

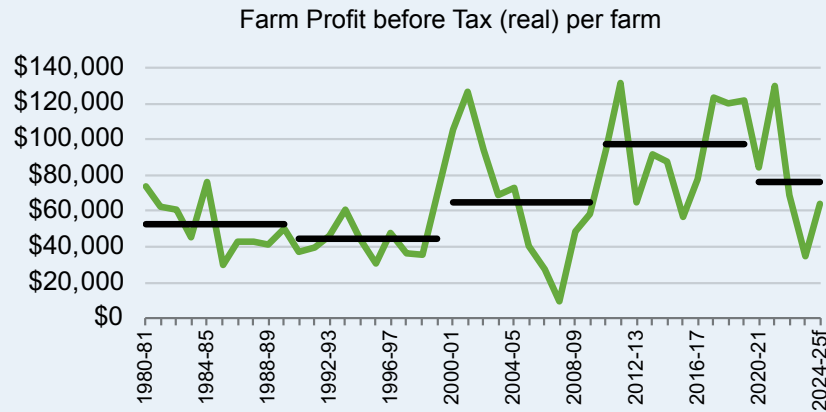
Farm Profit 2024-25



Farm profit forecast to bounce back to an average \$106,500 per farm for 2024-25
Farm profitability remains below the five-year average



Individual farm recovery depends on debt level, exposure to climatic events in recent or current seasons and the availability of livestock to capitalise on improved farm-gate prices.



p provisional | f forecast
¹Adjusted to 2004-05 \$ terms
Source: Beef + Lamb New Zealand Insights Team | Sheep and Beef Farm Survey

Gross Farm Revenue & Expenditure



Gross farm revenue +11.5%



Farm expenditure +3.8%



Farm-gate prices for lambs and sheep rebound



Farm-gate prices for beef cattle at record levels



On-farm inflation up 33% over the past four years has squeezed profit margins



Interest expenditure has doubled since 2021-22 and grown to account for 18% of total farm expenditure

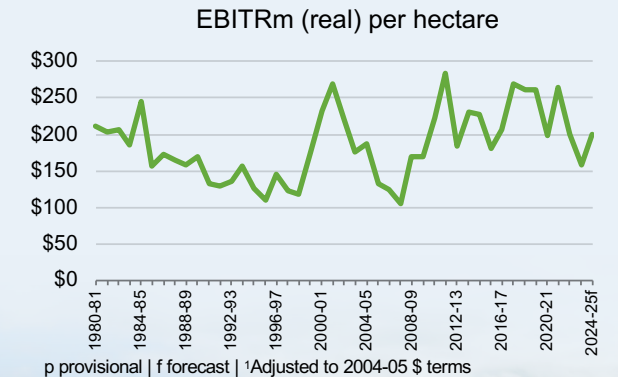
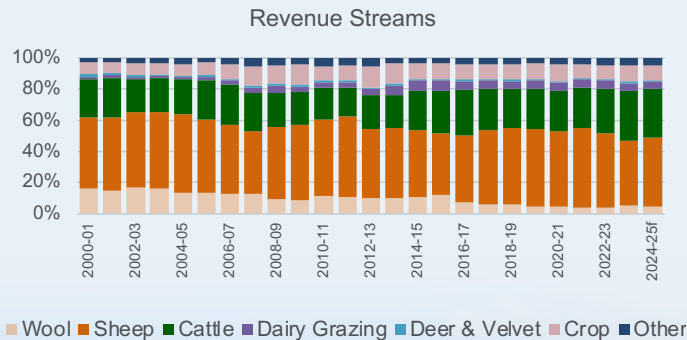
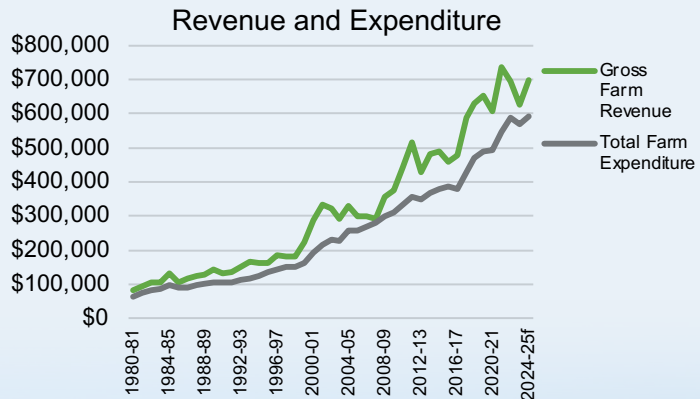
EBITRm*



Up 30% to average \$236,700 per farm or \$332/ha



Fertiliser repairs and maintenance are expected to increase this season as farmers catch-up on deferred maintenance and seek to improve soil fertility



*EBITRm = Earnings before Interest, Tax, Rent and Management wages. It allows farms to be compared on a debt-free, freehold, owner-operator basis.