



10 Changes Happening to Amazon Referral and FBA Fees: 2020

[News, Resources / By Hlee Yang](#)

Last month, [Amazon announced on seller forums](#) that changes to referral and FBA fees will take effect starting February 18, 2020. Though the company typically implements new referral fees and fulfillment fees during this time of year, Amazon Sellers are not happy about some of the new fees this year.

This list of the 10 most important changes to Amazon Fees in 2020 will go over the policies that Sellers will need to plan for. While you're in the *new year, more money* mood, check out our [Guide to Calculating Amazon Selling Fees](#) to figure out how you can keep your Amazon business profitable this year.

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Highlights & What Sellers Need to Do

Here's a quick look at how the biggest changes to referral and Amazon FBA inventory fees will affect you this year:

1. You'll want to make any removal orders before the new policies go into effect, or else you could be paying upwards of a 50% increase for standard size items over 2 lbs and 650% increase for oversize items over 10 lbs
2. FBA disposal fees will increase by an average *minimum* of 100% for both standard and oversized items. Sellers should reconsider whether it's more profitable for them to dispose of unsellable inventory themselves, or if it costs less to have Amazon destroy it
3. Amazon referral fees are increasing for products that are being consolidated into Ring Accessories category, and for items within the activewear category
4. Because storage rates are going up 8.69% (6 cents) during the months of January – September 2020, you'll need to take action to reduce costs with your inventory storage plan or increase prices to keep it from creeping in on your margins



2020 FEE HIGHLIGHTS

For an in-depth rundown of all things you need to know about changes to Amazon FBA fees and more, read on.

Changes to Amazon Storage, Label Service, and Removal Order Fees

STANDARD SIZE INVENTORY FEES	FBA LABEL SERVICE	STANDARD SIZE REMOVAL FEES for items over 2 lbs	OVERSIZE REMOVAL FEES for items over 10 lbs
8.68% increase non-peak months	50% increase per unit	50% increase based on a 5lb item	650% increase based on a 20lb item
STANDARD SIZE DISPOSAL FEES for items over 2 lbs	OVERSIZE DISPOSAL FEES for items over 10 lbs	FBA SMALL AND LIGHT	
566% increase based on a 5lb item	650% increase based on a 20lb item	Now categorized by weight	

#1 You'll Pay Almost 9% More for Storage During Non-Peak Months

Standard size inventory fees for January to September jump 8.69% from 69 cents to 75 cents per cubic foot. There aren't any inventory fee charges won't for October – December, which will remain at \$2.40 per cubic foot.

#2 The Cost for Using the FBA Label Service has Increased... Using It Is Optional

The optional FBA Label Service has been increased from \$0.20 per unit to \$0.30 per unit. For FBA Small and Light, the per-unit fee will be \$0.10.

#3 FBA Removal Fees Will Add Up

FBA removal order fees are charged when an item is deemed as unsellable in its current condition. This is the cost Amazon charges when those items are sent back to the seller to dispose of.

- Standard size removal fees for 0-2 lbs units are decreased by an average of 40% (20 cents)
- Standard size removal fees for items over 2 lbs will undergo a 10 cent decrease in its base cost but will be charged a 20 cent/lb surcharge for every pound above 2 lbs. That means, based on a 5 lb item, your products will be subject to a 50% increase in removal fees.
- Oversize removal fees for 0-4 lb items are going up an average of 22.22% (13 cents)
- Oversize removal fees for 4-10 lb items are going up 141.67% (85 cents), from 60 cents to \$1.45

- The base rate for oversize removal fees for items greater than 10 lbs is going up from 60 cents to \$1.90 + 20 cents/lb above the first 10 lbs. **This means, that based on a 20 lb item, your products are subject to an increase of 650%**

#4 FBA Disposal Fees Will Also Add Up, Exponentially

FBA Disposal fees are charged when an item is deemed as unsellable in its current condition. Unlike removal order fees, which are charged when items are sent back to sellers, disposal fees are the cost Amazon charges to destroy the items for sellers.

