



New Season Outlook 2026-27

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P26006



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About this report

The New Season Outlook provides a forecast of prices and production for the new season (2026-27) with comprehensive commentary on global markets and competitors. The report also forecasts farm profitability and expectations for revenue and expenditure for New Zealand and farming regions. The New Season Outlook is published annually at the start of the meat processing season (1 October to 30 September). The B+LNZ Economic and Farm Insights team analyses export and statistical data regularly and surveys sheep and beef farmers throughout the year. Forecasts presented in this report are based on the best available information at the time of preparation during July and August 2026 and may not reflect subsequent market or economic developments.

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Summary for 2026-27

Strong red meat prices remain on offer in 2026–27, but the climate outlook, rising input prices and a stronger dollar will determine how much of that opportunity reaches the farm bottom line.

Sheep and beef farmers start the 2026-27 season with farm-gate prices at historically strong levels, although margins are expected to tighten. Average lamb farm-gate prices are forecast to decrease 8.0%, beef cattle prices decrease 4.5%, while farm expenditure rises 4.2%.

Farm Profit Before Tax is forecast to average \$267,200, down 20% on a record 2025-26 season of \$335,500.

The outlook for New Zealand's sheep and beef sector remains positive heading into the 2026-27 season, although returns are expected to ease from the exceptional levels achieved in 2025-26. Global red meat supply remains tight and demand from key markets continues to support strong prices. However, slower global economic growth, cost-of-living pressures and a stronger New Zealand dollar are expected to limit further price increases in 2026–27.

Across the four main red meat exports, the 2026-27 outlook reflects a stabilisation around relatively high export prices, rather than a continuation of the strong growth recorded in 2025-26. Combined beef, lamb, mutton and wool export receipts are forecast to exceed \$12.6 billion in 2026-27, broadly in line with 2025-26 estimates, although the outlook differs across products:

- **Beef and veal:** Export receipts are forecast to increase 4.2% to a record \$6.75 billion in 2026-27, with an 8.2% increase in production and higher export volumes more than offsetting a slight easing in export prices (-3.8%) from 2025-26 levels.
- **Lamb:** Export receipts are forecast to fall 5.9% to \$4.41 billion, as lower production reduces the volume available for export and export prices also ease slightly (-3.6%) on 2025-26 levels.
- **Mutton:** Export receipts are forecast to ease 0.4% to \$880 million, with lower export volumes largely offset by a small increase in export prices (+1.2%).
- **Wool:** Production and raw wool export volumes are both forecast to fall in 2026-27. Higher export prices (+3.1%) offset the lower volume, leaving raw wool export receipts down 1.2% to \$567 million.

While the outlook is relatively stable, other factors that could have a downside risk on markets include the US investigation into lamb imports and volatility in global beef export flows caused by China's beef safeguard.

The slightly lower export returns are expected to flow through to farm-gate prices, with 2026-27 average prices (\$/head) forecast to fall 4.5% for beef cattle and 8.0% for lamb following significant growth in 2025-26 (Table 1).

Even with the forecast decline, farm-gate prices remain well above historical levels. Lower livestock farm-gate prices and higher farm input prices (driven by higher fuel and fertiliser costs) are expected to reduce Farm Profit Before Tax to an average \$267,200 per farm, down from \$335,500 for 2025-26. These are still strong returns from a historical perspective.

Strengthening El Niño conditions presents a material downside risk: if dry and windy conditions constrain pasture growth, farmers may have less production to sell into strong markets, reducing New Zealand meat production and placing downward pressure on farm profit.

Table 1: Summary of farm-gate prices

	Farm-gate prices (\$/head)					% change	
	2022-23	2023-24	2024-25	2025-26	2026-27f	2024-25 to 2025-26	2025-26 to 2026-27
Lamb	145	131	176	225	207	+28%	-8.0%
Mutton	96	54	92	150	144	+63%	-4.0%
Steer/Heifer	1,705	1,701	2,110	2,597	2,478	+23%	-4.6%
Cow	801	829	1,216	1,493	1,426	+23%	-4.5%
Bull	1,784	1,802	2,265	2,784	2,660	+23%	-4.5%
All Beef	1,383	1,399	1,814	2,240	2,140	+24%	-4.5%

Stronger cashflow through 2025-26 allowed many farm businesses to repay debt, catch up on fertiliser programmes, complete deferred repairs and maintenance, and reinvestment in the farm business after several low-profit years. Priorities will differ between farms, but strong cashflow expectations for 2026-27 gives many farm businesses an opportunity to strengthen their position further. Whether by reducing debt or investing in changes that lift productivity and long-term profitability. However, higher input prices and the risk of dry El Niño conditions mean cashflow decisions will be made cautiously.

Key 2026-27f Numbers



Lamb
10.67 \$/kgCW



Mutton
5.56 \$/kgCW



All Beef
8.13 \$/kgCW



Lamb processing
16.94 million head



Cattle processing
2.65 million head



Farm Profit before Tax
267,200 \$ per farm



EBITRm
384,800 \$ per farm

Off-farm

Global Economic Conditions

Exchange rate impacts

Production and Exports

- Beef & Veal
 - Sheep meat
 - Wool
-





Global Economic Conditions

This section summarises global economic conditions affecting demand for red meat. With around 90% of New Zealand's red meat exported, developments in key markets can have an important influence on sector returns and profitability.

World

Markets are settling around higher price levels for 2026-27

The global outlook for New Zealand red meat remains positive heading into the 2026-27 season, supported by constrained global supply and continued demand for red meat across key markets. However, economic conditions remain challenging for consumers and changes in global trade policy are affecting where products are sold and the level of competition New Zealand faces from other suppliers. Together, these factors are expected to keep red meat prices relatively strong and broadly in line with the record highs observed during 2025-26, although the opportunities and risks vary by market.

Economic growth is forecast to continue across New Zealand's major export markets, although at a lesser rate than previous years (Figure 1). Inflation has fallen considerably from the highs experienced following the COVID-19 pandemic but remains elevated in many markets and is forecast to persist through 2026-27 (Figure 2). High prices and cost-of-living pressures continue to constrain household spending, particularly for more price-sensitive consumers. This is contributing to some consumers trading down to cheaper red meat cuts or trading out towards cheaper proteins such as chicken or pork. At the same time, other consumer segments (e.g. GLP-1 users) continue to prioritise high protein foods, providing opportunities for higher value red meat products.

On the supply side, global beef and sheep meat availability is expected to remain constrained over the short term. Cattle herds and sheep flocks have declined in several major producing countries and will take time to rebuild. Production is also being influenced by the climate, higher input costs and biosecurity challenges. Tight domestic supplies in several of New Zealand's major markets are increasing their reliance on imported product and should continue to support international red meat prices.

However, constrained supply does not necessarily mean less competition for New Zealand product in every market. Changes to trade settings are altering the flow of global red meat between markets. For example, China's beef safeguard measures are limiting access for major suppliers and redirecting their product into other markets including North America, Europe and the UK. Greater competition in these markets could put downward pressure on prices for New Zealand product, even where underlying demand remains strong.

These competing influences suggest global red meat markets are settling around a higher price level than experienced historically, rather than continuing the rapid price growth of recent seasons. Tight global supply and enduring demand from some consumer segments provide a strong foundation for 2026-27, while modest economic growth, cost-of-living pressures and changes to New Zealand's relative competitiveness in some markets limit some of the upside. Market outcomes will depend on continuing to match the right products and price points with demand across different markets and consumer segments.

Figure 1: International Economic Growth

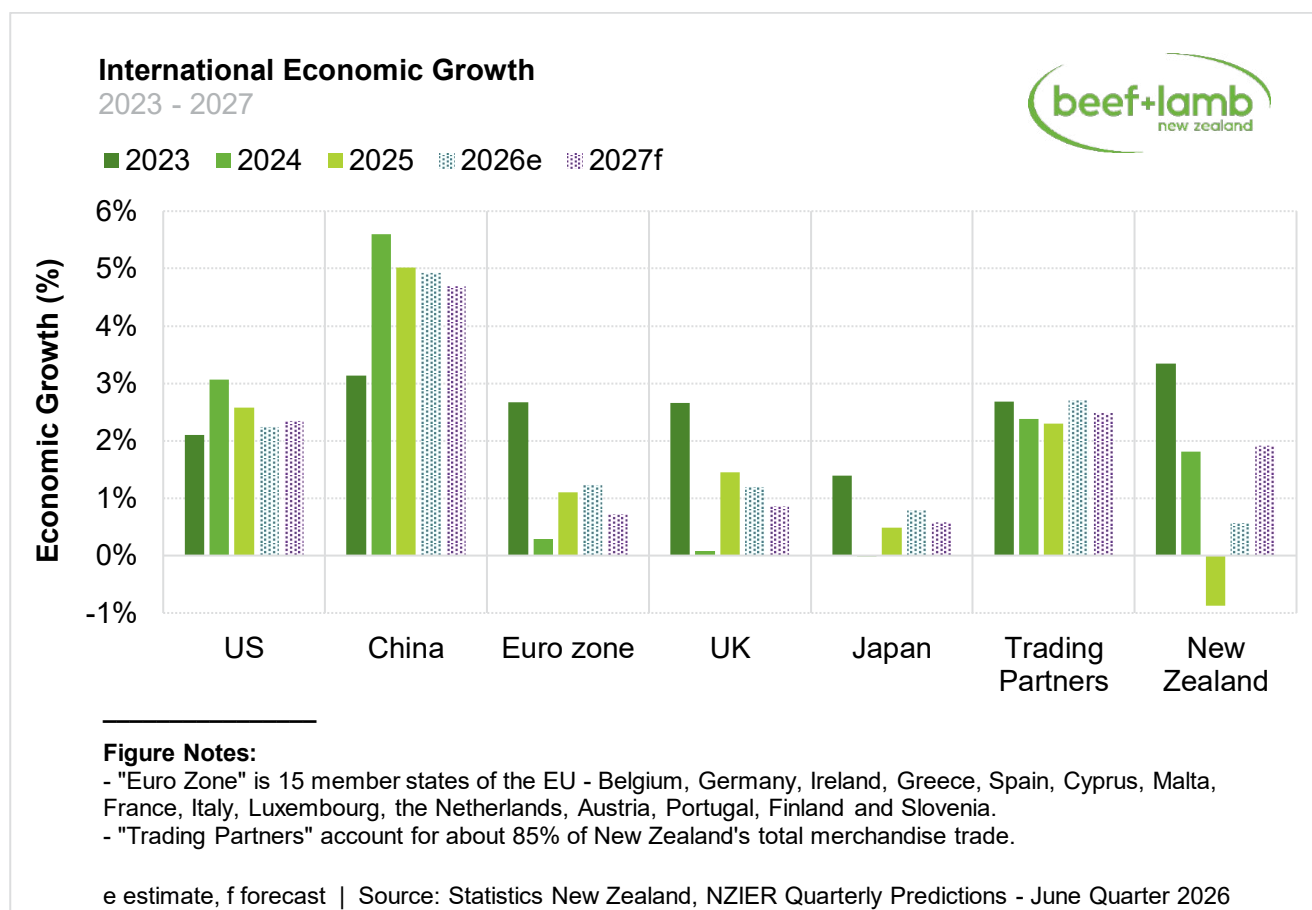
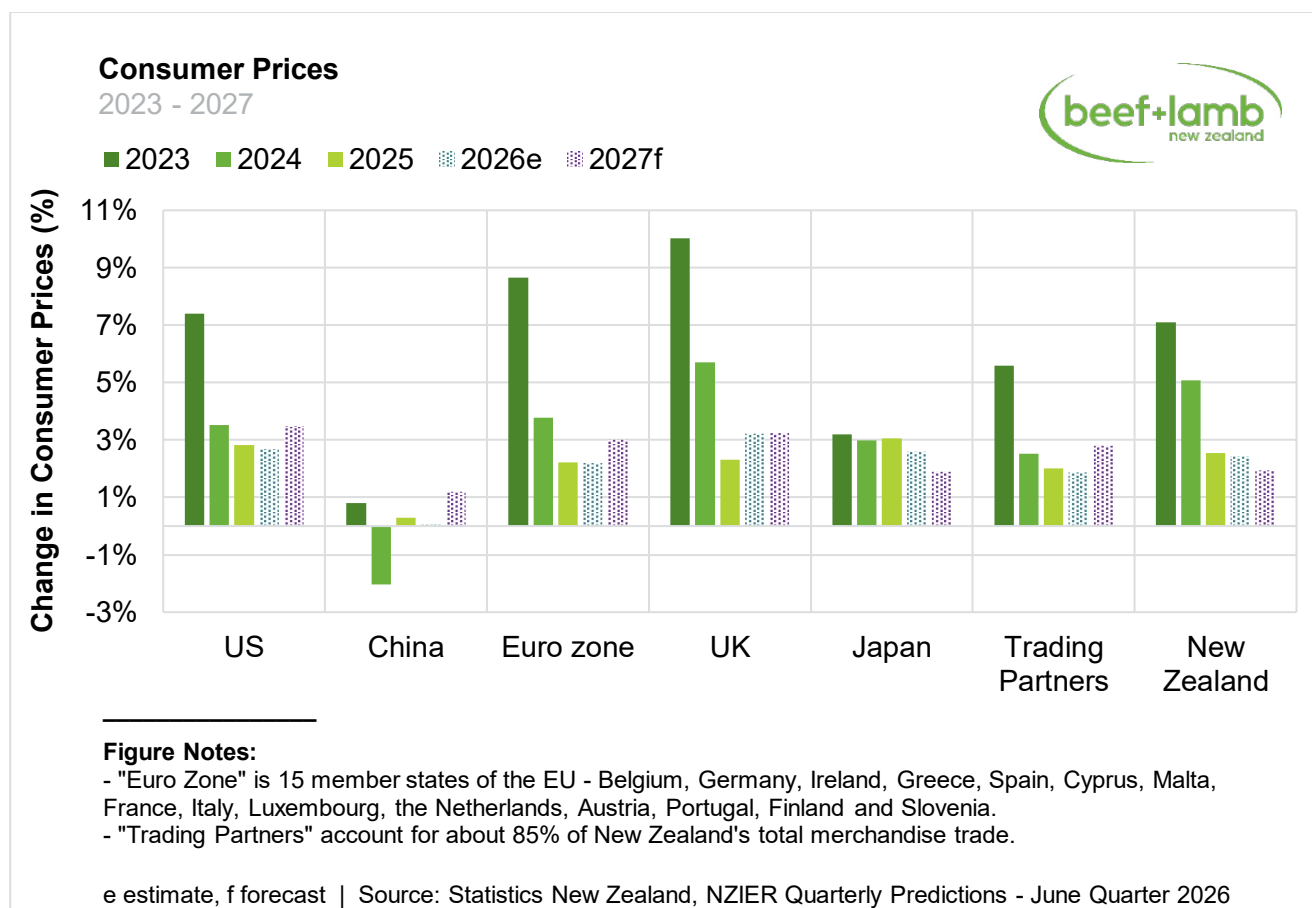


Figure 2: Consumer Prices



The Middle East conflict continues to disrupt red meat supply chains

The conflict in the Middle East continues to affect global supply chains, but the main impact on New Zealand's red meat sector has been through higher input costs rather than disrupted export demand¹. New Zealand red meat exports to the region have largely returned to five-year intra-seasonal trends after an initial decline in March and April. Disruption in the Red Sea has resulted in some shipping between New Zealand and Europe being routed around the Cape of Good Hope. While the detour will increase cost and time to market, it has become a more common shipping route following militant attacks on commercial shipping in the Red Sea in late 2023².

