



ROASTERTOOLS

Why Coffee Roasters Need to Evaluate Prices Regularly



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Times are tough for coffee roasters. Margins are shrinking. Costs are climbing. And too many roasters are still charging 2021 prices in a 2025 economy. With competition rising and expenses ballooning across the board, roasters are doing everything they can to trim inefficiencies and cut costs—but it's still not enough.


So what can you do to make sure your roasting business stays afloat while costs continue to climb?


Evaluate and Raise prices.


We know, we know. Easier said than done, right?


Evaluating your prices requires a thorough review of your internal systems, supply costs, and current financial standing. While it's an in-depth process, it empowers your business with the insight necessary for maintaining a healthy bottom line by raising prices strategically rather than reactively.

In this eBook, you'll learn why evaluating and raising the price of your coffee products is a critical business tactic, plus:

 The various factors affecting the cost of running a coffee roasting business

 Formulas and examples you can use to calculate your price increases

 How to communicate these price changes to retail customers and wholesale clients

 How often you should be raising your prices to run a profitable business

Pricing your coffee shouldn't feel like a burden. And once you've finished reading this eBook, you'll have the tools and tips you need to confidently evaluate and raise prices at your coffee roastery.

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Why Do Coffee Roasters Need to Raise Their Prices?

At RoasterTools, we have the privilege of speaking with roasters from all over the country. When we discuss raising the price of their coffee products, many of them are hesitant to do so in anticipation of losing customers.

However, once we ask one simple question, they change their tune...

**What's more sustainable:
adjusting your prices—or risking
the health of your business?**

Raising prices isn't greedy. It's not a snap judgement or quick decision. **It's a strategic action designed to ensure the longevity and prosperity of your coffee roasting business.**

If you fail to evaluate and update your prices as the cost of business continues to climb, you'll watch your profit margins dwindle year after year—threatening the possibility of success in the future.





3 Key Factors that Affect Costs for Coffee Roasters

Roasted coffee prices aren't randomly chosen. They're the result of critical cost evaluation and calculations. However, there are three areas of costs directly affecting coffee prices today that coffee roasters cannot ignore.

1) Coffee Industry Influences

Unless you've been living under a rock (or purposefully ignoring the news,) you know that the cost of green coffee hit record levels in 2025. As of the publish date of this eBook, the price of green coffee on the commodity market is hovering around \$3.90/pound.

In comparison, the price of coffee in January 2021 clocked in around \$1.36/pound.

Higher prices for green coffee affects how coffee roasters:

- Create coffee blends for retail and wholesale customers
- Lock into green coffee contracts with importers and producers
- Devise a product lineup of single origin and blends
- Calculate prices for coffee products and café beverages

As green coffee prices continue to rise, coffee roasters need to get creative about managing this cost. Outside of raising prices, roasters can aim to grow sales through new sales channels like wholesale and ecommerce platforms. Increasing the volume of coffee that needs to be roasted allows roasters to lock into larger green coffee contracts and earn competitive pricing and conditions.

2) Economic Influences

The cost of **everything** is rising thanks to economic influences across the globe. While consumers are concerned over the price of eggs and other groceries, coffee roasters are watching as the cost of crucial supplies increase seemingly overnight.

Coffee roasters rely on a plethora of supplies that come from other areas of the globe, including but not limited to:

- Bags
- Labels and stickers
- Shipping supplies including boxes, tape, filling, bubble wrap, etc.

Plus, energy costs around the country are rapidly fluctuating, with some regions seeing astronomical increases in monthly utility costs. As utility costs such as gas and electric rise, coffee roasters must be mindful of how these fluctuations will affect their bottom line.


3) Push for Living Wages across the Supply Chain

Producing quality coffee relies on the skilled labor of every individual across the supply chain, from farmers and producers to roasters and baristas. And as minimum wages across the country also increase to match cost of living increases, these hourly labor cost changes directly impact the price of a bag or cup of coffee produced in the United States today.

