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Report Name: Coffee Annual

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Post: Ho Chi Minh City

Report Category: Coffee

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Report Highlights:

Marketing Year (MY) 2026/27 production is forecast to increase to 32.5 million bags GBE due to production expansion driven by 2024-2025 price peaks. Coffee exports are forecast to rise moderately, and domestic consumption continues to grow. Falling prices from recent peaks have prompted producers, traders and exporters to release stocks, supporting strong export performance.

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Executive Summary:

Vietnam is improving coffee competitiveness by using high-quality coffee varieties and implementing traceability systems. The domestic market is gradually expanding, and strong export performance supports production growth. However, prices have declined from 2024-2025 peaks due to oversupply in the global market, and rising input costs are impacting coffee farmers' income. Farmers, traders and exporters have released stocks amid concerns about further price declines.

Commodities:
Coffee, Green

PRODUCTION

Post forecasts Vietnam's total coffee production for Marketing Year (MY) 2026/27 at 32.5 million bags green bean equivalent (GBE), comprising 31.4 million bags of Robusta and 1.1 million bags of Arabica. Post revises MY 2025/26 coffee production upward to 31.7 million bags GBE, which includes 30.5 million bags of Robusta and 1.2 million bags of Arabica.

Table 1. Robusta Green Bean Coffee Production MY 2024/25-2026/27

	MY2024/25 Estimate	MY2025/26 Estimate	MY2026/27 Forecast
Marketing year begins	Oct. 2024	Oct. 2025	Oct. 2026
Harvested area (hectare)	615,000	630,200	644,000
Production (thousand bags)	28,000	30,500	31,400
Average yield (MT/HA)	2.73	2.90	2.93

Source: Post estimates and forecast

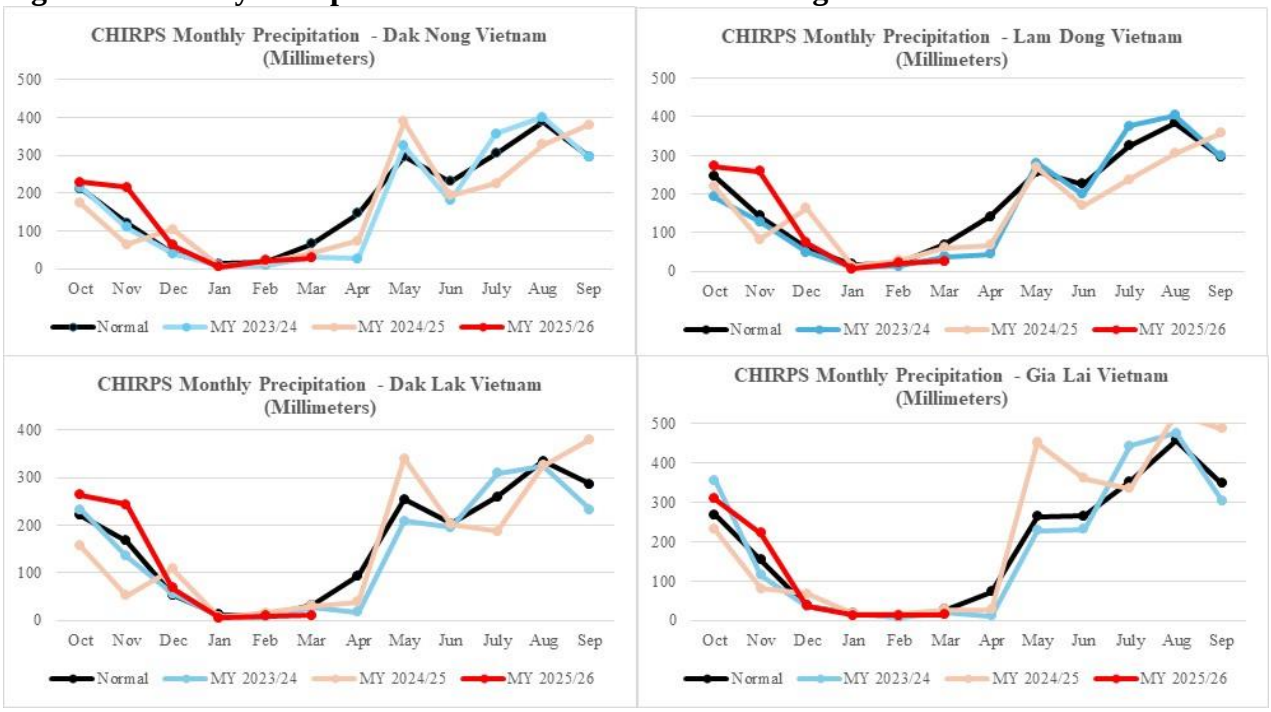
According to the Ministry of Agriculture and Environment (MAE), Vietnam's total coffee area has reached approximately 730,000 hectares. Improved productivity and climate-resilient varieties drive steady Robusta coffee growth, while Arabica coffee area remains stable. In MY 2026/27, replanted or renewed coffee areas under the MAE's Coffee Replanting Program during the period of 2021–2023 will enter their stable harvest phase with high-yield production potential, contributing to increased output. However, according to the Western Highland Agriculture and Forestry Science Institute (WASI), approximately 30 percent of current coffee area is 20 years or older and requires replanting or renewal to maintain productivity and quality. Additionally, several large private enterprises, such as Hoang Anh Gia Lai Group and Vinh Hiep Co., Ltd., are expanding their coffee operations. These developments support continued growth in Vietnam's coffee production and business.

