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## United States Senate

COMMITTEE ON BANKING, HOUSING, AND  
URBAN AFFAIRS

WASHINGTON, DC 20510-6075

March 11, 2026

Tim Cofer  
CEO  
Keurig Dr Pepper  
53 South Ave  
Burlington, MA 01803

Dear Mr. Cofer:

I write regarding the impact of President Trump's economic policies – including his chaotic, indiscriminate, and illegal tariffs – on the cost of one of the most widely consumed beverages in the country: coffee. President Trump took office after promising to lower costs for Americans “on day one,” and in recent weeks has claimed to have “solved” affordability.<sup>1</sup> In reality, prices for everyday goods are rising. To help me better understand the impact of President Trump's policies on Americans' pocketbooks, I request information about increases in coffee prices and the impact of those increases on Keurig Dr Pepper (Keurig) and its customers.

Since President Trump returned to office, inflation has increased – in part due to his chaotic, indiscriminate and illegal tariffs. In the early months of 2025, year-over-year inflation, as measured by Personal Consumer Expenditures (PCE), fell from 2.5 percent in January<sup>2</sup> to 2.1 percent in April.<sup>3</sup> But that trend was short-lived. After President Trump announced sweeping tariffs in early 2025, inflation started rising again.<sup>4</sup> In December 2025, year-over-year PCE inflation reached 2.9 percent, the highest since March 2024.<sup>5</sup> Inflation for core goods, like clothes, furniture, electronics, and vehicles, has also increased, reaching 1.1 percent by January 2026 – an increase from January 2025 when that same measure was -0.08 percent.<sup>6</sup>

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<sup>1</sup> CNN, “Candidate Trump vowed to make America affordable again. President Trump says it's a ‘scam’,” Matt Egan, December 5, 2025, <https://www.cnn.com/2025/12/05/business/prices-trump-affordable-jobs>; Politico, “I've won affordability’: Trump previews SOTU in Georgia rally,” Aaron Pellish, February 19, 2026, <https://www.politico.com/news/2026/02/19/trump-sotu-georgia-rally-00790155>.

<sup>2</sup> U.S. Bureau of Economic Analysis, “Personal Income and Outlays, January 2025,” news release, <https://www.bea.gov/news/2025/personal-income-and-outlays-january-2025>.

<sup>3</sup> U.S. Bureau of Economic Analysis, “Personal Income and Outlays, April 2025,” news release, <https://www.bea.gov/news/2025/personal-income-and-outlays-april-2025>.

<sup>4</sup> U.S. Bureau of Economic Analysis, Personal Consumption Expenditures: Chain-type Price Index [PCEPI], retrieved from FRED, Federal Reserve Bank of St. Louis; <https://fred.stlouisfed.org/series/PCEPI>.

<sup>5</sup> U.S. Bureau of Economic Analysis, “Personal Income and Outlays, December 2025,” news release, <https://www.bea.gov/news/2026/personal-income-and-outlays-december-2025>; Fox Business, “Fed's favored inflation gauge showed consumer price growth remained elevated in December,” Eric Revell, February 20, 2026, <https://www.foxbusiness.com/economy/december-2025-pce-inflation>.

Several studies have concluded that the President’s tariffs have contributed to higher prices for consumers. Goldman Sachs found that U.S. consumers are absorbing roughly 55 percent of costs from the tariffs,<sup>7</sup> while research from the Federal Reserve Bank of New York concluded that American businesses and consumers have paid for 90 percent of the cost.<sup>8</sup> The Congressional Budget Office, meanwhile, estimates that only 5 percent of the tariffs were absorbed by foreign exporters,<sup>9</sup> and the non-partisan Tax Foundation estimated that tariffs cost the average American household \$1,000 in 2025 alone.<sup>10</sup> And on top of his tariffs, President Trump’s bill to cut taxes for billionaires – the *One Big Beautiful Bill Act* – is driving up the cost of health care, groceries, and energy. His immigration policies are shrinking the labor force in ways that will likely drive additional price increases.<sup>11</sup>