In the specialty coffee industry, there has historically been a discrepancy of wages across the supply chain, with some actors receiving far less than necessary to make a sustainable living. Fortunately the industry is experiencing a strong and growing movement to remedy this disparity. However, in order to increase wages equitably for all, businesses must first bring in an adequate amount of revenue to cover costs while improving hourly wages or salaries for their employees.

There's a reason flight attendants tell you to put on your oxygen mask before helping others. Your business needs to be doing well first before you can assist others. Otherwise, it ends in disaster for all.

It is honorable and noble to want to pay your staff a fair living wage. However, you won't be able to do this if your prices aren't set appropriately to cover costs, drive revenue, and generate a healthy profit margin.



Our 3-Step Process for Evaluating Prices

Remember, raising prices doesn't happen overnight. You need to take the time to thoroughly evaluate all of your expenses, proposed price increases, and potential returns before making a decision.

This process may seem daunting, but if you follow this process it won't be nearly as complex! And once you've done it, you have the systems and documentation in place that it is easier to update when you're reviewing pricing.



STEP 1

Evaluate Existing Product Costs

STEP 2

Compare Margins to Your Existing Prices

STEP 3

Adjust Prices!



STEP 1

Evaluate Existing Product Costs

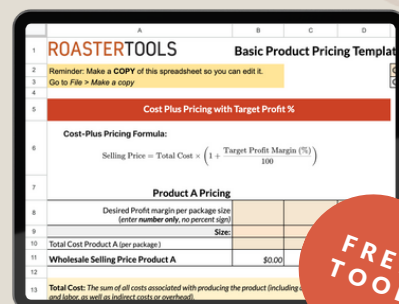
! Do not skip this step !

We understand that it's tempting to look at your current prices and quickly raise them by 5% across the board. But this haphazard approach to pricing likely won't move the needle as much as you need it to.

Why? Because each product in your lineup has a specific cost associated with producing it. Some products, such as exclusive single origin coffees, will have a higher cost of goods sold (COGS) than a custom coffee blend created for your local diner. Will raising the price of both products by 5% truly protect your margins? ***The only way to find out is to do the math.***

The first step in raising prices requires you to examine the costs to produce your products.

Hey! We've got a **FREE** **wholesale pricing tool** that has templates and formulas to gather all the costs to help you determine prices - take a look!



Coffee Product Costs

Direct Labor

Managing labor costs is an integral component of setting prices. *Do you know how much it costs your business to roast, package, and fulfill every wholesale and retail product?* You need to if you want to price products appropriately!

Since it is better to have a larger set of data than to look at 1 roast day, we suggest you calculate direct labor costs by reviewing the numbers from 1 month. Estimate the labor cost to roast and package coffee for 1 month in relation to the amount of beans you're roasting that month. This will get you your labor cost per lb.

Costs over a 1 month period

(Roast Labor + Packaging and Fulfillment Labor)
/ Lbs Roasted = \$labor/lb

★ TIP

If some people do multiple roles and you only want to include part of what you've paid them, we suggest estimating the percent of time spent on coffee and only including that part of their labor cost.

If your labor costs feel a bit too high, we recommend evaluating your internal production processes. Are those pesky inefficiencies causing staff to repeat tasks over and over? Are they going back to correct mistakes that could have been avoided in the first place? **One of the best ways to control labor costs is to streamline internal processes to promote efficiency.**

Coffee Costs

We reviewed how green coffee costs are climbing, but as roasters know: *not all green coffee is created equal.*

Roasters have a variety of green coffees in inventory, from tried and true affordable blenders to intriguing coffees produced with new processes such as co-fermentation or carbonic maceration. Each green coffee serves a purpose and comes with a unique cost.

This is why simply raising prices by a blanket 5% won't work for every product in your portfolio. But more on that real soon...

Don't forget about Weight Loss! You have your green cost per pound, but when calculating the cost of coffee that goes into a package, it is critical to factor in weight loss from roasting. Common weight loss ranges are 13-17% - that will have a BIG impact on your cost. You need to make sure you're taking that into account when you're figuring out the cost of a product.



