

Produced for over 40 years

Providing insights into sheep, beef and deer farming across Central Otago, South Canterbury, West Otago and Southland

FARM SURVEY 2026



Insights on performance
against the top 20%

Focus on your future



ICL
CHARTERED ACCOUNTANTS



MAGIC INDEX

Combination of Farm Working Expenses & Debt Servicing

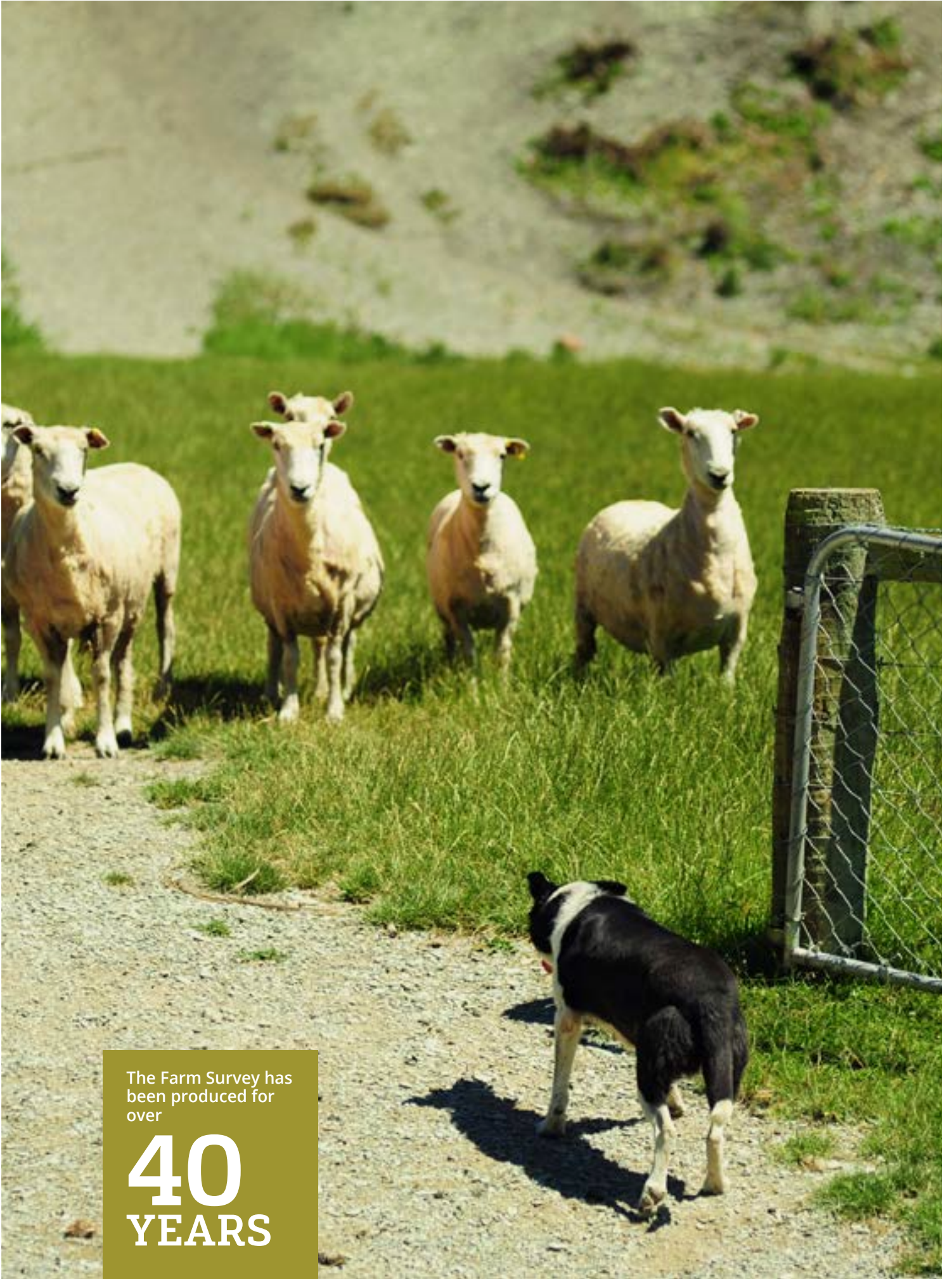
A ratio below 75% allows financial progress to be made

TABLE OF CONTENTS

INTRODUCTION	3
OVERALL SUMMARY	4
OTAGO FLAT	8
SOUTHLAND / WEST OTAGO	14
HILL COUNTRY	20
HIGH COUNTRY MERINO	26
KEY FINANCIAL RATIOS	32
TAX FACTS	34
ACC FACTS	37
2026 NATIONAL AVERAGE MARKET VALUES FOR LIVESTOCK (HERD SCHEME)	38
2026 NATIONAL STANDARD COSTS FOR SPECIFIED LIVESTOCK	39
FARM TRENDS 2025	40

Focus on your future





The Farm Survey has
been produced for
over

40
YEARS

INTRODUCTION

FARM SURVEY 2026

We are pleased to share our Farm Survey results with you again this year and trust you will continue to find value in the comparative insights provided. For the last 3 years we have been presenting the data using medians rather than averages and continued to include five years of historical results, along with benchmarking for the top 20% of farms within each farm class.

As farm accounting and business specialists, we are proud to provide high-quality data and practical insights drawn from our farming clients. The purpose of this survey is to highlight the financial and on-farm performance levels being achieved by comparable farms within your farm class, and to support your informed decision-making.

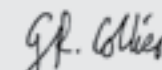
For each farm class, the top 20% of farms have been identified and the mid-point of this group has been calculated based on farm surplus per stock unit (farm income less farm working expenses). This approach ensures that results are not influenced by debt servicing, leasing costs, drawings, or plant replacement decisions.

Unless otherwise stated, all figures are based on total opening stock units (TSU) and total hectares and are reported on a GST-exclusive basis. Return on assets has been calculated using a land and buildings value of \$1,200 per opening stock unit and includes all assets managed, including leased farms.

If you would like to discuss ways to improve your farm performance, or have ideas you would like to work through, please don't hesitate to give us a call. We would also like to thank all our farming clients who participate in the survey. If you have any questions or would like further advice based on these results, we welcome the opportunity to talk with you.



Cam Dykes
Consultant




George Collier
Director




Janette Matheson
Consultant



Simon Wearing
Director



Glen Chisholm
Director



Georgie McLean
Director



Cameron Rutherford
Director

OVERALL SUMMARY

FARM SURVEY 2026

The median farm is 6,700 stock units and is 1,530 hectares.

Income has increased by \$13 per SU from the previous year's \$112 to \$125 SU (+10%).
Income = \$514/Ha.

Farm working expenses increased by \$3 to \$85 per SU. Farm working expenses = \$419/Ha.

Income increased more than the expenses, so the farm surplus before debt servicing went up by \$21 to \$52 per SU (+68%). Farm surplus = \$215/Ha.

The median debt loading per stock unit for those properties with debt increased to \$309 per SU. For the median property of 6,700 stock units debt loading is \$2,070,000.

The magic index (Farm Working Expenses plus Interest and Rent compared to gross farm income) for the top 20% of farmers was 67% and the median farm was 83%. A ratio below 75% really allows financial progress to be made because there is sufficient surplus in the business to reinvest and have the ability to repay debt.

The 2025 year was a big improvement compared to the 2024 year but only resulted in a breakeven outcome. The 2026 year is shaping up to be one of the best ever for most farmers, with some of the highest returns achieved for most livestock classes combined with a much better season. The majority of farmers will make a solid cash surplus in the 2026 year.

Characteristics of Top 20% of Farmers:

- Earn more per stock unit from higher production levels and achieve higher value for most classes of livestock. Lambing %, +30% (148% compared to 115%), lamb price +\$12 (\$150 compared to \$138).
- Double the stocking rate/hectare
- Smaller scale
- Spends more per stock unit (\$16)
- Spends almost double on fertilizer (\$10 to \$19/SU)
- Higher debt servicing and lease costs per stock unit (\$32/SU) compared to \$26/SU but a lower debt servicing % at 15% of income because of higher income.
- Top performing farmers achieve a farm surplus of 86% higher than the median farm (before debt servicing) (+\$45/SU).
- The final result after all the income and expenses, including personal drawings, capital expenditure and tax is \$204,000 higher (+\$31/SU) for the same scale of property.
- They have a similar debt per stock unit (\$310/SU).
- Taxable income for the top 20% is \$395,000 compared to the median, being \$81,000 for the same sized property.



+30% Lambing % for top 20%
+\$12 Lamb prices per head for top 20%

	Top 20%	Median	Difference
Hectares	435	1528	-1,093
Stock Units	4,200	6,700	-2,500
Stock Units/Ha	8.5	4.8	+3.7
Gross Farm Income/SU	\$210	\$137	+\$73
Gross Farm Income/Ha	\$1,742	\$620	+\$1,122
Farm Working Expenses/SU	\$101	\$85	+\$16
Farm Working Expenses/Ha	\$906	\$419	+\$487
Farm Surplus (EBITDAR)/SU	\$97	\$52	+\$45
Farm Surplus (EBITDAR)/Ha	\$953	\$215	+\$738
Farm Surplus For Median 6,700 SU property	\$650,000	\$348,000	+302,000
Debt Servicing & Lease/SU	\$32	\$26	+\$6
Operating Surplus After Debt Servicing (6,700 SU)	\$470,000	\$153,000	+\$317,000
Operating surplus After Debt Servicing/SU	\$70	\$23	+\$47
Operating surplus After Debt Servicing/Ha	\$671	\$100	+\$571
Final Result After All Expenditure (6,700 SU)	\$205,000	\$1,200	+\$204,000
Final Result /SU	\$31	\$0	+\$31
Final Result /Ha	\$134	\$0	+\$134
Financial Ratios			
Return on Total Assets	5.7%	2.2%	+3.5%
Closing Debt Loading per SU	\$311	\$309	+\$2
Debt & Lease Servicing to GFI%	15%	18%	-3%
Farm Working Expenses to GFI%	51%	63%	-12%
Magic Index			
(Debt Servicing & FWE/GFI)	67%	83%	-16%
Taxable Income (6,700 SU Property)	\$395,000	\$81,000	+\$314,000

Focus on your future



A landscape photograph of a rural area. In the foreground, there is a field of tall, dry, golden-brown grass. A flock of sheep is grazing in the field. In the middle ground, there is a fence line. In the background, there are rolling hills and mountains under a hazy, overcast sky. The text is overlaid on the image in white, bold, sans-serif font, with each word on a separate dark brown rectangular background.

OTAGO FLAT

SOUTHLAND

WEST OTAGO

HILL COUNTRY

HIGH COUNTRY

MERINO



OTAGO FLAT

Farms classified in this sector are typically on the valley floor areas of Central Otago. They have a mix of irrigated and dryland. They are diverse livestock systems and can often include some dairy grazing and cropping. The median stock units is 4,072 with a median land area of 534 hectares and a stocking rate of 6.9 stock units per hectare.

