**Headline:** The Rising Cost of Your Morning Brew: How Climate Change Is Brewing a Coffee Crisis

**Teaser:** Severe weather, shifting trade policies, and a lack of support for small farmers are driving coffee prices sky high. Without urgent investment, your daily brew could become a luxury.

By Kate Petty

**Author Bio:** Kate Petty is an educator, writer, and environmental activist. She has worked with the [New York Nature Conservancy](https://www.nature.org/en-us/about-us/where-we-work/united-states/new-york/) and various United Nations initiatives, including UNICEF, the [World Association of Non-Governmental Organizations](https://www.wango.org/), and the [Universal Versatile Society](https://www.uvsociety.org/) to promote education, social justice, and solution-oriented projects for a healthier planet. She is a contributor to the [Observatory](https://observatory.wiki/Kate_Petty).

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**[Article Body:]**

In January 2025, the price of coffee reached an “[all-time high](https://www.foodandwine.com/coffee-prices-record-high-8782049)” for consumers in the United States; it is now poised to rise throughout the world. In May 2025, an article in Deutsche Welle [stated](https://www.dw.com/en/coffee-prices-hitting-record-highs-expensive/video-72688753) that “the era of cheap coffee may be over.” This anticipated outcome is due to a combination of factors, including extreme weather, shrinking harvests, shifting trade policies, and rising production costs, which are straining the global supply chain. Meanwhile, the demand for coffee [continues](https://www.nytimes.com/2024/12/28/business/coffee-prices-climate-change.html) to rise.

Climate disruptions, such as prolonged droughts followed by excessive rain, are being seen in Vietnam and Brazil, the [two largest coffee-producing countries](https://www.nescafe.com/gb/coffee-culture/knowledge/coffee-producing-countries). They are responsible for nearly [50 percent](https://openknowledge.fao.org/server/api/core/bitstreams/8135b05e-a013-4080-b8f6-a6ac5b02230a/content) of the world’s coffee supply, and their losses have led to a decline in yields and an increase in prices. In November 2024, Coffee Intelligence [reported](https://intelligence.coffee/2024/11/coffee-prices-surge-to-47-year-highs) that coffee prices had surged to a 47-year high.

At the same time, farmers have had to pay more for fertilizers, transportation, and labor. All these factors have contributed to the rising retail prices. “Many producers are grappling with increased production costs due to inflation and climate-related disruptions,” explained a March 2025 [article](https://intelligence.coffee/2025/03/adapting-to-changing-coffee-prices/) in Coffee Intelligence.

The situation is likely to worsen owing to climate change. “Coffee plants will grow less productive as the earth’s temperature continues to rise, and practices like deforestation will continue to threaten the sustainability of the industry,” [stated](https://www.nytimes.com/2024/12/28/business/coffee-prices-climate-change.html) a January 2025 article in the New York Times.

**Fluctuating Coffee Prices**

Coffee is one of the world’s most widely traded commodities, [second only](https://www.tastingtable.com/1017182/coffee-is-one-of-the-most-traded-food-commodities-in-the-world/) to oil. Grown primarily in tropical regions, it is consumed across every continent. Historically, coffee prices have fluctuated, [spiking](https://www.purecoffee.sa/blog/the-coffee-blog-1/the-economics-of-coffee-market-trends-and-forecasts-14) during crop failures caused by extreme weather conditions or political instability in major coffee-producing countries, such as Brazil and Vietnam, and plummeting during periods of oversupply.

“The rising coffee prices are part of a larger, global challenge driven by climate change, economic pressures, and geopolitical uncertainty,” said Yannis Apostolopoulos, the CEO of the [Specialty Coffee Association](https://sca.coffee/) (SCA), in a January 2025 article in [Food & Wine](https://www.foodandwine.com/coffee-prices-record-high-8782049). Apostolopoulos added that while consumers in the United States may see fluctuations in pricing at retail establishments and cafes, the effects were being felt most “acutely by coffee producers around the world, many of whom are already vulnerable to market volatility and the effects of climate disruptions.”

