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Report Highlights:

New Zealand's livestock sector enters market year 2027 with improving cattle numbers, strong farmgate returns, and robust international demand. FAS/Wellington forecasts beginning cattle stocks at 9.97 million head, a 1.3 percent increase from market year (MY) 2026 and the highest level in five years. Favorable farmgate prices, improved farm balance sheets, renewed investment, and increased retention of breeding stock are supporting herd expansion. FAS/Wellington forecasts New Zealand beef and veal exports globally at 655,000 metric tons CWE in MY 2027. The United States accounted for almost 40 percent of New Zealand beef and veal exports through July 2026, with volumes increasing more than 14 percent year-on-year. Strong U.S. demand is being supported by historically tight domestic cattle supplies and constrained availability of lean beef trimmings.

Executive Summary:

New Zealand's livestock sector enters market year (MY) 2027 with improving cattle numbers, strong farmgate returns, and robust international demand. FAS/Wellington forecasts beginning cattle stocks at 9.97 million head, a 1.3 percent increase from MY 2026 and the highest level in five years. Favorable farmgate prices, improved farm balance sheets, renewed investment, and increased retention of breeding stock are supporting herd expansion. The continued integration of dairy origin cattle into the beef supply chain is also increasing the availability of beef for export, with dairy origin cattle estimated to account for approximately 60 to 70 percent of New Zealand's annual beef slaughter.

FAS/Wellington forecasts cattle slaughter at 4.39 million head in MY 2027, up 20,000 head from the revised MY 2026 estimate, while beef production is forecast at 705,000 MT CWE. However, production remains approximately 1 percent below the 10-year average as anticipated El Niño conditions are anticipated to impact pasture availability, leading to earlier slaughter, which will result in lower average carcass weights. Seasonal conditions therefore represent the primary short-term risk to New Zealand beef production.

FAS/Wellington forecasts New Zealand beef and veal exports globally at 655,000 MT CWE in MY 2027, 5,000 MT above the revised MY 2026 forecast and approximately 5 percent above the 10-year average. The United States accounted for 38.8 percent of New Zealand beef and veal exports from January to July 2026, with volumes increasing more than 14 percent year-on-year. Strong U.S. demand is being supported by historically tight domestic cattle supplies and constrained availability of lean beef trimmings, increasing demand for imported lean beef to complement domestic supplies. Export volumes also increased to China, Canada, United Kingdom and ASEAN region.

The removal of the additional U.S. tariff on New Zealand beef in November 2025 has further strengthened New Zealand's competitiveness and supports continued access to a reliable source of imported lean beef for U.S. processors and consumers. New Zealand has not filled its 213,402 MT country specific tariff rate quota since 2015.

Domestic beef consumption is forecast at 80,000 MT CWE in MY 2027, approximately 14 percent below the 10-year average, as elevated prices and inflation encourage substitution toward lower cost and imported animal proteins.

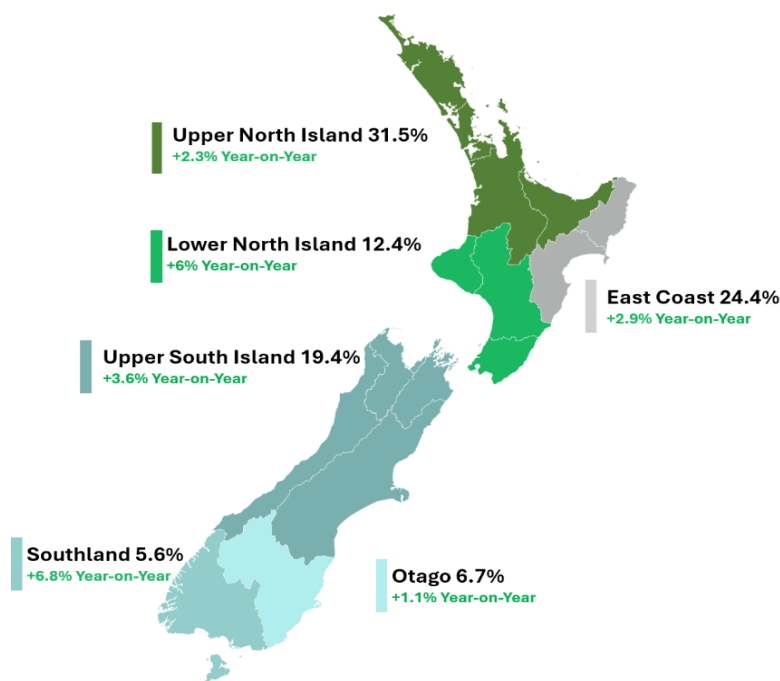
Note: The GAIN Marketing Year (MY) is the same as the calendar year (CY), January 1 to December 31. For the purpose of this report always refer to MY unless otherwise stated. For foreign exchange rate between New Zealand Dollar and United States Dollar, the rate used in this report is NZ\$ 1.00 = US\$ 0.59. Export prices in this report are quoted on a Free on Board (FOB) basis, reflecting the value of the product loaded onto the vessel at the port of export. FOB prices do not include international freight, insurance, or any destination-country tariffs, duties, or other import charges.

Background

New Zealand's beef industry is predominantly pasture based, seasonal, and export oriented. Most of the beef production occurs on extensive hills and high-country farms, where cattle are raised primarily on grass without the use of feedlots. As a result, beef production closely aligns with New Zealand's pasture growth curve, which varies throughout the year according to climatic conditions. Farmers typically time calving, weaning, and finishing to match periods of peak pasture availability, ensuring both animal performance and consistency in product supply for processing and export.

While pasture production is highest in spring and early summer (October to January), strategic management practices, including deferred grazing, supplementary feeding, and flexible stocking rates, allow producers to maintain a relatively steady flow of finished cattle to processing plants throughout much of the year.

Figure 1: Beef Cattle by Region in 2026 and Changes



Source: Beef and Lamb New Zealand, FAS/Wellington

New Zealand's beef sector is unique in that a significant proportion of total beef production originates from the national dairy herd. Calves not required for herd replacement, particularly males and non-replacement females, are either finished for beef or sold into the trading market. It is estimated that approximately 60 to 70 percent of New Zealand's annual beef slaughter originates from dairy origin cattle, including calves, cull cows, and dairy beef crossbred animals. This integrated production model plays a key role in total beef output and has a notable influence on slaughter patterns, processing plant capacity, and the overall supply of manufacturing beef.

Cattle Production

Table 1: Production, Supply and Distribution – Cattle Numbers

Animal Numbers, Cattle Market Year Begins New Zealand	2025		2026		2027	
	Jan 2025		Jan 2026		Jan 2027	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Total Cattle Beg. Stks (1000 HEAD)	9576	9576	9840	9840	0	9970
Dairy Cows Beg. Stocks (1000 HEAD)	4600	4600	4645	4650	0	4670
Beef Cows Beg. Stocks (1000 HEAD)	995	995	1020	1020	0	1030
Production (Calf Crop) (1000 HEAD)	5000	5000	5100	5100	0	5100
Total Imports (1000 HEAD)	0	0	0	0	0	0
Total Supply (1000 HEAD)	14576	14576	14940	14940	0	15070
Total Exports (1000 HEAD)	0	0	0	0	0	0
Cow Slaughter (1000 HEAD)	879	879	920	920	0	920
Calf Slaughter (1000 HEAD)	1734	1734	1700	1750	0	1750
Other Slaughter (1000 HEAD)	1587	1587	1700	1700	0	1720
Total Slaughter (1000 HEAD)	4200	4200	4320	4370	0	4390
Loss and Residual (1000 HEAD)	536	536	550	600	0	650
Ending Inventories (1000 HEAD)	9840	9840	10070	9970	0	10030
Total Distribution (1000 HEAD)	14576	14576	14940	14940	0	15070
(1000 HEAD)						
OFFICIAL DATA CAN BE ACCESSED AT: PSD Online Advanced Query						

Note: Not official USDA data

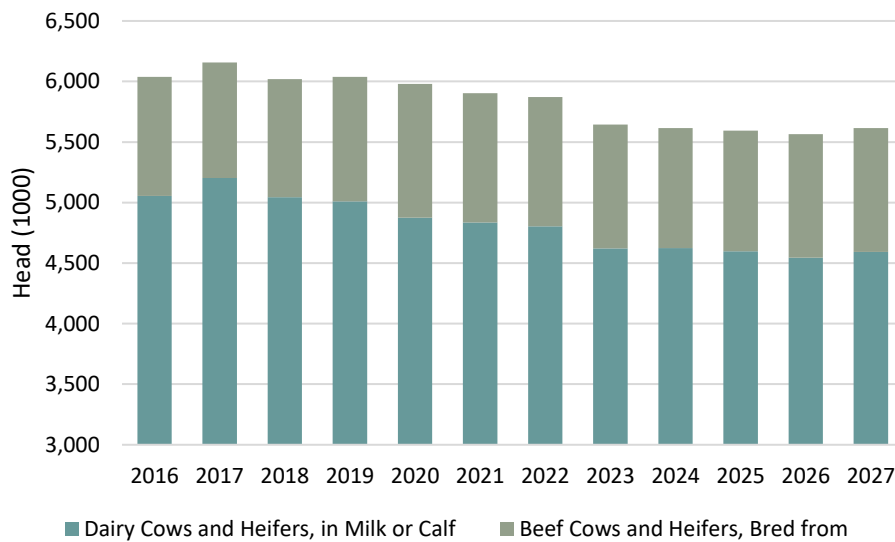
FAS/Wellington forecast that New Zealand cattle beginning stocks for the 2027 market year (MY) at 9.97 million head. If realized this would be the highest level seen in the last five years, marking the potential start of a herd recovery after the previously reported gradual herd decline. This forecast is based on numerous factors, including strong farmgate prices, healthy business balance sheets, renewed investment on maintenance and innovation, and a favorable policy environment. However, the long-range forecast for El Niño conditions, higher input prices and political uncertainty remains a strong concern for the sector. These factors are explained in further detail as follows:

--National Cow Herd Increasing

FAS/Wellington forecasts continued gradual growth in New Zealand's national cattle herd in MY 2027, if realized this would be a 1.3 percent increase on the year prior (Figure 2). This is predominantly supported by favorable farmgate prices due to strong international demand and price elasticity for dairy and beef products. This has resulted in increased returns to producers, encouraging the retention of breeding stock. The national sheep heard continues to decline between 1.4 to 2 percent year-on-year, with the mixed species of livestock farms integrating more beef animals into their systems.