High coffee export prices in the period of 2024-2025 have created strong production incentives but also generate risks to the long-term sustainability of Vietnam's coffee industry. Farmers seeking to maximize returns have increased input applications, often applying fertilizer beyond recommended levels, resulting in excess nitrogen, phosphorus, and potassium in some areas of the Central Highlands. Early or excessive irrigation may increase coffee yield in the short term, but in the long run, it depletes groundwater and increases production costs over time. Local farmers report that production costs have increased significantly, with fertilizer and fuel rising approximately 30 percent and labor costs rising 33 percent compared to the previous year.

Farmers express concern about reduced rainfall and drought conditions in the Central Highlands. Data from the USDA Global Agricultural and Disaster Assessment System (GADAS) indicates that monthly precipitation from October to December 2025 was above normal compared to the previous year. However, precipitation fell below normal from January to March 2026 in the major coffee-producing provinces in the Central Highlands, including Dak Lak, Gia Lai, Kon Tum, Dak Nong, and Lam Dong (Figure 1).

The National Oceanic and Atmospheric Administration (NOAA)[1] forecasts a 62 percent probability that El Niño conditions will emerge during June to August 2026 and persist through at least the end of 2026. El Niño typically brings warmer and drier conditions to parts of Southeast Asia, which could reduce coffee productivity and production.

Figure 1. Monthly Precipitation in the Main Coffee Growing Provinces



Source: USDA Global Agricultural and Disaster Assessment System

Vietnam is steadily transforming from a quantity-focused coffee exporter into a globally competitive producer of high-quality, innovative, and sustainable coffee products. As of 2025, approximately 40 percent of Vietnam's coffee area has achieved sustainability certification standards such as Rainforest Alliance, Fairtrade, 4C, and UTZ. The Specialty Coffee Program, which MAE developed in 2021, continues to focus on improving bean quality through better farming practices, selective harvesting, and post-harvest processing techniques. This shift attracts attention from global buyers seeking distinctive flavor profiles and traceable origin stories, particularly in Europe, North America, and Asia-Pacific markets. MAE and coffee export companies are actively working to fulfill EU Deforestation Regulation (EUDR) requirements, which take effect in December 2026. However, challenges remain for coffee production and export, with more than 600,000 smallholder households involved in coffee production.

In recent years, many farmers in the Central Highlands converted portions of their coffee-growing areas to higher-value crops like durian, which can generate profits 2.5 to 3 times higher than coffee per unit area. However, in 2024, the sharp rise in coffee export prices reversed this trend, prompting farmers to return to coffee cultivation. In major producing provinces such as Dak Lak and Lam Dong, the traditional coffee monoculture model is gradually shifting toward intercropping systems, where farmers grow coffee alongside durian, avocado, macadamia, or pepper. While intercropping helps diversify

[1] https://www.cpc.ncep.noaa.gov/products/analysis_monitoring/lanina/enso_evolution-status-fcsts-web.pdf

farmer income, it reduces coffee tree density per unit area, complicating accurate acreage measurements. These models help farmers become more resilient to weather and market fluctuations, supporting coffee production growth. Therefore, Vietnam's coffee production is expected to improve in both quantity and quality.

