Spring throws parting weather shots

New Zealand agribusiness monthly

RaboResearch Food and Agribusiness

November 2025

Rabobank

Disclaimer

Please read the disclaimer below prior to reviewing this publication.

This publication is issued by Coöperatieve Rabobank U.A., registered in Amsterdam, The Netherlands, and/or any one or more of its affiliates and related bodies corporate (jointly and individually: "**Rabobank**"). Coöperatieve Rabobank U.A. is authorised and regulated by De Nederlandsche Bank and the Netherlands Authority for the Financial Markets. Rabobank London Branch is authorised by the Prudential Regulation Authority ("**PRA**") and subject to regulation by the Financial Conduct Authority and limited regulation by the PRA. Details about the extent of our regulation by the PRA are available from us on request. Registered in England and Wales No. BR002630. An overview of all locations from where Rabobank issues research publications and the (other) relevant local regulators can be found here: https://www.rabobank.com/knowledge/raboresearch-locations

The information and opinions contained in this document are indicative and for discussion purposes only. No rights may be derived from any transactions described and/or commercial ideas contained in this document. This document is for information purposes only and is not, and should not be construed as, an offer, invitation or recommendation. This document shall not form the basis of, or cannot be relied upon in connection with, any contract or commitment by Rabobank to enter into any agreement or transaction. The contents of this publication are general in nature and do not take into account your personal objectives, financial situation or needs. The information in this document is not intended, and should not be understood, as an advice (including, without limitation, an advice within the meaning of article 1:1 and article 4:23 of the Dutch Financial Supervision Act). You should consider the appropriateness of the information and statements having regard to your specific circumstances and obtain financial, legal and/or tax advice as appropriate. This document is based on public information. The information and opinions contained in this document have been compiled or arrived at from sources believed to be reliable, but no representation or warranty, express or implied, is made as to their accuracy, completeness or correctness.

The information and statements herein are made in good faith and are only valid as at the date of publication of this document or marketing communication. Any opinions, forecasts or estimates herein constitute a judgement of Rabobank as at the date of this document, and there can be no assurance that future results or events will be consistent with any such opinions, forecasts or estimates. All opinions expressed in this document are subject to change without notice. To the extent permitted by law Rabobank does not accept any liability whatsoever for any loss or damage howsoever arising from any use of this document or its contents or otherwise arising in connection therewith.

A summary of the methodologies used by Rabobank can be found on our website.

This report is based on information available as at 6/11/2025

Commodity outlooks

Dairy

Global milk production signals are clear: There is plenty of milk for the market. As such, commodity price weakness is likely to be a feature in the near term.

Beef

Beef farmgate prices remain firm across all cohorts of cattle. This continues to be driven by both low local supply and very firm export demand from the US.

Sheepmeat

Lamb prices near NZD 11/kg cwt, with mutton firming at NZD 6/kg. Tight supply and strong export demand are driving record highs, and there may be more potential upside before the summer lamb supply peak.

Farm inputs

RaboResearch sees downside risk for urea and phosphate prices due to poor global affordability. Current market dynamics suggest a potential pullback in usage, as buyers remain unwilling to absorb current high prices.

Interest rate and FX

The RBNZ cut the OCR by 50bps in October and is likely to deliver a further 25bp cut in November to take the rate down to 2.25%.

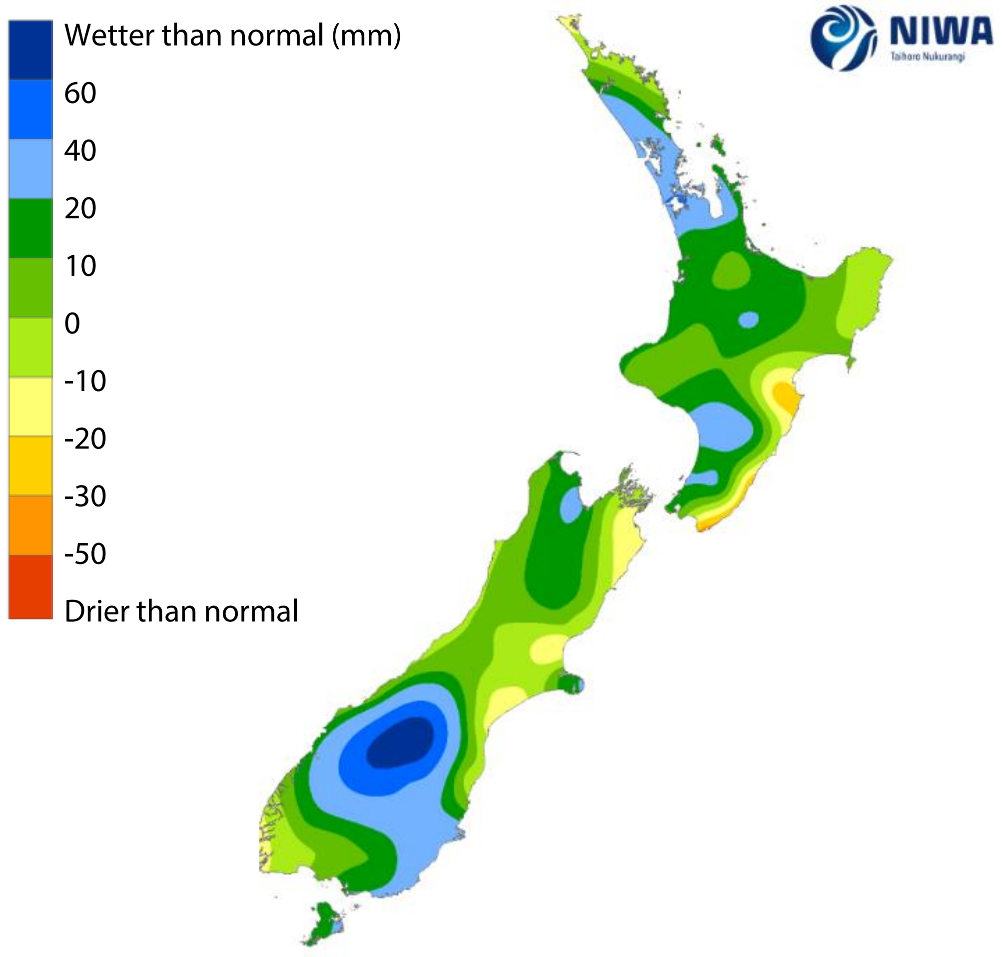
Oil and freight

Oil prices were pressured lower in October by signs of ample global supply, despite recent sanctions targeting Russia's major oil firms providing some support to prices in the middle of the month.

Climate

Variable conditions across the country

Soil moisture anomaly (mm), 02 November 2025



Source: *Earth Sciences New Zealand, 2025*

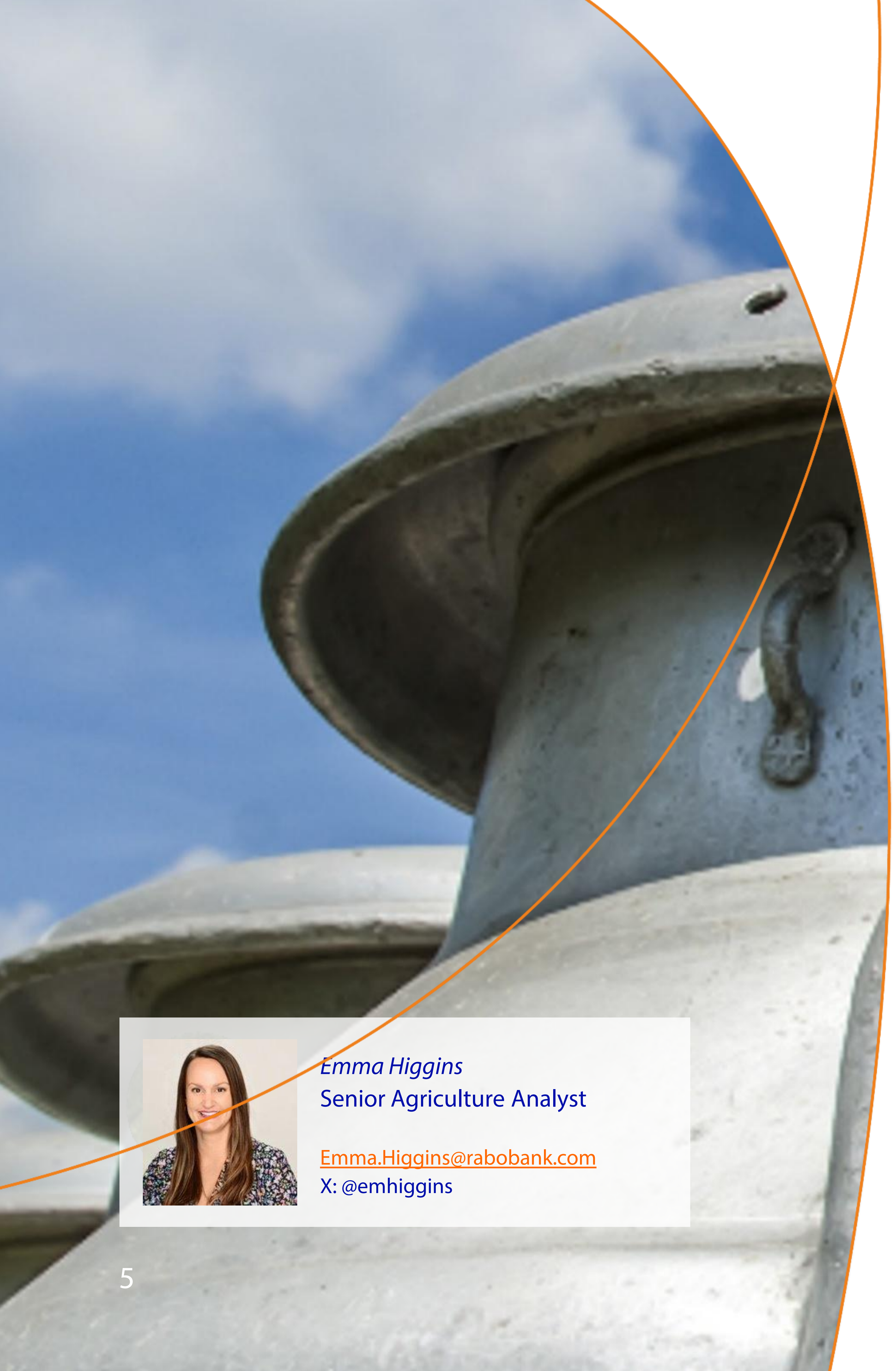
Earth Sciences New Zealand (ESNZ) is now forecasting an 80% chance of La Niña persisting through January 2026. October confirmed La Niña thresholds, supported by ocean-atmosphere coupling and a strong Madden-Julian Oscillation pulse late in the month. This shift will influence New Zealand's weather over the next three months.

