



# Stock Number Survey

As at 30 June 2024

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## About this report

The annual B+LNZ Stock Number Survey provides an assessment of the national sheep flock and the national beef cattle herd between 30 June 2023 and 30 June 2024. The report summarises the results from a survey carried out to estimate the number of sheep and beef cattle on hand at 30 June and provides estimates for the change in livestock numbers six months before provisional figures are available from SNZ (Agricultural Production Survey). The potential lamb crop and calving outlook for spring 2024 is based on condition (and any changes in number) of breeding livestock and available ewe pregnancy scanning results.

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# Executive Summary

This section provides an assessment of the national sheep flock and beef cattle herd at 30 June 2024 and changes between 30 June 2023 and 30 June 2024.

## Sheep and cattle numbers down at 30 June 2024 driven by drought

Sheep and beef cattle numbers were down at 30 June 2024, following significant decreases in the previous couple of years. In the last few years, the primary driver has been land use change as a result of the conversion of sheep and beef farms into forestry.

This year the primary driver was drought in sheep and beef areas across parts of the country. This has seen farmers needing to destock and has impacted on the outlook for lamb production for the coming season. Sheep numbers were down more than cattle, as farmers shifted away from sheep due to lower prices and reduced labour requirements.

- **Sheep numbers decreased 4.3% to 23.31 million** – breeding ewe numbers decreased 2.9%, less than trading sheep stock numbers (-7.9%), as farmers sought to protect their breeding stock and sold trading hoggets earlier than usual.
- **The lamb crop for spring is expected to decrease by 4.8% (970,000 head)** – driven by fewer breeding ewes coupled with a lower expected lambing rate (down 2.9 percentage points to 127.2%) due to poorer ewe condition at mating in regions affected by drought. This will have a direct impact on farm profitability.
- **Beef cattle numbers decreased 2.8% to 3.55 million** – North Island beef cattle numbers decreased slightly (-0.8%). Most of the decrease in total beef cattle numbers is due to drought-related destocking in the South Island (-7.1%).
- **Spring beef cattle calving is expected to decrease 2.1%** due to fewer breeding cows.

Fewer lambs to sell this spring will impact farmer profitability this coming season.

Early destocking, lower stock numbers overall and current desire to rebuild livestock (in regions impacted by adverse weather events) contributes to a shortage of animals now available for processing. Lower bull processing now reflects the lower calf rearing or the exit of calf rearers two years ago when profit margins were low. Lambs were processed earlier in

2024 in the South Island rather than being held through winter. Ewe processing started strongly in the December quarter but then decreased markedly for the rest of the season.

While some rebuild in stock numbers is possible in the coming season to 30 June 2025, due to continued land use change B+LNZ do not expect sheep numbers to recover fully to pre-drought levels. Beef cattle numbers could become a higher proportion of total stock compared to sheep with current farmgate prices being more favourable and with cattle being less labour intensive.

**Table 1 Livestock Summary**

	30 June 2023 (million)	30 June 2024e (million)	% change
Breeding Ewes	14.80	14.37	-2.9
Hoggets	8.76	8.14	-7.0
Total Sheep	24.36	23.31	-4.3
Estimated Lamb Crop	20.24	19.26	-4.8
Beef Cattle	3.65	3.55	-2.8

e estimate | Source: Beef + Lamb New Zealand Insights Team, Statistics New Zealand

## Economic and seasonal conditions extremely tough

The 2023-24 season has been particularly tough for farmers due to low sheep returns, high on farm costs following the last couple of years of high inflation, and drought across parts of the country.

- Economic conditions continued to be difficult: low farmgate prices for sheep and high expenses (due to an increase in on-farm costs of 33% over the last 3 years) squeezed profit margins. B+LNZ will release a separate report, the New Season Outlook 2024-25, shortly on profitability for 2023-24 and the outlook for markets and farm profitability in 2024-25 – but the past season was worse than expected. Many farmers across the country will face a loss in 2023-24.

**Farm expenditure continued to climb as term debt rolled onto higher interest rates.**

The lower sheepmeat returns saw a shift in interest to beef cattle whose prices remained relatively firm on last year. Livestock that might typically be wintered were sold to improve cashflow. Additionally capital livestock were sold to bolster revenue as well. This loss of capital livestock will reduce lamb and calf crops in spring 2024 and affect future potential earnings. There was a further shift towards dairy grazers, which provide a steady income, resulting in more dairy grazing cattle on hand at 30 June 2024.

- Drought affected many parts of the country: While it came later than expected, drought hit many parts of the country in the last six months. The hardest hit areas were Northland, Taranaki, Wairarapa, Horizons region, Tasman, Marlborough, Nelson districts and Canterbury and Otago. These are predominantly sheep and beef producing regions.
- In response to NIWA forecasts of El Niño conditions, farmers sold stock earlier than usual and then as drought conditions started to bite in certain areas, deeper cuts were made. Marlborough-Canterbury farms reduced both sheep and beef cattle total numbers by around 11-12%. Farmers generally destocked hoggets in greater numbers to try to protect feed for breeding ewes during mating and through pregnancy to support good lambing. Dry conditions remain in some areas of the country during winter, which will

hinder the ability to increase livestock numbers. Due to lower sheep profitability, it is expected that beef cattle numbers may rebuild faster than sheep.