CONSUMPTION

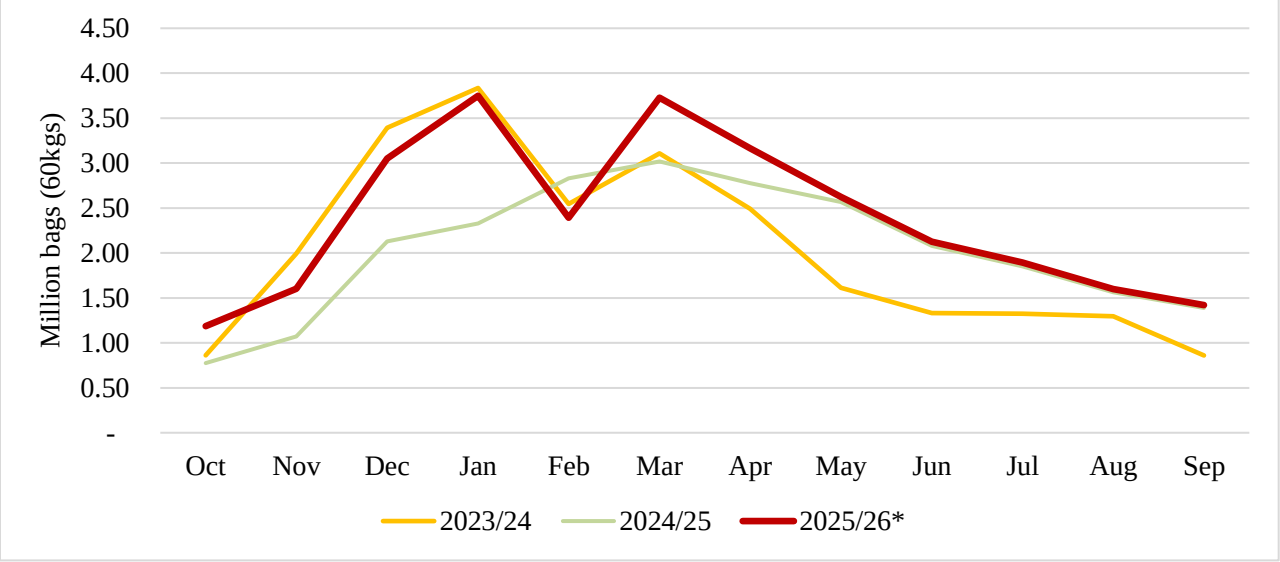
Post forecasts MY 2026/27 coffee consumption at 5 million bags GBE and estimates MY 2025/26 coffee consumption at 4.9 million bags, with strong domestic demand. A growing middle class and sustained economic development support strong growth in Vietnam's domestic coffee consumption. In 2025, Vietnam's gross domestic product (GDP) grew above 8 percent, with GDP per capita surpassing $5,000, a 7 percent increase compared to 2024. Tourism reached 21 million international visitors, up 20 percent from 2024, further boosting consumption.

Consumer preferences are shifting toward premium products and specialty preparation methods. Demand is rising for specialty Arabica, higher-grade Robusta, and modern brewing techniques. This trend supports market diversification and creates opportunities for local roasters to develop new products, packaging, and brand positioning. Young consumers are increasingly favoring specialty and creative coffee options. Consumers demonstrate a notable trend toward home brewing, purchasing high-quality and specialty coffee, including premium Robusta and Arabica for use with modern brewing methods and smart coffee machines.