Lambing % for top 20%

142%

Magic Index for top 20%

69%

4,070

The median stock units including grazing stock units

535 Ha

Median land area

6.9

Stock units per hectare





Production Figures

	2025		2024
	Top 20%	Median	Median
Wool			
Price Per Kilo	\$5.61	\$2.61	\$2.29
Weight (Kg/SSU)	9.7	4.2	4.5
Sheep (Prices & production)			
Lamb	\$160	\$146	\$100
Hogget	\$136	\$127	\$135
Ewe	\$105	\$107	\$73
Deaths or Missing	7%	7%	8%
Lambing %	142%	126%	130%
Cattle (Prices & production)			
Calf	\$893	\$1,008	\$801
Steer	\$1,674	\$1,674	\$1,491
Cow	\$1,445	\$1,310	\$1,020
Calving %	67%	77%	79%
Deer (Prices & production)			
Hind	—	\$520	\$520
Fawn	—	—	—
Stag	—	\$600	\$545
Deaths or Missing	—	—	—
Fawning %	—	61%	84%

OTAGO FLAT

	2025		2024
	Top 20%	Median	Median
Physical			
Area: (Hectares)	294	534	647
Opening Sheep Stock Units (SSU)	1,211	2,288	2,459
Opening Cattle Stock Units (CSU)	628	644	489
Opening Grazing/Cropping SU	2,098	242	425
Total Opening Stock Units (TSU)	3,518	4,072	4,386
Stocking Rate Per Ha	12.0	6.9	7.0
Income & Expenses			
Sheep Gross Profit/SSU	144.66	122.43	103.79
Wool Sales/SSU	54.20	11.15	11.60
Cattle Gross Profit/CSU	157.56	145.50	125.10
Deer Gross Profit/DSU	—	100.11	124.58
Crop/Grazing Profit/CGSU	219.97	219.61	199.75
Sundry Farm Income/SU	2.68	3.54	3.54
Total Gross Income/SU	280.40	163.66	135.78
Total Gross Income/Ha	3,535	1,239	880
Less Farm Expenses			
Wages/SU	8.78	—	—
Shearing Cost/SSU	17.00	11.36	12.04
Feed, Haymaking & Grazing/SU	13.07	9.27	3.80
Animal Health & Breeding/SU	2.82	5.92	5.46
Fertiliser/SU	9.86	9.60	7.14
Repairs and Maintenance/ SU	15.59	7.24	6.60
Vehicle/SU	11.67	9.89	10.20
Seeds/SU	6.66	3.32	2.90
Fencing/SU	0.64	1.57	1.27
Freight/SU	2.59	2.10	1.95
Weed & Pest/SU	3.25	2.38	2.42
Insurance & Rates/SU	8.01	7.14	7.22
Administration & Phone/SU	5.03	4.78	4.28
Other FWE/SU	30.59	15.57	14.54
Total Farm Working Expenses/SU	157.33	106.80	96.07
Total Farm Working Expenses/Ha	1,870	788	606
Farm Surplus/SU	119.92	62.21	33.00
Farm Surplus/Ha	1,497	419	239





	2025		2024
	Top 20%	Median	Median
Debt Servicing / SU			
Rent	3.57	0.00	0.00
Interest	38.50	24.32	19.79
Interest & Rent / SU	46.24	30.15	29.04
Surplus After Debt Servicing / SU	73.68	32.06	5.22
Personal Expenses			
Drawings	9.49	14.96	20.19
Personal Allowance	0.81	1.75	1.58
Life insurance	0.00	1.53	1.14
Taxation	1.15	0.49	1.02
Funds Introduced	(0.16)	(0.03)	(2.29)
Total Personal Expenses	10.91	15.93	20.19
Capital Expenditure	31.53	7.93	7.59
Final Result	33.42	1.49	(18.95)

Other Useful Indicators

Return on Total Farm Assets	5.6%	1.9%	0.8%
% of Gross Farm Income			
- Total Farm Working Expenses	56%	61%	66%
- Debt Servicing (Interest & lease costs)	16%	17%	24%
Magic Index	69%	81%	94%
Closing Debt per Stock Unit	\$338	\$307	\$295
Total Closing Equity	\$4,587,735	\$5,379,611	\$4,402,000
Closing Equity as a % of Assets	76%	78%	80%
Taxable Income Pre Family Distributions	\$147,416	\$59,805	(\$30,947)
Personal Drawings as % of Taxable Income	25%	100%	100%
Taxable Income as % of Gross Farm Income	16%	6%	-8%
Plant Efficiency Ratio (GFI / BV of plant)	5.6	2.8	2.7
Interest Cover Ratio (EBITDAR / interest & rent)	2.4	1.7	1.0
Debt Coverage Ratio (Closing debt / (EBITDAR)	3.1	3.6	6.1

OTAGO FLAT KEY STATISTICS

	2025		2024	2023	2022	2021
	Top 20%	Median	Median	Median	Median	Median
Total Opening Stock Units (TSU)	3,518	4,072	4,386	4,172	4,594	4,565
Total Gross Income/SU	\$280.40	\$163.66	\$135.78	\$148.88	\$163.26	\$130.30
Total Gross Income/Ha	\$3,535	\$1,239	\$880	\$867	\$941	\$825
Total Farm Working Expenses/SU	\$157.33	\$106.80	\$96.07	\$95.72	\$88.15	\$77.06
Total Farm Working Expenses/Ha	\$1,870	\$788	\$606	\$650	\$545	\$454
Farm Surplus (EBITDAR)/SU	\$119.92	\$62.21	\$33.00	\$46.60	\$68.03	\$54.29
Farm Surplus (EBITDAR)/Ha	\$1,497	\$419	\$239	\$286	\$405	\$344
Interest & Rent/SU	\$46.24	\$30.06	\$27.78	\$22.79	\$18.51	\$13.30
Operating Surplus After Debt Servicing & Rent/SU	\$73.68	\$32.15	\$5.22	\$23.81	\$46.14	\$42.10
Final Result/SU	\$33.42	\$1.49	(\$18.95)	(\$19.36)	\$8.66	\$4.69
Other Useful Indicators						
Return on Total Farm Assets	5.6%	1.9%	0.8%	1.8%	3.2%	2.2%
FWE as a % of Gross Farm Income	56%	61%	66%	66%	56%	56%
Debt Servicing as a % of Gross Income	16%	17%	24%	15%	12%	12%
Magic Index	69%	81%	94%	82%	68%	68%
Closing Debt per SU	\$338	\$307	\$295	\$247	\$235	\$225
Total Closing Equity	\$4,587,700	\$5,379,611	\$4,402,000	\$4,636,000	\$5,387,000	\$4,951,000
Closing Equity as a % of Assets	76%	78%	83%	83%	84%	85%
Taxable Income Pre Family Distributions	\$147,416	\$59,805	(\$30,947)	\$46,000	\$144,000	\$109,000
Wool Price Per Kilo	\$5.61	\$2.61	\$2.29	\$1.98	\$2.06	\$2.66
Wool Weight (Kg/SU)	9.7	4.2	4.5	4.5	5.0	4.4
Price per Lamb	\$160	\$146	\$100	\$121	\$146	\$116
Lambing %	142%	126%	130%	132%	135%	133%
Price per Calf	\$893	\$1,008	\$801	\$803	\$711	\$690
Price per Steer	\$1,674	\$1,674	\$1,491	\$1,625	\$1,625	\$1,429



2025
Top 20%

3,518

Total Opening
Stock Units

\$3,535/Ha

Gross Income

\$1,870/Ha

Farm Working Expenses
56% of GFI

69%

Magic Index

76%

Closing Equity as
a % of Assets

SOUTHLAND WEST OTAGO

Lambing % for top 20%
153%

These farms have a reliable rainfall as they are on the flats and lower hill country of Southland and West Otago, generally providing reliable pasture production. Properties in this region tend to be smaller in size and have a more intensive farming system, which includes a higher lambing % and higher lamb weights for sale. The median farm size is 415 hectares and the median stock units is 4,280

Magic Index for top 20%
60%

415 Ha
The median farm size

4,280
Median stock units

9.7
Stock units
per hectare



Production Figures

	2025		2024
	Top 20%	Median	Median
Wool			
Price Per Kilo	\$2.21	\$2.34	\$1.91
Weight (Kg/SSU)	4.2	4.4	5.0
Sheep (Prices & production)			
Lamb	\$148	\$148	\$113
Hogget	\$136	\$138	\$147
Ewe	\$129	\$107	\$78
Deaths or Missing	3%	6%	7%
Lambing %	153%	142%	125%
Cattle (Prices & production)			
Calf	\$865	\$1,144	\$800
Steer	\$1,568	\$1,935	\$1,550
Cow	\$728	\$1,170	\$1,067
Calving %	—	88%	77%
Deer (Prices & production)			
Hind	\$652	\$607	\$685
Fawn	—	—	—
Stag	\$664	\$638	\$1,453
Deaths or Missing	—	—	—
Fawning %	79%	83%	84%

SOUTHLAND

WEST OTAGO

	2025		2024
	Top 20%	Median	Median
Physical			
Area: (Hectares)	340	415	425
Opening Sheep Stock Units (SSU)	1,826	2,670	3,113
Opening Cattle Stock Units (CSU)	572	488	543
Total Opening Stock Units (TSU)	2,983	4,283	4,512
Stocking Rate Per Ha	9.7	9.7	9.7
Income & Expenses			
Sheep Gross Profit/SSU	154.06	171.97	115.41
Wool Sales /SSU	9.75	10.31	9.22
Cattle Gross Profit/CSU	289.06	162.04	127.60
Deer Gross Profit/DSU	276.01	203.44	213.46
Crop/Grazing Profit/CGSU	160.12	178.77	200.08
Sundry Farm Income/ SU	4.16	1.77	1.45
Total Gross Income/ SU	225.23	198.82	125.39
Total Gross Income/ Ha	2,318	1,742	1,248
Less Farm Expenses			
Wages/SU	2.82	3.08	5.19
Shearing Cost/SSU	10.50	13.89	11.26
Feed, Haymaking & Grazing/SU	4.11	4.52	2.80
Animal Health & Breeding/SU	7.34	8.02	7.48
Fertiliser/SU	16.46	19.04	12.59
Repairs and Maintenance/SU	10.13	6.00	5.56
Vehicle/SU	8.83	8.47	9.08
Seeds/SU	2.45	3.22	3.65
Fencing/SU	3.98	2.06	1.10
Freight/SU	1.62	1.18	1.53
Weed & Pest/SU	2.03	3.17	4.73
Insurance & Rates/SU	10.34	9.01	8.68
Administration & Phone/SU	5.92	4.27	4.91
Other FWE/SU	13.49	7.70	9.10
Total Farm Working Expenses/SU	100.97	94.00	92.09
Total Farm Working Expenses/Ha	960	906	828
Farm Surplus (EBITDAR)/SU	133.85	89.94	40.67
Farm Surplus (EBITDAR)/Ha	1,310	964	387





	2025		2024
	Top 20%	Median	Median
Debt Servicing / SU			
Rent	7.63	0.00	0.00
Interest	16.46	22.88	9.70
Interest & Rent / SU	39.53	25.94	32.23
Surplus After Debt Servicing / SU	94.16	64.00	8.44
Personal Expenses			
Drawings	33.40	16.43	13.07
Personal Allowance	4.98	2.16	1.53
Life insurance	1.68	1.99	2.12
Taxation	1.54	1.18	1.57
Funds Introduced	(6.81)	0.00	(0.02)
Total Personal Expenses	38.90	18.56	17.31
Capital Expenditure	13.37	13.54	1.28
Final Result	57.18	37.43	(18.06)

Other Useful Indicators

Return on Total Farm Assets	8.3%	4.9%	1.3%
% of Gross Farm Income			
- Farm Working Expenses	45%	52%	70%
- Debt Servicing (Interest & lease costs)	18%	15%	26%
Magic Index	60%	68%	91%
Closing Debt per Stock Unit	\$199	\$311	\$305
Total Closing Equity	\$3,800,617	\$4,719,867	\$5,166,240
Closing Equity as a % of Assets	86%	79%	78%
Taxable Income Pre Family Distributions	\$280,079	\$247,265	(\$4,321)
Personal Drawings as % of Taxable Income	44%	42%	100%
Taxable Income as % of Gross Farm Income	37%	29%	-1%
Plant Efficiency Ratio (GFI / BV of plant)	5.2	3.2	3.2
Interest Cover Ratio (EBITDAR / interest & rent)	3.3	3.3	1.4
Debt Coverage Ratio (Closing debt / (EBITDAR)	1.3	3.9	8.0

