Quarterly Markets Update

Quarter 3, 2025-26 season

Kia ora, and welcome to Beef + Lamb New Zealand's latest markets update following Quarter 3 of the 2025–26 season. We'll look beyond the farmgate at how key beef and lamb export markets are performing.

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Season Highlights (so far)

To the end of Quarter 3, 2025-26

The 2025–26 season remains strong for New Zealand beef and lamb exports. Tight global supply, resilient demand and favourable market access have driven record returns for this stage of the season with slightly lower volumes. Global uncertainty continues to affect farm returns and market sentiment, but the outlook remains positive.

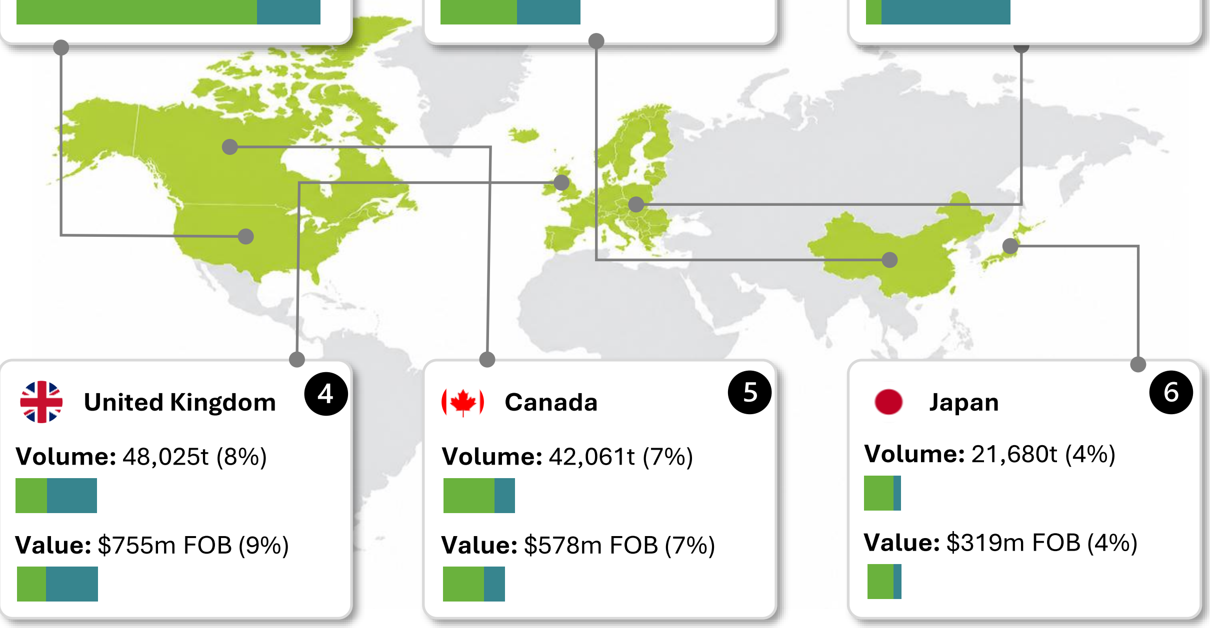
Beef	**346,288** tonnes	**$4.65b** FOB	**$13,426** $/tonne	**82** Markets
Lamb	**232,086** tonnes	**$3.70b** FOB	**$15,958** $/tonne	**99** Markets

Diagram Key: ***Beef*** ***Lamb***

1 US
Volume: 181,354t (31%)
Value: $2,836m FOB (34%)

2 China
Volume: 140,220t (24%)
Value: $1,302m FOB (16%)

3 EU27
Volume: 58,748t (10%)
Value: $1,350m FOB (16%)



4 United Kingdom
Volume: 48,025t (8%)
Value: $755m FOB (9%)

5 Canada
Volume: 42,061t (7%)
Value: $578m FOB (7%)

6 Japan
Volume: 21,680t (4%)
Value: $319m FOB (4%)

The top six markets have accounted for 85% of total export volume and value.

