


New Season Outlook 2025-26

Summary

- Global demand for red meat is exceeding supply with red meat prices at record highs
- Red meat prices and farm profit are forecast to bounce back from the historic low experienced in 2023-24, but volatility and risks remain
- This translates into a profit rebound. In 2025-26, farm profit is forecast to be 20% higher than in 2024-25 to average \$166,500 per farm
- New Zealand is expected to earn \$10.5b from exports of sheepmeat, beef, veal and wool in 2025-26

Global Outlook

 Demand for red meat is robust, particularly from the US, Europe, and the UK

 There are still significant risks. E.g. the 15% tariff on all US imports from New Zealand is equivalent to cost nearly \$500 million of red meat sector earnings.

Livestock Numbers

  Breeding Ewes
down 1.9%


  Lamb crop
down 0.6%

  Beef Cows
up 2.8%

  Dairy Cows
up 1.4%

Sheep forecast


- Export receipts for lamb (including co-products) are forecast to be \$3.9 billion
- Low supply in New Zealand, Australia and the EU/UK is supporting prices
- China's demand for mutton has rebounded and is expected to be stable for 2025-26


 Forecast lamb price:
\$9.36 per kgCW

 Lamb export volume: -1.5%,
Mutton export volume: -3.8%

Beef forecast

- Demand for beef is expected to remain solid driven by low American domestic supply, despite tariffs
- Brazil's beef is effectively shut out of the US because of a 76.4% tariff

 Forecast All-Beef
price: \$6.85 per kgCW

 Beef and veal export
volume: -1.5%

On-Farm Profitability

- Farm profit before tax forecast to hit \$166,500 for 2025-26
- Higher farm-gate prices and lower interest costs drive the recovery
- Gross farm revenue up 6%, outpacing a 3% rise in farm expenditure

- Fertiliser use to increase as farmers rebuild soil fertility after several lean seasons of applications
- Sheep and beef farmers spend the equivalent of \$15.5 million every day in their local economies