Industry contacts report lower heifer slaughter and increased retention of mature cows as producers respond to improved returns. Herd expansion is also being supported by the establishment of new dairy herds as some land previously used for grain production or livestock finishing is converted to dairy production.

Figure 2: Opening Cow Numbers 2027



Source: Statistics New Zealand, FAS/Wellington

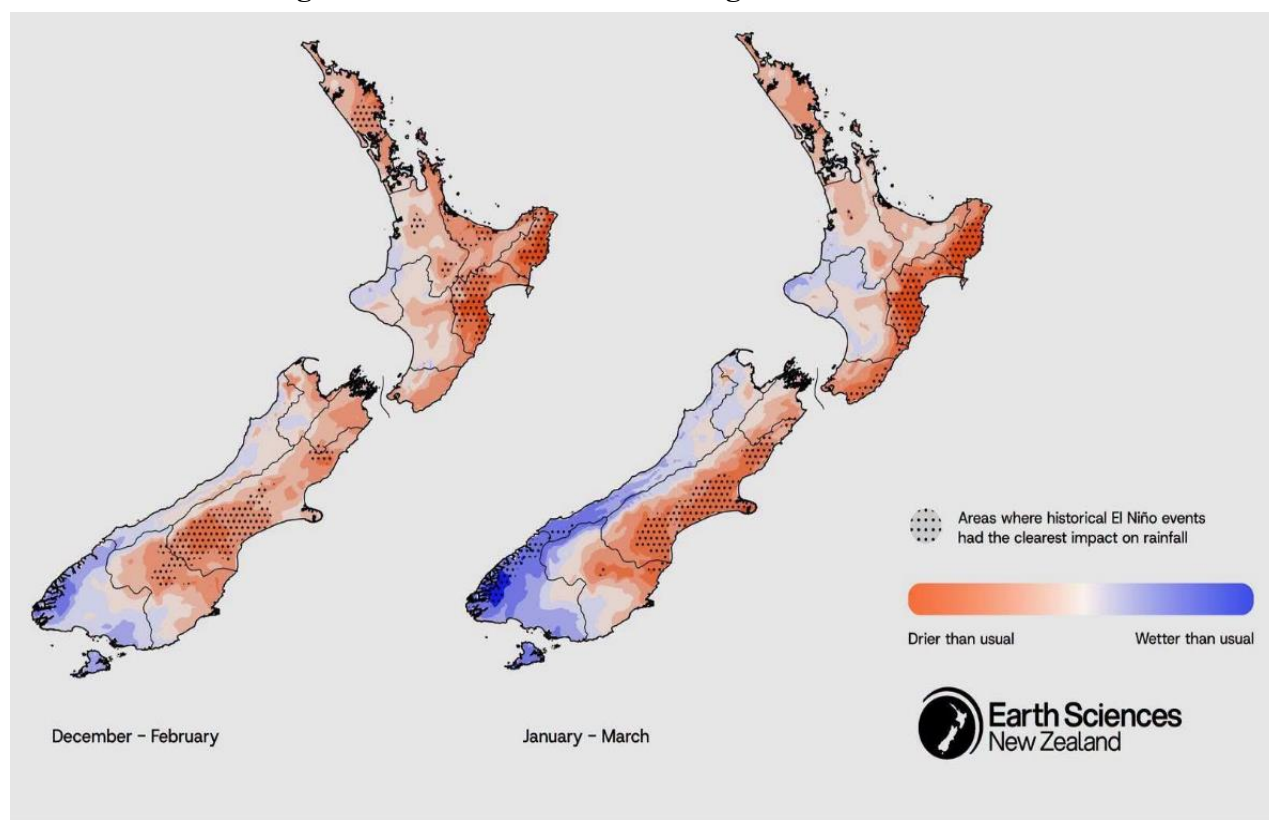
Continued productivity gains are also expected to support production growth. Industry attributes some of these gains to increased adoption of agricultural technology, including wearable livestock collars and virtual fencing systems, which can improve pasture utilization and reduce labor requirements.

--Strong El Niño Conditions Expected to Impact 2027 Production:

New Zealand livestock production in 2027 is expected to be impacted by the development of a strong El Niño weather pattern. El Niño typically increases the likelihood of drier than normal conditions across eastern and northern parts of New Zealand, while southern and western areas can experience wetter conditions. The timing and severity of these conditions will be an important factor for pasture growth and livestock production during the 2026 to 2027 production season. According to the public research organization - Earth Sciences New Zealand (ESNZ), the last time this type of summer was experienced was the New Zealand summer of 2015/2016.

Drier conditions during spring and summer could reduce pasture availability in key livestock producing regions, particularly across the eastern South Island and North Island (Figure 3). Reduced pasture growth can place pressure on livestock body condition and result in earlier slaughter as producers adjust stocking rates and secure feed supplies in the months leading into winter. Although favorable conditions in southern and western regions are anticipated with the weather pattern, these regions only represent a small percentage of the national production.

Figure 3: Summer Rainfall During La Niña and El Niño



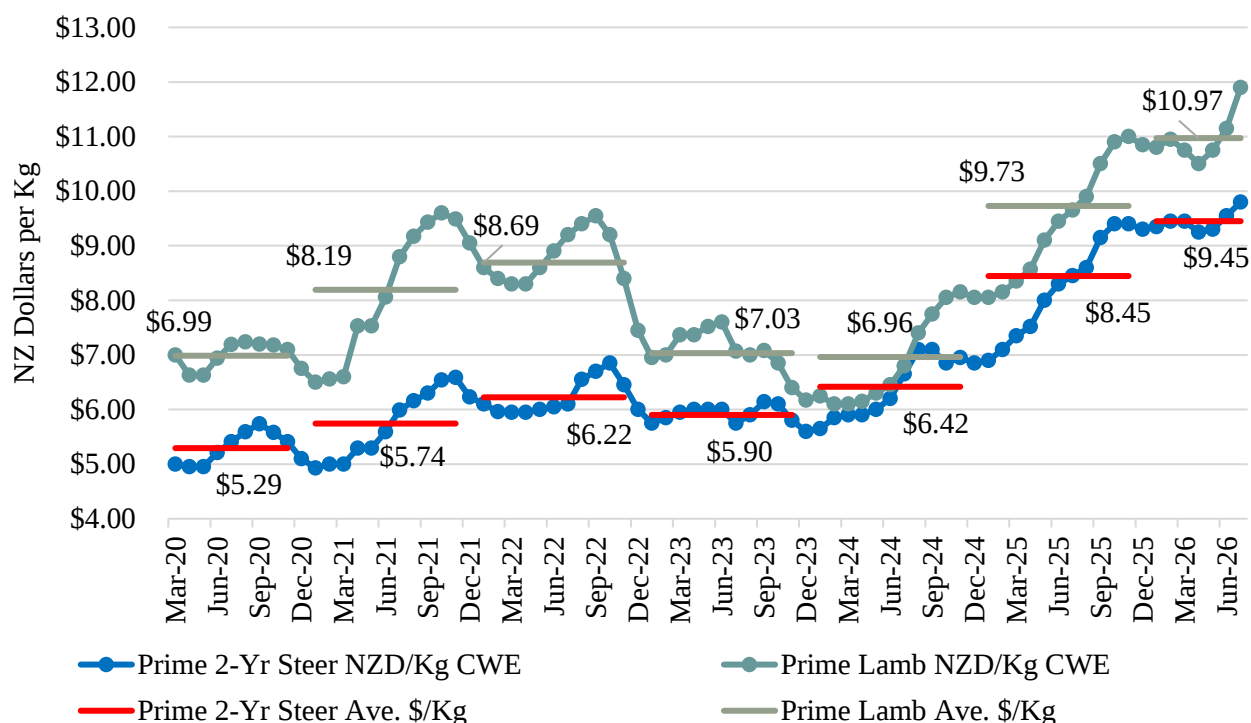
Source: Earth Sciences New Zealand

The impact on 2027 production will depend on the strength and duration of the El Niño pattern and the extent to which producers are able to manage pasture and feed availability. Following relatively strong livestock prices, producers may have greater incentive to retain breeding stock and maintain production where feed conditions permit. However, sustained dry conditions could result in higher slaughter rates and lower average carcass weights in affected regions.

--Continued Strong Farmgate Pricing and Cashflow

According to recent reporting from the industry group - Beef and Lamb New Zealand (BL+NZ), cattle prices are expected to remain strong during MY 2027, despite potential easing from the exceptional levels experienced during ongoing MY 2026. These strong returns are underpinned by continued tight global supply and robust international demand, resulting in continued record increases in farm gate prices (Figure 4). Most New Zealand beef producers operate mixed enterprises incorporating both sheep and beef, due to the complementary nature of grazing patterns, breeding regimes, and cash flow cycles.