November begins with a spell of settled conditions under high pressure, but this will not last. Rainfall is expected to lean dry for most areas, except the northern North Island, which may run wetter than normal. Through December and January, high pressure is likely to sit more frequently over or south of the South Island, creating easterly airflow patterns and reducing westerly fronts. This setup increases the chance of lows drifting down from the north, bringing heavy rain to parts of the North Island.

Temperatures are forecast to be near or above average for most regions, with the west of both islands most likely warmer than normal. Soil moisture deficits may persist in eastern areas, and cyclone season brings a normal-to-elevated risk of ex-tropical cyclone interaction later in summer.

What to watch:

- **Spring volatility remains a key theme:** October's extreme winds and uneven rainfall underline the need for adaptability and preparedness in New Zealand farming systems. Strong westerlies and occasional storm systems could return, making infrastructure, feed planning and animal shelter necessary priorities.
- **Regional disparities in conditions**: Eastern regions may face feed challenges despite the warmer conditions, which may require earlier-than-usual summer feed planning. Localised heavy rain is possible in northern and eastern areas as well, while dry spells remain a risk. ESNZ also signals elevated chances of ex-tropical cyclone influence over summer, so vigilance here may be essential.



Dairy

Global milk supply faucets are flowing

Dairy commodity markets remained under pressure through October. Global fundamentals have turned more negative in recent weeks, following clear signals of a well-supplied global commodity market. Global milk supply signals continue to intensify. Milk production is gaining momentum in most dairy export regions, led by an anticipated strong New Zealand peak.

On the flip side, dairy demand remains sluggish at best in several major markets and in key channels.

October marks the seasonal peak for milk production in both New Zealand and Australia, but the two countries are experiencing contrasting trends.

In New Zealand production for September – the penultimate month before peak production – was strong. A robust season has been the theme emerging from New Zealand dairy farms this 2025/26 production year, with September milksolids reaching a record 228.8m kgMS, up 3.4% YOY.

The New Zealand milksolids season-to-date volumes are now 3.8% ahead of the 2024 season. While September milk tonnage didn't set a record, 2,665,000 tonnes were collected – an increase of 2.5% YOY, and 2.8% higher season-to-date.

In contrast, Australian milk production continues to lag. National September 2025 volumes were down 0.4% YOY, with year-to-date production falling 2.3% compared to the same period in 2024. However, on a positive note, the decline in Australian milk supply is moderating as seasonal conditions start to improve.

RaboResearch anticipates commodity price weakness is likely to endure in the near-term. Markets will be focussed on the total output for October 2025, along with any evidence of the impact of spring 2025's fickle farewell had on North Canterbury and Southland producers through extreme wind and snow.

What to watch:

- **Access to irrigation in North Canterbury**. Dairy farmers in the Hurunui Basin are recovering from severe late-October weather that caused significant damage to irrigation infrastructure. Hurunui accounts for around 2% of New Zealand's total milk solids supply, and timely repairs to irrigators are critical to mitigate production risks.

Emma Higgins
Senior Agriculture Analyst

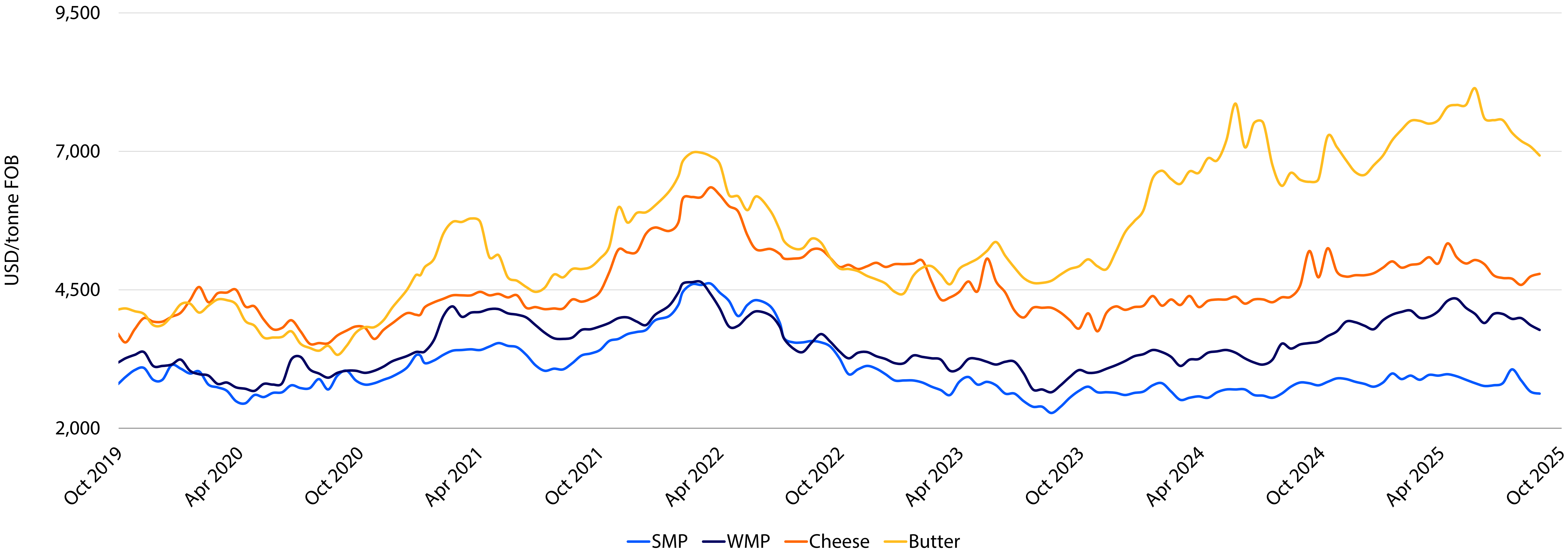
Emma.Higgins@rabobank.com
X: @emhiggins

Rabobank

Dairy

Global fundamentals shifting to a more bearish tone as more milk hits the market

Oceania spot prices for dairy commodities, 2019-2025



Source: *USDA, RaboResearch 2025*

Beef

New export season starts at continued record levels

Beef prices remain resilient as October closes, with the AgriHQ North Island bull indicator at NZD 9.10/kg cwt. Premiums on top of this benchmark are pushing some returns into the mid-NZD 9/kg range, while prime beef prices hover at similar levels. This strength reflects a combination of tight supply and robust export demand, despite seasonal expectations for softer pricing.

Lower slaughter numbers and reduced national cattle inventory are underpinning some of the current price levels. The impact of the 2022/23 season, when more bobby calves were processed and fewer were reared, is now evident.

Full export-year slaughter data confirms a 5.1% decline in total cattle kill, with steers down 9.6%, cows 6.3%, and bulls 4.3% nationally. Bobby calf slaughter is back 9% YOY, equating to around 167,000 additional calves reared to September. These animals will begin influencing supply dynamics from 2026 onward, signalling a gradual recovery in cattle availability.

September export volumes were subdued at just over 26,000 tonnes, the lowest September figure since 2018/19, reflecting tight domestic supply and very evident lower slaughter numbers seen through winter.

Average export values dipped slightly in September to NZD 10.600/kg FOB, a seasonal trend amplified by higher bobby veal volumes. Excluding veal, New Zealand beef averaged NZD 11.80/kg FOB, continuing to sit well above historical norms and at close to record highs. Notably in export markets, China edged ahead of the US in volume terms for the month, although US buyers delivered NZD 30m more in value. Import prices for 95CL beef into the US have strengthened by nearly NZD 0.80/kg over the past four weeks, underscoring continued demand for lean trim – and perhaps the weakness in the New Zealand dollar as well making the imported product slightly cheaper for US buyers.

For now, limited supply and strong offshore demand suggest farmgate prices will hold firm into early 2026.

What to watch:

- **The NZ beef market:** After a tight cattle supply year in 2025, the outlook is starting to shift. Higher numbers of dairy-beef calves being reared will boost cattle availability in saleyards from mid-2026, with a pronounced surge for export volumes as these animals reach finishing weights in 2027. This coincides with global dynamics: Beef trade is growing, but volatility persists, and short-term global supply constraints – particularly in the US and Brazil – are supporting strong prices. For New Zealand, this means two things: Near-term export opportunities remain robust, especially into the US, and by 2027, total returns could be good for New Zealand beef as long as demand growth keeps pace. Importantly, more domestic supply is likely to ease procurement competition and support local traders, potentially improving buying conditions compared to the tight 2025 environment.