The greater risk for 2026-27 is the impact on energy, shipping and fertiliser markets. The Middle East is an important source of oil, gas and fertiliser inputs, including around half of globally traded seaborne sulphur. Disruptions have contributed to sharp increases in sulphur and nitrogen prices, with New Zealand farm-gate fertiliser prices rising substantially during 2025-26. If current prices persist, the price for the basket of fertiliser products that Beef + Lamb New Zealand tracks is forecast to increase by around 20% in 2026-27. Continued instability is therefore likely to keep farm input costs elevated and volatile, while higher global energy and shipping costs could also flow through to influence consumer spending in key export markets.

B+LNZ's basket of fertiliser products is forecast to increase a further 21% for the 2026-27 season

Animal diseases may impact global supply

Animal disease remains a risk to global red meat supply, potentially disrupting production and trade flows, increasing costs and supporting import demand and prices.

New World Screwworm (NWS), which has spread through Central America and Mexico, has recently been confirmed in the US, with active cases in Texas and New Mexico. While not a food safety issue, establishment could increase production costs and restrict livestock movements. The risk to New Zealand is very low, but material impacts on overseas production resulting from NWS could support demand for imported red meat products.

New Zealand's biosecurity system remains important for protecting production and market access. Foot and Mouth Disease (FMD) remains a low probability but high impact risk. H5N1 Avian Influenza, confirmed in New Zealand in July, has shown no signs of widespread establishment and poses no direct threat to red meat production. B+LNZ and MPI are asking farmers as landowners to remain vigilant for signs of the disease.

¹ The Middle East is an established market for New Zealand red meat exports receiving approximately 6% of lamb and 1% of beef exports in the 2025-26 season to the end of July 2026 (10 months).

² Since the attacks in 2023, traded volume through the Red Sea and Suez Canal has reduced by 50%, while traded volume around the Cape of Good Hope doubled (<https://portwatch.imf.org/pages/port-monitor>)

Key export markets

Tight supply supports export prices, while competition and consumer pressures limit further upside

New Zealand's red meat exports are spread across a diverse range of markets, each playing a different role in maximising returns from the whole carcass. High-level commentary on the key developments in New Zealand's top export markets is provided below, with some insight into what the developments could mean for the 2026-27 season.

United States of America (US)

Tight domestic beef production continues to support pricing for imported beef

The US is New Zealand's largest combined red meat market, dominated by beef - particularly lean beef to complement US beef for ground products. The US beef cattle herd has reached a 75-year low, driving demand for imported beef and supporting record high prices for New Zealand exports for the 2025-26 season. However, the upside opportunities of this for New Zealand beef may be offset by a combination of increased competition from Australia and Brazil³, decreasing New Zealand's relative competitiveness, and low consumer sentiment amidst cost-of-living challenges and economic uncertainty stemming from the Middle East conflict⁴. The US will remain a strong market for lamb, being one of the largest markets by volume for some of the highest value lamb cuts (e.g. rack, shoulder). The US is, however, currently undertaking an investigation into lamb imports that could impact on the outlook for lamb in the US. B+LNZ and the Meat Industry Association (MIA) are working closely with the NZ Government and US partners to support New Zealand's response, although do not believe there are grounds for injury as lamb exports to the US have been stable.

The 2026-27 season outlook for the US as a market for New Zealand beef is stability rather than continued growth because two offsetting economic dynamics will likely limit price increases across the season.

China

Limited value upside, but an important market for volume and product range

China is New Zealand's second-largest red meat market overall and its single largest for lamb. It buys large volumes across a broad product range, including value cuts, which help maximise whole-carcass returns. However, declines in economic sentiment and consumer spending and increased competition from other countries over several years have reduced beef exports to China and shifted demand towards cheaper cuts and proteins. China introduced country-specific tariff-rate quotas for beef in 2026, with volumes above each quota facing an additional 55% tariff. Imports from Australia and Brazil exceeded their allocated quota by the middle of the calendar year. This may improve New Zealand's relative competitiveness early in the 2026-27 season while there is still headroom in its quota, and before quotas reset in January 2027. However, elevated inventories of frozen beef and weak consumer demand are expected to limit the value upside. For 2026-27, the outlook is for lamb exports to remain stable, while there is potential for a small increase in beef exports.

³ Australia and Brazil have both recently exceeded their quotas to supply beef to China. There has been a notable rise in Australian and Brazilian beef being diverted to other beef markets like the US.

⁴ [Federal Open Market Committee](#)

United Kingdom (UK) and the European Union (EU)

Resilient demand for high value lamb cuts, constrained opportunity for beef

Together, the UK and EU are New Zealand's largest lamb market. Declining sheep flocks and relatively resilient demand have increased both markets' demand for imported lamb. The UK is particularly important for lamb legs and manufacturing lamb, while the EU is important for shanks, racks, boneless loins and bone-in loins; which are high-value lamb cuts. Exports to both markets are expected to remain relatively stable through 2026-27.

Beef exports to the UK have grown under the NZ-UK Free Trade Agreement, although further growth remains subject to quota limits. New Zealand's beef trade with the EU is smaller and constrained by quota. The opportunity for New Zealand beef in both markets is expected to increase gradually under the respective FTAs, although the opportunity under the NZ-UK FTA will be four times greater over time.

Consumer confidence across the UK and EU remains under pressure as energy and living costs rise. Although economic growth is expected to remain modest, if not constrained, in both markets (~1%), constrained domestic red meat supplies should support import demand and pricing stability through 2026-27 around 2025-26 levels.

Canada

Re-emerging as a top beef market, constrained supply supports pricing

Canada is re-emerging as a strong market for New Zealand beef. Once New Zealand's second largest beef market, volume to Canada has increased by over 400% in the past five seasons. The composition of exports resembles that of exports to the US. Exports are dominated by lean processing beef, which is blended with fattier Canadian beef to produce ground beef, but whole cuts that are processed further make up a higher proportion of exports to Canada than the US. Tight cattle supply continues to support import demand, although high retail prices and cost-of-living pressures have caused some customers to trade down or trade out to other proteins. While there are signs of a slow rebuild of the beef cattle herd, imports are expected to remain strong through 2026 in the absence of quota restrictions. Combined with the US, demand from Canada supports strong pricing across North America.

Competitor overview

Global supply shapes competition and pricing for New Zealand red meat

New Zealand competes with other red meat exporters for access to key markets. Changes in their production and export volumes can materially affect the relative competitiveness of New Zealand red meat products in market. A high-level overview of production in key countries is provided below.

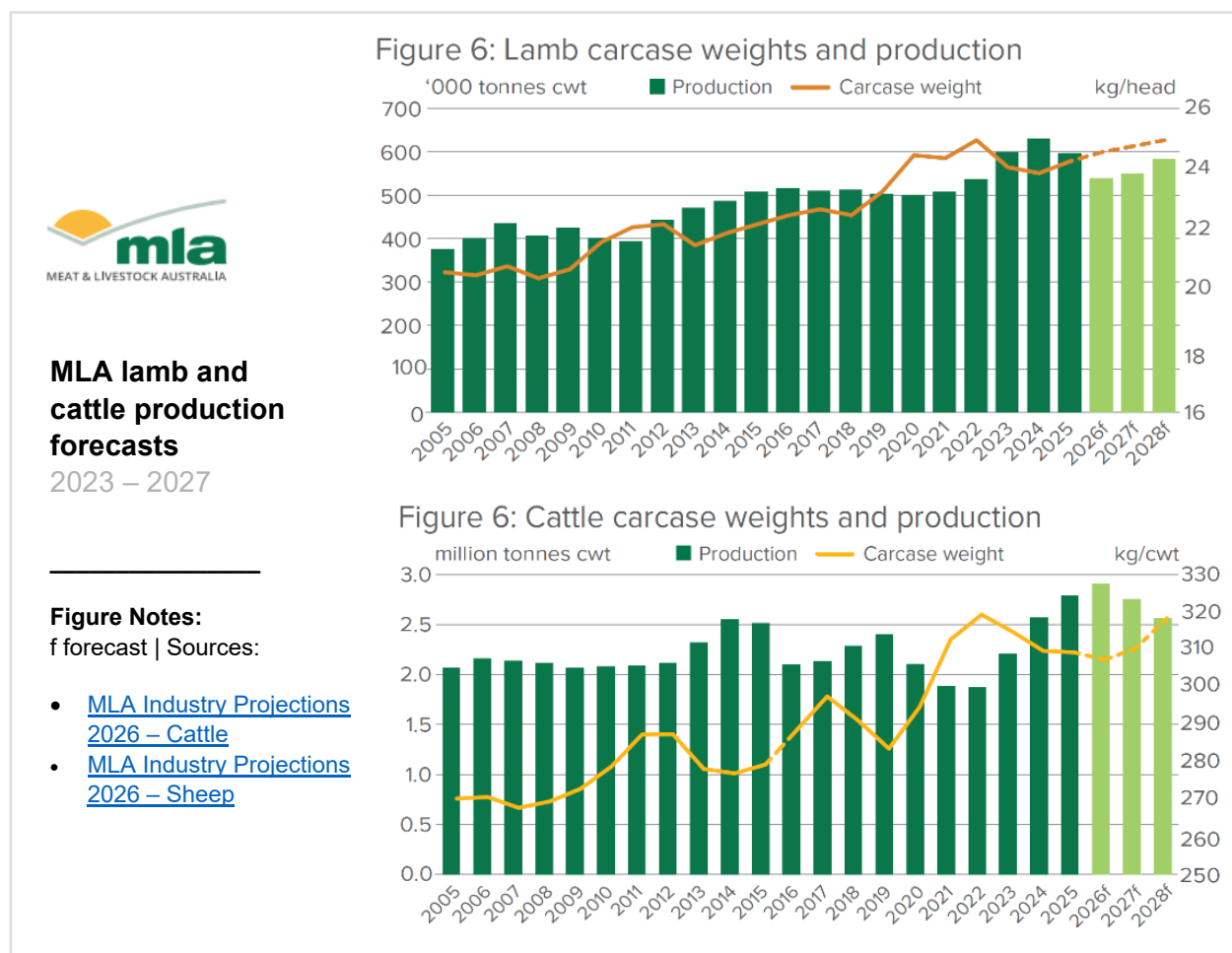
Australia

Recent high cattle sales are tightening short-term red meat supply

The highest slaughter volumes since the 1970s, supported strong Australian red meat production and exports in 2025 but is now also contributing to declining cattle and sheep populations, alongside severe drought conditions in the South⁵. Meat & Livestock Australia (MLA) forecasts cattle and sheep populations to continue declining through to the 2027-28 season, noting that future supply is heavily dependent on seasonal conditions and producer decisions to retain breeding stock. This is already flowing through to lower sheep meat supply, with lamb supply forecast to fall 11% in 2026 and mutton slaughter to fall 30%. From 2027, slaughter is forecast to increase again – by 1.4% – in 2027 and 5.2% in 2028, supported also by increasing carcass weights. In contrast, cattle slaughter is forecast to increase 3.0% in 2026 to record levels before declining by about one million head through to 2028 as the smaller herd constrains cattle availability. Total production also falls, but increasing carcass weights limits downside.

Australia continues to grow its feedlot capacity to finish cattle. This has allowed more cattle to be finished consistently and at heavier carcass weights, improving production resilience to variable weather conditions. Investment is also being supported by growing demand for grain-fed beef and its marbled profile, however, the intensive nature of feedlot finishing increases exposure to feed and energy costs.

Figure 3: MLA lamb and cattle production forecasts



⁵ [MLA Industry Projections 2026 – Cattle](#); [MLA Industry Projections 2026 – Sheep](#)

Brazil

Trade conditions and market access influence export volumes

Brazil is the largest exporter of beef in the world and therefore a major influence on global beef supply and pricing. Brazilian production and export volumes are expected to ease from 2025's record levels over the short-term as the domestic cattle cycle shifts towards a herd rebuilding phase as cow slaughter, as a percentage of total slaughter, reduces. USDA forecasts beef production to drop 2.0% for 2026 as slaughter falls, with improved carcass weights supporting overall production, and beef exports to fall 5.0%⁶.

