

SPECIALTY COFFEE TRANSACTION GUIDE

2020 Specialty Coffee Transaction Guide

A collaboration between researchers at Transparent Trade Coffee (Emory University) and a growing roster of specialty coffee producers, exporters, importers, roasters, and supporters.*

Version 3.0

Released December 2020

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

As volatile commodity prices continue to hover at historically low levels, industry leaders at various points along the supply chain are talking about the need to cushion the people who grow specialty coffees from price references that come from commodity markets.

Specialty Coffee Transaction Guides rely on a group of progressive data donors – specialty coffee producers, support organizations, 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 this anonymized and appropriately aggregated information to create tables and figures that describe the distributions of recent prices for green (unroasted) specialty coffees.²

The tables in the *2020 Transaction Guide* rely on data from 81 companies and organizations headquartered in twenty countries (see the Appendix). They summarize information from contracts signed in the October 2017 to September 2020 period.³ This 3-year window is divided into three periods: 2017/2018, 2018/2019, and 2019/2020.

The *2020 Transaction Guide* summarizes 51,000 contracts that cover roughly 1.09 billion pounds of green specialty coffee valued at more than \$2.1 billion (see Table 1).⁴ Roughly two-thirds of the 3-year sample represents contracts made by specialty coffee importers, followed by exporters and roasters (see Figure 1).

Table 1. Current Sample

Period	Contracts	Total Pounds (millions)	Total Value* (millions)
2019/2020	18,165	449.50	USD 859.54
2018/2019	21,215	438.69	USD 843.64
2017/2018	11,620	205.69	USD 426.95
3 Years	51,000	1,093.88	USD 2,130.14

* Sum of contracted volumes multiplied by FOB prices

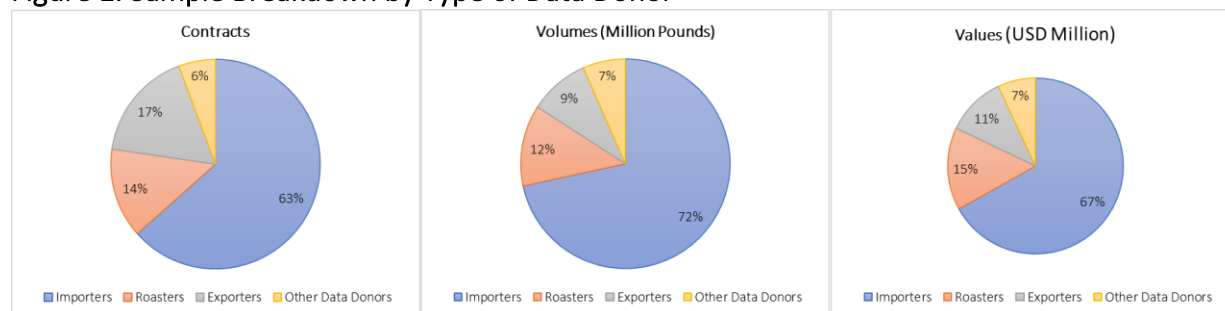
¹ Data donors agree to “provide information on all of our green coffee transactions for the period covered by the Transaction Guide”; that “all of the information that we provide will be accurate to the best of our knowledge”; and would “support efforts to verify a small number of contracts by seeking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

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 prices or lot sizes, and that report quality scores below 80. We also set aside 1,023 contracts that are clear duplicates by identifying those that report the same grower, price, and lot size information in the same harvest year, and that indicate the involvement of another organization that is also a current data donor.

Figure 1. Sample Breakdown by Type of Data Donor



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

FOB Prices

To provide context for sellers and buyers of specialty coffees, *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 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 Years of FOB Prices*

Period**	Contracts	Lower Price (25 th Percentile)	Middle Price (Median)	Higher Price (75 th Percentile)
2019/2020	18,165	USD 1.90	USD 2.60	USD 3.50
2018/2019	21,215	USD 1.90	USD 2.75	USD 3.56
2017/2018	11,620	USD 2.02	USD 2.80	USD 3.73
3 Years	51,000	USD 1.90	USD 2.71	USD 3.60

* All FOB prices in the *Transaction Guide* are reported in USD per green pound

** Each period 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 fell from \$2.75 per pound in 2018/2019 to \$2.60 per pound in 2019/2020.
- Lower (i.e., 25th percentile) prices held steady at \$1.90 per pound while higher (i.e., 75th percentile) prices fell \$0.06 to \$3.50 in 2019/2020.
- In each harvest year, the range of prices paid for green specialty coffees was quite large. In 2019/2020, fifty percent of the prices in the sample covered a range of \$1.60 (from \$1.90 to \$3.50).

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. The quality information in the 2020 Transaction Guide relies on 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. 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 purchased without reference to a quality score, we include a separate “No Quality Score” category.⁶

Key Observations:

- Higher-quality coffees tend to receive higher prices. In 2019/2020, the median price for coffees in the 86-87.9 range (\$3.50) was 84% higher than the median price for 82-83.9 coffees (\$1.90).
- For lower-quality coffees, the lower prices declined in 2018/2019 but then rebounded in 2019/2020. For example, the 25th percentile price for 82-83.9 coffees fell \$0.18, from \$1.52 in 2017/2018 to \$1.34 in 2018/2019, before rising \$0.25, to \$1.59 in 2019/2020.
- The range of prices for lower-quality coffees was lower than that observed for higher-quality coffees. In 2019/2020, fifty percent of the 82-83.9 coffee prices covered a range of \$0.60, from \$1.59 to \$2.19, while fifty percent of the 86-87.9 coffee prices covered a range of \$1.10, from \$3.00 to \$4.10.