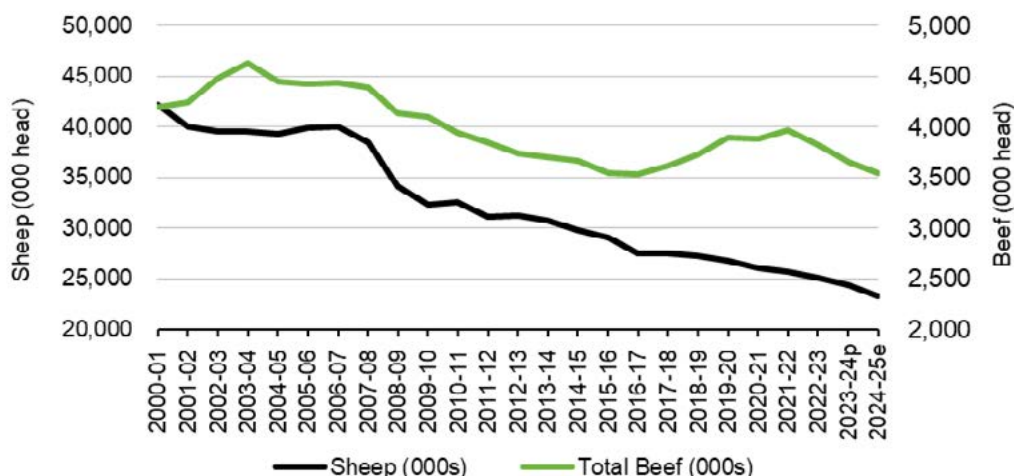
- The East Coast faces a long road to recovery following weather events in 2023. The ability to rebuild livestock numbers, reduced following Cyclone Gabrielle and persistent wet conditions through 2023, is based on feed and infrastructure availability (to name two elements) and this has been a time-consuming process. Rebuilding is ongoing.
- Land Use change: While the sale of sheep and beef farms to forestry has slowed due to policy uncertainty, there was still some demand from buyers for wholesale plantings. Whole farm planting or carbon farming continued in some regions, notably through the Central South Island and Southern South Island. These were mostly farms that were sold a few years ago and there is a two-year lag between sales and planting. There was also a slight increase in within-farm plantings of trees, which decreased grazeable and cropped area and added downward pressure on livestock numbers. Some farmers also subdivided parts of their property to sell to reduce farm debt levels or release capital.

### Long-term trend in Sheep and Cattle Numbers

In the last three years there has been a 10% decline in sheep and beef numbers. A major driver of this has been the conversion of sheep and beef farms into forestry as a result of the ETS<sup>1</sup> and high carbon prices. While sheep numbers had been declining slowly, afforestation has accelerated this sharply and also driven down cattle numbers.

In the three years between 2019 and 2022 about 180,000 hectares of whole sheep and beef farms were sold into forestry. This started to slow in late 2022 as the Government announced plans to amend the ETS. There is a lag between the sale of a farm and planting, but most of the farms sold in that period have now been converted into forestry. This is confirmed by MPI's planting figures. This land use change translates into a reduction of approximately 1.4 million stock units. While sales have slowed, there were still farms being converted to forestry in the last year. The land use change to forestry has made it more difficult to forecast stock numbers because of the lag between sale and planting.

**Figure 1 Livestock Numbers**



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

<sup>1</sup> Emissions Trading Scheme

# Sheep overview



This section provides an assessment of the national sheep flock between 30 June 2023 and 30 June 2024.

## Sheep flock decreases across all regions

Total sheep numbers decreased 4.3%

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The number of total sheep decreased by 4.3% (~1,048,000 head) – on the previous year to 23.31 million at 30 June 2024.

A number of factors contribute to the decline in total sheep numbers:

- Drought in the South Island and eastern areas in the North Island
- Lower farmgate prices for sheep, particularly mutton
- Selling of stock at lighter weights and earlier than usual for cashflow
- Some movement towards beef cattle, which are less labour-intensive than sheep
- Continued land use change such as to urbanisation and forestry, and within-farm plantings

Total sheep numbers decreased by more in the South Island (-7.2%) than the North Island (-1.3%). Numbers were steady in two regions – Northland-Waikato-Bay of Plenty (0.2%) and Taranaki-Manawatū (-0.3%).

Breeding ewe numbers decreased 2.9%

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The breeding ewe flock is a key driver of the flock size in future, and it continues to trend downwards. The breeding ewe flock is estimated to have decreased by 2.9% to 14.37 million at 30 June 2024. Reasons for the decline in capital stock included dry conditions, a shift towards more beef cattle with better farmgate prices for cattle, and planting of pine trees within farm boundaries.

## Hoggets decreased 7.0%

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Hoggets, which are a key tool in reducing feed demand, were sold earlier, and in some cases at lighter weights, in 2023-24 due to lack of feed during dry or drought conditions. This reduced hoggets on hand at 30 June 2024 and the subsequent winter trade.

Total hoggets at 30 June 2024 decreased by an estimated 7.0% largely reflecting a decrease in trading hoggets, which are not destined to be retained by farms as replacements (capital stock). Drought drove Marlborough-Canterbury farms to decrease hoggets by around 20% on June 2023 numbers.

## Lambing outlook for spring 2024

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The lamb crop is forecast to decrease by around 970,000 head (-4.8%) to an estimated 19.26 million for spring 2024. While breeding ewes are only down 2.9 percent, the expected higher decrease in lambs this season is compounded by an expected lower than average lambing percentage.

Overall ewe pregnancy scanning results are below 2023, but this is highly variable between and within regions. Mixed-age ewes were in good condition in the northern North Island and southern South Island during mating and therefore scanning rates were good, and in below-average condition for regions affected by drought or dry conditions. As a result of these factors the lambing percentage in spring 2024 may be down by around 2.9 percentage points to an estimated 127.2%.

**Table 2 Trend in Sheep Numbers**

June	Breeding ewes (million)	% change	Total sheep (million)	% change
2014	19.78	-2.2	29.80	-3.2
2015	19.07	-3.6	29.12	-2.3
2016	18.14	-4.9	27.58	-5.3
2017	17.76	-2.1	27.53	-0.2
2018	17.16	-3.3	27.30	-0.8
2019	16.85	-1.8	26.82	-1.7
2020	16.57	-1.6	26.03	-3.0
2021	16.33	-1.5	25.73	-1.1
2022	15.37	-5.9	25.13	-2.3
2023	14.80	-3.7	24.36	-3.1
2024e	14.37	-2.9	23.31	-4.3

e estimate | Source: Beef + Lamb New Zealand Insights Team, Statistics New Zealand



# Beef cattle overview

This section provides an assessment of the national beef cattle herd between 30 June 2023 and 30 June 2024.

