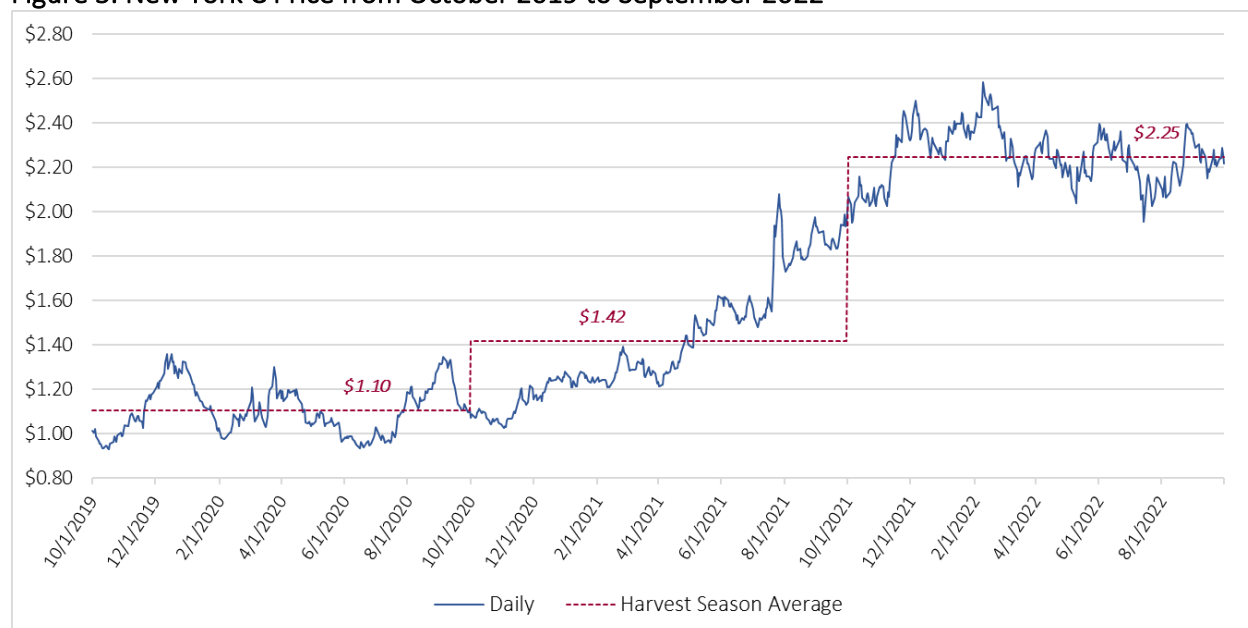


Table 6 shows median prices for every quality-quantity bucket in each of the three harvest years.

