

True (Cost) Prices in the Supply Chain of Coffee

A Sustainable Supply Chain Finance View

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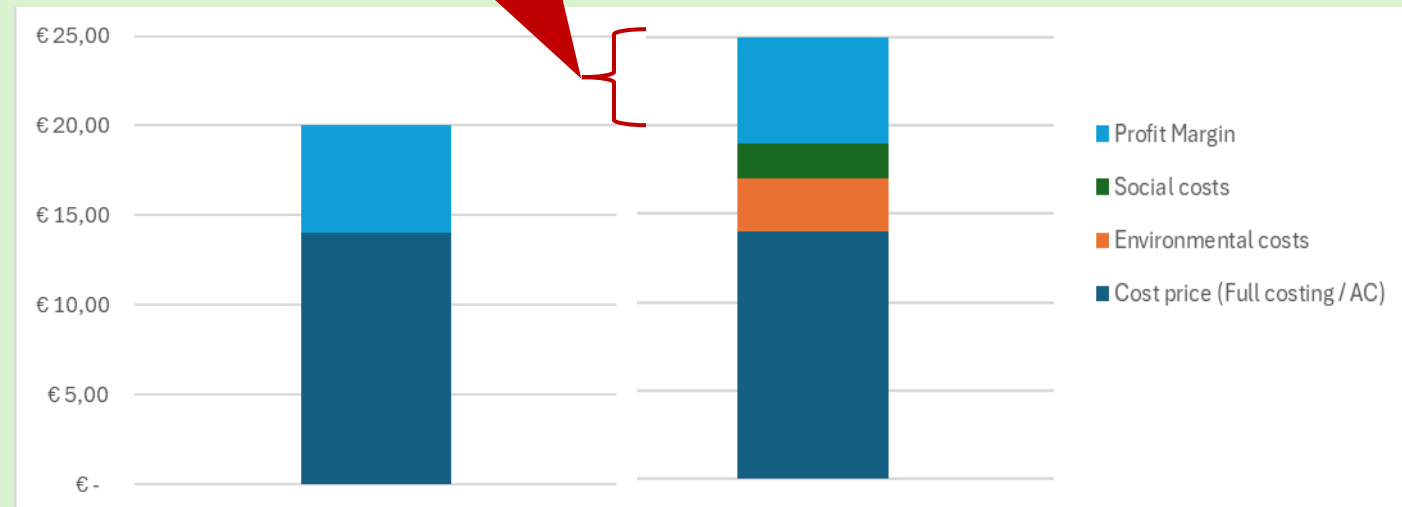


**17th London International Conference
November 26-28, 2025**

True Costing & True Pricing (1 kg of coffee beans in a retail store)

Cost price (Full costing /AC)	€ 14,00	70%		Cost price (Full costing / AC)	€ 14,00	56%
Profit Margin	€ 6,00	30%		Environmental costs	€ 3,00	12%
				Social costs	€ 2,00	8%
Price (Consumer)	€ 20,00	100%				
				True Cost Price	€ 19,00	76%
				Profit Margin	€ 6,00	24%
Price Gap	€ 5,00			True Price (Consumer)	€ 25,00	100%

Price Gap: € 5



The coffee belt (Source: Hermanos Colombian Coffee Roasters)



Overview presentation

- I. Introduction**
- II. Coffee market**
- III. True (Cost) Price**
- IV. Supply Chain of Coffee**
- V. Supply Chain Finance**
- VI. Results (Based on case studies)**
- VII. Conclusion & Discussion**

I. Introduction (I / VII)

Coffee:

- **Production**
 - Tropical area (around the equator)
 - Uses:
 - Environment
 - Fertile soil (Deforestation)
 - Water (Irrigation)
 - Labour
 - Low wages
 - Child labour
 - Slavery
 - Labour conditions
- **Processing & Consumption of coffee**
 - Northern hemisphere
 - Multinational companies (Nestlé, JDE Peet's, Starbucks, etc.)
 - SMEs

II. Coffee market (II / VII)

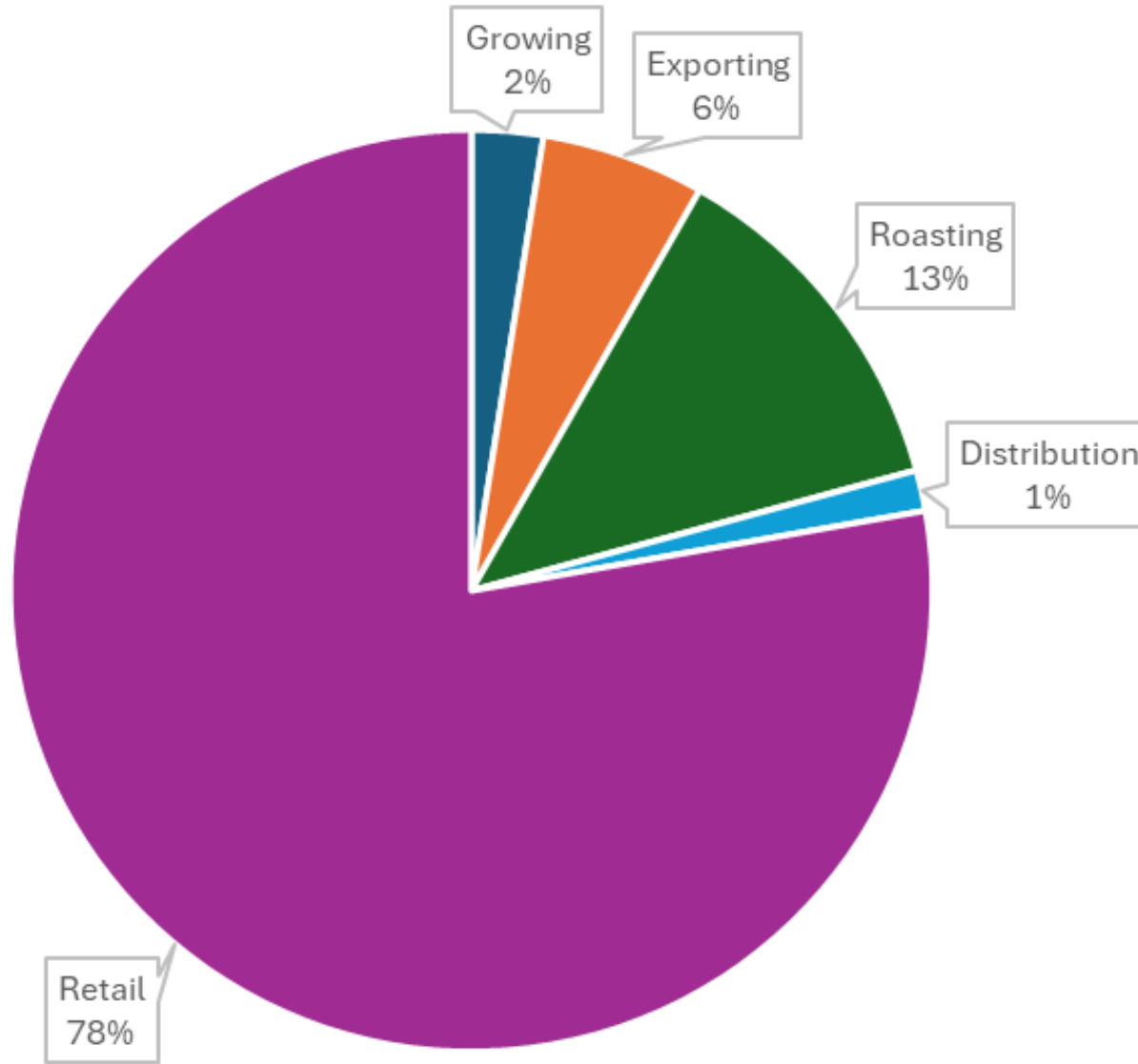
- **Coffee market is fragmented on the demand side:**
- **Multinational companies**
 - JDE Peet's
 - Starbucks
 - Nestle
 - ...
- **Domestic SME companies (The Dutch case)**
 - Peeze
 - Tuka
 - Coffeemeister
 - Koffiejongens
 - Pelikaan
 - ...