Jen Corkran
Senior Animal Protein Analyst

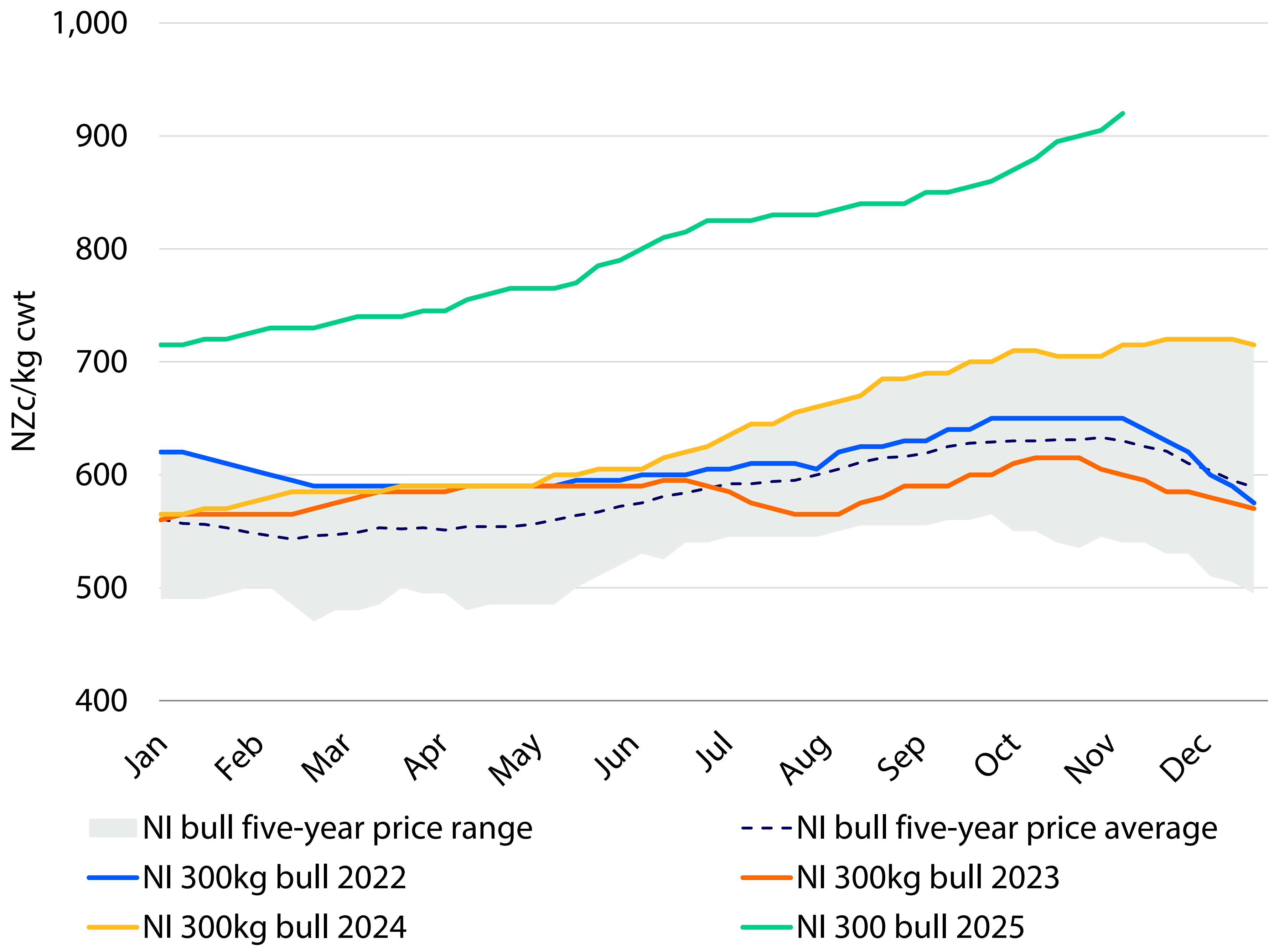
Jen.Corkran@rabobank.com

Rabobank

Beef

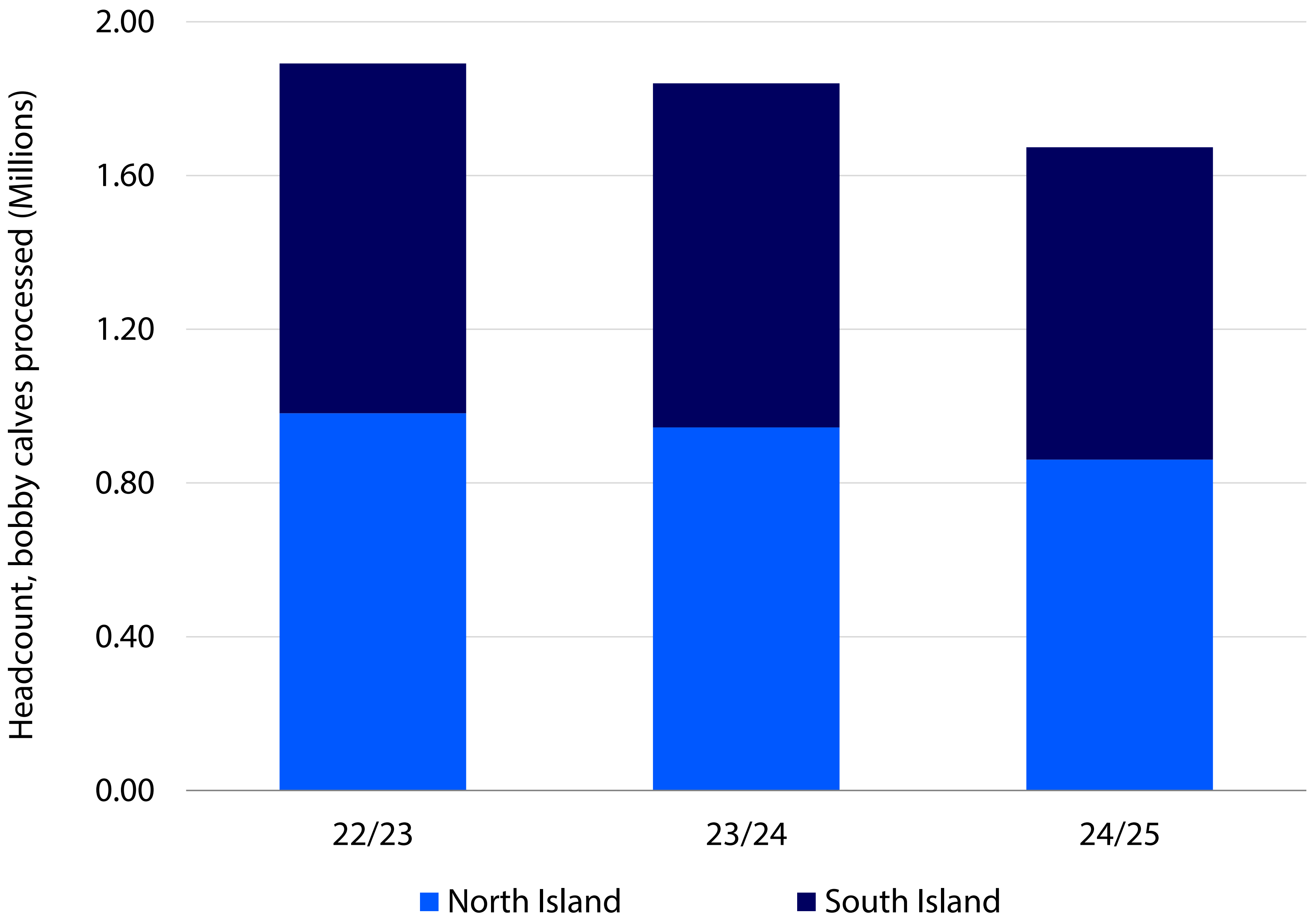
Farmgate prices hold firm as supply stays tight, with increased cattle numbers expected in 2026/27

AgriHQ North Island bull price, 2025



Source: *AgriHQ, RaboResearch 2025*

Bobby calf numbers lowest in three years, optimism in beef



Source: *NZ Meat Board, RaboResearch 2025*

Rabobank

Sheepmeat

A new season begins at record highs

South Island lamb prices are closing in on NZD 11.00/kg cwt, with some producers likely achieving above this level through premium contracts. Mutton prices are also firming, approaching NZD 6.00/kg cwt. These elevated farmgate prices reflect strong market fundamentals and represent a notable lift from the lamb price of NZD 8.15/kg cwt seen at the start of October 2024. Back then, farmgate prices hovered around NZD 8.00/kg cwt through summer before beginning a steady climb in autumn, culminating in the current spring highs.

Full export-season lamb slaughter data for 2024/25 confirms a total kill of just over 17m head, down 980,137 from the 2023/24 season's tally of just over 18m. While early-season throughput lagged, volumes caught up somewhat in recent months. South Island lamb slaughter was down 7.2% YOY, equating to 777,000 fewer head, while the North Island held relatively steady, down just 0.2% or 203,000 head. Mutton slaughter, however, rose 9% YOY, with an additional 264,000 head processed, likely reflecting strategic destocking decisions after last year's lower prices.

Export market diversity continues to underpin resilience in returns, with the total value of lamb exports in the 2024/25 season only NZD 7m shy of the 2021/22 season (volumes were down1.4%). Total export volume of lamb in 2024/25 was down 4.7% versus the 2023/24 season. The EU remains the most valuable market. Mutton exports have also shown signs of strengthening, with the average export price hitting NZD 8.67/kg FOB in September, the highest since January 2022. September is typically a low-volume month for mutton, and saw just 1,808 tonnes shipped. However, only 50% of this volume went to China, down from the 75% average seen through to August 2025. Taiwan notably took nearly 18% of September's mutton exports.

Looking ahead, the transition between old and new season lamb is now underway, a period that can be operationally challenging for processors due to varied seasonal and pastoral conditions across the country. With global demand firm, lamb numbers not fully known yet, and average export prices at record highs (up NZD 2.76/kg FOB compared to September 2024), RaboResearch sees potential for further upside in farmgate prices before they stabilise into the peak summer kill.