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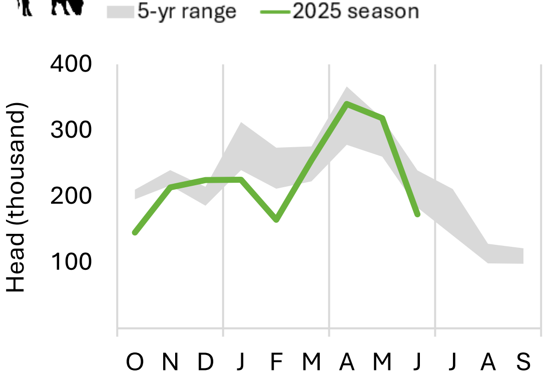
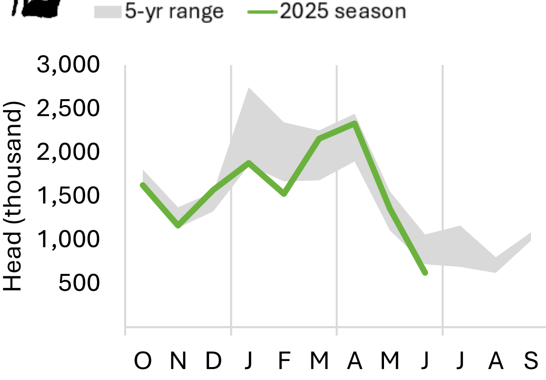
New Zealand Production

New Zealand cattle and lamb processing rates both slowed on previous seasons in Q2 as strong summer pasture growth encouraged farmers to hold stock longer than they typically might. This resulted in lower slaughter through January and February, but volumes rebounded strongly in Q3, largely offsetting the Q2 reduction. This confirms B+LNZ's earlier position that processing was deferred in 2025-26 rather than weaker.

Cattle processing for 2025-26



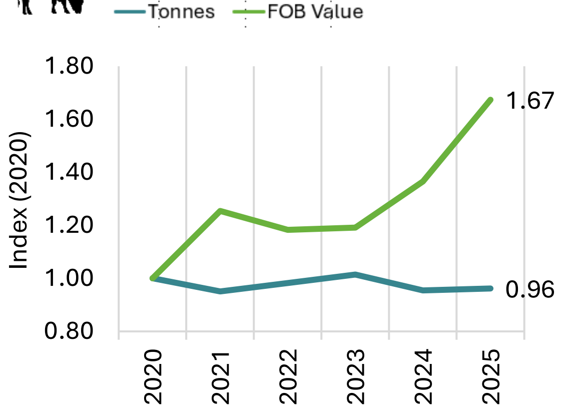
Lamb processing for 2025-26



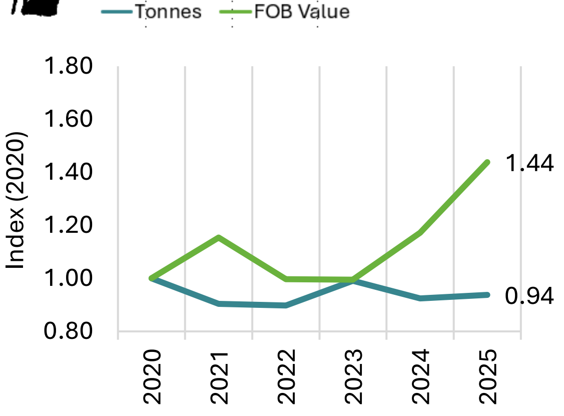
Export Summary

While the volumes of both beef and lamb exported in the first three quarters of the season have remained relatively stable since 2020, export values have increased significantly, particularly over the past three seasons (by 67% for beef and 44% for lamb). Record returns to date in 2025-26 have been driven by strong consumer demand for red meat products, a reduction in global supply, and favourable market access conditions.

Beef exports (Season to Q3)



Lamb exports (Season to Q3)



Market Deep Dives

The following three pages present some high-level commentary on demand from and exports to New Zealand's top six red meat export markets: US, China, EU27, UK, Canada and Japan.

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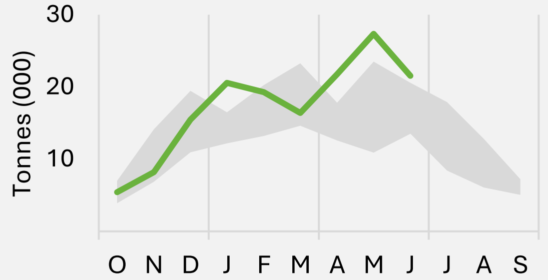
#1 United States of America (US)

The US remains New Zealand's largest red meat export market. By the end of Q3, New Zealand had exported 181,354 tonnes of beef and lamb, valued at $2.8 billion, with beef accounting for 86% of the volume. Strong consumer demand and the US beef cattle herd at a 75-year low continue to support demand for imported beef and underpin export returns.