Coffee price (World market)

Source: Coffee price Arabica (US Cents per pound), source: IMF (FED St.Louis, 2025)



Coffee Price Structure



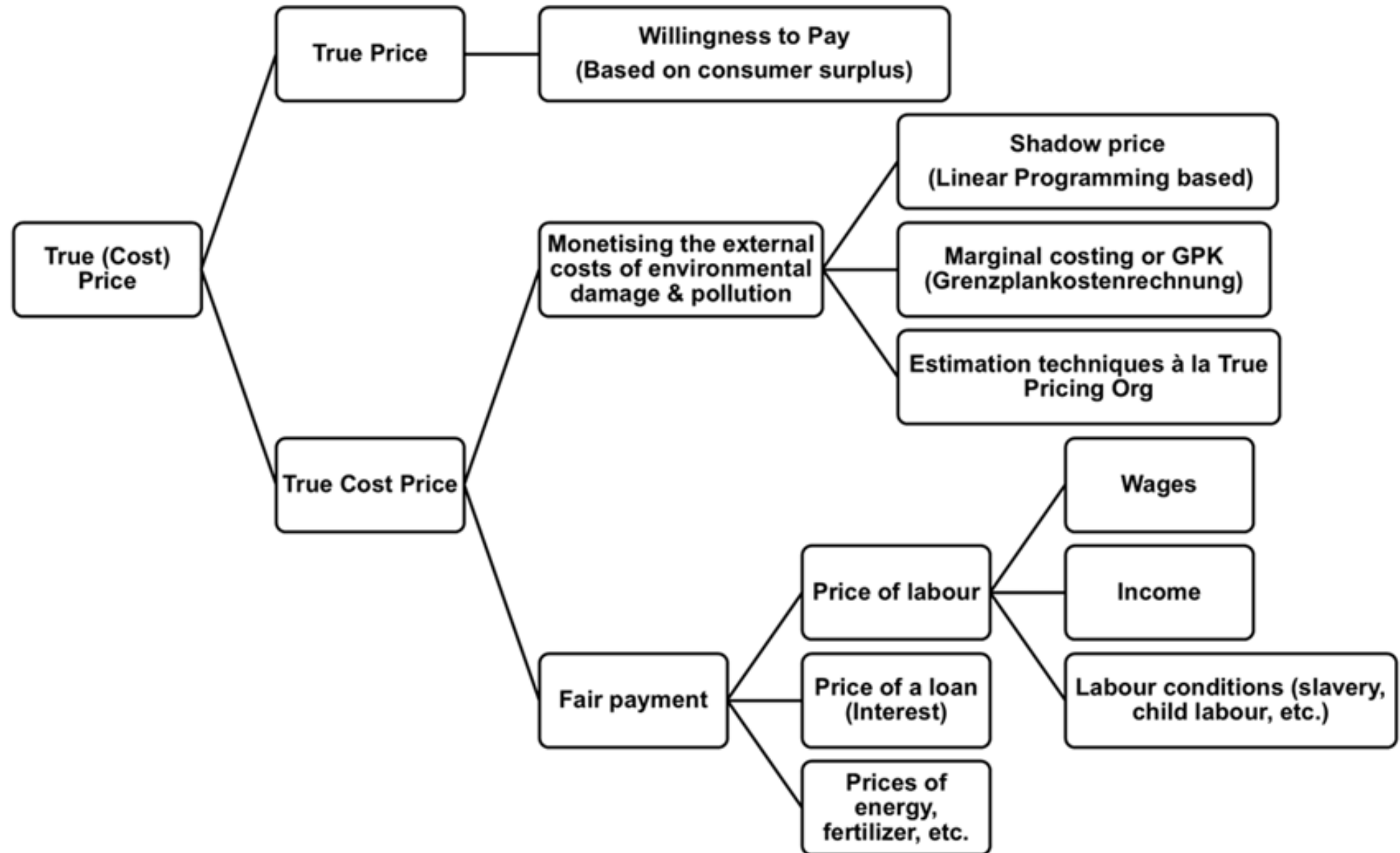
■ Growing ■ Exporting ■ Roasting ■ Distribution ■ Retail

Source:
Visual Capitalist, 2025

III. True (Cost) Price (III / VII)

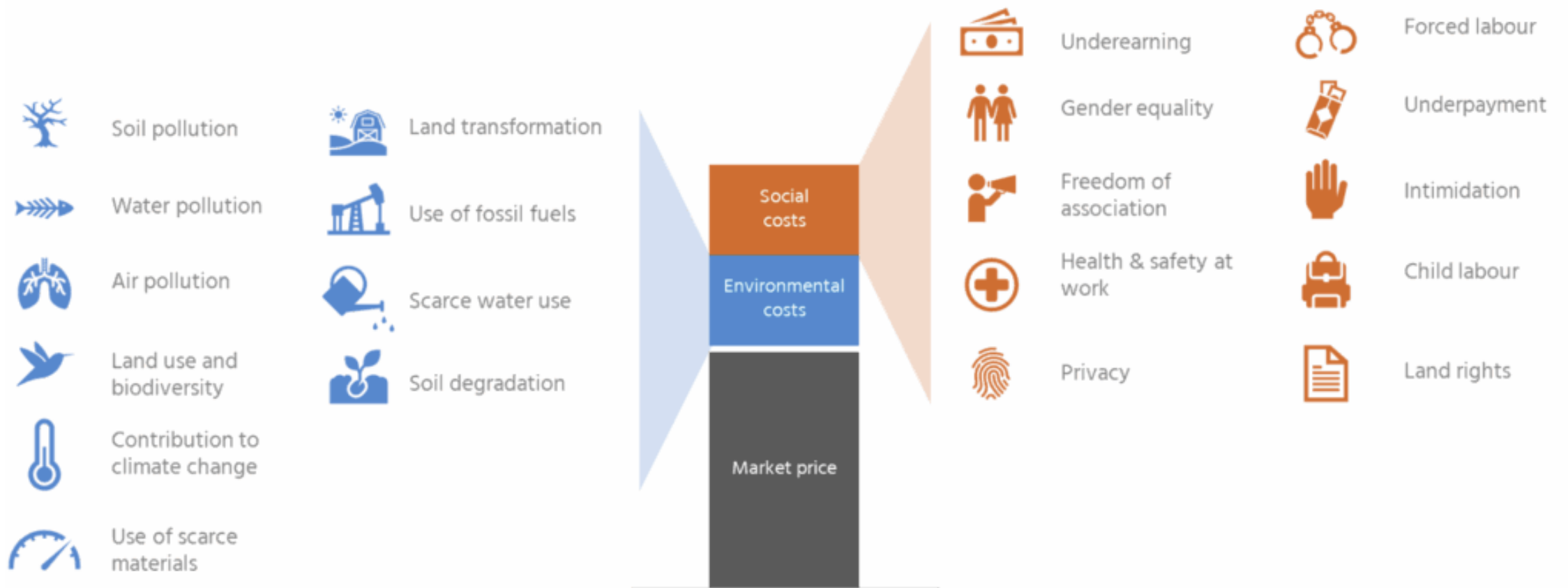
Consumer Prices November 2025 per kg (World market price: € 7,19/kg)