SOUTHLAND WEST OTAGO

KEY STATISTICS

	2025		2024	2023	2022	2021
	Top 20%	Median	Median	Median	Median	Average
Total Opening Stock Units (TSU)	2,983	4,283	4,512	4,182	4,136	3,484
Total Gross Income/SU	\$225.23	\$198.82	\$125.39	\$142.64	\$174.45	\$138.05
Total Gross Income/Ha	\$2318	\$1,742	\$1,248	\$1,409	\$1,922	\$1,585
Total Farm Working Expenses/SU	\$100.97	\$94.00	\$92.09	\$86.92	\$89.44	\$76.75
Total Farm Working Expenses/Ha	\$960	\$906	\$828	\$926	\$956	\$760
Farm Surplus (EBITDAR)/SU	\$133.85	\$89.94	\$40.67	\$48.54	\$79.94	\$63.03
Farm Surplus (EBITDAR)/Ha	\$1,310	\$964	\$387	\$525	\$897	\$662
Interest & Rent/SU	\$39.69	\$25.94	\$32.23	\$23.82	\$15.39	\$15.46
Operating Surplus After Debt Servicing & Rent/SU	\$94.16	\$64.00	\$8.44	\$19.41	\$65.00	\$46.90
Final Result/SU	\$57.18	\$37.43	(\$18.06)	(\$17.58)	\$35.64	\$0.88
Other Useful Indicators						
Return on Total Farm Assets	8.3%	4.9%	1.3%	1.9%	6.3%	2.4%
FWE as a % of Gross Farm Income	45%	52%	70%	64%	52%	60%
Debt Servicing as a % of Gross Income	18%	15%	26%	17%	11%	12%
Magic Index	60%	68%	91%	81%	65%	70%
Closing Debt per SU	\$199	\$311	\$305	\$296	\$322	\$356
Total Closing Equity	\$3,800,617	\$4,719,867	\$3,838,194	\$4,784,00	\$4,429,00	\$4,615,00
Closing Equity as a % of Assets	86%	79%	78%	79%	78%	71%
Taxable Income Pre Family Distributions	\$280,079	\$247,265	(\$4,321)	\$102,000	\$208,000	\$186,000
Wool Price Per Kilo	\$2.21	\$2.34	\$1.91	\$1.51	\$1.70	\$1.25
Wool Weight (Kg/SU)	4.2	4.4	5.0	4.3	4.4	5.0
Price per Lamb	\$148.01	\$147.80	\$113	\$121	\$142	\$114
Lambing %	153%	142%	125%	137%	153%	148%
Price per Calf	\$865	\$1,144	\$800	\$849	\$849	\$635
Price per Steer	\$1,568	\$1,935	\$1,550	\$1,559	\$1,651	\$1,305



2025 Top 20%

2,983
Total Opening
Stock Units

\$3,318/Ha
Farm Income

\$1,310/Ha
Farm Surplus

60%
Magic Index

86%
Closing Equity as
a % of Assets

HILL COUNTRY

These properties are predominantly in Central Otago, North Otago, South Canterbury and Northern Southland and include some hill and high country. They run half-bred and cross-bred sheep, breeding cattle, and deer and many have some form of irrigation.

The median farm size is 7,940 stock units spread over 2,000 hectares and have a median stocking rate of 3.6 stock units per hectare. They are typically summer dry.

66% | Magic Index for top 20% | 133% | Lambing % for top 20%

7,940

Median stock units

2,000 Ha

Median farm size

3.6

Stock units
per hectare



Production Figures

	2025		2024
	Top 20%	Median	Median
Wool			
Price Per Kilo	\$2.34	\$2.86	\$2.80
Weight (Kg/SSU)	4.5	4.4	4.6
Sheep (Prices & production)			
Lamb	\$147	\$138	\$96
Hogget	\$143	\$139	\$128
Ewe	\$114	\$100	\$70
Deaths or Missing	5%	5%	6%
Lambing %	133%	120%	126%
Cattle (Prices & production)			
Calf	\$960	\$1,031	\$714
Steer	\$1,898	\$1,761	\$1,567
Cow	\$1,475	\$1,496	\$1,104
Calving %	75%	75%	75%
Deer (Prices & production)			
Hind	\$569	\$446	\$437
Fawn	\$310	\$310	\$247
Stag	\$652	\$552	\$466
Deaths or Missing	—	—	—
Fawning %	83%	83%	78%

HILL COUNTRY

	2025		2024
	Top 20%	Median	Median
Physical			
Area: (Hectares)	1,487	2,008	2,146
Opening Sheep Stock Units (SSU)	4,441	5,260	5,792
Opening Cattle Stock Units (CSU)	2,485	2,052	2,144
Total Opening Stock Units (TSU)	10,120	7,936	8,456
Stocking Rate Per Ha	5.2	3.6	3.8
Income & Expenses			
Sheep Gross Profit/SSU	161.09	117.59	89.38
Wool Sales /SSU	10.79	12.68	14.40
Cattle Gross Profit/CSU	153.22	118.24	86.17
Deer Gross Profit/DSU	152.96	140.88	108.02
Crop/Grazing Profit/CGSU	160.69	217.64	199.91
Sundry Farm Income/ SU	4.26	3.82	1.62
Total Gross Income/ SU	161.87	131.79	104.34
Total Gross Income/ Ha	765	495	389
Less Farm Expenses			
Wages/SU	4.88	6.70	8.89
Shearing Cost/SSU	12.86	13.61	12.56
Feed, Haymaking & Grazing/SU	5.74	5.64	4.97
Animal Health & Breeding/SU	7.24	6.84	7.28
Fertiliser/SU	16.27	9.95	8.93
Repairs and Maintenance/SU	5.64	4.68	4.72
Vehicle/SU	5.94	6.43	6.80
Seeds/SU	3.83	3.23	2.86
Fencing/SU	0.99	0.75	0.83
Freight/SU	0.63	1.04	1.27
Weed & Pest/SU	4.03	3.12	3.11
Insurance & Rates/SU	4.73	5.24	4.77
Administration & Phone/SU	3.15	3.31	3.04
Other FWE/SU	6.16	8.84	7.53
Total Farm Working Expenses/SU	77.70	76.65	76.50
Total Farm Working Expenses/Ha	357	304	305
Farm Surplus /SU	85.76	53.63	27.24
Farm Surplus /Ha	408	187	86





	2025		2024
	Top 20%	Median	Median
Debt Servicing / SU			
Pastoral Lease	0.00	0.00	0.00
Rent	0.00	0.00	0.00
Interest / SU	31.85	24.55	12.14
Interest & Rent / SU	32.37	27.78	28.08
Surplus After Debt Servicing / SU	53.39	25.85	(1.53)
Personal Expenses			
Drawings	17.18	14.54	10.92
Personal Allowance	1.31	1.31	1.00
Life insurance	0.82	1.47	1.20
Taxation	2.81	0.20	0.89
Funds Introduced	0.00	0.00	0.00
Total Personal Expenses	18.15	15.82	11.64
Total Net Capital Expenditure	4.28	4.77	3.95
Final Result	23.11	(0.29)	(27.26)

Other Useful Indicators

Return on Total Farm Assets	4.9%	2.6%	0.8%
% of Gross Farm Income			
- Farm Working Expenses	48%	60%	75%
- Debt Servicing (Interest & lease costs)	17%	22%	28%
Magic Index	66%	84%	103%
Closing Debt per Stock Unit	\$386	\$348	\$305
Total Closing Equity	\$6,884,590	\$8,844,970	\$8,910,677
Closing Equity as a % of Assets	73%	76%	79%
Taxable Income Pre Family Distributions	\$318,525	\$87,476	(\$55,415)
Personal Drawings as % of Taxable Income	47%	95%	100%
Taxable Income as % of Gross Farm Income	30%	11%	-11%
Plant Efficiency Ratio (GFI / BV of plant)	5.3	3.9	3.3
Interest Cover Ratio (EBITDAR / interest & rent)	2.5	1.7	0.7
Debt Coverage Ratio (Closing debt / (EBITDAR))	4.2	6.2	9.8

HILL COUNTRY

KEY STATISTICS

	2025		2024	2023	2022	2021
	Top 20%	Median	Median	Median	Median	Median
Total Opening Stock Units (TSU)	10,120	7,936	8,456	8,683	7,891	8,867
Total Gross Income/SU	\$161.87	\$131.79	\$104.34	\$120.07	\$136.50	\$114.22
Total Gross Income/Ha	\$765	\$495	\$389	\$455	\$521	\$413
Total Farm Working Expenses/SU	\$77.70	\$76.65	\$76.30	\$83.01	\$77.76	\$70.24
Total Farm Working Expenses/Ha	\$357	\$304	\$305	\$323	\$285	\$253
Farm Surplus (EBITDAR)/SU	\$85.76	\$53.63	\$27.24	\$35.26	\$55.18	\$41.67
Farm Surplus (EBITDAR)/Ha	\$408	\$187	\$86	\$112	\$199	\$151
Interest & Rent/SU	\$32.37	\$27.78	\$28.77	\$18.29	\$13.11	\$12.13
Operating Surplus After Debt Servicing & Rent/SU	\$53.39	\$25.85	(\$1.53)	\$15.06	\$43.12	\$26.99
Final Result/SU	\$23.11	(\$0.29)	(\$27.26)	(\$27.50)	\$12.87	\$2.44
Other Useful Indicators						
Return on Total Farm Assets	4.9%	2.6%	0.8%	1.0%	3.0%	2.1%
FWE as a % of Gross Farm Income	48%	60%	75%	72%	58%	63%
Debt Servicing as a % of Gross Income	17%	22%	28%	19%	9%	10%
Magic Index	66%	84%	103%	91%	68%	75%
Closing Debt per SU	\$386	\$348	\$305	\$256	\$287	\$263
Total Closing Equity	\$6,884,590	\$8,844,970	\$8,910,677	\$9,338,000	\$9,597,000	\$8,085,000
Closing Equity as a % of Assets	73%	76%	79%	82%	82%	81%
Taxable Income Pre Family Distributions	\$318,525	\$87,476	(\$55,415)	\$24,179	\$271,000	\$175,000
Wool Price Per Kilo	\$2.34	\$2.86	\$2.80	\$3.44	\$3.20	\$4.01
Wool Weight (Kg/SSU)	4.5	4.4	4.6	4.5	4.3	4.8
Price per Lamb	\$146.53	\$137.89	\$96.49	\$119	\$139	\$112
Lambing %	133%	120%	126%	119%	126%	120%
Price per Calf	\$960	\$1031	\$714	\$821	\$766	\$680
Price per Steer	\$1,898	\$1,761	\$1,567	\$1,651	\$1,638	\$1,379



2025 Top 20%

10,120
Total Opening
Stock Units

+\$30.08
Gross Income
Difference per SU

\$1.05
Lower Farm
Working Expenses
Difference per SU

66%
Magic Index

73%
Closing Equity as
a % of Assets

Lambing % for top 20% **4.7kg**

Magic Index for top 20% **105%**

Wool weight / Sheep Stock Unit

Lambing % for top 20% **4.7kg**

HIGH COUNTRY MERINO

These properties run merino and quarter-bred sheep and the majority of them are in Otago and South Canterbury high country. Some have irrigation. Wool typically makes up 40% of their income. Lambing % is lower and the median is 91%. Merino hoggets are often wintered and sold in the spring. The median Merino property is 8,240 stock units spread across 5,100 hectares.