TRADE

Exports

Figure 2. Monthly Coffee Export

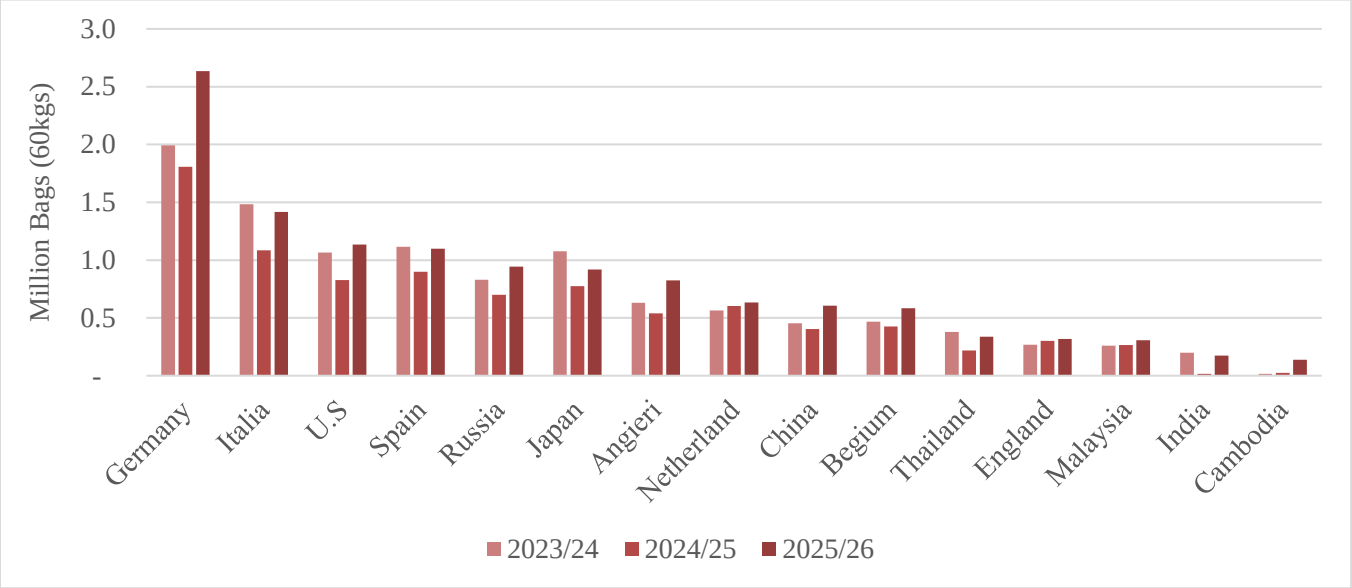


Source: Vietnam Customs, GSO statistics. *Post forecasts for May to September 2026.

Post revises MY 2025/26 export estimate upward to 28.5 million bags GBE, a 13 percent increase compared to MY 2024/25 exports, based on recent export trends. This growth is driven by strong

production, improved quality, and the release of stocks as prices continue to decline. Post forecasts MY 2026/27 exports at 28.95 million bags GBE, up 2 percent compared to MY 2025/26 exports, and a 15 percent increase compared to MY 2024/25 exports. Rising global competitiveness and implementation of the EUDR will likely affect Vietnam's coffee export performance.

Figure 3. Coffee Exports to Major Destinations, First Half of Marketing Year



Source: Vietnam Customs data for October-March.