## Fewer beef cattle at 30 June 2024

### Total beef cattle numbers decreased 2.8%

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There was a moderate decrease in the number of beef cattle, down 2.8% or around 103,000 head to an estimated 3.55 million. Beef cattle numbers were down slightly in the North Island (-0.8%) but down by a greater magnitude in the South Island (-7.1%) because there were more drought affected areas in the South Island. Breeding cow numbers were down across most regions and fewer older, heavier trade cattle were on hand at 30 June 2024.

One possible reason for fewer older, particularly bulls on hand at 30 June is a reduction in calf rearers (due to very tight margins) two years ago creating a lack of these animals in the current market for processing.

The largest decrease in total beef cattle numbers is estimated for Marlborough-Canterbury (-10.7%) due to drought reducing feed levels.

Total weaner beef cattle numbers were up by an estimated 2.7% across New Zealand with significant variability between regions. Northland-Waikato-Bay of Plenty and Southland weaners increased by 9.5% and 14.1% respectively. Beef weaner cattle were down 4.1% in Marlborough-Canterbury due to a lack of feed, some of those stock left the region, e.g. to Southland farms.

### Breeding cows and heifers (cows mated) decrease by 2.7%

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Breeding cows and heifers mated decreased by 2.7% on average for New Zealand to 30 June 2024. This equates to around 26,000 fewer head mated. The South Island had the largest decrease in numbers, with Marlborough-Canterbury and Otago reducing by over 6% but Southland had the largest increase at an estimated 9%.



## Calving outlook for spring 2024

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Spring beef cattle 2024 calving is expected to decrease 2.1% to an estimated 817,000 head substantially due to fewer breeding cows.

**Table 3 Trend in Beef Cattle Numbers**

June	Breeding cows (million)	% change	Total beef cattle (million)	% change
2014	1.01	-0.7	3.67	-0.8
2015	0.98	-3.0	3.55	-3.3
2016	0.95	-2.9	3.53	-0.4
2017	0.98	+2.4	3.62	+2.4
2018	1.03	+5.4	3.72	+2.9
2019	1.10	+7.3	3.89	+4.5
2020	1.07	-3.4	3.88	-0.2
2021	1.07	+0.0	3.96	+2.1
2022	1.02	-4.3	3.82	-3.6
2023	0.99	-3.1	3.65	-4.4
2024e	0.96	-2.7	3.55	-2.8

e estimate | Source: Beef + Lamb New Zealand Insights Team, Statistics New Zealand



# Regional round-up

This section gives an assessment of the drivers of changes to livestock numbers between 30 June 2023 and 30 June 2024. [Regional Summary Tables](#) provide detailed numbers.

## Northland, Waikato, Bay of Plenty

### Total sheep numbers steady -0.2%

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Sheep numbers were almost unchanged in the year to 30 June 2024, down 0.2% to an estimated 2.95 million head. While there was a decrease in breeding ewes and ewe hoggets, more trade hoggets maintained total sheep numbers.

Breeding ewe numbers declined 2.7% to 1.81 million head. Several factors caused the decrease, including lower farmgate prices for livestock, low wool prices, and, in some cases, the age of farmers combined with the workload of farming sheep. Breeding ewe numbers on hard hill country farms remained steady because a key constraint for these farms is topography, which limits stock class options. On hill country farms, breeding ewe numbers fell 4.3% on average.

Total hoggets increased by 4.4% to 1.07 million head, driven by more trade hoggets on hand at balance date (+15%). Hard hill country farms increased trade hoggets by 35% utilising pasture to finish lambs and compensate for lower livestock prices. Hill country farms also increased trade hoggets (+25%) as farmers purchased store market hoggets to grow to heavier weights for prime sales. In contrast, finishing farms decreased trade hoggets by 19%. Ewe hoggets numbers decreased 4.3%.

Lambing in spring 2024 will be down on spring 2023 with fewer breeding ewes. Pregnancy scanning results were good (similar to 2023). Farmers will be considering the implications of triplets that result from good lambing percentages and related management requirements.

### Beef Cattle +0.4%

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The number of beef cattle increased marginally – by 0.4% to 1.19 million head. The increase was driven by more weaner cattle (+9.5% to an estimated 393,000 head), with hill country farms increasing weaner cattle by 12%. Total beef cattle on hard hill country farms decreased 2.8% due to a decline in breeding cattle. Hill country farms switched from older

trade cattle to younger weaners. Total beef cattle numbers remained steady on finishing farms.

Favourable pasture conditions enabled farmers to finish cattle prior to winter. This was particularly evident on hard hill and hill country farms.

Although processor prices for finished cattle were strong, the store cattle market was even stronger meaning farmers who trade cattle operated on reduced profit margins when restocking.

Breeding cows and heifers mated decreased 2.6% to 242,000 head. The decrease came from both hard hill and hill country farms. There were several factors in the decline in breeding cows, including the retirement of land, a desire to finish more cattle (requiring more land for weaners), and opportunities to cull deeper than usual with good processor prices for beef cattle.

With breeding cow numbers down, B+LNZ expects fewer beef calves to be weaned this spring. Climatic conditions during mating were good (spring 2023) and this will help to maintain calving percentages.

## Conditions and commentary

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### *Seasonal conditions*

Early-season lambs were sold at lighter weights due to a lack of sunshine and poorer feed quality in spring 2023.

Farmers noted NIWA forecasts of El Niño conditions and reduced cull ewes earlier than usual. However, dry conditions were not as widespread as expected. Parts of Kaipara and Whangārei districts were impacted by dry conditions and farmers sold more livestock to processing or in the store market to manage feed supplies.