Despite higher retail prices, demand for lean, high-quality beef remains strong, supported anecdotally by growing GLP-1 use and health trends favouring nutrient-dense protein. Competition is expected to increase over the coming months as Australia and Brazil redirect beef to the US after exceeding their annual quotas into China. The impact on New Zealand exports remains uncertain given the recency of this shift. While strong US demand may absorb the additional supply, weaker demand or excess supply could put downward pressure on beef prices.

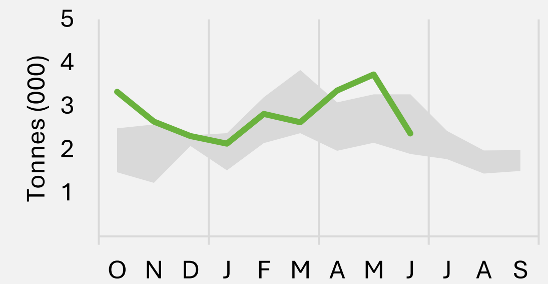
Beef exports to the US for 2025-26

156,008t | $2,247m (FOB) | $14,401/t



Lamb exports to the US for 2025-26

25,346t | $589m (FOB) | $23,247/t



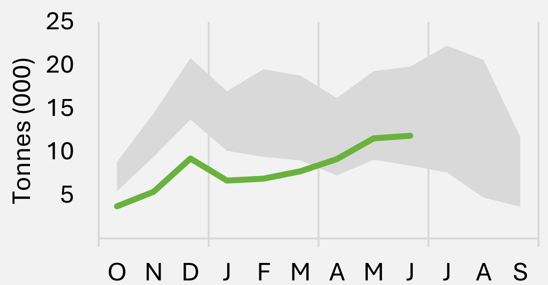
#2 China

China remains a challenging market for New Zealand red meat exporters. While it was New Zealand's largest beef and lamb market in 2023–24, demand has softened as weak consumer confidence weighs on household spending. By the end of Q3, New Zealand had exported 140,220 tonnes of beef and lamb to China, valued at $1.3 billion. While it remains a significant market by volume, it is expected to offer limited value growth in the short term.

Consumers remain price sensitive, trading down to lower-value red meat cuts and/or trading out to cheaper protein. Tighter domestic beef production, and Australia and Brazil exports being constrained by their allocated quota, have improved New Zealand's relative competitiveness. This may mean a short-term opportunity for New Zealand beef exports through the remainder of 2026. However, elevated frozen inventories, weak demand and a new quota year from January 2027 are likely to limit any upside.

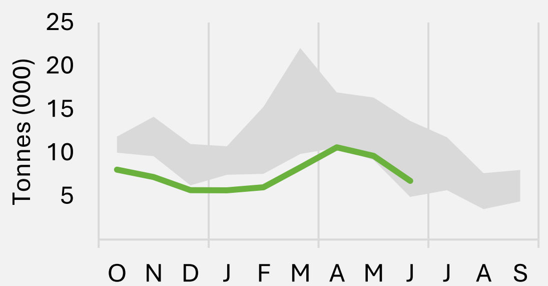
Beef exports to China for 2025-26

72,248t | $712m (FOB) | $9,855/t



Lamb exports to China for 2025-26

67,972t | $590m (FOB) | $8,675/t

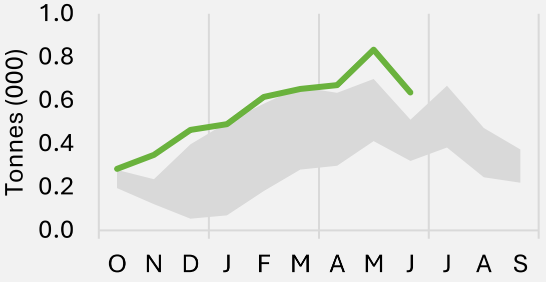


#3 European Union (EU27)