40%

Income comes from wool

91%

Lambing median

8,240

Median stock units

2.3

Stock units per hectare





Production Figures

	2025		2024
	Top 20%	Median	Median
Wool			
Total Wool Kilos Sold	30,450	31,525	34,819
Price Per Kilo	\$10.93	11.66	\$11.57
Weight (Kg/SSU)	4.7	4.4	4.6
Sheep (Prices & production)			
Lamb	\$117	\$119	\$86
Hogget	\$163	\$130	\$119
Ewe	\$88	\$79	\$59
Deaths or Missing	6%	8%	7%
Lambing %	105%	91%	96%
Cattle (Prices & production)			
Calf	\$1,014	\$965	\$684
Steer	\$1,633	\$1,416	\$1,400
Cow	\$1,475	\$1,459	\$1,138
Calving %	83%	80%	84%

HIGH COUNTRY MERINO

	2025		2024
	Top 20%	Median	Median
Physical			
Area: (Hectares)	5,140	5,099	5,099
Opening Sheep Stock Units (SSU)	6,476	7,165	7,264
Opening Cattle Stock Units (CSU)	881	1,662	1,328
Total Opening Stock Units (TSU)	7,816	8,243	9,122
Stocking Rate Per Ha	1.5	2.3	2.3
Income & Expenses			
Sheep Gross Profit/SSU	91.53	47.70	46.79
Wool Sales /SSU	53.09	50.63	56.26
Cattle Gross Profit/CSU	114.41	105.71	89.44
Deer Gross Profit/DSU	—	—	—
Crop/Grazing Profit/CGSU	160.10	168.30	163.55
Sundry Farm Income/ SU	7.90	2.29	2.65
Total Gross Income/ SU	153.40	120.48	112.39
Total Gross Income/ Ha	237	253	256
Less Farm Expenses			
Wages/ SU	3.66	12.58	14.04
Shearing Cost/ SSU	14.16	14.91	15.28
Feed, Haymaking & Grazing/ SU	7.13	4.95	3.95
Animal Health & Breeding/ SU	8.69	8.57	7.35
Fertiliser/ SU	8.82	7.44	4.45
Repairs and Maintenance / SU	3.61	3.70	3.61
Vehicle/ SU	5.31	6.34	6.39
Seeds I SU	2.44	1.99	2.26
Fencing/ SU	0.50	0.47	0.24
Freight/ SU	1.28	1.09	1.11
Weed & Pest / SU	3.56	2.38	2.87
Insurance & Rates/ SU	4.57	4.63	4.58
Administration & Phone/ SU	3.77	3.39	3.82
Other FWE / SU	8.70	8.02	7.37
Total Farm Working Expenses/SU	82.31	85.93	83.14
Total Farm Working Expenses/Ha	137	144	170
Farm Surplus /SU	64.98	27.41	27.51
Farm Surplus /Ha	100	64	54





	2025		2024
	Top 20%	Median	Median
Debt Servicing / SU			
Pastoral Lease	0.00	0.00	0.00
Rent	0.65	0.00	0.00
Interest / SU	17.36	14.51	12.10
Interest & Rent / SU	29.39	20.09	19.35
Surplus After Debt Servicing / SU	35.60	7.32	8.16
Personal Expenses			
Drawings	8.69	7.30	8.64
Personal Allowance	1.11	0.93	0.69
Life insurance	0.97	0.64	0.66
Taxation	5.85	0.53	0.44
Funds Introduced	(\$1.15)	0.00	0.00
Total Personal Expenses	9.45	9.34	10.55
Total Net Capital Expenditure	2.49	2.06	1.52
Final Result	(6.30)	(10.98)	(5.50)

Other Useful Indicators

Return on Total Farm Assets	3.5%	1.0%	0.5%
% of Gross Farm Income			
- Farm Working Expenses	55%	74%	75%
- Debt Servicing (Interest & lease costs)	22%	17%	18%
Magic Index	73%	91%	92%
Closing Debt per Stock Unit	\$229	\$258	\$243
Total Closing Equity	\$9,101,722	\$10,483,525	\$9,613,439
Closing Equity as a % of Assets	84%	82%	83%
Taxable Income Pre Family Distributions	\$202,492	\$8,428	(\$20,280)
Personal Drawings as % of Taxable Income	93%	100%	100%
Taxable Income as % of Gross Farm Income	23%	1%	-3%
Plant Efficiency Ratio (GFI / BV of plant)	6.8	4.6	4.1
Interest Cover Ratio (EBITDAR / interest & rent)	2.5	1.5	1.5
Debt Coverage Ratio (Closing debt / (EBITDAR)	3.5	2.4	7.9

HIGH COUNTRY MERINO

KEY STATISTICS

	2025		2024	2023	2022	2021
	Top 20%	Median	Median	Median	Median	Average
Total Opening Stock Units (TSU)	7,816	8,243	9,122	7,997	8,148	9,367
Total Gross Income/SU	\$153.40	\$120.48	\$112.39	\$124.65	\$141.12	\$101.30
Total Gross Income/Ha	\$237	\$253	\$256	\$209	\$294	\$170
Total Farm Working Expenses/SU	\$82.31	\$85.93	\$83.14	\$88.27	\$81.03	\$73.08
Total Farm Working Expenses/Ha	\$137	\$144	\$170	\$173	\$213	\$133
Farm Surplus (EBITDAR)/SU	\$64.98	\$27.41	\$27.51	\$31.07	\$53.87	\$28.22
Farm Surplus (EBITDAR)/Ha	\$100	\$64	\$54	\$74	\$91	\$32
Interest & Rent/SU	\$29.39	\$20.09	\$19.35	\$15.98	\$11.90	\$11.02
Operating Surplus After Debt Servicing & Rent/SU	\$35.60	\$7.32	\$8.16	\$16.03	\$41.97	\$17.20
Final Result	(\$6.30)	(\$10.98)	(\$5.50)	(\$11.27)	\$17.96	(\$4.72)
Other Useful Indicators						
Return on Total Farm Assets	3.5%	1.0%	0.5%	0.6%	3.0%	0.9%
FWE as a % of Gross Farm Income	55%	74%	75%	73%	64%	72%
Debt Servicing as a % of Gross Income	22%	17%	18%	13%	8%	11%
Magic Index	73%	91%	92%	90%	73%	83%
Closing Debt per SU	\$229	\$258	\$243	\$193	\$254	\$205
Total Closing Equity	\$9,101,722	\$10,483,525	\$9,613,439	\$10,176,000	\$9,914,000	\$8,932,000
Closing Equity as a % of Assets	84%	82%	83%	87%	82%	83%
Taxable Income Pre Family Distributions	\$202,492	\$8,428	(\$20,280)	\$16,000	\$254,000	\$110,000
Wool Price Per Kilo	\$10.93	\$11.66	\$11.57	\$13.85	\$14.41	\$11.10
Wool Weight (Kg/SSU)	4.7	4.4	4.6	4.8	4.7	4.6
Price per Hogget	\$162	\$130	\$119	\$148	\$166	\$119
Price per Lamb	\$117	\$119	\$86	\$95	\$125	\$96
Lambing %	105%	91%	96%	93%	92%	85%
Price per Calf	\$1,014	\$965	\$684	\$765	\$689	\$655
Price per Steer	\$1,633	\$1,416	\$1,400	\$1,187	\$1,404	\$1,254



2025 Top 20%

7,816
Total Opening
Stock Units

+\$32.92
Gross Income
Difference per SU

+\$3.62
Working Expenses
Difference per SU

73%
Magic Index

84%
Closing Equity as
a % of Assets



EXPLANATION OF

KEY

FINANCIAL

RATIOS

USED IN THE FARM SURVEY

The following financial benchmarks are in no particular order. The benchmarks have been derived from the performance of the top 20% of clients. They indicate the key financial and production drivers, which are leading to a very good financial performance for these top 20% of farmers on an ongoing basis.

There are top farmers who can go outside one of the financial benchmarks and still generate healthy financial performances on an ongoing basis, however breaking two key benchmarks over a reasonable period could severely challenge even the top farmers' ongoing viability.

The key point with ratios is to analyse them over a number of years to identify the trends.

KEY FINANCIAL RATIOS

Total Farm Working Expenses As A Percentage Of Gross Farm Income (GFI)

This is a measure of the amount of farm related expenses required to generate gross farm income (farm working expenses excludes interest, plant replacement and depreciation).

The benchmark in this area is 55% or less of GFI, unless development expenditure is being undertaken.

For example:

Gross Farm Income/SU	\$140	\$120
* Farm Working Expenses/SU	\$77	\$66
Cash Farm Surplus/Stock Unit	\$63	\$54

* Farming Working Expense to GFI = 55%

Debt Servicing As A Percentage Of Gross Farm Income

(Debt Servicing represents interest and lease costs).

The benchmark in this area is a maximum of 25% of gross farm income.

A Debt Servicing percentage to GFI below 20% is really the benchmark required going forward, especially if farm working expenses to gross farm income are above 55%.

Magic Index

This is a combination of farm working expenses and debt servicing (including rental payments). Ideally this ratio would not exceed 75%. For a farming business that has a gross income in excess of \$800,000, then this ratio could be as high as 80%.

The lower the ratio the better the magic in terms of profitability and cash farm surplus. The amount left after farm working expenses and debt servicing is required for personal drawings, taxation, plant replacement, capital expenditure and development, life insurance and cash surplus or principal repayment.

Return On Total Farm Assets

This is the Return that would be earned on the Total Farm Assets after the costs of a farm manager are taken into consideration.

This is calculated by taking the farm surplus after deducting farm working expenses, deducting an allowance for wages of employing a manager (\$50,000 to \$140,000 depending on property size), deducting depreciation of plant and machinery, and dividing this figure by the estimated value of the total assets managed (land, buildings, stock and plant and farm-related shares). All land and buildings, including leased land, were estimated to have a starting value of \$1,200/stock unit. Stock and plant were taken at opening book value.

Gross Farm Income To Book Value Of Plant & Machinery Assets

This ratio measures the amount of capital tied up in plant and machinery at year end, compared to the Gross Farm Income generated.

A guideline ratio for sustainable profitability and efficiency needs to be:

Hill Country Sheep & Beef	4.5+
Downlands/Flat Sheep & Beef	4.0+
Cropping	2.75 +

The benchmark in this area should always be in excess of 2.

Where the ratio is below 2, or even up to 3, we find it means there is either insufficient gross farm income or an over capitalisation of plant and machinery on the property. Sometimes it is a combination of the two, and sooner or later it will mean that too much of the gross and net income is tied up in plant replacement.

For those farmers with ratios below 2, it may be important to consider that even though good vehicles and plant are the engine room of New Zealand agriculture, you need to have a handle on the true annual costs of vehicle and plant depreciation and replacement, and the relativity these costs have to your gross farm income and your cost of production.

To get a feel for the true annual cost to maintain plant and machinery at the same basic quality and productive capacity at year end, as it was at the beginning of the year, then a farming business should multiply the book value of their vehicles and plant by 15% to 17.5%.

The average depreciation for sheep and beef properties is around \$10/stock unit.



Another way of measuring the ratio is to look at the depreciation charge of vehicles, plant and machinery compared to gross income. A depreciation charge above 8% of gross income would tend to indicate either there is insufficient gross farm income or there is an over-capitalisation of vehicles, plant and machinery.

INTEREST COVER RATIO (EBITDAR/Total Interest & Rent)

This is calculated by dividing farm surplus (EBITDAR - earnings before interest, tax, depreciation, rent and drawings), by the total interest and rent expense. This determines how many times an entity can pay its rent and interest on outstanding debt. Ideally this ratio would be well above 2.0 times, but 1.25 times as a minimum.

Interest Cover Ratio can be a bank covenant and is often based on a longer term status quo interest rate rather than the current interest rate.

DEBT/EBIT RATIO (Debt Coverage Ratio)

This is starting to become more commonly used by banks.

The upper limit for the benchmark for Dairy and Sheep & Beef is a ratio of debt being no more than 11 times EBIT (Income - Farm Working Expenses - Drawings - Depreciation).

The limits for Horticulture and Sharemilkers are 9 and 8 times respectively.

This can vary from year to year depending on returns and farm working costs but the key is to look at the trend over time.

PRODUCTION RATIOS

Lambing, Calving & Fawning Percentage Calculations

The lambing percentage for ewes is calculated on the basis of lambs sold and retained, divided by total ewes wintered. If two-tooth ewes are not mated this would reduce the lambing percentage, and if ewe hoggets are mated, this would increase the lambing percentage.

Calving percentage for cows is calculated on the basis of calves sold and retained, divided by cows and rising 2 year heifers wintered.

Fawning percentage for hinds is calculated on the basis of all hinds wintered including the rising two year (yearling) hinds.

Crop/Grazing Income

Where Crop and Grazing Income is part of the farming system, we have included crop units to give a per crop unit measure of income. This also ensures other measures based on total stock units are more accurate. Dairy cow grazing is based on \$200/stock unit and heifer grazing is based on \$155/stock unit. For other crop income, we have equated this to \$220/stock unit.

TAX FACTS

Basic Tax Facts

1 April 2025 personal income tax rates:

Taxpayer Entity

Level of Personal Income	Annual Tax Rates
\$0 - \$15,600	10.5%
\$15,601 - \$53,500	17.5%
\$53,501 - \$78,100	30%
\$78,101 - \$180,000	33%
\$180,001 +	39%

Trading Entities

Company (resident or non)	28%
Trust Income*	39%
Beneficiaries**	Own rate

Notes:

* Income retained in trusts taxed at 39% from 1st April 2024 unless the trust's net income is \$10,000 or less when they will be taxed at 33%.

** Except for beneficiaries under 16 years who are taxed at trustee's rate of 39%. Beneficiaries under 16 can receive up to \$1,000 as beneficiary income at their marginal tax rate.