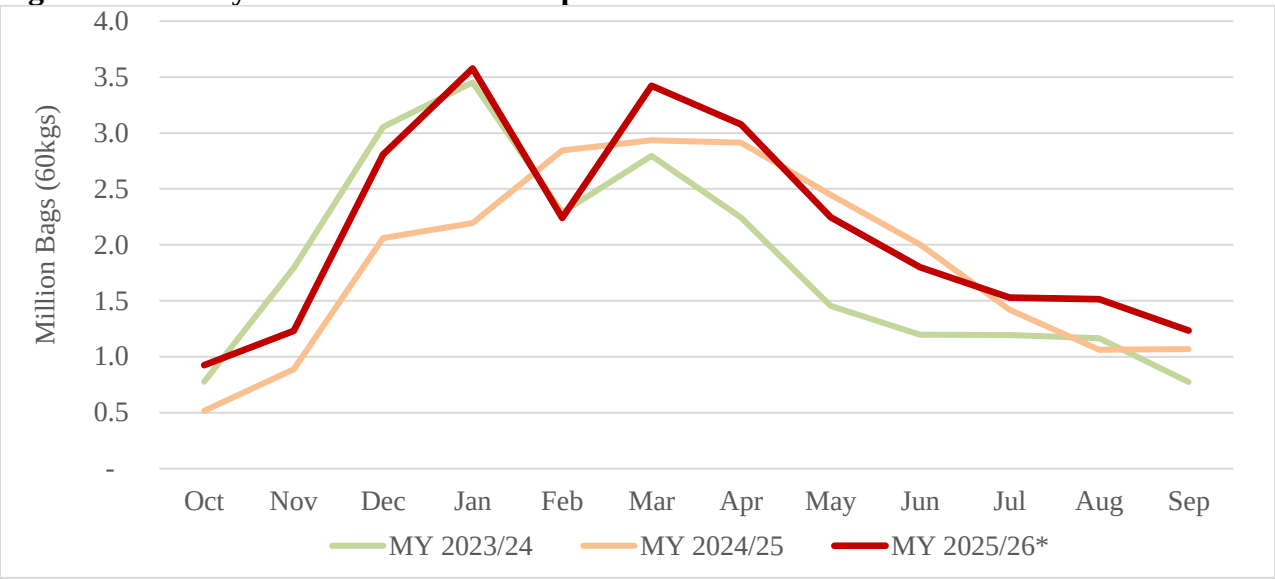
Vietnam exported approximately 15.7 million bags GBE of coffee in the first half of MY 2025/26 according to Vietnam Customs and the National Statistics Office (NSO), a 27.5 percent increase compared to the same period in MY 2024/25. Several major markets demonstrated strong export growth, including Germany (up 46 percent), Italy (up 31 percent), the United States (up 37 percent), Spain (up 22 percent), Russia (up 35 percent), and Japan (up 19 percent).

Asian markets also recorded significant export growth, including India (up 1,022 percent), Cambodia (up 473 percent), Thailand (up 56 percent), and China (up 50 percent). The robust export performance in both traditional large markets and emerging Asian markets supports Vietnam's positive export outlook for the coming years. This performance indicates that market diversification strengthens Vietnam's coffee export position as global competition intensifies.

Green Bean Exports

Vietnam’s green bean exports reached 14.2 million bags GBE in the first half of MY 2025/26, up 24 percent compared to the same period in MY 2024/25. Post estimates MY 2025/26 green bean exports will reach 25.1 million bags based on current export trends. Post forecasts MY 2026/27 green bean exports at 25.4 million bags, based on strong supply and diversified demand in global markets (Figure 4).

Figure 4. Monthly Green Bean Coffee Exports



Source: Vietnam Customs, trade contacts. * Post forecasts for April to September 2026.

Soluble and Roasted Exports

Post forecasts MY 2026/27 soluble and roasted coffee exports at 3.55 million bags GBE, based on the recent expansion in coffee processing facilities and strong demand in Asian markets. Post estimates MY 2025/26 soluble and roasted coffee exports at 3.4 million bags GBE, a 19 percent increase compared to MY 2024/25. According to the Vietnam Coffee and Cocoa Association (VICOFA), soluble and roasted coffee exports account for approximately 13 percent of total exports. VICOFA expects increased exports of these processed products at higher prices to partially offset the decline in export value due to lower green coffee bean prices.

Imports

Post forecasts MY 2026/27 coffee imports at 1.25 million bags GBE and estimates MY 2025/26 coffee imports at 1.3 million bags. Higher domestic production has reduced import demand. However, the expansion of processing facilities and growing soluble coffee exports continue to drive import needs.