Table 6. Median FOB Prices Across Three Harvest Years

	2019/2020 Median Price	2020/2021 Median Price	2021/2022 Median Price	2019/2020 to 2021/2022 Price Change	Relative to New York C Change (\$1.14)
More than 40,000 Pounds					
80-81.9	\$1.61	\$1.80	\$2.52	\$0.91	-\$0.23
82-83.9	\$1.79	\$2.00	\$2.75	\$0.96	-\$0.18
84-84.9	\$2.18	\$2.30	\$3.00	\$0.82	-\$0.32
85-85.9	\$2.11	\$2.47	\$3.15	\$1.04	-\$0.10
86-87.9	\$2.85	\$2.83	\$3.50	\$0.65	-\$0.49
88 plus	.	.	.	.	.
From 10,001-40,000 Pounds					
80-81.9	\$1.52	\$1.90	\$2.76	\$1.24	\$0.10
82-83.9	\$1.90	\$2.02	\$2.97	\$1.07	-\$0.07
84-84.9	\$2.29	\$2.40	\$3.16	\$0.87	-\$0.27
85-85.9	\$2.50	\$2.70	\$3.25	\$0.75	-\$0.39
86-87.9	\$3.30	\$3.18	\$3.80	\$0.50	-\$0.64
88 plus	.	.	.	.	.
From 3,001-10,000 Pounds					
80-81.9	.	.	.	.	.
82-83.9	\$2.08	\$2.17	\$2.85	\$0.77	-\$0.37
84-84.9	\$2.50	\$2.67	\$3.28	\$0.78	-\$0.37
85-85.9	\$2.80	\$3.10	\$3.72	\$0.92	-\$0.22
86-87.9	\$3.29	\$3.40	\$4.00	\$0.72	-\$0.43
88 plus	\$3.50	\$3.75	\$4.50	\$1.00	-\$0.14
From 1,001-3,000 Pounds					
80-81.9	.	.	.	.	.
82-83.9	\$2.15	\$2.10	\$3.25	\$1.10	-\$0.04
84-84.9	\$2.54	\$2.80	\$3.24	\$0.70	-\$0.44
85-85.9	\$3.10	\$3.25	\$3.92	\$0.82	-\$0.33
86-87.9	\$3.50	\$3.65	\$4.30	\$0.80	-\$0.34
88 plus	\$4.50	\$4.57	\$5.04	\$0.54	-\$0.60
Less than 1,000 Pounds					
80-81.9	.	.	.	.	.
82-83.9	\$2.57	\$2.26	.	.	.
84-84.9	\$2.90	\$2.86	\$3.50	\$0.60	-\$0.54
85-85.9	\$3.61	\$3.40	\$3.77	\$0.16	-\$0.98
86-87.9	\$3.89	\$4.30	\$4.69	\$0.81	-\$0.33
88 plus	\$6.65	\$6.75	\$7.58	\$0.93	-\$0.21

* All prices are reported in USD per green pound

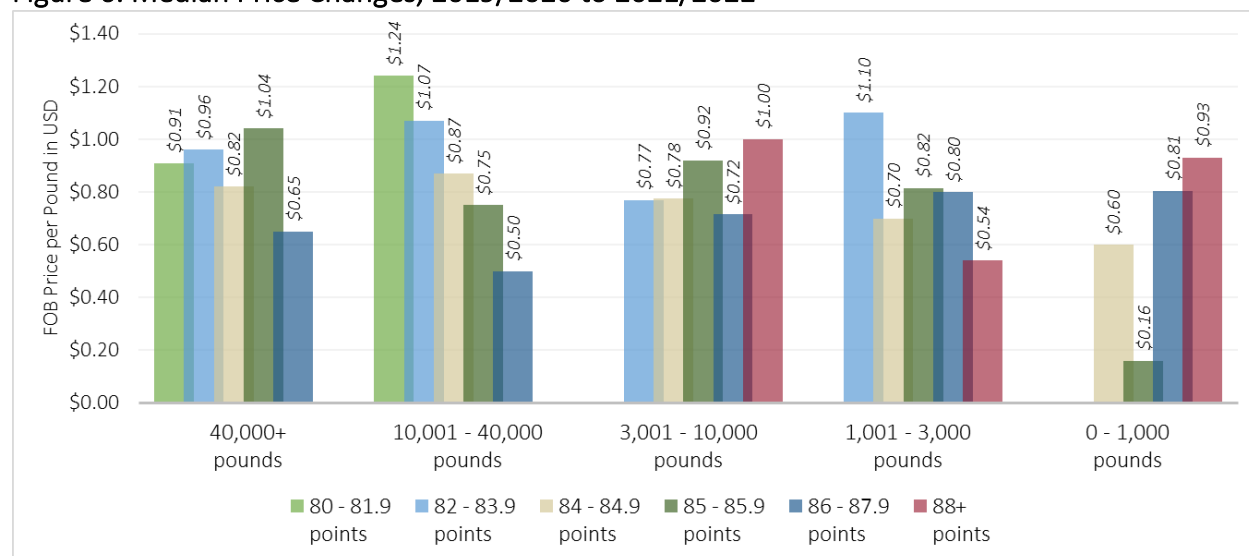
* Price information redacted in buckets with fewer than 100 observations

Key Observations:

- The smallest two-year median price increase was +\$0.14, for 85-85.9 coffees sold in lot sizes less than 1,000 pounds. The largest median price increase was +\$1.24, for 80-81.9 coffees sold in lot sizes between 10,001-40,000 pounds.
- The average of the 2019/2020 to 2021/2022 median price changes in **Table 6** is +\$0.81, which is less than the corresponding commodity price increase of +\$1.14 (see **Figure 5**).