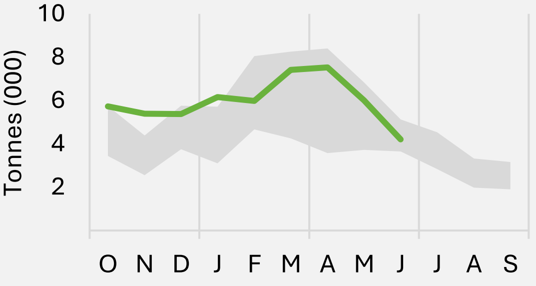
The EU remains New Zealand's highest-value market for lamb, while accounting for a small share of beef exports. By the end of Q3, New Zealand had exported 58,748 tonnes of beef and lamb to the EU, valued at $1.35 billion. Tight domestic sheep and cattle supplies support import demand, providing a positive outlook for New Zealand exports, particularly lamb.

Declining domestic cattle and sheep numbers continue to tighten red meat supply, increasing reliance on imports. While higher living costs and economic uncertainty are constraining household spending, demand for lamb has remained relatively resilient, supported by premium retail and foodservice markets. AHDB expects EU sheepmeat and beef production to decline further in 2026, supporting import demand. Beef opportunities remain more limited than lamb, with lower-cost South American product filling much of the supply gap, although this could change from September if Brazilian beef imports are banned.

Beef exports to the EU for 2025-26
4,996t | $146m (FOB) | $29,261/t



Lamb exports to the EU for 2025-26
53,752t | $1,204m (FOB) | $22,394/t

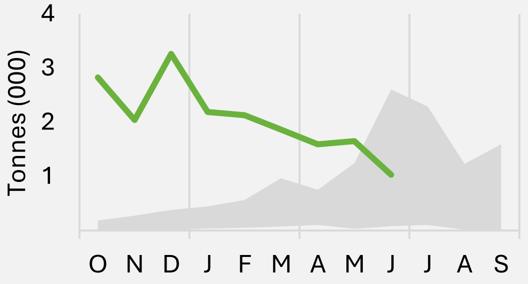


#4 United Kingdom (UK)

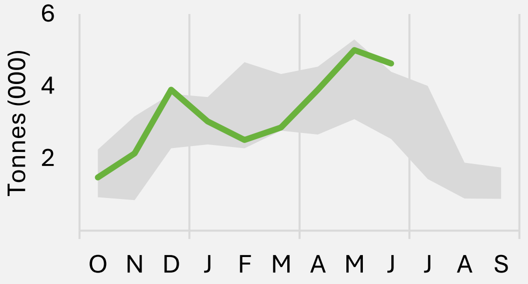
The UK, like the EU, remains a favourable market for New Zealand red meat exporters. Tight domestic beef and sheepmeat supplies continue to support prices and increase reliance on imports. By the end of Q3, New Zealand had exported 48,025 tonnes of beef and lamb to the UK, valued at $755 million. While lamb exports remained within the five-year range, the UK continues to grow as a market for New Zealand beef following the NZ–UK FTA.

Households remain cautious amid ongoing cost-of-living pressures, with consumers increasingly shopping on promotion and seeking value. Retail beef volumes fell 6.4% year on year in the 52 weeks to June 2026 despite spending increasing 15.4%, and foodservice volumes also eased (-3.4%). In contrast, lamb volumes and spending remained relatively stable. New Zealand's beef exports to the UK exceeded 2024–25 volumes by the end of Q2, but further growth will be constrained by our allocated quota and associated out-of-quota tariffs.