According to a 2023 article in the Guardian, coffee-producing regions have been hit by a series of extreme weather events over the past four decades. According to a study by PLOS Climate, these will lead to “[ongoing systemic shocks](https://journals.plos.org/climate/article?id=10.1371/journal.pclm.0000134)” in global coffee production. Layered atop these are shifting trade policies, soaring shipping costs, and persistent supply-chain bottlenecks. These further strain the coffee market and threaten the livelihoods of [125 million people](https://www.fairtrade.org.uk/farmers-and-workers/coffee) who depend on it.

In 2024, the rise in prices led to a [3.8 percent](https://intelligence.coffee/2025/06/how-far-can-coffee-price-hikes-go/) decline in coffee consumption in North America and Europe. In January 2025, retail prices for ground coffee in the United States reached record highs, with some cases rising by [75 percent](https://www.cbsnews.com/news/why-are-coffee-prices-so-high-inflation/) from their levels in January 2020. “Consumers are adapting by drinking more coffee at home, with only 30 percent of consumption happening outside the home, down from 60 percent pre-COVID-19,” stated an April 2025 [article](https://thefuturemedia.eu/the-impact-of-rising-coffee-prices-on-consumer-habits) in Future.

According to a March 2025 report by the [Food and Agriculture Organization of the United Nations (FAO)](https://openknowledge.fao.org/items/746931ac-36b8-463f-8d7b-446585158047), “in December 2024, Arabica, the higher quality coffee favored in the roast and ground coffee market, was selling at 58 percent up on a year ago, while Robusta, used mainly for instant coffee and blending, saw a price surge of 70 percent.” These compounding pressures are shrinking profit margins for producers and ultimately contributing to higher prices for consumers at cafes, supermarkets, and beyond.

**Grounds for Concern**

According to the 2024-2025 data provided by the Foreign Agriculture Service of the [United States Department of Agriculture (USDA)](https://www.fas.usda.gov/data/production/commodity/0711100?utm), Brazil remains the largest producer of coffee globally, contributing approximately 37 percent of the world’s production, with a primary focus on Arabica beans. Vietnam ranks second, supplying around 17 percent of the global output; it produces mainly [Robusta coffee beans](https://www.gcrmag.com/brazil-and-vietnam-kings-of-the-crop/). Brazil has endured historic droughts in recent cycles, drastically reducing both flowering and harvests. “The problem for over five years now is how the coffee regions are hot and dry,” says Marco Antonio Jacob, a Brazilian economist, according to a 2024 [article](https://www.gcrmag.com/reality-hit-brazils-coffee-industry-still-struggling-to-recover/) in the Global Coffee Report.

Highlighting the extreme climatic conditions being faced by Brazil, its National Center for Monitoring and Early Warning of Natural Disasters [said](https://insideclimatenews.org/news/03122024/todays-climate-droughts-coffee-prices/) in September 2024 that it was facing the “most intense and widespread drought in history.” Simultaneously, Vietnam has experienced periods of prolonged dryness followed by intense rainfall, which has damaged crops and triggered [production deficits](https://www.nasdaq.com/articles/global-weather-events-underpin-coffee-prices?utm_source=chatgpt.com).

Speaking to the [Canadian Press](https://www.thecanadianpressnews.ca/environment/drought-in-brazil-vietnam-highlight-climate-changes-impact-on-coffee-experts/article_d8ca766a-68f5-5227-ba82-b4baa9c90059.html) in 2024, Adam Pesce, president of Reunion Coffee Roasters headquartered in Oakville, Ontario, remarked, “We’re seeing climate change really impacting coffee prices in a major way. It is a perfect storm sort of scenario when you have the two biggest coffee-growing countries in the world having the same sort of challenges in the same year. It’s never really happened before, and that’s why you see not just a pop in prices, but the pop being sustained.”

Scientists warn that these volatile conditions, driven by shifting climate patterns, will continue to reduce both the yield and quality of coffee crops. A study published in 2022 in MDPI, a publisher of peer-reviewed open-access journals, stated that “the Intergovernmental Panel on Climate Change (IPCC) reports indicate that climate change (CC) will reduce worldwide yields on average and decrease coffee-suitable land by 2050.” With global demand remaining strong, these climate disruptions are expected to keep prices elevated for the foreseeable future.