- In 24 buckets where we observe median price changes, they rose in all cases, although less than the corresponding New York C price increase in all but one case (see **Figure 6**).

Figure 6. Median Price Changes, 2019/2020 to 2021/2022



* All prices are reported in USD per green pound

FOB Prices by Region and Country

Figure 7 combines data from the three harvest years and isolates four growing regions. It shows that a large majority of the contracts in the current sample cover coffees grown in South America and Central America & Mexico. A smaller but still substantial number of contracts cover African coffees. The median FOB price was highest for African coffees (\$3.50) and lowest for coffees grown in Asia (\$2.60).⁹ However, there were also differences across regions in terms of median quality scores and lot sizes.

To see how distributions of green specialty coffee prices differ across regions, **Table 7** replicates key elements of **Table 5**, focusing on the three regions that dominate the current sample.¹⁰

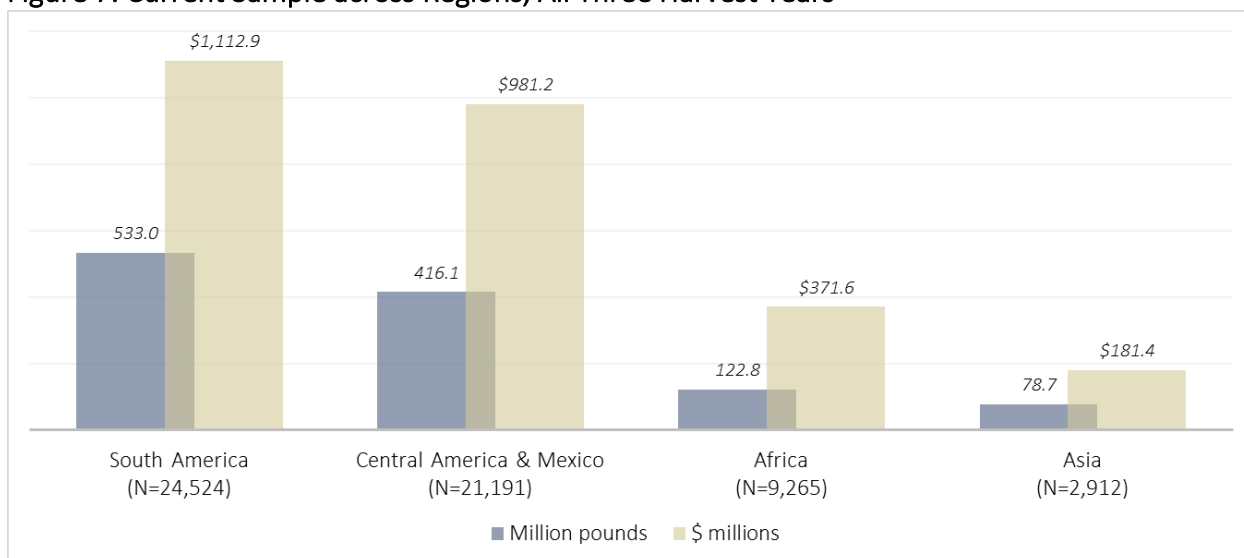
Key Observations:

- Across 30 quality-quantity buckets, median prices in South America exceeded those in the Three Regions sample in only 4 cases. Median prices for coffees grown in Central America & Mexico were above those in the Three Regions sample in 17 of 28 buckets. Finally, median prices for African coffees were above the Three Regions medians in 18 of 26 buckets.

⁹ Preliminary analysis indicates that FOB price distributions are different for coffees from Brazil, which represent a large part of the South American sample. If we set the Brazilian coffees aside, the median FOB price for South America (in 18,694 contracts) increases to \$3.05.