⁶ 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 (millions)	Value (millions)	Lower Price (25 th)	Median Price	Higher Price (75 th)
From 80 to 81.9						
2019/2020	1,754	89.52	USD 143.81	USD 1.35	USD 1.69	USD 1.90
2018/2019	1,550	76.27	USD 114.52	USD 1.20	USD 1.51	USD 1.90
2017/2018	638	32.99	USD 48.17	USD 1.29	USD 1.43	USD 1.60
3 Years	3,942	198.77	USD 306.50	USD 1.28	USD 1.56	USD 1.90
From 82 to 83.9						
2019/2020	2,561	124.66	USD 230.98	USD 1.59	USD 1.90	USD 2.19
2018/2019	3,560	146.40	USD 250.55	USD 1.34	USD 1.79	USD 2.20
2017/2018	1,707	70.43	USD 124.06	USD 1.52	USD 1.79	USD 2.12
3 Years	7,828	341.49	USD 605.59	USD 1.47	USD 1.83	USD 2.20
From 84 to 84.9						
2019/2020	2,089	50.44	USD 114.60	USD 2.05	USD 2.30	USD 2.70
2018/2019	2,501	53.30	USD 115.97	USD 1.93	USD 2.25	USD 2.74
2017/2018	1,796	35.85	USD 77.94	USD 1.98	USD 2.27	USD 2.63
3 Years	6,386	139.60	USD 308.51	USD 1.99	USD 2.27	USD 2.70
From 85 to 85.9						
2019/2020	2,848	39.53	USD 91.70	USD 2.25	USD 2.80	USD 3.41
2018/2019	2,262	32.62	USD 78.24	USD 2.30	USD 2.75	USD 3.25
2017/2018	1,356	22.86	USD 55.81	USD 2.43	USD 2.75	USD 3.43
3 Years	6,466	95.01	USD 225.75	USD 2.30	USD 2.75	USD 3.35
From 86 to 87.9						
2019/2020	3,354	22.06	USD 71.74	USD 3.00	USD 3.50	USD 4.10
2018/2019	4,506	25.28	USD 75.87	USD 2.96	USD 3.40	USD 4.00
2017/2018	3,481	19.87	USD 61.56	USD 3.08	USD 3.52	USD 4.50
3 Years	11,341	67.21	USD 209.06	USD 3.00	USD 3.47	USD 4.18
88 Plus						
2019/2020	1,111	3.71	USD 16.12	USD 3.75	USD 5.40	USD 8.45
2018/2019	1,572	4.82	USD 19.58	USD 3.60	USD 4.95	USD 7.25
2017/2018	774	2.94	USD 11.74	USD 3.50	USD 4.86	USD 8.30
3 Years	3,457	11.46	USD 47.44	USD 3.60	USD 5.00	USD 8.00
No Quality Score						
2019/2020	4,448	119.58	USD 190.70	USD 1.90	USD 2.79	USD 3.75
2018/2019	5,264	100.00	USD 188.92	USD 2.20	USD 3.13	USD 4.00
2017/2018	1,868	20.75	USD 47.68	USD 2.30	USD 3.00	USD 3.94
3 Years	11,580	240.34	USD 427.29	USD 2.15	USD 3.00	USD 3.80

FOB Prices by Lot Size

Another variable that influences 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 from specific farms, or parts of farms, often in lot sizes smaller than 1,000 pounds.⁷

Key Observations:

- Median prices are higher for coffees purchased in smaller quantities. In 2019/2020, the median price per pound for lots of less than 1,000 pounds (\$4.00) was more than double that paid for lots of 40,000+ pounds (\$1.90).
- For coffees sold in larger lot sizes, lower-end prices rose in 2019/2020. The 25th percentile price for lots of 40,000+ pounds increased \$0.20, from \$1.30 in 2018/2019 to \$1.50 in 2019/2020. There were no similar increases for coffees sold in smaller lot sizes.
- The range of prices was higher in smaller-sized contracts. In 2019/2020, 50% of the prices paid for lots of 40,000+ pounds covered \$0.68, from \$1.50 to \$2.18. However, 50% of the prices paid in lots of less than 1,000 pounds covered a range of \$2.43, from \$3.24 to \$5.67.

Table 4. FOB Prices in Different Lot Size Bands

Period	Contracts	Pounds (millions)	Value (millions)	Lower Price (25 th)	Median Price	Higher Price (75 th)
More than 40,000 Pounds						
2019/2020	5,742	358.49	USD 624.80	USD 1.50	USD 1.90	USD 2.18
2018/2019	5,471	319.80	USD 550.85	USD 1.30	USD 1.73	USD 2.19
2017/2018	3,030	149.81	USD 275.99	USD 1.50	USD 1.84	USD 2.24
3 Years	14,243	828.10	USD 1,451.63	USD 1.41	USD 1.82	USD 2.20
From 10,001 to 40,000 Pounds						
2019/2020	2,734	66.99	USD 155.04	USD 1.85	USD 2.27	USD 3.00
2018/2019	3,487	89.35	USD 196.68	USD 1.75	USD 2.23	USD 2.80
2017/2018	1,608	37.99	USD 88.66	USD 1.85	USD 2.30	USD 2.96
3 Years	7,829	194.33	USD 440.38	USD 1.80	USD 2.26	USD 2.88
From 3,001 to 10,000 Pounds						
2019/2020	2,982	16.46	USD 48.51	USD 2.40	USD 2.90	USD 3.48
2018/2019	3,639	19.89	USD 57.53	USD 2.34	USD 2.90	USD 3.40
2017/2018	2,246	12.42	USD 38.01	USD 2.40	USD 2.96	USD 3.50
3 Years	8,867	48.77	USD 144.05	USD 2.40	USD 2.90	USD 3.45
From 1,001 to 3,000 Pounds						
2019/2020	3,271	5.87	USD 21.69	USD 2.75	USD 3.35	USD 4.00
2018/2019	4,174	7.43	USD 26.62	USD 2.75	USD 3.40	USD 4.00
2017/2018	2,419	4.29	USD 17.11	USD 2.84	USD 3.50	USD 4.40
3 Years	9,864	17.59	USD 65.42	USD 2.75	USD 3.40	USD 4.10
Less than 1,000 Pounds						
2019/2020	3,436	1.69	USD 9.52	USD 3.24	USD 4.00	USD 5.57
2018/2019	4,444	2.21	USD 11.96	USD 3.25	USD 4.00	USD 5.64
2017/2018	2,317	1.19	USD 7.18	USD 3.40	USD 4.17	USD 6.20
3 Years	10,197	5.09	USD 28.65	USD 3.27	USD 4.00	USD 5.70

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

⁷ When thinking about FOB prices paid for green coffees, versus retail prices paid for roasted coffees, remember that there is a loss (or shrinkage) of roughly 15% of bean weight when coffees are roasted.

