

Full-Link Procurement Cost Analysis Guide for Berberine Extract (Berberine HCl) from HiSiaddi

Target Customers: European and American dietary supplement brands, cross-border health food OEM factories, Southeast Asian import distributors, North American private brands

Benchmark Raw Material: 98% Coptis-extracted Berberine Hydrochloride (Export Grade for Dietary Supplements), Benchmark Time: June 2026, RMB ex-factory price as accounting basis, synchronized conversion of USD and EUR landed import costs

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Part 1: Total Landed Cost Composition for Overseas Customers (Core Formula)

Total Landed Cost at Overseas Warehouse (USD/kg)

= FOB Offshore Unit Price (USD/kg)

- Allocated International Sea/Air Freight (USD/kg)
- Destination Port Customs Miscellaneous Fees + Import Tariff + Import VAT (USD/kg)
- Local Overseas Warehousing & Distribution Fees (USD/kg)
- Allocated Export Compliance Testing & Document Fees (USD/kg)
- Hidden Loss from Overseas Warehouse Incoming Quality Inspection

Module 1: Domestic Factory FOB Basic Cost (RMB to USD Conversion)

1.1 Domestic Tax-Inclusive Ex-Factory Cost (Benchmark Above)

- Sample order 1–50kg: 760–820 RMB/kg
- Bulk order 500–3000kg: 670–700 RMB/kg

- Annual framework order $\geq 3000\text{kg}$: 650–675 RMB/kg

1.2 FOB Surcharges Converted into Offshore Price

1. Full set of English export documents: English COA, TDS, MSDS, Certificate of Origin, CNAS English test reports for pesticide residues/heavy metals; Allocated cost 25–60 RMB/kg for small batches, free for large batches
2. Special export packaging: Thickened waterproof fiber drums, moisture-proof inner film, English labels, fumigation certificate; Extra 8–15 RMB/kg
3. Customs declaration, commodity inspection and terminal miscellaneous fees: Allocated 3–8 RMB/kg for full container load, 15–30 RMB/kg for less than container load consolidation
4. Export Tax Rebate (Core Advantage): Plant extract export tax rebate rate 13%, which can greatly lower FOB quotation

1.3 Reference FOB Shanghai USD Price in 2026 (Exchange Rate 7.2)

表格

Procurement Volume	FOB RMB Price (Including Documents & Packaging)	Converted FOB USD/kg
1–50kg Express Air Sample	800 RMB	111.11 USD
500–3000kg Consolidated Sea Freight	690 RMB	95.83 USD
$\geq 3000\text{kg}$ Full Container Annual Order	660 RMB	91.67 USD

Part 2: Allocated International Logistics Costs (Two Transportation Modes)

2.1 Sea Freight (Mainstream for Large Customer Orders, 20GP Full Container ≈ 12 Tons)

1. Ocean Freight: Full container rate Shanghai→Los Angeles/Hamburg 3200–4500USD per container
Allocated per kg: 0.267–0.375 USD/kg
2. Destination Port Terminal Fees, Devanning Charges, Truck Delivery to Overseas Warehouse: Total approx. 0.4–0.8 USD/kg
Total Allocated Sea Freight Cost: 0.67–1.18 USD/kg

2.2 Air Freight / International Express (Sample Testing & Small Batches Under 500kg)

1. Air Freight Rate: 4.5–8 USD/kg, fuel surcharge charged separately
2. Customs Clearance Express Service Fee: 2–4 USD/kg

Total Air Freight Cost: 6.5–12 USD/kg, equivalent to 46.8~86.4 RMB/kg; Logistics cost is extremely high for small batches

Part 3: Import Tariffs, Import VAT & Additional Compliance Fees for Major Import Countries

Berberine Extract HS Code: 2939999099 Other Vegetable Alkaloids and Their Derivatives

3.1 US Market (Largest Dietary Supplement Market)

1. Tariff: 0% (General Preferential Tax Rate for Plant Extract Raw Materials)
2. Comprehensive Import Taxes: No import VAT, only customs processing fees MPF & HMF
Total allocated tax cost: 0.3–0.6 USD/kg
3. Mandatory Extra Compliance Costs
 - Allocated fee for FDA dietary raw material filing document review
 - Third-party US standard heavy metal/pesticide residue retest: 3–6 USD/kg
 - English label compliance review, importer liability filing

3.2 European Union (Germany / UK / France)

1. Tariff: 6.5% based on FOB value of goods
2. Import VAT: 20% (Unified EU standard, deductible)
3. Allocated REACH Registration Cost: Customers without registration shall bear notification fees by importers, allocated 1.5–3 USD/kg for long-term procurement
4. EU Food Supplement Safety Test Retest: 2.5–5 USD/kg

Calculation Example for FOB 95 USD/kg Goods:

Tariff = $95 \times 6.5\% = 6.175$ USD

Import VAT = $(95 + 6.175) \times 20\% = 20.235$ USD

Total Tax Cost: 26.41 USD/kg

3.3 Southeast Asia (Malaysia, Thailand, Indonesia)

1. ASEAN Tariff 0–5% (Exempted with FORM E Certificate of Origin)
2. Import VAT 7%–10%
3. Allocated Annual Local Food & Drug Administration Raw Material Registration Fee

Part 4: Exclusive Hidden Costs for Overseas Customers (Easily Ignored in Procurement)

1. Customs Clearance Scrap Loss
Berberine extracted from low-cost *Phellodendron chinense* has heavy metal values close to limits; European and American customs random

inspection disqualification leads to direct detention and destruction of goods, loss of full batch raw materials, freight and order liquidated damages, single loss up to tens of thousands of US dollars. Only 98% refined grade from pure *Coptis chinensis* can reduce customs scrap risks.