Brazil's reliance on China, which accounts for just under half of its beef exports, means significant volumes are redirected to other markets once its Chinese quota is reached. This increases competition for New Zealand in North America, Europe and the UK. EU restrictions on Brazilian beef could put further pressure on competition and supply in North America in particular. Brazil has also been seeking to expand access to markets such as Japan and South Korea following its recognition by the World Organisation for Animal Health (WOAH) as free from foot-and-mouth disease (FMD) without vaccination.

RaboResearch expects competition to ease later in the year as exporters begin positioning shipments for China ahead of the start of the new quota year in January 2027, creating a potentially recurring seasonal pattern⁷. The impending El Niño weather pattern could further affect Brazilian production.

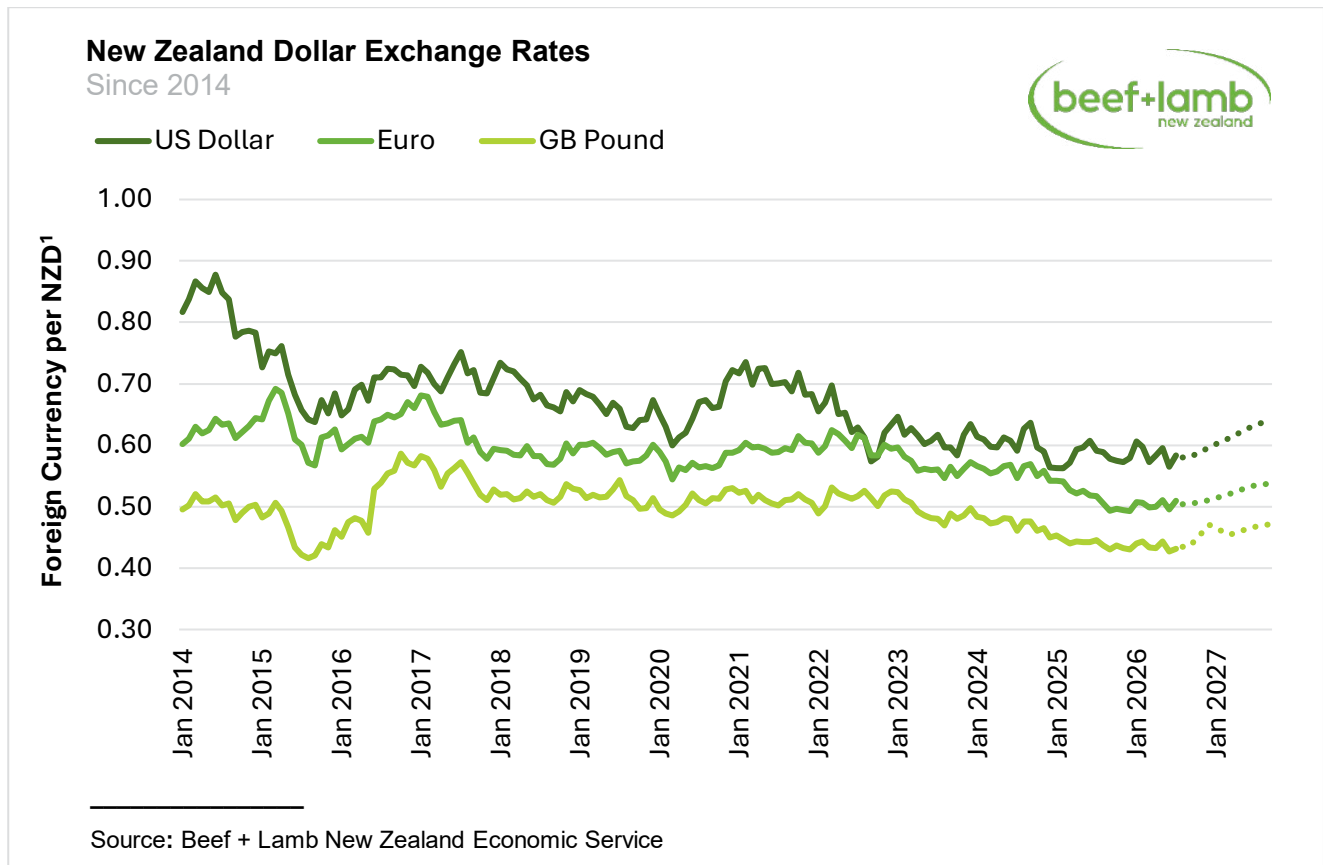
⁶ [USDA Livestock and Products Semi-annual \(March 03 20226\) – Post: Brazil](#)

⁷ [RaboResearch Food and Agribusiness: Brazil Agribusiness Quarterly \(July 2026\)](#)

Exchange rate impacts

The outlook for the New Zealand Dollar is slightly worse for farmers compared to the 2025-26 season the NZD expected to be strong against the USD (+5.5%), GBP (+4.9%) and the EUR (+1.5%).

Figure 4: New Zealand Dollar exchange rate forecasts



¹ **Chart interpretation:** A weaker NZD increases NZD-denominated export returns but raises the cost of imported goods and inputs. Conversely, a stronger NZD reduces export returns but lowers import costs.

Approximately three-quarters of total exported volume, and two-thirds of exported value are denominated in USD so NZD movement against the USD has the largest effect on New Zealand export values⁸. The value of the NZD heavily influences farm revenue, and even small fluctuations can impact farm gate returns. The value of the NZD from late November to June is particularly crucial to farmers because most meat and wool products are exported during this time. This period of the 2026-27 season will coincide with the US mid-term elections, the outcome of which could influence the strength of the NZD relative to the USD. If the Republican Party retains control of Congress, the NZD could weaken relative to the USD, supporting returns to New Zealand exporters. Conversely, if the Democrats gain control of both houses of Congress (the House of Representatives and the Senate), the NZD could stabilise or strengthen relative to the USD, which would be less favourable for New Zealand exporters.

⁸ [New Zealand Beef & Lamb Quarterly Markets Update](#)

The following table shows the forecast exchange rates for the 2026-27 season, and what the difference in currency movements to the revised forecast could have.

Table 2: Exchange rate scenarios

	-10%	-5%	NSO 2026-27			EX changes from USD 0.61	
			USD 0.61			0.55 USD	0.68 USD
USD	0.55	0.58	0.61	0.64	0.68	-10%	+10%
GBP	0.42	0.44	0.46	0.49	0.51	-10%	+10%
EUR	0.47	0.50	0.52	0.55	0.57	-10%	+10%
Farm-Gate Prices Received (\$/head)							
Lamb	238	222	207	194	182	+15.0%	-12.3%
Mutton	175	159	144	131	119	+21.4%	-17.5%
Steer/Heifer	2,841	2,650	2,478	2,322	2,181	+14.7%	-12.0%
Cow	1,634	1,524	1,426	1,336	1,255	+14.7%	-12.0%
Bull	3,050	2,845	2,660	2,493	2,341	+14.7%	-12.0%
All Beef	2,454	2,289	2,140	2,006	1,883	+14.7%	-12.0%
c/kg							
Lamb¹	1,227	1,143	1,067	998	936	+15.0%	-12.3%
Mutton¹	675	612	556	505	459	+21.4%	-17.5%
Steer/Heifer	989	922	862	808	759	+14.7%	-12.0%
Cow	794	741	693	649	610	+14.7%	-12.0%
Bull	981	915	856	802	753	+14.7%	-12.0%
All Beef	932	869	813	762	715	+14.7%	-12.0%
Fine²	2,474	2,318	2,177	2,050	1,934	+13.7%	-11.2%
Medium²	964	903	848	798	753	+13.7%	-11.2%
Crossbred²	614	575	540	508	480	+13.7%	-11.2%
All Wool²	625	586	550	518	489	+13.7%	-11.2%

Table notes: ¹ includes wool and skin ² wool c/kg greasy
Source: Beef + Lamb New Zealand Insights Team

Production and Exports

Beef & Veal

Beef and veal production

Beef production lifts as more cattle are available for processing

The recent increase in cattle numbers on New Zealand farms is expected to flow through to processors in 2026-27, contributing to a forecast 8.2% lift in beef production. Beef + Lamb New Zealand's [June 2026 Stock Number Survey](#) estimates the national beef cattle herd increased 3.3% to 3.96 million head, marking a third consecutive year of growth. With carcass weights expected to remain broadly stable across cattle classes, the increase in export beef production to 699,000 tonnes bone-in is expected to be driven primarily by higher cattle throughput (+7.8%) rather than heavier carcass weights (+0.4%).

Table 3: Beef and veal production

Sep Year	Steer	Heifer	Cow	Bull	Total
Cattle processed for export (‘000 head)					
2022-23	654	524	996	503	2,677
2023-24	652	531	944	449	2,577
2024-25	589	551	888	431	2,459
2025-26e	588	541	866	464	2,459
2026-27f	608	598	913	530	2,650
2026-27f % change	+3.4%	+10.6%	+5.4%	+14.4%	+7.8%
Average carcass weights (kg/head)					
2022-23	315	253	204	307	260
2023-24	319	255	206	312	263
2024-25	312	260	206	311	262
2025-26e	315	256	205	310	263
2026-27f	315	258	206	311	264
2026-27f % change	+0.0%	+0.5%	+0.2%	+0.3%	+0.4%
Beef production (‘000 tonne bone-in)					
2022-23	206	133	203	154	696
2023-24	208	136	194	140	678
2024-25	184	143	183	134	644
2025-26e	186	139	178	144	646
2026-27f	192	154	188	165	699
2026-27f % change	+3.5%	+11.2%	+5.6%	+14.7%	+8.2%

Table notes: e estimate, f forecast

Source: Beef + Lamb New Zealand Insights Team, New Zealand Meat Board

Beef and veal exports

Beef and veal export receipts forecast to exceed \$6.5 billion for the first time

Beef and veal export receipts are forecast to remain at historically high levels in the 2026-27, following an exceptionally strong 2025-26 season. Total export receipts for 2025-26 are now estimated to reach \$6.47 billion, 17% higher than what was forecast in last year's New Season Outlook, reflecting the unexpectedly strong demand from New Zealand's key beef markets, particularly North America (refer to Page 5, *Global Economic Conditions* for more details). For 2026-27, total receipts are forecast to increase a further 4.2% to \$6.75 billion (Table 4).

Table 4: Beef and veal exports – Total

	Beef and Veal Meat			Co-Products \$m FOB	Total Beef \$m FOB	Beef Meat % ⁹
	'000 tonnes	\$/tonne	\$m FOB			
2022-23	496	8,839	4,380	617	4,997	88%
2023-24	486	8,793	4,276	589	4,865	88%
2024-25	458	10,668	4,885	626	5,511	89%
2025-26e	459	12,761	5,855	615	6,470	91%
2026-27f	497	12,280	6,097	647	6,745	90%
2026-27f % change	+8.2%	-3.8%	+4.1%	+5.3%	+4.2%	

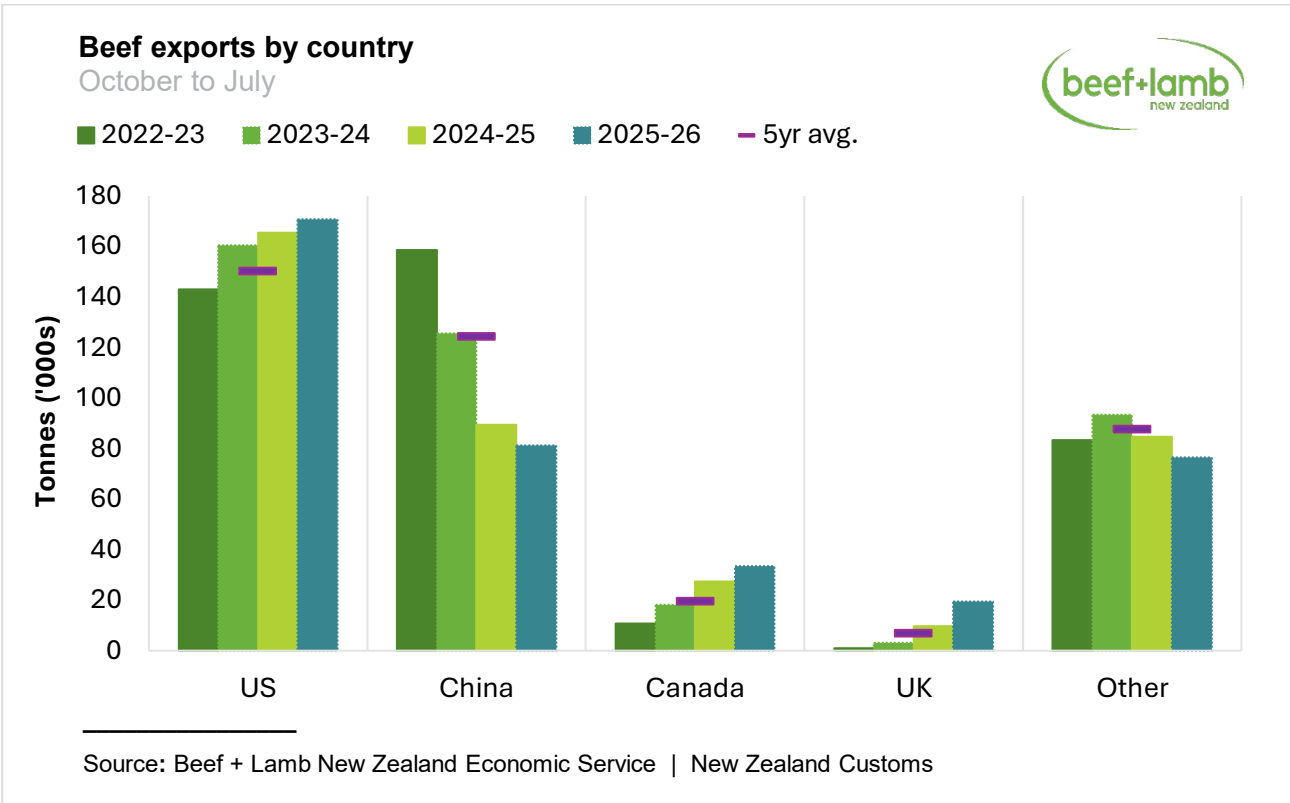
Table notes: e estimate, f forecast

Source: Beef + Lamb New Zealand Insights Team, Statistics New Zealand

The increase in export receipts is driven by the 8.2% increase in the volume of beef and veal meat exported, with prices forecast to ease marginally (-3.8%) from 2025-26 levels as markets adjust to a new price equilibrium. The outlook therefore reflects a stabilisation around a much higher level of export returns, rather than a continuation of the sharp price growth observed over the past two seasons. The US is expected to remain New Zealand's top export destination for beef by volume and value (Figure 5).