There was frequent rainfall during summer and into autumn. Subsequent pasture growth lifted demand and prices in the store market. Yields from maize crops were high following ideal spring planting conditions, well-timed rainfall, and plentiful sunshine hours and heat. Winter 2024 feed levels were plentiful and livestock were in good condition, which bodes well for the coming lambing and calving period.

### *Economic conditions*

Poor sheep returns drove farmers to consider their mix of classes of livestock and farm classes that could moved away from sheep towards cattle. Ewe prices were very poor (compared with recent years), and combined with lower store and prime lamb prices, sheep revenue was severely reduced.

Wool pricing lifted towards season-end creating some positivity. Northland farmers face a lack of selling options for wool and the cost of transport and selling charges mean returns are low compared with others in the region. Some farmers considered shedding sheep an attractive option when shearing expenses exceed wool revenue consistently.

Prime cattle prices bolstered confidence. Plentiful pasture created a grass market that resulted in increased store cattle prices. The downside was reduced margins for traders and greater expense to restock farms.

Fertiliser prices have decreased, which is positive. However, farmers were cautious about all expenditure, which resulted in reduced fertiliser volumes being applied.

High interest rates hit farms hard. Farmers sought to reduce costs and supplement income. Some farmers sought dairy grazing revenue or looked for off-farm work to increase income.

### *Land Use Change*

Within-farm planting of both exotic and native forestry continued on farms in the region, this reduces grazeable area for livestock. Where this change has occurred, some farmers fenced and planted less productive land and capitalised on cash grants to retire land.

Some farmers opted to subdivide and sell land parcels to release capital because high interest rates and debt-servicing caused significant stress.

A move to more dairy grazing cattle was apparent in the numbers on hand at 30 June. Dairy grazing is viewed as a steady income source that smooths cashflow. Some sheep and beef farmers decreased capital livestock to enable dairy grazing.

The number of finishing farms continues to decline due to land use change. Market gardens, arable farming, dairying and urbanisation all impact on the number of finishing farms. A change in land use often occurs when a farmer plans to exit the industry due to retirement.

## **East Coast**

### **Total sheep numbers decrease 2.4%**

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Sheep numbers were down 2.4% at 30 June 2024 to an estimated 5.92 million head. The reduction in flock size was driven by a myriad of complex reasons: poor pricing for sheep, drought for some and wet conditions for others, cashflow management, a focus on rebuilding infrastructure and farmland after adverse weather events and before increasing stock numbers, and greater stock losses due to animal health reasons.

Breeding ewe numbers declined 3.7% to 3.29 million head – an ongoing trend in the region. Ewe numbers on hard hill country farms decreased by around 5%, a greater decrease than hill country and finishing farms, which decreased by 3-4%.

Total hogget numbers were steady (-0.3%) on last season, at an estimated 2.52 million head. Within the hoggets category, ewe hoggets decreased 4.5% and fewer ewe hoggets were mated in autumn owing to dry conditions and hoggets being under ideal weights. Trade hogget numbers were higher at 30 June 2024 for hill country and finishing farms because low store market prices failed to attract vendors. Hard hill country farmers felt the pinch of high farm expenses and increased animal health costs and chose to destock where possible to improve cashflow.

The average lambing percentage is expected to be down in spring 2024, and with fewer breeding ewes the lamb crop is expected to be lower than spring 2023. Ewe pregnancy scanning results were below average with ewes in lighter condition and worm burden impacting health. Feed shortages may be an issue during lambing for parts of the East Coast.

## Beef Cattle numbers decrease -2.3%

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Beef cattle numbers decreased 2.3% to an estimated 845,000 head at 30 June 2024. Total weaner numbers decreased by 3.6% to an estimated 212,000 head, and breeding cow numbers decreased by 3.1% to an estimated 251,000 head.

The total decrease in beef cattle numbers was softened by the retention of older cattle because farms with good levels of pasture needed older cattle to maintain pasture quality. Weaners prices were relatively strong in the store market making them a more expensive option for purchase in autumn.

Fewer breeding cows (-3.1%) were held over winter amid concerns about lack of rainfall and feed. Often, older breeding cows were sold, which helped with cashflow.

We expect fewer calves will be born this spring because fewer cows were mated. Hill country farms had feed for cattle at 30 June 2024 but survey farmers noted the quality of pasture was poor.

## Conditions and commentary

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### *Seasonal conditions*

Heavy worm burdens, particularly Barber's Pole<sup>2</sup>, and cases of Salmonella were noticeable this season adding to farmer workloads and increasing stock losses.

Two seasons of wet conditions has worsened feed quality across the region. Areas in Gisborne and Hawke's Bay were impacted by a severe weather event in June 2024. Recovery from the adverse weather events in 2023 remains ongoing.

Dry conditions through summer for Wairarapa persisted into autumn and the lack of rainfall reduced feed covers. Diminished feed reserves will impact the 2024-25 season, particularly recovery of pastures and spring lambing and calving, and also the condition of livestock and number farmers will be able to maintain.

### *Economic conditions*

Financial woes continued with pressure on cashflow and the need to meet interest obligations. This meant more cutting back of 'non-essentials' including pregnancy scanning for some farmers.

Livestock that would typically be wintered were sold through store or prime markets to improve cashflow. Poor store sheep prices exacerbated farmers' low mood on sheep numbers.

Significant inflation in the price of inputs over recent years meant farm expenses were high even as farmers sought to cut costs. Animal health expenditure increased due to both increased need for products to address high worm burdens and fly strike, and increased product prices. Although fertiliser prices eased, farmers were strapped for cash and fertiliser volumes were lower than 2022-23. Climatic conditions also impacted the ability to apply fertiliser.

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<sup>2</sup> Haemonchus contortus – a type of roundworm

## *Land Use Change*

More seasoned farmers, or those nearer retirement, were actively switching from sheep to cattle. Changes were made to reduce workloads and animal health costs with less labour requirements for cattle. The cattle market was steady while returns for sheep were poor. Farmers wanted to improve profitability and put their farm businesses in a better position for sale or succession.

