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Prepared By: Loc Nguyen

Approved By: Andrew Anderson-sprecher

Report Highlights:

Global coffee prices remain high and volatile, prompting shifts in stakeholder behavior across the supply chain. Coffee processors increased imports to offset high local coffee prices, while farmers are holding on to their coffee stocks for longer anticipating prices will increase further. Increased coffee imports have kept high-end coffee product prices down, supporting domestic market growth and exports of processed coffee products.

Executive Summary:

Global coffee prices remain high and volatile, prompting shifts in stakeholder behavior across the supply chain. Coffee processors increased imports to offset high local coffee prices, while farmers are holding on to their coffee stocks for longer anticipating prices will increase further. Increased coffee imports have kept high-end coffee product prices down, supporting domestic market growth and exports of processed coffee products.

Commodities:
Coffee, Green

PRODUCTION

Post revised forecast Marketing Year (MY) 2025/26 total coffee production slightly lower to 30.8 million bags green bean equivalent (GBE), including 29.6 million bags GBE of Robusta and 1.2 million bags GBE of Arabica.

Higher coffee prices have encouraged farmers to increase investments in coffee farming, including fertilizer use. Favorable weather conditions, characterized by abundant rainfall, have supported coffee cultivation and are expected to drive higher yields. Some experts predict coffee production will increase by up to 10 percent in MY 2025/26. Additionally, the Plant Production and Protection Department (PPPD) reports reduced damage from pests and diseases, such as mealybugs, branch dieback, and rust disease, compared to the previous year. Although mosquito bug damage has slightly increased, the overall impact of pests and diseases on coffee cultivation has declined. Unfortunately, Typhoons Kalmaegi and extreme heavy rains during the harvest stage damaged coffee yields in some production areas, particularly in the Highland Central region.

Table 1: Robusta Green Bean Coffee Production MY 2023/24- MY 2025/26

	MY 2023/24 Estimate	MY 2024/25 Estimate	MY 2025/26 Forecast
Marketing year begins	Oct. 2023	Oct. 2024	Oct. 2025
Harvested area (hectare)	611,500	615,000	630,000
Production (thousand bags)	28,500	28,000	29,600
Average yield (MT/HA)	2.75	2.73	2.82

Source: Post estimates and forecasts

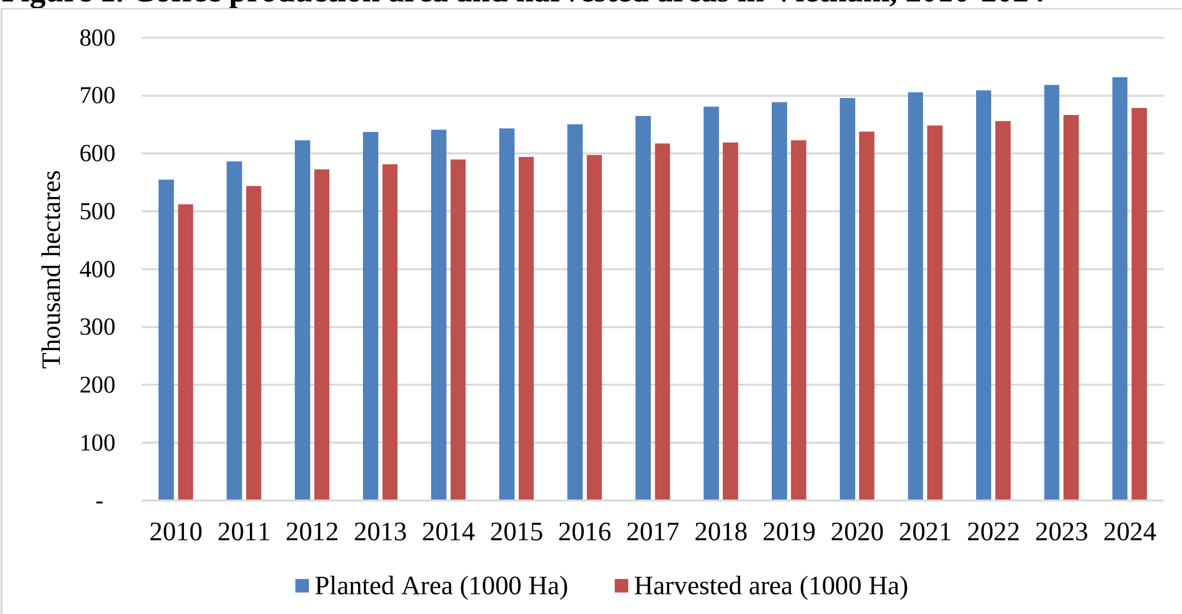
Total coffee area was 732,000 hectares with total harvested area at 677,000 hectares in 2024 according to Vietnam's National Statistics Office (NSO). PPPD estimates total coffee area in 2025 will be 730,000 hectares, and projects that coffee area will increase slightly to 731,000 hectares in 2026.