FOB Prices by Quality Level and Lot Size

The main feature of each *Transaction Guides* 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 2019/2020, the median prices in the most-populated buckets were very different. The median prices for the largest lots of coffees that cupped between 80-81.9 and 82-83.9 were \$1.73 and \$1.81, while the median prices for the smallest lots of coffees that cupped between 86-87.9 were \$3.50 (1,001 to 3,000 pounds) and \$3.90 (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 \$1.51 to \$3.10 as quality scores rose from 80-81.9 points to 88+ points (see the second group in Figure 2).
- Median FOB prices for coffees with quality scores from 85-85.9 points increased from \$2.25 to \$3.50 as lot sizes declined from 40,000+ pounds to less than 1,000 pounds (see the fourth group in Figure 3).

Figure 2. Quality Score Pricing Slopes, 3 Years (2017/2018 to 2019/2020)

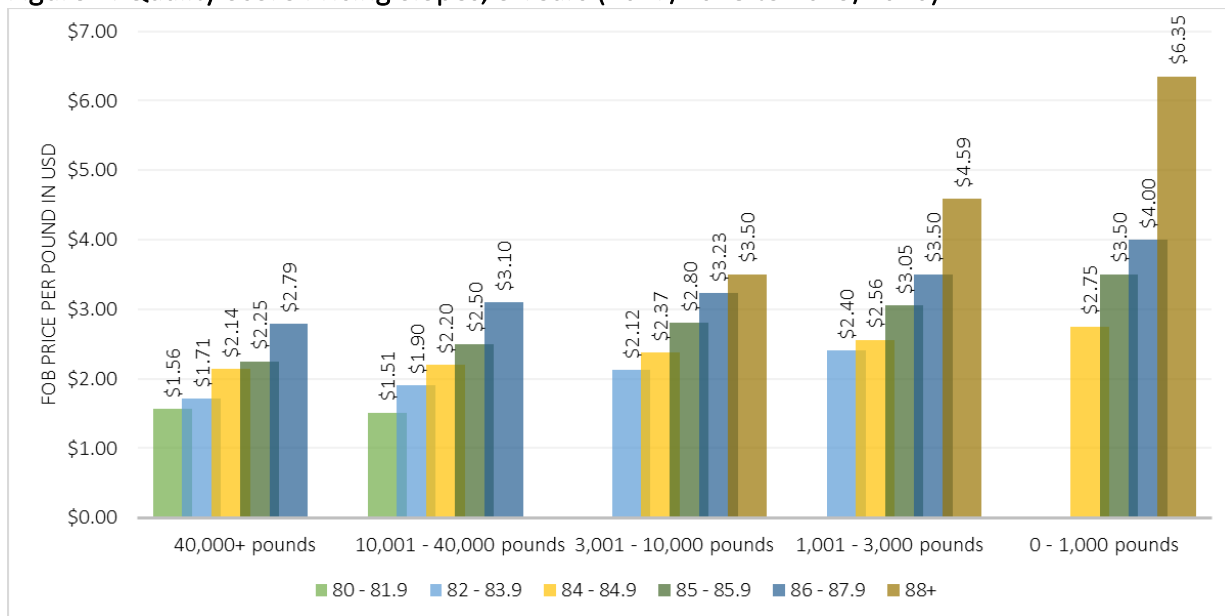
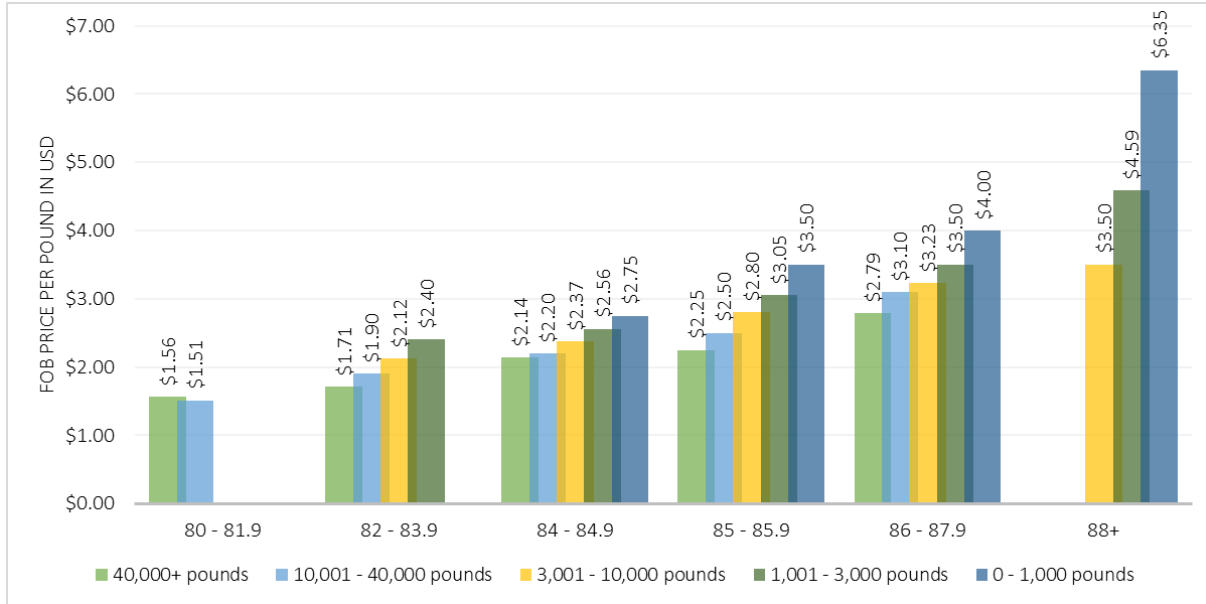