What to watch:

- **Australian lamb prices, slaughter and export volumes:** Australian lamb prices remain unusually high for this time of year, driven by tight new season supply and producers holding lambs to heavier weights. This has disrupted typical seasonal price declines and could delay a flush of supply until later November in Australia. For New Zealand, this signals a competitive export environment: Australian volumes have dipped in recent months, but new season lambs are now starting to hit the market. If Australia's delayed supply surge materialises, New Zealand may face downward price pressure and increased competition in some joint key markets. Over the coming months, RaboResearch will be watching Australian slaughter and export volumes for signs of change, as New Zealand heads toward peak supply in early summer.

Jen Corkran
Senior Animal Protein Analyst

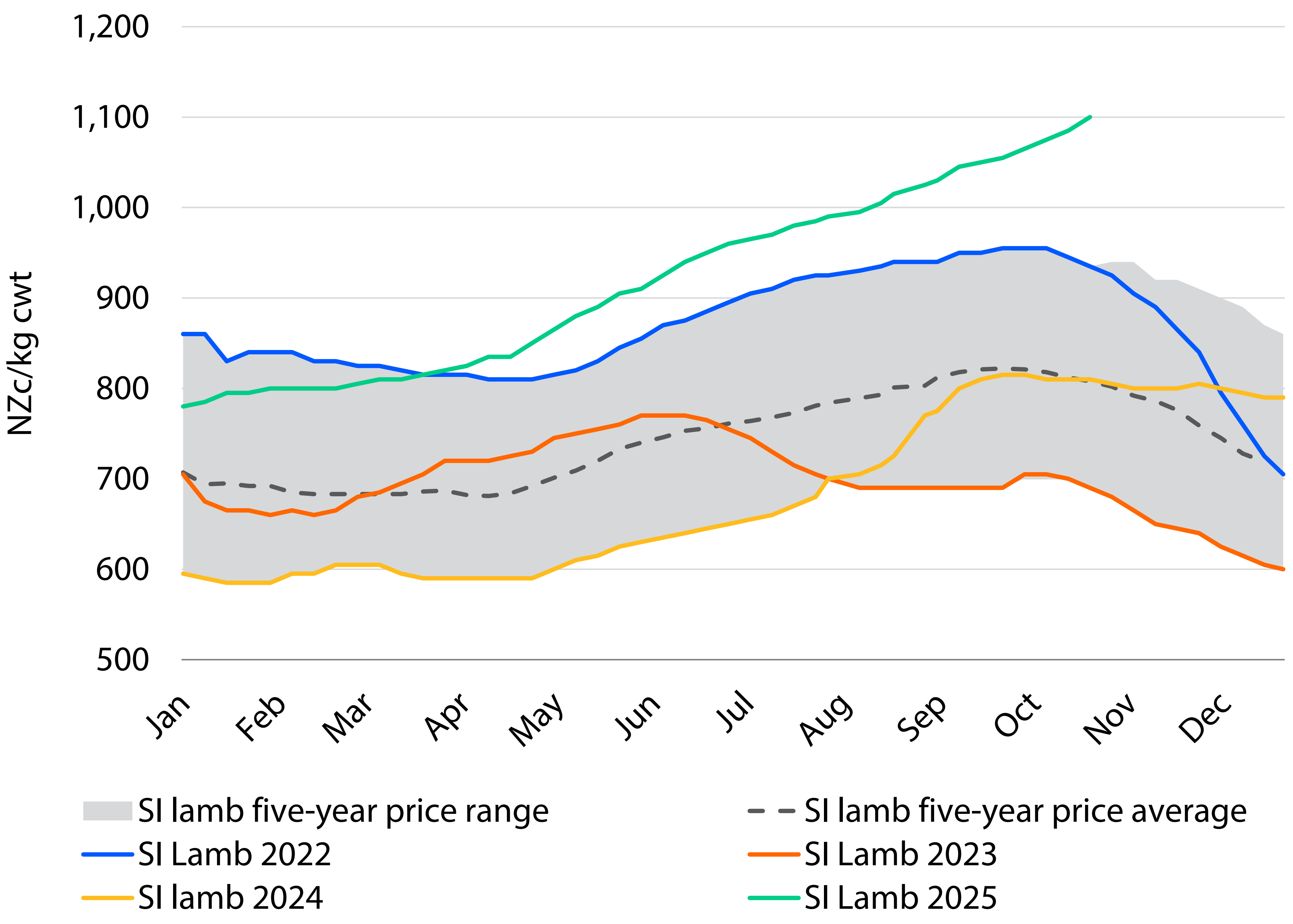
Jen.Corkran@rabobank.com

Rabobank

Sheepmeat

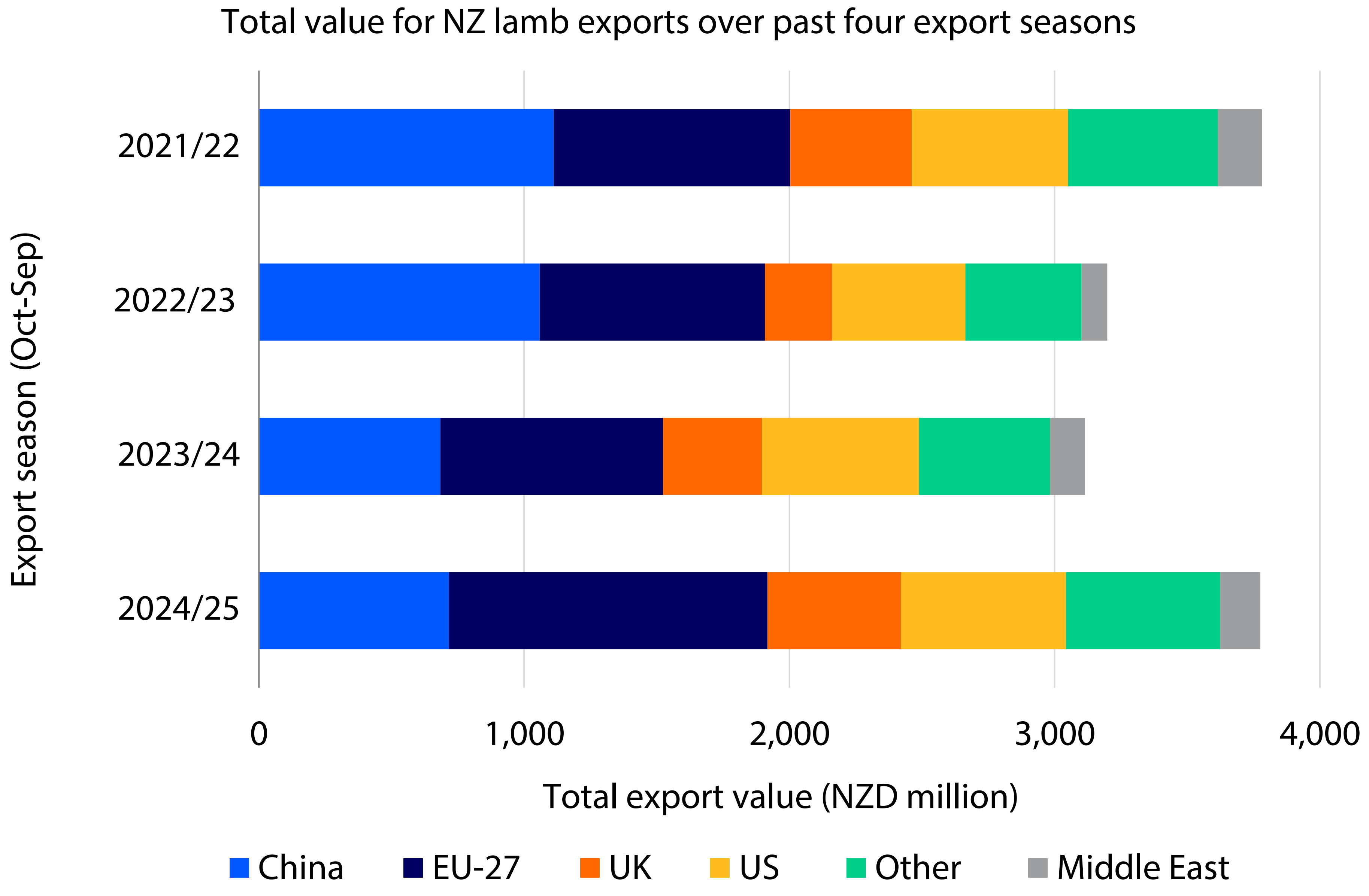
Good value for New Zealand in 2024/25 lamb exports, despite lower volumes