Total planting area in the Central Highland, the main coffee producing region, reached 676,500 hectares in 2025, with an expected production of 1.9 million tons (MT). So far only 74,500 hectares have been replanted/renewed in this region under the Coffee Replanting Program out of a planned 91,000 hectares.[1] The Replanting Program set a target of replanting 200,000 hectares of coffee between 2014-2025, one-third of the coffee area in this region. The Replanting Program is one of the Government's primary policies for providing credit and technology to farmers to replace old low yield coffee trees with new varieties.

[1] Established by the Ministry of Agriculture and Rural Development (MARD), now known as Ministry of Agriculture and Environment (MAE), in Decision No. 1178/QĐ-BNN-TT dated March 31, 2022.

The slower pace of re-planting between 2021-2025 reflects farmers' reluctance to renew their coffee tree while prices remain high, as replanting typically requires three to four years before the first harvest. Additionally, many farmers are replacing aging coffee trees with alternative crops, such as durian, avocado, and pepper to better manage market risks. These alternative crops provide additional income which enables farmers to keep their coffee stocks for longer in anticipation of higher prices. This trend may reduce long-term coffee production.

Figure 1. Coffee production area and harvested areas in Vietnam, 2010-2024



Source: National Statistics Office and Ministry of Agriculture and Environment (MAE)

On May 22, 2025, Vietnam was categorized as a "low risk" country under the European Union Deforestation Regulation (EUDR). This designation allows coffee exported from Vietnam to the European Union (EU) to undergo a simplified due diligence process, with a compliance inspection rate of one percent. On July 7, 2025, citing concerns about the functionality of the IT platform managing EUDR compliance data, the EU announced implementation of the EUDR will be delayed until December 2026. This delay allows Vietnam coffee businesses additional time to review their supply chains, invest in traceability technology, and strengthen compliance capabilities to better meet the EU's stringent requirements.

As noted in the previous report, MAE, local provincial authorities and coffee business enterprises are working together to meet EUDR requirements. PPPD is continuing to collect coffee planting area data, covering a total of approximately 462,000 hectares in the Central Highlands, which accounts for an estimated 80 percent of the region's coffee area. Additionally, PPP is also developing a comprehensive database system for EUDR compliance, including a coffee product traceability system. Vietnam appears well positioned to manage EUDR compliance and maintain its coffee exports to EU, which accounts for approximately 60 percent of total annual export.

CONSUMPTION

Post raises forecast MY 2025/26 domestic consumption to 4.9 million bags GBE. Post also revises MY 2024/25 consumption to 4.8 million bags GBE and MY 2023/24 consumption to 4.2 million bags.

