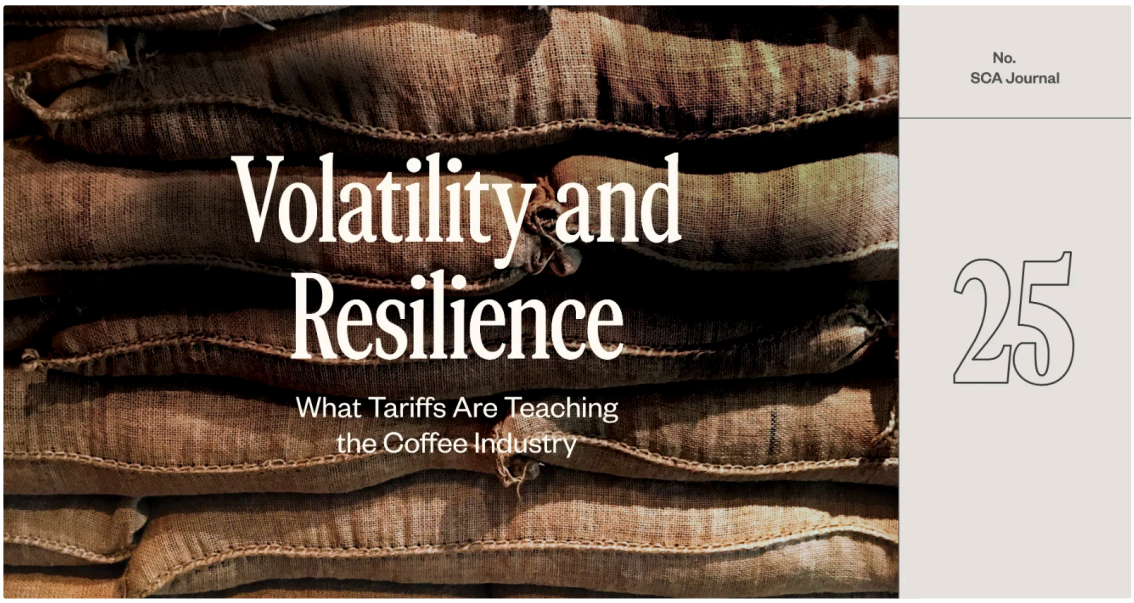
VOLATILITY AND RESILIENCE: WHAT TARIFFS ARE TEACHING THE COFFEE INDUSTRY | 25, ISSUE 26

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Writer and consultant **NANI FERREIRA-MATHEWS** investigates how different coffee business owners navigated the uncertainty and disruption caused by tariffs in 2025, with a focus on strategies and adaptations that the entire sector can learn from.

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Introduction by Kim Elena Ionescu, SCA Chief Strategy Officer.

According to Oxford University Press, the word of the year for 2025 was “rage bait.” I would propose that “volatility” was the coffee industry’s word of the year, and I see a relationship between the two: volatility leads to stress, which sometimes sparks feelings of rage. It would be a stretch to say that volatility was *baiting* us, but it was a tough year. Adapting to unpredictable

circumstances takes a psychological and financial toll on individuals, families, and businesses, and on the other side of a crisis, it can be tempting to just keep moving forward and hope things get progressively better. Reflection feels risky, not to mention unpleasant—do we really need to revisit moments we would rather forget?

Many people in the global coffee industry, from farmers to retail business owners, were impacted by the blanket tariffs on goods imported into the US last year, and a lot of coffee businesses, from Brazil to Italy, incurred substantial losses. The good news is that most of these companies survived! In the process of surviving, they strengthened their business processes, which is something we saw during the COVID-19 crisis, too. 2020 might feel like a long time ago, given everything that has happened (and keeps happening) in the industry and the world, so before 2025 recedes too far into the past, we set out to capture the experiences of people who surmounted 2025's challenges and emerged victorious. In this article, Nani Ferreira-Mathews interviews roasters and importers in the US about their experiences with import tariffs and records some of the adaptation strategies that worked for them. Tariffs are still shaping the coffee industry's decision making in 2026 (along with legislation, artificial intelligence, and war), but we hope that by codifying and sharing some lessons learned last year, we can prepare for the set of unprecedented circumstances that presents itself.