As a response to increased interest rates, farmers with higher debt levels subdivided parts of their property (typically flatter productive country) to lifestyle or holiday blocks to reduce overall debt levels with banks.

## **Taranaki-Manawatū**

### **Total sheep numbers steady -0.3%**

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Sheep numbers were down marginally (-0.3%) to an estimated 2.96 million head at 30 June 2024.

The breeding ewe flock was stable for Taranaki-Manawatū, with breeding ewe numbers up 0.7% to an estimated 1.89 million head. Hard hill country farms increased breeding ewe numbers, with some substitution of deer with sheep. This was offset by a decrease in breeding ewe numbers on finishing farms.

Total hoggets decreased 2.6% to an estimated 1.01 million head. The total number of hoggets on hard hill and hill country farms increased slightly, with farmers reporting smaller lambs held at 30 June 2024. There were fewer trading hoggets on finishing farms at 30 June 2024. Typically, around a third of ewe hoggets are mated, however the proportion was less this year due to lower liveweights at mating following a challenging summer and early autumn.

Spring 2024 lambing is expected to deliver fewer lambs than spring 2023 with pregnancy scanning results lower than last year and fewer ewe hoggets mated. Dry conditions in summer and autumn reduced farmers' ability to flush ewes (prepare ewes for mating by improving their body condition). Worm burdens were a challenge with more young stock on hand.

Scanning results were average recalling that the average lambing percentage in 2023 was exceptional. The challenging seasonal conditions resulted in fair pregnancy scanning results among older and early-mated ewes while scanning of younger ewes indicated spring 2024's lambing will be lower than last year.

### **Beef Cattle numbers decrease 1.3%**

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There was a small decrease (-1.3%) in the number of beef cattle to an estimated 441,000 head at 30 June 2024. Finishing farms reported a slight drop in trading cattle because autumn and early winter store prices were high, which encouraged selling.

Breeding cows and heifers mated increased 2.6% on the previous year to 117,000 head. Hard hill and hill country farms drove the increase in numbers.

The outlook for spring 2024 calving is for a small increase in beef calves compared to last spring with more breeding cows and pregnancy scanning results similar to past seasons.

Beef cow condition was average and pasture covers average to below average across hill country farms. Pasture covers and cow condition were better on finishing farms.

## Conditions and commentary

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### *Seasonal conditions*

The dry summer period was extended in 2024 and farmers had more lambs on farm over summer due to a bumper crop of lambs in spring 2023. Farmers held lambs for longer than normal to increase weights, and prices in both the store and prime markets were not enticing for sales.

Dry conditions in February and more lambs on hand reduced feed for ewes prior to mating.

Conditions suited cows with calves over summer as they tidied rank feed on hills. Calf weights at weaning were reported to be up slightly on 2023 as a result.

Autumn fertiliser applications were down across the region, which may impact spring pasture growth. Cold temperatures with frosts from May slowed pasture growth.

Farming conditions in early winter were favourable with minimal rain making for low levels of pasture damage.

### *Economic conditions*

Sheep returns were subdued throughout 2023-24, however increased published processor prices for prime lamb in late autumn / early winter created some confidence among farmers.

Beef cattle returns were excellent with competition for cattle throughout the year at saleyards.

With low profitability, mostly because of poor sheep returns, farmers had difficulty accessing credit facilities. Increases in interest rates and the high cost of managing an overdraft increased pressure on farmers to diversify or sell non-performing assets to reduce debt levels and/or meet interest expenses.

### *Land Use Change*

The ratio of sheep to cattle has changed, favouring cattle, over the past five years. Stocking policies that favour cattle over sheep support a move to less labour-intensive farm management – generally and for farmers at later stages in their farming career.

Dairy grazing on sheep and beef farms has increased slightly. With no capital outlay required and the advantage of monthly cash flow, increased numbers of dairy grazing cattle were recorded on hill country and finishing farms.

Whole farm sales for conversions into trees appeared to have slowed over the past 12 months. However smaller-scale plantings within farm boundaries have continued. *Pinus radiata* plantings were favoured by farmers.

## Marlborough-Canterbury

### Total sheep decrease 12.2%

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A large decrease in total sheep was driven by a prolonged drought through the northern and central South Island in 2024. Total sheep decreased by 12% to an estimated 4.91 million head at 30 June 2024. Significantly fewer trading hoggets were the main livestock class reduced to cope with low feed levels during drought. The number of breeding ewes was also down but by a lesser magnitude as farmers tried to protect their capital stock.

Lower total sheep numbers were a contrast to winter 2023 when an excess of feed allowed farmers to carry lambs into winter and to higher weights on finishing land.

Breeding ewe numbers declined 6.7% to an estimated 2.80 million head reflecting difficult farming conditions and reduced returns from crossbred wool and sheep meat. Drought forced ewes off-farm where grazing costs or purchased feed exceeded expected returns from retaining them. Flock reductions of 30-60% were common in the driest areas (such as Nelson and North Canterbury) and complete ewe flocks were sold in extreme cases.

Total hogget numbers decreased 21% to an estimated 1.83 million head at 30 June 2024. The number of trading hoggets was influenced by feed availability and expected returns. A lower proportion of ewe hoggets was mated due to lower weight gains prior to mating and a lack of suitable winter feed for pregnant hoggets.

Lambs that would typically be grown for processing over winter on hill country were sold store or processed earlier than usual at lighter weights.

Trading hogget numbers on finishing farms were markedly reduced as winter feed supplies were limited and market returns low. Farmers chose to feed capital stock rather than gamble on trading stock returns. Mixed cropping farms also wintered fewer hoggets, preferring regular, contracted payments for grazing hoggets or winter dairy cows (or a mix of both) to uncertain sheep margins.

Spring 2024 lamb crop numbers are expected to be much lower than last year with the impact of fewer breeding ewes, loss of body condition for ewes at mating and lower pregnancy scanning results. Fewer multiples may boost lamb survival.

