





# New Season Outlook 2024-25

## Summary

Global demand for red meat is expected to improve slightly but farm profitability remains challenging.

## Global Outlook

-  NZ red meat export volumes across the board will be significantly lower next season.
-  USA beef herd is at a 70-year low.
-  China consumption to remain poor.
-  Europe, US, and the UK economies recovering.

## Livestock Numbers

-   Breeding Ewes down 2.9%
-   Lamb crop down 1m head
-   Beef Cows down 2.7%
-   Dairy Cows down 1.3%

## Sheep forecast

- China has not started its economic recovery and demand for sheepmeat is expected to remain weak. Sheepmeat prices are expected to stay at multi-year lows as a result.
- New Zealand and EU/UK supply will be down. If Australian supply also falls, this could see prices lift by more than currently forecast.
- Forecast Lamb price \$6.79 per kgCW
- NZ Lamb Export Volume -7.2%, NZ Mutton Export Volume -7.1%

## Beef forecast

- Demand for beef is expected to remain solid driven by low American domestic supply, and prices to remain strong as a result.
- Forecast All Beef price \$5.35 per kgCW
- NZ Beef Export Volume -3.1%

## On-Farm Profitability

- Farm profitability is forecast to decrease 7.4% this year with another challenging season as a forecast increase in revenue (1.1%) is eaten up by the increase in expenditure (1.8%).
- Farm Profitability could be better than forecast if interest rate cuts are faster and deeper, and if lamb prices improve due to lower global supply.
- Fewer livestock to sell and more retentions expected for those impacted by drought.