Packaging and Supplies

Far more goes into a finished product than roasted coffee—and it all comes at a cost.

From your custom-designed bags to the shipping boxes used to send online orders, every element of your product and customer experience costs money to produce. If you're failing to factor these supplies into the price of your coffee products, you're missing out on a key element of calculating your product costs.

Supplies can include:

- ☛ Coffee bags (Each size and type of bag will have it's own cost)
- ☛ Bag labels and/or stickers
- ☛ Tape or tags
- ☛ Shipping boxes, tape, and labels
- ☛ And more!

Overhead/Fixed Costs

Lastly, your overhead and fixed costs will impact the price you charge for your coffee.

Overhead and fixed costs include:

- ☛ Utilities – Gas, electricity, water
- ☛ Rent / Mortgage
- ☛ Insurance
- ☛ Loan & Equipment Payment Plans
- ☛ Marketing
- ☛ Professional Fees – Bookkeeping/Accounting, Legal
- ☛ Licenses & Permits
- ☛ Other general business expenses not connected to production

While some of these expenses are not directly tied to the cost to roast or fulfill a bag of coffee, they are still costs your business incurs. It is wise to have a full understanding of these expenses before determining pricing for your coffee products.

Calculate the Total Cost of Goods Sold Per Bag of Coffee

It's not enough to know how much you spend on average to roast and sell coffee. **You need to know your per product costs.** And remember, each product—from a 5lb bulk bag of your signature blend to a 12oz limited anaerobic process lot from Costa Rica—has a specific production cost associated with it.

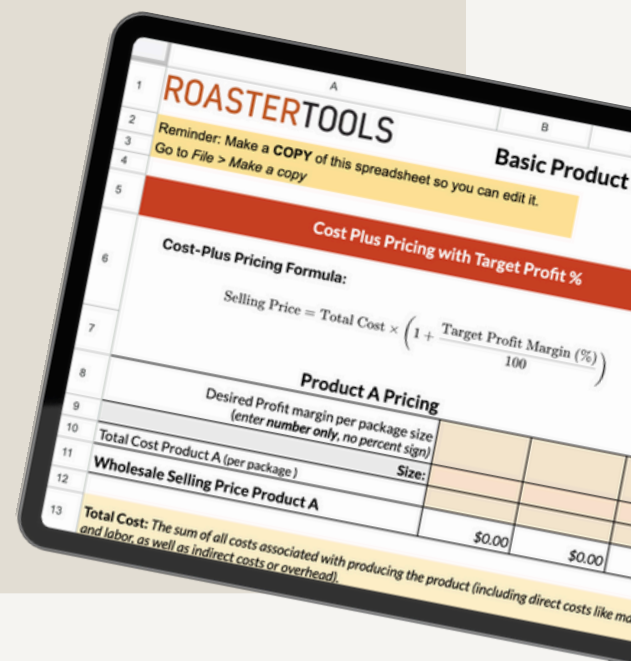
👉 To calculate your cost of goods sold, add together the direct labor, green coffee, packaging and supplies, and overhead costs per product.

Download Our FREE Wholesale Pricing Tool!

We know you'd rather be roasting or focusing on other areas of your business, but understanding your pricing strategies is an important part of running a profitable business. **That's why we've created a free and easy pricing tool for roasters to use!**

With this tool, you'll save time when raising prices and know exactly what you need to charge for each product to meet your profitability goals. Give it a try and download it (for free!) now.

[Download Tool](#)



STEP 2

Compare Margins to Your Existing Prices

Once you know how much it costs to produce each product in your lineup, it's time to compare this to your current prices and the resulting profit margins. Doing so will help you answer important questions, such as:

- ❶ What is my current profit margin (per product)?
- ❷ Is this margin higher or lower than the last time I reviewed my prices?
- ❸ Did my cost of goods sold increase, remain stable, or decrease? If so, by how much?

