New Season Outlook 2026-27

Summary

- Farm-gate prices forecast to ease from 2025-26 high but remain well above historical levels.
- Farm profit is forecast to average $267,200 per farm for 2026-27, well above the five-year average.
- Beef, lamb, mutton and wool export receipts forecast to total $12.6bn in 2026-27.
- El Niño conditions are a risk: restricted pasture growth could reduce livestock performance, meat production and farm profit.
- Tight global red meat supply and steady demand from key markets supports strong prices. There are risks with slower economic growth, cost-of-living pressures for consumers and a stronger NZ dollar this season which may limit further gains.
- Events in international markets could negatively impact New Zealand, such as the US investigation into lamb imports and volatility in global beef export flows caused by China's beef safeguard.

Global Outlook

Global market conditions are expected to support farm-gate prices near the highs reached in 2025-26, as competing supply and demand factors largely balance each other out. Total export receipts are forecast to remain broadly in line with 2025-26 at $12.6 billion, with increased beef production (+8.2%) offsetting some easing in prices.

	Export price $/tonne	Export value $FOB	Farm-gate price $/head
Lamb	$14,968 (-3.6%)	$4.41B (-5.9%)	$207 (-8.0%)
Mutton	$9,742 (+1.2%)	$0.88B (-0.4%)	$144 (-4.0%)
Beef	$12,280 (-3.8%)	$6.75B (+4.2%)	$2,140 (-4.5%)
Wool	$7.41/kg (+3.2%)	$0.57B (-1.2%)	-

On-Farm Profitability

- Gross farm revenue in 2026-27 to decrease 4.0% with easing of farm-gate prices. Farm expenditure to increase with higher input prices and rebuilding fertiliser programmes.
- Farm profit before tax forecast at $267,200 for 2026-27 is down from a record $335,500 in 2025-26 (provisional result).
- Strong cashflow allowed many farmers to repay debt and complete deferred repairs and fertiliser programmes in 2025-26.
- EBITRm* per hectare, the core industry measure for benchmarking farms, is forecast at $522/ha for 2026-27.
- Forecast assumes USD/NZD 0.61, compared with 0.58 in 2025-26.

Livestock Numbers

Breeding Ewes down 1.9%

Lamb crop steady -0.5%

Beef Cattle up 3.3%

Dairy Cows up 0.7%

SCAN FOR THE FULL REPORT

* Earnings before interest, tax, rent, and management wages

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