Table 5. FOB Prices for Specialty Coffees, 2019/2020

	Contracts	Pounds (millions)	Value (millions)	Lower Price (25 th)	Median Price	Higher Price (75 th)	Median, 3 years
More than 40,000 Pounds							
80-81.9	1,536	85.49	USD 136.80	USD 1.36	USD 1.73	USD 1.90	USD 1.56
82-83.9	1,679	109.54	USD 200.45	USD 1.59	USD 1.81	USD 2.14	USD 1.71
84-84.9	695	33.96	USD 75.78	USD 1.95	USD 2.20	USD 2.45	USD 2.14
85-85.9	496	23.74	USD 49.63	USD 1.70	USD 2.13	USD 2.60	USD 2.25
86-87.9	165	8.09	USD 24.49	USD 2.58	USD 3.00	USD 3.48	USD 2.79
88 plus	-	-	-	-	-	-	-
No score	1,146	96.57	USD 133.91	USD 1.19	USD 1.62	USD 2.00	USD 1.60
From 10,001-40,000 Pounds							
80-81.9	146	3.67	USD 6.27	USD 1.31	USD 1.54	USD 1.90	USD 1.51
82-83.9	469	13.79	USD 26.89	USD 1.55	USD 1.90	USD 2.22	USD 1.90
84-84.9	501	13.17	USD 30.46	USD 1.92	USD 2.27	USD 2.63	USD 2.20
85-85.9	469	10.39	USD 26.08	USD 2.05	USD 2.50	USD 3.05	USD 2.50
86-87.9	408	7.63	USD 24.29	USD 2.85	USD 3.30	USD 3.50	USD 3.10
88 plus	-	-	-	-	-	-	-
No score	655	16.91	USD 36.22	USD 1.77	USD 2.02	USD 2.59	USD 2.20
From 3,001-10,000 Pounds							
80-81.9	-	-	-	-	-	-	-
82-83.9	187	1.06	USD 2.91	USD 1.67	USD 2.05	USD 2.60	USD 2.12
84-84.9	453	2.67	USD 6.60	USD 2.13	USD 2.49	USD 2.80	USD 2.37
85-85.9	697	3.92	USD 11.12	USD 2.40	USD 2.80	USD 3.25	USD 2.80
86-87.9	745	3.93	USD 13.13	USD 2.85	USD 3.30	USD 3.70	USD 3.23
88 plus	100	0.52	USD 1.99	USD 3.15	USD 3.50	USD 4.05	USD 3.50
No score	749	4.02	USD 12.22	USD 2.50	USD 3.00	USD 3.55	USD 3.00
From 1,001-3,000 Pounds							
80-81.9	-	-	-	-	-	-	-
82-83.9	132	0.23	USD 0.59	USD 1.53	USD 2.12	USD 2.77	USD 2.40
84-84.9	283	0.57	USD 1.48	USD 2.15	USD 2.53	USD 2.95	USD 2.56
85-85.9	676	1.23	USD 3.94	USD 2.57	USD 3.09	USD 3.75	USD 3.05
86-87.9	1,049	1.87	USD 7.17	USD 3.00	USD 3.50	USD 4.25	USD 3.50
88 plus	213	0.37	USD 2.33	USD 3.48	USD 4.50	USD 6.00	USD 4.59
No score	906	1.59	USD 6.02	USD 3.00	USD 3.50	USD 4.10	USD 3.50
Less than 1,000 Pounds							
80-81.9	-	-	-	-	-	-	-
82-83.9	-	-	-	-	-	-	-
84-84.9	157	0.08	USD 0.29	USD 2.55	USD 2.80	USD 3.75	USD 2.75
85-85.9	510	0.24	USD 0.93	USD 2.85	USD 3.60	USD 4.40	USD 3.50
86-87.9	987	0.54	USD 2.57	USD 3.30	USD 3.90	USD 4.77	USD 4.00
88 plus	687	0.27	USD 3.24	USD 5.10	USD 6.50	USD 10.50	USD 6.35
No score	992	0.50	USD 2.33	USD 3.13	USD 3.97	USD 5.00	USD 4.00

* Price information redacted in buckets with fewer than 100 observations

Figure 3. Lot Size Pricing Slopes, 3 Years



Year-over-Year FOB Price Changes

The 2020 Transaction Guide covers a period during which commodity prices fell and then rose slightly (see Figure 4).

Figure 4. New York 'C' Price from October 1st 2017 to September 30th 2020

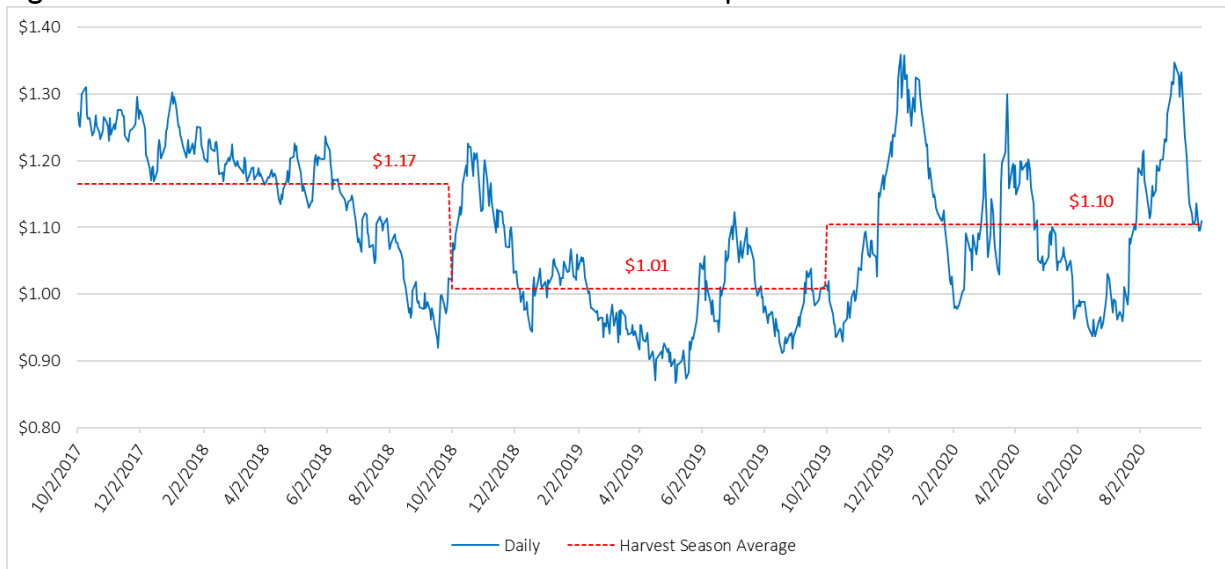


Table 6 shows median prices for every quality-quantity bucket in each of the three harvest years. In 21 cases, there are enough contracts in the current sample to report changes in median prices over time. The largest two-year median price decrease was -\$0.50, for 88+ coffees sold in lot sizes less than 1,000 pounds. The largest median price increase was +\$0.31, for 80-81.9 coffees sold in lot sizes of more than 40,000 pounds.