- The disposal fee for standard size items with a shipping weight from 0-2 lbs an average of 15 cents up from the standard 15 cent fee, a 100% increase
- The base rate disposal fee for standard size items more than 2 lbs is up 25 cents, a 166.67% increase, and will now be subjected to a 20 cents/ lb above the first 2 lbs. That means, based on a 5 lb item, your products are subject to an increase of 566% (85 cents)
- Oversize disposal order fees for 0-4 lb items are going up an average of 144.44% (43 cents)
- Oversize disposal order fees for 4-10 lb items are going up 383.33% (\$1.45), from 30 cents to \$1.45
- The base rate for oversize disposal order fees for items greater than 10 lbs is going up from 30 cents to \$1.90 + 20 cents/lb above the first 10 lbs. This means, that based on a 20 lb item, your products are subject to an increase of 650%

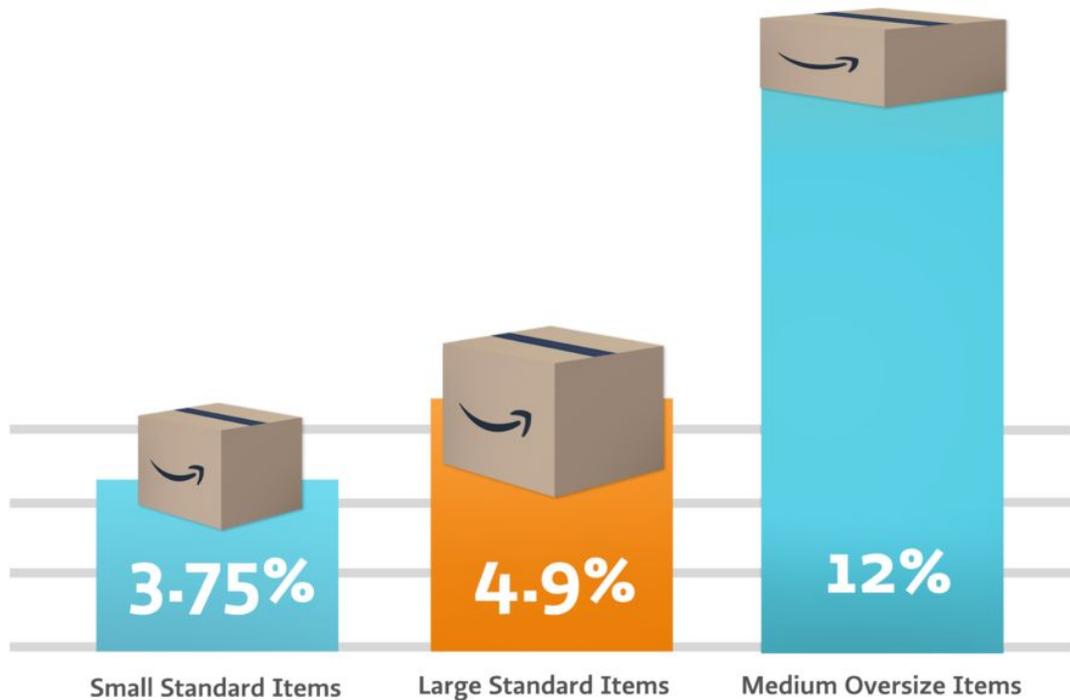
#5 Small and Light Items Will Now Be Charged the Standard FBA Fees

The standard FBA fees will apply to products enrolled in FBA Small and Light, meaning it is being moved from price-categorized to weight-categorized.

For Sellers, this means that Small and Light fees align with standard long-term Amazon FBA fees.

Changes to Amazon Fulfillment Fees

CORE FBA FEES INCREASE



#6 The Increase in Core FBA Fees Will Affect Products with Lower Price Tags

Fulfillment by Amazon (FBA) fees are going up by an average of 4.9% (12 cents) for small standard items and 3.75% (16 cents) for large standard items.

The fulfillment fee for small, large, and special oversized items is unchanged. However, the base rate for medium oversize items is jumping up 16%, from \$9.79 + \$0.39/lb above first 2 lb to \$11.37 + \$0.39/lb above first 2 lb. That means, based on a 10 lb item, your product is subject to a 12% core FBA increase of \$1.58

This poses a problem for Sellers who sell items at a \$10 or less price tag, as the increase in FBA fees will eat away at their already narrow profit margin.