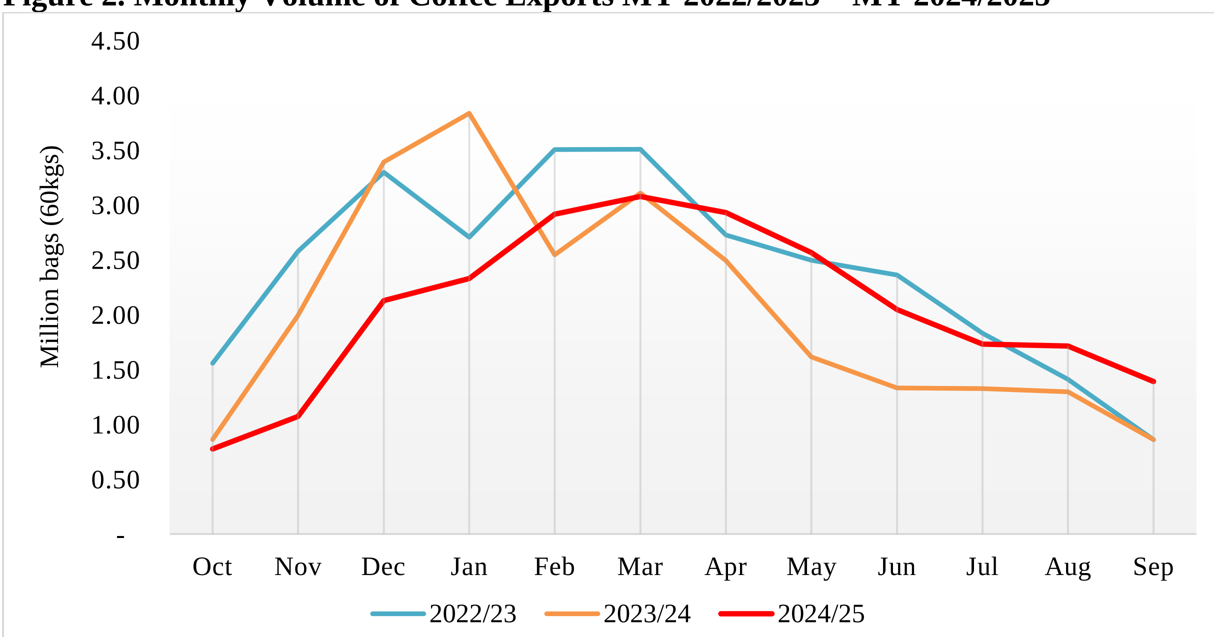
Vietnam's domestic coffee market is experiencing significant growth, driven by a burgeoning cafe culture, rising incomes, and a young, urban population eager for new coffee experiences. While exports remain the industry's primary focus, the local market is growing in importance. Annual per capita coffee consumption is growing rapidly and is projected to reach 3 kilograms this year. Busy lifestyles and longer working hours are boosting demand for instant coffee. According to Knowledge Sourcing Intelligence report, Vietnam's instant coffee market is projected to grow at a compound annual growth rate (CAGR) of 12 percent, totaling $731 million by 2028.

Domestic coffee consumption in 2025 was supported by the growing local demand and an increase in international visitors. Vietnam welcomed over 17.2 million international visitors in the first ten months of 2025 according to the National Statistics Office (NSO), up 22 percent from the same period last year.

TRADE

Exports

Figure 2. Monthly Volume of Coffee Exports MY 2022/2023 – MY 2024/2025



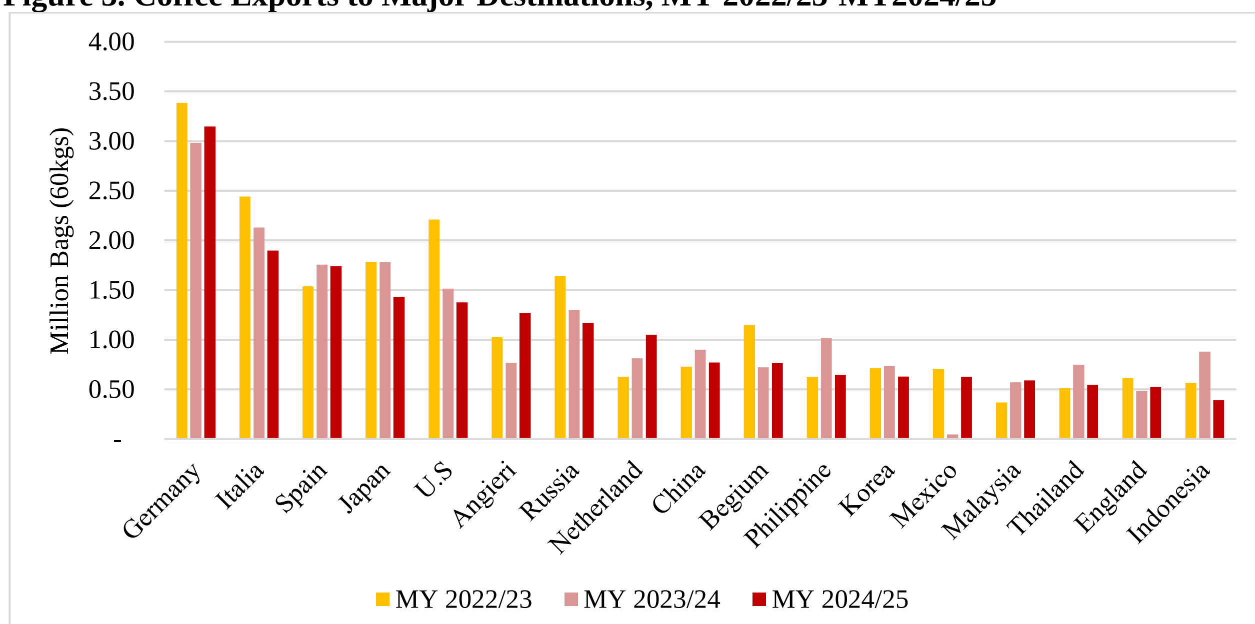
Source: Vietnam customs data and Vietnam National Statistics Office (NSO)

