



Land use fact sheet

Sheep and beef

Sheep and beef farming is an agricultural staple in New Zealand. There are approximately 23,400 sheep and beef farms throughout New Zealand, covering 45% of our total agriculture area. While there is variation in the type of livestock run on a sheep and beef farm, most farms are centred around sheep and cattle.

Beef + Lamb NZ reported that approximately 1.2 million tonnes of sheep and beef carcass were produced in 2018. 71% of that was exported overseas. These exports contributed \$10 billion to the economy in the 12 months to 30 June 2019.

Overview

Overview



Regions

Sheep and beef farming is a foundation industry throughout NZ on the rolling to steep hill country classes of land.



Growing conditions

Sheep and beef farms must have a Farm Environment Plan to demonstrate sustainable practice and protect the environment.



Climate

You'll need to understand your local climate, trends and have strategies to manage dry periods and drought.



Commercial scale

The average size of a sheep and beef farm in New Zealand is 650ha. Larger farms have greater economies of scale.



Getting started

There's no one set of rules for sheep and beef farming. You'll need to decide on a farming approach that suits your area.



Skills / employment

Farming is a highly skilled business. You'll need staff, animal and pasture management capabilities for example.

Getting started

Regions

Sheep and beef farming is a foundation industry throughout NZ on the rolling to steep hill country classes of land.



Commercial scale

The average size of a sheep and beef farm in New Zealand ranges from around 200 hectares for fertile, highly-productive farms to over 1,500 hectares in the hill country of the South Island.

Beef + Lamb NZ provide benchmarking information that you can use to see what is typical for your region.

[Beef+Lamb Benchmarking reports](https://beeflambnz.com/data-tools/benchmark-your-farm)

<https://beeflambnz.com/data-tools/benchmark-your-farm>

Getting into the industry

There's no one set of rules for running a sheep and beef farm. The livestock systems you choose will depend on the climate and topography of your farm, as well as the soil types. Pasture growth per ha also depends on these factors, and varies greatly throughout the year.

Your livestock policies (the percentage mix of sheep versus cattle on your farm) should match animal feed demand. Choosing the right livestock policies to fit your farm is complicated, and we recommend you get specialist advice.

There are often additional income streams available to sheep and beef farms, including:

- forestry
- high-value cash crops
- plantation manuka
- honey
- deer
- dairy support, and
- tourism.

Converting land to sheep and beef land is rare. In September 2019 The Government announced the Action for Healthy Waterways package, which stops forestry to sheep and beef land conversion. Conversion from dairy land is possible, but if you have all the infrastructure for dairying installed already, you'll find that returns from sheep and beef are not competitive.

The infrastructure you'll need for a sheep and beef farm includes:

- housing for staff
- a woolshed and sheep yards
- cattle yards
- implement sheds/hay barns
- fencing
- farm tracks, and
- a reticulated water system.

Leasing to an existing farmer in the area can be a good option for small blocks that are less than commercial scale, or where the trust is not able to run the property with confidence.

If the block is leased out, maintenance on permanent infrastructure is usually the leaseholder's responsibility. Replacing worn out infrastructure is the landowner's responsibility, so make sure the lessee meets their obligations and carries out any maintenance needed.

It's important to get advice from qualified, experienced advisors before you commit to leasing your whenua.

→ [Whenua Leases](#)

<https://www.tupu.nz/mri/kokiri/ko-nga-rihi-whenua/>



Skills and employment

Farming is a highly skilled, technical business. It requires a skilled workforce at all levels. The role of Farm Manager is critical. The Farm Manager makes weekly decisions on the farm, and is in charge of achieving physical performance. They're also responsible for:

- pasture management
- animal husbandry
- staff management
- financial discussions and budgeting
- feed and financial planning
- pest and disease management, and
- farm compliance requirements.

Typical remuneration for a farm manager is \$60-80k, and non-salaried items like homekill, internet/power, fuel, dog food, and vet expenses should also be included.

Depending on the size of the farm, additional staff may be needed.

