



**FEDERATED  
FARMERS**  
OF NEW ZEALAND

# **Federated Farmers Farm Confidence Survey**

---

**JULY 2025**

# Contents

<b>1</b>	<b>Summary</b>	<b>3</b>
<b>2</b>	<b>Overall Economic Confidence</b>	<b>5</b>
<b>3</b>	<b>Farm Profitability</b>	<b>9</b>
<b>4</b>	<b>Farm Production</b>	<b>12</b>
<b>5</b>	<b>Farm Spending</b>	<b>14</b>
<b>6</b>	<b>Farm Debt</b>	<b>16</b>
<b>7</b>	<b>Ability to Recruit</b>	<b>18</b>
<b>8</b>	<b>Mental Health</b>	<b>20</b>
<b>9</b>	<b>Greatest Concerns</b>	<b>22</b>
<b>10</b>	<b>Highest Government Priorities</b>	<b>24</b>
<b>11</b>	<b>About this Survey</b>	<b>26</b>
<b>12</b>	<b>Appendix</b>	<b>27</b>

# 1. Summary

## Introduction

This report summarises the findings of the Federated Farmers' July 2025 Farm Confidence Survey. Conducted twice a year since 2009, this is the 33rd iteration of the survey. It provides insights into farmer sentiment, economic expectations, and key sector priorities.

## Key Messages

The July 2025 survey shows sustained high confidence in current conditions. This reflects ongoing economic stabilisation, easing on-farm costs, and supportive government policies. However, forward-looking optimism has tempered due to concerns over commodity volatility, challenges in the arable sector, and potential future pressures.

- **General economic conditions (current):** Farmer perceptions have reached an 8-year high, with a net 33% viewing them as good in July 2025. This was driven by easing interest rates, stronger commodity prices for dairy and meat, and supportive policy shifts, up 99 points from the deeply negative - 66 in July 2024.
- **General economic conditions (expectations):** Optimism has moderated, with a net 6% of farmers expecting better conditions over the next 12 months. This is the third positive result in the past four surveys—though down from 23% in January 2025, indicating clouds on the horizon amid market and geopolitical uncertainties.
- **Farm profitability (current):** Farm profitability has improved markedly, with a 12-point increase in July 2025 to 65%, the highest level recorded in our survey's history. This is driven by stronger prices, reduced on-farm costs, and favourable policy changes, though challenges persist in some sectors.
- **Farm profitability (expectations):** Confidence in future profitability remains positive at a net 18%. This marks the second positive score since 2021 and is up from negative levels in July 2024, though down from 31% in January 2025, with dairy expectations declining sharply by 32 points due to anticipated price softening.
- **Farm production (expectations):** A net 23% of farmers expect production to increase over the next 12 months. This is up 7 points from January 2025 and the highest level since January 2019, extending three consecutive periods of predicted growth for the first time since 2016/17.
- **Farm spending (expectations):** Spending intentions have strengthened moderately to a net 27%. This is up 4 points from January 2025 and the highest since July 2022, potentially signalling both rising costs and greater on-farm investments amid renewed sector confidence.
- **Farm debt (expectations):** 43% of farmers plan to reduce their debt in the next year. This is up slightly from 41% in January 2025 (and significantly from 23% in July 2024), with a net -33% reflecting improved intentions driven by dropping interest rates, higher incomes, and production forecasts.
- **Ability to recruit (experienced):** Hiring challenges have eased slightly, with a net 14% of respondents reporting difficulty recruiting skilled staff in the past six months. This is down 2 points from January 2025 and the least difficult period since July 2012, aided by immigration reforms.
- **Greatest concerns (current):** The top concerns for farmers remain Regulation & Compliance Costs, Climate Change Policy & the ETS (rising to second), Local Government and Rates (up to third), Input Costs, Debt and Interest Rates, and Farmgate and Commodity Prices. This reflects evolving frustrations with policy and costs.
- **Highest government priorities:** Farmers want the Government to prioritise Fiscal Policy (now first), Regulation & Compliance Costs, Economy & Business Environment, Local Government Reform, Climate Change Policy & ETS, and Biosecurity.



## Qualitative analysis

This summary summarises ~150 substantive comments in the survey, grouping by theme, prevalence, and using farmers voices, in farmers words. Farmers express cautious optimism amid government shifts but highlight economic strains, regulatory burdens, and land threats.

- **Economic Pressures & Viability (~35%)**

Farmers note price gains eroded by costs, debt, and sector woes (e.g., arable “on its knees”). Debt from COVID/cyclones persists; succession tense due to forestry-skewed values.

- *“High interest rates we have are crippling our ability to pull ourselves out of the debt hole... we are caught in this vicious debt cycle.”*
- *“Arable farming is breaking even if lucky definitely not going forward.”*

- **Government Policy & Reforms (~25%)**

Praise for current coalition’s farmer support; calls for deregulation, banking fixes, and local govt overhaul.

- *“Farming is feeling the benefits of the new government and their appreciation of the influence that farming has on NZ economy. Long may it continue.”*
- *“Abolish the Waikato Regional Council”*

- **Land Use, Forestry & Environment (~15%)**

Alarm at farmland-to-forestry conversion; restrict to poor land. Compliance burdensome; climate change.

- *“We sold 4 farms... none of it is going into pines... we have sold for considerably less to achieve this.”*
- *“Stop planting on Class 1 to 5 land it is so shortsighted there is plenty of Class 6-8 to satisfy commitments.”*
- *“Climate change is natural, stop trying to make it man made, no amount of tax will change the climate but the associated tax and policy will brake farming.”*

- **Workforce, Mental Health & Social Issues (~10%)**

Staffing shortages; mental health lags; welfare dependency criticised.

- *“Also needs to be strategic plan for encouraging people... into agriculture, was over 12 months trying to fill a staff vacancy.”*
- *“As a farmer who has done a lot on mental health, we still are behind. It is still frowned upon to speak up”*

- **Infrastructure, Biosecurity & Risks (~10%)**

Weather/geo-politics add uncertainty; infrastructure (roads, water) inadequate. Biosecurity fears.

- *“A lot of geo-political uncertainty and severe weather events are making farming difficult.”*
- *“Concerned about what our strategic approach would be if Foot and Mouth got into NZ... Mass slaughter should not be the main approach.”*
- *“Our roads are still horrendous after many weather events, these restrict our services and production.”*

- **Support for Federated Farmers (~5%)**

Affirmations of Feds’ work; suggestions for advocacy.

- *“Federated Farmers is doing a great job.”*
- *“Keep up the good work.”*

## 2. Overall Economic Confidence

### Overall

#### Economic Context

New Zealand's economy is showing signs of stabilisation, with key indicators pointing to improving conditions. Inflation has risen slightly to 2.5% for the March 2025 quarter, remaining within the Reserve Bank of New Zealand's (RBNZ) target range of 1–3%.

This stability has prompted the RBNZ to hold the Official Cash Rate (OCR) at 3.25% as of July 2025, following a series of cuts earlier in the year, though further adjustments may be considered amid ongoing economic uncertainty.

For the agricultural sector, on-farm inflation has moderated significantly, with sheep and beef farms experiencing a 0.6% decline in input prices for the year ending March 2025, marking a period of deflation after years of elevated costs. However, some cost pressures persist. Insurance premiums have continued to rise, reaching up to 16.8% inflation in 2024 due to heightened climate risks, though market softening in 2025 may ease this somewhat. Conversely, costs for fertiliser, seeds, and livestock purchases have declined, providing relief to many farmers.

Commodity prices present a mixed picture. Fonterra has opened its milk price forecast for the 2025/26 season at NZ\$10.00 per kilogram of milk solids, supported by steady global demand from key markets like China. However, with a wide forecast range of \$8–\$11 and the break-even for dairy now sitting at \$8.68/kg MS, there is understandable caution given potential volatility from geopolitical and supply chain risks.