Provisional Tax and Use of Money Interest

- The Provisional Tax threshold is \$5,000. If you are below \$5,000 of Residual Income Tax to pay, then you will not be required to pay Provisional Tax going forward.
- Where your residual tax liability is less than \$60,000, there is no interest applicable prior to your Terminal Tax due date, provided you have made your previous payments under the standard methodology. There is therefore no advantage in voluntary payment.
- Where your residual tax liability is more than \$60,000, you will need to have paid your full residual tax liability by the final provisional tax instalment date to prevent Inland Revenue charging Use of Money Interest (8.97% at time of print) from this date. This assumes you have met all of your earlier provisional tax instalments under the standard methodology.
- Taxable Income levels for when Use of Money Interest charges may apply for the year ended 31 March 2026:

	Taxable Income Level	Tax payable
Individual	\$206,609	\$60,000
Company	\$214,286	\$60,000
Trust	\$153,846	\$60,000

Independent Earner Tax Credit

The Independent Earner Tax Credit is aimed at middle income earners who **do not get any other state assistance, which includes Working for Families or Superannuation**. The rebate is \$520 per year and is available to those with incomes over \$24,000 and under \$66,000. Between \$66,001 and \$70,000 the rebate reduces at the rate of 13 cents in the dollar.

Working for Families

Working For Family Tax Credits

The Family Tax Credit (previously called Family Support) is an entitlement to assistance based on your taxable income levels (including looking at company earnings you are more than a 10% shareholder in and trust income where you are a settlor) and the number of children in your care. The full entitlement is as follows:

Year Ended	31 March 2026	31 March 2027
Eldest Dependant Child	\$7,488	\$7,921
Additional Children	\$6,136	\$6,454
Abatement Threshold	\$42,700	\$44,900

Upper level of combined income where assistance ceases:

Number of Children	Family Tax Credit - Family Support	In-Work Tax Credit
	2025/2026	2025/2026
1	\$69,500	\$89,000
2	\$92,000	\$111,500
3	\$114,500	Check with IRD
4	Check with IRD	Check with IRD

Number of Children	Family Tax Credit - Family Support	In-Work Tax Credit
	2026/2027	2026/2027
1	\$72,500	\$101,000
2	\$96,500	Check with IRD
3	\$119,000	Check with IRD
4	Check with IRD	Check with IRD

Minimum Family Tax Credit

The Minimum Family Tax Credit is an additional credit available to low-income families that are on PAYE income. The purpose of this is to further support families that earn less than \$36,604 (after tax). It tops up family income to at least \$703 a week from 1 April 2026. To receive this, you must not

be self-employed, you must work for salary or wages, and one parent must work at least 20 hours for a single parent family, or 30 hours for a 2-parent family. In any week that you work less than the minimum required hours, you are not eligible.

In-Work Tax Credit

This is for families who are normally in paid work and do not have a Student Allowance or income-tested benefit. You will still be eligible if you receive ACC payments, Survivor payments or Paid Parental Leave. Families no longer need to work a minimum number of hours to receive this but need to be in paid work. From 1 April 2022, you can keep receiving your In-Work Tax Credit for up to 2 weeks during an unpaid break from work. For example, changing jobs. The eligibility of this is linked to Working for Families. From 1 April 2026 the abatement threshold to get full In-Work Tax Credits is \$44,900.

From 1 April 2026, the maximum weekly in-work tax credit will increase from \$5,070 per year to \$7,670 a year. This is an increase of \$50 per week if you are entitled to receive the full amount of in-work tax credit. The in-work tax credit may reduce back to \$5,070 if the cost of petrol drops below \$3 a litre for four weeks. After 31 March 2027, the maximum entitlement will return to \$5,070 a year.

Maximum In-Work Tax Credits:

Per family (1-3 children)	\$7,670
Per additional child	\$780

Paid Parental Leave (Maternity Leave)

Paid Parental Leave is now paid for up to 26 weeks. You must work at least 10 hours a week, in at least 26 of the weeks in the year before the due date or the child comes into your care. Paid Parental Leave can be transferred to your partner if both partners are employees or self-employed people, and the partner will stop work to care for the child while they are receiving the Parental Leave payment.

The entitlement is based on the applicants weekly taxable income up to a maximum of \$788.66 (before tax) with a minimum of \$235 (before tax) from 1 July 2025.

Best Start Tax Credit

For children born before 1 April 2026, each family can get \$77 a week (increased from \$73 in 2025 year) for each child born and all families will receive this payment until the child turns one regardless of household income. Households whose income is under \$79,000 will continue to receive \$77 from 1 April 2026 until the child turns 3.

For children born after 1 April 2026, if your family income is over \$79,000 your annual entitlement will be reduced by 21 cents for every dollar after the first year, until year three for one child.

You cannot receive both Paid Parental Leave and Best Start payments at the same time. Best Start payments will begin after your Paid Parental Leave finishes.

Family Boost

Family Boost is a childcare payment to help eligible households pay for the cost of early childhood education (ECE).

From 1 July 2025 if your household income in a quarter is under \$35,000, you can claim up to 40% of your ECE costs. You can claim up to \$1,560 each quarter.

If your household income in a quarter is over \$35,000 but under \$57,286, your Family Boost payment will be the lesser of:

- 40% of the ECE fees you have claimed
- the maximum amount (\$1,560) less 7 cents for each dollar you earn over \$35,000.

Students Loans and Allowances

Student Loans and Interest

The Student Loan repayment threshold from 1 April 2025 is \$24,128. The repayment rate is 12 cents in the dollar. Student Loans are interest free if employed in NZ. For those working overseas, a 5.6% interest rate applies when a student lives overseas for more than 6 months. The late payment interest rate is currently 9.6%.

Student Allowance

This is only available to those studying full-time for an undergraduate or bachelor with honours degree and at an approved education provider. There are limits to how long you can receive a Student Allowance for.

The amount of student allowance provided is dependent on the income earned by the student through the year. From 1 April 2026, if you earn above \$284 per week for the entire year (\$14,805), the student allowance may be reduced.

For students who are single with no children, the full entitlements per week after tax are:

Under 24 years	After Tax
At Home	\$286.35
Away from Home	\$333.38
24 Years and Over	After Tax
At Home	\$323.98
Away from Home	\$380.43

Full entitlement to student allowance starts to abate for students under 24 when joint parents' taxable income reaches \$72,109 per annum.

It is abated back to Nil when the student is living away from home at \$141,451 a year, or \$131,670 if living at home. The abatement level will increase if there is more than one child being supported.

KiwiSaver

If you are contributing to a KiwiSaver scheme, from 1 July 2025 the Government will contribute up to \$260.72 per annum if you contribute at least \$1,043 per annum. This figure does not include employer contributions. If you earn over \$180,000 this is not available.

Until 31 March 2026 the employer minimum contribution was 3% and the employee minimum contribution was 3%, up to a maximum of 10%.

From 1 April 2026, employer minimum contribution is 3.5% and the employee minimum contribution was 3.5%, up to a maximum of 10%.

From 1 April 2026, 16- and 17-year-olds can voluntarily join KiwiSaver. Employer minimum contribution remains the same as 18 years and older being 3.5%.

Properties and Assets

KiwiSaver First Home Withdrawal

Eligible KiwiSaver members can withdraw their KiwiSaver funds to purchase their first home, but at least \$1,000 must remain in the KiwiSaver account. The Government Tax Credit is eligible to be withdrawn. Processing applications can take 5 - 15 working days.

If you are a previous homeowner, please visit the Kainga Ora website for further requirements to be assessed to determine whether you are deemed to be in the same financial position as a first home buyer.

KiwiSaver Withdrawal for Farm Workers (Home or Farm)

The government announced on 1 March 2026 that Service Tenancy Workers will be able to use KiwiSaver to purchase a house, without living in the home, removing the barrier to home ownership for many farm workers. Applicants will need to provide evidence, for example, from their employer confirming the service tenancy arrangement.

To meet the criteria KiwiSaver members buying farmland through a commercial vehicle will need to live on the property, and have majority ownership and control of the trust, company or partnership used to purchase it.

Legislation will be introduced to Parliament in the middle of 2026 and new provisions will be in place in 2027.

Depreciation on Commercial and Industrial Buildings

There is no depreciation claimable with commercial or industrial buildings, except for fitouts.

Investment Boost

From 22 May 2025, businesses can claim an upfront 20% deduction on the value of new capital assets including plant & machinery (must be new, not second-hand), commercial buildings or other business-related capital expenditure (excluding residential housing), primary sector land improvements, improvements to depreciable property (but not residential dwellings), mixed use assets. This deduction is on top of normal depreciation rates.

Bright-Line Property Rules

The Bright-Line Property Rule means that people who sell a residential property that is not their main home may need to pay income tax on the profit between the purchase price and the sale price.

From 1 July 2024 the bright-line test changed:

- If you sell a property on or after 1 July 2024 the bright-line test looks at whether your bright-line end date is within 2 years of your bright-line start date
 - The bright-line start date begins from the date the transfer of the property's legal title is registered to the buyer under the Land Transfer Act 2017 (usually the settlement date)
 - The bright-line period ends when you enter into a

binding sale and purchase agreement to sell the property (even if some conditions like getting finance or a building report still need to be met).

- An exclusion for selling your main home is still available but the criteria have changed.
- Main Home Exclusion
 - Used more than 50% of the property's area as your main home
 - Lived in the property as your main home for more than 50% of the bright-line period.

If you build on the land, you will not have to include the construction period when determining if your usage of the property qualifies for the main home exclusion.

Rollover relief applies to certain types of ownership transfers and means:

- the person transferring property to you will not be taxed at the time of the transfer
- Inland Revenue treat you as having purchased the property at the same time and for the same price as the person you received it from.

You take the previous owner's bright-line start date and cost base, and the previous owner is treated as having sold the property at cost.

Rollover relief is available for property transferred:

- as deceased estate and inherited property
- under a relationship property agreement
- under a resident's restricted amalgamation
- between associated persons
- to a trustee of a trust if all beneficiaries are persons that have been associated with the transferor or charities

Interest Deductions on Residential Rental Properties

Claiming interest as an expense for residential property in New Zealand has been fully phased back in.

- 100% claimable from 1 April 2025

When property is sold

The rules for disallowed interest deductions when a property is sold remain. This means, if the sale of a property is taxable under the bright-line test or one of the other land sale rules, the amount of the previously disallowed interest can be treated as if it were part of the cost of the property in the year you sell it.

Minimum Wage

Minimum adult wage has increased from \$23.50 to \$23.95 per hour from 1 April 2026. Minimum wage calculation does not include non-cash benefits but includes the accommodation provided.

The training and starting out wage minimum wage has increased from \$18.80 to \$19.16 per hour.

Superannuation payments for over 65 year olds

For Year Ended	31 March 2026	31 March 2027
Single living alone (or with dependent children)	\$32,611	\$33,663
Single living with someone who is not a partner	\$29,994	\$30,970
Couple — either both or one of you are 65+	\$24,776	\$25,591 each

ACC FACTS

Accident Compensation Corporation

There are 3 types of ACC Levies:

- Earner's Levy (covers accidents outside the workplace)
- Work Levy (covers accidents inside the workplace)
- Working Safer Levy (collected on behalf of the Ministry of Business Innovation and Employment to support the activities of WorkSafe New Zealand)

Levies for Farmers (sheep and beef) (GST Inclusive)	2025/2026 Levies/\$100 of Earnings	2026/2027 Levies/\$100 of Earnings
Earner Levy (Covers non-work accidents)	\$ 1.67	\$ 1.75
Employer Levy (Covers work accidents)	\$ 2.08	\$ 2.08
Health & Safety Levy	\$ 0.08	\$ 0.08
Total	\$ 3.84	\$ 3.91

ACC Cover for Wages and Salary Earners

ACC covers 80% of your most recent earnings.

CoverPlus Extra (CPX)

CPX is an alternative to the normal compulsory ACC cover. ACC has been offering a more flexible system with regards to the ACC cover you require. This is an opportunity to reconsider your ACC options, which may enable you to achieve some of the following:

- Reduce unnecessary ACC cover with consequent savings in ACC Levies.
- Raise the level of ACC cover where taxable earnings are at an artificially low level.
- Fix a level of ACC cover without having to establish loss of earnings from your farm.
- Provide ACC cover in the first year of a new business if the owner is not paid under the PAYE system.
- Return to work on reduced hours but still able to receive ACC payments.

We can help arrange ACC CoverPlus Extra and discuss with you the best arrangement for your circumstances.