- A General Hand is someone who will complete tasks under direct supervision.
- A Shepherd is capable of completing tasks without supervision, has dogs and is able to shift stock competently.
- The Head Shepherd will supervise other shepherd/s. They will have a competent team of dogs and contribute to stock decisions.
- The Stock Manager makes all stock decisions and has a role supervising multiple staff. They also contribute to farm policy discussions.

Federated Farmers provide information on staff remuneration, along with employment contracts. You can find details for Federated Farmers in the resource section.

The governance team will need to have access to farming expertise in order to hold farm management or the lessee to account. If your trustees don't have the relevant expertise, you'll need to get independent advice.

Compliance

Compliance on a sheep and beef farm can be categorised into five key areas:

1. Health and safety
2. Environment (Farm Environment Plans - FEPs)
3. Animal welfare
4. Biosecurity
5. Food safety

These regulations outline the responsibilities for all people associated with the business, from the Junior Shepherd right up to the trustees. It's important to take qualified third-party advice to make sure you're aware of all your compliance obligations, and that you're meeting them.

The Farm Manager must be properly qualified and capable of ensuring that the farm is operating appropriately. While they have day-to-day responsibility for the farm, it's the trust and trustees that will be held accountable for any failings.

Beef + Lamb New Zealand provide comprehensive information about each of the compliance areas on their website.

[🔗 **Beef +Lamb New Zealand compliance resources**](https://beeflambnz.com/compliance)

<https://beeflambnz.com/compliance>

National policy statement for freshwater management (NPSFM)

Sheep and beef farmers are affected by the NPSFM 2014, and its update in 2019. The NPSFM requires regional councils to set leaching limits and require Farm Environment Plans (FEPs) from growers and farmers in Canterbury, Manawatū and Waikato. In future it is likely that all regions will need to have FEPs for commercial farming and crop growing.

Check with your local council about requirements for your farm or planned development.

[🔗 **Local council contact details**](http://www.localcouncils.govt.nz/lqip.nsf/wpg_url/Profiles-Councils-by-Name-Council-Contact-List)

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Growing requirements

Growing conditions

In some regions, sheep and beef farms must have a Farm Environment Plan (FEP). The FEP shows how management practices are, or will be implemented to minimise contaminant loss from the farm gate, in order to protect the environment. Typical actions for sheep and beef farms include:

- stock exclusion from waterways
- installing reticulated water
- installing sediment traps, and
- retiring land.

Contact your Regional Council for more information about FEP requirements in your area. Beef + Lamb New Zealand also offer resources to support your FEP development in their knowledge hub.

[🔗 Beef + Lamb New Zealand knowledge hub](https://beeflambnz.com/knowledge-hub)

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Climate

Climate plays a major role on the performance of a sheep and beef farm. Farmers should understand their regional climate characteristics and trends and have strategies in place for managing dry periods and droughts.

Beef + Lamb New Zealand's knowledge hub also provides resources to help you understand and work with your local climate and weather events.

[🔗 Beef + Lamb New Zealand knowledge hub](https://beeflambnz.com/knowledge-hub)

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Water

Animals need access to drinking water supplied either from a reticulated water system, or natural water in the form of waterways and dams. It's important to note that the Government's Essential Freshwater Policy (as proposed) requires stock to be excluded from waterways.

Reticulated water systems are best practice. These source water from waterways, natural springs, dams or bores, and typically don't need consent if you're using them for stock water.

In certain dryland areas like Canterbury and Otago some farms use irrigation to enhance pasture production, and to grow specialist forage crops over summer.

Beef + Lamb New Zealand's knowledge hub provides guidelines for:

- fencing and other management techniques for keeping stock out of the water
- management of the riparian strip for better waterway health and better management of nutrients on your farm.

[🔗 Beef + Lamb New Zealand knowledge hub](https://beeflambnz.com/knowledge-hub)

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The industry



Market

Our major export regions for sheep and beef are the EU, North America and North Asia. For the year ending September 2018,

- 409,000 tonnes of lamb/mutton were exported (85% of total production), and
- 413,000 tonnes of beef were exported (60% of total production).