★ PRO TIP

Don't forget to review your pricing tiers as well! Many wholesale coffee roasters offer tiered pricing options for clients based on volume purchased, long-term relationships, or other contractual obligations. Be sure to review the margins of all pricing tiers or options you extend to clients—you may find that the old prices or volume guidelines no longer produce the margins you need to succeed.

STEP 3

Adjust Prices!

If you discover that your existing products either have diminishing returns or are no longer sustaining your business for the long-term, it's time to raise your prices.

Though we're approaching this systematically, pricing is also an art. We need to run the numbers but then decide what the new price will be that is best for the business, without pushing away customers. Start by calculating what your new prices would be if you increase each by various percentages.

Some guidelines for price increase ranges:

- 2-3%: Modest, annual type adjustments, smaller impact to customers
- 3-5%: Standard but more room to keep up with inflation/costs
- 5-7%: Starting to feel significant - use when costs have really jumped
- 8-10%: Mainly used in extreme circumstances - may be risky and feel aggressive to your customers (major supply chain disruptions, etc.)

★ PRO TIP

Don't forget to calculate these increases for your various wholesale pricing tiers based on order volume. And, remember that the percentage increases may vary depending on the size of your bags!

Start With Your Top Products

Depending on your business model, you may have a whole laundry list of product costs and prices to analyze. If it's too cumbersome to go through and evaluate a long list of products, start with your top three best sellers. **Price adjustments on your top products will have the greatest impact on your bottom line, so focus on those products first!** Then when your time frees up, you can make adjustments to the rest of your product line.

To decide on how much to update your prices, you don't need to be a math genius. You just need to test a few scenarios and see what works.



Example

Let's follow Sarah's Roastery. When her costs went up, she knew she needed to increase prices, but she had to figure out how much. Here's what she discovered when she ran the numbers:

Sarah's House Blend

	Current situation	2% Increase	4% Increase	6% Increase
Price per bag:	\$55	\$56.10	\$57.20	\$58.30
Profit margin:	23.5%	29%	31%	33%
Sarah's gut check:	Margin too small	❌ Still a little low on margin	✅ Better margin, but not a huge increase	❌ "Might cause pushback"

Sarah's decision:

4% increase on her House Blend. It's meaningful enough to help margins but modest enough that customers will understand it's just keeping up with rising costs.

👉 KEEP IN MIND!

These are just examples to get you thinking about how to best raise prices in your roastery. Having a healthy mix of profit margins between your blends, single origins, wholesale offerings, and retail products will help you achieve your business goals—but *only if you put in the work to calculate how much you need to raise prices by!*

Next up: Let's talk about how to actually communicate these changes to your customers without losing their trust...

How Often Should You Review Prices?

We recommend reviewing and raising prices annually.

Raising prices often seems like a massive ordeal to business owners and customers alike. This is why we suggest raising prices in small increments each year. If you keep the same prices for three years and then do a large adjustment to reconcile your margins, your customers are going to be caught off guard (and possibly frustrated.)

Instead, regularly executing small increases (typically 2 - 3% annually) ensures that customers don't get hit with a huge increase at once and are more understanding while you continue to cover your costs accordingly.

That said, you should aim to recalculate your costs at least once per year, as costs across the supply chain and your organization can fluctuate throughout the year. Your goal with these reviews is to ensure that your costs remain stable or determine what actions can be taken to manage expenses in the short and long-term.

★ BONUS TIP!

If you've read our content before, you've likely heard us say to use the *"Complain and Buy"* approach to pricing coffee products. This is when the customers may complain a little bit about the price, but ultimately still buy the product because they understand the value of your hard work, quality, and brand.

The trick is, if no one is complaining about your prices... *they're probably too low!*

I'm Worried My Customers Will React Negatively to a Price Increase. What Can I Do?

It's perfectly normal to be concerned about customer reactions to a price increase. You worked hard to earn these customers and you want to keep them.