Post revised forecast MY 2025/26 coffee exports to 27.3 million bags GBE, eight percent higher than estimated MY 2024/25 exports. Estimated MY 2024/25 coffee exports are lowered to 25.2 million bags GBE, including green bean, roasted and soluble coffee. Vietnam Customs data reports coffee exports totaling 24.8 million bags. However, trade contacts and media sources suggest that actual volumes may be higher due to increased shipments of roasted and soluble coffee. Additionally, Vietnam experienced a surge in international tourists in 2025. Tourists often purchase coffee while visiting to bring as a gift or consume themselves. These sales are not accounted for in export statistics.

Germany remained the largest importer in MY 2024/25, importing approximately 3.2 million bags of Vietnam coffee (up 6 percent). Germany is followed by Italy, Spain, Japan and the United States. While exports to Germany grew, other major importers reduced purchases. Exports to Japan fell 20 percent compared to the previous marketing year. Vietnam exported approximately 1.5 million bags to the United State in MY 2024/25, down 3 percent from MY 2023/24. On November 14, 2025, The United States announced a reduction in tariffs on coffee and certain other agricultural products. This may support increased imports in coffee from Vietnam in MY2025/26.

Exports to Mexico, Algeria and Netherland recorded the highest growth rate, increasing 1,244 percent, 66 percent, and 29 percent respectively. In contrast, exports to Asia countries declined significantly, with exports to Indonesia dropping 56 percent, Philippines 37 percent, Thailand 27 percent, and Chian 15 percent.