In 2017-18 New Zealand was the third largest producer of wool in the world, producing almost 9% of global production. The main export regions for wool are EU and North Asia. Fine wool has experienced a recent surge in price to \$20.90/kg, while strong wool has dropped to \$5.16/kg.



Future industry

Advances in animal genetics and fodder types will increase the efficiency of farming in Aotearoa, and lead to better environmental and health outcomes.

Integrated sensors are increasingly being used across farm systems to provide indicators and forecast requirements for the farm system. These range from monitoring water need to herd management. On-farm technology aims to reduce the complexity of farming, and help with decision making.

Water quality

The Government's Essential Freshwater Policy (as proposed) requires all regional councils to protect their freshwater resource through legislation by 2025. Farm Environment Plans (FEPs) are being widely accepted as a suitable method to develop targeted actions for each farm.

Alternative proteins

Media coverage of the growth in plant-based food products often implies that pressure is being placed on the red meat market. This is not supported by evidence, with the OECD-FAO Agricultural Outlook instead predicting a 15% growth in global demand over the next ten years. This is expected to be matched by a similar increase in production, so prices are predicted to remain steady.

Climate Change

New Zealand has made a commitment to reduce our greenhouse gas emissions to 5% below 1990 levels by 2050. The Zero Carbon bill (passed November 19) provides a framework with more detailed requirements. This includes a commitment with industry to implement a method to measure and price emissions at the farm level by 2025. Emissions above the agreed limit will be taxed.

Financial information



Operational costs

Benchmarking is an important way to understand whether your cost structures are robust. The Beef + Lamb New Zealand website has a comprehensive set of regional and land class benchmarks you can use as a comparison.

[Beef + Lamb New Zealand - benchmark your farm](#)



Grower returns

Financial returns vary widely between farms. According to Beef + Lamb New Zealand benchmark data, profitability doubles from the bottom 20% of farms to the top 20%. Focused and informed management practices and livestock policies, as well as exceptional cost control, drives the difference in performance between poor and successful farm businesses. A passionate and experienced team both in governance and management is also an important factor.

Returns will vary depending on the type of farm. Land with a flatter contour and a more desirable climate will provide a greater financial return. Beef + Lamb New Zealand use Farm Classes to group similar farms together so they can produce meaningful benchmark data.

[🔗 **Beef + Lamb New Zealand - farm classes**](https://beeflambnz.com/data-tools/farm-classes)

<https://beeflambnz.com/data-tools/farm-classes>

[🔗 **Beef + Lamb New Zealand - benchmarking tool**](https://beeflambnz.com/data-tools/benchmarking-tool)

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Next steps



Seek advice

Seek advice early

Seek advice early, before you invest in any design or development.

Talk to your local Te Puni Kōkiri office to see how they can support you through your decision-making process. They will be able to provide advice and find out whether your project qualifies for funding.

[🔗 **Find your local Te Puni Kōkiri office**](https://www.tpk.govt.nz/en/whakapa-mai)

<https://www.tpk.govt.nz/en/whakapa-mai>

Talk to the industry organisation to see what support and resources they can offer to people thinking about sheep and beef farming.

[🔗 **Visit Beef + Lamb New Zealand**](https://beeflambnz.com/)

<https://beeflambnz.com/>

If possible, seek out advice from sheep and beef farmers in your area as well as knowledgeable suppliers.

Talk to qualified consultants who are experienced in sheep and beef farming and other land developments in your area. They will be able to provide detailed, impartial advice on what will (and won't) work on your whenua.



About this fact sheet

This fact sheet provides general information to help start and inform conversations. It is not comprehensive enough to support detailed decision-making.

The information in this fact sheet has been contributed by AgFirst, Beef + Lamb New Zealand and Te Puni Kōkiri kaimahi. Data that has not been credited in the body of the fact sheet has been sourced from Statistics New Zealand or provided by the contributors.

You can provide feedback on the content on this or any fact sheet by emailing the Whenua Māori programme: whenuainfo@tpk.govt.nz
mailto:whenuainfo@tpk.govt.nz