Arable farmers face less optimism, with harvest hectares for key crops like wheat and barley projected down 13% for 2025 amid market uncertainty. However, contract prices for feed wheat have edged up to NZ\$490–500 per tonne - approximately NZ\$50/t higher than the previous season - reflecting tighter supply in some regions.

In contrast, meat and wool prices are performing strongly: beef and lamb values are rising due to tight global supplies and robust export demand, with lamb holding above \$8.00 per kg, while wool prices have climbed up 24% year-on-year.

Federated Farmers' advocacy has contributed to a more supportive policy environment, with government developments including the banking inquiry, faster processing on the AEWS visas, farm to forestry conversions, review of methane targets, reforms to RMA, and an improved Health & safety framework. Positive messages from the government continue to flow out to farmers.

Overall, the combination of stabilising inflation, steady interest rates, easing on-farm inflation, and solid prices for meat, wool, and dairy - tempered by arable challenges and future dairy uncertainties - has driven a surge in farmer confidence to a 10-year high.

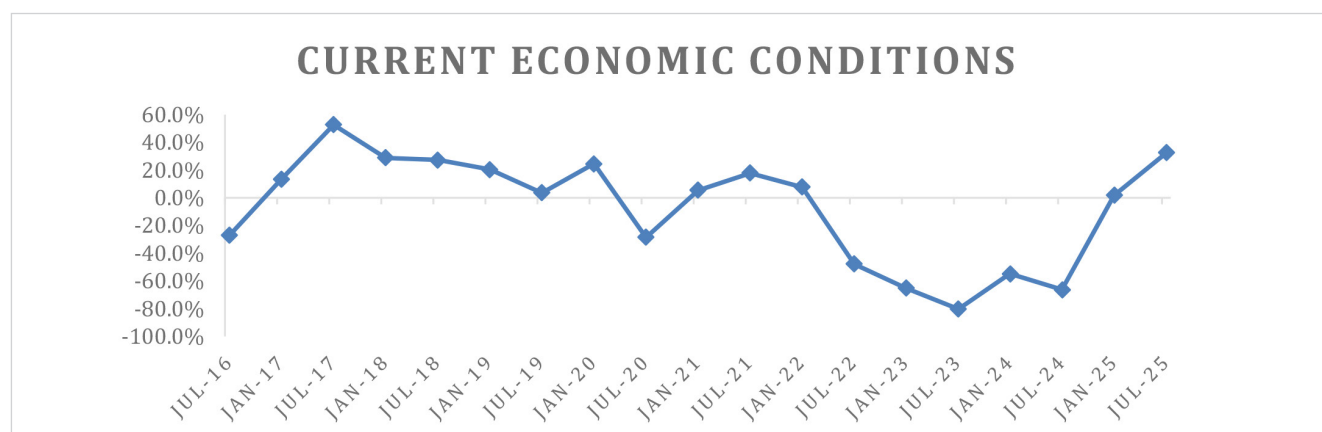
*\*Please refer to Section 11.2 for more information about net scores.*

### Current Economic Conditions

#### Thinking about general economic conditions, how do you perceive them to be currently?

Farmers' perceptions of current general economic conditions have reached an 8-year high, with a net 33% viewing them as good in July 2025, driven by easing interest rates, stronger commodity prices for dairy and meat, and supportive policy shifts. This positive shift reflects relief from previous pressures like high inflation and regulatory burdens, though some sectors like arable remain challenged.

**Figure 2.1 Net current perceptions of general economic conditions for all farms (July 2016 – July 2025)**



This graph highlights a dramatic recovery in farmer sentiment over the past year up 99 points, climbing from deeply negative territory in July 2024 to the strongest positive net score since 2017. This underscores the impact of economic stabilisation and government responsiveness to rural concerns.

**Table 2.1 Current perceptions of general economic conditions for all farms**

	Good	Neither Good nor Bad	Bad	Current Net Score	Previous Net Score	Change in Net Score
Dairy	50%	42%	8%	42%	24%	+24
Meat & Wool	44%	46%	10%	34%	-16%	+50
Arable	17%	49%	34%	-17%	-26%	+9
All Farms	44%	44%	12%	33%	2%	+31

Perceptions vary markedly by sector: dairy farmers lead with a net 42% positive view amid high milk prices; sheep, beef, and grazing follow at net 34% amid strong global demand for meat and wool; while arable farmers lag at net -17%, weighed down by declining crop prices and market uncertainty.

**Table 2.2 Current perceptions of general economic conditions by region**

	Good General Economic Conditions Currently	Neither Good nor Bad	Bad General Economic Conditions Currently	Current Net Score	Previous Net Score	Change in Net Score
Auckland-Northland	43%	41%	16%	28%	-2%	+30
Waikato-Bay of Plenty	42%	46%	12%	29%	11%	+18
East Coast North Island	52%	38%	11%	41%	-16%	+57
Taranaki-Manawatu	45%	48%	8%	37%	-4%	+41
WC-Tasman-Marlborough	45%	39%	16%	29%	14%	+15
Canterbury	43%	43%	15%	28%	5%	+23
Otago-Southland	45%	46%	8%	37%	2%	+35

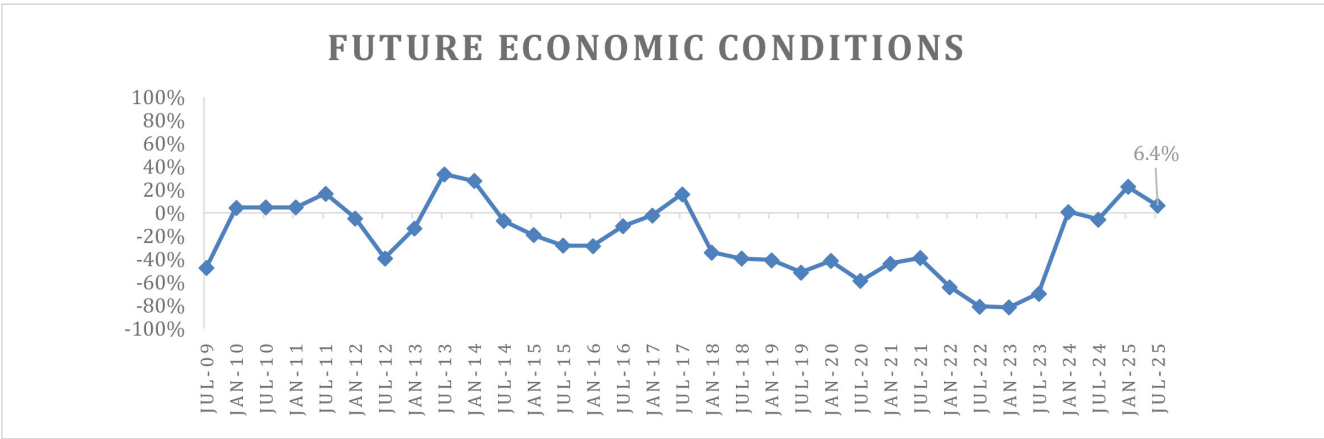
Regional differences are evident, with the East Coast North Island showing the strongest optimism at a net 41%, driven by robust exports and favourable sheep and beef prices in areas like Hawke’s Bay and Gisborne. Taranaki-Manawatu and Otago-Southland follow closely at net 37% each, benefiting from strong dairy performance and meat sector demand. Regions such as Waikato-Bay of Plenty (net 29%), West Coast-Tasman-Marlborough (net 29%), Auckland-Northland (net 28%), and Canterbury (net 28%) exhibit solid confidence. Canterbury remains somewhat tempered by arable challenges including low profitability, oversupply, and regulatory pressures on nitrogen management.

### Future Economic Conditions

**Do you expect general economic conditions to improve, stay the same, or worsen over the next 12 months?**

Looking ahead, farmers display cautious optimism for the next 12 months, with a net 6% expecting conditions to improve in July 2025 - the third positive result from the past four surveys. This is down from 23% confidence in the future from the previous survey.