Throughout June 2026, I had conversations with several contacts in the coffee sector, including traders and roasters, mainly based in the US, who were impacted by tariffs in 2025. I wanted to hear about their experiences, including their reactions at the time and how they've adapted to build more resilient systems for potential future shocks.

During these conversations, the same themes kept coming up and I realized that, irrespective of the business each person worked in, the stories were consistent and the experience was shared. Different costs, different company sizes, different points in the supply chain, and yet the same word kept surfacing: volatility. Volatility is defined as the state of something being likely to change quickly. It's a word that can feel abstract until you watch it play out in a spreadsheet, a warehouse, or a cash reserve. This piece is an attempt to make it concrete, and more importantly, to ask what the industry's response to it can teach us about navigating the next shock, whatever form it takes.

What Are Tariffs and Why Did They Feel Unprecedented?

Tariffs are an additional cost on foreign goods, typically used to raise government revenue, protect domestic industries, correct trade imbalances, or serve as leverage in negotiations. Importers pay tariffs to the government of a destination country to allow a product to clear customs. Before 2025, most people working in the green coffee trade in the US or EU had never dealt with a tariff directly, as coffee had historically been exempted, even as coffee machine manufacturers felt the effect of steel and aluminum tariffs.[1] So, when tariffs arrived on coffee itself, there was no institutional memory to draw on. Everyone was building the plane while it was flying.

Going back almost 100 years, there is a precedent for how risky blanket tariffs on agricultural products can be. The last time the US imposed sweeping tariffs was 1930, with the Smoot-Hawley Tariff, intended to raise revenue and protect struggling farmers. It backfired badly.[2] Over a thousand economists warned against it before it was passed, trading partners retaliated immediately, and the resulting collapse in international trade deepened the Great Depression.

While the Smoot-Hawley Tariff was blunt and ineffective, many coffee-producing countries have strategically navigated tariffs and import bans to protect their domestic production—both short and long term. Mexico, for example, has historically implemented various tariffs on imported coffee. In 2024, it raised its tariff on imported coffee capsules from 0% to 20%,

explicitly to support domestic production.[3] Colombia, by contrast, used a lack of tariffs to its advantage throughout the twentieth century: in the 1930s it offered to lower its own import tariffs on US-manufactured goods in exchange for a commitment that its coffee would remain on America's duty-free list.[4]

The sweeping tariffs of 2025 had fast and far-reaching consequences. In the months before tariffs became official, the threat aimed at Mexico was already reshaping contracts as buyers deprioritized Mexican coffees in favor of origins not subject to tariffs. By April of 2025, tariffs took effect, fluctuating between 10% and 50% over the next several months. Later in the year, a 50% tariff on products from Brazil—the world's largest exporter of green coffee and the US's highest-volume trading partner for green coffee—sent a second wave of disruption and volatility.

Tariffs weren't the only contributor to the supply challenges coffee traders experienced in 2025. The European Union's deforestation regulation (EUDR), a law banning commodity imports from being sold in Europe unless they are proven deforestation-free, was delayed again, this time to December of 2026. These delays have created their own uncertainty, as actors try to predict exactly how EUDR will impact their work and supply chains. The industry is contending with two different kinds of volatility at once—tariff threats that are sudden and unpredictable, and impending compliance shifts that are designed to be long term but are slow to take shape. At the time of writing in July 2026, inventory levels remain low across the US and the market is inverted, meaning that nearby SPOT prices (coffee available now)[5] and upcoming futures are higher than deferred prices (coffee for delivery later). Basically, the most risky time is now and the future outlook is more stable.At the time of writing, tariff refunds are also underway: after the Supreme Court found the original tariffs unlawful, roughly $166 billion across all imported goods is being returned.[6]

In my conversations with coffee sector stakeholders, I wanted to discuss more than "what happened." I wanted to learn how they felt, responded, and adapted. As Phyllis Johnson, President of BD Imports and founder of the Coffee Coalition for Racial Equity, remarks in a webinar on tariffs with US Women in Coffee,[7] tariffs were a global challenge that somehow still felt "isolating and personal" to many. When we discuss them, she comments that "shared challenges foster solidarity." Amaris Gutierrez-Ray, VP of Coffee at Joe Coffee Company in New York City, concurred, saying they "chose to lean into connection, education, and peace where [they] could find it" and that "in every great crisis there's potential for truth and vulnerable connection." The following feature is built on conversations with a small number of actors about their strategies and experiences with this aim of collective learning.