### Beef Cattle down 10.7%

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A large decrease in beef cattle numbers is estimated, down 10.7%, to 626,000 head at 30 June 2024. The number of older trading cattle is down 23% because many were sent to the processors and not replaced in response to dwindling feed supplies. All categories of beef cattle decreased with immense pressure on feed levels due to drought.

Breeding cow and heifer numbers decreased 6.6% to an estimated 202,000 head. Breeding cow numbers decreased on all farm classes, partly attributable to a pre-winter sale of cull cows. The proportion of rising two-year-old heifers mated reduced slightly as cautious farmers responded to El Niño conditions.

Beef weaners cattle numbers were down 4.1% to an estimated 212,000 head. High country and hill country farms sold more weaners than usual and this young class of stock, which would ordinarily flow down to the finishing farms in the region, left the region due to a lack of



feed. Some finishers that would normally buy weaners bought fewer than usual or none at all due to lack of good quality winter feed.

Dairy grazer numbers increased across all farm types. Wintering cows were more popular on arable farms while young cattle were favoured on hill and finishing properties.

Changes in the balance of sheep, cattle and deer were apparent, with an increased cattle proportion across all farm types except the high country, partly due to the increased dairy grazing. Continued low lamb prices and poor crossbred wool returns encouraged some farmers to quit sheep and replace them with cattle, and others to reduce sheep and hold cattle on limited feed supplies.

Spring 2024 calving is expected to yield fewer calves than last spring due to the decrease in the breeding herd.

## Conditions and commentary

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### *Seasonal conditions*

Dry weather and low soil moisture plagued the region in 2023-24. The most severe and prolonged dry period occurred in the north, especially Hurunui, Tasman and Marlborough districts. But production-limiting effects were felt as far south as Mackenzie, Timaru and Waitaki districts. In March, Minister Todd McClay declared a medium-scale adverse event for Marlborough, Tasman and Nelson districts which was later extended<sup>3</sup>.

Supplementary feeding began in February for those badly affected and continued throughout autumn and into winter. Grazing was difficult to find or far afield and expensive.

Rain finally arrived in early winter – too late to boost pasture production or winter crops.

Widespread dry conditions limited outlets for store stock with abundant feed only in the deep south of the island. Store stock prices were restricted by limited purchaser competition.

### *Economic conditions*

Winter livestock decisions were driven by feed supply (quantity and quality), expected returns and certainty of returns.

Poor winter crops reduced feed supply leaving farms with limited volumes of good quality feed for weaner cattle, pregnant hoggets or in-calf heifers.

Farmers expected market returns, especially for winter trading lambs, to be low. Uncertainty around processor prices for winter lambs and the outlook for spring 2024 conditions reduced farmer interest in this line of animals.

High country farms bucked the trend of reducing sheep numbers, preferring to sell trading cattle to reduce feed demand over winter. These farms have higher value fine wool with good returns relative to those for crossbred wool.

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<sup>3</sup> Refer to Inland Revenue timeline <https://www.ird.govt.nz/updates/news-folder/2024/drought-declared-across-parts-of-nz>

Grazing stock, especially ewe hoggets or dairy cattle, offered regular cashflow at contracted prices. This was more favourable than borrowing money, or extending overdrafts, to purchase trading cattle and face high interest rates.

### *Land Use Change*

Although the drought drove large decreases in breeding ewe numbers, lower returns and land use change were other factors in the decline in numbers. Land use change to forestry or farm policy changes to beef cattle or dairy grazers displaced sheep flocks. Capital stock ewes comprised more than 50% of the Temuka in-lamb ewe fair in early July – sold due to farm sale or stock policy change.

Uncertainty around the ETS and the level of carbon credit profits appeared to slow the market for farm sales into forestry. In some cases, however, carbon forestry priced neighbouring farmers out of the market.

Cropping returns encouraged arable farmers to increase crop areas and reduce grazing. Areas of feed barley increased on hill country and finishing farms with suitable land, as a way to secure high quality supplement and possibly a further revenue stream.

## **Otago-Southland**

### **Sheep numbers down 3.0%**

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Total sheep numbers for Otago-Southland decreased by 3.0% to an estimated 6.57 million head at 30 June 2024. Dry conditions and increased areas planted in trees led to decreased numbers in all sheep categories in Otago. Breeding ewe numbers were steady in Southland, however, fewer hoggets contributed to the decrease in total sheep in that region. While Otago faced dry conditions, Southland received plenty of rain and store stock moved from Otago and further north into Southland to finish.

Breeding ewe numbers decreased 1.5% to an estimated 4.58 million head. The decline was most evident in Otago, with breeding ewe numbers down 3.4%. Two main factors drove the decline – dry conditions, which resulted in culling and sale of some capital stock, and increased pine tree plantings within farm boundaries. In contrast, Southland breeding ewe numbers increased slightly (+0.7%) as two-tooth ewes entered the breeding flock.

Total hogget numbers decreased 7.7% across the combined region driven by tight feed and cashflow decisions. In Otago, despite drier conditions than normal, a similar number of ewe hoggets were mated as last year. In Southland, more ewe hoggets were mated than in 2023 as farmers sought to extract more sheep revenue from their operation. Trade hogget numbers decreased in both regions. Finishing farms that had previously run winter trade lambs changed stock policies and sold prior to 30 June.

It is notable that fewer sheep were grazing off-farm at 30 June compared to 2023. It appears that capital stock was sold rather than grazed given financial constraints.

The outlook for spring 2024 lambing is mixed across the wider region. In Southland, an increase is likely because more ewe hoggets were mated and breeding ewes were in good condition during mating. Conversely, the lamb crop in Otago is likely to decline because fewer breeding ewes were mated and conditions over summer were harsher. Ultimately the lamb crop will be influenced by prevailing weather conditions at lambing.