**Figure 2.2 Net predictions of general economic conditions for all farms (July 2009 - July 2025)**



Expectations of future economic conditions have been in negative territory most years since 2014, so it is fair to say predictions of economic conditions are often negative. However, these last two years, expectations have been much higher, and being in positive territory is an improvement.

**Table 2.3 Predictions of general economic conditions for all farms over the next 12 months**

	Good	Neither Good nor Bad	Bad	Current Net Score	Previous Net Score	Change in Net Score
Dairy	21%	52%	23%	-2%	21%	-23
Meat & Wool	28%	57%	12%	16%	28%	12
Arable	14%	66%	20%	-6%	18%	-24
All Farms	24%	55%	17%	6%	23%	-17

Meat and wool farmers lead with a net 16% expecting improvement, driven by robust global demand and rising prices; all farms at net 6%; dairy at net -2%, reflecting caution over potential milk price softening; and arable at net -6%, constrained by market volatility and input challenges.

**Table 2.4 Predictions of general economic conditions by region looking forward**

	Improve	Stay Same	Worsen	Current Net Score	Previous Net Score	Change in Net Score
<b>Auckland-Northland</b>	23%	51%	21%	<b>2%</b>	<b>19%</b>	<b>-17</b>
<b>Waikato-Bay of Plenty</b>	28%	48%	18%	<b>10%</b>	<b>15%</b>	<b>-5</b>
<b>East Coast North Island</b>	28%	60%	12%	<b>16%</b>	<b>40%</b>	<b>-24</b>
<b>Taranaki-Manawatu</b>	25%	51%	21%	<b>4%</b>	<b>28%</b>	<b>-24</b>
<b>WC-Tasman-Marlborough</b>	25%	56%	16%	<b>9%</b>	<b>11%</b>	<b>-2</b>
<b>Canterbury</b>	19%	63%	14%	<b>5%</b>	<b>18%</b>	<b>-13</b>
<b>Otago-Southland</b>	17%	56%	21%	<b>-4%</b>	<b>27%</b>	<b>-31</b>

Forward-looking regional variations align with current patterns, with the East Coast North Island leading at a net 16% expecting improvement. Other strong areas include Waikato-Bay of Plenty (net 10%) and West Coast-Tasman-Marlborough (net 9%), driven by dairy and meat sector stability, while southern arable-heavy regions like Otago-Southland (net -4%) and Canterbury (net 5%) show subdued outlooks due to crop market pressures and environmental risks.



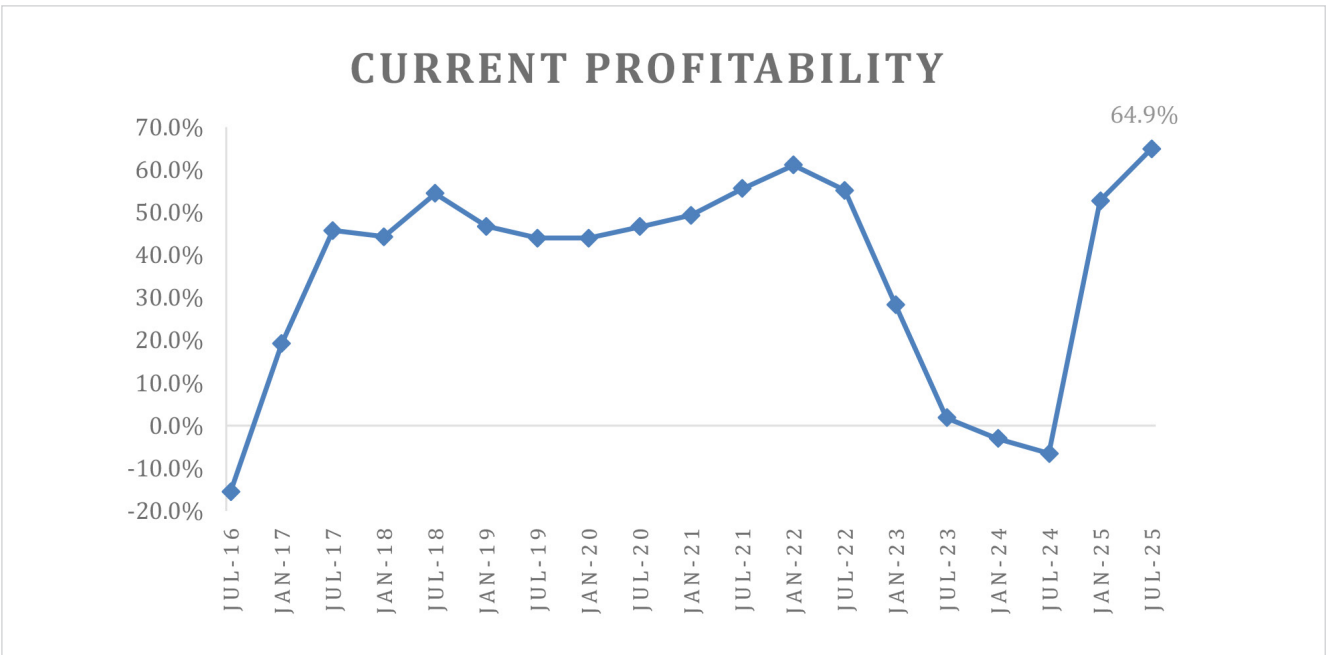
# 3. Farm Profitability

## Current Profitability

Thinking about the profitability of your own farm business, how is it currently?

Farmers' perceptions of current farm profitability have improved markedly, with a 12-point increase in July 2025, the highest level ever recorded in our survey, driven by stronger commodity prices, reduced on-farm costs, and favourable policy changes, though challenges persist in some sectors.

Figure 3.1 Net current perceptions of all farm profitability (July 2016 - July 2025)



The figure shows a significant upturn in net profitability perceptions over the past year, recovering from negative levels in 2024 to positive territory, reflecting resilience amid economic stabilisation.

Table 3.1 Current perceptions of profitability: all farms

	Making a profit	Breaking Even	Making a loss	Current Net Score	Previous Net Score	Change in Net Score
Dairy	81%	16%	1%	80%	75%	+5
Meat & Wool	57%	29%	13%	44%	2%	+42
Arable	40%	31%	29%	11%	35%	-24
All Farms	66%	24%	1%	65%	53%	+12

Sectoral variations are notable - dairy farmers report the strongest number making a profit at 80%, buoyed by high milk prices; sheep and beef at net 44% amid robust meat and wool markets; arable at net 11%, hampered by lower crop values. Overall farms are at 65%, being pulled up by the dairy sector.

Table 3.2 Current farm profitability by region

	Making a profit	Breaking Even	Making a Loss	Current Net Score	Previous Net Score	Change in Net Score
Auckland-Northland	62%	23%	11%	51%	25%	+26
Waikato-Bay of Plenty	65%	27%	6%	59%	58%	+1
East Coast North Island	69%	21%	10%	59%	12%	+47
Taranaki-Manawatu	66%	26%	7%	60%	38%	+22
WC-Tasman-Marlborough	59%	31%	9%	50%	47%	+3
Canterbury	64%	22%	13%	50%	38%	+12
Otago-Southland	72%	18%	7%	64%	32%	+32