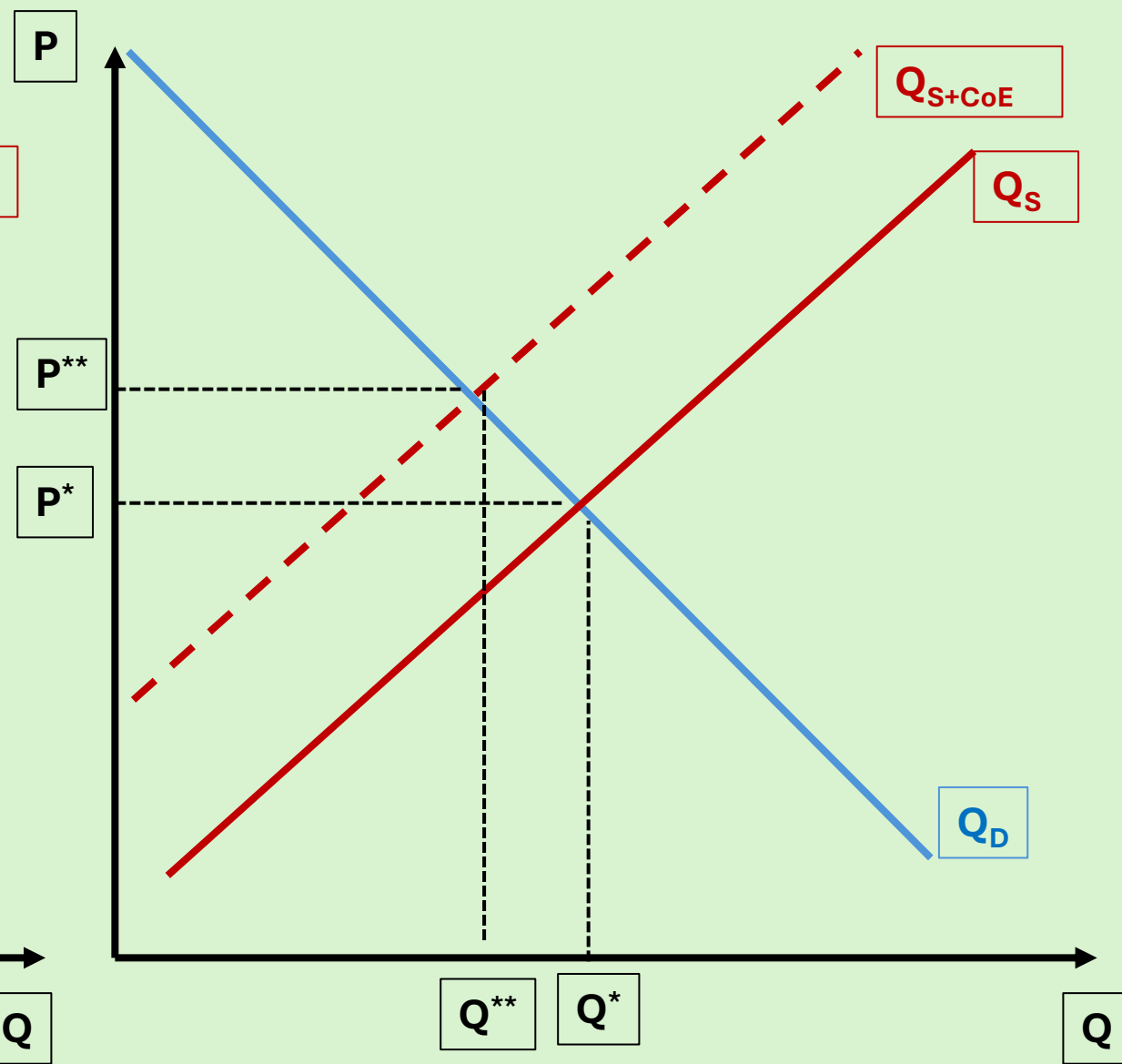
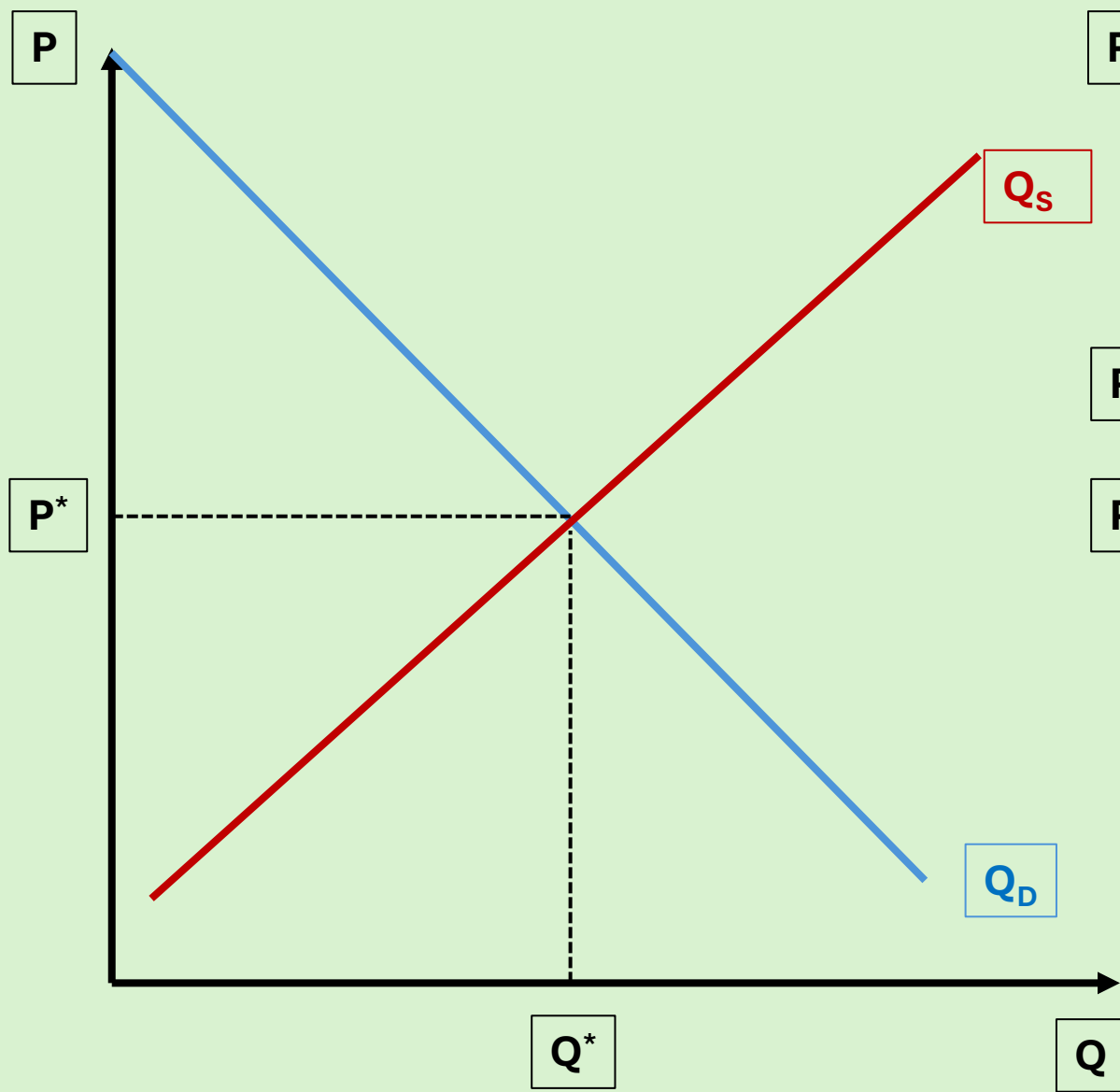
Brand	Company	Price/KG	Price/KG		Compared to
1kg beans		with VAT	without VAT		World Market Price
DE	JDE Peet's	€ 18,99	€ 17,42	MNE	242%
Perla	AH	€ 16,99	€ 15,59	MNE	217%
Starbucks	Bol.com	€ 27,77	€ 25,48	MNE	354%
Peeze	Peeze	€ 31,73	€ 29,11	SME	405%
Tuka	Tuka	€ 34,00	€ 31,19	SME	434%
Coffeemeister	Coffeemeister	€ 24,99	€ 22,93	SME	319%
Koffiejongens	Koffiejongens	€ 24,98	€ 22,92	SME	319%
Pelikaan	Pelikaan	€ 19,00	€ 17,43	SME	243%
Per cup (10 gram)					
	€ 3,10	€ 310,00	€ 284,40	Coffee bar	3975%
Per cup (10 gram)					
	€ 3,50	€ 350,00	€ 321,10	Coffee bar	4467%