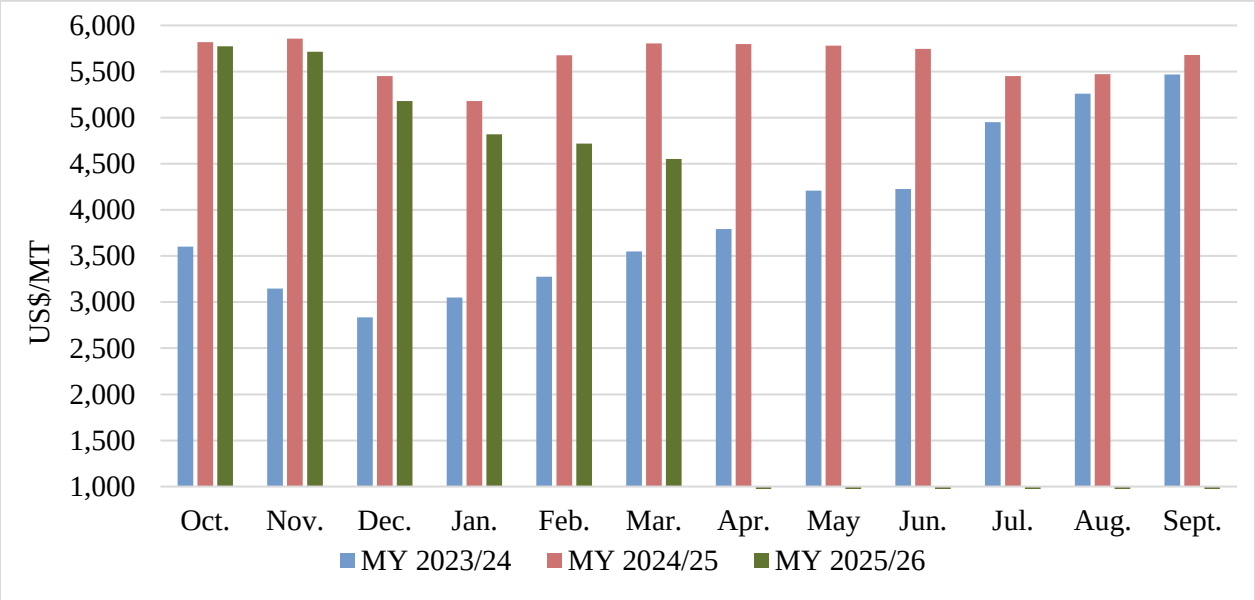
During the first half of MY 2025/26, Laos was Vietnam's largest coffee supplier, accounting for 45 percent of total imports, followed by Indonesia (19 percent), Brazil (16 percent), and Uganda (10 percent). Robusta green beans comprised 54 percent of imports, while Arabica green beans accounted for 45 percent, according to Vietnam Customs data.

PRICES

The average export price reached $5,127 per ton in the first half of MY 2025/26, down 9 percent compared to the same period of MY 2024/25. In March 2026, the export price was $4,553 per ton, a 22 percent decrease compared to March 2025. However, coffee prices remain elevated compared to MY 2023/24, supporting strong export performance in MY 2025/26. Production expansion in countries such as Brazil and Indonesia has improved global supply, contributing to moderating global prices from recent peaks.