CPX & Private Insurance

Another alternative to consider where a shareholder salary is being paid, is to apply for ACC CoverPlus Extra at a prescribed level, of the minimum earnings of \$40,400 or \$776 gross per week) for the 2026/2027 year, and then arrange for a top up from private insurance cover (designed specifically for farmers), which may be able to cover both accident and sickness work-related compensation.

Maximum Earning Level

The Maximum Earning Level liable for ACC for the 2025/2026 year was \$152,790.

The Maximum Earning Level liable for ACC for the 2026/2027 year has lifted to \$156,641.

Using the Correct ACC Code

Using the correct ACC code is important in determining the ACC Levy that will be charged. For example, if the duties of the shareholder/employee include less than 5% farming activities and 95% plus of administration activities, then the administration code can be used, which has a much lower ACC rate.

This can only be done through using ACC CoverPlus Extra.

Part-Time

If you work less than 30 hours per week over all sources of income (PAYE, self-employed, partnership, and shareholder employee), then your Levy is based on your actual income. The minimum ACC cover of \$40,400 therefore, does not apply if your earnings are less than this figure and you nominate the part-time ACC code. This means for self-employed/partnership income, you can significantly lower your ACC premiums by choosing a Part-Time ACC code if you work less than 30 hours per week and have an income less than \$50,001.

Minimum ACC Income for Full Time Employment

Full time workers who work more than 30 hours per week will receive a minimum of \$40,400 gross income regardless of their actual earnings.

No Claims Discount

From the 2027 levy year onwards the No Claims Discount no longer applies.

Instalment Plans

Interest will apply to all instalment plans set up after 1 April 2026 to improve fairness for levy payers who pay their invoice in full and on time.

2026 NATIONAL AVERAGE MARKET VALUES FOR LIVESTOCK (HERD SCHEME)

Livestock Type	Class of Livestock	Average Market Values per head			
		2025 Values	2026 Values	Change	
		\$	\$	\$	
SHEEP	Ewe Hoggets	147	188	+41	
	Ram and wether hoggets	145	180	+35	
	Two-tooth ewes	201	265	+64	
	M/A ewes (Rising 3 and 4 year)	175	237	+62	
	Rising 5 year and older ewes	148	205	+67	
	Mixed-age wethers	111	176	+65	
	Breeding rams	310	431	+121	
BEEF CATTLE	Rising 1 year heifers	944	1,319	+385	
	Rising 2 year heifers	1,521	1,959	+438	
	Mixed-age cows	1,865	2,376	+511	
	Rising 1 year steers and bulls	1,181	1,619	+438	
	Rising 2 year steers and bulls	1,741	2,273	+532	
	Rising 3 year and older steers and bulls	2,172	2,807	+635	
	Breeding bulls	3,534	5,008	+1,472	
DAIRY CATTLE	Rising 1 year heifers	1,007	1,326	+321	
	Friesian & Related, Jersey & Others	Rising 2 year heifers	1,826	2,598	+772
	Mixed-age cows	2,111	2,824	+713	
	Rising 1 year steers and bulls	967	1,214	+247	
	Rising 2 year steers and bulls	1,600	2,070	+470	
	Rising 3 year and older steers and bulls	2,048	2,591	+543	
	Breeding bulls	2,290	3,035	+945	
DEER	Rising 1 year hinds	293	295	-2	
	Red Deer, Wapiti, Elk & Related	Rising 2 year hinds	507	525	+18
	Mixed-age hinds	602	612	+10	
	Rising 1 year stags	359	383	+24	
	Rising 2 year and older stags (n/b)	767	691	-68	
	Breeding stags	3,330	3,370	+40	
DEER	Rising 1 year hinds	166	241	+75	
	Other Breeds	Rising 2 year hinds	286	387	+101
	Mixed-age hinds	338	450	+112	
	Rising 1 year stags	213	329	+116	
	Rising 2 year and older stags (n/b)	362	636	+273	
	Breeding stags	1,171	2,235	+964	
GOATS	Rising 1 year does	145	136	-9	
	Angora (Mohair)	Mixed-age does	139	173	+44
	Rising 1 year bucks (n/b)	90	89	-1	
	Bucks(n/b)/wethers over 1s year	83	95	+12	
	Breeding bucks	488	512	+24	

Livestock Type	Class of Livestock	Average Market Values per head		
		2025 Values	2026 Values	Change
		\$	\$	\$
GOATS	Rising 1 year does	69	105	+35
Other Fibre & Meat	Mixed-age does	106	155	+49
	Rising 1 year bucks (n/b)	68	84	+16
	Bucks(n/b)/wethers over 1 year	75	101	+26
	Breeding bucks	652	442	-210
	GOATS	Rising 1 year does	145	164
Diary	Does over 1 year	215	254	+39
	Breeding bucks	403	418	+15
	Other dairy goats (culls)	59	76	+17
	PIGS	Breeding sows less than 1 year	274	314
	Breeding sows over 1 year	370	395	+25
	Breeding Boars	393	423	+30
	Weaners less than 10 weeks	132	149	+17
	Growing pigs 10 to 17 weeks	207	287	+80
	Growing pigs over 17 weeks	319	369	+50

2026 NATIONAL STANDARD COSTS FOR SPECIFIED LIVESTOCK

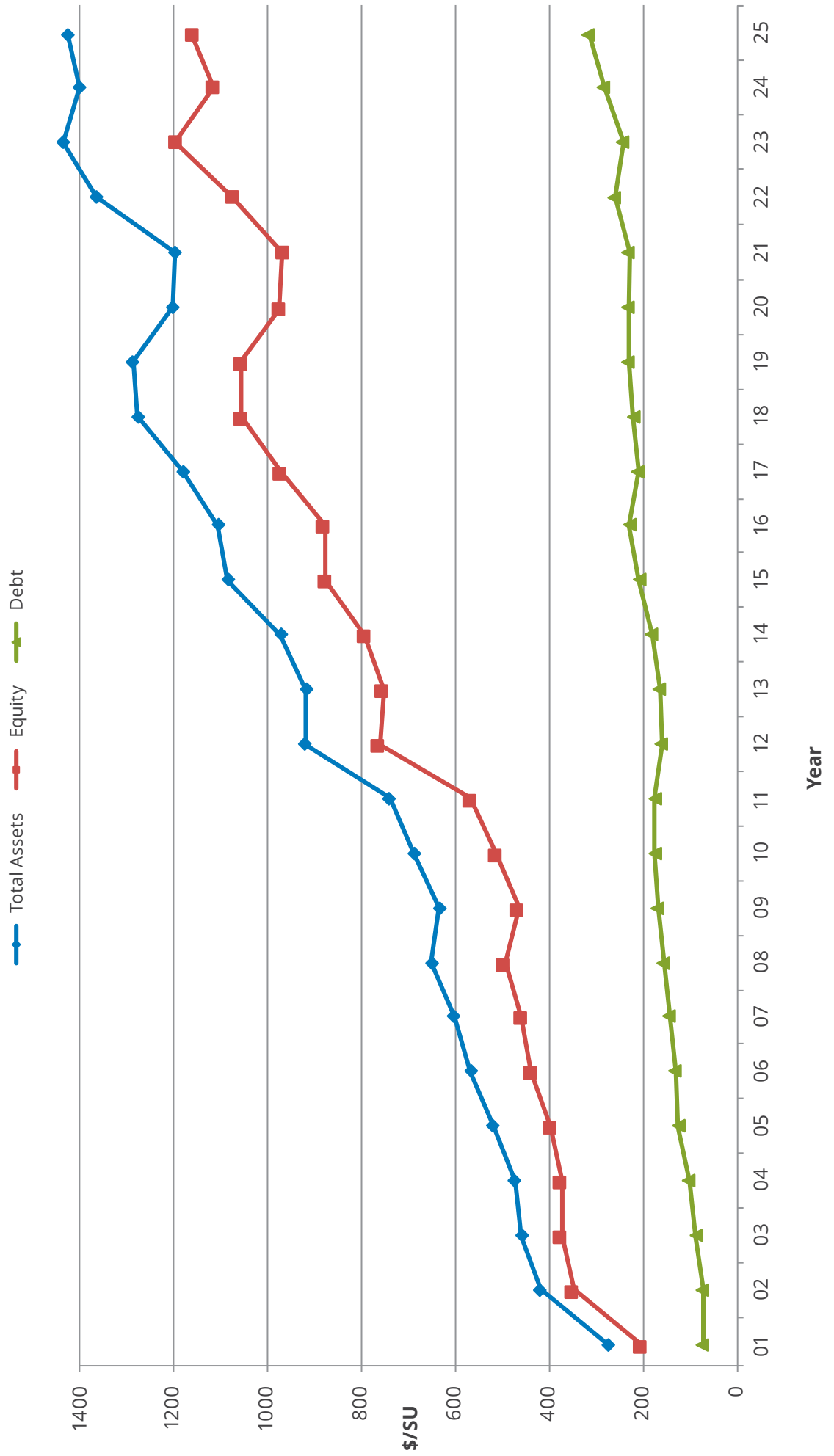
Livestock Type	Category Of Livestock	National Standard Cost		
		2025	2026	Change
		\$	\$	\$
SHEEP	Rising 1 Year	43.30	41.40	-1.90
	Rising 2 Year	30.50	29.80	-0.70
DAIRY CATTLE	Purchased Bobby Calves (Add This Cost On To Purchase Price)	228.60	282.50	+53.90
	Rising 1 Year	709.60	788.90	+79.30
	Rising 2 Year	489.00	535.50	+46.50
BEEF CATTLE	Rising 1 Year	455.90	443.40	-12.50
	Rising 2 Year	258.10	251.00	-7.10
	Rising 3 Year Male – Non-Breeding Cattle	258.10	251.00	-7.10
DEER	Rising 1 Year	119.80	108.80	-11.00
	Rising 2 Year	59.90	54.70	-5.20
GOATS (Meat & Fibre)	Rising 1 Year	35.80	34.20	-1.60
	Rising 2 Year	24.50	23.90	-0.60
GOATS (Dairy)	Rising 1 Year	256.70	263.60	+6.90
	Rising 2 Year	42.50	53.60	+11.10
PIGS	Weaners to 10 weeks of age	126.20	129.60	+3.40
	Growing pigs 10 to 17 weeks of age	102.50	104.90	+2.40