**A Casualty of Climate Change**

As extreme weather events increasingly disrupt once-predictable growing seasons, Brazil and Vietnam are among the countries most severely affected, according to the [Food and Agriculture Organization](https://www.fao.org/newsroom/detail/adverse-climatic-conditions-drive-coffee-prices-to-highest-level-in-years/en?). Industry experts warn that a significant portion of current coffee-growing land could become unsuitable in the coming decades if the climate crisis isn’t addressed. “Estimates show that 30 years from now, basically 50 percent of coffee lands as we know them today will not be viable for coffee production anymore,” [said](https://www.bloomberg.com/news/features/2023-12-18/coffee-s-future-looks-bitter-as-climate-change-hits-from-brazil-to-vietnam?embedded-checkout=true) Philipp Navratil, chief executive officer at Nestlé Nespresso, as quoted in a 2023Bloombergarticle. A 2022 study [published](https://journals.plos.org/plosone/article?id=10.1371/journal.pone.0261976) in PLOS One confirmed this, stating that coffee-growing regions would be most vulnerable due to climate change, with “negative climate impacts dominating in all main producing regions.”

The main issue is likely to be the availability of land to ensure the production of high-quality coffee. “Because higher-altitude coffees tend to be higher-quality coffees, rising temperatures will force farmers up the mountainside to seek out the cooler temperatures that specialty coffee needs. But as farmers move up the mountainsides, there is less and less land available for coffee,” [explained](https://perfectdailygrind.com/2018/11/sustainability-in-coffee-what-are-the-main-issues/) Alex Morgan, former chief markets officer at Rainforest Alliance, while speaking with the Perfect Daily Grind in 2018.

The [drought](https://apnews.com/article/brazil-drought-amazon-wildfires-smoke-heat-7d96dbbf5c4339050fb24bbbde6c3b82) in Brazil in 2024—driven largely by [El Niño](https://www.climate.gov/enso), a natural Pacific warming cycle intensified by climate change—has taken a lasting toll on the country’s coffee sector. The drought was followed by sharp cold snaps and torrential rains, further damaging key coffee-producing regions and leading to a significant decline in annual exports, according to a 2024 report published by [Progressive Farmer](https://www.dtnpf.com/agriculture/web/ag/news/article/2025/01/02/extreme-weather-hammered-coffee-2024?utm). Forecasts for 2025 continue to suggest less productive rainy seasons ahead, raising concerns about an incomplete recovery and the heightened risk of widespread [wildfires](https://news.mongabay.com/2025/01/after-a-searing-amazon-fire-season-experts-warn-of-more-in-2025/), particularly in vulnerable areas of the Brazilian Amazon.

Coffee has become a cornerstone of Vietnam’s agricultural economy. However, its expansion has unfolded alongside growing climate pressures that now pose serious risks to the industry’s long-term viability. According to the [Columbia Climate School](https://news.climate.columbia.edu/2020/11/13/vietnam-coffee-climate-resilient/), “Coffee is a big business in Vietnam, accounting for 3 percent of its gross domestic product and about 15 percent of its agricultural exports. But climate variability and change are threatening the country’s coffee crops. Rising temperatures and extreme weather have subjected Vietnamese coffee farmers to increasing uncertainties: longer droughts, more frequent floods, and severe outbreaks of pests and diseases that result in reduced productivity.”

According to the [Climate Impacts Tracker Asia](https://www.climateimpactstracker.com/climate-change-poses-threats-to-coffee-production-in-vietnam/), climate-related natural disasters—including storms, floods, and droughts—have repeatedly disrupted agricultural output in the central and central highlands regions, the country’s primary coffee-growing areas, leading to reduced exports. Looking ahead, further supply constraints remain a concern, as growers continue to grapple with worsening climate conditions, most notably [water scarcity](https://www.sciencedirect.com/science/article/abs/pii/S0301479722024549) and increasingly strained irrigation systems.