Figure 4: New Zealand Farmgate Price Prime Lamb and Steer



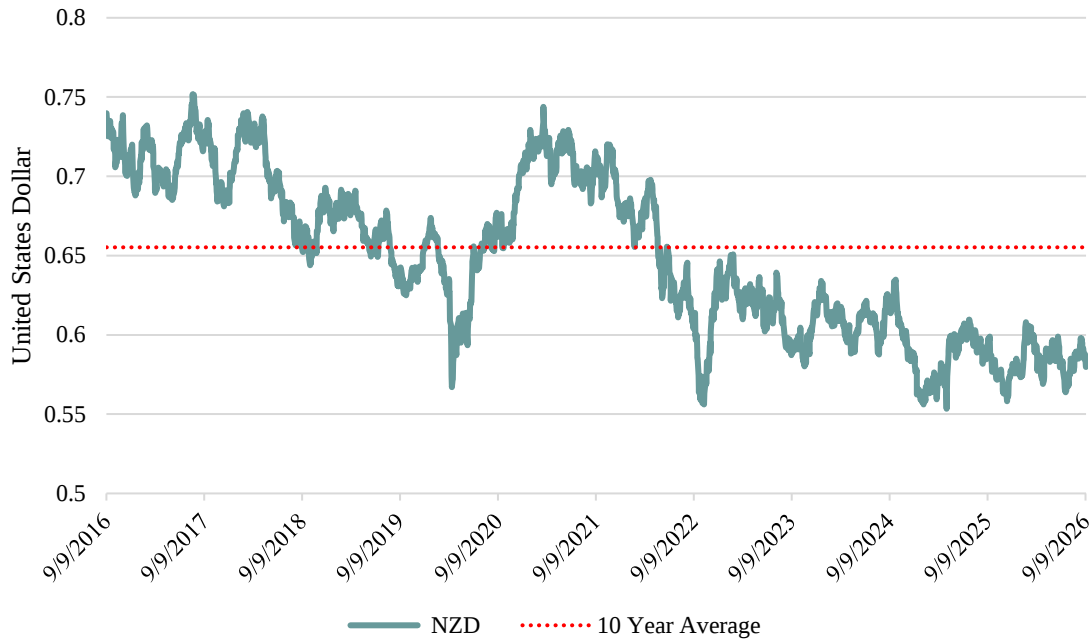
Source: BakerAg

The strength of current farmgate prices has improved farm financial positions dramatically compared to only three years ago. Industry reports highlight that in the outgoing year many farms will be able to repay debt, rebuild on fertilizer applications, undertake deferred repairs and maintenance, and reinvest in their businesses. Continued strong cash flow in the incoming year is expected to provide further capacity for farmers to strengthen their financial position and invest in productivity.

Recent reporting has highlighted that farmgate prices are expected to stay strong but flatten in the incoming MY. Specific factors contributing to these strong prices with a potential moderation are:

- New Zealand Dollar Appreciation: The New Zealand dollar has recently strengthened against the U.S. dollar, providing a potential moderating influence on New Zealand beef export returns (Figure 5). The United States remains New Zealand's largest beef and veal export market, accounting for approximately 38 percent of export volumes year-to-date in MY 2026, while much of the international beef trade is denominated in U.S. dollars. In the recent Rabobank's September 2026 New Zealand agribusiness monthly report, forecasts the New Zealand dollar to strengthen toward US\$0.61 over the next 12 months. If realized, a stronger New Zealand dollar would reduce the New Zealand dollar value of U.S. dollar denominated export earnings, although it would also provide some offset through lower costs for imported inputs. Despite the potential margin pressure, current industry commentary indicates that producers and processors remain comfortable with the overall price outlook at this level.

Figure 5: Foreign Exchange Rate for NZD to USD

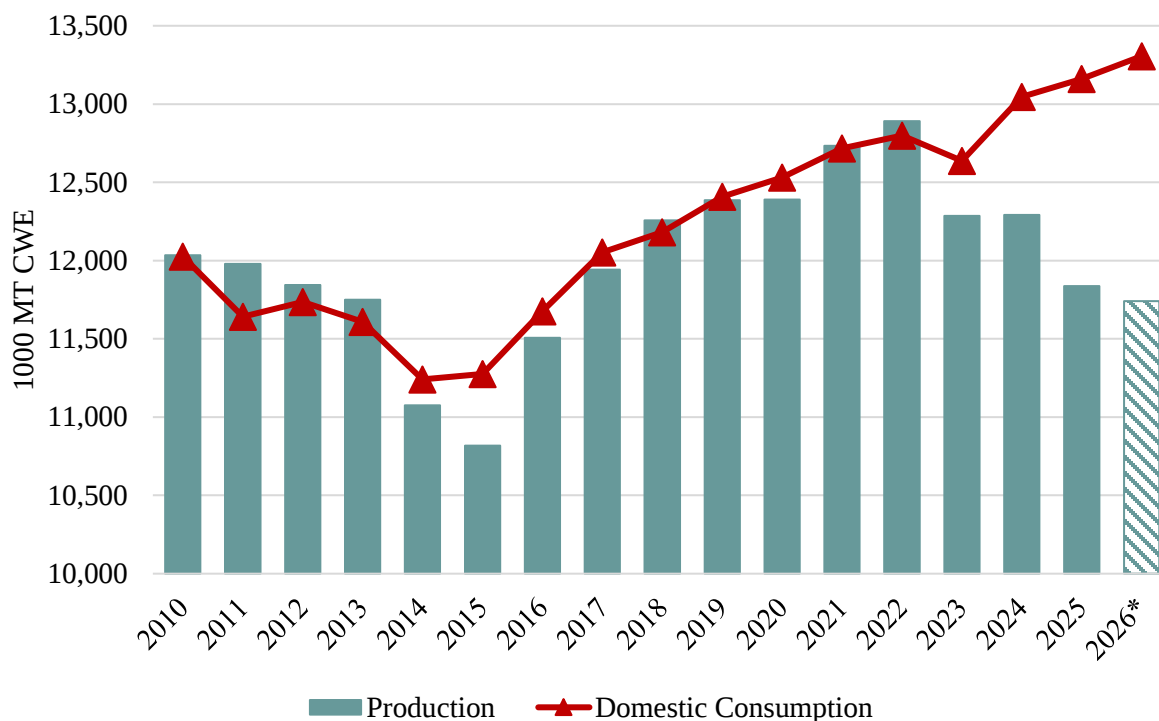


Source: Wall Street Journal

➤ Strong U.S. Demand for New Zealand Beef and Veal:

Tight U.S. cattle supplies continue to provide a significant source of support for beef prices, particularly for lean manufacturing beef and trimmings. USDA's Economic Research Service (ERS) reports that U.S. beef cow inventories remain historically low following several years of herd contraction, while increased heifer retention is further reducing the number of cattle available for slaughter and feedlot placement. USDA expects tighter calf supplies and greater retention of breeding heifers to constrain U.S. cattle slaughter and beef production into 2027.

Figure 6: United States Beef Production and Consumption



Source: USDA Product Supply and Demand Estimate

This tightening of domestic supply is particularly relevant to New Zealand producers, as ERS notes that the rebuilding phase of the U.S. cattle cycle has reduced domestic supplies of lean beef trimmings and increases demand for imported lean beef to blend with higher-fat domestic trimmings. Continued strength in U.S. prices for lean beef trimmings therefore provides an important underpinning for New Zealand farmgate and export prices. The removal of U.S. tariffs and expansion of applicable quota access further supports New Zealand’s competitiveness in the U.S. market.

While some industry commentary has attributed part of the resilience in U.S. beef demand to increased use of glucagon-like peptide-1 (GLP-1) receptor agonists. The composition of New Zealand’s exports to the United States also suggests that GLP-1 adoption is unlikely to be a primary driver of current trade flows. The majority of New Zealand beef exported to the United States consists of frozen boneless manufacturing beef (94 percent of volume year-to-date). Post therefore considers tight domestic cattle supplies and the resulting structural demand for imported lean beef to be a more significant driver of current U.S. market conditions.

--Components of On-Farm Inflation Changing:

Farm working expenses are expected to remain a significant constraint on New Zealand livestock producers in MY 2026 and 2027, with higher input costs expected to place further pressure on farm margins. Statistics New Zealand data highlighted increases in on-farm expenses across several key cost categories between June 2025 and 2026, including fuel, fertilizer, and livestock purchases (Figure 7). These cost increases are occurring alongside elevated farmgate cattle prices, which have supported farmers' cashflow but have also increased the cost of purchasing and retaining livestock.