Figure 3. Coffee Exports to Major Destinations, MY 2022/23-MY2024/25

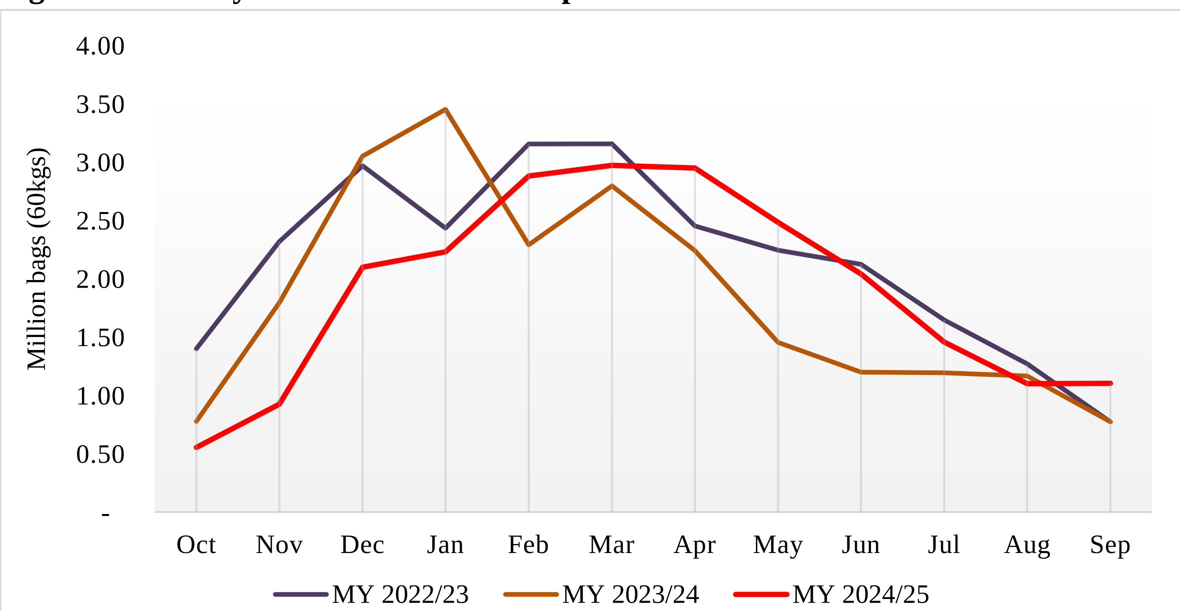


Source: Vietnam customs data.

Green Bean Exports

Post slightly reduced forecast green bean exports in MY2025/26 to be 24 million bags GBE. It is lower than the USDA number, but 7 percent higher compared to the exports of MY 2024/25 due to higher production estimation. For the exports of MY 2024/25, Vietnam delivered 22.35 million bags of green bean coffee, including 92 percent of Robusta 5 percent of Arabica. It is also lower than USDA number, which cited by the recent expansion of processed coffee facilities and strong growth in domestic consumption.

Figure 4. Monthly Green Bean Coffee Exports MY 2022/23-MY 2024/25



Source: Post calculated from Vietnam customs data and Trade contacts.

Soluble and Roasted Exports

Post maintains the MY 2025/26 export volume of roasted and soluble coffee to be 3.3 million bags GBE. The MY 2024/25 export volume of roasted and soluble coffee was revised slightly upward to 2.85 million bags GBE.

Importers are increasingly favoring processed coffee products due to their more stable pricing, which contrasts with the greater price volatility of green beans. This trend aligns with the recent expansion of coffee processing facilities.

Additionally, Vietnam has focused on promoting specialty coffee by upgrading processing facilities and enhancing the farm-factory integration. These efforts aim to improve and sustain the quality of specialty coffee products.

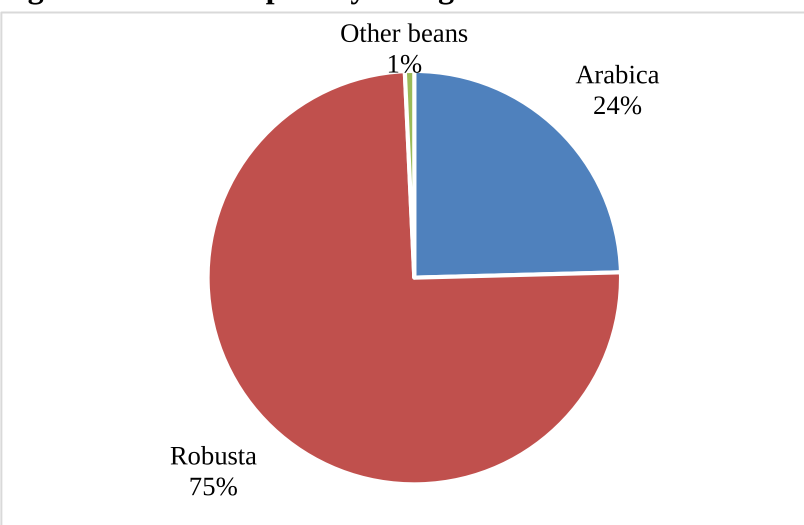
Imports

Post revised the estimates for MY 2023/24 and MY 2024/25 coffee imports to 1 million bags and 1.2 million bags (GBE), based on estimates from the Vietnam Coffee and Cocoa Association (VICOFA) and Post's calculations from Vietnam Customs data. In MY 2024/25, Indonesia, Laos and Brazil were the primary suppliers of coffee to Vietnam. Laos primarily supplied Arabica coffee, while Indonesia and Brazil provided Robusta. Green beans accounted for 88 percent of this import volume. Robusta and Arabia accounted for 75 percent and 24 percent of total imports, respectively.