**Global Gridlock and Trade Turbulence**

Compounding these climate-driven setbacks are economic pressures, especially shifting trade policies, which have become significant disruptors of global supply chains, adding layers of complexity and cost when the industry is already grappling with climate-related challenges. Many coffee-exporting countries are vulnerable to increased tariffs when they export their beans to major consuming markets, such as the [United States](https://www.cbsnews.com/news/tariffs-coffee-price-trump/), Europe, and Asia.

Beyond direct costs, tariffs can lead to delays at ports owing to increased customs scrutiny, thus further slowing the flow of goods. Additionally, changing trade agreements and protectionist policies create uncertainty for producers and exporters, complicating long-term planning and investment.

A major concern is the impact on small and mid-sized coffee roasters that lack the financial cushion of larger corporations. Higher import costs on roasted and processed coffee reduce profit margins and limit consumer choice. Grocery retailers may also experience price hikes for packaged ground coffee if production expenses rise due to added import taxes.

In 2025, coffee industry leaders raised concerns about potential disruptions from evolving trade policies. “The added uncertainty surrounding cross-border commerce makes it difficult for our members to plan ahead,” [said](https://digest.coffee/2025/03/24/how-will-trade-tariffs-drive-up-us-coffee-prices/) Bill Murray, president and CEO of the [National Coffee Association](https://www.ncausa.org/), which represents the $343-billion U.S. coffee industry. “We urge policymakers to consider how essential commodities like coffee are impacted.”

“The consequences of high tariffs are cataclysmic for the industry,” said Christopher Feran, an independent coffee consultant and founder of [Aviary Coffee](https://aviary.coffee/), as quoted in [Fresh Cup](https://freshcup.com/trumps-tariffs-throw-the-coffee-industry-into-chaos/?), which tells stories and promotes education about the coffee and tea industries.

“Tariffs… don’t just disrupt business. They dismantle trust and undo climate adaptation efforts,” noted a [blog](https://ebrucoffeeco.com/blogs/culture/the-real-cost-of-2025-s-coffee-tariffs-ebru-coffee) by Ebru Coffee Co., a single-origin, sustainable coffee producer, roaster, and retailer based in Audubon, Pennsylvania. “They push farmers, many of whom are already on the brink, back into exploitative systems that pay less, demand more, and care little for the land.”

**From Seed to Cup**

According to the [Food and Agriculture Organization of the United Nations](https://www.fao.org/markets-and-trade/commodities-overview/beverages/coffee/en?), the coffee industry sustains the livelihoods of some 25 million farmers. It creates additional employment throughout the [coffee value chain](https://yourcoffeesite.com/global-coffee-value-chain/)—the full range of activities and stakeholders involved in the production, processing, distribution, and sale of coffee, from seed to cup.

For many low-income countries, coffee exports represent a significant source of revenue, generating foreign currency reserves that are essential for securing access to global markets for the import of goods and services. For instance, Vietnam’s export turnover has increased over the past five years, rising from $2.66 billion in 2020 to $5.48 billion in 2024, according to figures published by [Vietnam Briefing](https://www.vietnam-briefing.com/news/vietnam-coffee-market-a-deep-dive-into-its-consumers-challenges-and-prospects.html/).

The [coffee supply chain](https://club.atlascoffeeclub.com/coffee-supply-chain/) is a complex global network that reaches from small farms to multinational retailers. It begins with cultivation, primarily by smallholder farmers in tropical regions such as Brazil, Vietnam, Colombia, and Ethiopia. “Coffee is grown on 12.5 million farms around the world, predominantly run by smallholder farmers cultivating 5 hectares [12.3 acres] or less,” according to a 2022 global market [report](https://www.iisd.org/system/files/2022-09/2022-global-market-report-coffee.pdf). After harvesting, coffee cherries are processed—typically through either wet or dry methods—to extract the beans, which are then dried, sorted, and often exported as green coffee.