FARM TRENDS 2025

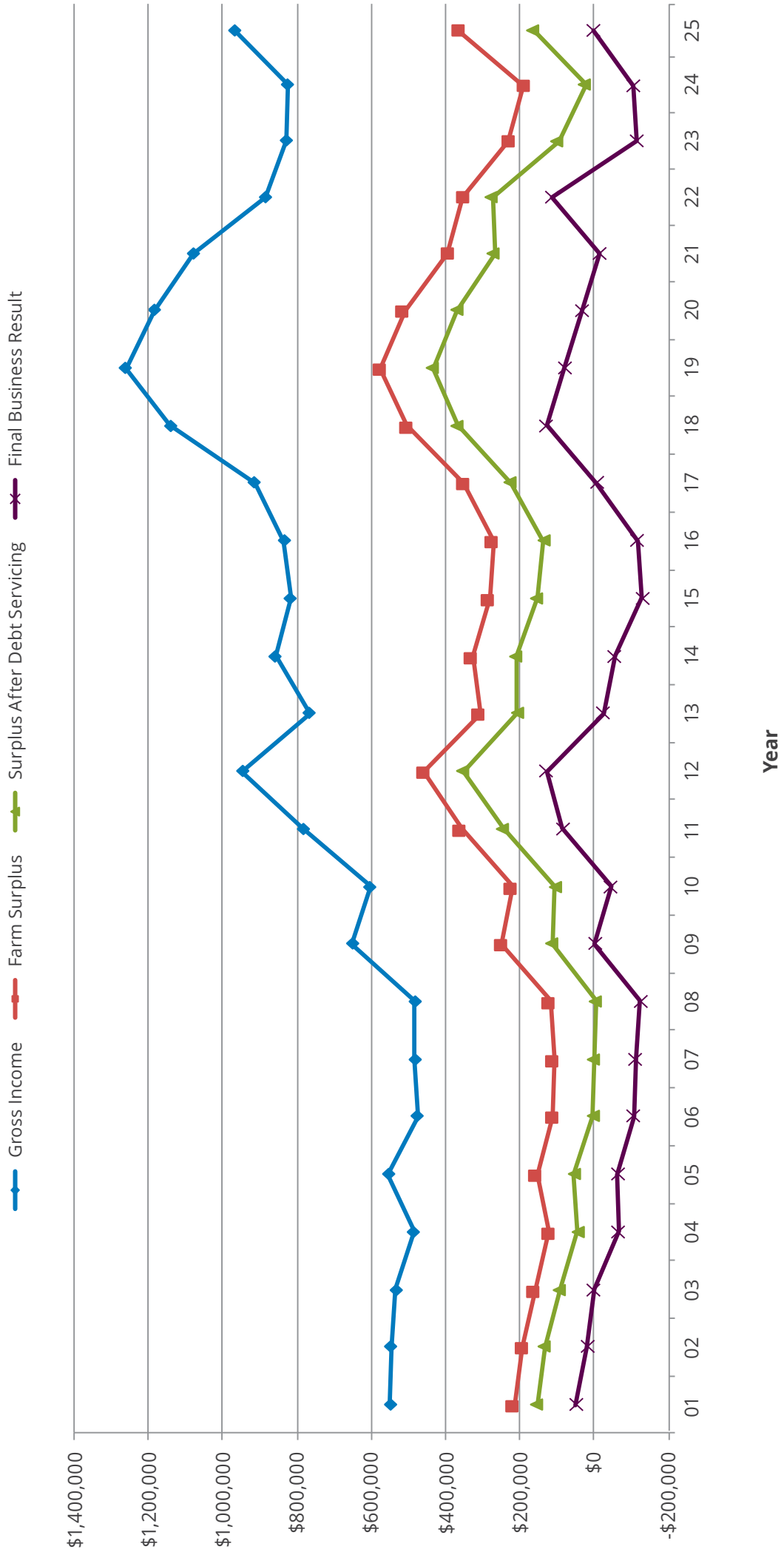




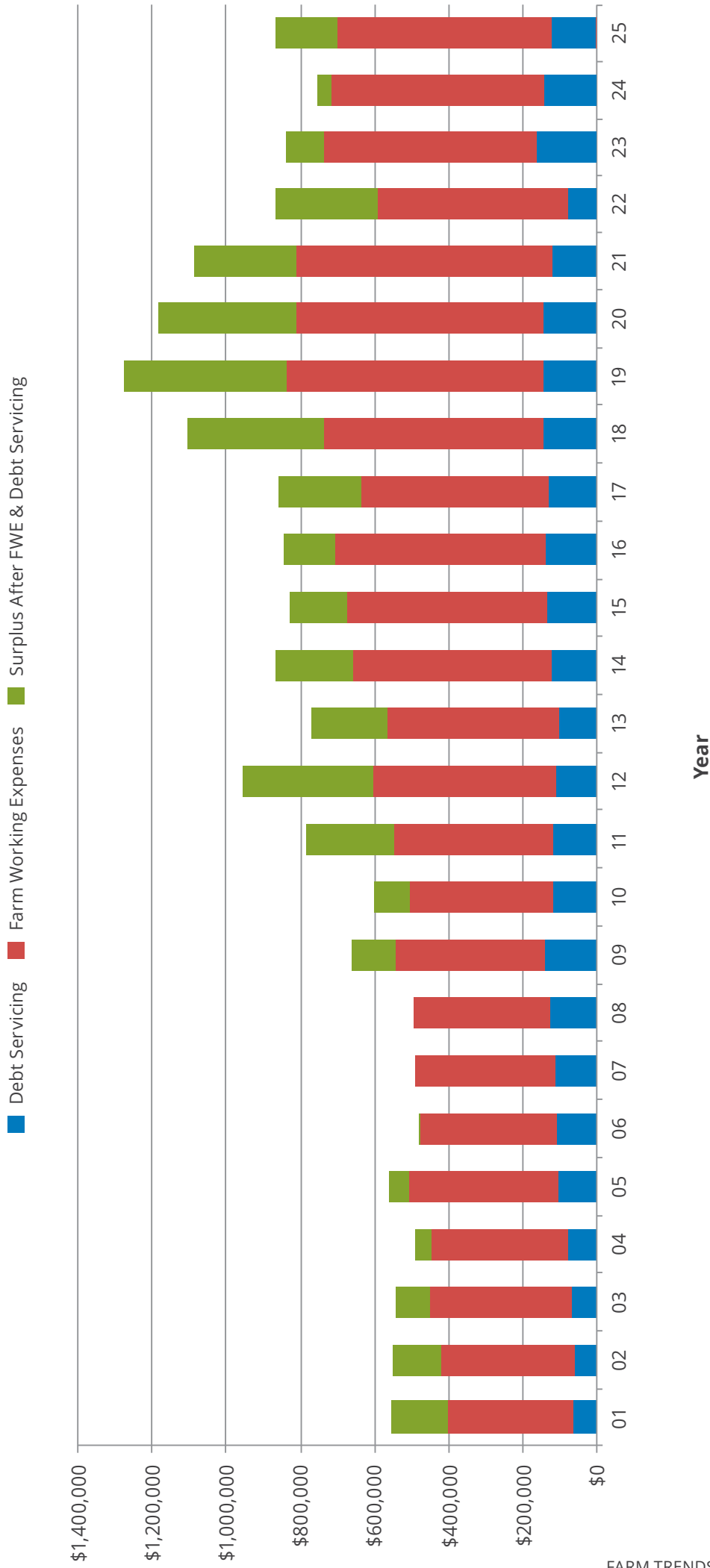
Assets, Equity and Debt



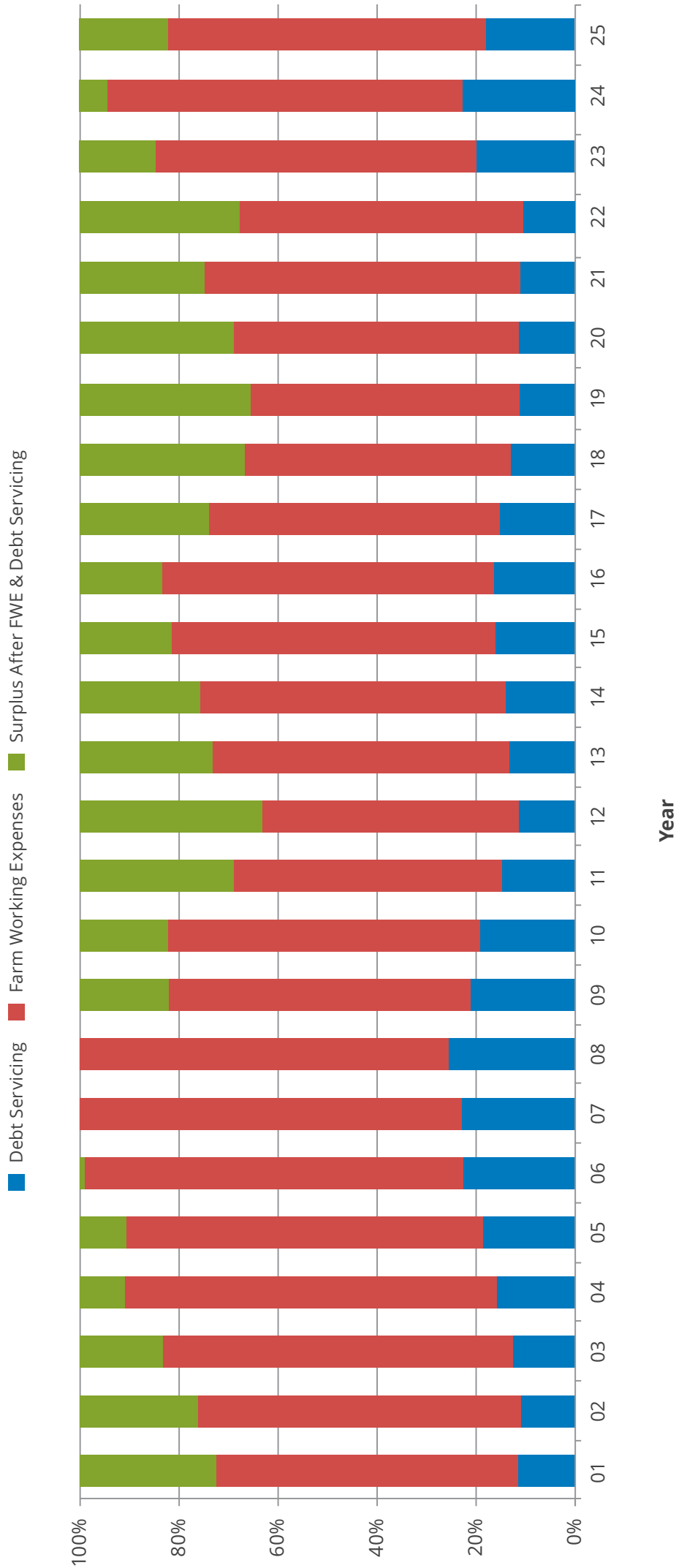
Business Results



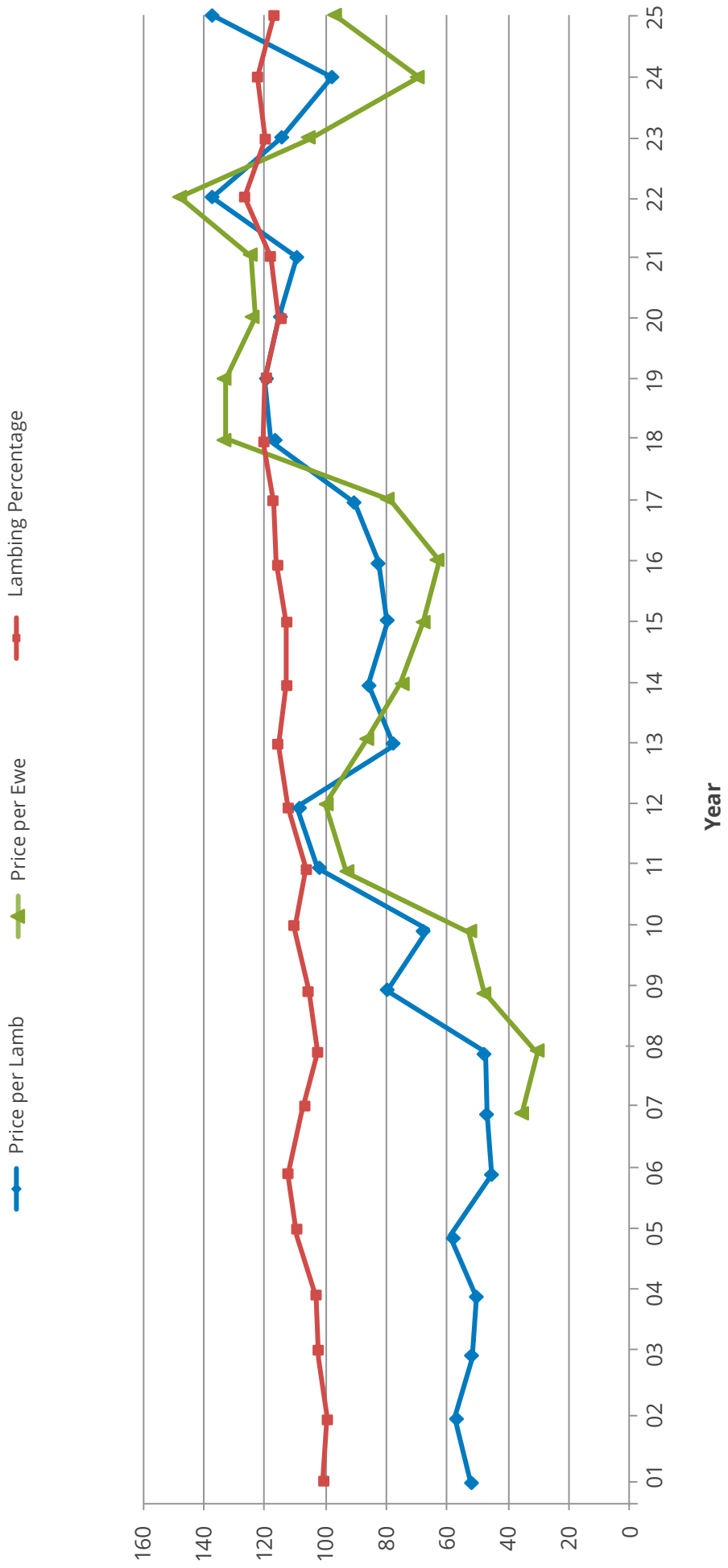
Breakdown of Average Gross Farm Income into Debt Servicing, Farm Working Expenses and Surplus