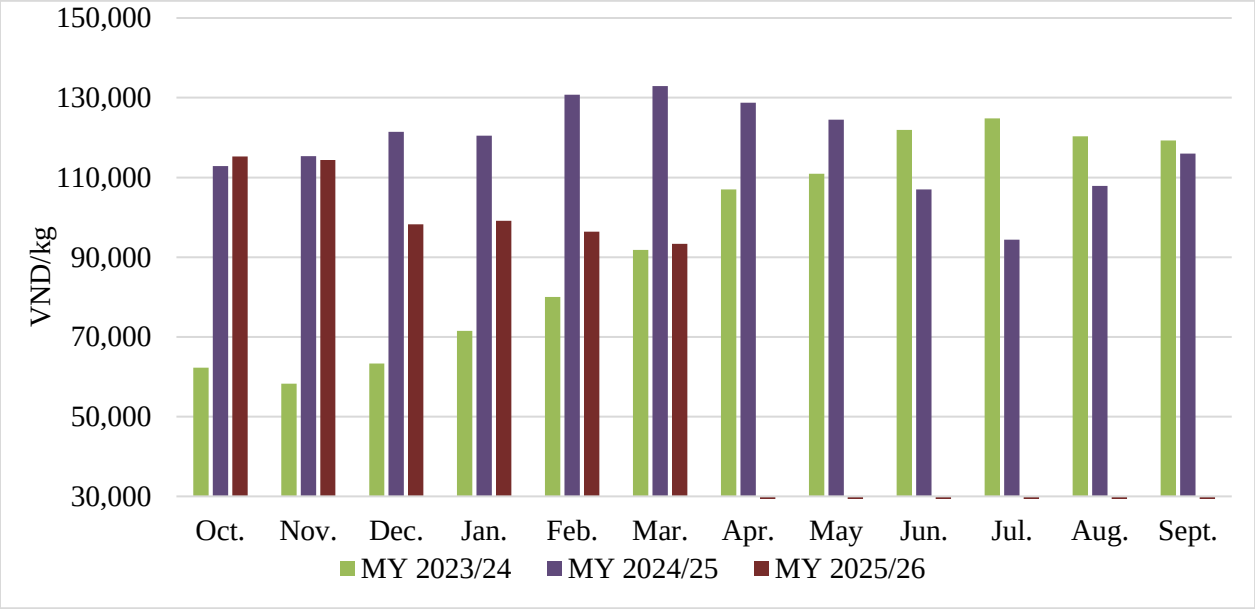
Domestic Robusta coffee prices in the Central Highlands averaged approximately VND 102,800 per kg in the first half of MY 2025/26, a 16 percent decrease compared to the first half of MY 2024/25. Although prices remain higher compared to the first half of MY 2023/24, the downward trend is expected to continue in the coming months.

Figure 5. Export Prices for Green Bean Robusta Coffee



Source: Vietnam Customs, Trade contacts

Figure 6. Local Prices for Green Bean Robusta Coffee



Source: Trade contacts

STOCKS

Post reduces the MY 2025/26 ending stocks estimate to 689,000 bags GBE, based on stronger-than-expected exports and higher domestic consumption driven by record tourism. Local contacts report that farmers proactively store a portion of their products while waiting for more favorable market conditions. Meanwhile, brokers, middlemen, and exporters attempt to release stocks sooner amid concerns that prices will decline further. Post forecasts MY 2026/27 ending stocks will continue to decline to 489,000 bags GBE.

Coffee, Green	2024/2025		2025/2026		2026/2027	
Market Year Begins	Oct 2024		Oct 2025		Oct 2026	
Vietnam	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Beginning Stocks (1000 60 KG BAGS)	889	889	1089	1089	0	689
Arabica Production (1000 60 KG BAGS)	1000	1000	1200	1200	0	1100
Robusta Production (1000 60 KG BAGS)	28000	28000	29600	30500	0	31400
Other Production (1000 60 KG BAGS)	0	0	0	0	0	0
Total Production (1000 60 KG BAGS)	29000	29000	30800	31700	0	32500
Bean Imports (1000 60 KG BAGS)	800	800	850	850	0	800
Roast & Ground Imports (1000 60 KG BAGS)	200	200	250	250	0	250
Soluble Imports (1000 60 KG BAGS)	200	200	200	200	0	200
Total Imports (1000 60 KG BAGS)	1200	1200	1300	1300	0	1250
Total Supply (1000 60 KG BAGS)	31089	31089	33189	34089	0	34439
Bean Exports (1000 60 KG BAGS)	22350	22350	24600	25100	0	25400
Rst-Grnd Exp. (1000 60 KG BAGS)	500	500	700	700	0	750
Soluble Exports (1000 60 KG BAGS)	2350	2350	2600	2700	0	2800
Total Exports (1000 60 KG BAGS)	25200	25200	27900	28500	0	28950
Rst,Ground Dom. Consum (1000 60 KG BAGS)	3350	3350	3400	3400	0	3450
Soluble Dom. Cons. (1000 60 KG BAGS)	1450	1450	1500	1500	0	1550
Domestic Consumption (1000 60 KG BAGS)	4800	4800	4900	4900	0	5000
Ending Stocks (1000 60 KG BAGS)	1089	1089	389	689	0	489
Total Distribution (1000 60 KG BAGS)	31089	31089	33189	34089	0	34439
(1000 60 KG BAGS)						
OFFICIAL DATA CAN BE ACCESSED AT: PSD Online Advanced Query						

Attachments:

No Attachments