A significant obstacle to sustainable coffee production is the persistent financial gap that prevents many farmers, especially smallholders, from investing in climate-resilient practices and infrastructure. While the coffee industry increasingly recognizes the need for sustainable farming to combat climate change, land degradation, and biodiversity loss, funding to support this transition remains significantly below what is needed.

**Brewing a Sustainable Future**

Most of the world’s coffee is grown by smallholder farmers who often lack access to affordable credit, crop insurance, or long-term financing. According to the nonprofit [Borgen Project](https://borgenproject.org/smallholder-coffee-farmers/), “44 percent of the world’s smallholder coffee farmers are currently living in poverty and 22 percent live in extreme poverty.” These producers face high upfront costs for adopting sustainable practices such as planting climate-resilient coffee beans, installing water-efficient irrigation systems, or transitioning to agroforestry. Without financial support or incentives, many farmers simply cannot afford to make these investments, even if doing so would improve yields and resilience over time.

Sustainable coffee farming [requires](https://ico.org/market-development-toolkit/page/index/8/3-p-s-of-sustainability/37) more labor, investment, and risk. However, over the past decade, [many](https://teacoffeelovers.com/2025/03/sustainable-coffee-industry-leaders-2025-a-deep-dive-into-pioneering-practices/) farmers have made a shift, adopting regenerative techniques, protecting their ecosystems, and establishing direct relationships with ethical roasters. What was once a move toward independence and climate resilience, however, is increasingly threatened by fluctuating trade policies, which make direct, ethical trade more expensive and less viable.

“Current value distribution makes coffee production economically unviable for most farming families and the planet,” [said](https://idh.org/news/research-reveals-coffee-industrys-economic-model-is-not-viable-for-all) Annette Pensel, director of the Global Coffee Platform that “[advances] coffee sustainability and farmer prosperity.“This challenges the ambition of the coffee industry to become sustainable.”

Global commitments from corporations and governments to source sustainable coffee are often not matched by tangible funding mechanisms. Bridging this financial gap will require coordinated efforts from both the public and private sectors—through blended financial models, fairer trade terms, carbon credit markets, and direct investment in farming communities—to ensure that sustainability is not just a market demand but an achievable reality for those who grow the crop.

**Empowering Farmers, Cultivating Sustainability**

Several organizations actively support small coffee farmers in Brazil and Vietnam, focusing on sustainability, empowerment, and market access. In Brazil, the [Global Coffee Platform (GCP)](https://www.globalcoffeeplatform.org/country-platforms/brazil/) operates a country platform that brings together brands, NGOs, cooperatives, and producers to promote sustainable coffee production through training programs and collective action on environmental management.

Local cooperatives, such as the [Association of Agricultural Families from Santo Antônio do Ampere (AFASACAFÉ)](https://www.hrnstiftung.org/muddy-boots/a-family-of-dedicated-families), empower around 150 farmers by providing processing facilities, quality testing labs, and export opportunities, often with support from foundations. One of them is the [Hanns R. Neumann Stiftung (HRNS)](https://www.hrnstiftung.org/), a German-based nonprofit that works directly with more than 300,000 smallholder coffee families in 18 countries.

Development initiatives backed by institutions such as the [Inter-American Development Bank](https://www.iadb.org/en/news/idb-lab-participates-pioneering-fund-help-finance-climate-change-adaptation) and the [World Bank](https://www.worldbank.org/en/topic/agriculture/publication/making-climate-finance-work-in-agriculture) further support smallholders by strengthening farmer groups, enhancing climate resilience, and facilitating fair-trade certifications that provide access to international markets.

In Vietnam, several organizations focus on empowering coffee farmers, particularly women, who make up 70 percent of the workforce. The [International Women’s Coffee Alliance (IWCA)](https://iwca.vn/en/new-iwca-vietnam/women-coffee-farmers) Vietnam chapter offers training in soft skills and income diversification to support women coffee producers in enhancing their productivity and economic security.