A Shared Shock, Felt in Different Systems

One theme that came through clearly in my conversations was that stress and uncertainty around price volatility were collective experiences. Many coffee businesses—from traders to roasted coffee retailers—experienced a tension between needing to increase prices to cover tariffs and their ability to explain those changes to their partners. This felt especially pronounced for specialty coffee businesses who had expressed commitments to price transparency. I heard about this from roasters and importers of different sizes and resources: their systems weren't built to account for tariffs.

For example, Rob Stephen, Managing Director of Covoya Specialty Coffee, told me that their system for managing trades and contracts "didn't even have a field" for tariffs. "We had to tear apart our system and rebuild it with a tariff capability in it, which we had to do on the fly, because we didn't get a lot of notice," Stephen says. This was a major overhaul for an importer that sources from 18 countries and serves roughly a thousand customers. Sustainable Harvest, an importer based in Portland,

Oregon, faced a similar challenge. Their Chief Coffee Officer, Jorge Cuevas, described to me how they had to lean on an IT team to build a system that could account for tariffs. Cuevas said itemizing tariff cost on every invoice was, for Sustainable Harvest, a given, not something that was up for debate.

The same commitment came at a higher cost for smaller operators without that infrastructure. Deaton Pigot, founder and owner of Los Angeles-based roaster Tectonic Coffee, had no way to separate tariff costs within his sales platform, so he built a manual tracking spreadsheet across more than 5,000 transactions. He could have absorbed the tariff costs into his margins rather than separating them, he told me, but chose not to. "It felt ethically just not right," he said.

Many of the companies I spoke to saw price transparency as non-negotiable, even when their systems weren't built to provide it. For businesses that want to build resilience and maintain trusted customer relationships in the face of volatility, a lesson here is that price transparency isn't a static feature of a relationship. It's an active process—one that requires systems capable of explaining and accounting for costs as they change, and ongoing communication with partners. How can your business build systems robust enough to meet the accounting and documentation demands of price transparency while staying flexible enough to absorb unexpected changes?

> "Price transparency isn't a static feature of a relationship. It's an active process—one that requires systems capable of explaining and accounting for costs as they change."

Access to Capital Impacted Options

Among the roasters and importers I spoke to, one of the major factors that influenced their experiences of tariffs was their access to financial capital. Larger companies and those affiliated with multinational companies have a buffer that smaller businesses don't have.

For a small roastery like Tectonic Coffee, the response was urgent and the impacts profound. Pigot shares with me that three rounds of price increases weren't enough to offset the losses and that by December the company had burned through more than 90% of its cash reserves. Gutierrez-Ray said Joe Coffee had just invested in a roastery upgrade and that seeing the tariff invoices after the infrastructure upgrade was "sobering." Joe Coffee implemented a 1.5% surcharge on all transactions across 25 cafés, but only after exhausting every other option.

The co-founder of importing cooperative Cooperative Coffees, Bill Harris says, "We paid $1.3 million in tariffs, and we had to go to the bank and borrow that money. That was not in our cash planning." Harris says that the price of goods shot up 15% overnight.

One of my key takeaways from these conversations was that access to financial capital determines how much time and flexibility a company has to think creatively about how to respond. In situations of price volatility, coffee-sellers (both importers and roasters) with a financial buffer may have more room to experiment with new sourcing or pricing strategies. Businesses without this opportunity may need to make decisions under acute financial pressure and with narrower margins for experimentation or error. Building up cash reserves, while challenging, may be important for businesses of any size wanting to build capacity to respond thoughtfully—rather than react—to volatility in the future.