⁹ Beef and Veal Meat value as a percentage of the value of Total Beef exports, including Co-Products

Figure 5: Beef exports (October to July) – Top export countries (2025-26)

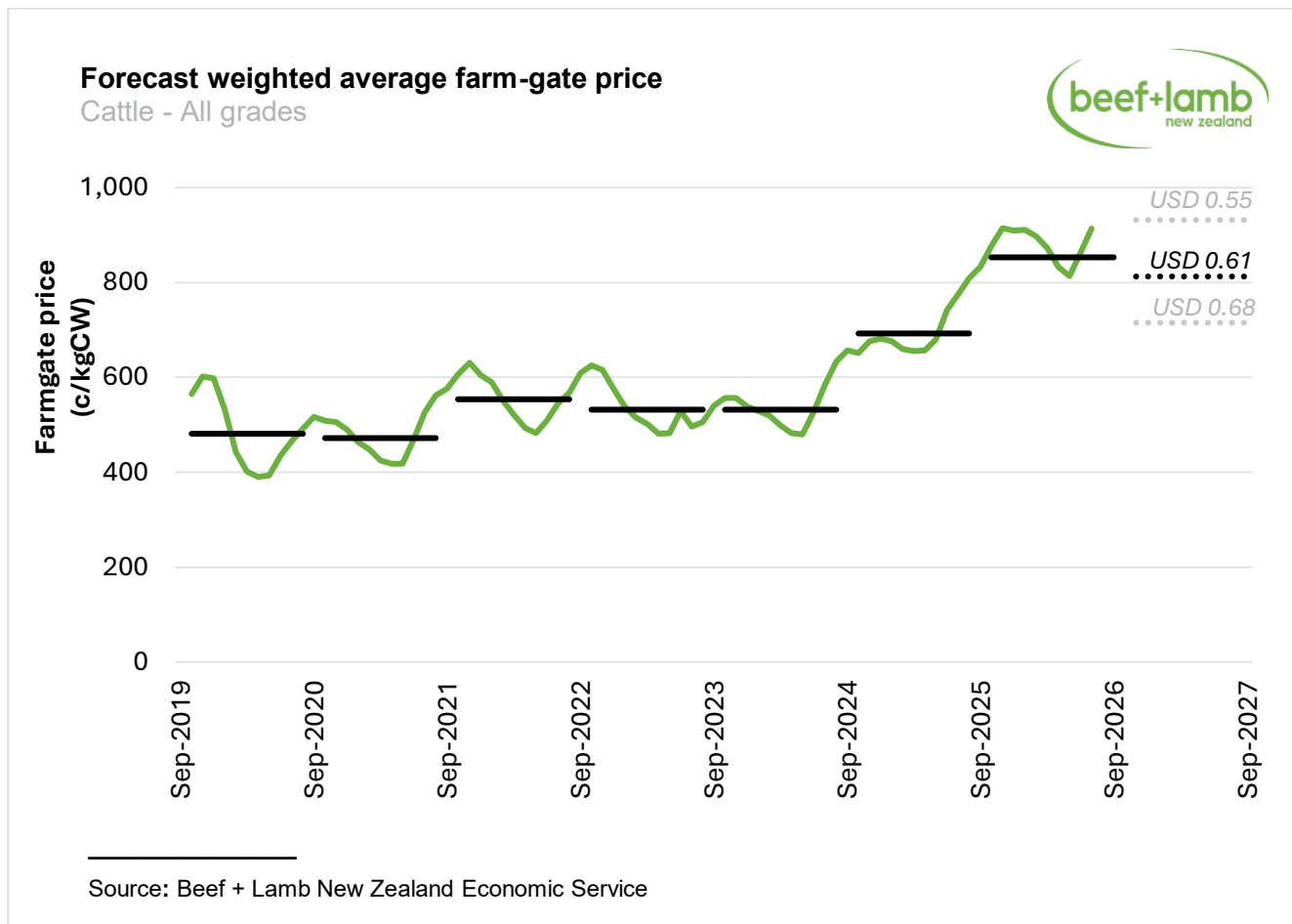


Cattle farm-gate prices

Farm-gate cattle prices remain elevated

Farm-gate cattle prices are forecast to ease in 2026-27 from the high levels reached in 2025-26, while remaining above historical levels. The weighted average cattle (all grades) price increased sharply through 2024-25 and 2025-26, reflecting strong demand and export returns. Consistent with the export outlook (page 15), some easing is expected for 2026-27 as global beef markets adjust to a new price equilibrium, and these prices flow back to cattle producers (Figure 6).

Figure 6: Forecast cattle farm-gate price – Weighted average, all grades

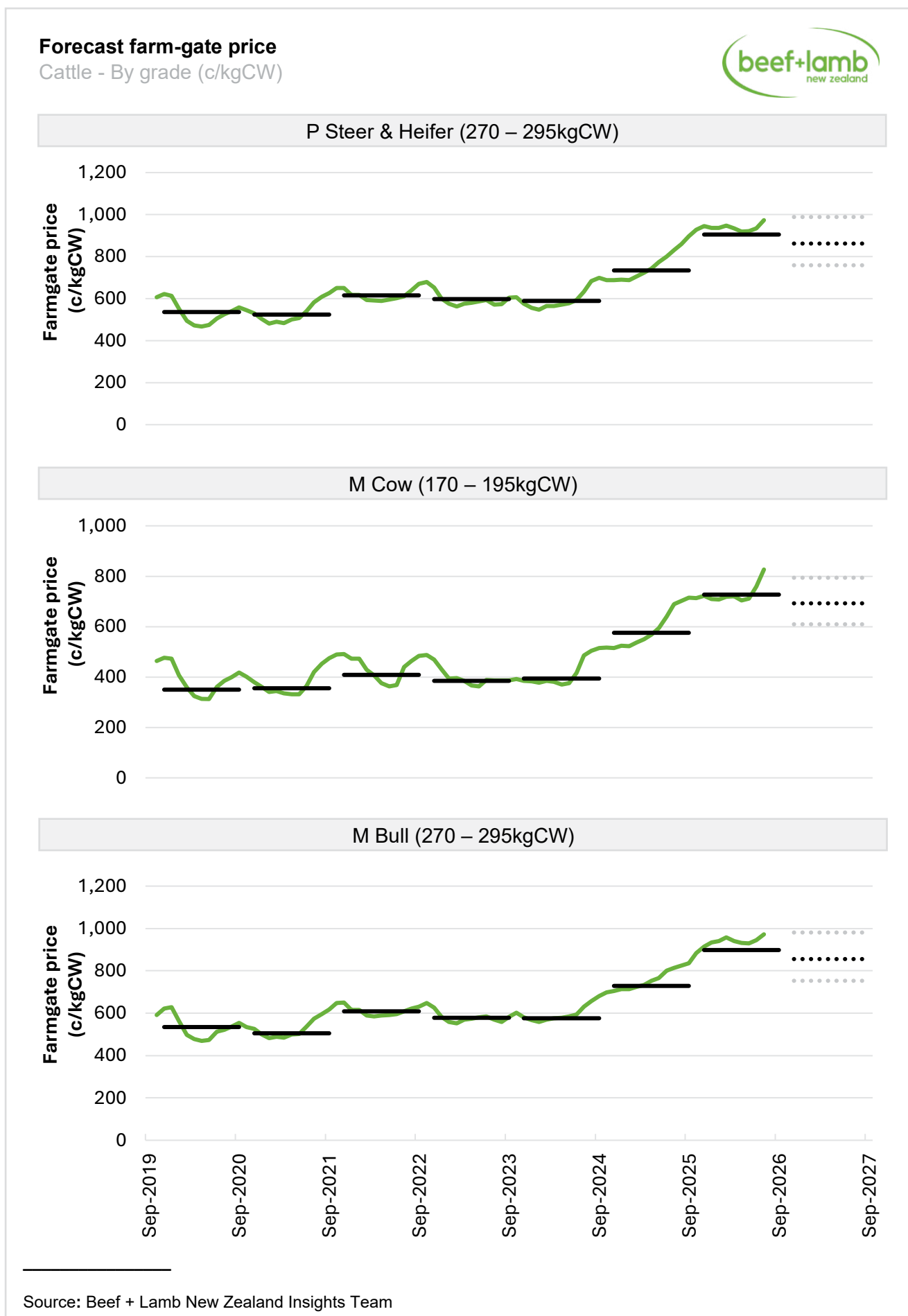


At the expected USD 0.61, the 2026-27 annual average prices are forecast to be:

- All grades 813 c/kgCW
- P steer/heifer (270 – 295kg) 862 c/kgCW
- M cow (170-195kg) 693 c/kgCW
- M bull (270-295kg) 856 c/kgCW

Historic trends for cattle grades are presented in Figure 7 on the page 18.

Figure 7: Forecast cattle farm-gate prices – By class



Production and Exports

Sheep meat

Lamb production, exports and farm-gate prices

Lamb prices remain high, but falling inventory pressures export receipts

Lamb production is forecast to decrease 3.3% to 326,200 tonnes bone-in for the 2026-27 season. The number of lambs processed is expected to remain relatively stable at 16.9 million head, down 0.4%, with the spring 2026 lamb crop also forecast to be broadly unchanged at 19.7 million according to B+LNZ's [Stock Number Survey](#) as at 30 June 2026 (Table 5). This is despite a 1.9% decline in breeding ewes to 14.2 million head (Table 7). The average carcass weight is forecast to ease 2.2% in 2026-27 to 19.4 kgCW from a high in 2025-26 (19.9 kgCW) with the expectation of El Niño resulting in dry conditions. Carcass weights are therefore the main driver of the decline in lamb production.

Table 5: Lamb production per season

	Lamb Crop (m head)	Slaughter (m head)	Average Weight (kgCW)	Production (‘000 tonne bone-in)
2022-23	21.0	17.7	19.4	343.6
2023-24	21.0	18.2	19.2	348.6
2024-25	20.9	17.1	19.6	334.6
2025-26e	19.8	17.0	19.9	337.4
2026-27f	19.7	16.9	19.4	326.2
2026-27f % change	-0.5%	-0.4%	-2.2%	-3.3%

Table notes: e estimate, f forecast

Source: Beef + Lamb New Zealand Insights Team, Statistics New Zealand, New Zealand Meat Board

Lamb export returns expected for 2025-26 have been considerably stronger than anticipated. Last year's New Season Outlook forecast total lamb export receipts of \$3.71 billion and an average lamb meat export value of \$13,355 per tonne. Total receipts are now expected to reach \$4.48 billion, around \$770 million higher than forecast, with average export values reaching \$15,522 per tonne (Table 6).

For 2026-27, total lamb export receipts are forecast to ease 5.9% to \$4.41 billion (Table 6) as total volume exported and the average value received falls 2.6% and 3.6% respectively. Despite the decline, export receipts and prices remain well above historical levels prior to 2024-25.

Table 6: Lamb exports per season – Total

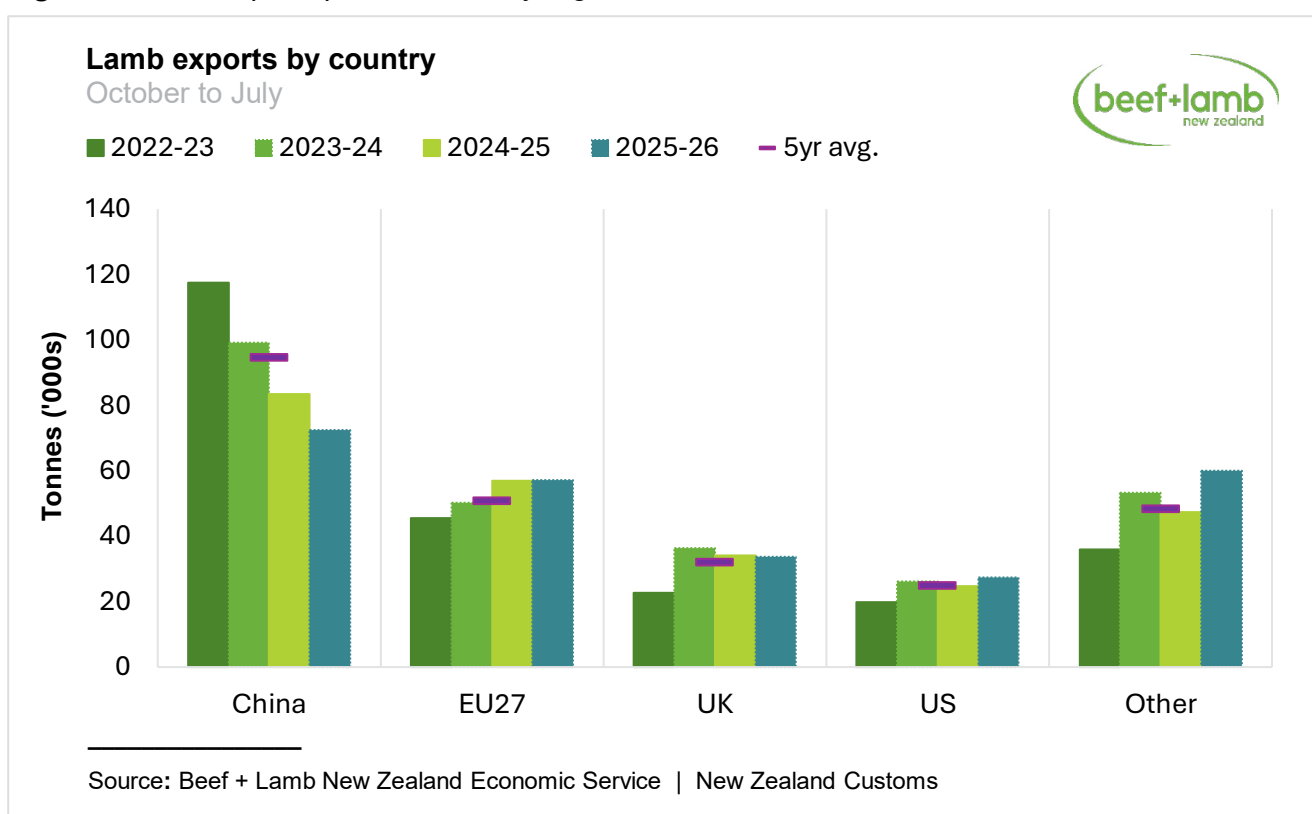
	Lamb Meat			Co-Products \$m FOB	Total Lamb \$m FOB	Lamb Meat % ¹⁰
	'000 tonnes	\$/ tonne	\$m FOB			
2022-23	288	11,097	3,197	183	3,381	95%
2023-24	301	10,327	3,111	143	3,255	96%
2024-25	286	13,140	3,763	160	3,923	96%
2025-26e	289	15,522	4,483	197	4,680	96%
2026-27f	281	14,968	4,212	194	4,406	96%
2026-27f % change	-2.6%	-3.6%	-6.0%	-1.7%	-5.9%	

Table notes: e estimate, f forecast

Source: Beef + Lamb New Zealand Insights Team, Statistics New Zealand

China is expected to remain New Zealand's largest lamb export market by volume, reflecting its important role in maximising whole-carass value, while the EU27, UK and US remain particularly important markets by export value (Figure 8).

