

# The potential for a mango or papaya industry in Te Tai Tokerau-Northland

At present, New Zealand is almost entirely reliant on imported mango and papaya. For Te Tai Tokerau-Northland producers, the question is to what extent these crops can shift from small-scale production to commercial reality.

## WHY CONSIDER MANGO OR PAPAYA?

- A warming climate means that it is becoming more feasible to grow sub-tropical crops in Te Tai Tokerau-Northland.
- Consumers are becoming increasingly health focused, and demand for sustainable produce is rising.
- Consumer demand for locally grown, provenance-based produce continues to increase.

## SIZE OF MANGO AND PAPAYA INDUSTRIES IN NZ

Currently, New Zealand is almost entirely dependant on imported mango and papaya. There is an emerging opportunity for domestic producers to capture a share of the \$11 million+ NZ mango market or \$2 million+ papaya market.



FY24	IMPORT QUANTITY	INDUSTRY SIZE
MANGO	2,245 tonnes	\$11.5 million
PAPAYA	698 tonnes	\$2.1 million

## The key challenges and opportunities for mango or papaya growers in Te Tai Tokerau-Northland, include:

### KEY OPPORTUNITIES



#### Branding and provenance

Crops grown in Te Tai Tokerau-Northland can attract a premium price by promoting sustainability, freshness, and local provenance.



#### High-value ingredients

Mango and papaya are being increasingly used as inputs into value-add products, such as health supplements and skincare formulations. This allows growers to diversify their income streams.



#### Locally sourced

Premium food outlets are enthusiastic about supplying locally grown tropical fruit to meet consumer demand, helping to generate a reliable domestic market channel.



#### Consumer preferences

Papaya's high vitamin content, digestive enzymes, and antioxidant properties align with growing consumer interest in functional foods, and natural health solutions.



#### Unique cultivars and competitive advantage

Sub-tropical crops grown in Te Tai Tokerau-Northland's cooler climate have a longer maturation period, which may result in richer flavour, sweetness, and a superior nutritional value compared to imported fruit.



#### Stepped extraction

Papaya, in particular, enables diversified income as the crops fruit, skin, seeds, and leaves can all be utilised.

### KEY CHALLENGES



#### High capital costs

Mango and papaya growing requires the installation of covered cropping systems, which may not be financially achievable for small-scale growers.



#### Price competition

Imported crops are cheaper, meaning local growers must rely on niche markets where consumers are willing to pay a premium.



#### Labour constraints

Labour availability in remote areas, and the scarcity of skilled subtropical crop horticulturists based in Te Tai Tokerau-Northland, remains a challenge for the industry.



#### Limited crop processing infrastructure

Although mango and papaya crops offer high potential for value-add production, there are no regionally accessible facilities for drying, pulping, or packaging at scale.



#### Cultivar selection

Breeding mango or papaya cultivars that are climate resilient and are developed for optimal taste and yield is challenging.



#### Investment in R&D

Research and development regarding value-add product opportunities is underfunded and siloed.

To assess the economic potential for either a mango or papaya industry in Te Tai Tokerau-Northland, two hypothetical market scenarios were developed under the assumption of 20 hectares of land available:



### SCENARIO 1: MANGO INDUSTRY



**20**

hectares of land



**140**

tonnes of mango



**\$10k**

annual return to growers



**\$28k**

annual return to value-add processors



### SCENARIO 2: PAPAYA INDUSTRY



**20**

hectares of land



**800**

tonnes of papaya



**\$937k**

annual return to growers



**\$400k**

annual return to value-add processors

#### SCENARIO: 80% FRESH FRUIT, 10% VALUE-ADD (FREEZE-DRIED), 10% CROP LOSS.

Revenue (fresh fruit): 112 tonnes sold at \$3.50 per kg	<b>\$390K</b>
Operating expenses (fresh fruit)	<b>\$380K</b>
Revenue (value-add): 14 tonnes	<b>\$52K</b>
Operating expenses (value-add)	<b>\$24K</b>
<b>Total industry revenue</b>	<b>\$442K</b>
<b>Total industry operating expenses</b>	<b>\$405K</b>
<b>INDICATIVE INDUSTRY RETURN</b>	<b>\$39K</b>

#### KEY MARKET INSIGHTS:

- Relatively low yields per hectare make it difficult to justify land use and upfront capital costs.
- Mango based value-added products exist, but do not have the same commercial and export potential as the value-added products of other crops.
- While a market exists where consumers will be willing to pay a premium for locally grown mangoes, demand is confined to a niche market.

#### SCENARIO: 30% FRESH FRUIT, 60% VALUE-ADD (FREEZE-DRIED), 10% CROP LOSS.

Revenue (fresh fruit): 240 tonnes sold at \$5 per kg	<b>\$1.2M</b>
Operating expenses (fresh fruit)	<b>\$263K</b>
Revenue (value-add): 480 tonnes	<b>\$1.5M</b>
Operating expenses (value-add)	<b>\$1.1M</b>
<b>Total industry revenue</b>	<b>\$2.7M</b>
<b>Total industry operating expenses</b>	<b>\$1.4M</b>
<b>INDICATIVE INDUSTRY RETURN</b>	<b>\$1.3M</b>

#### KEY MARKET INSIGHTS:

- Delivers high yields and efficient land use, supporting strong margins.
- Offers multiple usable components (e.g. seeds, pulp, skin) with strong potential for high-value commercial products, justifying premium sale price.
- Product is aligned with rising demand for health-focused products, supporting broader market appeal.

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