¹⁰ Presenting price information for a few major growing regions glosses over important differences around the world of specialty coffee. As such, we will keep working to expand the pool of data donors. As the sample of contracts continues to grow, we will be able to produce similar tables for other regions, as well as country-specific tables.

Figure 7. Current Sample across Regions, All Three Harvest Years



	Median Price	Median Quality	Median Lot Size
South America	\$2.80	85.0 points	6,085 pounds
Central America & Mexico	\$3.00	84.0 points	4,564 pounds
Africa	\$3.50	86.0 points	5,159 pounds
Asia	\$2.60	84.0 points	26,456 pounds

Table 7. Median FOB Prices by Region, All Three Harvest Years

	Three Regions		South America		Central America & Mexico		Africa	
	N	Median Price	N	Median Price	N	Median Price	N	Median Price
More than 40,000 Pounds								
80-81.9	4,241	\$1.90	1,786	\$1.90	2,174	\$1.90	185	\$2.45
82-83.9	5,867	\$2.15	2,783	\$1.99	2,415	\$2.20	214	\$2.37
84-84.9	2,311	\$2.50	1,070	\$2.35	857	\$2.50	221	\$2.80
85-85.9	1,359	\$2.55	540	\$2.40	452	\$2.55	260	\$3.00
86-87.9	544	\$3.14	211	\$2.78	60	\$3.32	252	\$3.30
88 plus	-	-	-	-	-	-	-	-
No score	2,564	\$1.97	1,406	\$1.64	690	\$2.32	208	\$2.50
From 10,001-40,000 Pounds								
80-81.9	446	\$2.00	230	\$1.80	101	\$2.31	-	-
82-83.9	1,681	\$2.17	623	\$2.03	749	\$2.20	122	\$2.26
84-84.9	1,497	\$2.58	656	\$2.59	507	\$2.40	219	\$3.20
85-85.9	1,189	\$2.85	445	\$2.75	403	\$2.85	262	\$3.10
86-87.9	1,220	\$3.37	367	\$3.20	188	\$3.45	634	\$3.40
88 plus	211	\$3.40	-	-	-	-	200	\$3.40
No score	1,545	\$2.50	639	\$2.25	396	\$2.67	354	\$3.19
From 3,001-10,000 Pounds								
80-81.9	192	\$2.25	108	\$1.98	-	-	-	-
82-83.9	811	\$2.31	344	\$2.15	302	\$2.35	-	-
84-84.9	1,546	\$2.78	771	\$2.73	563	\$2.65	144	\$3.25
85-85.9	1,767	\$3.20	688	\$3.20	604	\$3.20	365	\$3.10
86-87.9	2,779	\$3.55	1,170	\$3.53	697	\$3.60	806	\$3.50
88 plus	410	\$4.01	-	-	-	-	309	\$4.08
No score	2,442	\$3.25	789	\$2.73	1,049	\$3.25	510	\$3.52
From 1,001-3,000 Pounds								
80-81.9	-	-	-	-	-	-	-	-
82-83.9	522	\$2.30	220	\$2.07	192	\$2.39	-	-
84-84.9	1,032	\$2.86	403	\$2.72	359	\$2.60	139	\$3.50
85-85.9	1,569	\$3.40	554	\$3.35	541	\$3.50	372	\$3.30
86-87.9	3,654	\$3.80	1,774	\$3.68	1,067	\$4.00	717	\$4.00
88 plus	897	\$4.88	252	\$5.38	195	\$5.70	440	\$4.61
No score	3,073	\$3.55	1,013	\$3.30	1,534	\$3.58	439	\$3.90
Less than 1,000 Pounds								
80-81.9	-	-	-	-	-	-	-	-
82-83.9	339	\$2.68	131	\$2.50	128	\$3.09	-	-
84-84.9	587	\$3.18	254	\$3.01	225	\$3.34	-	-
85-85.9	1,226	\$3.60	391	\$3.42	537	\$3.60	248	\$3.92
86-87.9	4,180	\$4.40	2,224	\$4.30	1,361	\$4.54	519	\$4.15
88 plus	2,388	\$7.00	1,289	\$7.20	685	\$10.00	379	\$4.45
No score	3,837	\$4.25	1,274	\$4.50	2,024	\$4.00	352	\$4.05

* All prices are reported in USD per green pound

* Price information redacted in buckets with fewer than 100 observations

There was also considerable variability in prices, lot sizes, and quality scores across countries (see **Table 8**).