Figure 8: Lamb exports per season – By region

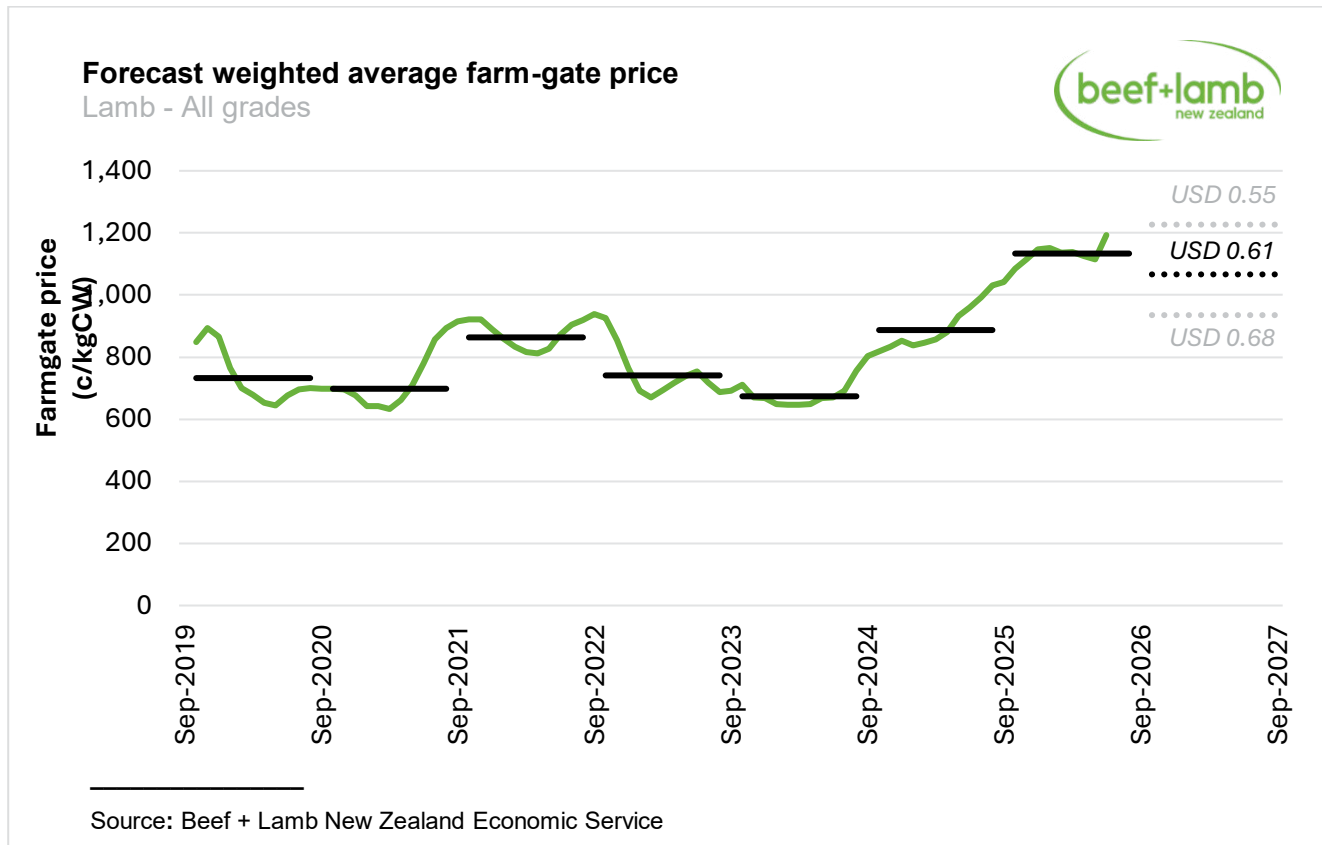


Note: EU27 refers collectively to the [27 member countries](#) of the European Union.

Farm-gate lamb prices are forecast to ease in 2026-27 by 5.9% from the record levels reached in 2025-26 following several years of sharp increases, reflecting strong red meat markets. Despite this, farm-gate prices are forecast to remain above historical levels (Figure 9).

¹⁰ Lamb Meat value as a percentage of the value of Total Lamb exports, including Co-Products

Figure 9: Weighted average lamb farm-gate price (All grades)



Mutton production and exports

Mutton export receipts largely unchanged as production falls, but prices rise

Mutton production is forecast to fall 1.9% to 83,400 tonnes bone-in during 2026-27. Adult sheep slaughter is expected to remain relatively stable at 3.2 million head, down 0.8%, while the national breeding flock is forecast to decline 1.9% to 14.2 million head according to B+LNZ's Stock Number Survey (Table 7). The average carcass weight is also forecast to fall slightly – by 0.6%.

Table 7: Mutton production per season

	Breeding ewes (m head)	Slaughter (m head)	Average Weight (kg/CW)	Production (‘000 tonne bone-in)
2022-23	15.4	3.3	26.1	87.7
2023-24	14.8	3.1	25.9	82.0
2024-25	14.6	3.4	25.8	87.1
2025-26e	14.4	3.2	26.1	85.0
2026-27f	14.2	3.2	25.9	83.4
2026-27f % change	-1.9%	-0.8%	-0.6%	-1.9%

Table notes: e estimate, f forecast

Source: Beef + Lamb New Zealand Insights Team, Statistics New Zealand, New Zealand Meat Board

Mutton export receipts are forecast to remain broadly stable in 2026-27, easing slightly – by 0.4% – to \$880 million. In line with production trends, total volume exported falls by 1.4% to 79,000 tonnes, while the average value increases by 1.2% on 2025-26, which ended up 42% higher than what was forecast in last year's New Season Outlook following a strong season.

Table 8: Mutton exports for season

	Mutton Meat			Co-Products \$m FOB	Total Mutton \$m FOB	Mutton Meat %
	'000 tonnes	\$/ tonne	\$m FOB			
2022-23	81	6,374	517	108	625	83%
2023-24	77	5,210	400	113	513	78%
2024-25	82	7,001	576	118	694	83%
2025-26e	80	9,623	767	117	884	87%
2026-27f	79	9,742	765	115	880	87%
2026-27f % change	-1.4%	+1.2%	-0.2%	-1.9%	-0.4%	

Table notes: e estimate, f forecast

Source: Beef + Lamb New Zealand Insights Team, Statistics New Zealand, New Zealand Meat Board

Production and Exports

Wool

Production, exports and prices

Production and exports fall as total sheep also decline, but prices remain stable

Wool production is forecast to decline by 4.2% to 107,000 tonnes greasy in 2026-27, reflecting both fewer sheep (-2.0%) and slightly less wool shorn per head (Table 9). Wool auction prices also benefited from strong markets in 2025-26, with wool auction prices averaging 36% higher than what was forecast for the season in last year's New Season Outlook. The average auction price is forecast to stabilise in line with meat price forecasts, rising 1.7% for the 2026-27 season to 519 c/kg greasy (Table 10). Raw wool exports are forecast to decline 4.2% to 76,300 tonnes clean in 2026-27 in line with the fall in total sheep (Table 11). However, higher export prices (+3.1%) largely offset much of the 4.2% decline in volume to support export receipts, falling just 1.2% to \$565.5 million. Despite the fall, export receipts remain well above historic levels.

Table 9: Wool production per season

	Sheep (m head)	Wool Shorn (‘000 tonnes greasy)	Slips (‘000 tonnes greasy)	Total (‘000 tonnes greasy)	Wool shorn (kg/head greasy)
2022-23	25.1	105	16.9	122	4.18
2023-24	24.4	101	16.8	118	4.15
2024-25	23.6	96	15.7	111	4.05
2025-26e	23.3	96	16.2	112	4.13
2026-27f	22.8	92	15.9	107	4.02
2026-27f % change	-2.0%	-4.6%	-1.8%	-4.2%	-2.6%

Table notes: e estimate, f forecast

Source: Beef + Lamb New Zealand Insights Team, Wrightson Wool, New Zealand Wool Services International Ltd, Statistics New Zealand

Table 10: Average auction wool prices

	Fine	Medium	Strong	Lambs	All wool
	(cents/kg greasy)				
2022-23	1,448	313	224	206	320
2023-24	1,174	292	257	226	292
2024-25	1,149	351	276	268	373
2025-26e	1,502	598	398	445	510
2026-27f	1,502	627	405	413	519
2026-27f % change	+0.0%	+4.8%	+1.7%	-7.2%	+1.7%

Table notes: e estimate, f forecast

Source: Beef + Lamb New Zealand Insights Team, Wrightson Wool, New Zealand Wool Services International Ltd, Statistics New Zealand

Table 11: Raw wool exports and average prices

	Auction price	Wool Exports		
	(\$/kg clean)	\$/kg clean	'000 tonne clean	\$m FOB
2022-23	4.39	5.17	77.4	400.2
2023-24	3.96	4.90	91.3	447.9
2024-25	5.11	5.81	76.8	446.0
2025-26e	6.99	7.18	79.7	572.4
2026-27f	7.11	7.41	76.3	565.5
2026-27f % change	+1.8%	+3.1%	-4.2%	-1.2%

Table notes: e estimate, f forecast

Source: Beef + Lamb New Zealand Insights Team, Wrightson Wool, Statistics New Zealand

On-farm

Revenue and expenditure

Farm profit

Regional Roundup



Farm revenue and expenditure

This section discusses the national forecast for gross farm revenue and expenditure. Regional drivers and differences are discussed in the Regional Roundup.

The 2026-27 outlook remains positive, although below the exceptional provisional result for 2025-26. Farm Profit Before Tax is forecast to average \$267,200 per farm as gross farm revenue eases 4.0% to \$965,100 and total farm expenditure rises 4.2% to \$697,800.

Total gross farm revenue

Revenue forecast to ease from the exceptional 2025-26 result

Gross farm revenue is forecast to average \$965,100 per farm in 2026-27, down 4.0% from the exceptional provisional result of just over \$1.0 million in 2025-26. This follows increases of 25% in 2024-25 and 31% in 2025-26. Despite the forecast easing, gross farm revenue remains 25% above 2024-25 and 57% above the low recorded in 2023-24.

Sheep revenue, excluding wool, is forecast to decrease 6.2% to \$441,400 per farm, following a 40% increase in 2025-26. The forecast remains 31% above 2024-25 and accounts for 46% of gross farm revenue. The easing reflects the forecast moderation in lamb prices, while mutton prices remain at historically strong levels. Wool revenue is forecast to be broadly steady at \$51,300 per farm, as higher average wool prices largely offset less wool shorn.

Cattle revenue is forecast to decrease 3.8% to \$318,800 per farm, after increasing 30% in 2024-25 and a further 36% in 2025-26. It remains 31% above 2024-25 and accounts for one-third of gross farm revenue. Softer forecast cattle prices are partly offset by higher opening cattle numbers and the timing of livestock available for sale.

Cash-crop revenue is forecast to increase 3.2% to \$68,200 per farm, following a 5.3% decrease in 2025-26. It accounts for an average of 7.0% of gross farm revenue nationally, although its importance is much greater on mixed-finishing farms. Dairy-grazing revenue increases slightly to \$45,600 per farm, while other revenue eases 2.8% to \$33,000. Deer and velvet revenue is broadly steady at \$6,800 per farm.

Together, sheep and cattle account for almost 80% of gross farm revenue, and 84% when wool is included. Consequently, the national result is driven primarily by livestock prices and production. See the earlier sheepmeat, beef and exchange-rate sections for the price assumptions, and the livestock outlook for stock numbers and expected processing flows.

Total farm expenditure

Fertiliser spending leads a further increase in expenditure

Total farm expenditure is forecast to increase 4.2% to \$697,800 per farm in 2026-27. Together with a 4.0% decrease in gross farm revenue, this narrows the forecast margin and explains the reduction in Farm Profit Before Tax from the 2025-26 high.

Fertiliser, lime and seeds expenditure is forecast to increase 14.5% to \$144,800 per farm. Higher product prices and the return to fertiliser programmes deferred during recent low-profit years both contribute. Forecast fertiliser use for 2026-27 is expected to remain at similar levels as 2025-26, indicating that price and the mix of products applied are important components of the expenditure increase. At \$144,800 per farm, fertiliser, lime and seeds expenditure represents 21% of total farm expenditure and is the largest itemised expense category in the summary table.