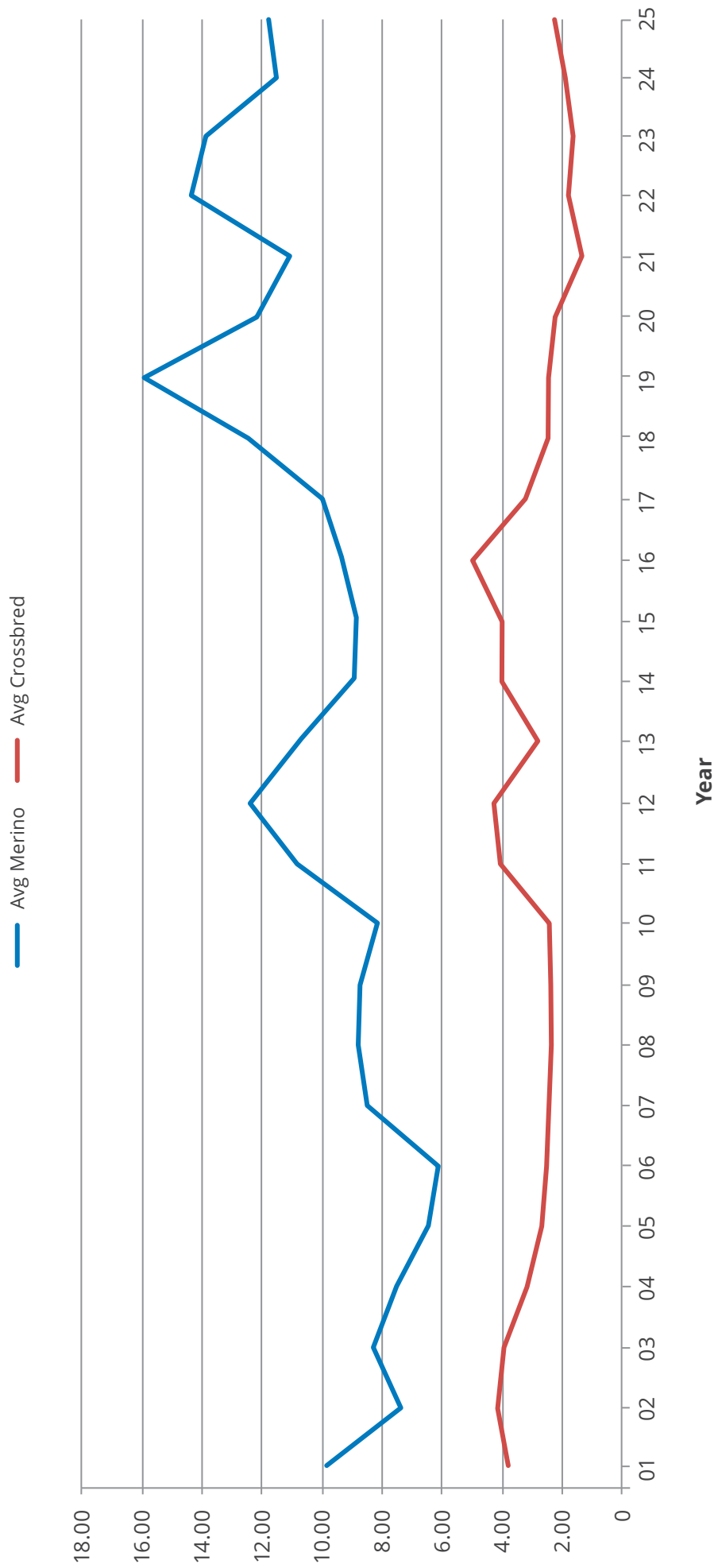
Debt Servicing & Farm Working Expenses as % of Total Gross Farm Income



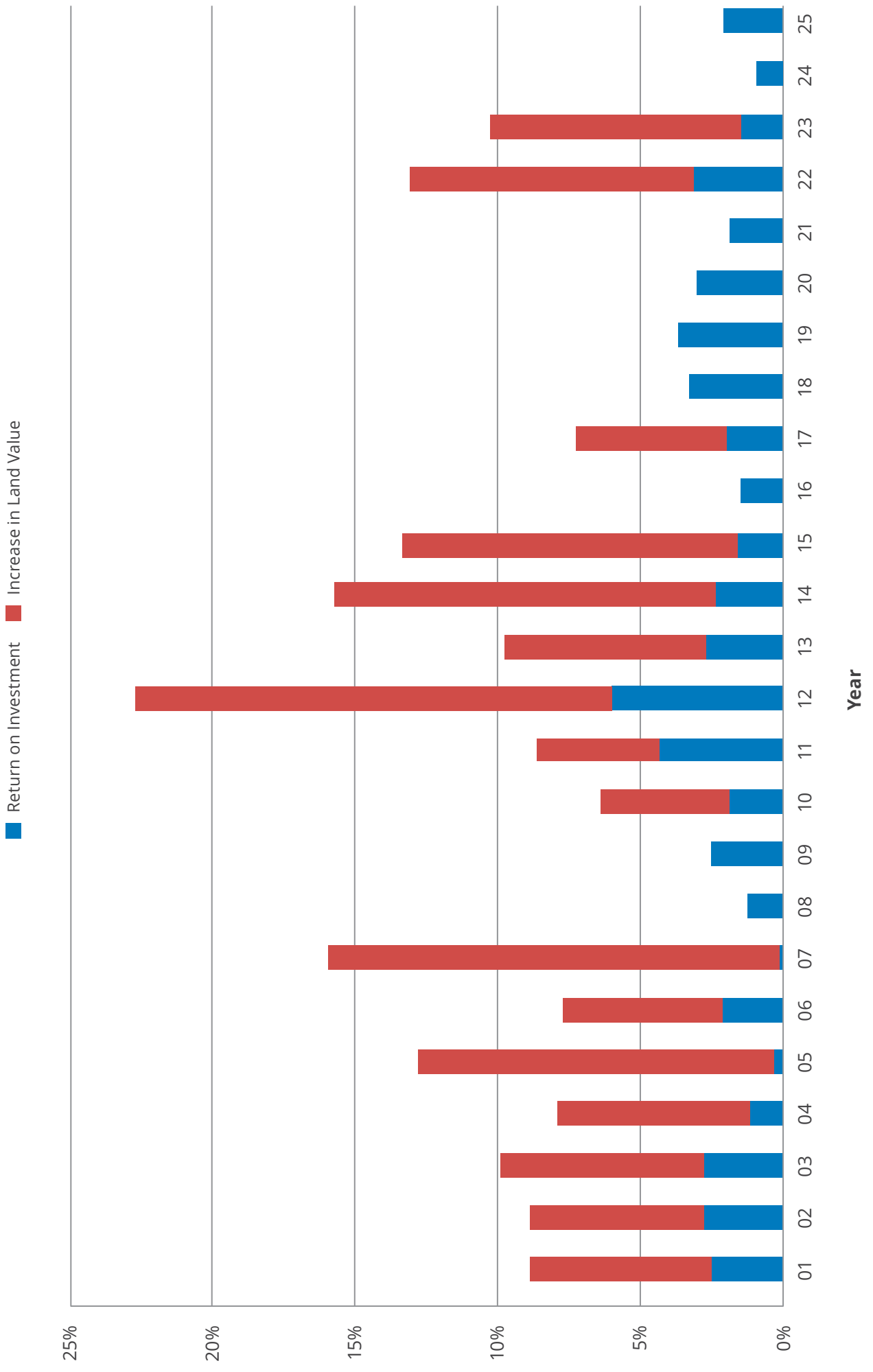
Lambing % and Lamb & Ewe Prices



Wool Price



Yearly Percent of Return on Assets & Land Value Growth



WE ARE LEADING FARMING SPECIALISTS

For more than 70 years, ICL Chartered Accountants has provided specialist advice to New Zealand and international clients, farming businesses, and rural communities. We deliver more than just numbers—we offer guidance that helps our clients grow, adapt, and achieve their goals.

We are proud to be a progressive, innovative firm. Our values—of innovation, accountability, teamwork, integrity, and commitment to our clients and communities—shape not only how we think and operate, but also how we work with you. We build strong relationships to understand your needs and help you achieve the right outcomes.

With offices in Alexandra and Ranfurly, and teams based in Winton and Rangiora, we offer high quality accounting and business advisory services tailored to your requirements. Our clients also benefit from our wider business support services, including HR, payroll, and IT.

Business Advisory

We help you navigate critical decisions and guide you through the financial processes that shape your future. Whether you're considering buying or selling property, setting up or closing a business, or getting ready for retirement, we can help you evaluate your options through due diligence, planning, and one on one discussions.

Our advisory services include:

- Tax Planning
- Business Growth
- Business Set Up or Sale
- Buying and Selling Property
- Investment Decisions
- Retirement Planning
- Financial Structuring
- Debt Management
- Succession Planning
- Business Restructuring
- Forestry & Emissions Trading Scheme (including carbon credits)
- Business Planning
- Governance, Processes, and Systems

Accounting and Tax

We keep you on track with tax and legislative requirements, ensuring you never miss an important date or deadline. Our team prepares your annual accounts, supports your tax obligations, and helps you stay informed about legislative changes.

Services include:

- Financial Statements
- Annual Accounts
- Tax Returns
- GST (Goods and Services Tax)
- Provisional Tax
- Resident Withholding Tax
- Tax Exemptions and Certificates
- Working for Families Tax Credits
- ACC

Business Reporting & Budgets

We encourage clients to think beyond the day to day and plan for the future. Our budgeting and forecasting services help you understand where money can be made—or where cuts may be needed—to ensure a stable cash flow and long term success.

- Cashflow Reporting
- Forecast Reporting
- Monthly Management Reporting
- Budgets
- Tax Calendars

Budgets are now a staple requirement for banks when assessing or approving loans.

Benchmarking & Farm Survey

Benchmarking allows you to quickly understand the health of your business by comparing your financial or production performance to others in your industry. Each year, we prepare and deliver our Farm Survey, which provides valuable performance indicators based on comparable properties.

Accounting Software Support

If you're looking for the right software to manage your accounts and compliance, we can help. We assess your business needs and recommend the system that will deliver the best results and value for money. We also offer training so you can make full use of your chosen software.

We are certified partners with MYOB, Xero, Figured and Farm Focus

People Consulting – HR & Payroll

Our HR services are designed to help you get the best out of your people and build strong, compliant teams.

We support you with:

- Recruiting the right people
- Up to date employment agreements
- Advice on complex employment situations

- Managing performance issues
- Policies and procedures
- HR health checks
- Payroll and remuneration support

We currently manage payroll for more than 500+ employees.

Go paperless with our Smartly payroll service, which includes electronic timesheets and mobile friendly time and leave recording. We also manage your payday filing and supply the reports you need to run your business effectively.

Systems Consulting – IT

Smart business practices rely on having the right technology—and knowing how to use it. The right systems can reduce workloads, increase efficiency, and strengthen day to day operations.

Our IT specialist can help with:

- Hardware
- Software
- Security
- Training
- Virus protection
- Networks

Administration & Company Secretarial Services

Let us prepare, file, form, transfer, or update documents for:

- Companies (including overseas entities)
- Trusts
- Incorporations
- Deeds
- Gifting
- Minutes
- Share Transfers
- Resolutions

From incorporating a company to preparing deeds of retirement, director changes, or annual returns, our administration team is here to help.

We also offer specialised services:

- Company Secretarial / Minute Taking
- Invoicing & Statement Services (Accounts Payable/Receivable).



ICL
CHARTERED ACCOUNTANTS



Alexandra Branch

69 Tarbert Street

PO Box 267

Alexandra 9340

Central Otago

(03) 440 0100

enquiries@iclca.co.nz

Ranfurly Branch

11 Charlemont Street

Ranfurly

Central Otago

(03) 444 9158

enquiries@iclca.co.nz

www.iclca.co.nz