Table 8. Median Prices, Quality, and Lot Sizes across Countries, All Three Harvest Years

	N	Total Pounds (Million)	Median Price	Median Quality Score	Median Lot Size
Bolivia	407	3.24	\$4.32	85.3	1,323
Brazil	5,830	219.09	\$2.01	83.0	40,659
Burundi	458	3.86	\$3.10	86.0	3,572
Colombia	12,351	200.28	\$3.30	85.5	3,499
Costa Rica	2,974	57.74	\$3.65	84.6	3,347
DR Congo	119	1.94	\$3.14	86.0	8,466
East Timor	284	7.93	\$2.33	83.9	39,684
Ecuador	748	2.59	\$5.00	86.8	772
El Salvador	2,080	16.96	\$3.60	85.5	1,521
Ethiopia	4,364	81.57	\$3.35	86.3	10,582
Guatemala	5,198	116.36	\$3.00	85.0	7,322
Honduras	5,021	91.52	\$3.10	84.0	3,651
India	246	4.67	\$2.58	83.5	8,102
Indonesia	1,490	41.52	\$2.79	84.0	26,456
Kenya	2,223	10.23	\$4.48	87.0	1,984
Mexico	2,322	37.38	\$2.85	84.8	4,564
Nicaragua	3,267	95.32	\$2.48	82.0	41,832
PNG	600	18.84	\$2.25	84.0	40,918
Panama	329	0.79	\$8.00	87.0	450
Peru	5,188	107.84	\$2.65	84.0	9,260
Rwanda	1,239	11.50	\$3.20	86.0	3,439
Tanzania	443	5.13	\$2.55	85.0	4,233
Uganda	394	8.30	\$2.75	84.0	11,906

* All prices are reported in USD per green pound

* These values do not necessarily apply to all coffees produced in each country; only to those observed in the current sample.

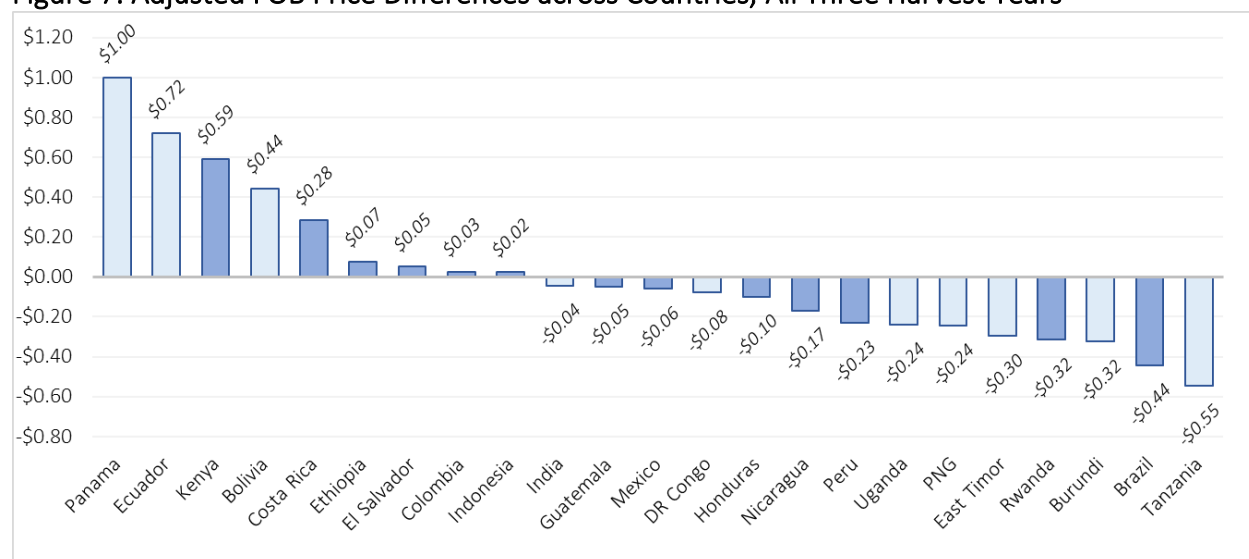
Key Observations:

- Coffees grown in Panama, Ecuador, and Kenya had the highest three-year median prices (\$8.00, \$5.00, and 4.48). Coffees from Panama and Ecuador also had the lowest median lot sizes (450 and 772 pounds), while those from Panama and Kenya had the highest median quality scores (87.0 points).
- At the other end of the pricing spectrum was Brazil, with a median price of \$2.01. Brazilian coffees also had a relatively low median quality score (83.0) and a high median lot size (40,659 pounds).

Given the variability in quality scores and lot sizes, we present a set of estimates of country price differences that account for these differences. Using the three-year sample, we estimate a regression model with FOB price as the dependent variable and a series of indicator variables – representing each of the quality-quantity buckets in **Table 5** – as explanatory variables. We also

account for systematic price differences across harvest years.¹¹ The predicted values from this regression model indicate the part of an FOB price that is explained by these variables. The residual values represent the leftover (or unexplained) part, which is closer to the true effect of country-of-origin. **Figure 7** reports the median values of these residuals for each country. A value of \$0.00 suggests that coffees from that country tend to fetch prices that are consistent with the overall sample, while positive (negative) values indicate quality and quantity adjusted prices that are higher (lower).

Figure 7. Adjusted FOB Price Differences across Countries, All Three Harvest Years



* All prices are reported in USD per green pound

* Observations for countries represented by light blue are more speculative given smaller sample sizes

Key Observations:

- In **Table 8**, the highest median price comes from Panama, while the lowest comes from Brazil. After adjusting for quality, lot size and harvest years, the Panamanian price premium is +\$1.00 per pound, while the Brazilian price discount is -\$0.44.

Concluding Comments

Specialty Coffee Transaction Guides offer participants in specialty coffee markets a different, more stable, and more sensible information source than commodity indices to utilize as part of their independent pricing strategies. To achieve this goal, we use actual contract data from a range of companies to summarize recent FOB prices paid for green specialty coffees produced at different qualities, sold in different lot sizes, and exported from different growing areas.

The tables and figures in the *2022 Transaction Guide* provide contextual information for future price negotiations. Buyers and sellers can now consider price references that are more relevant

¹¹ To minimize the influence of outlier observations, we first set aside contracts with the lowest and highest 5% of reported FOB prices.

for differentiated and specialty coffees. For example, consider the expanded marketplace information that is now available to parties independently negotiating two hypothetical specialty coffee transactions:

Scenario:	Price reference from the 2022 Transaction Guide:
Selling/buying <u>a container</u> of coffee <u>grown in El Salvador</u> that <u>cups at 83</u> .	\$2.75 (median from Table 5) plus adjusted El Salvador premium of \$0.05 (from Figure 7); or \$2.80.
Selling/buying <u>2,000 pounds</u> of coffee <u>grown in Guatemala</u> that <u>cups at 87</u> .	\$4.30 (median from Table 5) minus adjusted Guatemala discount of \$0.05 (from Figure 7); or \$4.25.

Of course, the median prices presented in **Table 5** do not – and should not – represent mandatory, correct, or appropriate prices in any interpretation of these numbers. Rather, they are statistical references that may be useful to contracting parties seeking to understand their market positions and develop value-based pricing strategies. This is evident in the wide range of prices paid for similar coffees over the last three years. Prices reported here do show generally what recent FOB prices look like in a segment of the specialty coffee market where pricing appears to be less tethered to commodity prices. Therefore, they provide relevant contextual information for price negotiations (which are accomplished at arm’s length by the parties to those transactions based on individual circumstances).