Repairs and maintenance expenditure is forecast to ease 3.6% nationally to \$56,600 per farm after rising strongly in 2025-26. Stronger cashflow has enabled farmers to address deferred work on fencing, yards, water reticulation, and other farm infrastructure, while others require spending on storm recovery. Interest and rent are broadly steady at \$112,100 per farm, with lower rates and debt repayment offset by differences in borrowing and stock-purchase requirements.

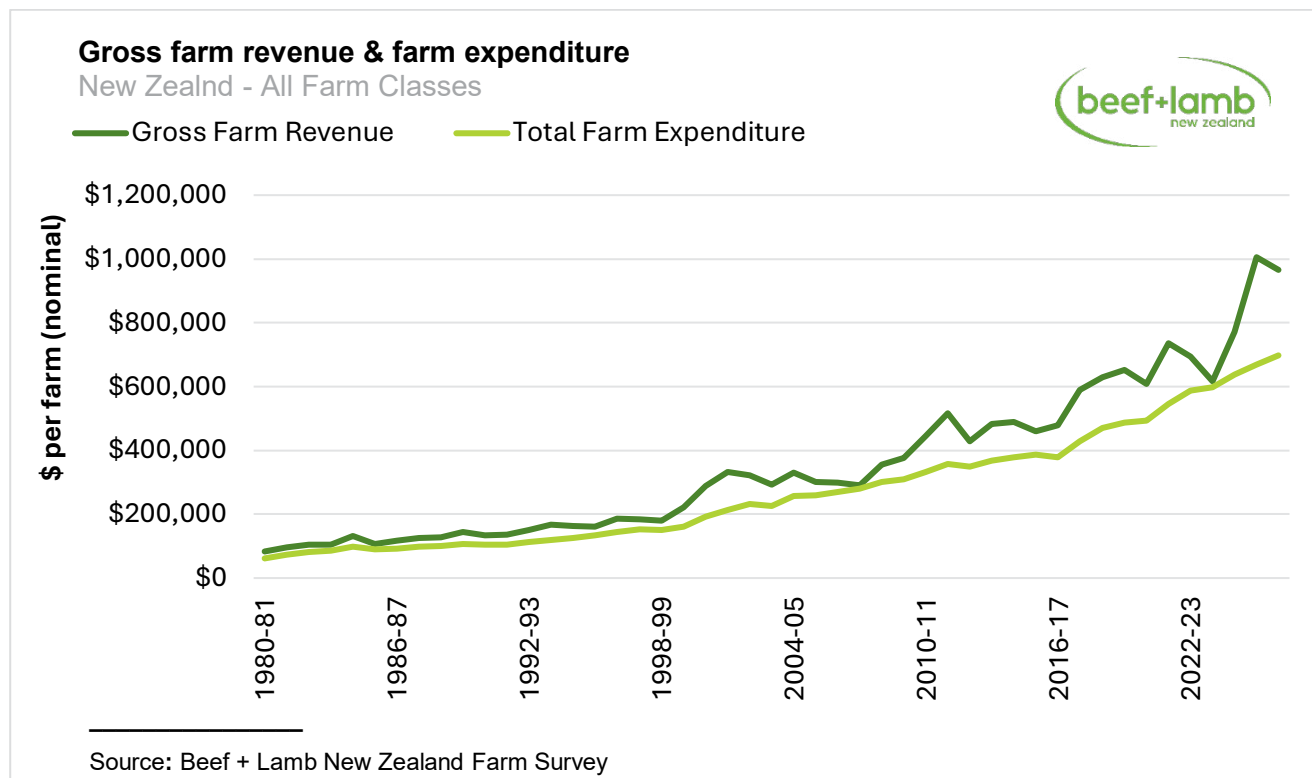
Other expenses increase by 3.2% to \$384,400 per farm. Higher input prices remain a downside risk to profitability, particularly where fuel, freight and fertiliser costs are exposed to energy markets and international supply conditions.

Some farm businesses are investing in farm development and technology, including virtual fencing.

Total shearing expenditure is forecast to ease 0.8% to \$33,000 per farm in 2026-27, following a 3.0% increase in 2025-26. The average shearing cost increases 1.9% to \$6.57 per head, but this is offset by slightly fewer sheep and lambs shorn. Wool shorn is forecast to fall, down 4.9% to 11,385 kg per farm, reflecting both fewer sheep and a decrease in wool shorn per sheep from 4.13 kg to 4.02 kg.

The June 2026 SNZ Farm Expenses Price Index shows sheep and beef farm input prices, excluding livestock purchases, were 5.8% higher than a year earlier. Fertiliser, lime and seed prices rose 13.4%, driven mainly by a 14.5% increase in fertiliser, while fuel and freight prices increased 55% and 12.5% respectively. Much of the movement occurred in the 2026 June quarter, consistent with the energy-market disruption identified in B+LNZ's July [On-farm Inflation report](#). This index movement is not the forecast increase in farm expenditure for 2026-27, but higher fuel costs flow through to cartage, contracting, fertiliser manufacture and other inputs. See earlier discussion The Middle East conflict continues to disrupt red meat supply chains.

Figure 10: Gross farm revenue and farm expenditure time series – New Zealand All Classes





Farm profit

This section forecasts farm profitability and discusses meat production per hectare as an important driver of operating performance.

Farm profit before tax

Strong returns provide room to strengthen farm businesses

Farm profit before tax (FPBT) is forecast to average \$267,200 per farm in 2026-27, lower than the exceptional provisional result of \$335,500 in 2025-26 (-20%). The forecast remains about twice the 2024-25 result of \$133,900 per farm, leaving the sector in a much stronger position than during the low-profit seasons of 2022-23 and 2023-24.

The easing in forecast profit for 2026-27 reflects slightly lower gross farm revenue and higher expenditure as discussed above. The forecast also assumes the NZD averages USD0.61, compared with USD0.58 in 2025-26, which is less favourable for export returns.

El Niño presents a material downside risk to farm revenue and profit. The regional farm forecasts incorporate lower revenue, including lower average lamb carcass weights in some regions. However, El Niño is expected to strengthen through spring and may become one of the strongest events in recent history, with peak conditions most likely during summer 2026-27. If dry and windy conditions restrict pasture growth, particularly across northern and eastern regions, lower liveweight gains and carcass weights could result. This would place further downward pressure on gross farm revenue and Farm Profit Before Tax relative to the central forecast.

The 2025-26 FPBT result was supported by strong sheep and cattle prices, favourable seasonal conditions across much of the country, and lower interest expenditure. Improved cashflow allowed many farm businesses to repay debt, rebuild fertiliser programmes, introduce or expand use of technology (for example virtual fencing or wearable technologies) and address work deferred during the recent low-profit period. Debt reduction is expected to continue in 2026-27 for businesses with sufficient cashflow, the scale and timing of this reinvestment differ between regions and Farm Classes.

FPBT is the amount available to meet personal drawings, taxation, principal repayments, and new investment in the farm business, so a high headline result does not represent disposable income.

Farm profit exchange rate scenarios

A higher NZD places pressure on export returns

The central 2026-27 forecast is based on the NZD averaging USD0.61. This is above the USD0.58 average used for 2025-26 and, all else equal, reduces the New Zealand dollar value of export receipts.

If the NZD averaged USD0.55, gross farm revenue would rise by considerably more than farm expenditure. FPBT would increase to \$390,300 per farm and EBITRm to \$508,400. Imported and energy-linked inputs would also cost more under a lower NZD, which is reflected in the expenditure scenario.

If the NZD averaged USD0.68, gross farm revenue would fall to \$858,100 per farm and FPBT to \$168,300. The scenarios illustrate the sensitivity of farm profitability to the exchange rate. See the earlier Exchange rate impacts section for the market assumptions.

The table below shows the impact of the exchange rate on profitability across different exchange rate scenarios.

Table 12: Sheep and beef farm revenue and expenditure (New Zealand weighted average¹¹)

		2024-25	2025-26 (Provisional)	2026-27 Forecast		
				USD 0.55	USD 0.61	USD 0.68
Measure: \$ per farm						
Revenue						
Wool		36,727	51,734	59,100	51,291	46,200
Sheep		336,978	470,370	516,700	441,351	380,000
Cattle		243,565	331,432	367,600	318,822	279,200
Dairy Grazing		42,884	45,095	45,616	45,616	45,616
Deer + Velvet		6,457	6,848	7,800	6,780	5,900
Cash Crop		69,714	66,053	68,199	68,199	68,199
Other		34,269	33,947	33,007	33,007	33,007
Total Gross Revenue	\$/farm	770,594	1,005,479	1,098,000	965,066	858,100
Expenditure						
Fert, Lime & Seeds		95,536	126,414	146,800	144,764	143,100
Repairs & Maintenance		47,539	58,684	57,400	56,557	55,900
Interest & Rent		135,065	112,522	111,800	112,082	112,400
Other Expenses		358,523	372,336	391,700	384,417	378,400
Total expenditure	\$/farm	636,663	669,956	707,700	697,820	689,800
Profitability						
Farm Profit Before Tax ¹²	\$/farm	133,931	335,523	390,300	267,246	168,300
EBITRm ¹³	\$/farm	274,200	453,400	508,422	384,800	285,522
Real Farm Profit ¹⁴	\$/farm	80,500	196,800	222,000	152,000	95,700

Table notes: Source: Beef + Lamb New Zealand Insights Team, Sheep and Beef Farm Survey

Real Farm profit before tax

Real profit reaches record per-farm levels

Real FPBT, when inflation is accounted for, is a useful metric to examine long-term farm profitability trends. In inflation-adjusted terms, FPBT for 2025-26 is provisionally estimated to have reached a record high (\$196,800 per farm in 2004-05 dollars), being 8.0% higher than the previous high in 1972-73. This is the highest result for FPBT since the Sheep and Beef Farm Survey began in 1950.

¹¹ The average farm (weighted across all classes) for 1 July 2026 was a grazing area of 737 hectares with 2,867 sheep, 377 cattle and 28 deer, totalling 4,596 stock units.

¹² Farm profit before Tax is required to meet personal drawings, taxation payments, debt repayments and the purchase of capital items.

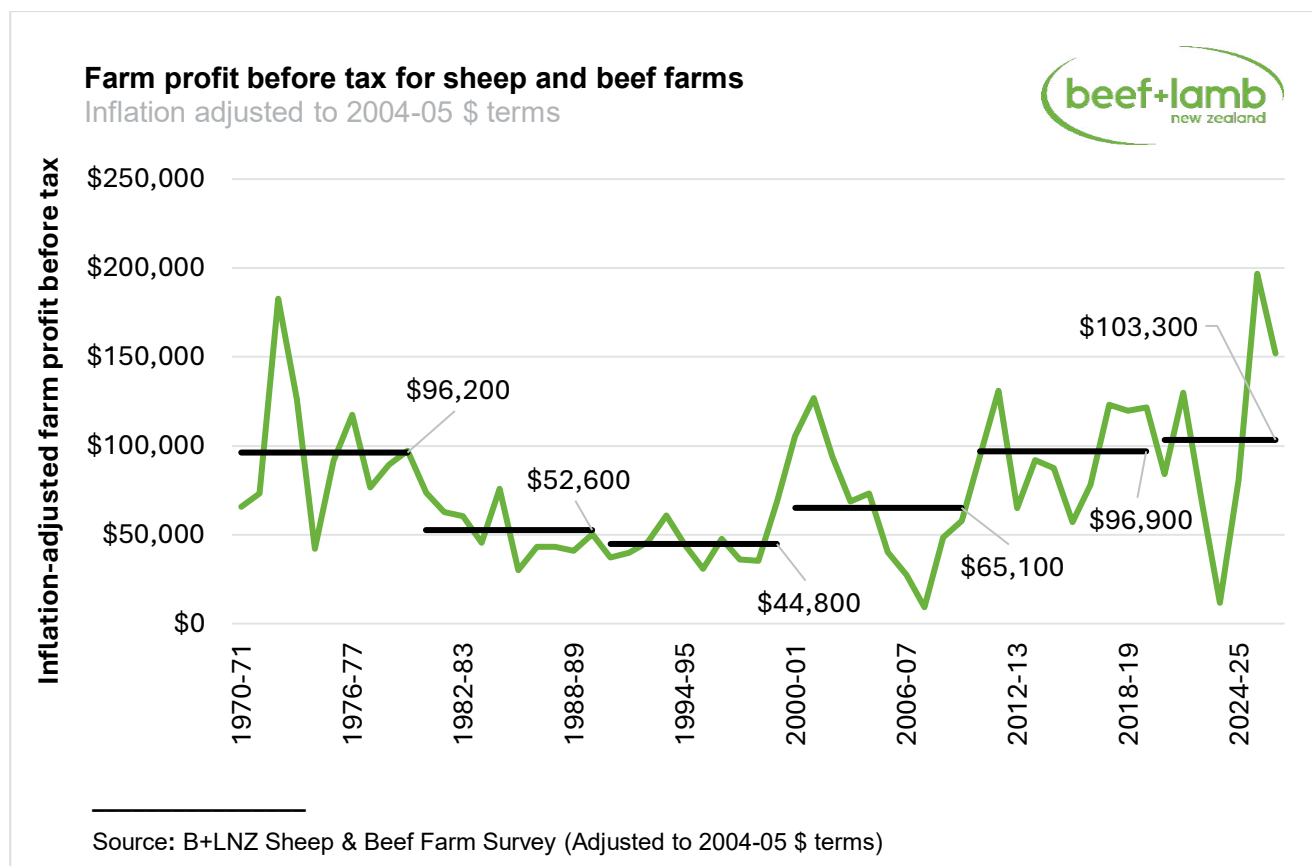
¹³ Earnings Before Interest, Tax, Rent and Manager's Salary

¹⁴ Deflated by June year Consumer Price Index (base year 2004-05)

Although FPBT is currently at record high levels, acknowledging the size difference and scale of modern sheep and beef farms is useful in interpreting the results. Average farm scale, measured by stock units wintered, is now 44% greater than in 1972-73. Sheep and beef farming remains predominantly family-based, with more than 90% of farms family-owned and farm earnings supporting both household livelihoods and continued investment in the farm business.