Beef exports to the UK for 2025-26
18,578t | $273m (FOB) | $14,676/t



Lamb exports to the UK for 2025-26
29,447t | $483m (FOB) | $16,393/t

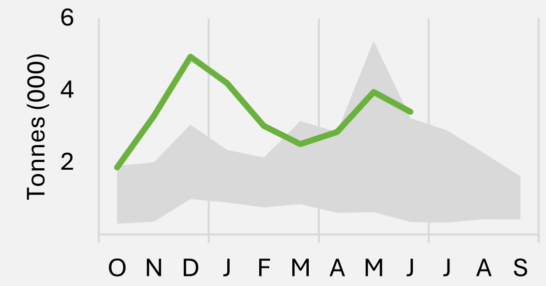


#5 Canada

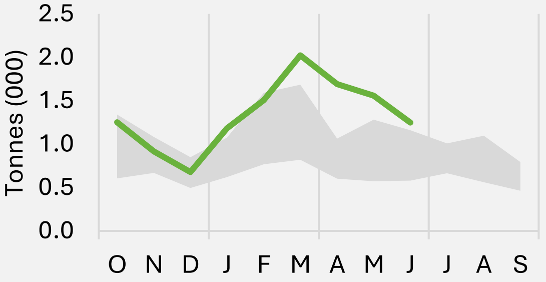
Canada is re-emerging as a strong market for New Zealand red meat, particularly beef. Tight North American cattle supplies and strong ground beef demand continue to create favourable conditions for exporters. By the end of Q3, New Zealand had exported 42,061 tonnes of beef and lamb to Canada, valued at $578 million, with beef accounting for 71% of exports.

Demand has remained resilient despite high retail prices, although consumers are increasingly shifting to lower-priced cuts or substituting to chicken and pork. Canada's beef cattle herd is beginning a gradual rebuild, but supplies remain tight and imports have potential to increase, particularly for lean beef used in ground beef production. This supports a positive outlook for New Zealand exporters, although competition could intensify if Australian and Brazilian product is redirected from China. While the market for lamb is smaller, New Zealand's exports are targeted to higher-value.

Beef exports to Canada for 2025-26
30,004t | $384m (FOB) | $12,809/t



Lamb exports to Canada for 2025-26
12,057t | $194m (FOB) | $16,078/t

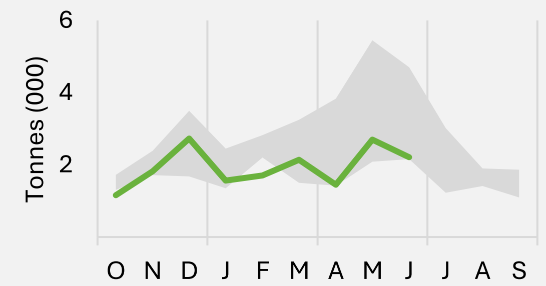


#6 Japan

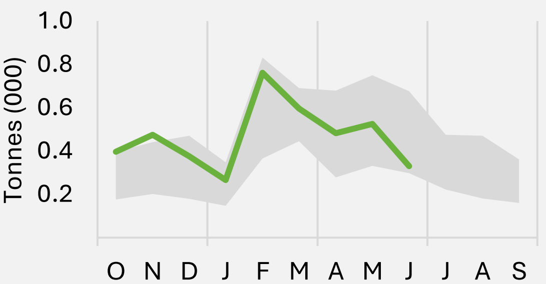
Japan remains a stable market for New Zealand red meat, with 2025–26 beef and lamb exports broadly in line with historic volumes. By the end of Q3, New Zealand had exported 21,679 tonnes of beef and lamb to Japan, valued at $318 million. Overall, Japan remains an important high-value market, with future growth expected to come from value rather than volume.

The USDA expects demand for beef in Japan to remain flat, with weaker retail sales partly offset by strong foodservice demand following Japan attracting more than 40 million visitors in 2025. Cost-of-living pressures and weak real wage growth continue to constrain household spending, encouraging consumers to trade down to lower-priced cuts and cheaper proteins. Australia and the United States remain New Zealand's main competitors in imported beef, while Brazil could emerge as a competitor as bilateral market access negotiations progress. Lamb continues to occupy a small, premium niche.

Beef exports to Japan for 2025-26
17,472t | $244m (FOB) | $13,986/t



Lamb exports to Japan for 2025-26
4,208t | $74m (FOB) | $17,659/t



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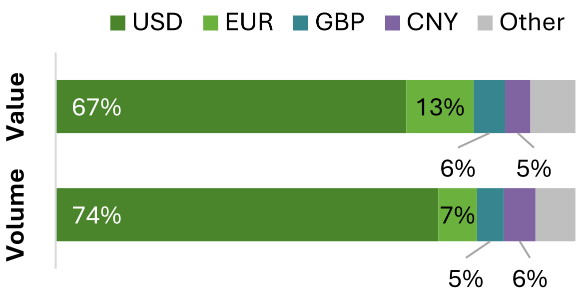
Exchange rates