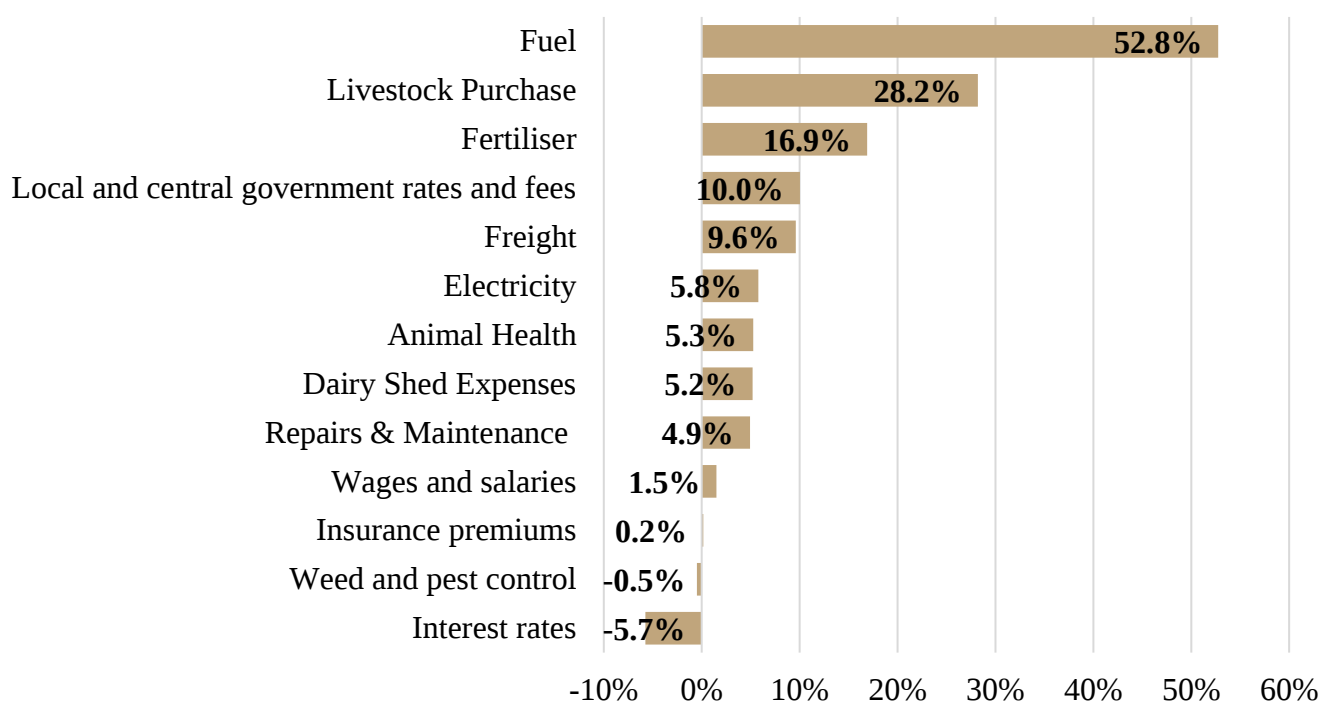


Figure 7: On-Farm Expenses Change (2025 to 2026)

Source: Statistics New Zealand

Industry benchmarking data from B+LNZ indicates that farm working expenses are forecast to increase approximately 5 percent in MY 2027, following an estimated 12 percent increase during the outgoing 2026 year. Fertilizer and freight are expected to be among the largest contributors to the increase in expenditures, with forecasts indicating that fertilizer will account for approximately 18 percent of average farm expenditures in MY 2027.

Historically, New Zealand livestock producers have responded to periods of elevated fertilizer prices by reducing or deferring fertilizer applications, providing some flexibility to manage cash flow. Prolonged reductions in fertilizer use could eventually affect pasture production and livestock carrying capacity.

Higher fuel prices are also contributing to increased freight costs, although fuel itself typically accounts for only approximately 3 to 4 percent of total farm expenditures.

Higher livestock purchase prices are an additional cost pressure for producers seeking to maintain or increase stocking rates. During recent FAS/Wellington travel to livestock regions, farmers reported increased costs associated with purchasing cattle, reflecting both elevated farmgate prices and increased retention of livestock across the sector. Livestock purchases are an important management tool for New Zealand farmers, who may adjust trading stock numbers in response to seasonal pasture availability, farmgate returns, and expectations for future prices. Consequently, elevated livestock prices may encourage greater retention of existing cattle and increase the cost of replacing or expanding herds. This cost pressure could moderate if seasonal conditions deteriorate in the coming summer and farmers are required to reduce stocking rates or market additional livestock in response to weaker pasture availability.

--November Government Elections:

New Zealand's next general election is scheduled for November 7, 2026. The current center-right coalition government came to power following the 2023 election, replacing the Labour led government that had governed for two consecutive terms. Agricultural policy was a significant area of policy change following the change in government.

Under the previous Labour led government, agricultural emissions pricing was being developed alongside policies that industry believed were leading to the conversion of productive farmland into forestry and expanded requirements for livestock exclusion from waterways. The Ministry for Primary Industry's estimated at the time that the proposed agricultural emissions policies would contribute to a substantial reduction in livestock numbers and agricultural production of between 10 and 20 percent.

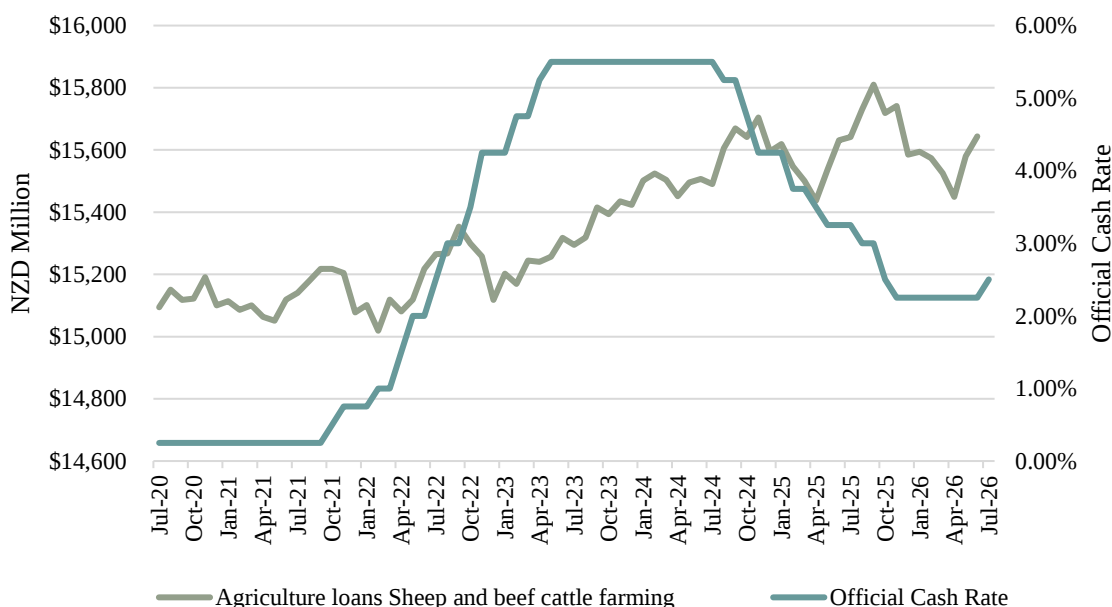
Following the 2023 election, the incoming coalition government reversed or amended several of these policies, including removing agriculture from the New Zealand Emissions Trading Scheme (ETS) and introducing measures to limit the conversion of productive farmland to forestry. Agriculture was formally removed from the ETS from January 1, 2025.

The outcome of the November election could therefore have implications for the regulatory environment facing New Zealand livestock producers. As of September 2026, agricultural policy remains an emerging election issue, with no detailed opposition proposals identified that would materially change the current policy settings for the livestock sector, except for proposed introductions of taxes by minor parties that could become coalition partners. However, these policy announcements would require them to first be voted into parliament as part of a coalition agreement. As such, policy uncertainty surrounding agricultural emissions, land use, freshwater regulation, and environmental requirements remains a consideration for longer term livestock production and investment decisions.

--Renewed Investment in Maintenance and Innovation:

FAS/Wellington has previously reported that in MY 2023 and MY 2024, the high interest rates at the time were one of the largest non-climatic challenges facing the livestock sector (Figure 8). At the time it was widely reported that many farming businesses had to prioritize the servicing of debt repayments over additional maintenance, investment and innovation, with additional short-term lending being drawn on to cover larger cost items such as fertilizer, supplement feed, and other input costs.

Figure 8: Sheep and Beef Farming Debt and Interest Rates



Source: Reserve Bank of New Zealand

Following reductions in the Official Cash Rate (OCR), similar to Federal Funds Rate, since mid-2024, the Reserve Bank of New Zealand (RBNZ) reported that large volumes of debt were paid off by sheep and beef sector farmers. Following this consolidation, with prices still strong and favorable conditions, the sector began to reinvest in farming operations. Industry contacts report this period of reinvestment included increased fertilizer applications, expansion of more intensive cattle finishing operations, maintenance, and innovations such as virtual fencing.

In September 2025, there was a secondary period of consolidation of debt by the industry. Contacts indicate that many farmers were looking to reduce debt while farmgate prices remain strong to futureproof businesses for when prices tighten in the long-term. Midway through 2026, interest rates began to trend back upwards, with an increase in lending being seen yet again. Recent reporting from B+LNZ highlights that farm input costs are beginning to rise as supplement feed demand is growing with less winter feed stocks available in many regions.