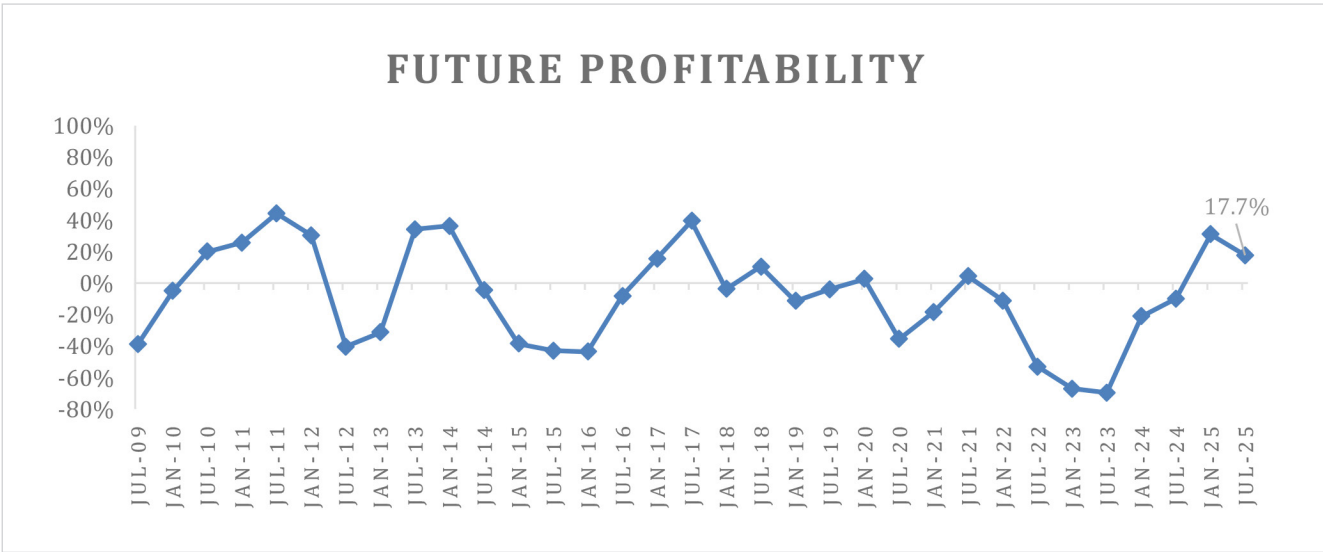
While there is some regional variation in current farm profitability, the net scores range from a low of 50% to a high of 64%, indicating that farms across New Zealand are generally profitable. This contrasts with the previous survey’s wider band of net scores from 12% to 58%, showing a more uniform and positive profitability across New Zealand.

Future Profitability

Do you expect your farm’s after-tax profit (or loss) to improve, stay the same, or worsen over the next 12 months?

Expectations for future profitability remain positive, with a net 18% of farmers anticipating improvement over the next 12 months in July 2025, supported by expected interest rate relief and sustained demand, albeit with caution over potential volatility. This marks the second positive expectation of profitability since 2021, though down from net 31% in January 2025.

Figure 3.2 Net predictions of all farm profitability (July 2009-July 2025)



The figure illustrates fluctuating net predictions since 2009, with a rapid upward trend from lows in 2022-2023 to the current high since 2017, indicating growing optimism from policy and market improvements.

**Table 3.3 Predictions of farm profitability over the next 12 months: all farms**

	Improve	Stay Same	Worsen	Current Net Score	Previous Net Score	Change in Net Score
<b>Dairy</b>	22%	59%	17%	<b>6%</b>	<b>38%</b>	<b>-32</b>
<b>Meat &amp; Wool</b>	40%	49%	10%	<b>31%</b>	<b>33%</b>	<b>-2</b>
<b>Arable</b>	26%	54%	20%	<b>6%</b>	<b>6%</b>	<b>n/c</b>
<b>All Farms</b>	31%	54%	13%	<b>18%</b>	<b>31%</b>	<b>-13</b>

**Table 3.4 Predictions of expected farm profitability by region**

	Improve	Stay Same	Worsen	Current Net Score	Previous Net Score	Change in Net Score
<b>Auckland-Northland</b>	21%	70%	9%	<b>11%</b>	<b>20%</b>	<b>-9</b>
<b>Waikato-Bay of Plenty</b>	29%	52%	18%	<b>11%</b>	<b>26%</b>	<b>-15</b>
<b>East Coast North Island</b>	41%	46%	12%	<b>30%</b>	<b>44%</b>	<b>-14</b>
<b>Taranaki-Manawatu</b>	29%	56%	13%	<b>15%</b>	<b>37%</b>	<b>-22</b>
<b>WC-Tasman-Marlborough</b>	28%	63%	9%	<b>19%</b>	<b>24%</b>	<b>-5</b>
<b>Canterbury</b>	32%	55%	9%	<b>23%</b>	<b>23%</b>	<b>n/c</b>
<b>Otago-Southland</b>	33%	50%	15%	<b>18%</b>	<b>38%</b>	<b>-20</b>

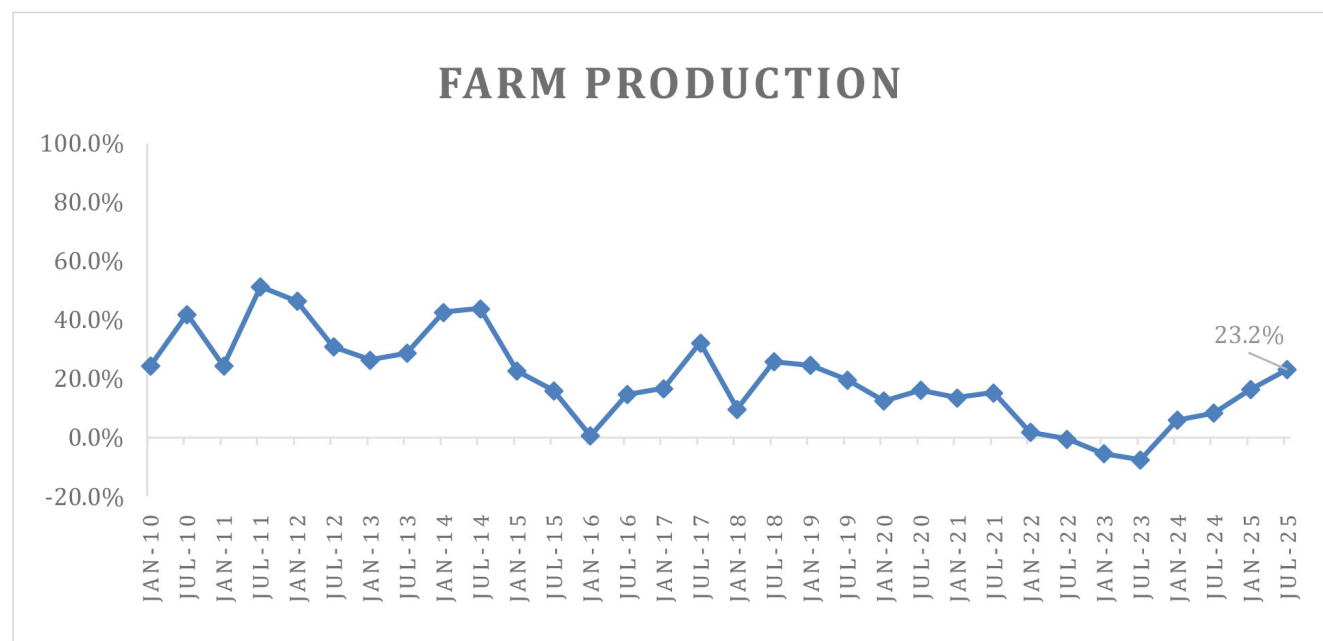
Regional expectations align with current trends, though remain positive across the board. The lowest expectation of profitability sit in the North Island, with both Auckland-Northland, and Waikato-Bay of Plenty at 11%. Meanwhile East Coast are the most positive at 30% current net profitability.

## 4. Farm Production

**Over the next 12 months, do you expect your farm's production to increase, stay the same, or reduce?**

Farmers' expectations about future production have improved compared to the January 2025 survey, with a net 23% expecting an increase in July 2025, up 7 points; and the highest level since January 2019.

**Figure 4.1 Net predictions of farm production: all farms (January 2010 - July 2025)**



The figure shows net production expectations fluctuating, with consistent positives above +20% until mid-2015, but below since mid-2019; the current 23% is the highest since January 2019.

**Table 4.1 Predictions of farm production over the next 12 months: all farms**

	Increase	Stay Same	Reduce	Current Net Score	Previous Net Score	Change in Net Score
Dairy	33%	62%	4%	29%	18%	+11
Meat & Wool	27%	65%	8%	20%	18%	+2
Arable	26%	66%	9%	17%	24%	-7
All Farms	30%	63%	6%	23%	16%	+7

Sectoral expectations differ: Dairy farmers have the highest predictions of future production over the next 12 months – up 11 points. While predictions of Arable production are down seven points to 17%.