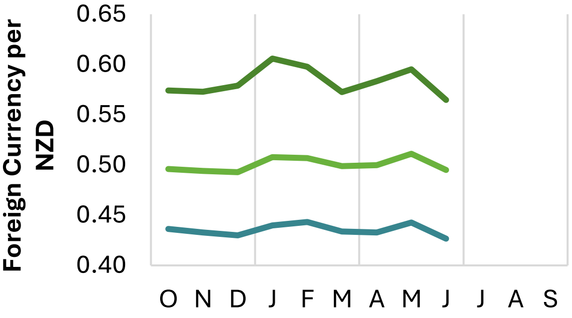
The New Zealand dollar strengthened relative to other currencies in January, before easing in February and March. It strengthened again through April and May, with the euro and British pound reaching their highest levels in May, while the US dollar remained below its January peak. All three exchange rates then fell in June.

A higher exchange rate means a stronger New Zealand dollar, which reduces the NZD value of export earnings and can make New Zealand product less competitive; a lower exchange rate generally supports exporter returns. Movements against the currencies shown to the right are particularly important, as around 90% of New Zealand's red meat exports by both volume and value are traded in these currencies, with the majority denominated in US dollars.

Share of Exports Traded in Foreign Currency
Since 2020-21



Foreign Currency per NZD
2025-26 season



Other Relevant Trade News

New Zealand confirms a FTA with India
The NZ–India FTA is a positive long-term development for New Zealand's red meat sector, particularly sheepmeat. Lower tariffs will improve New Zealand's competitiveness in India's growing market of 1.4 billion people. While limited market access means returns are unlikely to be immediate, the agreement supports long-term market diversification.

Interest in GLP-1 medications is growing rapidly
Use of GLP-1 medications continues to grow worldwide, changing how some people consume food and protein. Estimates shared at B+LNZ's Out the Gate Conference suggest around 46 million people in the US currently use a GLP-1 medication, with that number expected to double within three years. While some market commentators see the use of GLP-1 medications as a potential driver of red meat demand, the evidence remains largely anecdotal at this stage and it's unclear how persistent the effect will be. It will be an important and exciting trend to monitor.

China's beef safeguard in action
China's beef safeguard measures took effect on 1 January 2026, introducing country-specific quotas and a 55% tariff on out-of-quota imports. Australia has reached its 2026 quota already, with Brazil not far away, potentially creating a short-term opportunity for New Zealand beef exports. However, elevated frozen inventories, weak demand and a new quota year from January 2027 are expected to limit most upside.

US lamb meat safeguard investigation initiated
On 20 July 2026, the US International Trade Commission (USITC) launched a safeguard investigation, at USTR's request, into lamb imports. The investigation is expected to take 4 to 6 months. B+LNZ is working closely with the New Zealand Government and US partners to support New Zealand's response.

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Key Definitions

Term	Definition
Season	A production season, as referred to in this document, is from October to September the following year. The season is split into three-monthly quarters.
FOB	Free on Board: Refers to the value of goods at the point they are loaded for export. It is the standard international metric for the value of a country's goods exports, so it provides a consistent measure of export value. Excludes freight, insurance and destination costs that can vary between markets.
FTA	Free Trade Agreement: A deal between countries that reduces or removes trade barriers, such as tariffs and quotas, helping exporters compete in those markets.
Tariff	A tax or duty applied to imported goods.
TRQ	Tariff Rate Quota: A trade measure that allows a set volume of product to enter at a lower tariff, with higher tariffs generally applying once that volume is exceeded.
Safeguard	A safeguard investigation assesses whether rising imports are seriously harming a domestic industry.
GLP-1	GLP-1 is a hormone that regulates blood sugar and appetite. GLP-1 medications (which are branded as Ozempic, Wegovy and Mounjaro for example) mimic it to support weight loss.
USDA	The United States Department of Agriculture (USDA) is the federal agency responsible for agriculture and food policy in the US. Its Foreign Agricultural Service (FAS) publishes regular in-market analysis from US embassies and consulates.
AHDB	The Agriculture and Horticulture Development Board (AHDB) is the independent, impartial public body that supports agriculture in Britain.

Data sources

- Production data — New Zealand Meat Board (NZMB) Production Data
- Export data — New Zealand Meat Board (NZMB) Export Data
- Interest rates — Reserve Bank of New Zealand

Tell us what you think!
This is a new levy-funded publication for B+LNZ, and we'd love to hear what you think. Click or scan the QR code to share your feedback and help us improve future issues.

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