New Season Outlook 2024-25

Summary

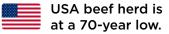
Global demand for red meat is expected to improve slightly but farm profitability remains challenging.

Global Outlook



NZ red meat export volumes across the

board will be significantly lower next season.





China consumption

Europe, US, and the UK economies recovering.

Livestock Numbers



Breeding Ewes down 2.9%



Lamb crop down 1m head





Dairy Cows down 1.3%

Sheep forecast

- China has not started its economic recovery and demand for sheepmeat is expected to remain weak. Sheepmeat prices are expected to stay at multi-year lows as a result.
- New Zealand and EU/UK supply will be down. If Australian supply also falls, this could see prices lift by more than currently forecast.
- Forecast Lamb price \$6.79 per kgCW
- NZ Lamb Export Volume -7.2%, NZ Mutton Export Volume -7.1%

Beef forecast

• Demand for beef is expected to remain solid driven by low American domestic supply, and prices to remain strong as a result.

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- Forecast All Beef price \$5.35 per kgCW
- NZ Beef Export Volume -3.1%

On-Farm Profitability

- Farm profitability is forecast to decrease 7.4% this year with another challenging season as a forecast increase in revenue (1.1%) is eaten up by the increase in expenditure (1.8%).
- Farm Profitability could be better than forecast if interest rate cuts are faster and deeper, and if lamb prices improve due to lower global supply.
- Fewer livestock to sell and more retentions expected for those impacted by drought.