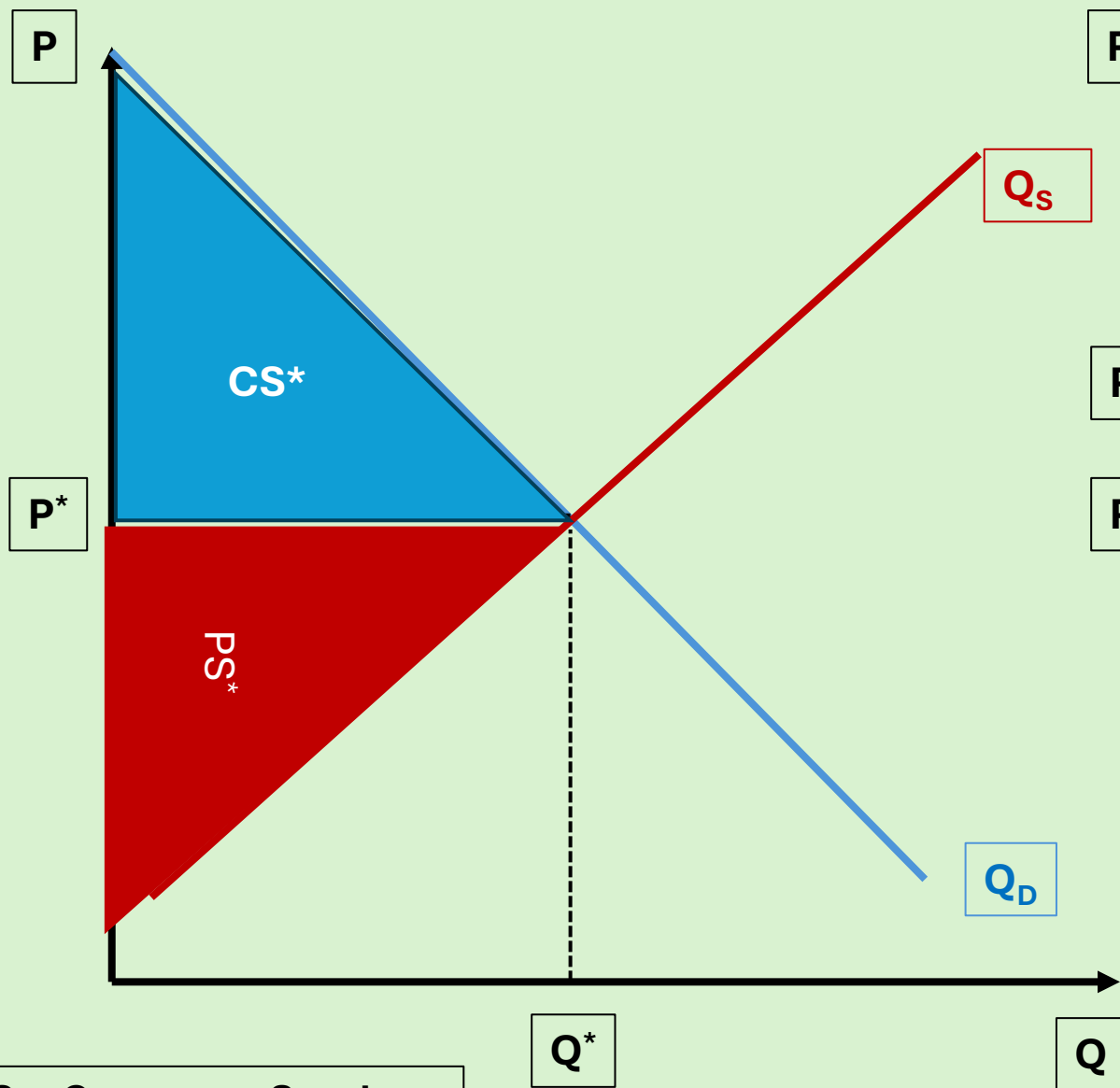


What is a True Price?

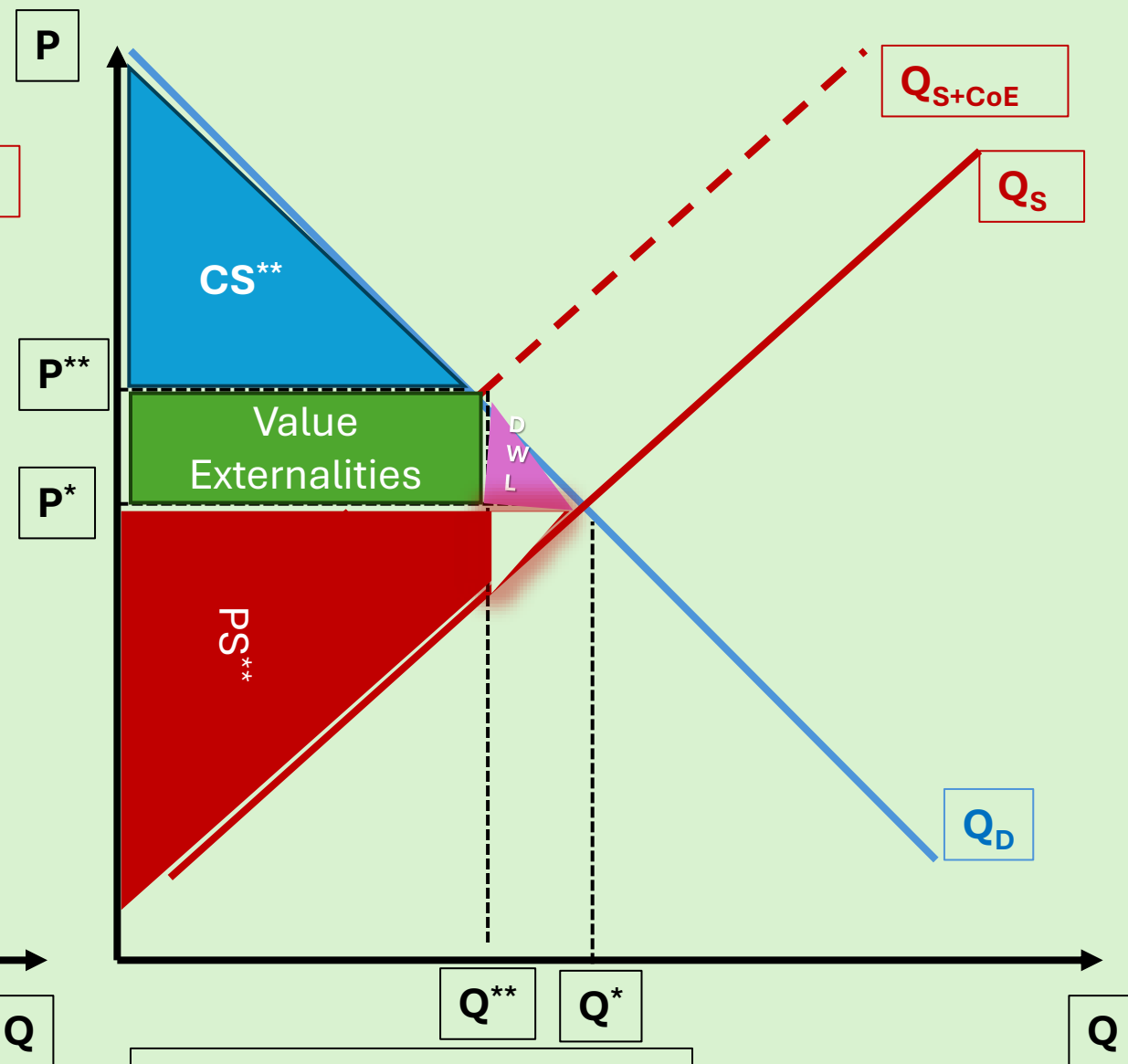
(Source: True Price Foundation, 2025)