**Table 4.2 Predictions of future farm production by region**

	Increase	Stay Same	Reduce	Current Net Score	Previous Net Score	Change in Net Score
Auckland-Northland	21%	68%	11%	9%	4%	+5
Waikato-Bay of Plenty	31%	60%	6%	25%	14%	+11
East Coast North Island	29%	65%	6%	23%	29%	-6
Taranaki-Manawatu	23%	69%	8%	16%	5%	+11
WC-Tasman-Marlborough	32%	52%	10%	23%	11%	+12
Canterbury	30%	63%	6%	24%	17%	+7
Otago-Southland	34%	62%	3%	31%	26%	+5

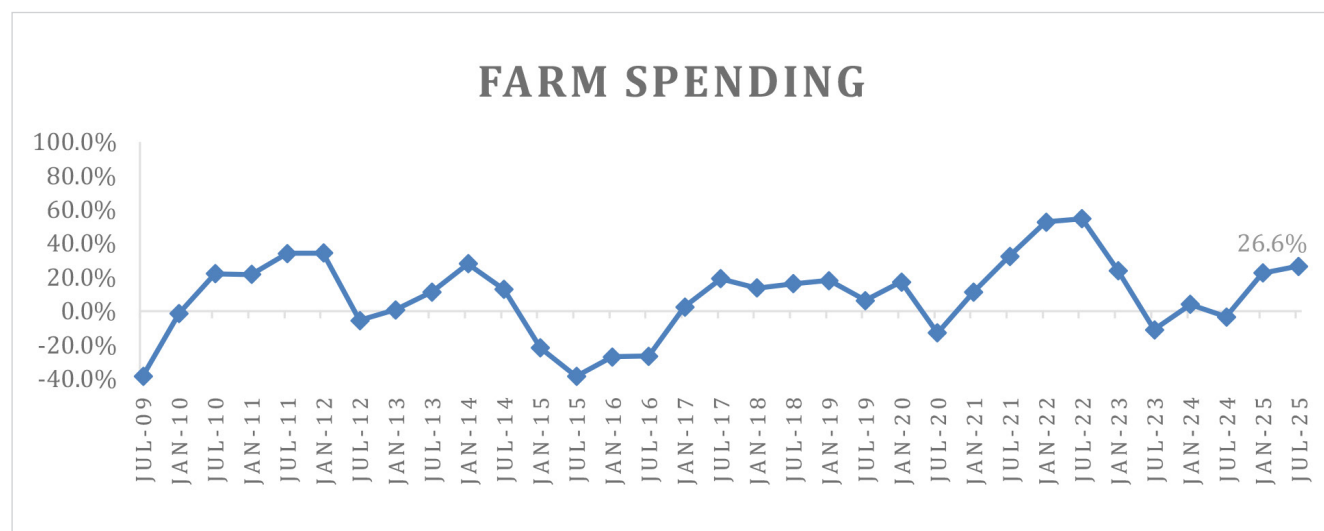
Regional variations align with sector trends, East Coast predictions of future production is down six points to 23%, which is the only reduction across the country. Meanwhile West-Coast Tasman-Marlborough are predicting production up by 12 points. And Waikato BoP & Taranaki-Manawatu are both up by 11% respectively.

## 5. Farm Spending

**Over the next 12 months, do you expect your farm's on-farm spending to increase, stay the same, or reduce?**

Expected farm spending is up moderately, at 27%, the highest since July 2022. On farm spending can be interpreted in two ways, one is costs increasing, two is greater investments being made on farm.

**Figure 5.1 Farm Spending - all farms (January 2010 - July 2025)**



The figure illustrates fluctuating spending expectations throughout the survey's history, ranging from -40% to +50% with sharp changes, and the current net 27% marks the highest since July 2022, indicating renewed sector confidence.

**Table 5.1 Predictions of expected farm spending over the next 12 months: all farms**

	Increase	Stay Same	Reduce	Current Net Score	Previous Net Score	Change in Net Score
Dairy	43%	47%	9%	3.4%	29%	+5
Meat & Wool	34%	55%	11%	23%	18%	+5
Arable	26%	46%	29%	-3%	-6%	+3
All Farms	38%	50%	11%	27%	23%	+4

Sectoral expectations show dairy leading at net 34%, up 5 points driven by milk price strength and reinvestment; meat and wool at net 23%, also up 5 points from robust demand. Arable is improving to net 2%, up 8 points despite market challenges; overall at net 27%, up 4 points.

**Table 5.2 Predictions of expected farm spending by region**

	Increase	Stay Same	Reduce	Current Net Score	Previous Net Score	Change in Net Score
Auckland-Northland	32%	59%	9%	<b>23%</b>	<b>15%</b>	<b>+8</b>
Waikato-Bay of Plenty	43%	44%	13%	<b>30%</b>	<b>31%</b>	<b>-1</b>
East Coast North Island	32%	57%	12%	<b>20%</b>	<b>32%</b>	<b>-12</b>
Taranaki-Manawatu	40%	53%	7%	<b>33%</b>	<b>20%</b>	<b>+13</b>
WC-Tasman-Marlborough	38%	50%	13%	<b>25%</b>	<b>16%</b>	<b>+9</b>
Canterbury	40%	45%	15%	<b>25%</b>	<b>20%</b>	<b>+5</b>
Otago-Southland	35%	54%	10%	<b>25%</b>	<b>19%</b>	<b>+6</b>

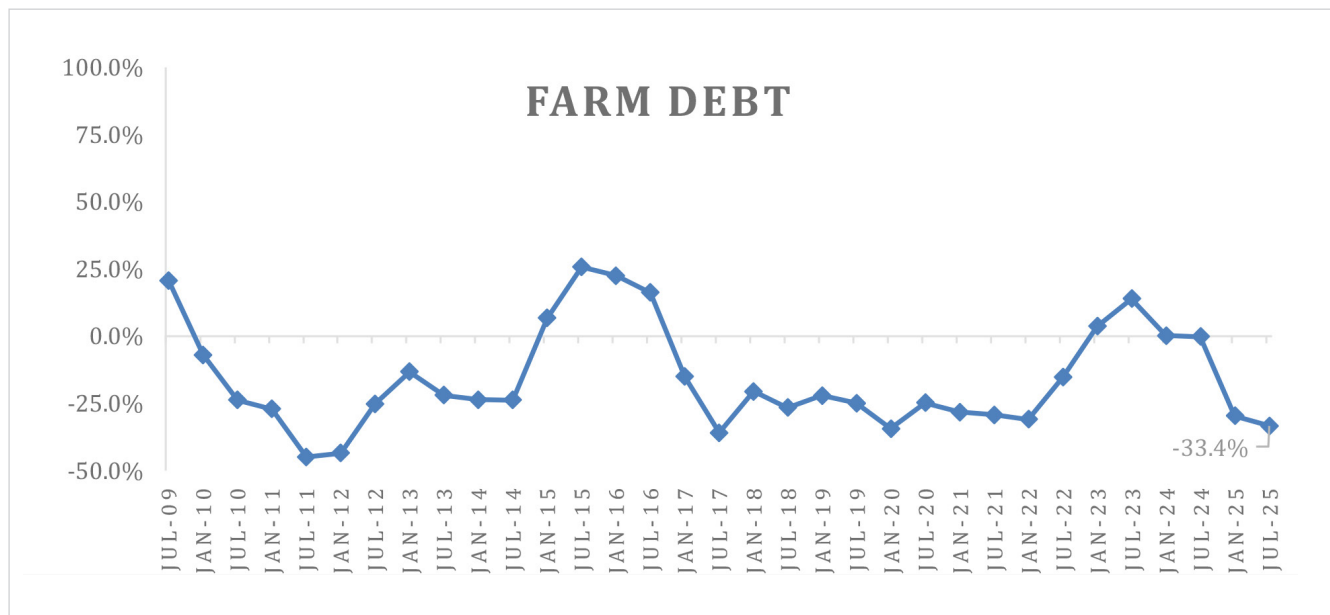
Regional variations highlight higher spending intentions in dairy-heavy areas like Waikato-Bay of Plenty (net 30%) and Taranaki-Manawatu (net 33%). In contrast, spending is more tempered in the East Coast North Island (net 20%) amid ongoing recovery efforts. Southern regions such as Canterbury and Otago-Southland (both net 25%) show consistent gains, driven by mixed arable and meat performance.