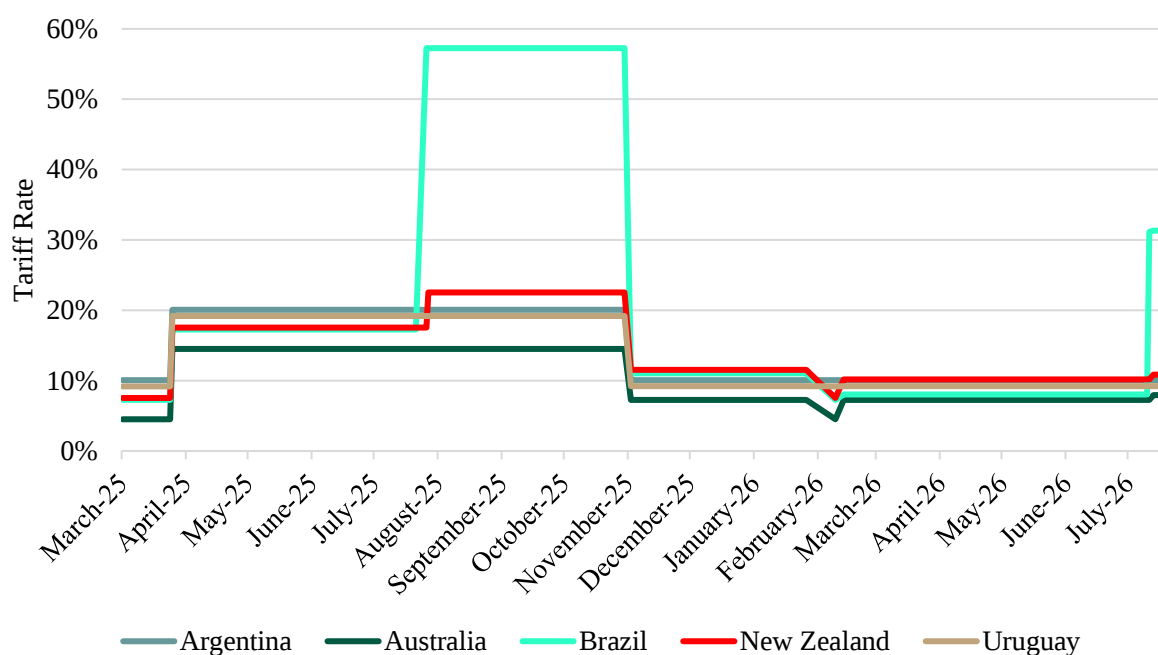
Trade Policy and Market Access

New Zealand currently applies no quotas and minimal tariffs on imports. The Government of New Zealand works extensively to support exports with an extensive network of Free Trade Agreements (FTA) in markets where other competitors are subjected to the Most Favored Nation (MFN) tariffs. However, in some key markets, tariffs and quotas still impact New Zealand beef and veal exports even with FTAs in force, as well as other non-tariff barriers such as market access and competition with subsidies.

For beef and veal exports to the United States, New Zealand has MFN Tariff Rate at US4.4 cents/kg within a 213,402 metric tons (MT) (product weight) quota, and an out-of-quota tariff rate of 26.4 percent of value. This quota was last exceeded in 2015.

On November 13, 2025, the United States modified the scope of tariffs by excluding certain agricultural products, including beef products. Although tariffs remain on other New Zealand exports to the United States, the removal of the tariff on beef products was well-received, especially as it is the primary commodity exported by New Zealand to the United States. The United States is also a major market for New Zealand lamb and venison, where tariffs remain in place and contribute to the weighted average tariff rate for meat exports (Figure 9).

Figure 9: Trade Weighted Average Tariff Rate for Total Meat Exports to U.S. (in percent)



Source: World Trade Organization

--Shipping and Supply Chain:

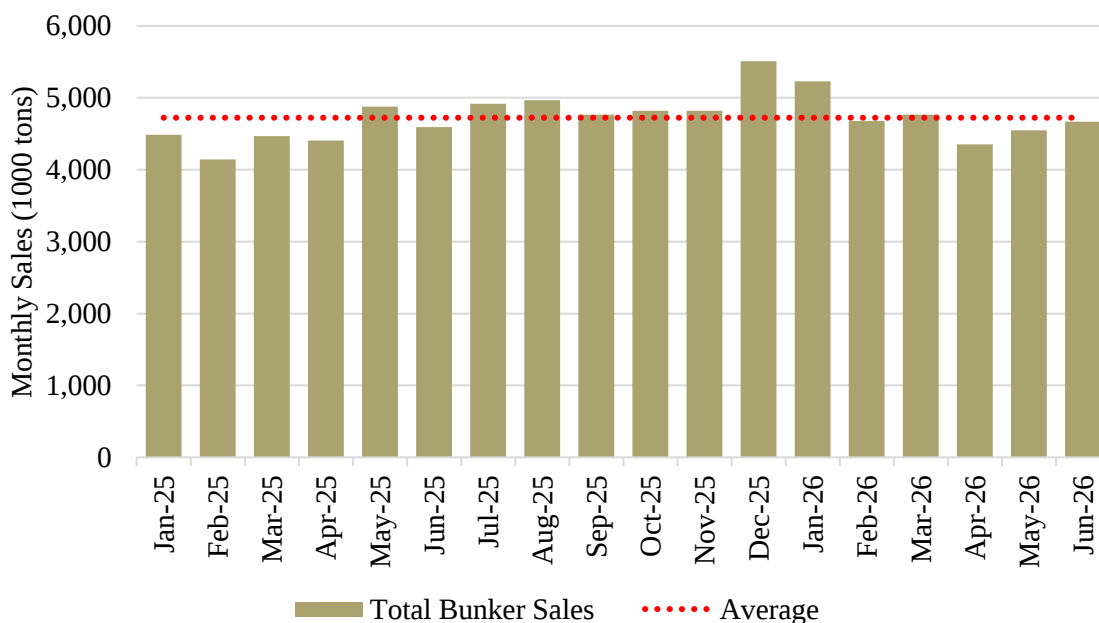
Due to New Zealand's geographic isolation and export-oriented economy, the country remains highly dependent on reliable international shipping networks to access overseas markets. This is particularly important for the livestock sector, which relies heavily on international freight to deliver meat products to markets across Asia, the Middle East, North America, and Europe.

Singapore remains a key hub for shipping services to New Zealand and an important regional bunkering center. Industry contacts report that Singapore bunker fuel prices and availability remain important determinants of shipping costs for vessels servicing New Zealand. The ongoing situation in the Middle East has contributed to volatility in global fuel markets, freight rates, insurance premiums, and vessel allocation. Although much of New Zealand's agricultural trade does not directly transit the Strait of Hormuz, disruptions in the region can indirectly affect New Zealand through higher shipping costs and tighter vessel availability.

In early May 2026, New Zealand and Singapore finalized the Agreement on Trade in Essential Supplies, which aims to strengthen supply chain resilience by committing both countries not to impose export restrictions on essential supplies and by formalizing cooperation on supply chain security [\[Link to Media Release\]](#).

Figure 10 shows that in April 2026 there was a slowing of bunkering sales in Singapore, which in the following months has recovered towards the monthly average.

Figure 10: Singapore Bunkering Sales



Source: Maritime and Port Authority of Singapore (MPA)

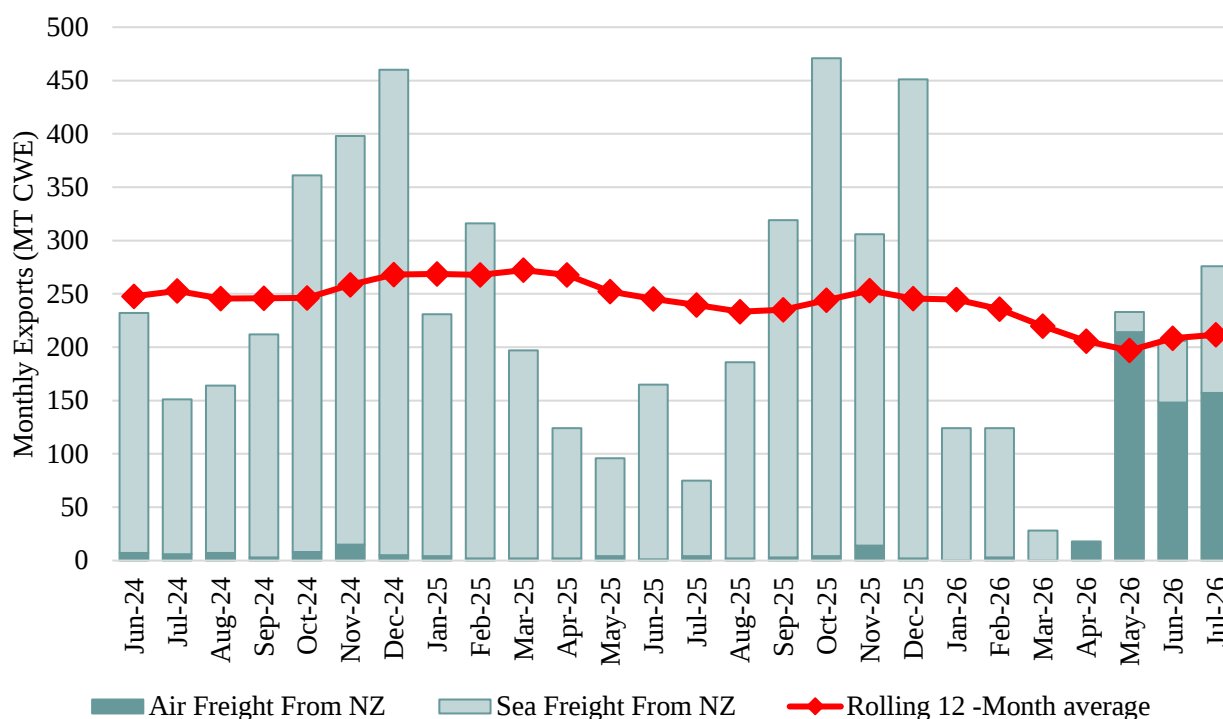
-- Market Disruptions in the Middle East:

The United Arab Emirates (UAE) is New Zealand's 15th largest market for beef and veal by volume and the largest market in the region. The New Zealand UAE Comprehensive Economic Partnership Agreement (CEPA) entered into force on August 28, 2025, providing improved market access for New Zealand red meat. Tariffs on New Zealand red meat exports were eliminated immediately upon entry into force.