CS = Consumer Surplus
 PS = Producer Surplus
 DWL = DeadWeight Loss

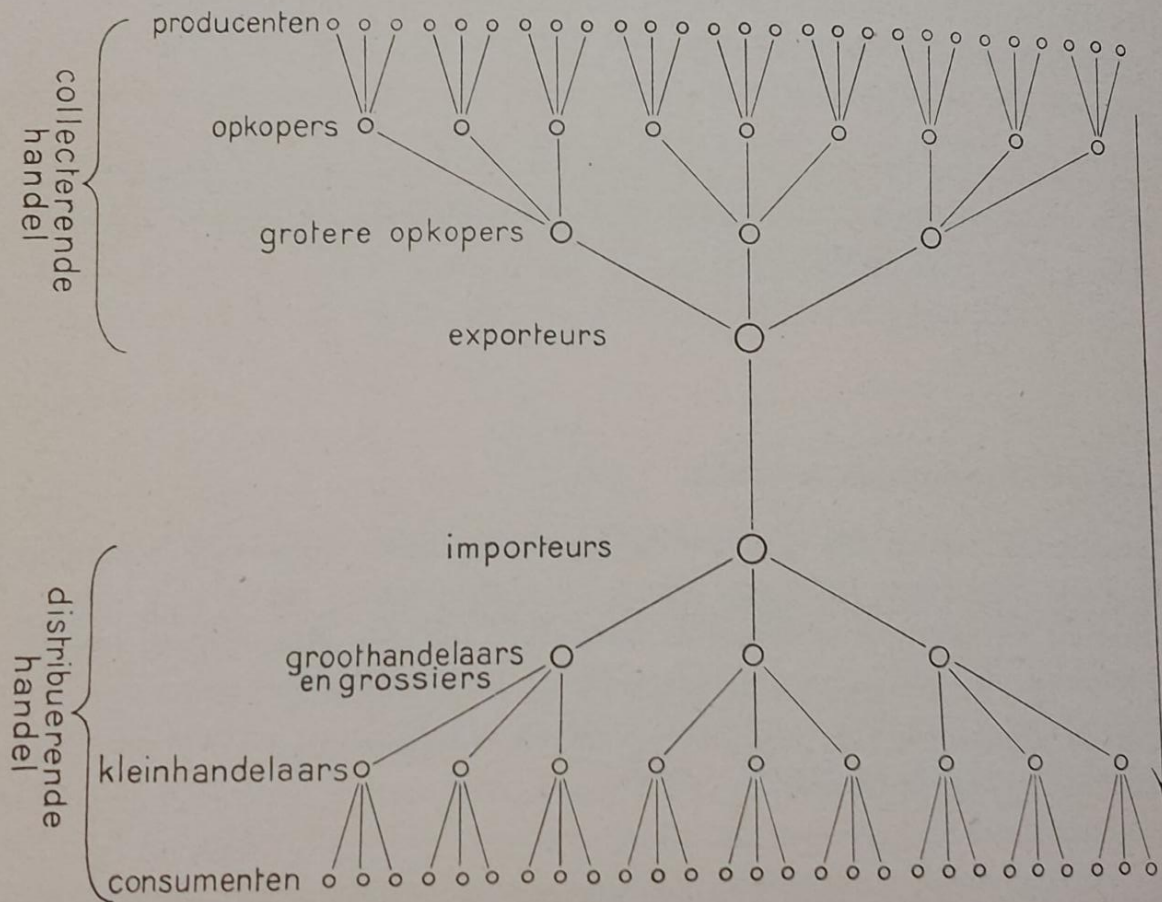


P = Price
 Q = Quantity
 CoE = Costs of Externalities

IV. Supply Chain of Coffee (IV / VII)

- **Traditional patterns from colonialism still play a role**
- **Focal companies are dominant as well as on the demand side as on the supply side of the coffee market**
- **SMEs from Western Europe play a modest role on the demand side**
- **Supply side of the coffee market differs as well, depending in which part of the coffee belt you are:**
 - **Small farmers (family business)**
 - **Cooperative structures**
 - **Syndicates**
 - **Large plantations**
- **World market prices are volatile**
- **Influence of climate change on coffee production**

Traditional trade patterns in agricultural products: Double Triangle (Source: Speerstra et al. 1974)



Schema van de collecterende en de distribuerende handel.

International trade of agricultural products:

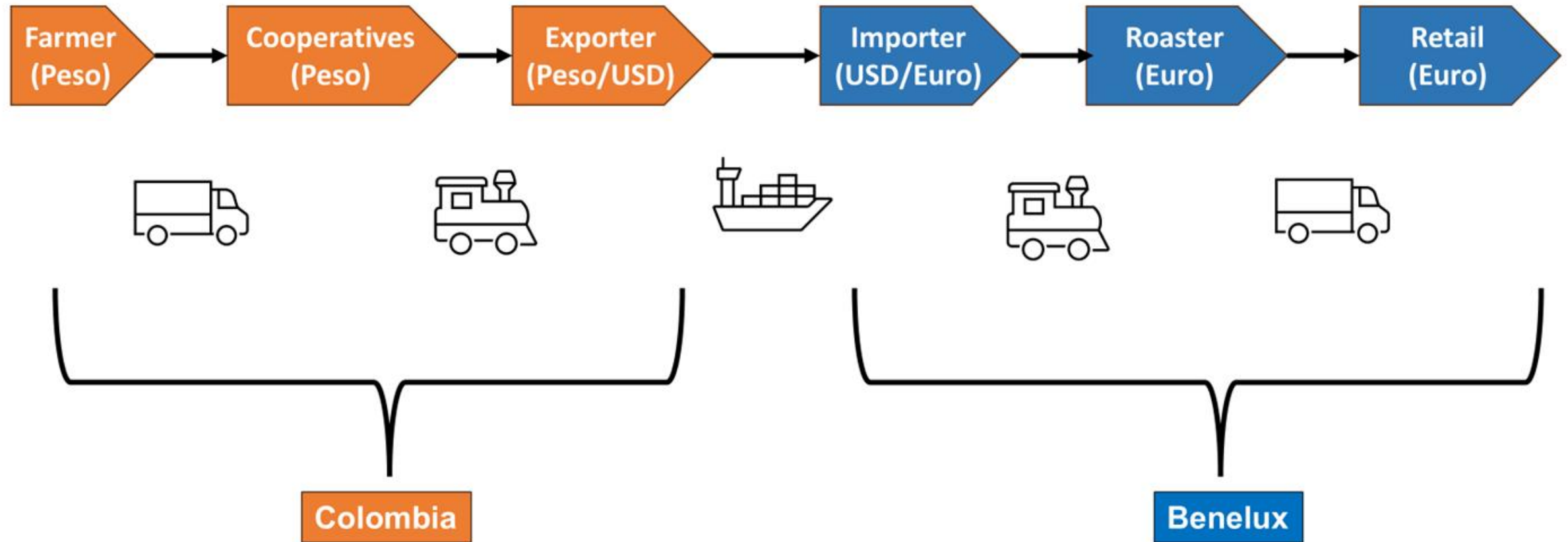
- **Collecting trade**
 - **Producers**
 - **Local buyers**
 - **Wholesale buyers**
 - **Exporters**
- **Distributing trade**
 - **Importers**
 - **Wholesalers**
 - **Retailers**
 - **Consumers**