These policies are raising the cost of numerous consumer goods – including coffee. Coffee, which is essentially not produced at all in the United States,<sup>12</sup> was subject to tariffs in April

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<sup>6</sup> U.S. Bureau of Labor Statistics, Consumer Price Index for All Urban Consumers: Commodities Less Food and Energy Commodities in U.S. City Average [CUSR0000SACL1E], retrieved from FRED, Federal Reserve Bank of St. Louis; <https://fred.stlouisfed.org/series/CUSR0000SACL1E>; Federal Reserve Bank of St. Louis, “How Tariffs Are Affecting Prices in 2025,” Maximiliano A. Dvorkin, Fernando Leibovici, and Ana Maria Santacreu, October 16, 2025, <https://www.stlouisfed.org/on-the-economy/2025/oct/how-tariffs-are-affecting-prices-2025>.

<sup>7</sup> NBC News, “U.S. consumers bearing more than half the cost of tariffs so far, Goldman Sachs says,” Rob Wile, October 13, 2025, <https://www.nbcnews.com/business/consumer/us-consumers-bearing-half-cost-tariffs-far-goldman-sachs-says-rcna237283>.

<sup>8</sup> Federal Reserve Bank of New York, “Who Is Paying for the 2025 U.S. Tariffs?,” Mary Amity, Chris Flanagan, Sebastian Heise, and David E. Weinstein, February 12, 2026, <https://libertystreeteconomics.newyorkfed.org/2026/02/who-is-paying-for-the-2025-u-s-tariffs/>.

<sup>9</sup> Congressional Budget Office, “The Budget and Economic Outlook: 2026 to 2036,” February 2026, <https://www.cbo.gov/publication/62105>.

<sup>10</sup> Tax Foundation, “Tariff Tracker: Impact of Trump Tariffs & Trade War by the Numbers,” Erica York and Alex Durante, February 23, 2026, <https://taxfoundation.org/research/all/federal/trump-tariffs-trade-war/>.

<sup>11</sup> Center for American Progress, “House Republicans’ Big, ‘Beautiful’ Bill Would Make Health Care More Expensive for Americans With Medicare and Other Insurance,” Andrés Argüello and Andrea Ducas, June 12, 2025, <https://www.americanprogress.org/article/house-republicans-big-beautiful-bill-would-make-health-care-more-expensive-for-americans-with-medicare-and-other-insurance/>; Reuters, “Trump tax bill squeeze on clean power could raise energy bills,” Juliana Ennes, June 10, 2025, <https://www.reuters.com/business/energy/trump-tax-bill-squeeze-clean-power-could-raise-energy-bills-2025-06-10/>; FWD, “Prices for all Americans are set to unnecessarily rise under recent and proposed immigration policies impacting the U.S. labor force,” report, June 25, 2025, <https://www.fwd.us/news/new-immigration-policies-will-increase-prices-for-americans/>.

<sup>12</sup> U.S. Department of Agriculture, Economic Research Service, “Charts of Note: The United States imports the majority of its coffee, by value, from Colombia and Brazil,” Kamron Daugherty and Alex Melton, September 26, 2018, <https://www.ers.usda.gov/data-products/charts-of-note/chart-detail?chartId=90186>.

2025.<sup>13</sup> Brazil, the largest supplier of coffee to the United States,<sup>14</sup> was hit particularly hard. By August 2025, Brazilian coffee imports faced a combined tariff burden of 50 percent.<sup>15</sup> Other major coffee-producing nations faced tariff rates starting at 10 percent and climbing higher depending on the country – like Vietnam, which initially faced a tariff of 46 percent.<sup>16</sup>

In late 2025, President Trump sought to reverse course, signing one executive order exempting coffee, tea, tropical fruits, beef, and other agricultural products from reciprocal tariffs,<sup>17</sup> and another eliminating a separate 40 percent tariff on coffee and other select imports from Brazil.<sup>18</sup> President Trump further indicated that the exemptions should cause prices to go down and noted that the products in question are “not competitive in this country.”<sup>19</sup> And Secretary Bessent said the tariff exemptions would “bring prices down very quickly.”<sup>20</sup> But the damage was done. According to data from the Bureau of Labor Statistics (BLS), coffee prices jumped 18.4 percent between February 2025 and February 2026.<sup>21</sup>