Vietnam's coffee imports tend to increase toward the end of the MY, when domestic coffee supplies are depleted. This coincides with the main harvesting seasons of Brazil and Indonesia. Additionally, coffee farmers, now, tend to hold onto their coffee, making raw material shortages for processing companies. These factors make imported coffee a more cost-effective option for processing, re-export, and domestic consumption. The lower import coffee prices make local coffee beverage prices have remained relatively stable, even as the price of local green beans has risen significantly compared to previous years.

Post revised the forecast of MY 2025/26 coffee imports to 1.35 million bags GBE, reflecting the upward trend in imports from previous years.

Figure 5. Coffee Import by Categories in MY 2024/25

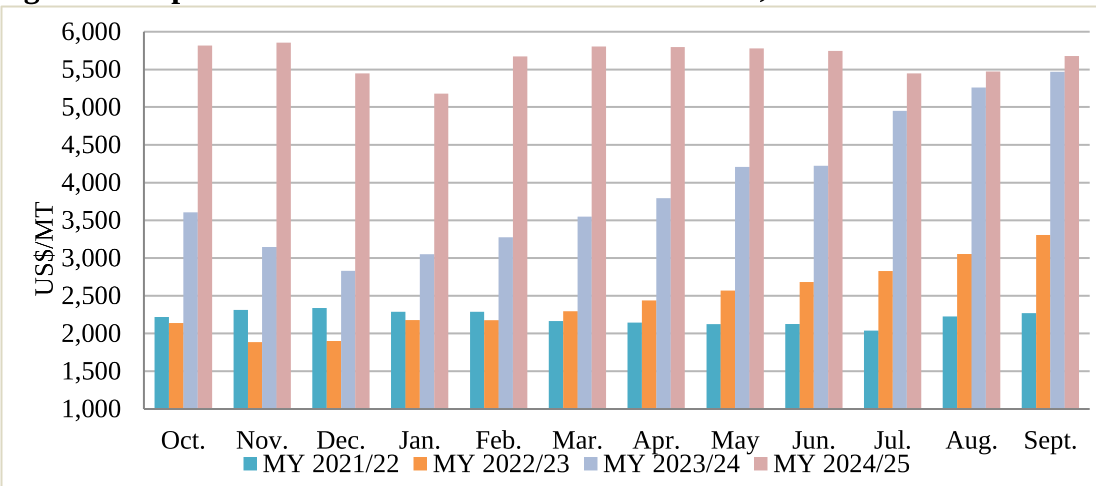


Source: Post calculated from Vietnam customs data.

PRICES

The average export prices for coffee in MY2024/25 reached $5,642 per ton, a 143 percent increase compared to the export price of MY2024/24 (Figure 6). This price is the highest record price in coffee transaction history, causing Vietnam's export value to reach a record $8.3 billion this marketing year.