Hitting NZD 11 across both islands for new season lambs



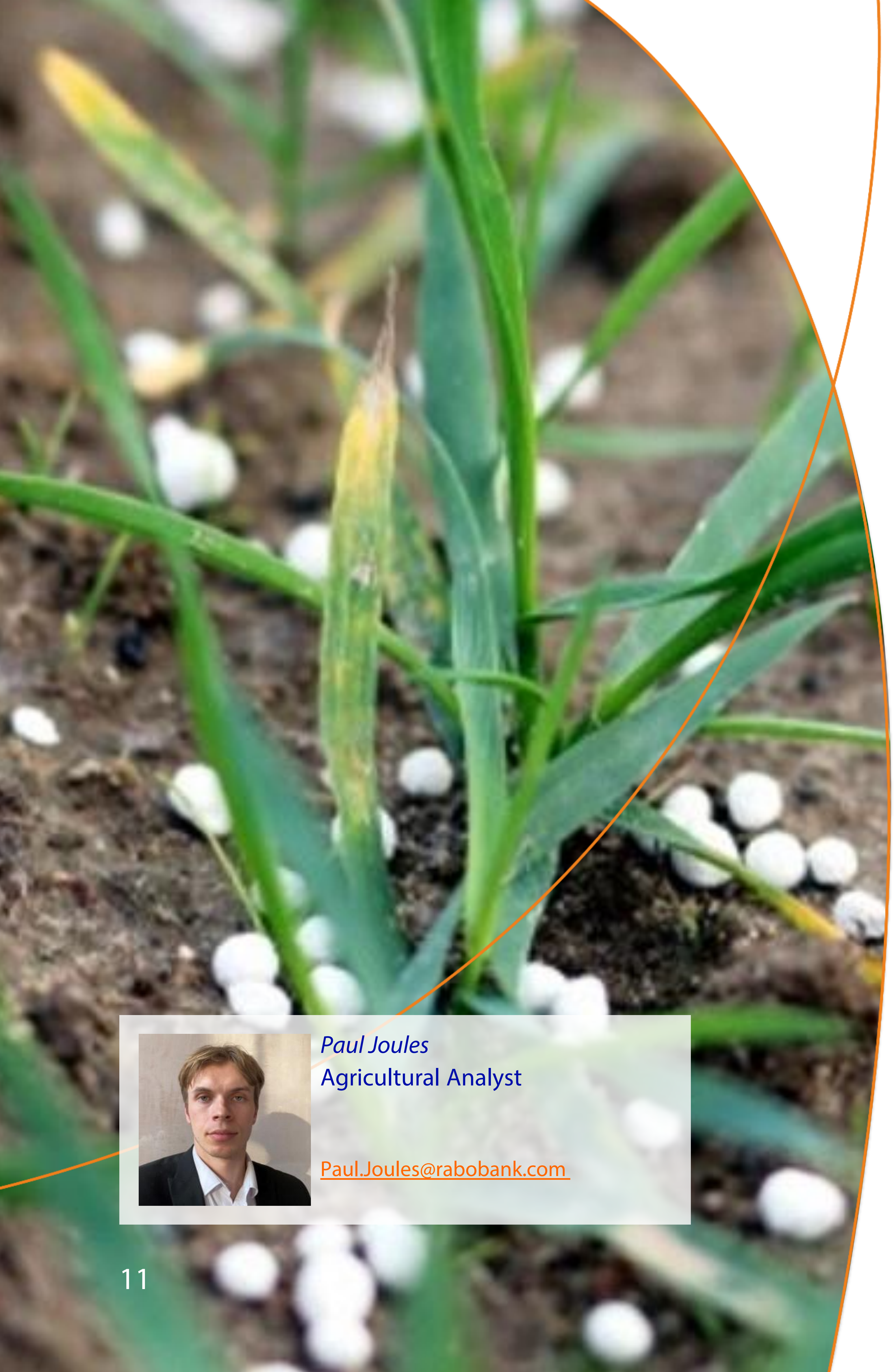
Source: AgriHQ, RaboResearch 2025

2024/25 export season nearly matches 2021/22 total returns, despite lower total export volumes*



Source: StatsNZ, RaboResearch 2025
Note: Not inflation adjusted.

Rabobank



Paul Joules
Agricultural Analyst

Paul.Joules@rabobank.com

Farm inputs

Some downside is expected for fertilisers next year

Global fertiliser prices may move lower over the next year, primarily due to an improving supply and demand outlook. Fertilisers have been one of the key contributors to on-farm inflation, but there are signs that conditions could partially improve. RaboResearch believes 2026 may exemplify the adage “high prices cure high prices”, as elevated global fertiliser prices are likely to result in reduced application rates.

India, the world’s largest urea buyer, remains a key uncertainty. So far this year, India has entered the international market in search of large volumes. This has been a critical factor behind the 9% YOY rise in urea prices in New Zealand dollar terms. Currently, Indian inventories are considerably lower than at this time last year. Given strong domestic demand driven by increased crop acreage, further short-term buying from India is likely, which could limit the potential for price declines.

On the supply side, the positive news is that China has re-entered the export market, with sizeable volumes of phosphates and urea exiting the country in recent months, following a sustained period of tepid exports. Although exports will likely slow seasonally in Q4, the return of a major exporter is good news for phosphate and urea markets and could exert downward pressure in 2026.

For New Zealand, foreign exchange rates play a major role in fertiliser pricing, given the country’s heavy reliance on imports. Over the next 12 months, we expect the New Zealand dollar to rise to USD 0.60, which could partially offset elevated international fertiliser prices.

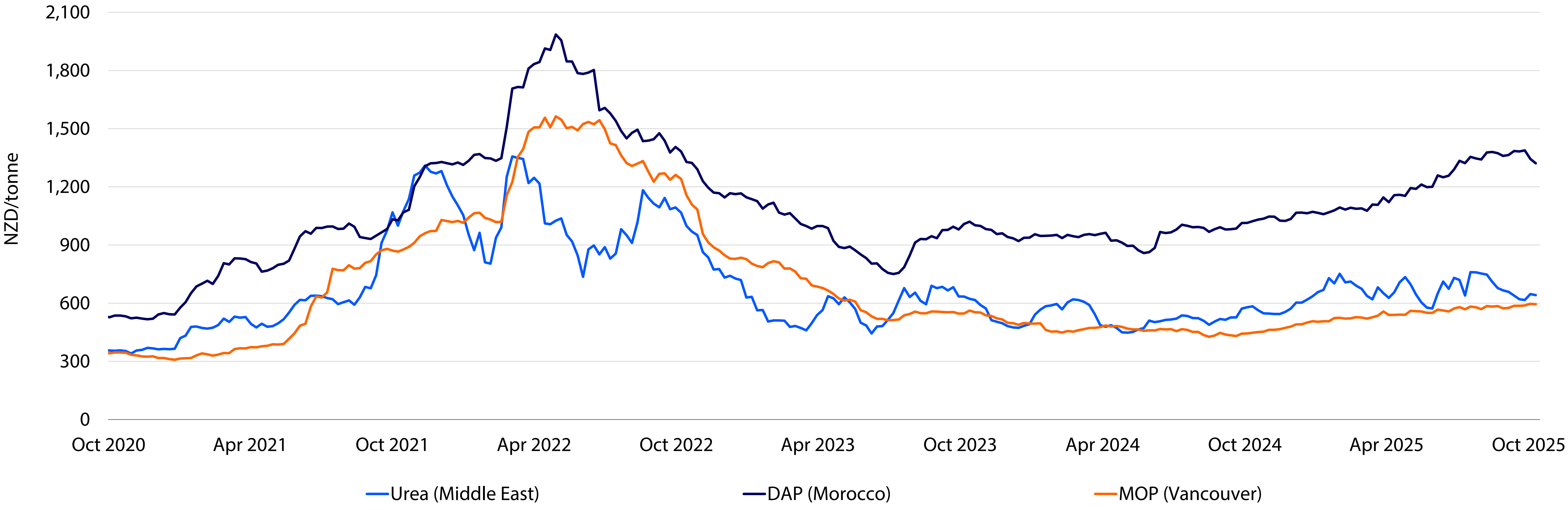
What to watch:

- **The market will be keeping a close eye on India’s purchasing activity in the coming month.** If the key urea importing nation announces another tender, prices could bounce higher again following a period of stability.
- **In phosphate markets, recent price declines appear to be driven by buyers holding off due to poor affordability.** However, prices are unlikely to fall significantly in the short-term, given tight global supplies.

Farm inputs

Rangebound trading for urea, while phosphate prices slipped 4.6% MOM

Weakness in the New Zealand dollar was a headwind for fertilisers, but global fundamentals still led to a sizeable month-on-month drop in phosphate prices



Source: *CRU, RaboResearch 2025*

Rabobank

Interest rate and FX

Could this be the last time?

The RBNZ cut the Official Cash Rate (OCR) by 50bps in October to 2.50%. That was in line with RaboResearch's forecast (as detailed last month), but a larger cut than the broader market had been expected.

With the New Zealand economy still operating with substantial spare capacity and the RBNZ providing clear forward guidance that further monetary support was likely, we are forecasting an additional 25bp cut to the OCR this month, taking it down to 2.25%.

After November, the path ahead becomes less clear. Signs of recovery are emerging in the New Zealand housing market, where prices have risen for the last two months. Labour market indicators have also shown some signs of improvement, with overall employment growing in August and September after falling every month since January. Business confidence is at healthy levels, but households remain less optimistic about the state of the economy.

If the RBNZ cuts by 25bps in November, as we expect, the futures market is currently implying a 40% chance of another cut by May next year. Although it is not our base-case forecast, we have previously suggested there is a reasonable chance of a follow-up cut early next year. That may still be the case, but if economic data continues to improve, the probability of that additional cut will recede.

The New Zealand dollar lost further ground over the course of October, closing the month down 0.7 cents at 0.5724 against the US dollar. The weaker currency will help boost New Zealand's export competitiveness, which in turn should support economic growth.

We forecast the New Zealand dollar to rise to 0.60 against the US dollar on a 12-month view.

What to watch:

- **RBNZ OCR decision, 26 November** – We expect the RBNZ to deliver a final 25bp cut to the OCR at the November meeting.