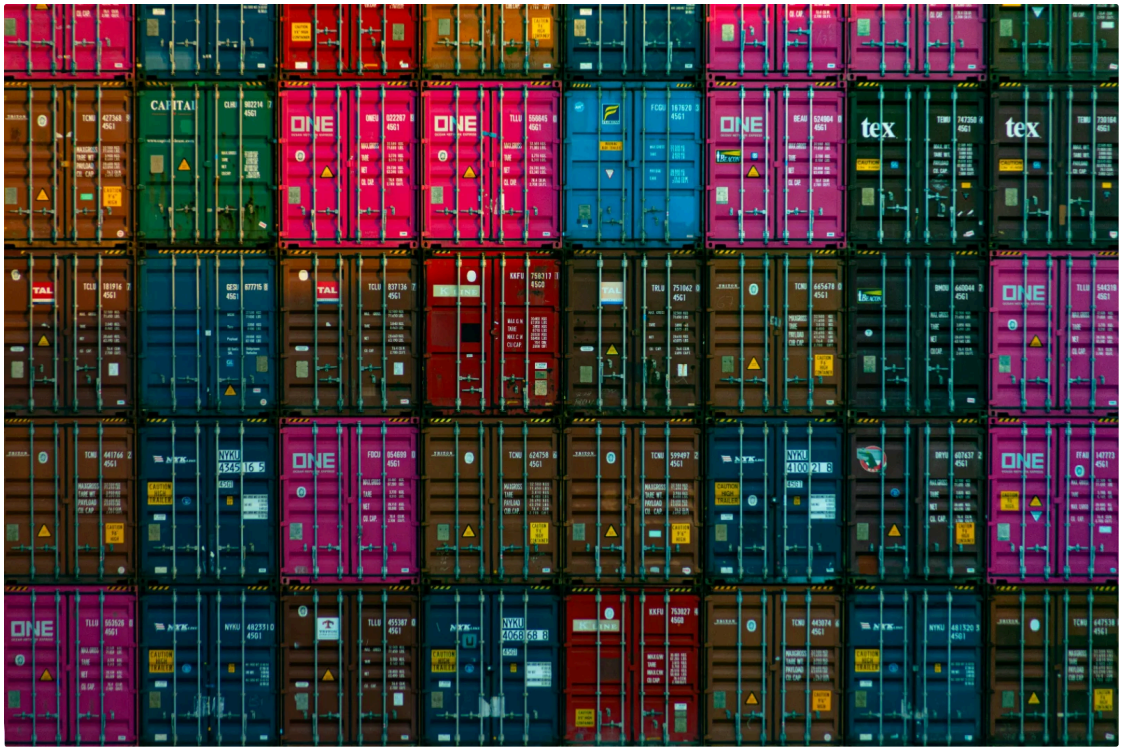
Diversification Was an Essential Strategy

It won't surprise readers to know that all of my conversation partners felt the impact of cumulative 50% tariffs on Brazil profoundly, as coffees from Brazil are a large part of many roasteries' total purchase volume and because Brazilian coffee prices impact the entire market. Everyone I spoke to mentioned that they diversified their portfolios to spread the risk.

Pigot from Tectonic Coffee told me that the roastery sourced 56% of its volume from Brazil pre-tariffs. With the announcement of a 50% tariff, they switched to sourcing coffees for these portfolio positions (particularly coffees for blends) from Mexico. Pigot noted that some of their coffee offerings changed character—"still kind of nutty, but definitely more fruit notes." Customers noticed the change, but sourcing coffees from another location allowed the roastery to survive a challenging period.

Harris, who also co-owns Café Campesino roastery in Americus, Georgia, US, said that his coffee menu went from dozens of coffees available annually to a streamlined offering that was more aligned with seasonal coffees. He described the roastery as nimbler in their approach to coffee sourcing after changing their strategy to respond to inflated coffee prices. For example, he shares that they are more flexible in the coffees they choose for blend components, and that they accept they will stock some coffees only seasonally, if needed, rather than year round.

None of the businesses I spoke to had perfect plans in place for how to deal with shocks that impacted coffee pricing and sourcing. What I did hear, however, was that a willingness to adopt flexible sourcing practices—rerouting shipments, changing blend components, or rethinking a menu—was essential to their resilience. The increased diversity of coffee offerings has emerged as an important strategic response across the entire sector, one that is likely to outlast the tariffs themselves. For businesses looking ahead, the question is worth asking before the next disruption forces it: which parts of your sourcing do you treat as fixed—an origin, a blend component, a supplier relationship—and which of those are actually choices you could remake if you had to?