In 2023-24, average real FPBT fell to a historically low level, with 40% of farms recording negative FPBT. It was the sector's lowest level of farm profitability since the Global Financial Crisis in 2007-08.

Figure 9: Inflation-adjusted Farm profit before tax for sheep and beef farms – all classes



Earnings before interest, tax, rent and management wages

EBITRm provides a consistent measure of operating performance

EBITRm is forecast to average \$384,800 per farm, or \$522 per grazed hectare, in 2026-27. This is a 15% decrease from the provisional 2025-26 result of \$453,400 per farm and \$615 per hectare but remains 40% above the 2024-25 result.

Across regions, forecast EBITRm/ha ranges from \$373 in Marlborough-Canterbury to \$830 in Northland-Waikato-Bay of Plenty. Regional variances may be explained, in part, by significant differences in stocking rates between Marlborough-Canterbury (4.6 SU/ha) and Northland-Waikato-BoP (8.8 SU/ha) for example with more extensive farms in the South Island. The largest percentage decrease is on the East Coast (-19%) and the smallest in Taranaki-Manawātū (-6.4%).

Earnings before interest, tax, rent and management wages per grazed hectare (EBITRm/ha) is a core industry measure of farm profitability. It measures the return from farming after operating expenditure and depreciation, but before differences in financing, land tenure, tax and management structure. EBITRm on a per-hectare basis allows farmers to compare performance between years and benchmark against similar farms. For extensive farms, such as South Island High and Hill Country farms a more appropriate metric is EBITRm/SU.

For farmers, EBITRm/ha provides a useful starting point for understanding how effectively the farm's resources are being converted into profit. Changes in EBITRm can be traced to the revenue generated and the expenditure required to generate it. Benchmarking these components can help identify whether the greatest opportunity lies in lifting production or revenue, improving the efficiency of expenditure, or both. EBITRm complements measures of cashflow and Farm profit before tax by providing a consistent measure of underlying operating performance.

Meat production per hectare

A key factor in farm profitability

Analysis of B+LNZ Sheep and Beef Farm Survey data from 2013-14 to 2023-24, with more than 500 farms represented in each year, found that meat production per hectare was the physical performance measure most consistently associated with higher EBITRm across regions. Meat production includes all meat produced on-farm, including production associated with livestock sold store and dairy animals grazed on-farm.

The relationship in **Figure 11** has a “pooled” R^2 of 0.24, meaning meat production per hectare is associated with around one-quarter of the observed variation in EBITRm per hectare. This is a meaningful relationship for a complex farm-business outcome but also shows that production is not the only influence on EBITRm.

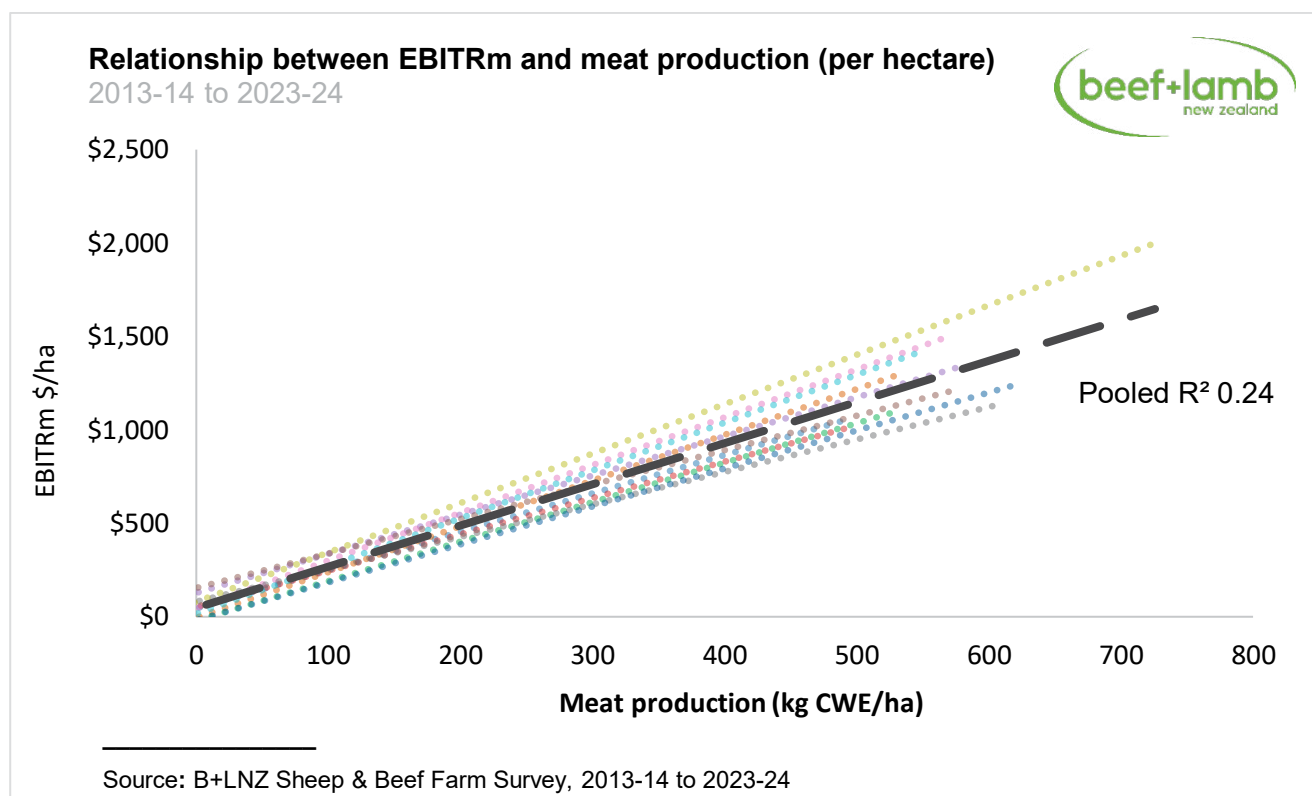
Farmers can increase meat production per hectare by producing heavier and healthier animals, or by carrying more animals¹⁵. Feed supply is fundamental to both: animals need sufficient quality feed to perform well, whether production is lifted through animal performance or numbers. Stocking rate and liveweight carried per hectare must be matched to the quantity, quality and seasonal pattern of feed supply. Carrying more animals than the farm can feed risks reducing growth and sale weights, eroding rather than lifting meat production and profitability.

Feed and forage management, animal performance, genetic merit and farm-business decision-making provide the practical capability areas through which farmers can influence these results. The appropriate opportunities will differ according to each farm's resources, system, climate and existing performance.

Higher production does not mean maximising output at any cost. Additional production improves EBITRm only when the value generated exceeds the additional expenditure required to produce it. Meat production per hectare is an important, but not the only, factor associated with farm profitability.

¹⁵ Farmers can increase meat production per hectare by improving animal performance and finishing animals sooner, enabling higher livestock throughput without necessarily carrying more animals at any one time.
New Season Outlook 2026-27

Figure 11: EBITRm per hectare and Meat production per hectare



Note: Meat production includes all on-farm meat production, including production from livestock sold store and dairy grazing¹⁶. Lines show fitted relationships; individual farm observations are omitted for legibility. The pooled R-squared describes the strength of the statistical association and does not, by itself, establish causation.

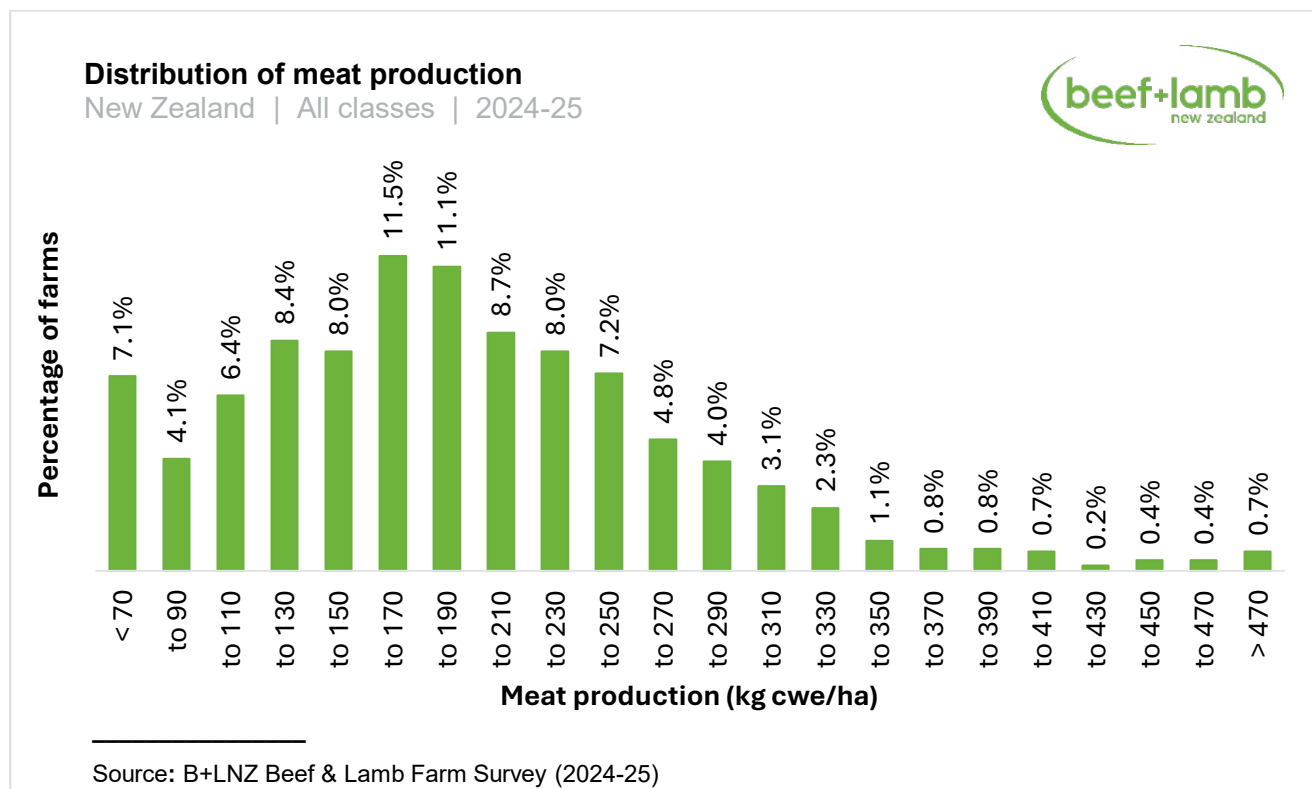
The 2024-25 distribution shows considerable variation between farms. Two-thirds of New Zealand sheep and beef farms produced more than 110 and up to 270 kg carcass-weight equivalent (CWE) per hectare, while the national median was 178 kg CWE/ha.

Farm management systems dictated by altitude and contour, steep, hilly, rolling-flat, largely explain the distribution. Around one-third of North Island Hill Country and South Island Finishing-Breeding farms produced more than 210 kg CWE/ha, compared with the majority of North and South Island Finishing farms that produce up to 210 kg CWE/ha. This reflects differences in contour, productive capacity and the types of livestock enterprises operated.

Variability within each Farm Class is also important. It indicates that farms with similar broad systems can achieve different levels of output, creating scope for incremental productivity gains where these are technically feasible and profitable. Benchmarking should therefore start with comparable farms and consider both meat production and the cost of achieving it.

¹⁶ CWE = carcass weight equivalent.
New Season Outlook 2026-27

Figure 12: Distribution of meat production per hectare, 2024-25 New Zealand all classes



Note: The distribution uses the latest final Sheep and Beef Farm Survey data for 2024-25. The 11-year pooled analysis was completed before these data were finalised and therefore ends in 2023-24.

Farm benchmarking

B+LNZ resources for farm benchmarking

EBITRm is most useful when compared with similar farms or when tracking progress over time against previous performance. Farmers can compare their results with similar businesses using B+LNZ's interactive benchmarking tool and downloadable farm-class spreadsheets.

[Interactive benchmarking tool](#)

[Downloadable spreadsheets](#)

The Red Meat Profit Partnership KPI Booklet explains how to calculate and interpret core physical and financial farm performance measures, including how reproductive performance, livestock growth and net production affect financial outcomes. Used with B+LNZ's benchmarking resources, it can help farmers understand their results and identify areas to investigate or improve.

[Bella](#), B+LNZ's AI powered assistant, draws on resources from the Knowledge Hub on the B+LNZ website. Bella has access to around 4,600 pages of information and more than 220 hours of podcasts and videos. Use Bella to find financial and physical benchmarking tools, guides and more for your farm.



Regional Roundup

Regional results use the all-classes weighted average, providing a consolidated view across the diverse sheep and beef farm systems within each region.

Regional commentary

Profit expected to remain at historically strong levels

Farm Profit Before Tax is forecast to remain strong across all five regions in 2026-27, although below the exceptional 2025-26 results. The easing ranges from 10% in Taranaki-Manawātū to 27% on the East Coast; Taranaki-Manawātū is the only region where gross farm revenue is forecast to increase.

Regional results reflect different livestock systems, seasonal conditions and expenditure priorities. The discussion below combines B+LNZ Sheep and Beef Farm Survey forecasts with context provided by the Regional Insights Team.