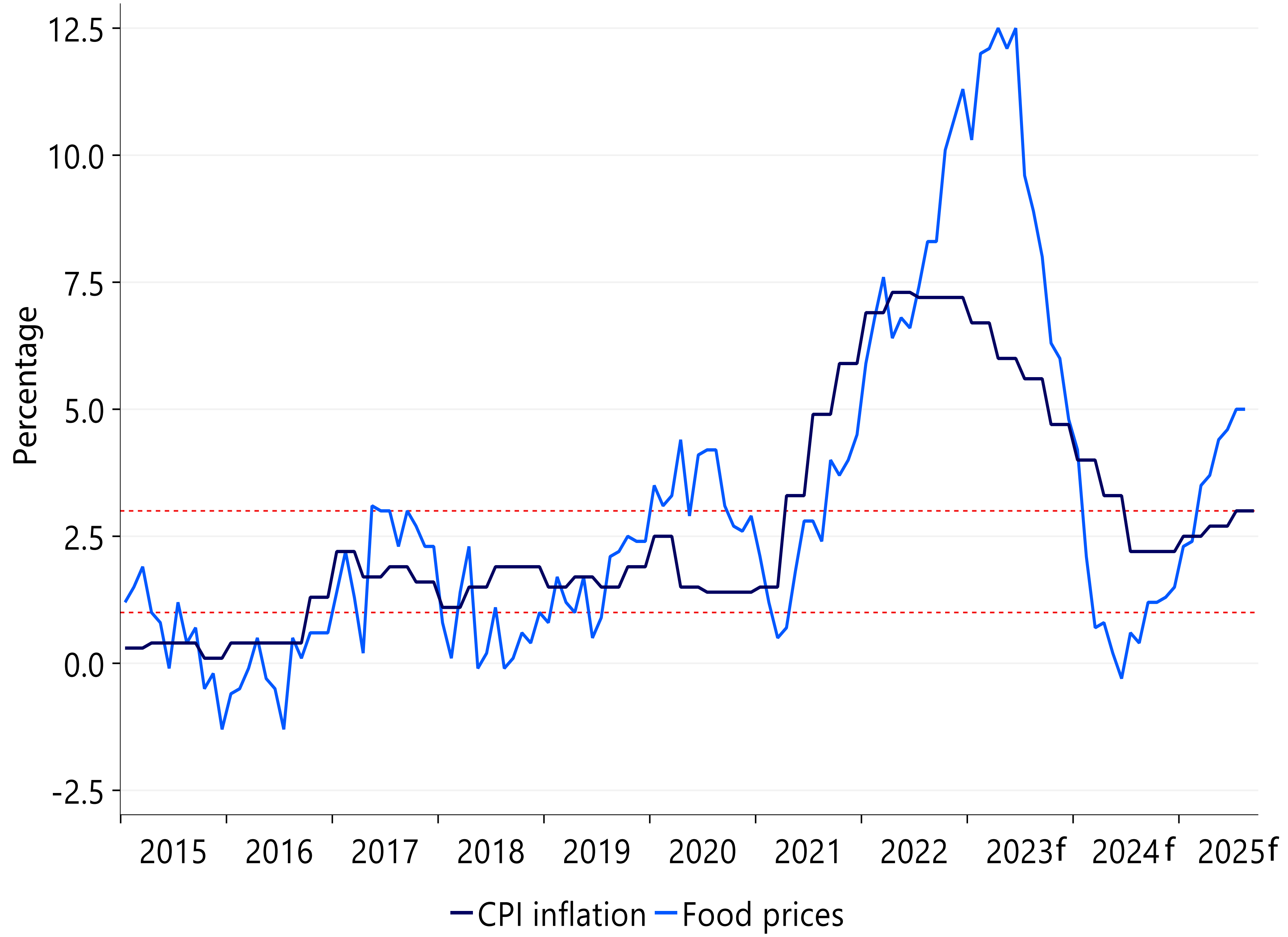
Benjamin Picton
Senior Strategist

Benjamin.Picton@rabobank.com
X: @BenPicton1

Interest rate and FX

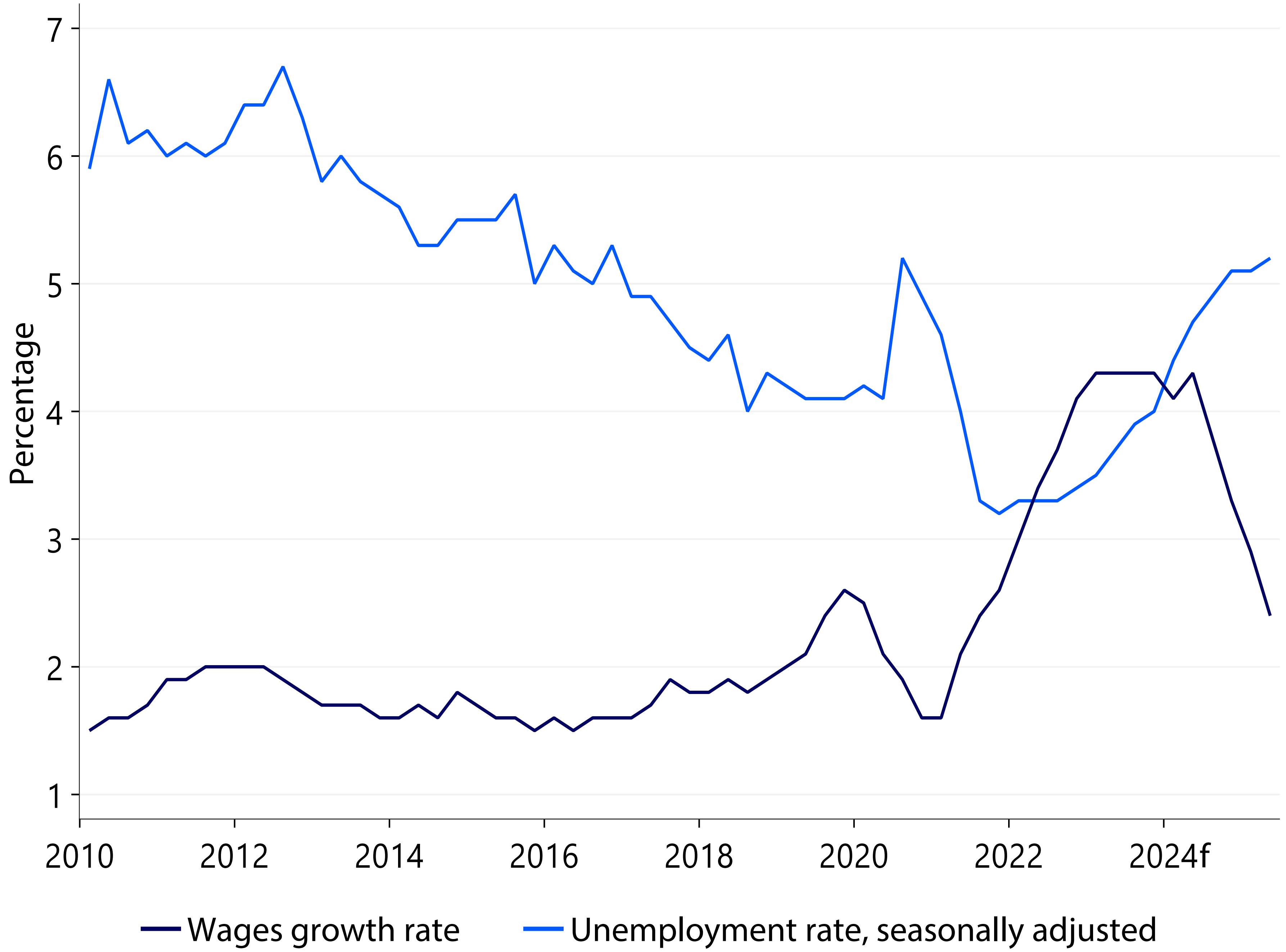
RBNZ remains relaxed about the outlook for inflation

New Zealand inflation indicators, 2015-2027f



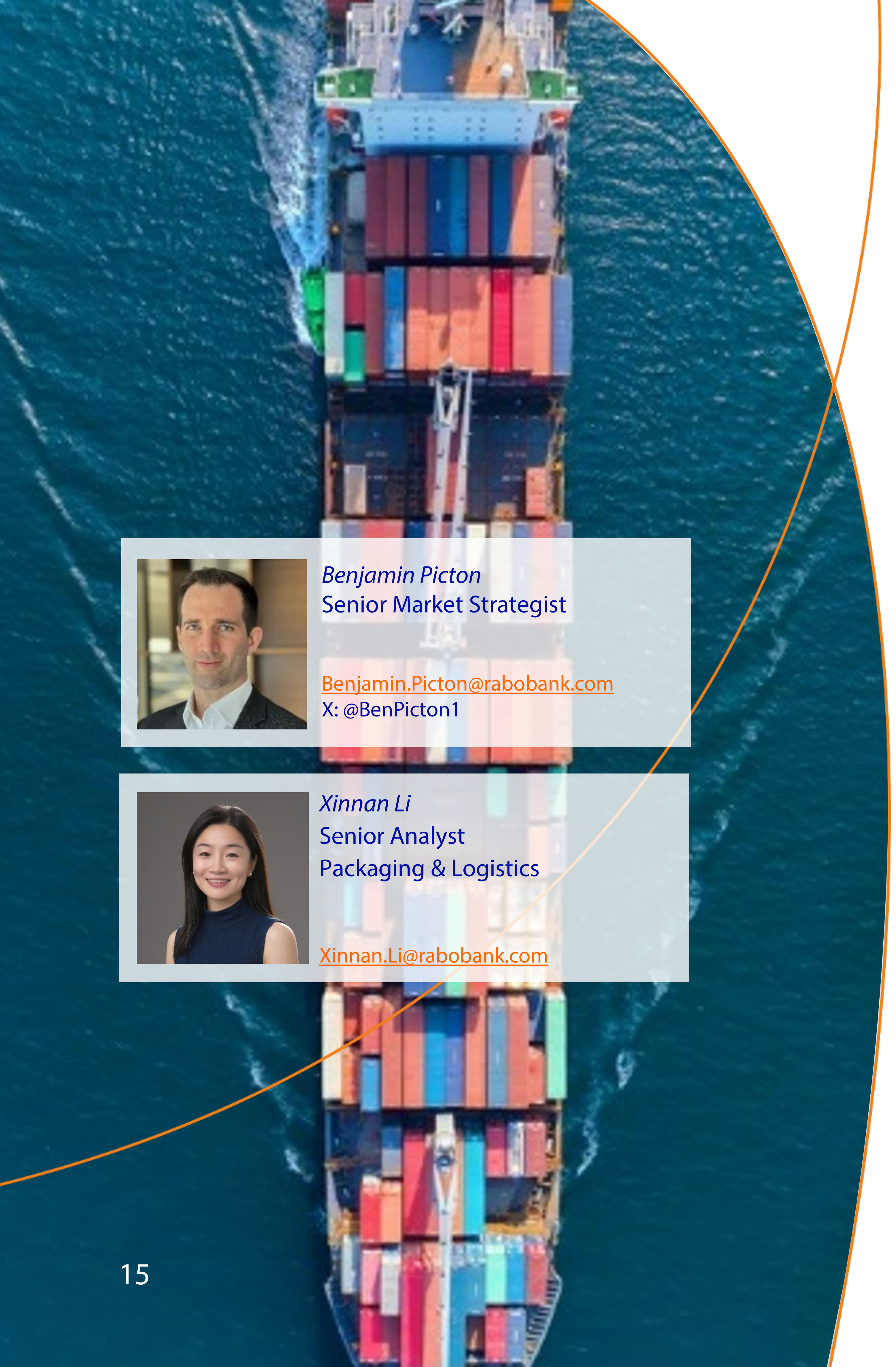
Source: *Macrobond, Stats NZ, RBNZ, RaboResearch 2025*