Disruptions to shipping through the Strait of Hormuz in 2026 created uncertainty for New Zealand meat exporters supplying the Middle East. New Zealand's Ministry of Foreign Affairs and Trade assessed that prolonged disruption to shipping through the Strait could have a significant impact on New Zealand exports. Feedback from a major New Zealand meat processor to Post indicated that exporters were able to mitigate the initial disruption by shifting product to air freight and securing alternative supply arrangements in the region.

As shown in Figure 11, beef and veal exports to the UAE shifted toward air freight during the period of maritime disruption. Monthly export volumes in May to July 2026 were higher than in the corresponding months of 2025, indicating a recovery in exports as vessel freight resumed. The return of maritime freight has subsequently reduced the reliance on air freight for shipments to the UAE.

Figure 11: Monthly Beef and Veal Exports to the United Arab Emirates



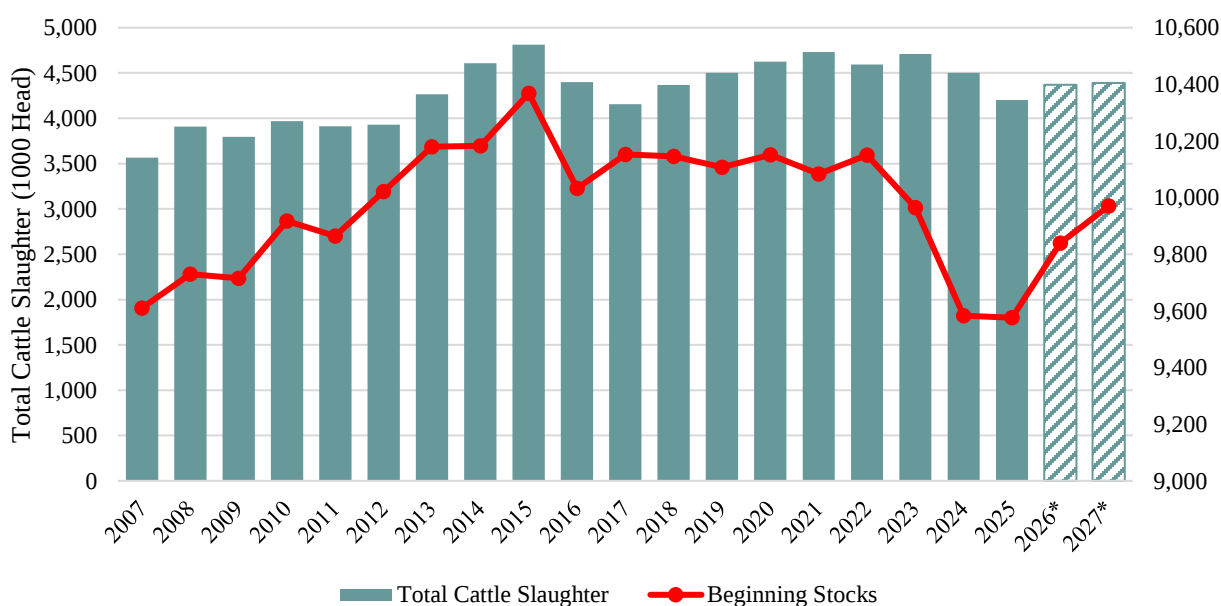
Source: Trade Data Monitor LLC

Cattle Slaughter

2027

FAS/Wellington forecast cattle slaughter in 2026 to increase to 4.39 million head, up by 20,000 head from the revised 2026 estimate of 4.37 million head. This would place 2027 slaughter numbers below the 10-year average of 4.48 million head.

Figure 12: Total Beginning Stocks and Cattle Slaughter



Source: Statistics New Zealand, *FAS/Wellington Forecast

As seen in Figure 12, FAS/Wellington is for the first time in a decade forecasting an increasing trend in slaughter numbers and beginning stocks. This follows a period of significant land-use change in the last 20 years, where the nation experienced a rapid expansion in its dairy herd, with cattle numbers peaking in 2015. Following this, beginning stocks gradually fell as slaughter rates increased. In 2022, the government set out plans to price agricultural emission and exclude cattle from water ways, which resulted in a decrease in cattle numbers.

In November 2023, the new current coalition government came into power and repealed much of the policies being implemented or proposed that impacted cattle farming. Since then, the industry has experienced more stability than decline or growth. Industry feedback is that a large contribution to this stabilization is due to the already mentioned favorable pricing, as well as a supply of more dairy-on-beef cattle are being added to the national beef slaughter numbers.

--Dairy-on-Beef Expansion:

In January 2023, the country's largest milk processor announced changes to its Terms of Supply requiring that all calves born on supplying dairy farms must enter a value stream. The updated

requirement took effect June 1, 2023. The policy prohibits routine on-farm euthanasia of healthy surplus calves and instead requires that calves be raised for beef production or processed through regulated channels.

Historically, a significant proportion of male and later-born dairy calves were processed at a young age as bobby calves. Since implementation of the new supplier requirements, the dairy industry has accelerated efforts to reduce early calf slaughter and instead raise these animals for finishing as beef. As a result, calf slaughter has continued to decline year-over-year, from 1.97 million head in 2023 to Post's MY 2027 forecast of 1.75 million head. This shift is structurally increasing the proportion of dairy-origin animals entering the beef supply chain and reducing early-stage slaughter volumes.

--Earlier Slaughter Due to Dry Summer:

The anticipated development of an El Niño weather pattern presents a downside risk to pasture availability and could result in earlier livestock slaughter during the 2026/27 summer months. FAS/Wellington anticipates that prolonged dry conditions could encourage producers to market cattle earlier than planned as feed availability and quality becomes challenged. This could increase slaughter volumes during the first half of MY 2027. Historically, over 60 percent of adult cattle are slaughtered in the first half of each market year.

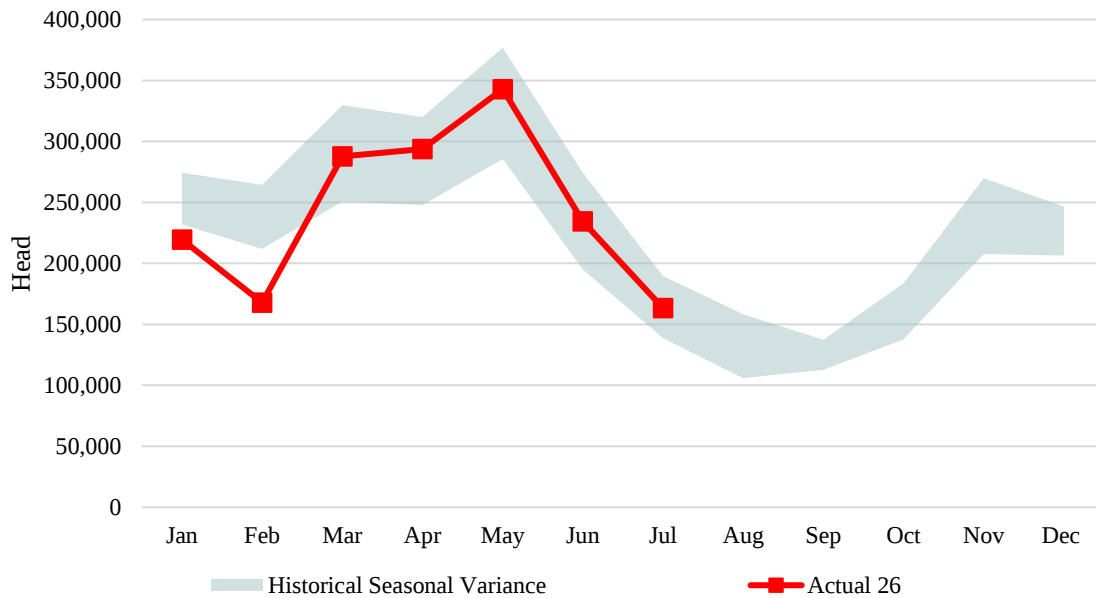
As already discussed, New Zealand's livestock production system is highly dependent on pasture availability, making seasonal conditions an important determinant of slaughter timing. If dry conditions persist, beef producers may bring forward the sale of trading and slaughter cattle, while dairy producers may reduce milking frequency and cull cows earlier. While strong farmgate prices continue to support cattle retention, prolonged pasture deficits could override this incentive as farmers prioritize maintaining sustainable stocking rates and feed availability for breeding stock.

2026

FAS/Wellington has revised up the 2026 slaughter estimate to 4.37 million head, from the USDA official estimate of 4.32 million head. Nonetheless, the Cow and Other slaughter estimate remains consistent with the USDA official figure. The only substantial change is the calf slaughter estimate has been revised up 50,000 head. This is due to an increase in cow numbers and the anticipated slightly higher calving performance in the coming months, following what was a favorable start to MY 2026 for pasture growing conditions.

Figure 13 displays the monthly adult cattle kill year-to-date, where in the summer months of January and February 2026 kill rates were back on the historical variance of the past seven years. Industry contacts believe this was the result of the favorable season, reducing both cow, heifer, steer and bull kill. However, these rates recovered in March to what are almost typical slaughter rates for the adult cattle kill schedule in New Zealand. Industry contacts anticipate monthly volumes to follow historic trends in the remaining months of 2026.