2. Extra Auxiliary Material Cost for Formulation

Overseas dietary products have stricter requirements for bitter taste and appearance; Low-purity berberine requires extra β -cyclodextrin embedding and high proportion of taste masking agents, raising single-pill production costs.

3. Inventory Capital Occupation Cost

Sea freight cycle 30–45 days, overseas warehouse safety stock for at least 3 months; Capital turnover cost for overseas brands (annual interest rate 5%–8%)

4. Local Retest Cost

European and American supermarket brands require third-party laboratory retest of content, heavy metals and microorganisms after arrival, cost of each batch test allocated per kilogram of raw material

5. Return & Exchange Logistics Cost

Return and exchange generated by batch color difference or content deviation, round-trip international logistics and secondary customs clearance fees all borne by importing customers

Part 5: Comparative Total Landed Cost for Customers by Market (Benchmark FOB 95.83 USD Sea Freight Bulk Shipment)

1. US Customer Total Landed Cost

FOB 95.83 + Sea Freight 1.0 + Customs Miscellaneous Fees 0.5 + Retest Fee 4 = ≈ 101.33 USD/kg

No high tariff, the mature market with the lowest comprehensive cost

2. EU Customer Total Landed Cost

FOB 95.83 + Sea Freight 1.0 + Tariff & VAT 26.41 + Allocated REACH Fee 2 + Retest Fee 3.5 ≈ 128.74 USD/kg

Taxes are the biggest cost pressure for EU customers

3. Malaysia Southeast Asia (FORM E Tariff Exemption)

FOB 95.83 + Sea Freight 0.9 + VAT 9.6 + Allocated Local Registration Fee 1.8 ≈ 108.13 USD/kg

Part 6: Practical Cost Reduction Solutions for Overseas Procurement

1. Full Container Annual Framework Procurement

Lock price for orders over 3 tons, lower FOB unit price, allocate sea freight and inspection unit costs evenly; Full container sea freight allocated cost reduced by over 70%

2. Fully Utilize Export Tax Rebate

Suppliers pass full tax rebate benefits to customers by directly lowering FOB USD quotation; Negotiate tax rebate sharing for long-term cooperation

3. Apply FORM E/FORM A Certificate of Origin to Reduce Tariffs

Proactively provide certificate of origin for ASEAN, European and American exports to eliminate or lower import tariffs, directly saving 6%–20% import taxes

4. Unified Packaging of Full Set of English Compliance Documents

Sign annual testing agreement with domestic suppliers, conduct bulk CNAS English reports to avoid separate payment per order raising unit allocated cost

5. Match Raw Material Grade to Target Market

- High-end European and American dietary products: 98% refined grade from pure *Coptis chinensis* to avoid costly detention losses
- Low-end Southeast Asian powder products: Compliant 97% *Phellodendron chinense* grade to control basic procurement price

1. Optimize Capital by Split Warehouse Stocking

Deliver goods in separate batches to reduce one-time large inventory occupation and lower overseas capital interest costs

Part 7: Core Risk Cost Warning for Overseas Customer Procurement

1. Raw Material Source Compliance Risk Cost

Berberine extracted from *Berberis* root has excessive heavy metals and pesticide residues; European and American customs detain and destroy goods in 100% of random inspections, resulting in full container cargo loss, brand reputation loss and hidden cost of customer claims

2. Exchange Rate Fluctuation Cost

RMB to USD exchange rate fluctuates around 5%; Long-cycle orders without exchange rate lock will cause sharp rise in import costs; Recommend customers sign price adjustment clauses linked to exchange rate fluctuations

3. Annual Regulatory Update Cost

EU REACH, US FDA, ASEAN food regulations update every year; Non-compliant raw materials require re-inspection and registration generating extra compliance fees

4. Cyclical Price Transmission of Chinese Medicinal Herbs

Coptis chinensis has a 4–5 year planting cycle; Production reduction in producing areas, extreme weather, environmental protection production restrictions and stockpiling in Chinese medicinal herb market will push up FOB quotation directly; Overseas customers shall sign quarterly/annual price lock contracts to hedge risks

Part 8: External Business Quotation Calculation Template (Directly Sent to Overseas Customers)

Overseas Berberine HCl Cost Breakdown Sheet

1. FOB Shanghai Price: ____ USD/kg
2. Sea/Air Freight Cost: ____ USD/kg
3. Destination Port Charge: ____ USD/kg
4. Import Duty: ____ USD/kg
5. Local VAT/Tax: ____ USD/kg
6. Third-party Lab Test Fee: ____ USD/kg
7. Compliance Document Cost: ____ USD/kg
8. Final Warehouse Landed Cost: ____ USD/kg