New Zealand labour market indicators, 2010-2028f



Source: *Macrobond, Stats NZ, RBNZ, RaboResearch 2025*

Rabobank



Benjamin Picton
Senior Market Strategist

Benjamin.Picton@rabobank.com
X: @BenPicton1

Xinnan Li
Senior Analyst
Packaging & Logistics

Xinnan.Li@rabobank.com

Oil and freight

Oil in transit reaches new highs

Crude oil prices fell for a third consecutive month in October, closing at USD 64.77/bbl. Prices were supported somewhat during the month by news that the US was imposing fresh sanctions on major Russian oil firms Lukoil and Rosneft, discouraging other countries from buying from those companies and increasing competition to secure supply from alternative sources.

Nevertheless, oil prices still finished the month lower as OPEC+ again opted to increase production by 137,000 bbl/day in December, having agreed to similar supply increases for October and November.

The volume of oil in transit also soared to a new high of 1.2bn barrels in mid October, reinforcing the impression that the global market remains well supplied as we head toward the seasonally weaker demand months of January and February.

Signs of weaker demand from China and other emerging markets have also weighed on prices.

What to watch:

- **OPEC Monthly Oil Market report, 12 November**

Carriers began paying US port fees for Chinese-built ships as of 14 October. Initial costs have already exceeded USD 40m for Cosco and OOCL, and projections suggest combined annual fees could reach USD 2bn if current structures remain unchanged. While spot rates have yet to reflect these charges, a port fee surcharge could emerge in the near term. Meanwhile, US imports from China have dropped to their lowest level since 2013, driven by tariffs as high as 130%. However, global container volumes remain resilient, posting a modest 6% uptick outside the US-China trade lane. Some US import demand has shifted toward Southeast Asia, reinforcing the view that tariffs largely redistribute trade rather than reduce it – a zero-sum game.

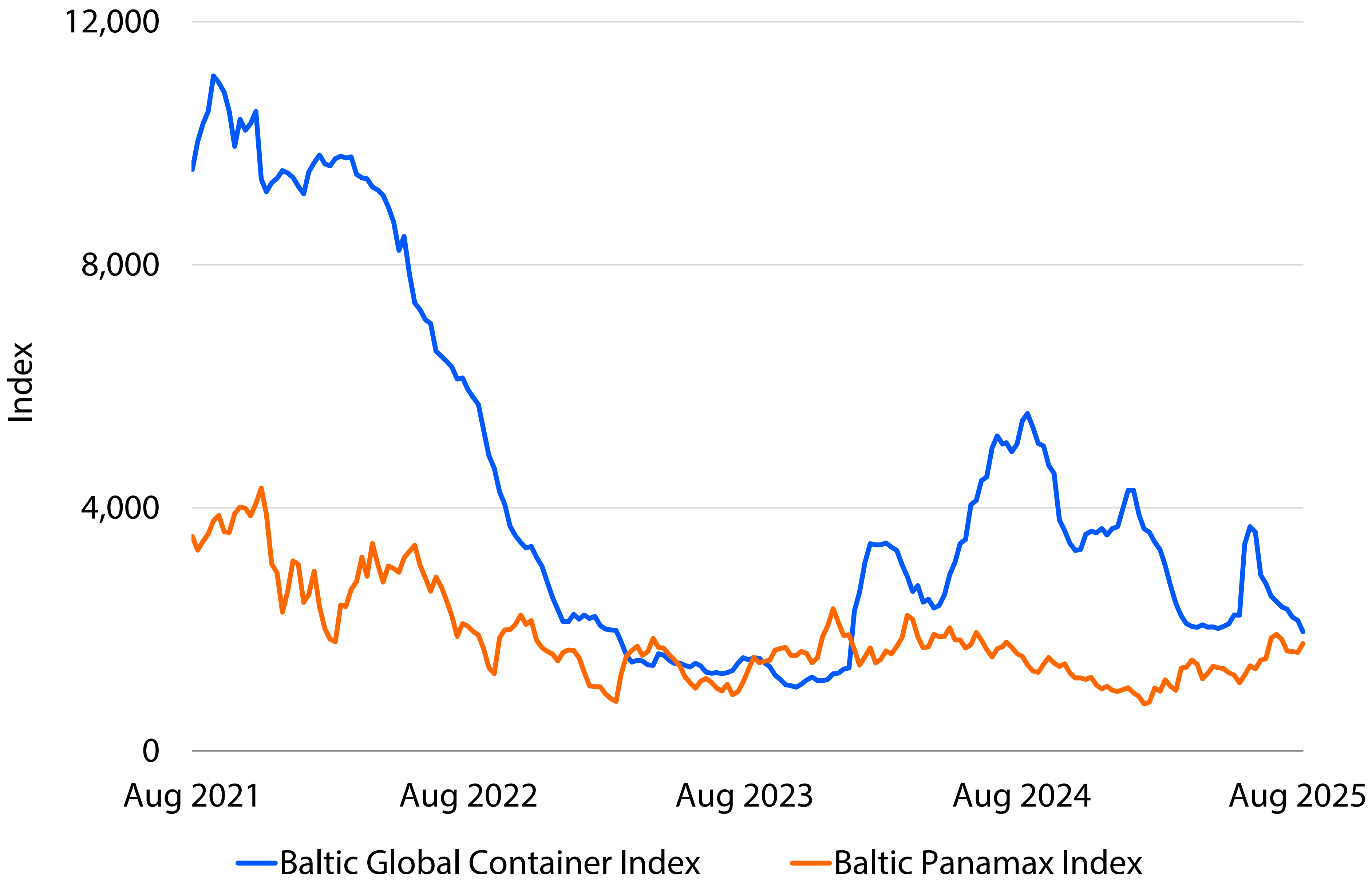
The Baltic Panamax index (a proxy for grain bulk freight) is trending upward despite of geopolitical uncertainty, supported by healthy fundamentals: resilient coal demand, grain flows from Brazil, and active period chartering.

Rabobank

Oil and freight

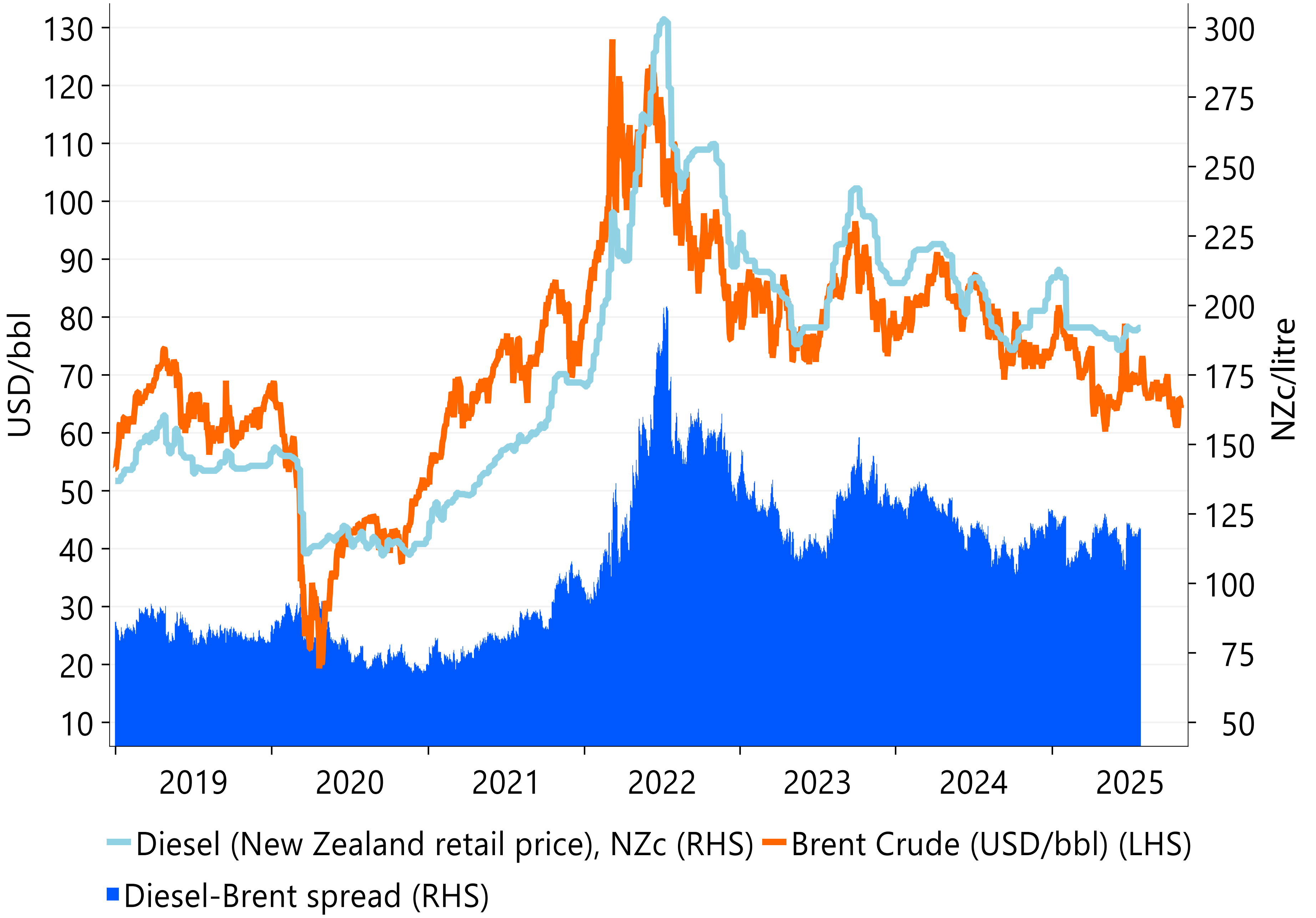
Ample supply continues to drive crude prices lower