Keurig spent 2025 grappling with the President’s tariffs, inflation, and the rising cost of importing coffee. During Keurig’s Q2 2025 earnings call, you explained: “Commodity inflation will build as we roll into the back half [of the year] ..... The tariff impacts will become prominent [...] you know we did a round of pricing at the beginning of the year. We’ve announced another

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<sup>13</sup> Reuters, “Import tax on coffee pressures US roasters already facing high prices,” Marcelo Teixeira, April 3, 2025, <https://www.reuters.com/markets/commodities/import-tax-coffee-pressures-us-roasters-already-facing-high-prices-2025-04-03/>.

<sup>14</sup> U.S. Department of Agriculture, Economic Research Service, “Charts of Note: U.S. demand for coffee stimulates imports from Latin America,” Constanza Valdes and Steven Zahniser, September 26, 2024, <https://www.ers.usda.gov/data-products/charts-of-note/chart-detail?chartId=110079>.

<sup>15</sup> NPR, “U.S. coffee drinkers and businesses will pay the price for Trump’s Brazil tariffs,” Jaclyn Diaz, July 21, 2025, <https://www.npr.org/2025/07/21/nx-s1-5470131/us-coffee-prices-brazil-trump-tariffs>.

<sup>16</sup> Reuters, “Import tax on coffee pressures US roasters already facing high prices,” Marcelo Teixeira, April 3, 2025, <https://www.reuters.com/markets/commodities/import-tax-coffee-pressures-us-roasters-already-facing-high-prices-2025-04-03/>.

<sup>17</sup> Executive Order 14360, “Modifying the Scope of the Reciprocal Tariffs With Respect to Certain Agricultural Products,” November 14, 2025, <https://www.federalregister.gov/documents/2025/11/25/2025-21203/modifying-the-scope-of-the-reciprocal-tariffs-with-respect-to-certain-agricultural-products>.

<sup>18</sup> Executive Order 14361, “Modifying the Scope of Tariffs on the Government of Brazil,” November 20, 2025, <https://www.federalregister.gov/documents/2025/11/26/2025-21417/modifying-the-scope-of-tariffs-on-the-government-of-brazil>.

<sup>19</sup> CBS News, “Trump cuts tariffs on beef, coffee, bananas and other food imports,” Joe Walsh, November 14, 2025, <https://www.cbsnews.com/news/trump-cuts-tariffs-beef-coffee-bananas-and-other-food-imports/>.

<sup>20</sup> NBC News, “Bessent says 'substantial' tariff relief on coffee and bananas is coming soon,” Steve Kopack, November 12, 2025, <https://www.nbcnews.com/business/business-news/trump-bessent-coffee-tariffs-rcna243425>.

<sup>21</sup> U.S. Bureau of Labor Statistics, Economic News Release, Consumer Price Index, “Table 2. Consumer Price Index for All Urban Consumers (CPI-U): U. S. city average, by detailed expenditure category,” February 2026, <https://www.bls.gov/news.release/cpi.t02.htm>.

round of pricing that will take effect next month.”<sup>22</sup> And again during Keurig’s Q4 2025 earnings call, you said: “it’s important for us to offset inflation [...] And we passed through some significant inflation as [commodity prices] hit unprecedented levels early last year and as tariffs were implemented.”<sup>23</sup>

Coffee prices are expected to continue to climb in 2026, despite the Administration’s rollbacks. The coffee being sold in American coffee shops and grocery stores today were purchased, imported, and processed under the tariff regime that was in place for months prior to the exemptions.<sup>24</sup> Indeed, “the near 35% rise in raw bean prices between August and November when most of Trump’s tariffs were in place” had yet “to hit coffee on supermarket shelves” by late December.<sup>25</sup> Keurig’s CFO similarly noted that, “[t]he elevated inflation in the quarter reflects the meaningful lag before coffee market price changes and tariffs affect our cost of goods sold.”<sup>26</sup>

