

Kava Export Development in Fiji

PHAMA Plus Performance Story



Pacific Horticultural
& Agricultural Market
Access Plus Program

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Over the past 15 years, Fiji's kava economy has undergone a remarkable transformation. What was once a largely subsistence crop with modest commercial value has become the country's most valuable agricultural export. In 2008, near the start of the Pacific Horticultural and Agricultural Market Access (PHAMA) Program, kava exports were valued at under FJD4 million. By 2024, the Fiji Bureau of Statistics reported a more than tenfold increase to over FJD53 million. The broader sector is now estimated to be worth more than FJD190 million when domestic consumption, processing and informal sales are included.

According to the Fiji Yaqona Farming Household Census 2024, the kava industry currently supports more than 14,500 farming households across Fiji, up from approximately 10,400 households in 2016. For many rural communities, kava has become a critical source of income, surpassing subsistence returns and helping sustain rural economies.



Fiji's kava economy is currently experiencing unprecedented demand, linked to significant growth in global exports. The sector is currently witnessing growing product diversification, stronger quality assurance systems, and the entry of Fijian kava into mainstream retail channels. This rapid growth has been driven by increased demand from the United States—home to approximately 400 kava bars and a growing wellness sector—as well as Australia, New Zealand, and other emerging markets. The launch of Australia's Commercial Kava Import Pilot in 2019 was a turning point, shifting the market from informal gifting to commercial trade. Today, Fijian kava products are stocked in major Australian retailers such as Coles and Woolworths, signalling improved product quality and supply systems.

There is strong evidence that the Australian and New Zealand governments have helped accelerate the development of Fiji's kava sector through their investments in PHAMA and PHAMA Plus, as well as their partnerships with government and industry. PHAMA Plus, in particular, has contributed to improvements in kava quality, biosecurity, plant health, and market access—leading to higher household incomes and export earnings. These efforts, in collaboration with the Government of Fiji and industry stakeholders, have underpinned the sector's rapid growth and formalisation. Fiji's kava economy now plays a central role in supporting livelihoods, rural development and national export performance.

Key PHAMA/PHAMA Plus contributions include co-investment in on-farm and processing infrastructure to demonstrate the business case for scaling green kava; the development of the Fiji Kava Quality Manual (2017), the Fiji Kava Standard (2017) and the Kava Plant Health Guide (2025); facilitation of market access support for the Australian Commercial Kava Import Pilot, and support for export certification and policy dialogue in Fiji and regionally.

PHAMA Plus interventions have enabled 5,500 kava-growing households – comprising 8,908 men, 4,454 women, 3,514 youth, and 895 persons with disabilities – to access newly opened Australian and other international markets through processors and exporters. Notably, support for the Australian Commercial Kava Pilot alone generated an estimated FJD2 million in benefits for kava-farming communities across Fiji in 2022. Since the market opened in 2021,

Fiji has exported 246 tonnes of kava to Australia, valued at FJD28 million (to Q3 2025).

Furthermore, the green kava model introduced by Lami Kava has delivered substantial economic and social benefits for both farming households and the company. Lami Kava's green kava-based product exports increased by 63% compared with 2021, driving benefits throughout its supply chain. In total, 94% of Lami Kava's supplying households - representing 169 households or 867 individuals (448 men, 419

women, including 209 youths) - reported benefit from higher sales and other income-generating activities made possible by time saved from drying kava. This has resulted in a 26% rise in attributable income, underscoring the model's success in promoting inclusive growth and sustainable livelihoods.

However, challenges remain to protect against boom-bust cycles and ensure continued, sustainable growth of the sector.

What should happen next?

1. Safeguarding plant health is essential for sustaining supply.

As Fiji's kava industry expands, supply constraints are emerging. Plant health threats, particularly kava dieback disease and nematodes, pose a serious risk to production. PHAMA Plus's investment in research, diagnostics and extension materials is foundational, but must continue. A national approach to kava plant health management, including improved farmer awareness and response systems, is needed alongside broader productivity support.

2. Extension systems must be strengthened to translate innovation into practice and address supply constraints.

These constraints continue to limit exporter operations and growth. Ongoing support through private sector and Ministry of Agriculture and Waterways extension networks to increase productivity, particularly in pest and disease management, and sustainable, climate-resilient practices, remains essential.

3. Green kava innovation should be scaled and shared.

Green kava processing has demonstrated clear benefits: reduced post-harvest labour and risk for farmers, improved quality control for processors, and new product opportunities such as beverages. The Lami Kava model offers proof of concept and PHAMA Plus has quantified the economic gains along the supply chain to support the business case for scaling. This innovation should be more actively promoted through Fiji's Kava Steering Committee and other industry engagement platforms.

4. Stronger coordination through industry and government leadership is vital.

The absence of a formalised industry body has limited coordination and uptake of technical reforms. While Government leads the Kava Steering Committee, it is not keeping pace with market needs or expectations. Establishing a formal industry representative body and renewed government commitment to drive collaboration will be important moving forward. A strong coordination forum is needed to align exporters, government, and farmer groups around standards, research, market development and policy reform.

5. Continued engagement on regulatory reform will protect and support industry growth.

The absence of a centrally led legislative, regulatory and policy framework for Fiji kava currently exposes the industry to risk. Finalising the Fiji Kava Policy and the Fiji Kava Bill are critical next steps. Ideally, a legislative approach will establish a remit for relevant agencies to certify kava products against quality standards prior to export, thereby protecting product integrity, reputation and market access.

6. Gender analysis should inform next steps.

Future efforts should be grounded in updated gender analysis. This should seek to better understand the roles, constraints and opportunities for more inclusive practices in the current context, including newly established green kava value chains and external factors such as labour mobility schemes. While improved gender equality in the kava sector remains a priority, the analysis should take a broad lens in understanding other inclusion opportunities, such as for youth and people with disabilities.

The business case for green kava

What is green kava?

Green kava refers to kava roots, or products made from roots, harvested and processed before drying.

Why is it important?

When exporters buy green kava, they gain greater control over washing, grading and processing, enabling larger volumes of high-quality product for premium export markets. When growers sell green kava, they have lower costs, reduced theft risk and more time to pursue other income-generating activities, strengthening their economic resilience.

What did PHAMA Plus do?

PHAMA Plus co-invested with Lami Kava to de-risk rapid expansion of green kava processing, driving export growth and delivering benefits down the supply chain. The results were closely monitored, establishing a clear business case for scaling the model.

- Lami Kava reported a 63% increase in exports of green kava products.
- 94% of households reported higher income from selling green kava.
- 88% of households used time saved to invest in additional income-generating activities and food-crop farming, improving food security and nutrition. One resident described that before, they had put food on the table, but now their plates were 'filled with lots of colours'.
- Average household incomes rose by 26%.
- Farmers widely used income from green kava to improve education, healthcare, housing and savings.

