

Vietnam Coffee Market Set to Hit USD 1.03 Billion by 2035 as Quality Drives Growth

Rising Robusta demand, specialty Arabica, RTD coffee and supply-chain modernization are reshaping Vietnam's coffee industry through 2035.

NEW YORK, NY, UNITED STATES, August 27, 2026 /EINPresswire.com/ -- The [Vietnam Coffee Market](#) is entering a significant transformation phase as rising global demand for Robusta, premiumization, specialty coffee consumption, supply-chain modernization, and evolving sustainability requirements reshape the country's coffee industry.

According to Market Research Future, the Vietnam Coffee Market was estimated at USD 548.50 million in 2025 and is projected to grow from USD 584.15 million in 2026 to USD 1,029.60 million by 2035, registering a 6.50% compound annual growth rate (CAGR) during the forecast period.

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Vietnam's coffee industry is moving beyond volume toward quality, traceability and value-added products, creating new opportunities across the entire coffee value chain.”

*Market Research Future
(MRFR)*

Vietnam's coffee sector has historically been characterized by large-scale Robusta cultivation and a strong position in international green-bean exports. The next phase of growth, however, is increasingly expected to come from value creation beyond raw volume. Higher-quality cultivation, traceable sourcing, domestic roasting and soluble-coffee production, ready-to-drink formats, specialty coffee, branded consumer products, and direct-to-consumer channels are creating new opportunities throughout the value chain.

Two structural forces are particularly important to the

market's long-term development. First, Vietnam's agricultural policy direction is encouraging more efficient cultivation and higher-quality output rather than relying solely on expansion of planted acreage. The country's coffee-producing regions are increasingly focused on replanting,



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improved varieties, productivity, irrigation, post-harvest handling, and quality management. Second, sustainability and traceability requirements in major export destinations are pushing growers, cooperatives, processors, exporters, and traders toward more sophisticated supply-chain systems.

The European Union Deforestation Regulation (EUDR) is a major example of this transition. Coffee is among the commodities covered by the regulation, which requires relevant operators to demonstrate that products placed on the EU market or exported from it are deforestation-free and produced in accordance with applicable legislation in the country of production. Following subsequent EU amendments, the regulation is scheduled to apply from December 30, 2026, to large and medium-sized operators, while most micro and small operators will have until June 30, 2027.

For Vietnamese coffee businesses, this creates both compliance requirements and strategic opportunities. Farm mapping, plot-level information, chain-of-custody systems, digital documentation, supplier verification, and traceable processing are becoming increasingly important capabilities for exporters targeting European buyers. Companies that can integrate traceability into procurement and processing may be better positioned to protect access to premium international markets while strengthening relationships with global roasters.

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Vietnam Coffee Market Growth Supported by Quality and Supply-Chain Transformation

Vietnam remains one of the world's most important Robusta coffee origins, with the Central Highlands serving as the core production region. Dak Lak, Lam Dong, Gia Lai, Dak Nong, and Kon Tum form an important agricultural and processing ecosystem where producers are increasingly focusing on productivity, quality, sustainability, and long-term farm viability.

The sector's development is gradually moving away from a purely volume-oriented model. Higher-grade beans, improved processing methods, specialty lots, certifications, traceability, and differentiated origin stories are becoming more relevant to international buyers. This transition could allow producers and processors to capture greater value from each kilogram of coffee rather than depending primarily on increases in production volume.

The cultivation strategy is also becoming more selective. Government and industry initiatives are emphasizing rationalization of planted areas, with a focus on maintaining approximately 610,000 to 640,000 hectares while improving the quality and productivity of coffee output. This approach supports a broader shift toward replacing aging plantations, improving plant material, strengthening farm management, and increasing resilience against climate and market pressures.

The result is a coffee ecosystem in which productivity and quality are increasingly considered together. For farmers and cooperatives, investment in irrigation, improved seedlings, soil management, harvesting practices, and post-harvest processing can improve bean consistency and potentially increase access to higher-value markets.

Robusta Continues to Anchor Vietnam's Coffee Industry

Robusta remains the dominant coffee type in Vietnam. According to the market analysis, Robusta accounted for approximately 86.25% of Vietnam's coffee market value in 2025, reflecting the country's strong production base and established position in the global Robusta supply chain.

Global demand for Robusta has strengthened the strategic importance of Vietnam's production base. Robusta is widely used in instant coffee, espresso blends, ready-to-drink beverages, and other commercial coffee applications. Its flavor characteristics, caffeine content, productivity, and competitive economics make it an important ingredient for large international coffee manufacturers.

However, the market is also becoming more differentiated. Rather than treating Robusta as a homogeneous commodity, producers and processors are increasingly exploring higher-quality grades, controlled fermentation, improved drying, specialty Robusta, certifications, and direct relationships with buyers.