Digital tools developed by initiatives such as [GREENCoffee Vietnam](https://waterwatchfoundation.com/greencoffee-vietnam/) (under the [WaterWatch Foundation](https://waterwatchfoundation.com/)) have reached tens of thousands of farmers in the Central Highlands, offering climate-smart advisories, weather updates, and sustainable farming tips. Additionally, the [Global Coffee Platform](https://www.globalcoffeeplatform.org/) collaborates with Vietnamese partners, such as the [Vietnam Union of Friendship Organizations,](https://vufo.org.vn/Default.aspx?lang=en) to [enhance](https://www.globalcoffeeplatform.org/latest/2024/gcp-vietnam-is-awarded/) farmer training and improve quality and incomes in key coffee-growing regions.

The [International Fund for Agricultural Development (IFAD)](https://www.ifad.org/en/) also invests in upland [agroforestry](https://www.ifad.org/en/w/projects/1100001477) and market access projects targeting small-scale, ethnic minority, and women coffee growers. The [Solidaridad Network](https://www.solidaridadnetwork.org/), a Dutch NGO with roots in fair trade and sustainability, supports sustainable coffee supply chains in both Brazil and Vietnam. Together, these organizations offer a comprehensive blend of technical assistance, financial support, market integration, and empowerment programs that enable small coffee farmers to navigate the challenges of climate change, market volatility, and social inequalities.

The [Alliance of Bioversity and CIAT](https://alliancebioversityciat.org/stories/guide-regenerative-coffee-farming) have collaborated with coffee farmers to address how [regenerative agriculture](https://alliancebioversityciat.org/publications-data/regenerative-agriculture-low-carbon-and-resilient-coffee-farms-practical) and diversification can generate more stable profits for farmers in the short term, while also contributing to the regeneration of natural processes and ecosystem services that secure coffee production for future generations.

To truly make sustainable coffee sourcing viable at the farm level, financial solutions must be paired with practical, resilient farming systems. Agroforestry has emerged as the leading strategy, gaining global momentum for sustainable coffee farming.

**Agroforestry: The Future of Coffee Cultivation**

Agroforestry provides a [comprehensive approach](https://www.hrnstiftung.org/muddy-boots/navigating-the-transition-from-monoculture-in-the-coffee-sector-challenges-and-strategies-in-adopting-agroforestry-and-syntropic-practices) to addressing the numerous challenges facing the coffee sector, particularly those related to climate change, environmental degradation, and economic vulnerability.

“Agroforestry is a system… [that] strategically integrates different types of trees within coffee farms, creating a microclimate within the plantation. These microclimates promote increased biodiversity and soil enrichment, and they reduce erosion and water pollution, leading to increased carbon storage and lower temperatures,” [explained](https://earth.org/agroforestry-coffee-farms/) [Earth.org](http://earth.org). Agroforestry equips coffee farmers with natural tools to adapt and thrive in the face of evolving challenges, making it a promising and vital path for the future of coffee cultivation worldwide.

Shade trees help regulate microclimates on the farm by reducing temperature extremes and protecting coffee plants from direct sunlight and harsh weather. This buffering effect can mitigate the impacts of increasing heat and drought. Shade trees also improve soil health by enhancing organic matter and reducing erosion, which supports better water retention and nutrient cycling, critical factors for maintaining coffee yield and quality.

Additionally, agroforestry promotes biodiversity by providing habitat for beneficial insects, birds, and other wildlife, which can help control pests and reduce the need for chemical pesticides. This ecological balance supports healthier coffee plants and a safer environment for farmers and surrounding communities.

Economically, diversifying with trees and other crops can offer farmers additional income streams—such as fruit, timber, or medicinal plants—helping reduce financial risk and increase overall livelihood stability. This integrated approach not only safeguards coffee production but also contributes to carbon sequestration, helping mitigate global warming.

By reframing coffee as a climate issue, we can shift conversations from consumer taste and pricing to sustainability, resilience, and justice, highlighting the urgent need for agroecological practices, climate adaptation funding, and fairer trade policies that support farmers facing environmental upheaval. This narrative encourages consumers, policymakers, and industry leaders to see coffee not as a luxury but as a shared responsibility in the climate fight.