Figure 13: 2026 Monthly Adult Cattle Kill



Source: Statistics New Zealand

Cattle Exports

The current government had signaled an intension to reverse the ban on live export by vessel, which came into effect on April 30, 2023. The ban was following the sinking of a live cattle export vessel bound for China from New Zealand in July 2021. There have been no updates regarding the possibility of reversing this ban from the coalition government.

FAS/Wellington maintains the forecast of no cattle exports from New Zealand in MY 2026 and 2027.

Beef Production

Table 2: Production, Supply and Distribution – Meat, Beef and Veal

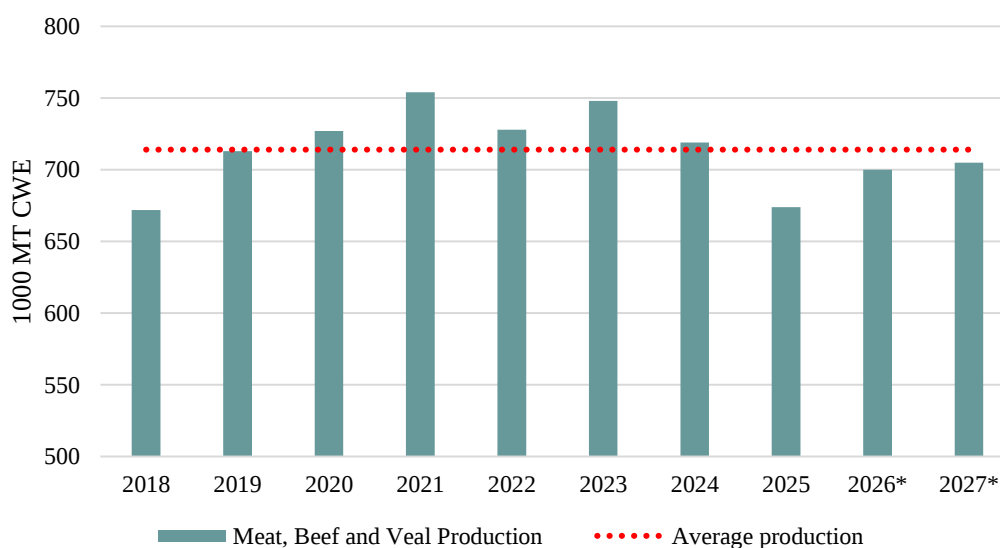
Meat, Beef and Veal Market Year Begins New Zealand	2025		2026		2027	
	Jan 2025		Jan 2026		Jan 2027	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Slaughter (Reference) (1000 HEAD)	4200	4200	4320	4370	0	4390
Beginning Stocks (1000 MT CWE)	0	0	0	0	0	0
Production (1000 MT CWE)	674	674	700	700	0	705
Total Imports (1000 MT CWE)	21	21	18	30	0	30
Total Supply (1000 MT CWE)	695	695	718	730	0	735
Total Exports (1000 MT CWE)	604	604	630	650	0	655
Human Dom. Consumption (1000 MT CWE)	91	91	88	80	0	80
Other Use, Losses (1000 MT CWE)	0	0	0	0	0	0
Total Dom. Consumption (1000 MT CWE)	91	91	88	80	0	80
Ending Stocks (1000 MT CWE)	0	0	0	0	0	0
Total Distribution (1000 MT CWE)	695	695	718	730	0	735
(1000 HEAD) ,(1000 MT CWE)						
OFFICIAL DATA CAN BE ACCESSED AT: PSD Online Advanced Query						

Note: Not official USDA data

2027

FAS/Wellington forecasts New Zealand beef production at 705,000 metric tons carcass weight equivalent (MT CWE) in MY 2027, a slight increase from the previous year but approximately 1 percent below the 10-year average of 714,000 MT CWE (Figure 14). Continued strong global demand for beef is expected to support farmgate prices and provide an incentive for producers to maintain cattle numbers and production. However, production is expected to remain below the long-term average as seasonal conditions, particularly the anticipated dry summer associated with El Niño, may result in earlier slaughter of lighter weight cattle.

Figure 14: Average Carcass Weight Production Trend



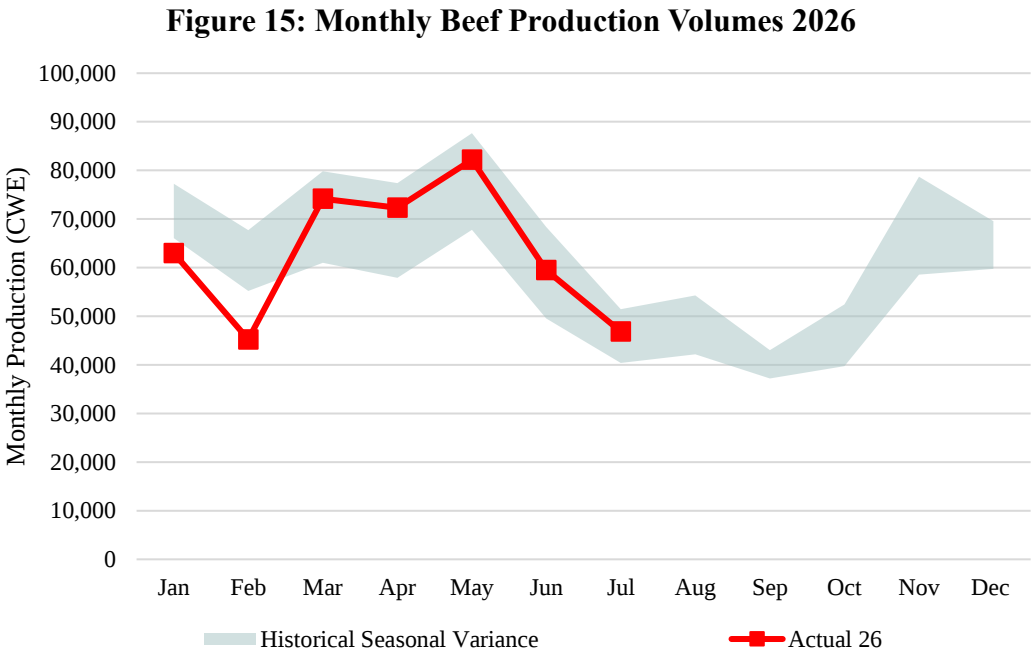
Source: USDA - Products, Supply and Distribution (PSD), *FAS Forecast

The anticipated increase in slaughter throughput is therefore not expected to translate proportionally into higher beef production, as lower average carcass weights would partially offset increased cattle numbers processed. FAS/Wellington expects the timing and weight profile of slaughter to be an important determinant of total MY 2027 production, with prolonged dry conditions potentially bringing cattle to market earlier and at lighter weights than would otherwise occur.

2026

FAS/Wellington maintains the current USDA official estimate of 700,000 MT CWE for MY 2026. During the first seven months of the market year, beef production reached 443,184 MT CWE, 5.2 percent above the same period in the previous year (Figure 15). Historically, approximately 60 percent of New Zealand’s annual beef production occurs during the first half of the MY, reflecting increased cow slaughter following weaning in the beef herd and the seasonal drying off dairy cattle in the fall. As discussed in the cattle slaughter section, some cattle retention during the first two months of the market year reduced early season slaughter volumes.

Processors have indicated to Post that they expect slaughter volumes to return to normal levels during the remainder of MY 2026. Based on current production through July and expectations for normal slaughter during the second half of the market year.



Source: Statistics New Zealand

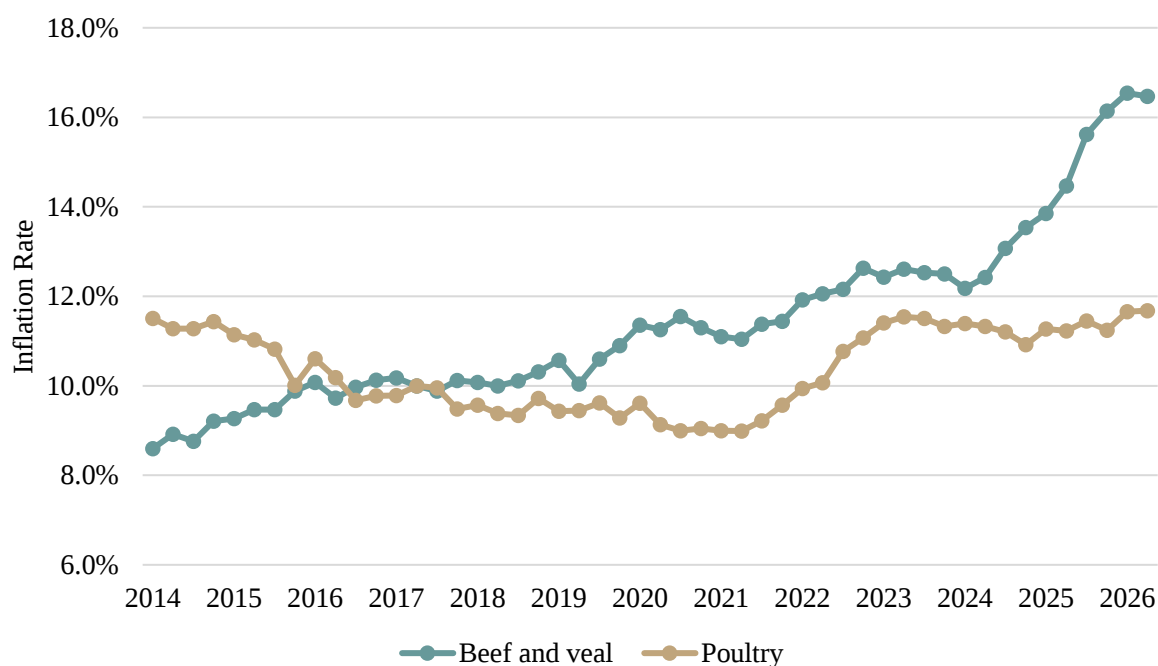
Domestic Consumption

2027

FAS/Wellington forecasts domestic beef consumption at 80,000 MT CWE in 2027, unchanged from the revised MY 2026 estimate and approximately 14 percent below the 10-year average of 93,100 MT CWE. This decline has occurred despite continued population growth, with New Zealand's population exceeding 5.3 million. Higher retail prices for beef relative to alternative animal proteins, particularly poultry, are contributing to changes in consumer purchasing patterns. Statistics New Zealand data show that domestic beef and veal prices have continued to increase broadly in line with higher farmgate prices (Figure 16), with industry contacts attributing the increases to strong international demand and tighter domestic supply.