This evolution could support a gradual increase in value realization for Vietnamese growers and exporters. Consistent quality and traceability can provide buyers with greater confidence while helping Vietnamese suppliers compete on more than price alone.

Arabica and Specialty Coffee Create New Premium Opportunities

Although Robusta dominates the market, Arabica represents an important growth opportunity. The market analysis projects Vietnam's Arabica segment to expand at approximately 7.85% CAGR between 2026 and 2035, supported by specialty coffee demand and cultivation in higher-altitude areas.

Lam Dong and Son La are particularly relevant to the country's Arabica development. Higher elevations, distinctive growing conditions, improved processing, and growing interest from specialty buyers are helping Vietnamese Arabica establish greater visibility in premium coffee markets.

The specialty segment is also benefiting from the expansion of direct-trade relationships, quality certifications, differentiated origin profiles, and consumers' growing interest in coffee provenance. As consumers become more interested in where coffee comes from, how it was processed, and how farmers are compensated, traceability can evolve from a compliance

obligation into a marketing and pricing tool.

Vietnamese producers able to document farm origin, processing methods, quality scores, and sustainability practices can potentially develop stronger relationships with specialty roasters in Asia, Europe, North America, and other premium markets.

Instant Coffee Remains a Major Revenue Generator

Product diversification is another major feature of Vietnam's coffee-market development. Instant coffee represented approximately 40.05% of market sales in 2025, according to the market analysis, making it the leading product segment.

Vietnam has developed substantial expertise in soluble coffee production, supported by established domestic and international manufacturers. Instant coffee benefits from convenience, affordability, long shelf life, and widespread household and workplace consumption.

The growth opportunity increasingly extends beyond traditional instant formats. Premium freeze-dried products, specialty instant coffee, single-serve sachets, functional coffee products, and export-oriented branded products are opening additional avenues for manufacturers.

Domestic companies are also expanding their ability to capture value downstream by processing and branding coffee inside Vietnam. This creates opportunities across roasting, grinding, soluble production, packaging, logistics, retail, and marketing.

Ready-to-Drink Coffee Emerges as a High-Growth Segment

Ready-to-drink (RTD) coffee is expected to be among the fastest-growing product formats in Vietnam, with the market analysis projecting an 8.15% CAGR through 2035.

The development of RTD coffee is being supported by urbanization, convenience-store expansion, changing consumer routines, younger consumers, and growing interest in portable beverages. Canned and bottled coffee products allow brands to reach consumers outside traditional cafés and home-brewing environments.

RTD coffee also provides Vietnamese manufacturers with an opportunity to combine local coffee identity with modern beverage formats. Products incorporating Vietnamese Robusta, premium Arabica, milk-based formulations, lower-sugar recipes, and differentiated flavors could help companies target both domestic consumers and export markets.

As cold-chain distribution and convenience retail networks continue to develop, RTD coffee could become an increasingly important part of Vietnam's broader coffee ecosystem.

Central Highlands Remains the Industry's Strategic Core

The Central Highlands remains the center of Vietnam's coffee economy, accounting for approximately 45% of the market by value in 2025, according to the market analysis.

Dak Lak is particularly important because of its extensive Robusta cultivation and established processing ecosystem. Lam Dong combines coffee production with a growing specialty and Arabica presence, while Gia Lai, Dak Nong, and Kon Tum are also pursuing agricultural modernization and productivity improvements.

The region's importance extends beyond farming. Processing facilities, exporters, cooperatives, logistics providers, agricultural-input companies, financial institutions, and sustainability programs collectively form an increasingly interconnected coffee value chain.

Traceability requirements are accelerating this integration. For European-bound coffee, mapping farms and documenting supply-chain information can require collaboration among growers, cooperatives, collectors, processors, and exporters. Investments made for EUDR readiness can therefore contribute to broader improvements in supply-chain visibility and operational efficiency.

Ho Chi Minh City and Southeast Vietnam Strengthen Downstream Demand

Ho Chi Minh City and the Southeast region represent an important consumption, processing, manufacturing, and distribution center for Vietnamese coffee.

The region benefits from high café density, modern retail infrastructure, industrial manufacturing capacity, e-commerce penetration, and access to export logistics. These advantages make the Southeast particularly well positioned for value-added coffee products, including roasted coffee, soluble coffee, RTD beverages, capsules, and branded consumer products.

The continued development of modern retail and online commerce is also creating opportunities for smaller Vietnamese coffee brands. Digital channels allow specialty roasters and regional producers to reach consumers directly while using origin information, brewing education, sustainability claims, and product storytelling to differentiate themselves.