Key Observations:

- The average of the 2017/2018 to 2019/2020 median price changes in Table 6 is $-\$0.02$, which is less than the corresponding commodity price decline of $\$0.07$ (see Figure 4).
- Across the 21 buckets where we observe median price changes between 2017/2018 and 2019/2020, they rose in 13 cases, and fell in eight cases.
- Typically, median price changes between 2017/2018 and 2019/2020 were positive for more ‘regular’ coffees and negative for more ‘fancy’ coffees. For example, the median price paid for 80-81.9 coffees purchased in lot sizes greater than 40,000 pounds increased by $\$0.31$, while the median price for 88+ coffees purchased in lot sizes less than 1,000 pounds fell by $\$0.50$.

Figure 5. Median Price Changes over 3 Years

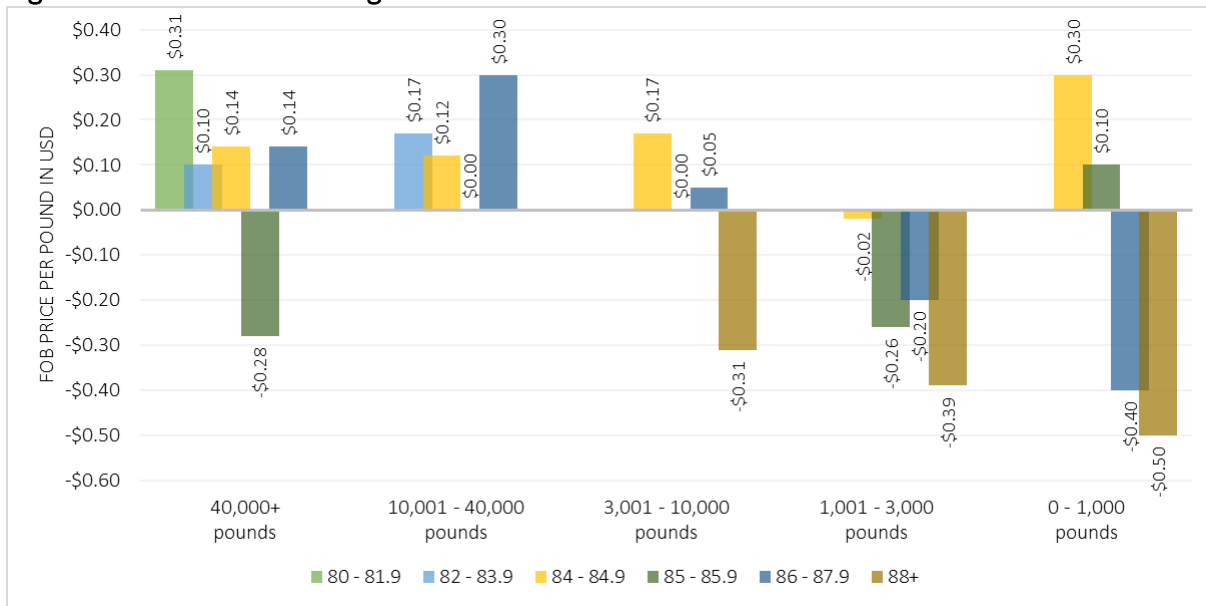


Table 6. Median FOB Prices over 3 Years

	2017/2018 Median	2018/2019 Median	2019/2020 Median	2017/2018 to 2019/2020 Change
More than 40,000 Pounds				
80-81.9	USD 1.42	USD 1.46	USD 1.73	+USD 0.31
82-83.9	USD 1.71	USD 1.60	USD 1.81	+USD 0.10
84-84.9	USD 2.06	USD 2.15	USD 2.20	+USD 0.14
85-85.9	USD 2.41	USD 2.32	USD 2.13	-USD 0.28
86-87.9	USD 2.86	USD 2.70	USD 3.00	+USD 0.14
88 plus	-	-	-	-
From 10,001-40,000 Pounds				
80-81.9	-	USD 1.55	USD 1.54	-
82-83.9	USD 1.73	USD 1.90	USD 1.90	+USD 0.17
84-84.9	USD 2.15	USD 2.20	USD 2.27	+USD 0.12
85-85.9	USD 2.50	USD 2.50	USD 2.50	+USD 0.00
86-87.9	USD 3.00	USD 3.00	USD 3.30	+USD 0.30
88 plus	-	-	-	-
From 3,001-10,000 Pounds				
80-81.9	-	-	-	-
82-83.9	-	-	-	-
84-84.9	USD 2.32	USD 2.30	USD 2.49	+USD 0.17
85-85.9	USD 2.80	USD 2.75	USD 2.80	+USD 0.00
86-87.9	USD 3.25	USD 3.15	USD 3.30	+USD 0.05
88 plus	USD 3.81	USD 3.44	USD 3.50	-USD 0.31
From 1,001-3,000 Pounds				
80-81.9	-	-	-	-
82-83.9	-	-	-	-
84-84.9	USD 2.55	USD 2.66	USD 2.53	-USD 0.02
85-85.9	USD 3.35	USD 3.00	USD 3.09	-USD 0.26
86-87.9	USD 3.70	USD 3.50	USD 3.50	-USD 0.20
88 plus	USD 4.89	USD 4.54	USD 4.50	-USD 0.39
Less than 1,000 Pounds				
80-81.9	-	-	-	-
82-83.9	-	-	-	-
84-84.9	USD 2.50	USD 2.90	USD 2.80	+USD 0.30
85-85.9	USD 3.50	USD 3.44	USD 3.60	+USD 0.10
86-87.9	USD 4.30	USD 3.92	USD 3.90	-USD 0.40
88 plus	USD 7.00	USD 6.00	USD 6.50	-USD 0.50