But chances are these customers didn't give you their business because of your prices. You earned their money because of the quality and experience you deliver through your coffee. **More often than not, customers completely understand the need to increase prices.**

Fortunately, there are a few tips and tricks you can use to diffuse some of the tension and seamlessly roll out new pricing without worry.





Product Variation

Customers are less apt to complain about a higher price when there are multiple products to choose from. Product variety ensures that customers can find a coffee that not only suits their flavor preferences, but also budget.

But don't forget, variety doesn't just mean a healthy assortment of blends, decaf offerings, single origin lots, and limited edition or seasonal coffees. **It can also mean offering a variety of bag sizes!**

Giving customers different product sizes to choose from—much like ordering a cup of coffee—offers them the power to select the product that best fits their needs. Consider adding 4oz, 1lb, 2lb, and even 5lb bag offerings to your lineup to vary the pricing tiers for customers.

Clear, Direct Communication

Guess what? There is no rule stating that you have to communicate a price increase to your customers. However, in today's world, customers value transparent communication from businesses they frequent.

We recommend sharing the news about a price increase with customers. This gives customers time to digest the news and adjust accordingly. And if you're not the world's greatest communicator, don't worry! We've got you covered. Try using this email template to communicate price increases to your audience:



EMAIL TEMPLATE

Hello Loyal [Insert Brand Name] Customers,

I hope you're doing well and enjoying your morning coffee as much as we enjoyed roasting it for you!

I wanted to reach out about a pricing adjustment we're making starting [Date]. Like everyone else, we've been feeling the pinch from rising costs - everything from the green coffee beans we source to the bags we package them in has gone up over the past year.

We know nobody loves price increases (trust me, we don't either!), but this small change helps us continue sourcing those amazing beans and maintaining the roasting standards that make our coffee special.

I've attached an updated price list. If you have any questions, just hit reply. Thanks for sticking with us - your support means everything to us.

Best,
[Your Name]

There's No Better Time to Update Your Prices Than Right Now

Listen, the longer you put off evaluating and increasing your prices, the tighter your margins will become. And the bigger the adjustment will need to be to get back to a good margin. It's in your best interest to brew yourself a cup of your favorite coffee, pull up a chair, and get to work.

But you don't have to do it alone. With our [pricing tool](#), this eBook, and the determination to run a profitable business, you've got this!

Download Tool



ROASTERTOOLS Basic Product Pricing

Reminder: Make a **COPY** of this spreadsheet so you can edit it.
Go to File > Make a copy

Cost Plus Pricing with Target Profit %

Cost-Plus Pricing Formula:

$$\text{Selling Price} = \text{Total Cost} \times \left(1 + \frac{\text{Target Profit Margin (\%)}}{100} \right)$$

Product A Pricing

Desired Profit margin per package size (enter number only, no percent sign)	Size:		
Total Cost Product A (per package)			
Wholesale Selling Price Product A			
Total Cost: The sum of all costs associated with producing the product (including direct costs like materials and labor, as well as indirect costs or overhead).		\$0.00	\$0.00



ROASTERTOOLS

RoasterTools is the comprehensive business solution for coffee roasters to take orders, increase fulfillment accuracy and dramatically cut down on time & labor. Scale your roasting business confidently, eliminate human errors, and drive growth through automated solutions.

Check out these useful resources for your roastery:

COFFEE BOOKS & PUBLICATIONS

[Roast Magazine](#)

[Fresh Cup Magazine](#)

["The Coffee Roaster's Companion" by Scott Rao](#)

["Modulating the Flavor Profile of Coffee: One Roaster's Manifesto" by Rob Hoos](#)

["The Book of Roast: The Craft of Coffee Roasting From Bean to Business," by Roast Magazine](#)

["Green Coffee: A Guide for Roasters and Buyers" by Chris Kornman](#)

COFFEE ROASTING ORGANIZATIONS

[Specialty Coffee Association](#)

[Coffee Roaster's Guild](#)