FBA Fulfillment Fees for Clothing

Amazon is eliminating the 40 cent surcharge for clothing items and instead will implement an increased per-unit fulfillment fee. Oversize clothing tiers will be charged the core FBA fulfillment fees.

The fee for small standard size clothing items will increase by an average of 5.97% (17 cents), while the fee for large standard size clothing items will increase by an average of 4.25% (20 cents).

FBA fulfillment fees for dangerous goods

There are no changes to the fulfillment fees for oversized items.

The fee for small standard size items will increase by an average of 5.21% (18 cents), while the fee for large standard size items will increase by an average of 3.96% (19 cents).

Changes to Amazon Referral Fees

An Amazon referral fee is charged to sellers when a customer purchases a product from your inventory. The amount that is charged to your seller account is charged per item sold and is based on the total sales price of your item (not including tax), and includes shipping or gift wrap charges.

REFERRAL FEE CHANGES



#7 If You Sell Ring Accessories, You'll Now Pay A Steep 30% Increase in Referral Fees

The referral fee percentage depends on a specific category, and this year, one of the most surprising increase in this category is the consolidation of Ring accessories into the Amazon Device Accessories category.

This means that for sellers who produce products designed to be compatible with Amazon Ring devices, like doorbell transformers or angle mounts, for example, will now be charged a referral fee percentage of 45% compared to 15% in the Tools & Home Improvement category.

Currently, it's not clear how Amazon will decide which products will be considered Ring accessories versus general electronic accessories.

#8 Activewear is now Categorized as Clothing & Accessories

Activewear products, like sports bras and yoga pants, will undergo a 2% increase in referral fee percentage.

Because Amazon is restructuring the category organization, activewear is now charged a 17% fee in the clothing & accessories category instead of 15% in the outdoors category.

#9 No More Referral Discounts for Amazon Business Purchases

Business referral fees are also going up, which are different than the increases we're talking about above (which are Selling on Amazon referral fees). Confused? Stay with us Amazon newbies.



For those of you who are unfamiliar with it, Amazon Business allows account users who are verified business owners of restaurants, clothing stores, etc., to purchase items in bulk at discounted rates. Amazon charges referral fees for purchases from Amazon Business accounts based on total product value (how much they purchase from a Seller).

Amazon announced that it's discontinuing the tiered fee structure for Amazon Business transactions, which previously gave up to a 10% referral fee discount to Sellers depending product category.

Category	Referral fee	Applicable minimum referral fee
Office products	<ul style="list-style-type: none">• 15% for any portion of the total product value up to \$1,000.00• 10% for any portion of the total product value from \$1,000.01 up to \$3,000.00• 6% for any portion of the total product value greater than \$3,000.00	\$0.30

Amazon Business Referral Fee Schedule for Office Products in 2019

For Sellers, this means there will no longer be discounts on business referral fees no matter how much their total product value is, which means there's not as much incentive for you to offer your items at bulk prices.

Total product values that equal more than \$1,000 (6-10% in Office Products) will now be charged the same referral fee rate as products below \$1,000 (15% in Office Products), which is the same amount as single-purchase referral fees in the Selling on Amazon fees.

#10 Consider Capitalizing on Decreased Referral Fees in these 3 Categories

The referral fees for the Outdoor Furniture, Personal Care Appliances, and the Shoes, Handbags & Sunglasses categories will be reduced by an average of 5%.

Our experts speculate that the fee decrease in these categories may indicate that it presents an opportunity for Sellers to fill the niche.

The Takeaway for Amazon Fees in 2020

For those of you concerned with the increase in fees, Amazon states that their 2020 fee increases are moderate, stating that it's, "below the industry average, because we remain committed to your continued success."

Consider the success that Amazon brings to your business, whether its an additional sales channel or the main sales platform. Odds are that Amazon knows that customers trust FBA, and so do you.

The best thing you can do to prepare your business for success this year is to lessen the effect of these fees on your profit margins. Find the balance that works for your customers and for your business, whether that means increasing your retail price or offering new product deals.