Hanoi and Northern Vietnam Offer Strong Specialty-Coffee Potential

Northern Vietnam is expected to remain another important growth area. The market analysis estimates that Hanoi and northern provinces could record approximately 7.80% CAGR between 2026 and 2035, supported by expanding specialty café culture and consumer interest in premium coffee experiences.

Hanoi's growing café ecosystem is creating demand for higher-quality beans, alternative brewing methods, single-origin products, and professionally roasted coffee. This consumer shift complements the development of Arabica cultivation in northern highland areas such as Son La.

The connection between northern production and urban specialty consumption could create new opportunities for direct trade, micro-lots, farm-to-café relationships, and origin-focused Vietnamese coffee brands.

Off-Trade Leads While On-Trade Expands

Distribution patterns also demonstrate the changing nature of Vietnamese coffee consumption. Off-trade channels, including supermarkets, convenience stores, specialty retailers, and e-commerce platforms, represented approximately 71.25% of the market in 2025.

These channels benefit from the widespread consumption of packaged ground coffee, instant coffee, capsules, and ready-to-drink beverages. E-commerce is adding another growth avenue by enabling domestic brands to reach consumers outside their immediate geographic markets.

At the same time, the on-trade segment is expanding as cafés and foodservice operators increasingly position coffee as an experience rather than simply a beverage. The market analysis estimates that on-trade distribution could grow at approximately 7.30% CAGR through 2035.

This trend is especially relevant to premiumization. Cafés can introduce consumers to specialty Robusta, Arabica, single-origin products, manual brewing, cold brew, and premium espresso beverages, helping create greater willingness to pay for differentiated coffee.

EUDR Compliance Could Reshape Export Relationships

The EUDR is likely to remain one of the most important strategic considerations for Vietnamese coffee exporters serving Europe.

The regulation requires covered products to satisfy deforestation-free requirements and be supported by due-diligence information. The European Commission has also been developing digital systems and implementation measures to facilitate compliance.

For Vietnamese exporters, the implications extend beyond paperwork. Traceability may influence supplier selection, procurement models, cooperative structures, data management, farm mapping, logistics, and commercial contracts.

Larger exporters and processors may have greater resources to establish centralized traceability platforms, while smaller producers may benefit from cooperative models that spread mapping, verification, and documentation costs across multiple farms.

Over time, traceability could become a competitive differentiator rather than simply a regulatory burden. Buyers may increasingly favor suppliers that can demonstrate reliable origin information, consistent quality, environmental compliance, and transparent procurement practices.

Competitive Landscape and Industry Outlook

Vietnam's coffee market includes domestic brands, international manufacturers, café chains, processors, exporters, agricultural companies, and global commodity traders. Key companies profiled in the market analysis include Nestlé, Trung Nguyên, Highlands Coffee, Vinacafé, Phúc Long, The Coffee House, TNI Corp., Olam, Starbucks Vietnam, and Louis Dreyfus, among others.

Competition is expected to increasingly center on supply security, product innovation, quality, branding, processing capacity, sustainability, and distribution rather than raw bean availability alone.

For producers, the opportunity lies in improving yields and quality while strengthening farm resilience. For processors, value creation can come from roasting, soluble coffee, RTD beverages, capsules, and branded products. For exporters, traceability and quality assurance will become increasingly important. For consumer brands, premiumization and differentiated Vietnamese coffee experiences can provide opportunities for margin expansion.

Vietnam Coffee Market Outlook Through 2035

The Vietnam Coffee Market is projected to grow from USD 584.15 million in 2026 to USD 1,029.60 million by 2035, representing a 6.50% CAGR over the forecast period.

The trajectory reflects a structural transformation rather than simple expansion in coffee consumption. Vietnam's coffee industry is increasingly moving toward a model built around higher-quality production, improved processing, stronger domestic brands, specialty coffee, modern distribution, digital commerce, and internationally aligned sustainability practices.

The combination of a globally important Robusta supply base, expanding Arabica production, growing specialty demand, investment in processing, and rising consumer interest in premium coffee gives Vietnam multiple avenues for future growth.

At the same time, climate variability, farm productivity, input costs, commodity-price fluctuations, regulatory compliance, traceability investments, and changing international trade conditions will remain important considerations for industry participants.

Companies that successfully connect agricultural production with processing, traceability, branding, and consumer demand are likely to be best positioned to capture the next phase of

value creation.

As Vietnam's coffee industry evolves, the market's competitive advantage is increasingly shifting from producing more coffee to producing better, more traceable, more differentiated, and higher-value coffee. This transition is expected to define the country's coffee market through 2035 and strengthen Vietnam's position as both a major global coffee origin and an increasingly sophisticated coffee-processing and consumption market.

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