## 6. Farm Debt

**Over the next 12 months, do you expect your farm business's debt to increase, stay the same, or reduce?**

With dropping interest rates, significantly more farmers expect to pay down debt, with 33% anticipating reductions in July 2025. Only 10% expect to take on more debt; disproportionately skewed to Arable on 23% or about one in four, compared with Dairy (8% - about 1 in 12).

**Figure 6.1 Farm Debt - all farms (January 2010 - July 2025)**



The figure shows fluctuating debt expectations, with the net score reaching -33% in July 2025 the lowest (most reductions) since early 2020 indicating a strong trend toward debt paydown driven by lower rates, more price stability, and high current levels of confidence.

**Table 6.1 Predictions of future farm debt over the next 12 months: all farms**

	Increase	Stay Same	Reduce	No Debt	Current Net Score	Previous Net Score	Change in Net Score
Dairy	8%	26%	57%	9%	-49%	-51%	-2
Meat & Wool	11%	35%	34%	20%	-23%	-10%	+13
Arable	23%	37%	31%	6%	-9%	-12%	+3
All Farms	10%	31%	43%	15%	-33%	-30%	+3

Dairy farmers lead debt reductions with a net -49%, slightly softened by 2 points from previous amid high milk prices. Meat and wool improved sharply to net -23%, up 13 points from strong commodity demand, with arable at net -9%, up 3 points despite challenges; overall at net -33%, up 3 points.



**Table 6.2 Predictions of farm debt by region**

	Increase	Stay Same	Reduce	No Debt	Current Net Score	Previous Net Score	Change in Net Score
<b>Auckland-Northland</b>	%	27%	34%	26.9%	<b>-25%</b>	<b>-35%</b>	<b>+10</b>
<b>Waikato-Bay of Plenty</b>	8%	34%	44%	13.1%	<b>-36%</b>	<b>-33%</b>	<b>+3</b>
<b>East Coast North Island</b>	10%	31%	43%	13.8%	<b>-33%</b>	<b>-19%</b>	<b>+14</b>
<b>Taranaki-Manawatu</b>	6%	31%	45%	15.6%	<b>-40%</b>	<b>-23%</b>	<b>+17</b>
<b>WC-Tasman-Marlborough</b>	6%	38%	34%	21.9%	<b>-28%</b>	<b>-38%</b>	<b>-10</b>
<b>Canterbury</b>	14%	32%	40%	13.2%	<b>-26%</b>	<b>-24%</b>	<b>+10</b>
<b>Otago-Southland</b>	13%	24%	49%	12.0%	<b>-36%</b>	<b>-41%</b>	<b>-5</b>

Regional differences show robust debt paydown expectations in Taranaki-Manawatu (net -40%, up 17 points) and Otago-Southland (net -36%, down 5 points) from dairy and meat strength. Auckland-Northland (net -25%, up 10 points) and West Coast-Tasman-Marlborough (net -28%, down 10 points) reflect mixed horticulture and environmental factors, with general debt reduction across most areas.

# 7. Ability to Recruit

Over the past six months, have you been finding it harder or easier to find skilled and /or motivated staff to work on your farm?

The ability to recruit skilled and motivated staff remains steady after significant improvement from July 2022 to July 2024, with a net 14% of farmers finding it harder in July 2025 (down 2 points from January). 43% report no change, and 4% are finding it easier, though 28% do not employ staff.

Figure 7.1 Ability to recruit - all farms (January 2010 - July 2025)



Table 7.1 Ability to recruit skilled and motivated staff in the previous six months: all farms

	Harder	No Change	Easier	Don't Employ	Current Net Score	Previous Net Score	Change in Net Score
Dairy	23%	47%	4%	16%	19%	19%	n/c
Meat & Wool	13%	41%	4%	39%	9%	13%	-4
Arable	14%	40%	3%	37%	11%	15%	-4
All Farms	18%	43%	4%	28%	14%	16%	-2

Sectoral differences show dairy farmers facing the greatest difficulty at net 19% harder (unchanged from previous), due to high seasonal demands. Meat and wool are at net 9% (down 4 points); arable at net 11% (down 4 points), with variations linked to workforce needs and immigration reforms.

**Table 7.2 Difficulty to recruit skilled and motivated staff by region**

	Harder	No Change	Easier	Current Net Score	Previous Net Score	Change in Net Score
<b>Auckland-Northland</b>	19%	37%	2%	<b>17%</b>	<b>8%</b>	<b>+9</b>
<b>Waikato-Bay of Plenty</b>	22%	38%	4%	<b>19%</b>	<b>20%</b>	<b>-1</b>
<b>East Coast North Island</b>	15%	55%	8%	<b>7%</b>	<b>16%</b>	<b>-9</b>
<b>Taranaki-Manawatu</b>	28%	37%	3%	<b>24%</b>	<b>19%</b>	<b>+5</b>
<b>WC-Tasman-Marlborough</b>	19%	34%	3%	<b>16%</b>	<b>24%</b>	<b>-8</b>
<b>Canterbury</b>	11%	41%	6%	<b>5%</b>	<b>14%</b>	<b>-9</b>
<b>Otago-Southland</b>	12%	52%	2%	<b>10%</b>	<b>9%</b>	<b>+1</b>

Regional variations highlight Taranaki-Manawatu with the highest net difficulty at 25% harder (up 6 points), driven by dairy intensity. East Coast North Island slid to net 7% (down 9 points) amid recovery; and Canterbury improved to net 5% (down 9 points), influenced by arable and policy changes making it easier to access labour.

# 8. Mental Health

**Considering economic conditions, weather, government policy and regulation, or other forms of pressure, do you feel like your mental health and wellbeing is being affected?**

Mental health pressures among farmers have continued to ease, with only 32% reporting their wellbeing is affected in July 2025, resulting in a net score of -26% (Yes minus No). This is an improvement by 16 points from the previous -10%, reflecting better economic stability, policy relief, and reduced on-farm stresses.

Figure 8.1 Mental Health (all farms) (January 2010 - July 2025)