* Price information redacted in buckets with fewer than 100 observations

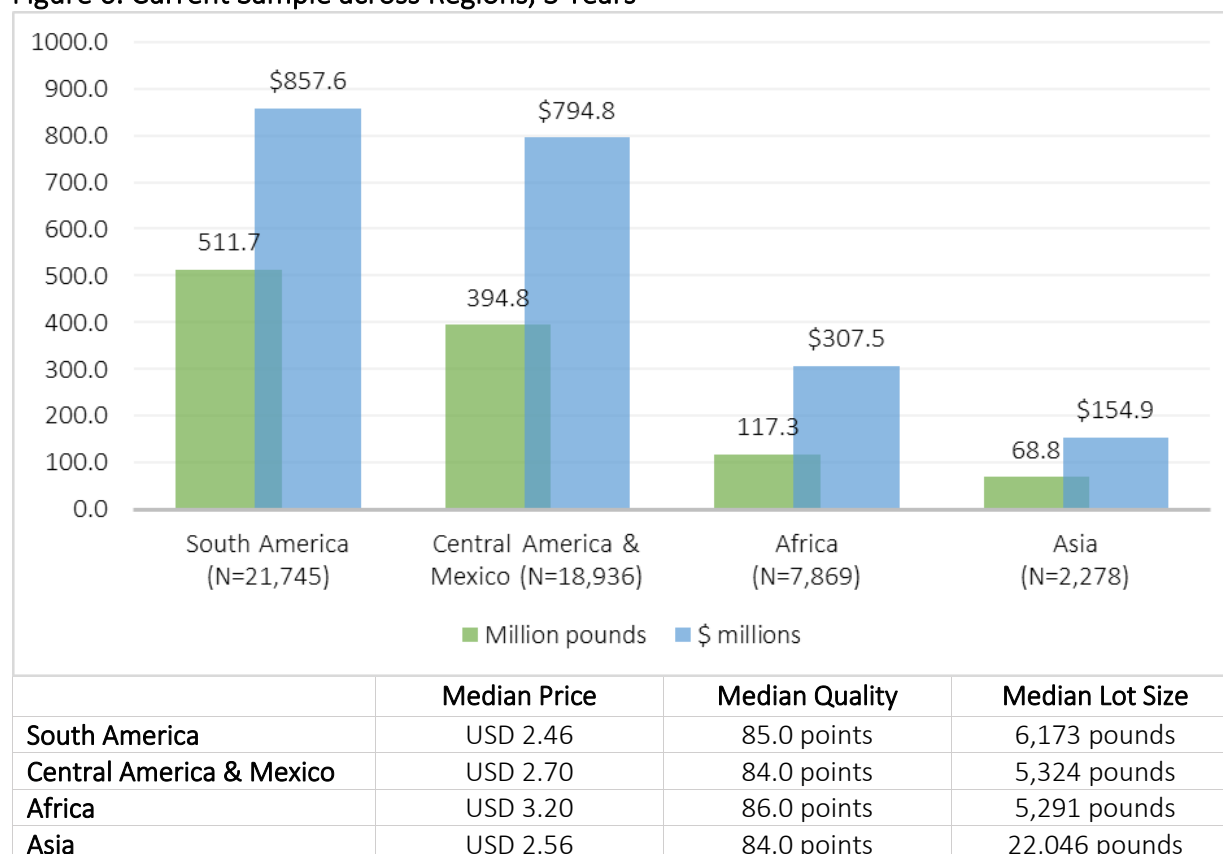
FOB Prices by Region and Country

This section describes prices for specialty coffees grown in different regions and countries. Figure 6 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 (N=21,745) and Central America & Mexico (N=18,936). A smaller but still substantial number of contracts cover African coffees (N=7,869). The median FOB price was highest for African coffees (\$3.20) and lowest for coffees grown in South America (\$2.46).⁸ 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 6, focusing on the three regions that dominate the current sample.⁹

Figure 6. Current Sample across Regions, 3 Years



Key Observations:

- In the most populated buckets within each quantity band, the median prices for coffees grown in Central America & Mexico were higher than the corresponding medians observed in South America.

⁸ 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 16,910 contracts) increases to \$2.70.

⁹ 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.

Table 7. Median FOB Prices by Region, 3 Years

	Three Regions		South America		Central America & Mexico		Africa	
	N	Median	N	Median	N	Median	N	Median
More than 40,000 Pounds								
80-81.9	3,364	USD 1.56	1,668	USD 1.55	1,444	USD 1.55	149	USD 2.11
82-83.9	4,998	USD 1.71	2,289	USD 1.60	2,438	USD 1.90	115	USD 2.06
84-84.9	1,959	USD 2.14	822	USD 2.05	923	USD 2.19	133	USD 2.25
85-85.9	1,173	USD 2.25	413	USD 2.20	429	USD 2.25	239	USD 2.63
86-87.9	517	USD 2.79	206	USD 2.61	100	USD 2.65	192	USD 3.20
88 plus	-	-	-	-	-	-	-	-
No score	2,182	USD 1.60	1,284	USD 1.27	434	USD 2.14	252	USD 2.00
From 10,001-40,000 Pounds								
80-81.9	402	USD 1.51	201	USD 1.47	114	USD 1.40	-	-
82-83.9	1,664	USD 1.90	544	USD 1.60	782	USD 1.90	105	USD 2.23
84-84.9	1,548	USD 2.20	623	USD 2.10	572	USD 2.15	186	USD 2.50
85-85.9	1,224	USD 2.50	458	USD 2.35	419	USD 2.50	267	USD 2.81
86-87.9	1,167	USD 3.10	437	USD 2.79	211	USD 3.15	482	USD 3.22
88 plus	281	USD 3.23	-	-	-	-	241	USD 3.25
No score	1,543	USD 2.20	612	USD 1.95	373	USD 2.45	408	USD 2.80
From 3,001-10,000 Pounds								
80-81.9	103	USD 1.58	-	-	-	-	-	-
82-83.9	513	USD 2.12	179	USD 1.90	236	USD 2.40	-	-
84-84.9	1,295	USD 2.37	642	USD 2.24	488	USD 2.31	-	-
85-85.9	1,605	USD 2.80	609	USD 2.75	571	USD 2.86	306	USD 2.85
86-87.9	2,468	USD 3.23	1,080	USD 3.20	684	USD 3.30	650	USD 3.20
88 plus	385	USD 3.50	-	-	-	-	243	USD 3.50
No score	2,498	USD 3.00	845	USD 2.45	939	USD 3.20	626	USD 3.15
From 1,001-3,000 Pounds								
80-81.9	-	-	-	-	-	-	-	-
82-83.9	344	USD 2.40	124	USD 1.90	138	USD 3.00	-	-
84-84.9	1,051	USD 2.56	343	USD 2.26	484	USD 2.50	100	USD 3.05
85-85.9	1,430	USD 3.05	497	USD 3.00	547	USD 3.25	282	USD 3.00
86-87.9	3,546	USD 3.50	1,670	USD 3.41	1,212	USD 3.60	612	USD 3.95
88 plus	814	USD 4.59	238	USD 4.50	233	USD 5.25	341	USD 4.50
No score	2,638	USD 3.50	920	USD 3.14	1,065	USD 3.53	573	USD 4.01
Less than 1,000 Pounds								
80-81.9	-	-	-	-	-	-	-	-
82-83.9	309	USD 2.50	141	USD 1.60	121	USD 2.88	-	-
84-84.9	533	USD 2.75	184	USD 2.76	266	USD 2.69	-	-
85-85.9	1,034	USD 3.50	382	USD 3.24	415	USD 3.60	195	USD 3.80
86-87.9	3,643	USD 4.00	2,183	USD 3.93	1,133	USD 4.10	295	USD 3.81
88 plus	1,927	USD 6.35	1,142	USD 6.05	581	USD 8.20	196	USD 4.96
No score	2,719	USD 4.00	816	USD 4.00	1,459	USD 4.00	318	USD 4.08

