

Understanding Coffee Import /Export Costs: A Trading Perspective

From farm gate to European port, coffee pricing encompasses multiple cost layers. This guide breaks down a sample journey of green coffee beans and the expenses incurred at each critical stage of the supply chain.



FOUNDATION

Ex Works: The Starting Point

EXW Price

\$2.10/lb

The baseline cost at origin

What's Included

Ex Works represents the raw cost of processed coffee at the mill gate, also known as the "farm gate" price. This is your starting point before any logistics costs are applied.

From Mill to Ship: Inland Costs

Inland Transport

\$0.05/lb

Trucking from processing mill to major export ports such as Mombasa. Distance and infrastructure quality significantly impact this cost.

Export Documentation

\$0.03/lb

Customs clearing procedures, phytosanitary certificates, quality inspection reports, and port handling charges. Essential for legal export.

FOB Total

\$2.18/lb

Free on Board price includes all costs to load coffee onto the vessel. Buyer assumes responsibility and risk once cargo is aboard.

Ocean Journey

Maritime Costs Breakdown

Ocean Freight

\$0.12/lb — Shipping from origin port to destination ports. Rates fluctuate based on fuel costs, vessel availability, and seasonal demand.

Marine Insurance

\$0.02/lb — Typically 0.5%–1% of cargo value. Protects against loss or damage during sea transit, including weather and handling risks.



✓ COMPLETE

Final CIF Price

\$2.32

Per pound delivered

Cost, Insurance, and Freight

The CIF price represents your total landed cost at destination port, encompassing every expense from the processing mill through to port arrival.

Key Insight: The additional \$0.22/lb beyond EXW (representing 10.5% mark-up) covers the entire logistics chain — a relatively modest premium considering the complexity of international coffee trade.

Understanding this breakdown enables more accurate pricing negotiations and margin calculations for your import operations.