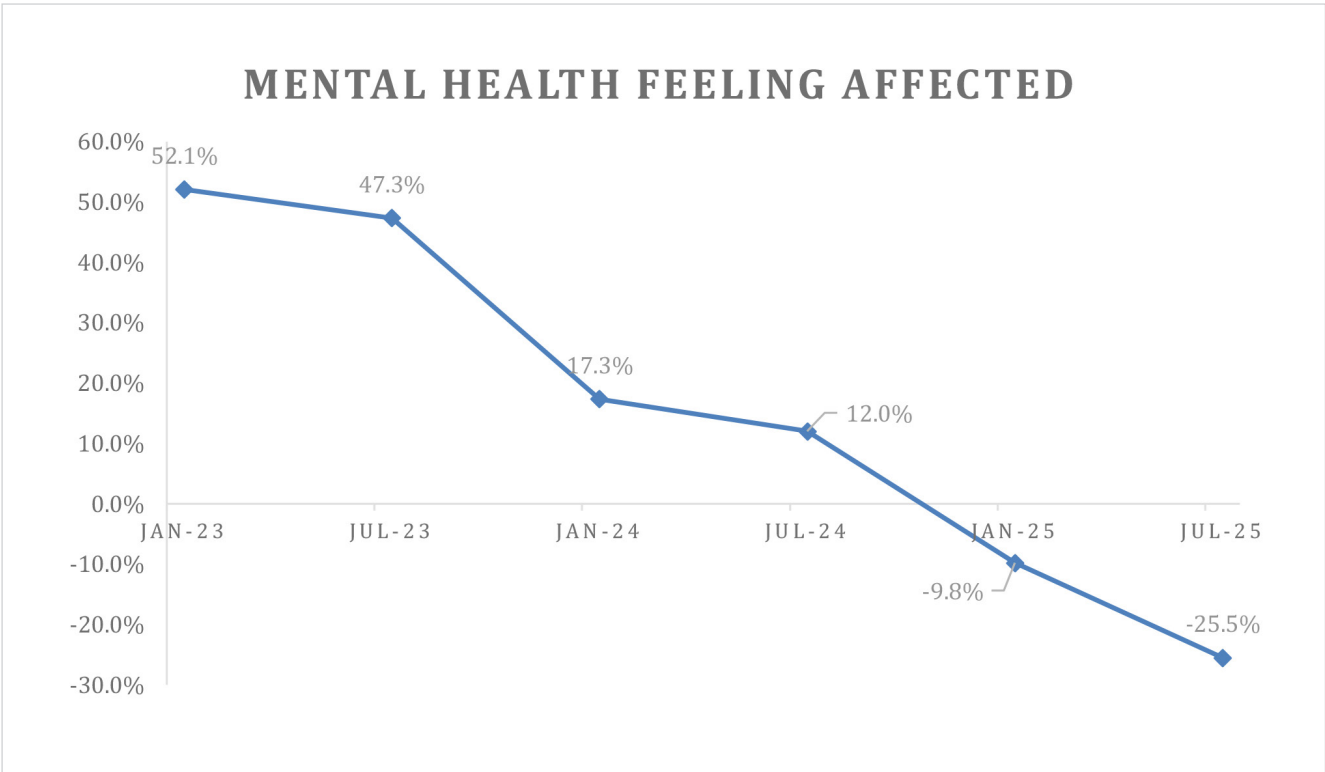


Table 8.1 Mental Health Affected

	No	Yes	Net	Previous Net Score	Change in Net Score
Dairy	58%	32%	-26%	-18%	-8
Meat & Wool	59%	32%	-27%	-4%	-23
Arable	46%	46%	0%	0%	n/c
All Farms	58%	32%	-26%	+10%	+16

Sectoral variations highlight meat and wool farmers showing the strongest improvement at net -27% (32% Yes, change -23 points). Dairy are close behind at net -27% (32% Yes, change -9 points); while arable remains balanced at net 0% (46% Yes, no change). This is one that Feds will watch carefully.



**Table 8.2 Mental Health Affected staff by region**

	No	Yes	Unsure	Net	Previous Net Score	Change in Net Score
Auckland-Northland	45%	36%	19%	<b>-9%</b>	<b>0%</b>	<b>-9</b>
Waikato-Bay of Plenty	54%	31%	15%	<b>-23%</b>	<b>-16%</b>	<b>-7</b>
East Coast North Island	67%	27%	6%	<b>-41%</b>	<b>2%</b>	<b>-43</b>
Taranaki-Manawatu	59%	30%	11%	<b>-28%</b>	<b>-14%</b>	<b>-14</b>
WC-Tasman-Marlborough	52%	39%	10%	<b>-13%</b>	<b>-11%</b>	<b>-2</b>
Canterbury	56%	37%	7%	<b>-19%</b>	<b>-6%</b>	<b>-13</b>
Otago-Southland	65%	32%	3%	<b>-32%</b>	<b>-14%</b>	<b>-18</b>

Regional differences reveal the East Coast North Island with the most dramatic easing at net -41% (27% Yes, change -43 points), aided by post-cyclone recovery efforts; Otago-Southland at net -32% (32% Yes, change -18 points); and consistent improvements across all areas. No region is above net -9%, indicating broad-based relief from pressures.

## 9. Greatest Concerns

- Regulation & Compliance Costs have retained the top spot as the leading concern for farmers. This reflects ongoing frustration with complex and costly regulatory requirements.
- Climate Change Policy & the Emissions Trading Scheme (ETS) have climbed into second place, underlining persistent uncertainty around the impact of climate-related policies on farm operations. This includes concerns about emissions obligations, the treatment of sequestration, and increasing external pressure to reduce agricultural emissions.
- Local Government and Rates have continued to rise in concern, now ranking third. Farmers are increasingly disillusioned with local council decision-making, rate increases, and perceived inequities that affect rural communities and infrastructure.
- Input Costs have dropped to fourth place. While inflation has eased, on-farm expenses for essentials such as electricity remain high and continue to put pressure on cashflow and profitability.
- Debt and Interest Rates have fallen to fifth place. While interest rate hikes may have stabilised, farmers remain under pressure from elevated borrowing costs and tight credit conditions.
- Farmgate and Commodity Prices are now ranked sixth. While still significant, concern over prices has eased slightly, likely due to more stable global demand and export conditions compared to earlier in the year.
- Economic Situation remains in the middle of the rankings. While general economic conditions remain tough, farmers appear to be focusing more sharply on sector-specific challenges.
- Blanket Forestry Conversion has held steady in the rankings, with continued concern from productive farmland being lost to large-scale carbon forestry.
- Poor State of Rural Infrastructure continues to be raised as a consistent issue—especially in relation to roading, and communication networks.
- Freshwater Policy remains a concern for many, though it has slipped slightly in prominence compared to previous surveys. The government has made a series of announcements including Resource Management Act changes that should assist in this area.
- Viability and Profitability has dropped further but still features in the top twelve, reflecting long-term concerns about whether farming remains financially sustainable in New Zealand.
- Weather rounds out the top concerns. While not a leading factor, it continues to affect farming decisions—particularly with seasonal uncertainty and increasing volatility.

**Table 9.1 shows how farmers' main concerns have continued to evolve, with notable shifts in the top priorities reported in the July 2025 survey. The percentages reflect the average of each concern's three choices.**

July 2024		January 2025		July 2025	
Debt, Interests, Banks	20%	Regulation & Compliance Costs	14%	Regulation & Compliance Costs	14%
Farmgate & Commodity Prices	16%	Debt, Interests, Banks	12%	Climate Change Policy & ETS	11%
Regulation & Compliance Costs	11%	Input Costs	10%	Local Government & Rates	10%
Input Costs	10%	Climate Change Policy & ETS	10%	Blanket Forestry Conversions	9%
Economic Situation	8%	Local Government & Rates	9%	Input Costs	9%
Local Government & Rates	6%	Farmgate & Commodity Prices	6%	Debt and Interests Rates	7%
Climate Change Policy & ETS	6%	Economic Situation	6%	Farmgate & Commodity Prices	6%
Viability & Profitability	6%	Viability & Profitability	5%	Economic Situation	5%
Poor state of rural infrastructure (e.g. roading, communications, electricity)	3%	Blanket Forestry Conversions	5%	Poor state of rural infrastructure (e.g. roading, communications, electricity)	5%
Freshwater Policy	3%	Freshwater Policy	4%	Freshwater Policy	4%
Blanket Forestry Conversions	2%	Poor state of rural infrastructure (e.g. roading, communications, electricity)	4%	Viability & Profitability	3%
Environment	2%	Weather	3%	Weather	2.7%

# 10. Highest Government Priorities

- Fiscal Policy has moved into first place, reflecting growing concern around government spending, taxation, and debt levels. Farmers are watching closely to see whether promises of fiscal restraint will translate into meaningful action.
- Regulation & Compliance Costs have returned to second place. The continued frustration with burdensome, impractical, and costly rules remains a key focus for farmers.
- Economy & Business Environment has slipped to third, but remains a strong focus. Farmers are still concerned about high interest rates, business confidence, and sluggish growth affecting the rural economy.
- Local Government Reform has risen in priority to fourth place, with growing dissatisfaction around council rates, spending, and service delivery in rural areas. The Government has recently announced reforms to local government, and potential for rates capping.
- Climate Change Policy & ETS in fifth place, bringing it into more prominence with farmers, in light of concerns and commentary around forestry.
- Input Costs have dropped out of the top five; though still remain an issue.
- Biosecurity remains in sixth place, with continued support for robust border protection and rapid response to pest and disease risks.
- Social Issues also remain a high concern, with the rural workforce, mental health, and wider social cohesion still weighing on many farming communities.
- Monetary Policy has fallen slightly to eighth place, although borrowing costs and interest rates remain a concern for many farmers.
- Supporting Agriculture & Exporters has also dropped in priority, despite strong expectations that the Government should continue backing export growth and rural productivity.
- Transport, Communication, and Energy Infrastructure remains an important area for investment, particularly with pressure on rural roading, connectivity, and power reliability.
- Research & Science holds steady in the top twelve, reflecting interest in technology, productivity, and long-term sector resilience.
- Rural & Regions remains at the bottom of the list, but its consistency suggests a baseline level of concern about regional inequality and rural services.