* Price information redacted in buckets with fewer than 100 observations

There was also considerable variability in prices, quality, and lot sizes across the countries in each growing region (see Table 8). Coffees grown in Ecuador had the highest 3-year median price (\$4.45). These coffees also had a high median quality score and a low median lot size. At the other end of the pricing spectrum was Brazil, with a median price of \$1.80. These coffees also had a relatively low median quality score.

Table 8. Median FOB Prices, Quality Scores and Lot Sizes across Countries, 3 Years

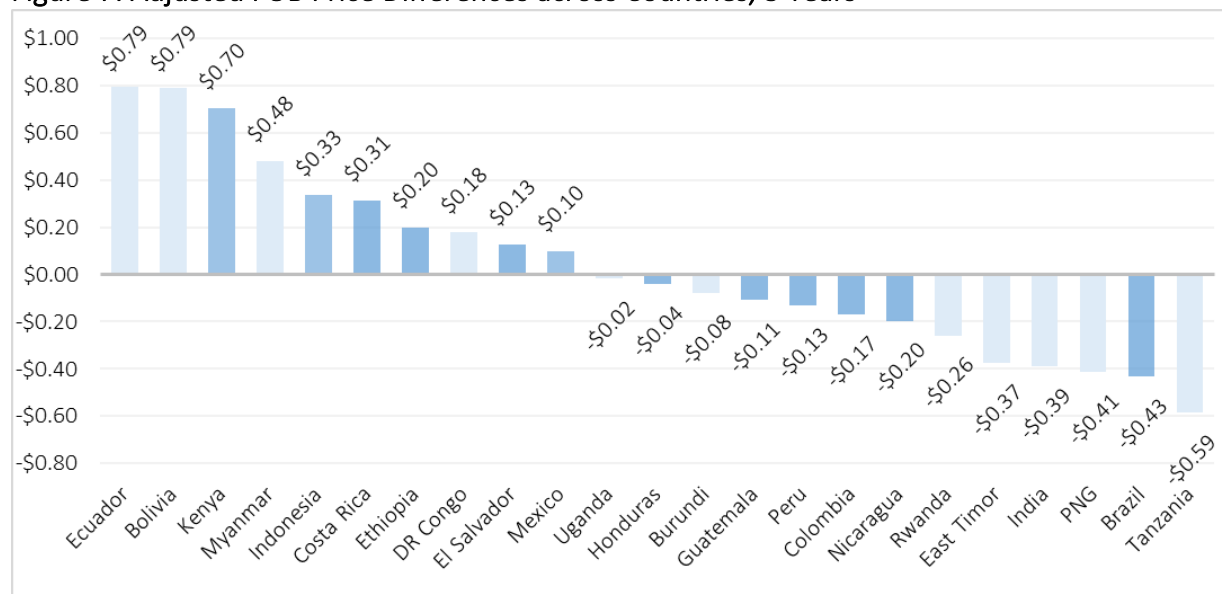
	N	Total Pounds (millions)	Median FOB Price*	Median Quality Score*	Median Lot Size*
Bolivia	264	2.67	USD 4.30	86.0	2,646 pounds
Brazil	3,417	79.61	USD 1.80	84.0	13,228 pounds
Burundi	820	5.01	USD 3.00	86.5	3,008 pounds
Colombia	11,102	197.92	USD 2.81	86.0	3,858 pounds
Costa Rica	3,012	75.72	USD 2.60	84.0	11,485 pounds
DR Congo	144	2.95	USD 3.05	86.0	15,873 pounds
East Timor	145	3.79	USD 1.90	83.0	39,684 pounds
Ecuador	442	2.48	USD 4.45	86.5	1,516 pounds
El Salvador	1,856	13.71	USD 3.43	85.5	1,521 pounds
Ethiopia	3,080	67.57	USD 3.19	86.0	13,228 pounds
Guatemala	4,949	114.92	USD 2.67	85.0	7,606 pounds
Honduras	3,343	59.63	USD 2.85	84.0	3,651 pounds
India	149	6.92	USD 1.87	83.9	29,762 pounds
Indonesia	1,266	36.45	USD 2.74	84.0	24,471 pounds
Kenya	1,931	8.56	USD 4.29	87.0	1,852 pounds
Mexico	1,278	29.38	USD 2.48	84.0	24,491 pounds
Myanmar	121	0.55	USD 3.60	85.1	2,646 pounds
Nicaragua	2,550	66.90	USD 2.07	83.0	22,972 pounds
Peru	3,897	94.68	USD 2.20	84.0	21,300 pounds
PNG	361	9.68	USD 1.85	84.1	39,023 pounds
Rwanda	938	12.93	USD 2.60	85.0	5,357 pounds
Tanzania	365	5.71	USD 2.05	85.0	5,423 pounds
Uganda	282	5.35	USD 2.48	84.0	10,318 pounds

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

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 3-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.¹⁰ 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.