Amsterdam Staple Market of VOC (17th & 18th century):

- **Storage in Warehouses**
- **Transshipment to the European hinterland**

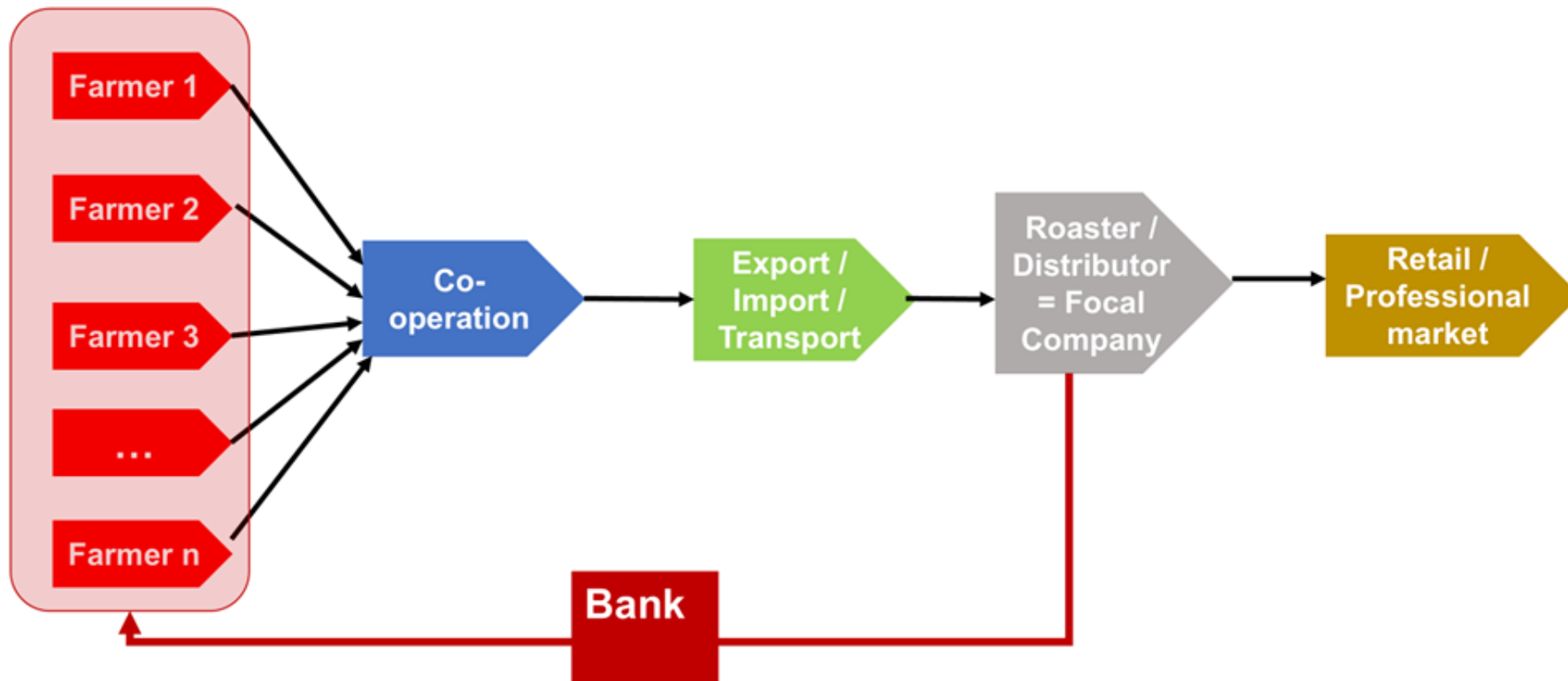
(VOC = Dutch East India Company)

Supply Chain of Coffee (simplified)



V. Supply Chain Finance (V / VII)

Crop Financing, Pre-Harvest financing or Agricultural Input Financing



Source:

Developed by
the author and
inspired by the
Worldbank

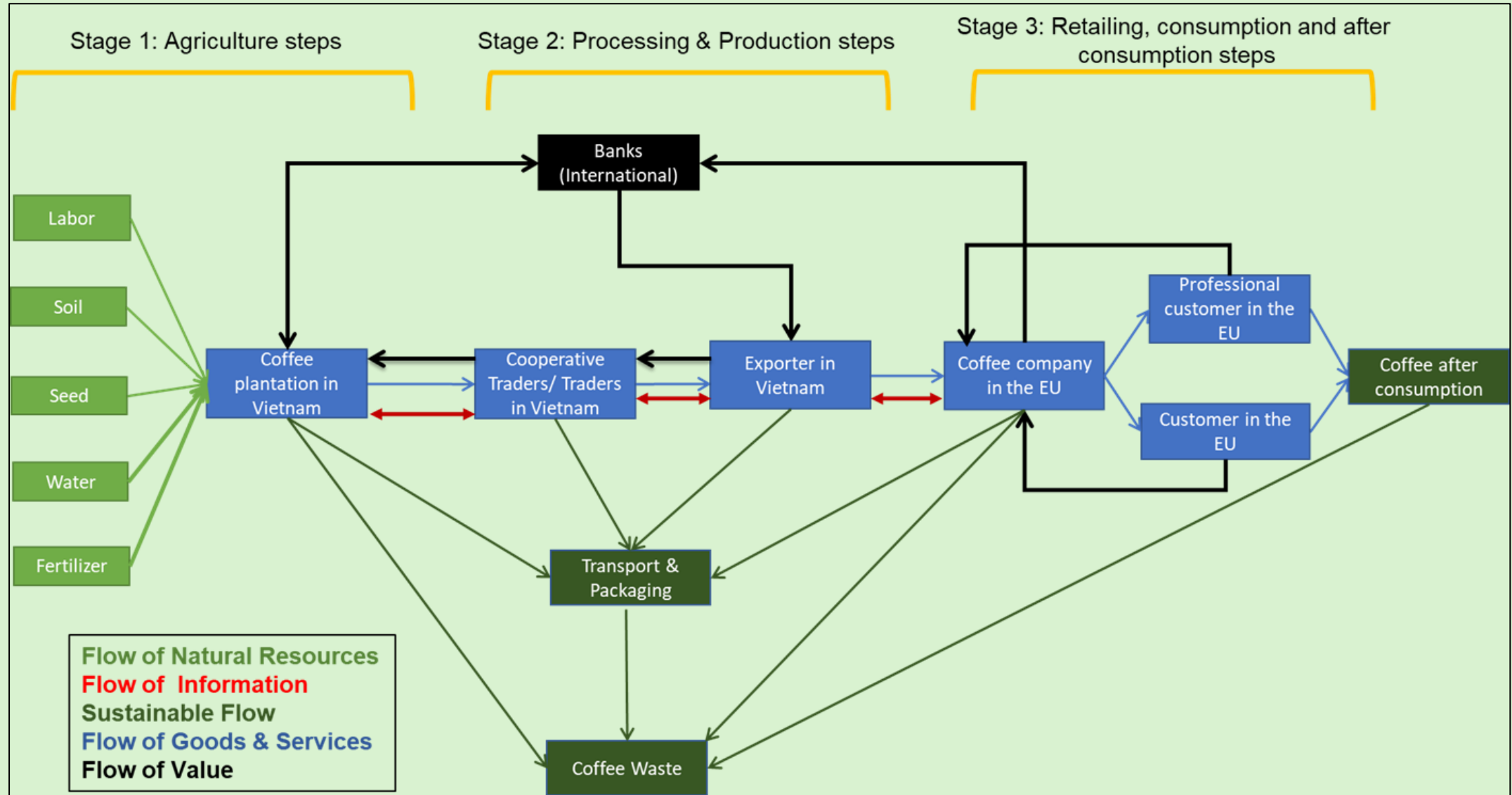
Supply Chain Finance: Deep-Tier SCF for Coffee (Tier-4)