## Beef Cattle decreased 1.4%

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Total beef cattle numbers decreased 1.4% to an estimated 446,000 head at 30 June 2024 with contrasting trends in each region. Beef cattle numbers decreased 6.6% in Otago and increased 5.1% in Southland. While the number of weaners increased for Otago-Southland, the number of heavier cattle declined. Older, heavier cattle can be held over winter and sold on the spring market. Fewer held at 30 June suggests more were sent to processors before winter and fewer will be available in spring.

Breeding cow numbers were down marginally (-0.2%) with fewer breeding cows in Otago (-6.0%) in contrast to an increase in Southland (+9.0%). Most of the breeding herd is in the high and hill country. However, the largest changes occurred on breeding-finishing farms (Farm Class 6) with regional differences – Otago down and Southland up.

Total weaners increased 9.9% with both Otago and Southland farmers increasing weaners on hand by 6.2% and 14.1% respectively. Weaners comprise the largest share of beef cattle in Southland. Typically, weaners are purchased in autumn with many finished before their second winter.

Fewer heavy cattle on farm made room for increased numbers of weaners. There was a shift in stock policies away from winter trade lambs towards trade cattle or dairy grazing.

The outlook for spring 2024 calving is split across regional lines: fewer calves in Otago but more in Southland due to an increase in the number of breeding cows.

## Conditions and commentary

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### *Seasonal conditions*

The season was a study in contrasts for Otago and Southland with the former affected by dry conditions and the latter having plenty of rain.

Spring pasture growth was near to above normal for most, setting farms up for good stock growth rates. Pasture growth continued above average rates for Southland through the remainder of the season. In Otago, pasture growth fell away in summer with less rainfall and drier-than-usual soil conditions and although rain arrived in autumn there was a sharp drop in temperatures.

Winter feed crops grew fairly well despite drier conditions for some. Some farms used winter feed crops early to manage low autumn pasture covers but risk a shortage of feed in late winter. Farmers sold stock early to protect capital stock condition.

### *Economic conditions*

Sheep and beef farmers faced multiple challenges including poor returns for lamb and mutton, which were lower than in 2022-23 and well below prices achieved two years ago. More lambs in spring 2023 did not offset the reduction in prices.

Beef cattle prices remained comparatively better but cattle are a smaller proportion of total stock units compared to other parts of the country. Better returns from beef cattle encouraged stock policy shifting towards cattle on several farms.

Interest in dairy support increased with greater numbers of dairy animals grazed-in to improve cashflow. In Southland, more dairy heifers were on hand at 30 June while in Otago heifer numbers declined but winter cow numbers increased.

Farm input prices continued to rise, following two seasons of very high on-farm inflation, and interest rates remain elevated. As more loans rolled over to new terms, interest expenditure increased affecting those farms with highest debt loadings the most. Non-tradable expenses such as rates and insurance continue to rise at an alarming pace, far out-stripping the weighted average on-farm inflation rate. These expenses were balanced somewhat by decreases in fertiliser prices.

Farmers continued to review expenditure carefully with drastic cuts in some cases. Fertiliser volumes decreased for many, and capital spending stopped on most farms. This has flowed into the regional economy with lower revenue for many rural-servicing businesses.

A small number of farms with high debt face difficult decisions around viability.

### Land Use Change

Land use change to forestry continued through 2023-24. A few farms, including some large enterprises, held clearing sales of livestock as trees were to be planted in winter 2024. A small number of farmers planted trees within their farm boundaries, which decreased land available for livestock.

Uncertainty around overseas investment in New Zealand farms and the carbon market slowed property sales.

## Regional Summary Tables

Table 4 Sheep Numbers at 30 June

	Actual 2022			Actual 2023			Estimate 2024			% changes 2024 on 2023		
	Ewes to Ram (m)	Total Hoggets (m)	Total Sheep (m)	Ewes to Ram (m)	Total Hoggets (m)	Total Sheep (m)	Ewes to Ram (m)	Total Hoggets (m)	Total Sheep (m)	Ewes to Ram (%)	Total Hoggets (%)	Total Sheep (%)
Northland-Waikato-BoP	1.861	0.927	2.866	1.855	1.023	2.957	1.805	1.068	2.952	-2.7	+4.4	-0.2
East Coast	3.645	2.622	6.421	3.421	2.525	6.073	3.294	2.517	5.924	-3.7	-0.3	-2.4
Taranaki-Manawatu	1.881	1.031	2.997	1.878	1.036	2.973	1.891	1.009	2.964	+0.7	-2.6	-0.3
<b>North Island</b>	<b>7.387</b>	<b>4.581</b>	<b>12.284</b>	<b>7.154</b>	<b>4.584</b>	<b>12.002</b>	<b>6.990</b>	<b>4.594</b>	<b>11.840</b>	<b>-2.3</b>	<b>+0.2</b>	<b>-1.3</b>
Marlborough-Canterbury	3.020	2.543	5.792	3.001	2.314	5.588	2.800	1.830	4.906	-6.7	-20.9	-12.2
Otago	2.747	1.055	3.964	2.524	1.031	3.722	2.438	0.952	3.558	-3.4	-7.7	-4.4
Southland	2.218	0.779	3.093	2.122	0.826	3.047	2.137	0.764	3.007	+0.7	-7.6	-1.3
<b>South Island</b>	<b>7.984</b>	<b>4.377</b>	<b>12.848</b>	<b>7.648</b>	<b>4.172</b>	<b>12.357</b>	<b>7.375</b>	<b>3.546</b>	<b>11.471</b>	<b>-3.6</b>	<b>-15.0</b>	<b>-7.2</b>
<b>NEW ZEALAND</b>	<b>15.371</b>	<b>8.958</b>	<b>25.133</b>	<b>14.802</b>	<b>8.756</b>	<b>24.359</b>	<b>14.365</b>	<b>8.140</b>	<b>23.311</b>	<b>-2.9</b>	<b>-7.0</b>	<b>-4.3</b>