¹⁰ To minimize the influence of outlier observations, we first set aside contracts with the lowest and highest 5% of reported FOB prices.

Figure 7. Adjusted FOB Price Differences across Countries, 3 Years*



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

Key Observations:

- According to Table 8, one of the highest median price premiums comes from Kenya, while the lowest comes from Brazil. After adjusting for quality, lot size and harvest years, the Kenyan price premium is +\$0.70, while the Brazilian price discount is -\$0.43.

Concluding Comments

Specialty Coffee Transaction Guides offer participants in the specialty coffee market a different and potentially more relevant 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 *2020 Transaction Guide* provide contextual information for future price negotiations. Buyers and sellers can now consider price references that are more relevant to specialty coffee. 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 2020 Transaction Guide:
Selling/buying a container of coffee grown in El Salvador that cups at 83.	\$1.71 (median from Table 5) plus adjusted El Salvador premium of \$0.13 (from Figure 7); or \$1.84.
Selling/buying 2,000 pounds of coffee grown in Guatemala that cups at 87.	\$3.50 (median from Table 5) minus adjusted Guatemala discount of \$0.11 (from Figure 7); or \$3.39.

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 *2020 Transaction Guide* represent many contracts and substantial volumes of specialty coffee (see Table 2). We estimate that roughly 6% of the specialty coffee produced over the last three harvest years is included in the *2020 Transaction Guide* – from 3.3% in 2017/2018 to 7.4% in 2019/2020.¹¹ 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 or pay themselves and others 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 also plan to use the Transaction Guide data to examine:

- how certifications influence green coffee prices,¹²
- how green prices vary across buying markets (e.g., North America, Europe, ANZ, Asia),
- how fixed versus differential contracting influences green prices, and
- what quantitative and qualitative variables (aside from quality, lot size and growing region) influence green prices.

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.

¹¹ These estimates assume that the size of the global specialty coffee market is roughly the total volume of Colombia and Other Milds produced globally.

¹² This first Data Brief was released in August 2020. See "[The Effects of FTO Certification on FOB Prices for Specialty Coffees.](#)"

Appendix. 2020 Transaction Guide Data Donors

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

Aldea Global	Nicaragua	Cooperative & Exporter
Algrano	Switzerland	Importer
Allegro Coffee	USA	Roaster
Ally Coffee	USA	Importer
Artisan Coffee Imports*	USA	Importer
Atlas Coffee Importers	USA	Importer
Azahar Coffee Company	Colombia	Exporter
Balzac Brothers*	USA	Importer
BD Imports*	USA	Importer
Be Green Trading Company	Switzerland	Importer
Cafe Imports	USA	Importer
Café Kreyol	USA	Importer
Cafédirect	UK	Roaster
Campos Coffee	Australia	Roaster
Capricornio Coffees	Brazil	Exporter
Caravela Coffee	UK	Importer & Exporter
Cedro Alto Coffee	Colombia	Farmers' Collective
Cocar Coffee	Russia/Switzerland	Importer
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
Crop to Cup Coffee Importers	USA	Importer
Cultivar Coffees*	Netherlands	Importer
Cup of Excellence	USA	Other
Daterra	Brazil	Producer
Dispatch Coffee*	Canada	Roaster
Drop Coffee*	Sweden	Importer
Equal Exchange	USA	Importer & Roaster
Exclusive Coffees*	Costa Rica	Exporter
Falcon Coffees	UK	Importer
Five Senses Coffee	Australia	Roaster
Flying Roasters	Germany	Roaster
Gimme! Coffee	USA	Roaster
Hasbean Ozone	UK & New Zealand	Roaster
Intelligentsia Coffee	USA	Roaster
J Hill & Cia	El Salvador	Exporter

Johan & Nystrom	Sweden	Roaster
Just Us! Coffee Roasters Co-op	Canada	Roaster
Kariomons Coffee Roaster	Japan	Roaster
Lamplighter Coffee Roasters	USA	Roaster
Macercafe	Nicaragua	Producer
MadCap Coffee	USA	Roaster
Manos Campesinas*	Guatemala	Cooperative & Exporter
Mastercol*	Colombia	Exporter
Melbourne Coffee Merchants	Australia	Importer
Mercanta The Coffee Hunters	UK	Importer
Nordic Approach	Norway	Importer
O'Coffee - Brazilian Estates	Brazil	Producer & Exporter
Olam Specialty Coffee	USA	Importer
Olympia Coffee Roasting	USA	Roaster
Onyx Coffee Lab	USA	Roaster
Phoenix Coffee	USA	Roaster
PrimaVera Coffee	Guatemala	Importer & Exporter
Red Fox Coffee Merchants	USA	Importer
Reunion Coffee Roasters	Canada	Roaster
Ritual Coffee Roasters	USA	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
SPP Global*	Mexico	Cooperative
STC – Sustainable Trading Company	Costa Rica	Exporter
Stumptown Coffee Roasters	USA	Roaster
Sucafina	Belgium	Importer
Sustainable Harvest	USA	Importer
Taylor's of Harrogate	UK	Roaster
The Coffee Source	Costa Rica	Importer
This Side Up Coffees	Netherlands	Importer
Tim Wendelboe*	Norway	Roaster
Transcend Coffee	Canada	Roaster
Twin Trading (now defunct)	UK	Importer
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 for the 2020 Transaction Guide.

We also thank the organizations and individuals who provided funding during 2019 and 2020: Ally Coffee, Atlas Coffee Importers, Allegro Coffee, Azahar Coffee Company, Caravela Limited, Catholic Relief Services, Coffee Collective, Counter Culture Coffee, Cup of Excellence, Equal Exchange, Geoff Watts, Intelligentsia Coffee, Madcap Coffee, Melbourne Coffee Merchants, Mercanta Ltd., Nordic Approach, O'Coffee - Brazilian Estates, Olympia Coffee Roasting, Onyx Coffee Lab, Rumble Coffee Roasters, S&D Coffee, Salt Spring Coffee, Seven Seeds, Social Enterprise @ Goizueta, Specialty Coffee Association, Stumptown Coffee Roasters, Taylors of Harrogate, Transcend Coffee, Unitrade Coffee, Upstream Coffee Imports, and Wonderstate Coffee.

2020 Specialty Coffee Transaction Guide