Baltic Panamax Index and Dry Container Index, Aug 2021-Aug 2025



Source: *Baltic Exchange, Bloomberg, RaboResearch 2025*

Brent crude versus New Zealand diesel prices, 2019-2025



Source: *Macrobond, NZ Ministry of Business, ICE, RaboResearch 2025*

Rabobank

Agri price dashboard

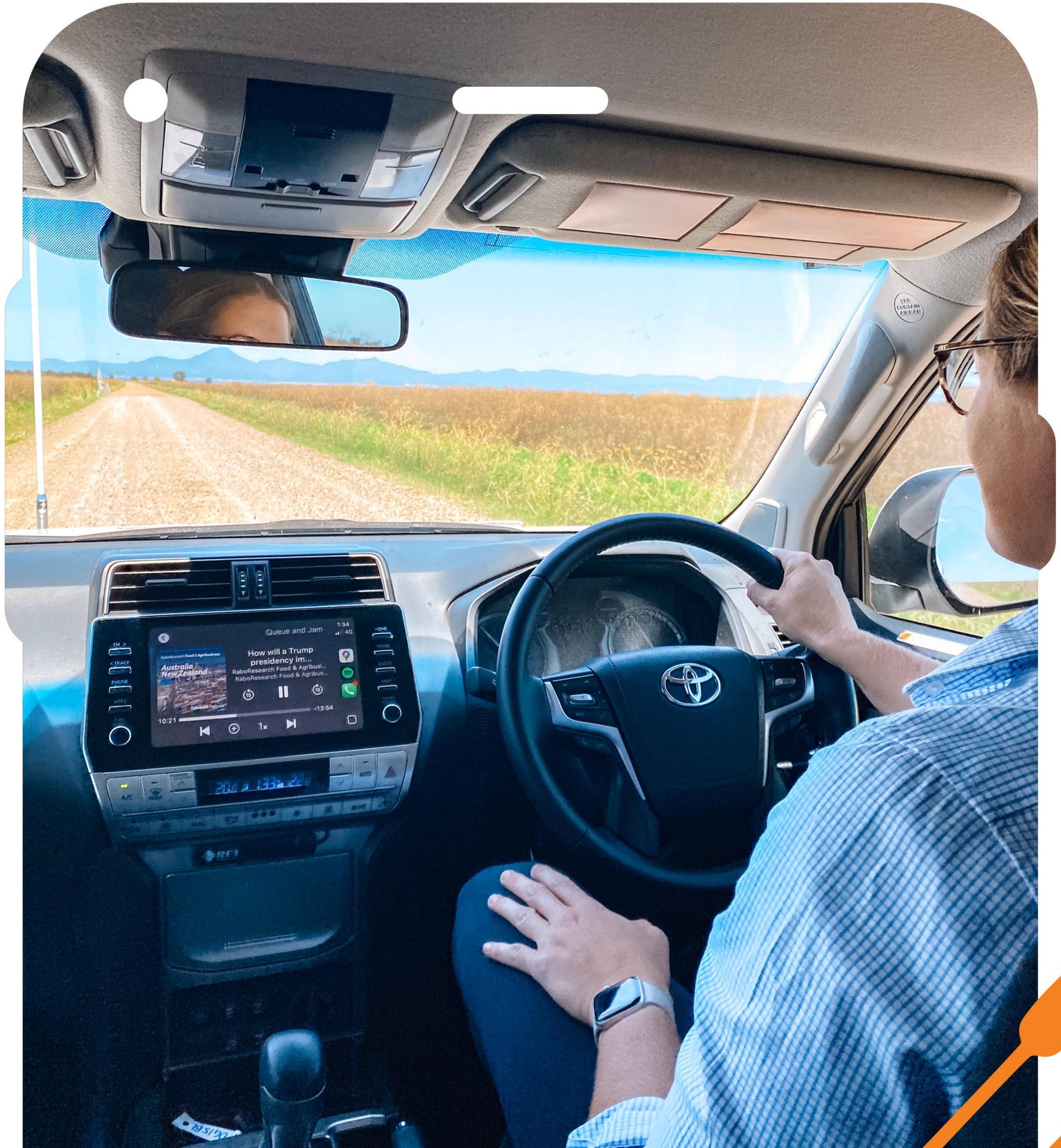
31/10/2025	Unit	MOM	Current	Last month	Last year
Grains & oilseeds					
CBOT wheat	USc/bushel	▲	534	515	571
CBOT soybean	USc/bushel	▲	1,100	1,024	965
CBOT corn	USc/bushel	▲	432	422	414
Australian ASX EC Wheat Track	AUD/tonne	▲	318	315	324
Non-GM Canola Newcastle Track	AUD/tonne	▲	783	748	751
Feed Barley F1 Geelong Track	AUD/tonne	▲	298	287	303
Beef markets					
Eastern Young Cattle Indicator	AUc/kg cwt	▼	844	871	632
Feeder Steer	AUc/kg lwt	•	471	471	339
North Island Bull 300kg	NZc/kg cwt	▲	920	870	705
South Island Bull 300kg	NZc/kg cwt	▲	855	825	665
Sheepmeat markets					
Eastern States Trade Lamb Indicator	AUc/kg cwt	•	1,174	1,174	820
North Island Lamb 17.5kg YX	NZc/kg cwt	▲	1,100	1,045	790
South Island Lamb 17.5kg YX	NZc/kg cwt	▲	1,100	1,050	810
Venison markets					
North Island Stag	NZc/kg cwt	▲	1,050	1,010	980
South Island Stag	NZc/kg cwt	▲	1,050	1,010	950
Oceanic Dairy Markets					
Butter	USD/tonne FOB	▼	6,738	6,925	6,500
Skim Milk Powder	USD/tonne FOB	▼	2,600	2,625	2,775
Whole Milk Powder	USD/tonne FOB	▼	3,625	3,775	3,563
Cheddar	USD/tonne FOB	•	4,788	4,788	4,725

Source: Baltic Exchange, Bloomberg, RaboResearch 2025

Agri price dashboard

31/10/2025	Unit	MOM	Current	Last month	Last year
Cotton markets					
Cotlook A Index	USc/lb	▼	76.5	77.0	82
ICE No.2 NY Futures (nearby contract)	USc/lb	▲	65.5	62.7	71
Sugar markets					
ICE Sugar No.11	USc/lb	▼	14.4	16.4	22.1
ICE Sugar No.11 (AUD)	AUD/tonne	▼	486	548	652
Wool markets					
Australian Eastern Market Indicator	AUc/kg	▼	1,413	1,565	1,128
Fertiliser					
Urea Granular (Middle East)	USD/tonne FOB	▼	409	449	390
DAP (US Gulf)	USD/tonne FOB	▼	700	750	610
Other					
Baltic Panamax Index	1000=1985	▲	1,821	1,685	1,195
Brent Crude Oil	USD/bbl	▲	65	64	71
Economics/currency					
AUD	vs. USD	▼	0.655	0.660	0.656
NZD	vs. USD	▼	0.572	0.582	0.597
RBA Official Cash Rate	%	•	3.60	3.60	4.35
NZRB Official Cash Rate	%	▼	2.50	3.00	4.75

Source: Baltic Exchange, Bloomberg, RaboResearch 2025



Keep up to date with the latest Food & Agribusiness insights

Tune into our RaboResearch podcast series and make our insights your advantage.

Rabobank

Meet our RaboResearch Food & Agribusiness Australia and New Zealand team

Stefan Vogel
General Manager, RaboResearch Australia and New Zealand
+61 419 782 452
Stefan.Vogel@rabobank.com

Angus Gidley-Baird
Senior Animal Protein Analyst
+ 61 424 266 909
Angus.Gidley-Baird@rabobank.com
X @angus_gb

Ben Picton
Senior Market Strategist
+61 408 571 012
Benjamin.Picton@rabobank.com
X @BenPicton1

Emma Higgins
Senior Agriculture Analyst
+64 27 600 5549
Emma.Higgins@rabobank.com
X @emhiggins

Jen Corkran
Senior Animal Protein Analyst
+64 21 2412 139
Jen.Corkran@rabobank.com

Michael Harvey
Senior Dairy & Consumer Foods Analyst
+61 409 488 485
Michael.Harvey@rabobank.com
X @MickHarvey77

Vítor Caçula Pistóia
Senior Grains & Oilseeds Analyst
+61 473 862 667
Vitor.Cacula.Pistoia@rabobank.com

Paul Joules
Agriculture Analyst
Paul.Joules@rabobank.com

Pia Piggott
Analyst
+61 460 734 578
Pia.Piggott@rabobank.com
X @piapiggott

Rabobank New Zealand **Nearest branch call 0800 500 933** | **www.rabobank.com.nz**