Figure 6. Export Prices for Green Bean Robusta Coffee, MY2021/22 to MY2024/25

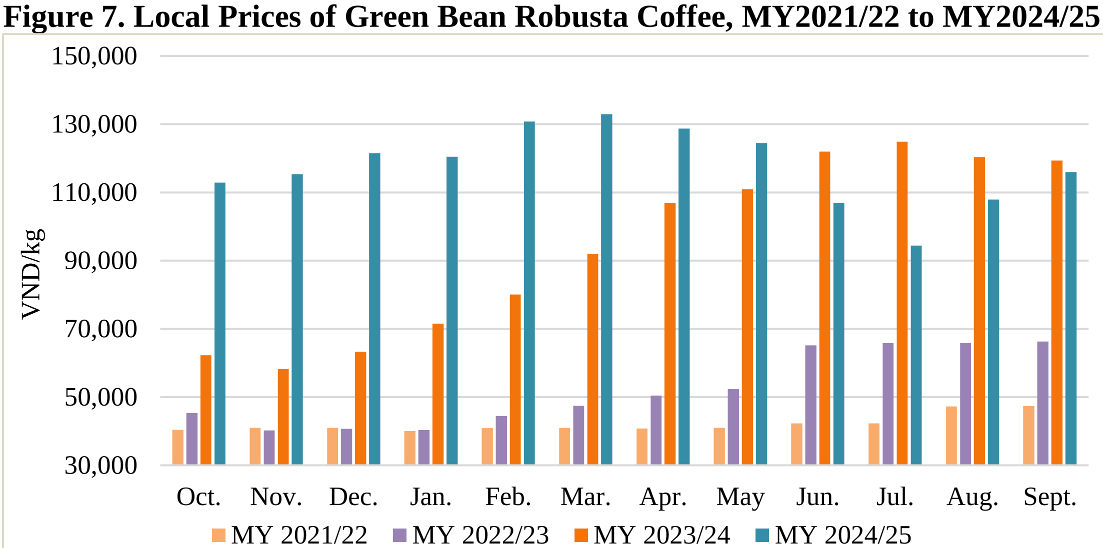


Source: Trade contacts

High export prices have benefited Vietnam coffee farmers. The average local coffee price was VND 118,000 per kg in MY 2024/25 (about $4.45/KG), 125 percent higher than the average price last year. However, the local price from June to September was down compared to last year while the export price remained high.

Farmers and traders in Vietnam watch global coffee prices daily on their phone, checking commodity exchange markets such as the London Commodity Exchange and the Chicago Commodity Exchange. Moves in these markets directly affect daily local prices, selling decisions, and stocking behaviors of farmers, traders, and processors. Famers tend to store more inventory when they expect prices will rise, while brokers, middlemen, and exporters try to release stock sooner if they worry prices will drop.

Figure 7. Local Prices of Green Bean Robusta Coffee, MY2021/22 to MY2024/25



Source: Trade contacts

STOCKS

Post forecasts MY 2025/26 ending stocks will increase slightly to 889,000 bags GBE. Estimated MY 2024/25 ending stocks are revised higher to 989,000 bags GBE based on higher imports. Estimated MY 2023/24 ending stocks are revised slightly lower to 789,000 bags GBE due to higher domestic consumption.

Shifts in coffee supply chain behavior are influencing stock levels. Farmers are storing their coffee in anticipation of higher prices, while brokers, middlemen, and exporters are releasing their stocks sooner due to concerns over potential price declines. Processors rely more on imports to maintain competitive prices for their products in both foreign and domestic markets. These dynamics, combined with fluctuating domestic supply and demand, make stock holdings increasingly difficult to estimate.

Coffee, Green	2023/2024		2024/2025		2025/2026	
Market Year Begins	Oct 2023		Oct 2024		Oct 2025	
Vietnam	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Beginning Stocks (1000 60 KG BAGS)	839	839	889	789	939	989
Arabica Production (1000 60 KG BAGS)	1000	1000	1000	1000	1000	1200
Robusta Production (1000 60 KG BAGS)	26550	26550	28000	28000	30000	29600
Other Production (1000 60 KG BAGS)	0	0	0	0	0	0
Total Production (1000 60 KG BAGS)	27550	27550	29000	29000	31000	30800
Bean Imports (1000 60 KG BAGS)	400	600	400	800	400	850
Roast & Ground Imports (1000 60 KG BAGS)	200	200	200	200	200	250
Soluble Imports (1000 60 KG BAGS)	200	200	250	200	200	200
Total Imports (1000 60 KG BAGS)	800	1000	850	1200	800	1300
Total Supply (1000 60 KG BAGS)	29189	29389	30739	30989	32739	33089
Bean Exports (1000 60 KG BAGS)	22000	22000	23000	22350	24600	24000
Rst-Grnd Exp. (1000 60 KG BAGS)	400	400	500	500	700	700
Soluble Exports (1000 60 KG BAGS)	2000	2000	2300	2350	2600	2600
Total Exports (1000 60 KG BAGS)	24400	24400	25800	25200	27900	27300
Rst,Ground Dom. Consum (1000 60 KG BAGS)	3000	3100	3000	3350	3000	3400
Soluble Dom. Cons. (1000 60 KG BAGS)	900	1100	1000	1450	1000	1500
Domestic Consumption (1000 60 KG BAGS)	3900	4200	4000	4800	4000	4900
Ending Stocks (1000 60 KG BAGS)	889	789	939	989	839	889
Total Distribution (1000 60 KG BAGS)	29189	29389	30739	30989	32739	33089
(1000 HA) ,(MILLION TREES) ,(1000 60 KG BAGS)						
OFFICIAL DATA CAN BE ACCESSED AT: PSD Online Advanced Query						

Attachments:

No Attachments