Meanwhile, last month the Supreme Court ruled that the President’s use of the *International Emergency Economic Powers Act* (IEEPA) to implement tariffs was illegal.<sup>27</sup> That ruling introduces a new layer of uncertainty and disruption: large corporations are demanding refunds, while consumers remain stuck with the higher price levels that took hold under Trump’s sweeping tariff regime and continued uncertainty of future tariffs.<sup>28</sup> The President, for his part, is already pursuing additional across-the-board tariffs through other mechanisms – but has extended similar exemptions to those defined in his November EO, including coffee products.<sup>29</sup>

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<sup>22</sup> The Motley Fool, “Keurig Dr Pepper (KDP) Q2 2025 Earnings Transcript,” July 24, 2025, <https://www.fool.com/earnings/call-transcripts/2025/07/24/keurig-dr-pepper-kdp-q2-2025-earnings-transcript/>.

<sup>23</sup> The Motley Fool, “Keurig Dr Pepper (KDP) Q4 2025 Earnings Transcript,” February 24, 2026, <https://www.fool.com/earnings/call-transcripts/2026/02/24/keurig-dr-pepper-kdp-q4-2025-earnings-transcript/>.

<sup>24</sup> Reuters, “US coffee drinkers face higher prices even after Trump’s tariff reset,” May Angel and Alexander Marrow, December 22, 2025, <https://www.reuters.com/world/americas/us-coffee-drinkers-face-higher-prices-even-after-trumps-tariff-reset-2025-12-19/>.

<sup>25</sup> *Id.*

<sup>26</sup> The Motley Fool, “Keurig Dr Pepper (KDP) Q4 2025 Earnings Transcript,” February 24, 2026, <https://www.fool.com/earnings/call-transcripts/2026/02/24/keurig-dr-pepper-kdp-q4-2025-earnings-transcript/>.

<sup>27</sup> Learning Resources, Inc. v. Trump, No. 24-1287, 607 U.S. \_\_\_\_ (Feb. 20, 2026).

<sup>28</sup> Financial Times, “Corporate America demands refunds after Donald Trump’s tariffs are struck down,” Gregory Meyer, Kaye Wiggins, Claire Jones, and Myles McCormick, February 20, 2026, <https://www.ft.com/content/07a295a3-e323-4a96-af48-ba8d01ab059a>; New York Times, “With Tariff Changes, Consumers May Be Stuck in a Waiting Game,” Sydney Ember and Jordyn Holman, February 20, 2026, <https://www.nytimes.com/2026/02/20/business/economy/tariff-ruling-consumer-prices.html>.

<sup>29</sup> The White House, “Imposing a Temporary Import Surcharge to Address Fundamental International Payments Problems - Annex II,” February 20, 2026, [https://www.whitehouse.gov/wp-content/uploads/2026/02/2026Section122.prc\\_ANNEX2\\_Final\\_.pdf](https://www.whitehouse.gov/wp-content/uploads/2026/02/2026Section122.prc_ANNEX2_Final_.pdf).

To help me better understand the impact of President Trump's economic policies – and ongoing uncertainty surrounding those policies – on coffee prices, your business, and American consumers, I request answers to the following questions no later than March 26, 2026:

1. What was the total estimated cost impact, in dollars, of tariffs imposed by President Trump on Keurig's coffee imports?
2. What portion of those tariff-driven cost increases was passed on to retail consumers through price increases on Keurig's coffee products?
3. Now that tariffs on coffee imports have been substantially reduced, has Keurig seen any changes to the price of its coffee imports?
  1. If so, does your company plan to reduce retail prices for consumers?
  2. If not, do you expect to see import prices adjusted based on the tariff exemptions?
4. Has Keurig made any commitments to its retail partners – including major grocery chains – regarding future pricing on coffee products considering the tariff exemptions?
5. If your company receives any refunds from the IEEPA tariffs, will you pass refunds on to consumers?
  1. If yes, how will you do so?

Sincerely,



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Elizabeth Warren  
Ranking Member  
Committee on Banking,  
Housing, and Urban Affairs