New Zealand consumers have increasingly shifted toward poultry, which remains a lower cost animal protein option, while beef represents a declining share of domestic protein consumption. The proportion of domestic beef production consumed within New Zealand has also declined from almost 20 percent approximately a decade ago to just over 10 percent today, reflecting the increasing importance of export markets to producers and processors. FAS/Wellington expects elevated domestic beef prices to continue constraining consumption in 2027, particularly while international markets continue to offer higher returns for New Zealand beef.

Figure 16: Domestic Consumers Price Index for Protein



Source: Statistics New Zealand

2026

FAS/Wellington revised MY 2026 domestic beef consumption downward by 8,000 MT CWE to 80,000 MT CWE, representing a 12 percent decline from MY 2025. The revision reflects continued inflation in beef prices relative to alternative animal protein sources and changing consumer purchasing behavior. During recent engagements by FAS/Wellington with select government officials, they identified food prices at supermarkets as a key concern for consumers. The divergence between elevated domestic retail prices and strong returns available to exporters is contributing to a market environment in which producers and processors have increased incentives to prioritize international markets.

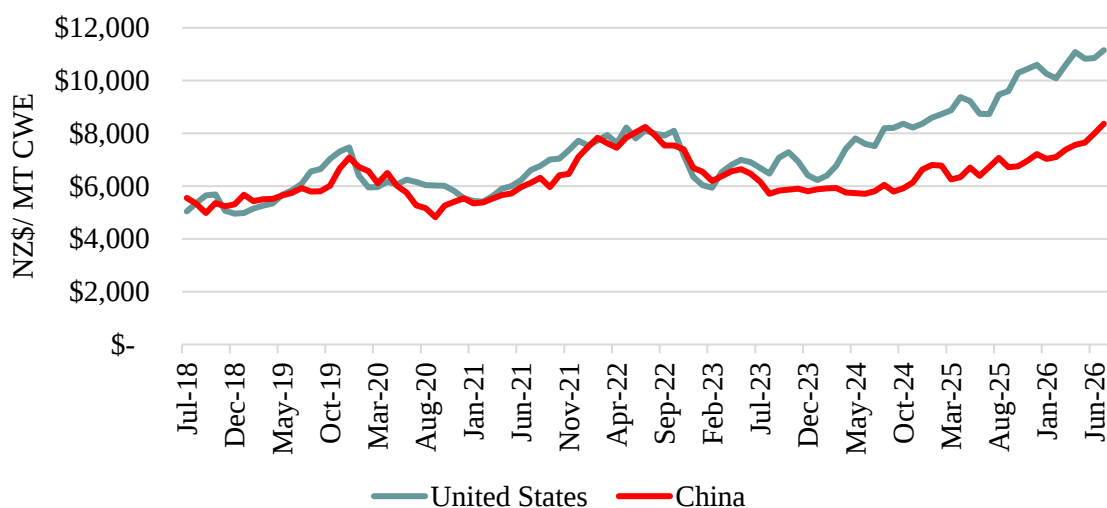
Trade

Beef Exports

2027

FAS/Wellington forecasts New Zealand beef and veal exports at 655,000 MT CWE in MY 2027, an increase of 5,000 MT CWE from the revised MY 2026 forecast and approximately 5 percent above the 10-year average of 625,000 MT CWE. Higher export volumes are supported by increased cattle slaughter and production, together with strong international demand for New Zealand beef. The United States remains the most important market for New Zealand beef, accounting for 38.8 percent of export volumes through July 2026, followed by China at 27.1 percent. The United States is also a major global consumer of beef and veal, accounting for 22.4 percent and 18.1 percent, respectively, of global consumption. New Zealand is the world's sixth largest beef exporter, accounting for approximately 4.6 percent of global exports, compared with Brazil at 30.1 percent.

Figure 17: Unit Price Comparison for Beef and Veal Export Markets



Source: Trade Data Monitor LLC

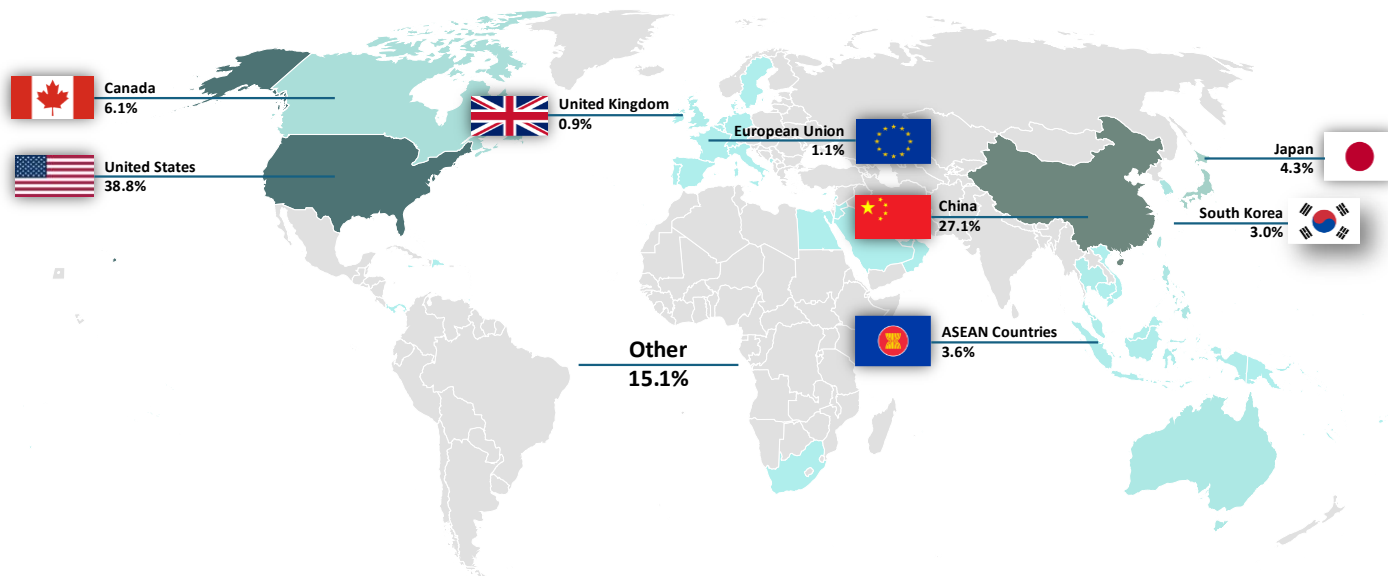
As already discussed, strong U.S. demand and tight domestic beef supplies are supporting elevated prices for imported lean beef. The average monthly FOB unit value of New Zealand beef and veal exports to the United States reached a record NZ\$11,154 (US\$6,580) per MT CWE in July 2026, reflecting strong demand and constrained global supply (Figure 17). As already mentioned, New Zealand is currently only subject to a very small MFN tariff into the United States in addition to having not exceeded their quota since peak cattle numbers in 2015.

Export demand has also recovered for China, although returns remain stronger in the U.S. market. A relatively weaker New Zealand dollar and continued tight U.S. cattle supplies are expected to support export returns into MY 2027 as U.S. industry begins rebuilding its cattle herd.

2026

FAS/Wellington revised its MY 2026 beef and veal export forecast upward from the USDA Official estimate to 650,000 MT CWE. During the first six months of the market year, export volumes were 7 percent above the same period of the previous year. The upward revision reflects the recovery in cattle slaughter and beef production between March and June, which increased exportable supplies during the first half of the MY.

Figure 18: Beef & Veal Export 2026 Volumes



Source: Trade Data Monitor LLC

From January through July 2026, New Zealand beef and veal exports to the United States increased more than 14 percent year-on-year. Export volumes also increased to China, Canada, and the United Kingdom. The United States remained New Zealand's largest market, accounting for 38.8 percent of year-to-date export volumes, followed by China at 27.1 percent (Figure 18). Strong demand across key markets, particularly the United States, combined with increased domestic production, is supporting higher export volumes and prices.

Beef Imports

New Zealand imports relatively small volumes of beef, primarily from Australia. FAS/Wellington forecasts beef imports at 30,000 MT CWE in MY 2027, unchanged from the revised MY 2026 forecast. Imports from Australia increased 26 percent year-on-year through the latest reporting period, following imports of approximately 20,000 MT CWE in the previous year. Increased imports are primarily associated with Australia's ability to supply specific cuts and products to the New Zealand market while domestic beef remains highly valued in international markets.

Attachments:

No Attachments