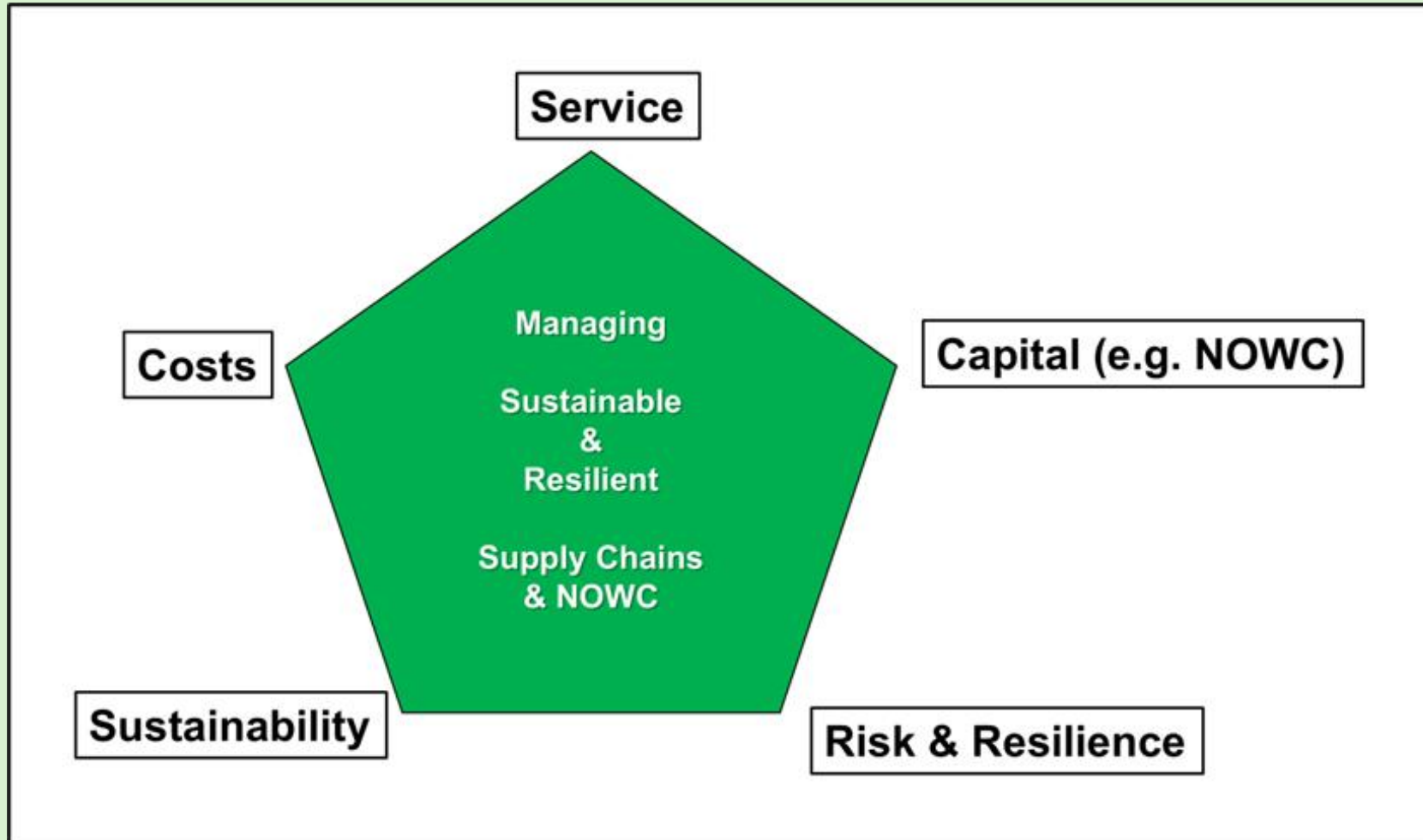
Source:

(Henke, 2025)

Sustainable supply chain of coffee in Vietnam (Nguyen & Le, 2021)