The numbers in the *2022 Transaction Guide* represent many contracts and substantial volumes of specialty coffee (see **Table 2**). We estimate that roughly 15% of the specialty coffee produced over the last three harvest years is included in the *2022 Transaction Guide*.¹² However, sellers and buyers should consider that the current roster of data donors does not yet reflect the entire specialty market. It is therefore possible that many specialty coffees do not sell within the reported price ranges.

Sellers and buyers should also consider that these numbers do not indicate how much of the FOB price makes it back to the farm gate, or whether that price allows farmers to cover costs of production, support living incomes, or pay themselves and their employees national minimum wages. As annual pricing data accumulate, our data will support research efforts that help us better understand the complex relationships between FOB prices, farm gate prices, and production costs. We encourage readers to visit www.transactionguide.coffee to learn about all these research insights as they become available.

As the *Specialty Coffee Transaction Guide* develops and expands in the coming years, the updated pricing tables combined with accumulating data briefs and research reports should provide a more robust informational foundation for the independent pricing of the value offered by specialty coffees in ways that support short-term equity and longer-term sector sustainability.

¹² We assume that 15% of all exported coffee is specialty grade and apply this percentage to recent annual ICO export estimates (roughly 125 million 60 kg bags per year).

Appendix. Transaction Guide Data Donors

We are grateful for the trust, support, and contract data provided by the following data donors.

49th Parallel Coffee Roasters	Canada	Roaster
Afterglow Coffee Cooperative	USA	Roaster
Agropecuaria Prima Luna*	Colombia	Other
Aldea Global	Nicaragua	Cooperative & Exporter
Algrano	Switzerland	Digital Marketplace
Allegro Coffee	USA	Roaster
Ally Coffee	USA	Importer
Artisan Coffee Imports	USA	Importer
Ascension	USA	Roaster
Atlas Coffee Importers	USA	Importer
Azahar Coffee Company	Colombia	Exporter
Balzac Brothers	USA	Importer
BD Imports	USA	Importer
Be Green Trading Company	Switzerland	Importer
Bellwether Coffee Company	USA	Other
Café Campesino	USA	Roaster
Cafe Imports	USA	Importer
Café Kreyol	USA	Importer
Calendar*	Ireland	Roaster
Campos Coffee	Australia	Roaster
Capricornio Coffees	Brazil	Exporter
Caravela Coffee	UK	Importer & Exporter
Cedro Alto Coffee	Colombia	Farmers' Collective
CleverCoffee	Denmark	Roaster
Cocar Coffee	Russia/Switzerland	Importer
Coffee Circle	Germany	Roaster
CoffeaIndica	India	Exporter
Coffee Collective	Denmark	Roaster
Collaborative Coffee Source	Norway	Importer
Communal Shamba Coffee	Tanzania	Producer
Condesa Co.Lab	Australia	Importer
Cooperative Coffees	USA	Importer
Counter Culture Coffee	USA	Roaster
Covoya Coffee	USA	Importer
Crop to Cup Coffee Importers	USA	Importer
Cultivar Coffees	Netherlands	Importer
Cup of Excellence	USA	Other
Dapper and Wise Roasters	USA	Roaster
Daterra	Brazil	Producer