**Table 10.1 shows how farmers' main Government priorities have shifted, with some notable changes since the January 2025 and July 2024 surveys. The percentages reflect the average of each priority's three choices.**

July 2024		January 2025		July 2025	
Economy, Business & Environment	17%	Economy, Business & Environment	17%	Fiscal Policy	15%
Fiscal Policy	15%	Fiscal Policy	15%	Regulation & Compliance Costs	15%
Regulation & Compliance Costs	14%	Regulation & Compliance Costs	14%	Economy, Business & Environment	14%
Supporting Ag & Exports	6%	Supporting Ag & Exports	6%	Local Govt Reform	7%
Monetary Policy	6%	Monetary Policy	6%	Climate Change Policy & ETS	6%
Biosecurity	5%	Biosecurity	5%	Biosecurity	5%
Social Issues	5%	Social Issues	5%	Social Issues	5%
Local Govt Reform	4%	Local Govt Reform	4%	Monetary Policy	5%
Transport, Communication, Energy	4%	Transport, Communication, Energy	4%	Supporting Ag & Exports	5%
Research & Science	4%	Research & Science	4%	Transport, Communication, Energy	3%
Climate Change Policy & ETS	3%	Climate Change Policy & ETS	3%	Research & Science	3%
Employment & Skills	2%	Employment & Skills	2%	Rural & Regions	1%

# 11. About this Survey

## Research Design

Federated Farmers have been conducting biannual Farm Confidence Surveys since July 2009. These surveys measure farmer confidence over eight key issues in the farming profession and community. Members of Federated Farmers are invited to complete these surveys, which run in January and July each year.

The online survey was undertaken from 1 July 2025 and received 681 responses from farmers in four industry groups over 24 provinces (condensed into seven regions) across New Zealand (Tables 11.1 and 11.2).

**Table 11.1 Completed surveys by region**

	Number of Respondents	%
Auckland-Northland Region	53	8%
Canterbury Region	130	19%
East Coast North Island Region	87	13%
Otago-Southland Region	109	16%
Taranaki-Wanganui-Manawatu Region	92	13%
Waikato-Bay of Plenty Region	184	27%
West-Coast-Tasman-Marlborough Region	32	5%
<b>Total</b>	<b>687</b>	<b>100%</b>

**Table 11.2 Completed surveys by industry group**

	Number of Respondents	%
Dairy	302	44%
Meat & Wool	294	43%
Arable	29	4%
Other	21	3%
Blank	35	5%
<b>Total</b>	<b>681</b>	<b>100%</b>

Like all Federated Farmers' Farm Confidence Surveys, results must be treated cautiously. Although the sample reported here is large, it is a self-selected sample. Also, smaller numbers of Arable and 'Other' types of farmers mean that these industry groups' results may vary more from survey to survey than Dairy and Meat & Wool farms.

## About Net Scores

A net score is an index ranging from -100 to +100 that measures the skew of all responses towards one of two possible 'extreme' responses to a question. Typically, and in this survey, the net Score is calculated by subtracting the proportion of 'negative' responses (e.g., decrease, worsen etc.) from the proportion of 'positive' responses (e.g., increase, improve etc.). A score of -100 describes a scenario where all responses were negative, 0 reflects that an equal proportion of people responded positively as did negatively, and +100 would mean that all responses were positive.

# 12. Appendix

## Further Survey Detail

Other' farmers include Pigs, Poultry, Horses, Bees, Goats, High Country, Rural Butchers, Horticultural Crops (such as fruit, vegetables, and flowers), and Forestry. In addition, dairy grazing was offered as a new business activity in July 2020.

## The Seven Regions Related to Federated Farmers' Provinces:

- Auckland/Northland: Northland and Auckland provinces
- Waikato/Bay of Plenty: Hauraki-Coromandel, Waikato, Bay of Plenty, and Rotorua-Taupo provinces
- East Coast North Island: Gisborne-Wairoa, Hawkes Bay, Taranaki, and Wairarapa provinces
- Taranaki/Wanganui/Manawatu: Taranaki, Ruapehu, Wanganui, and Manawatu-Rangitikei provinces
- West Coast/Tasman/Marlborough: Golden Bay, Nelson, Marlborough, and West Coast provinces
- Canterbury: North Canterbury, Mid Canterbury, and South Canterbury provinces
- Otago/Southland: North Otago, Otago, and Southland provinces

## Concerns for Farmers: Full List and Detail

- |                               |                                 |
|-------------------------------|---------------------------------|
| • Blanket Forestry Conversion | • Input Costs                   |
| • Climate Change Policy & ETS | • Local Govt & Rates            |
| • Debt, Interest, Banks       | • Other                         |
| • Economic Situation          | • Pests, Disease & Biosecurity  |
| • Environment                 | • Political Situation           |
| • Exchange Rate               | • Public Perceptions            |
| • Farmgate & Commodity Prices | • Regulation & Compliance Costs |
| • Feed & Grazing              | • Staffing                      |
| • Firearms Restrictions       | • Viability & Profitability     |
| • Freshwater Policy           | • Weather ability               |
| • Industry-Specific Issues    | • Weather                       |

## Priorities for Government: Full List and Detail

- |                                  |                                    |
|----------------------------------|------------------------------------|
| • Biosecurity                    | • Reduce Immigration               |
| • Climate Change Policy & ETS    | • Re-Election                      |
| • Earthquake Recovery            | • Regulation & Compliance Costs    |
| • Economy & Business Environment | • Research & Science               |
| • Employment & Skills            | • Restrict Overseas Investment     |
| • Environment                    | • Rural & Regions                  |
| • Fiscal Policy                  | • Social Issues                    |
| • Freshwater Policy              | • Supporting Ag & Exporters        |
| • Housing                        | • Tax Reform                       |
| • Industry-Specific Issues       | • Trade Policy                     |
| • Local Govt Reform              | • Transport, Communication, Energy |
| • Monetary Policy                | • Water Storage                    |
| • Nothing/Don't know             | • Welfare Reform                   |
| • Other                          |                                    |

# Our Partners

## Proudly Supporting New Zealand Farming

Federated Farmers has established relationships with leading New Zealand organisations and businesses who support the work we do on behalf of members and New Zealand primary industries. The businesses help us to help and support our members build better businesses in a competitive world. We'd like to thank our strategic partners for their ongoing support.

See [www.fedfarm.org.nz/partners](http://www.fedfarm.org.nz/partners) for more information on membership benefits from our partners and Federated Farmers.

### Founding Partner



FMG have supported Federated Farmers and its members for over 100 years. Giving rural New Zealand a better deal is their core purpose and they live by an advice-led approach to help you identify and avoid interruptions to your farm, business and in your personal life. Federated Farmers is proud to work so closely with the FMG team, when our members support them; they're also supporting Feds, so check out [www.fmg.co.nz](http://www.fmg.co.nz) to learn more about how they give rural New Zealand a better deal.

### Our Partners



0800  
327  
646 | **FED**  
**FARM**  
**.ORG.NZ**