Sustainable Supply Chain Finance in a VUCA world

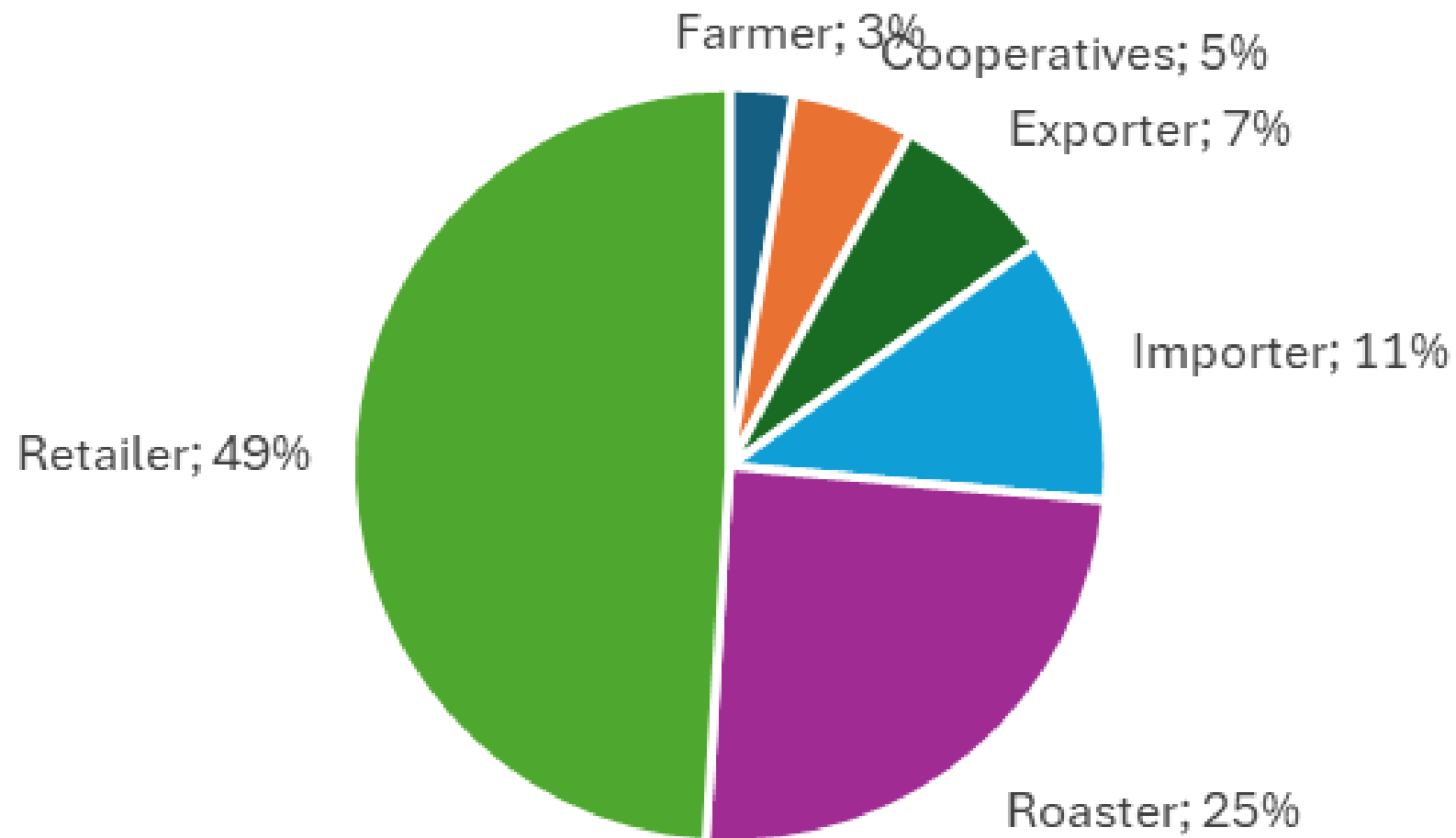


Source:
Developed by the author
and based on Ebel et al. (2022)

VI. Results (Based on case studies) (VI / VII)

- **Case studies are often sharing PR information on their website**
- **There is a lack on true cost price information in the supply chain (monetising externalities in environmental and social costs)**
 - **Damage costs deforestation**
 - **Damage costs irrigation**
 - **Add-up fair wages / income**
 - **Damage costs local transport**
 - **Damage costs packaging**
 - **Damage costs local & international transport**
 - **Add-up fair wages for transport**
 - **...**

True (Cost) Price Structure



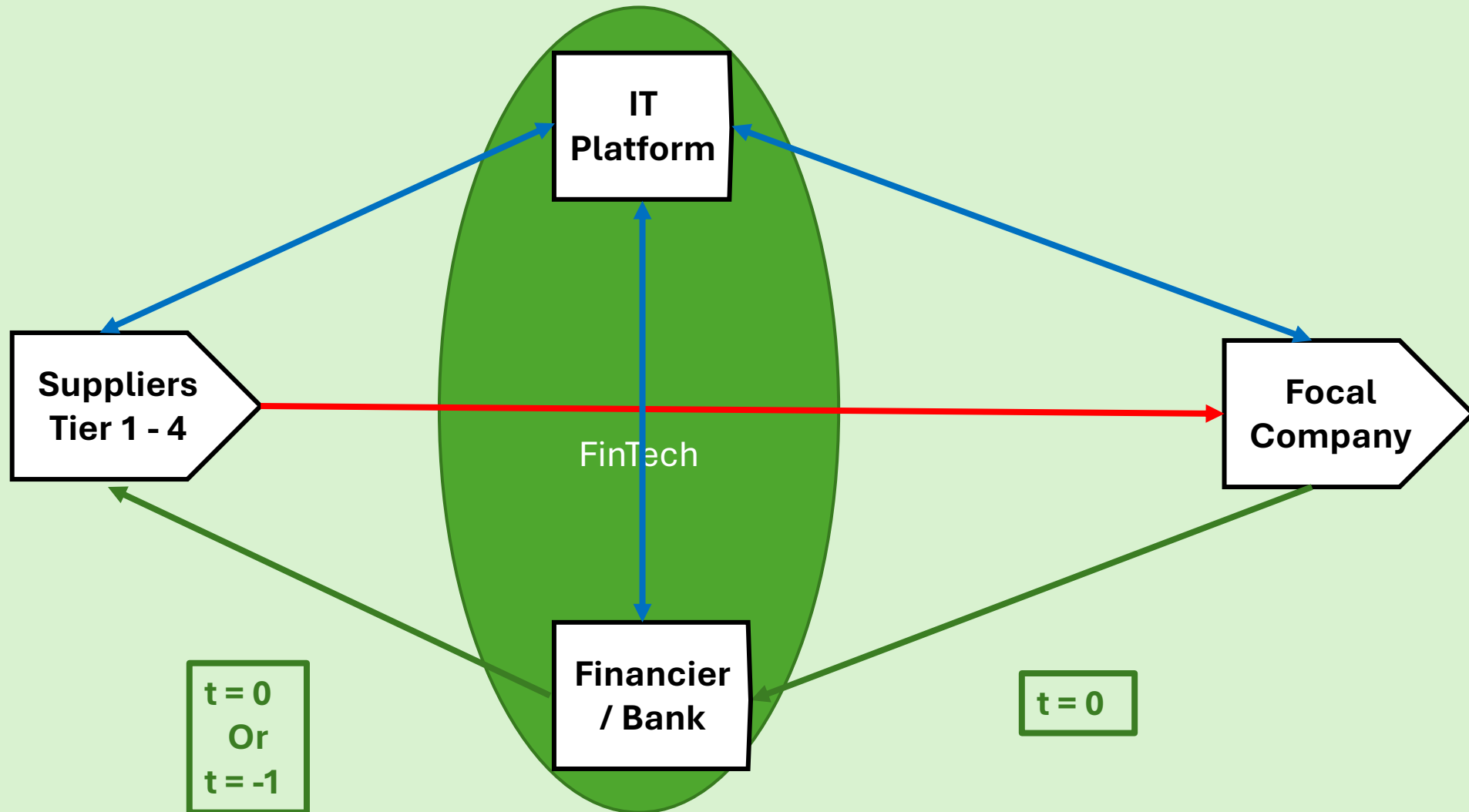
■ Farmer ■ Cooperatives ■ Exporter ■ Importer ■ Roaster ■ Retailer

		Unit of coffee	Status	Local currency	Euro		Price	
Farmer	Actual Coffee Selling Price (CIF)							
	Damage costs deforestation							
	Damage costs irrigation							
	Add-up fair wages / income							
	Damage costs packaging							
	Damage costs local transport							
							€ 0,50	3%
Cooperatives	Actual Coffee Selling Price (CIF)							
	Damage costs packaging							
	Damage costs local transport							
	Add-up fair wages transport							
							€ 0,95	5%
Exporter	Actual Coffee Selling Price (CIF)							
	Damage costs packaging							
	Damage costs local transport							
	Add-up fair wages transport							
							€ 1,30	7%
Importer	Actual Coffee Selling Price (CIF)							
	Damage costs packaging							
	Damage costs local transport							
	Add-up fair wages transport							
							€ 2,10	11%
Roaster	Actual Coffee Selling Price (CIF)							
	Damage costs packaging							
	Damage costs local transport							
							€ 4,50	25%
Retailer	Actual Coffee Selling Price (CIF)							
	Damage costs packaging							
	Damage costs local transport							
Consumer price	Supermarket (Excl. 9% VAT)	1 kg beans	Roasted coffee bean				€ 18,33	100%
Consumer price	Pub / Restaurant (Excl. 9% VAT)	1 kg beans	Roasted coffee bean				€ 142,20	776%

VII. Conclusion & Discussion (VII / VII)

- What are true costs? Is the split between environmental and social costs a valid one?
- Difficult to map the true costs at the beginning of the supply chain
- What are externalities?
- How to distinguish direct externalities from more indirect externalities?
- Lack of transparency for the final consumer, regarding where the coffee comes from and what the price structure is
- Can Fintech and DLT platforms play a role in making the supply chain more traceable for sustainability, the (true) price structure and more liquid (NOWC)?
- How resilient is the coffee supply chain to absorb all kinds of shocks?
 - Climate-related causes
 - Price volatility
 - Changes in the international playing field (like quotas and tariffs)
 - Political changes

Supply Chain Finance Eco System & FinTech
Flows: **Information**, **Goods & Services**, **Financial**



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