Northland-Waikato-Bay of Plenty

Table 13: Regional profitability: Northland-Waikato-Bay of Plenty

	2023-24	2024-25	2025-26p	2026-27f
Grazeable area (ha)	447	463	463	463
Total Stock Units (at open)	3,893	4,051	4,077	4,088
Gross Farm Revenue	\$510,406	\$665,641	\$871,500	\$839,400
Total Farm Expenditure	\$443,736	\$488,330	\$512,000	\$534,300
Farm Profit Before Tax	\$66,670	\$177,311	\$359,500	\$305,100
EBITRm \$ per Farm	\$167,618	\$276,843	\$439,900	\$384,100
EBITRm \$ per ha	\$375	\$598	\$950	\$830

Table notes: p provisional, f forecast

Farm profit before tax is forecast at \$305,100 per farm in 2026-27, easing 15% from the exceptional \$359,500 estimated for 2025-26. EBITRm is forecast at \$384,100 per farm, or \$830 per hectare, down 13%. Both measures remain well above their 2024-25 levels.

Gross farm revenue is forecast to decrease 3.7% to \$839,400 per farm. The region entered winter with excellent pasture covers, well-conditioned stock and strong scanning results after what farmers described as one of their best seasons in decades. Sheep revenue is expected to ease as lamb prices moderate, although a strong lamb crop and current hogget prices provide support. Cattle remain central to the region's revenue: more older cattle carried into 2026-27 provide stock to sell and partly offset softer forecast prices. Strong feed conditions and, in parts of the region, greater use of virtual fencing supported higher cattle numbers and pasture utilisation.

Total farm expenditure is forecast to increase 4.4% to \$534,300 per farm. Fertiliser, lime and seeds expenditure is expected to increase as higher product prices combine with planned applications, including autumn fertiliser delayed by wet spreading conditions. Repairs and maintenance expenditure also rises as farmers catch up on deferred work and continue environmental and infrastructure investment. Interest expenditure is expected to decrease as strong cashflow supports debt repayment.

East Coast

Table 14: Regional profitability: East Coast

	2023-24	2024-25	2025-26p	2026-27f
Grazeable area (ha)	617	624	624	624
Total Stock Units (at open)	5,268	5,159	5,157	5,187
Gross Farm Revenue	\$562,542	\$745,790	\$976,700	\$935,100
Total Farm Expenditure	\$592,764	\$613,732	\$641,500	\$690,700
Farm Profit Before Tax	-\$30,222	\$132,058	\$335,200	\$244,400
EBITRm \$ per Farm	\$122,902	\$282,922	\$464,900	\$375,400
EBITRm \$ per ha	\$199	\$453	\$745	\$602

Table notes: p provisional, f forecast

At \$244,400 per farm, forecast Farm profit before tax remains substantial in 2026-27, although it is 27% below the exceptional \$335,200 estimated for 2025-26. EBITRm is forecast at \$375,400 per farm, or \$602 per hectare, down 20%.

The forecast remains substantially stronger than 2024-25, however the East Coast records the largest forecast decline in farm profit, reflecting the combined effect of lower sheep and cattle revenue and the largest regional increase in expenditure. Much of the expenditure increase is attributable to higher fertiliser prices and the restoration of applications deferred during the cyclone-affected and low-profit years.

Gross farm revenue is forecast to decrease 4.3% to \$935,100 per farm. Strong sheep and cattle prices drove the exceptional 2025-26 result, particularly on breeding farms. Looking ahead, sheep and cattle revenue are expected to ease as livestock prices moderate and forecast dry El Niño conditions may constrain carrying capacity and finishing weights. Farmers have continued to favour cattle over sheep, while trading and finishing farms may reduce stock earlier if conditions deteriorate. Reduced cash-cropping activity on some Hawke's Bay finishing farms is another downside risk to revenue.

Total farm expenditure is forecast to increase 7.7% to \$690,700 per farm, the largest regional increase. Fertiliser, lime and seeds expenditure is expected to rise as farmers use stronger cashflow to restore applications deferred during the low-profit and cyclone-affected years; some fertiliser applied this winter falls into the 2026-27 season. Repairs and maintenance expenditure is also expected to rise as deferred work continues, and farms affected by flooding in 2025-26 have ongoing repair work. Interest expenditure is expected to decrease as rates ease and breeding farms repay debt, although higher overdrafts and stock-purchase requirements may limit savings on finishing farms.

Taranaki-Manawātū

Table 15: Regional profitability: Taranaki-Manawātū

	2023-24	2024-25	2025-26p	2026-27f
Grazeable area (ha)	532	541	541	541
Total Stock Units (at open)	4,756	4,777	4,616	4,627
Gross Farm Revenue	\$554,662	\$695,135	\$901,500	\$915,000
Total Farm Expenditure	\$540,637	\$591,720	\$642,600	\$681,800
Farm Profit Before Tax	\$14,025	\$103,415	\$258,900	\$233,200
EBITRm \$ per Farm	\$152,761	\$243,818	\$375,200	\$351,200
EBITRm \$ per ha	\$287	\$451	\$694	\$649

Table notes: p provisional, f forecast

Farm profit before tax is forecast at \$233,200 per farm in 2026-27, only slightly below the \$258,900 estimated for 2025-26 (-10%). The 10% easing is the smallest among the five regions. EBITRm is forecast at \$351,200 per farm, or \$649 per hectare, and FPBT remains more than twice the 2024-25 level.

Gross farm revenue is forecast to increase 1.5% to \$915,000 per farm. The region had an outstanding 2025-26 growing season, with regular rain, strong pasture growth and well-conditioned ewes and cows. Sheep revenue is supported by more lambs than initially expected, strong current hogget and ewe prices, and improved scanning for the new lamb crop. Cattle revenue is supported by trading cattle carried through the favourable autumn and available for sale in 2026-27. Softer forecast prices temper the gains, while traders may benefit if dry eastern conditions move more store lambs west.

Total farm expenditure is forecast to increase 6.1% to \$681,800 per farm. Fertiliser, lime and seeds expenditure is expected to rise as farmers restore fertiliser programmes and face higher product costs. Repairs and maintenance expenditure is also expected to increase, with stronger cashflow supporting fencing, yards, house renovations, contracted services and other previously deferred work. Interest expenditure is expected to decrease as debt is repaid and lower rates flow through, although some farms may experience delayed relief because earlier low-profit years continue to affect lending margins.

Marlborough-Canterbury

Table 16: Regional profitability: Marlborough-Canterbury

	2023-24	2024-25	2025-26p	2026-27f
Grazeable area (ha)	950	995	995	995
Total Stock Units (at open)	4,542	4,254	4,519	4,531
Gross Farm Revenue	\$818,734	\$938,926	\$1,170,600	\$1,123,200
Total Farm Expenditure	\$809,369	\$836,301	\$862,400	\$888,400
Farm Profit Before Tax	\$9,365	\$102,625	\$308,200	\$234,800
EBITRm \$ per Farm	\$176,326	\$264,941	\$443,600	\$371,200
EBITRm \$ per ha	\$186	\$266	\$446	\$373

Table notes: p provisional, f forecast

Farm profit before tax is forecast at \$234,800 per farm in 2026-27, down 24% from the \$308,200 high estimated for 2025-26 after profit more than tripled. EBITRm is forecast at \$371,200 per farm, or \$373 per hectare, down 16%. Despite the easing, FPBT remains more than twice the 2024-25 level.

Gross farm revenue is forecast to decrease 4.0% to \$1.12 million per farm. The 2025-26 result benefited from strong sheep and cattle prices, improved feed supplies and heavier livestock sold later in the season. For 2026-27, a dry, windy El Niño is the central risk, particularly from Marlborough down the eastern South Island. Earlier sales, lighter weights and more stock sold store than prime are expected to reduce sheep and cattle revenue. Mixed finishing farms face a different set of pressures: failed and lower-return specialty crops, fewer crop contracts and conversion of arable land to milk production or dairy support are increasing the importance of livestock and dairy-grazing income.

Total farm expenditure is forecast to increase 3.0% to \$888,400 per farm. Fertiliser, lime and seeds expenditure is expected to increase because product prices are higher, although dryland farms may reduce purchases if soil moisture is inadequate. Repairs and maintenance expenditure is expected to increase overall, reflecting deferred work and storm-damaged infrastructure, but some farmers plan to reduce spending from elevated 2025-26 levels. Interest expenditure is expected to decrease with lower rates and debt repayment on profitable breeding farms; highly indebted mixed cropping farms have less scope to reduce debt and remain more exposed.

Otago-Southland

Table 17: Regional profitability: Otago-Southland

	2023-24	2024-25	2025-26p	2026-27f
Grazeable area (ha)	904	937	937	937
Total Stock Units (at open)	4,777	4,842	4,785	4,753
Gross Farm Revenue	\$596,572	\$778,129	\$1,076,200	\$1,006,000
Total Farm Expenditure	\$579,704	\$639,739	\$684,500	\$696,400
Farm Profit Before Tax	\$16,868	\$138,390	\$391,700	\$309,600
EBITRm \$ per Farm	\$171,235	\$290,587	\$523,700	\$438,100
EBITRm \$ per ha	\$189	\$310	\$559	\$468

Table notes: p provisional, f forecast

Farm profit before tax is forecast at \$309,600 per farm in 2026-27, easing from the record regional estimate of \$391,700 in 2025-26 (-21%). EBITRm is forecast at \$438,100 per farm, or \$468 per hectare, down 16%. Forecast FPBT remains more than twice the 2024-25 result and represents a marked recovery from 2023-24 when inflation-adjusted FPBT was the lowest since the 1960s when records began.

Gross farm revenue is forecast to decrease 6.5% to \$1.01 million per farm. Otago-Southland is the most sheep-dependent region, and the lift in sheep returns explains much of the 2025-26 turnaround. Sheep revenue is expected to ease in 2026-27 as schedules moderate and dry conditions in parts of Otago lead to earlier sales, more store lambs and lower finishing weights. Cattle revenue is also expected to decrease slightly. Southland farms may benefit from wetter El Niño conditions and access to store lambs moving from drier eastern areas.

Total farm expenditure is forecast to increase 1.7% to \$696,400 per farm. Fertiliser, lime and seeds expenditure is expected to rise as prices increase, although tonnage may ease on dry farms where application would be ineffective. Repairs and maintenance expenditure remains elevated following the October 2025 storm, which damaged fences, buildings, water systems and trees across parts of Otago and Southland; some recovery work will continue into 2026-27. Interest expenditure is expected to decrease as interest rates fall and strong cashflow allows overdraft and term debt to be reduced.

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Appendix 1: On-farm profitability

Table 18: Sheep and beef revenue and expenditure (New Zealand weighted average)

						2026-27 Forecast			Forecast % Change		
						USD 0.55	USD 0.61	USD 0.668	USD 0.55	USD 0.61	USD 0.68
Revenue											
Wool		28,578	30,854	36,727	51,734	59,100	51,291	46,200	+14.2%	-0.9%	-10.7%
Sheep		328,865	261,758	336,978	470,370	516,700	441,351	380,000	+9.8%	-6.2%	-19.2%
Cattle		199,333	186,802	243,565	331,432	367,600	318,822	279,200	+10.9%	-3.8%	-15.8%
Dairy Grazing		35,711	36,206	42,884	45,095	45,616	45,616	45,616	+1.2%	+1.2%	+1.2%
Deer + Velvet		5,747	6,809	6,457	6,848	7,800	6,780	5,900	+13.9%	-1.0%	-13.8%
Cash Crop		64,495	66,904	69,714	66,053	68,199	68,199	68,199	+3.2%	+3.2%	+3.2%
Other		31,099	26,603	34,269	33,947	33,007	33,007	33,007	-2.8%	-2.8%	-2.8%
Total Gross Revenue	<i>\$/farm</i>	693,828	615,936	770,594	1,005,479	1,098,000	965,066	858,100	+9.2%	-4.0%	-14.7%
Expenditure											
Fert, Lime & Seeds		92,352	81,524	95,536	126,414	146,800	144,764	143,100	+16.1%	+14.5%	+13.2%
Repairs & Maintenance		48,619	42,853	47,539	58,684	57,400	56,557	55,900	-2.2%	-3.6%	-4.7%
Interest & Rent		111,114	136,621	135,065	112,522	111,800	112,082	112,400	-0.6%	-0.4%	-0.1%
Other Expenses		335,518	335,890	358,523	372,336	391,700	384,417	378,400	+5.2%	+3.2%	+1.6%
Total expenditure	<i>\$/farm</i>	587,603	596,888	636,663	669,956	707,700	697,820	689,800	+5.6%	+4.2%	+3.0%
Fertiliser use	kg per SU	16.9	17.2	19.9	23.1	23.4	23.1	22.8	+1.4%	0.0%	-1.1%
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Profitability											
Farm Profit Before Tax ¹⁷	\$/farm	106,225	19,048	133,931	335,523	390,300	267,246	168,300	+16.3%	-20%	-50%
EBITRm ¹⁸	\$/farm	221,853	160,792	274,200	453,400	508,422	384,800	285,522	+12.1%	-15.1%	-37%
Real Farm Profit Before Tax ¹⁹	\$/farm Index	68,300 932	11,700 160	80,500 1,099	196,800 2,685	222,000 3,029	152,000 2,074	95,700 1,306	+12.8% +12.8%	-23% -23%	-51% -51%
Prices											
Wool auction	¢/kg clean	439	396	511	695	804	707	628	+15.6%	+1.7%	-9.6%
All wool ²⁰	¢/kg greasy	228	244	301	431	508	447	397	+17.7%	+3.6%	-8.0%
Lamb	\$/head	145	131	176	225	238	207	182	+5.8%	-8.0%	-19.3%
Mutton	\$/head	96	54	92	150	175	150	119	+16.5%	0.0%	-21%
Prime Steer/Heifer	¢/kg CW	593	586	734	905	989	862	759	+9.2%	-4.7%	-16.2%

Table notes: Source: Beef + Lamb New Zealand Insights Team, Sheep and Beef Farm Survey

¹⁷ Farm profit before Tax is required to meet personal drawings, taxation payments, debt repayments and the purchase of capital items.

¹⁸ Earnings Before Interest, Tax, Rent and Manager's Salary

¹⁹ Deflated by June year Consumer Price Index (base year 2004-05)

²⁰ Net of charges and freight