De La Gente	Guatemala	NGO
Dean's Beans	USA	Roaster
Desert Sun Coffee Roasters	USA	Roaster
Dispatch Coffee	Canada	Roaster
Drip Roasters	Switzerland	Roaster
Drop Coffee	Sweden	Importer & Roaster
Ensembles de Cafés Mexicanos	Mexico	Exporter
Equal Exchange	USA	Importer & Roaster
Equator Coffees	USA	Roaster
Exclusive Coffees	Costa Rica	Exporter
Fantine*	United Kingdom	Exporter
Farmer to Farmer Coffee	UK	Importer
Five Senses Coffee	Australia	Roaster
FTA Coffee	Australia	Importer
Gimme! Coffee	USA	Roaster
Hasbean + Ozone	UK & New Zealand	Roaster
Higa	Rwanda	Importer
Higher Grounds Trading Co.	USA	Roaster
Honduran Coffee Alliance	Honduras	Other
Idle Hands	USA	Roaster
Intelligentsia Coffee	USA	Roaster
J Hill & Cia	El Salvador	Exporter
Johan & Nystrom	Sweden	Roaster
Junior's Roasted Coffee*	USA	Roaster
Just Us! Coffee Roasters Co-op	Canada	Roaster
Kaldi's Coffee	USA	Roaster
Kariomons Coffee Roaster	Japan	Roaster
Kilimanjaro Specialty Coffees	Spain	Importer
La Brulerie de Belleville*	France	Roaster
Lohas Beans	Colombia	Exporter
MadCap Coffee	USA	Roaster
Manos Campesinas	Guatemala	Cooperative & Exporter
Market Lane Coffee	Australia	Roaster
Mastercol	Colombia	Exporter
Melbourne Coffee Merchants	Australia	Importer
Mercanta The Coffee Hunters	UK	Importer
MITKA*	Germany	Importer
Nemesis Coffee	Canada	Roaster
Nomad Coffee	Spain	Roaster
Nordic Approach	Norway	Importer
O'Coffee - Brazilian Estates	Brazil	Producer & Exporter
Olympia Coffee Roasting	USA	Roaster
Onyx Coffee Lab	USA	Roaster

Origin Coffee	UK	Roaster
Passenger Coffee	USA	Roaster
Philz Coffee	USA	Roaster
Phoenix Coffee	USA	Roaster
PrimaVera Coffee	Guatemala	Importer & Exporter
Quijote Kaffee	Germany	Roaster
Red Fox Coffee Merchants	USA	Importer
Reunion Coffee Roasters	Canada	Roaster
Royal Coffee	USA	Importer
Rumble Coffee Roasters	Australia	Roaster
Salt Spring Coffee	Canada	Roaster
Seattle Coffee Works	USA	Roaster
Seven Seeds Coffee	Australia	Roaster
SEY	USA	Roaster
SPP Global	Mexico	Cooperative
STC – Sustainable Trading Company	Costa Rica	Exporter
Stumptown Coffee Roasters	USA	Roaster
Sucafina	Belgium	Importer
Sustainable Harvest	USA	Importer
Sweetwater Organic Coffee Company	USA	Roaster
Taylor's of Harrogate	UK	Roaster
The Coffee Quest*	USA	Importer
The Coffee Source	Costa Rica	Importer
Third Floor Espresso*	Ireland	Roaster
This Side Up Coffees	Netherlands	Importer
Thread Coffee Roasters	USA	Roaster
Tim Wendelboe	Norway	Roaster
Torque Coffees*	USA	Roaster
Transcend Coffee	Canada	Roaster
Treeline Coffee Roasters*	USA	Roaster
UNEX El Salvador	El Salvador	Exporter
Union Hand-Roasted Coffee	UK	Roaster
Unitrade Coffee	Guatemala	Exporter
Upstream Coffee Imports	Australia	Importer
Verve Coffee Roasters	USA	Roaster
Village Coffee Imports	USA	Importer
Wonderstate Coffee	USA	Roaster

* New donors whose data are included in the *2022 Transaction Guide*.

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Watts, Gimme! Coffee, Intelligentsia Coffee, Johan & Nystrom, Just Us! Coffee Roasters Co-op, Madcap Coffee, Manos Campesinas, Melbourne Coffee Merchants, Mercanta The Coffee Hunters, Nordic Approach, O'Coffee - Brazilian Estates, Olympia Coffee Roasting, Onyx Coffee Lab, Rumble Coffee Roasters, S&D Coffee, Salt Spring Coffee, Seven Seeds Coffee, Social Enterprise @ Goizueta, Specialty Coffee Association, Stumptown Coffee Roasters, Taylors of Harrogate, Tim Wendelboe, Transcend Coffee, Unitrade Coffee, Upstream Coffee Imports, and Wonderstate Coffee.