The Supply Chain Rerouted Itself in Real Time

Tariffs didn't just change what coffee cost—they changed how it physically moved. Sustainable Harvest, for example, decided to reroute coffee from Brazil via Asia and Europe rather than pay the tariffs. There were also logistics disruptions beyond businesses' control. Harris from Café Campesino compared the disruptions to the logistics and shipping chaos that characterized the COVID-19 period. He explained that everyone is used to a pattern whereby containers need to head toward Brazil at a certain time of the year, and that they now need containers in other countries.

Before 2025, importers routinely brought coffee into the US and transported it by rail to Canadian customers. Cuevas said that this stopped being efficient for Sustainable Harvest once tariffs were applied, so many importers split their shipments and sent containers directly to Canada to bypass tariffs. SPOT coffee couldn't be rerouted as easily, and Canadian roasters who depended on Sustainable Harvest's Seattle-based inventory saw their availability cut by 70% overnight. Stephen, anticipating that gap, front-loaded SPOT coffee directly into Toronto instead. "I sold it in about ten minutes," he said.

However, changes to SPOT allocations aren't necessarily permanent—or a cause for despair. Stephen said his SPOT portfolio was already rebuilding by April of 2026. For readers wondering how they can build resilience against logistical disruptions in future, it may be worth researching the current logistics routes of their coffee shipments and potential alternatives. Algrano's Iara Noronha and Rafael Studer suggest in a piece published on SCA News in 2025[8] that roasteries can build up their own "operational dashboard" to record key information about coffee logistics. This could involve requesting forecasts about when a coffee is ready to ship, information about the vessel number or shipping route, and estimated date of arrival at the warehouse. This knowledge means that you can quickly identify delays and make possible alternative plans even if a schedule shifts.



The Case for Cautious Optimism

Harris called 2025 "one of the most complex years to navigate" in three decades in coffee. Pigot agreed without hesitation. "2025 is definitely the hardest year in business that I've ever experienced." Many readers may be nodding their heads in agreement.

But every person I spoke with also pointed, unprompted, to something they'd gained. Gutierrez-Ray said there hasn't been another moment in her career where a single event triggered a butterfly effect in conversation like this one did. "We took each tough conversation as it came, and prioritized being present in all of it," she commented. Stephen described a surge in financial literacy among clients who'd never had to think this closely about their own margins. "Everybody who was spreadsheet averse had to become spreadsheet fluent," he said. The experience strengthened the team at Covoya and solidified their external customer relationships. In fact, no importer I spoke to lost a customer as a result of tariffs.

Harris said his team is more knowledgeable and nimbler now than before the crisis started. Café Campesino has not lost a customer because of price increases; instead, they have seen more engagement with customers after they introduced a quarterly market overview webinar. Gutierrez-Ray said their baristas had to become equipped with a more comprehensive

understanding of green coffee sourcing so they could effectively communicate to their customers, noting that it was a great opportunity to pull back the curtain for their customers and for customers to learn how to communicate honestly and authentically.

Pigot, who raised their prices three times, said that in 2026 Tectonic Coffee's volume was at an all-time high. Cuevas, ever upbeat, pointed to the industry's demand curve as the real story. "After all of the chaos that we just described, coffee consumption did not drop. That is a tremendously resilient industry," he said.

The data back him up. US retail coffee prices increased around 30% in 2025 and yet consumer demand didn't retreat—specialty coffee consumption hit a 14-year high in 2025, according to the National Coffee Data Trend and Specialty Coffee Report. In January of 2026, the same report found that 58% of American adults have consumed specialty coffee in the past week and that the younger generation prefers specialty coffee over traditional.

> "Systems got rebuilt overnight. Sourcing got diversified out of necessity. Pricing transparency became the expectation, not an option."

That's worth sitting with. It suggests the "knowledge and nimbleness" Harris describes isn't unique to his company; it's a fair description of how the specialty coffee sector as a whole absorbed a shock most of its businesses had never anticipated. Systems got rebuilt overnight. Sourcing got diversified out of necessity. Pricing transparency became the expectation, not an option. None of that undoes the losses of 2025, but it does mean that if the industry faces another period of uncertainty, it won't be starting from zero. If 2025 was hard for you as a coffee business, you were not alone, and the same instincts that got the industry through it once are already in place for next time. ◊

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[5]SPOT coffee is coffee that's purchased from landed inventory lists, rather than through advance contracts. Disruptions during 2025 limited the amount of coffee imported into the US, thinning inventories and intensifying market tension.

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