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

Table 5 Beef Cattle Numbers at 30 June

	Actual 2022			Actual 2023			Estimate 2024			% changes 2024 on 2023		
	Breeding Cows/Heifers (m)	Total Weaners (m)	Total Beef (m)	Breeding Cows/Heifers (m)	Total Weaners (m)	Total Beef (m)	Breeding Cows/Heifers (m)	Total Weaners (m)	Total Beef (m)	Breeding Cows/Heifers (%)	Total Weaners (%)	Total Beef (%)
Northland-Waikato-BoP	0.254	0.371	1.250	0.249	0.359	1.189	0.242	0.393	1.194	-2.6	+9.5	+0.4
East Coast	0.269	0.246	0.937	0.259	0.220	0.865	0.251	0.212	0.845	-3.1	-3.6	-2.3
Taranaki-Manawatu	0.124	0.143	0.479	0.114	0.139	0.447	0.117	0.136	0.441	+2.6	-2.0	-1.3
<b>North Island</b>	<b>0.647</b>	<b>0.761</b>	<b>2.667</b>	<b>0.622</b>	<b>0.717</b>	<b>2.501</b>	<b>0.610</b>	<b>0.741</b>	<b>2.480</b>	<b>-1.9</b>	<b>+3.3</b>	<b>-0.8</b>
Marlborough-Canterbury	0.223	0.243	0.729	0.216	0.221	0.701	0.202	0.212	0.626	-6.6	-4.1	-10.7
Otago	0.094	0.076	0.255	0.093	0.079	0.253	0.088	0.084	0.236	-6.0	+6.2	-6.6
Southland	0.058	0.060	0.170	0.058	0.070	0.199	0.064	0.080	0.210	+9.0	+14.1	+5.1
<b>South Island</b>	<b>0.374</b>	<b>0.380</b>	<b>1.155</b>	<b>0.368</b>	<b>0.370</b>	<b>1.153</b>	<b>0.353</b>	<b>0.376</b>	<b>1.072</b>	<b>-4.0</b>	<b>+1.5</b>	<b>-7.1</b>
<b>NEW ZEALAND</b>	<b>1.021</b>	<b>1.140</b>	<b>3.821</b>	<b>0.989</b>	<b>1.087</b>	<b>3.654</b>	<b>0.963</b>	<b>1.116</b>	<b>3.552</b>	<b>-2.7</b>	<b>+2.7</b>	<b>-2.8</b>

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

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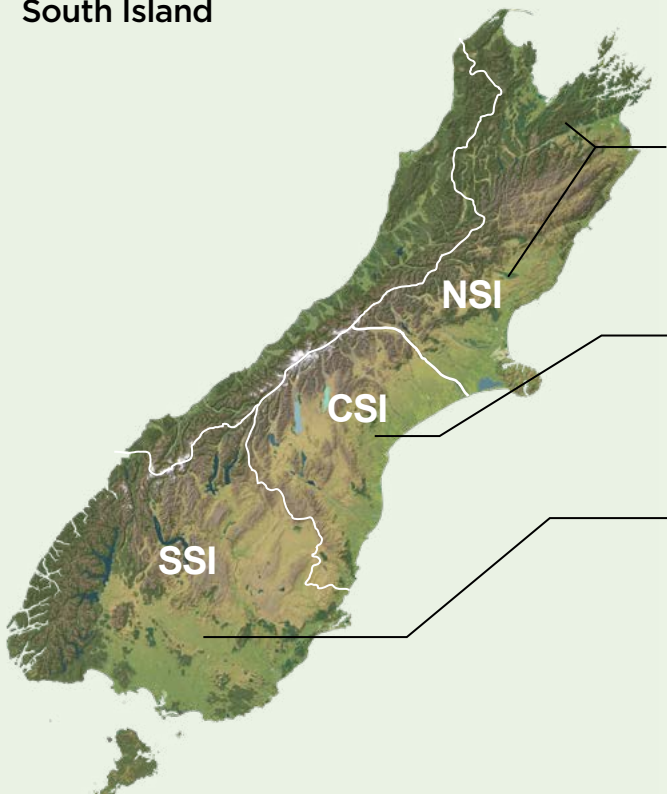
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# Methodology and sources

This paper summarises the results from a survey carried out to estimate the number of sheep and beef cattle on hand at 30 June 2024. The report gives an estimate of the change in livestock numbers six months before provisional figures are available from the Agricultural Production Survey conducted by Statistics New Zealand (SNZ). The report also discusses the outlook for lambing and calving for spring 2024 based on condition (and any changes in number) of breeding livestock and pregnancy scanning results.

This survey uses the Sheep and Beef Farm Survey framework, which is a statistically representative sample of over 500 commercial sheep and beef farms. Economic Service Managers based throughout New Zealand collect information from farms at various points during the year.

The livestock on hand at 30 June 2024 described in this report are the productive base for meat and wool production in the 2024-25 farming and meat export years.

In December 2023, SNZ revised down its estimates of the sheep flock as at 30 June 2022 following a review of the results of the Agricultural Production Census. Then in May 2024, SNZ released final Agricultural Production Survey figures for 30 June 2023, which showed a further decrease in the national flock. The estimates for current livestock numbers provided here use official SNZ figures as a base.

In addition to the survey results, other information was used to estimate how changes in the size of the dairy herd impact on sheep and beef cattle numbers. SNZ data for land use and livestock numbers for commercial sheep and beef farms is combined with results from B+LNZ's Stock Number Survey.

Based on independent work that B+LNZ commissioned, we have estimated how much land has been sold for conversion into forestry, how much land has been planted, and that livestock numbers will fall as a result, but there is uncertainty on the exact timing of the decline in stock numbers as animals do not go directly to processing.

The results of the survey are reported by region for sheep in Table 4 and for beef cattle in Table 5. Longer -term time-series of livestock numbers are shown at the national level in Table 2 for sheep and in Table 3 for beef cattle.

