

New Zealand Sheep Dairy Farm Survey



Ministry for Primary Industries
Manatū Ahu Matua
ECONOMIC INTELLIGENCE UNIT



MASSEY UNIVERSITY
TE KUNENGA KI PŪREHUROA
UNIVERSITY OF NEW ZEALAND

Economic Intelligence Unit

Ministry for Primary Industries
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MPI's EIU website provides range of Economic, Financial and Market Insights across New Zealand's primary sectors



Market insights

Reports that provide insights into new trends, and changes in consumer behaviour



Situation and Outlook for Primary Industries

Commentary and forecasts on production and trade trends



Farm monitoring

Reports on the cost and profit trends of individual primary industry sectors



Data

MPI's range of publicly available data on the primary industries.

www.mpi.govt.nz/EIU

Survey Purpose and Methodology

Purpose

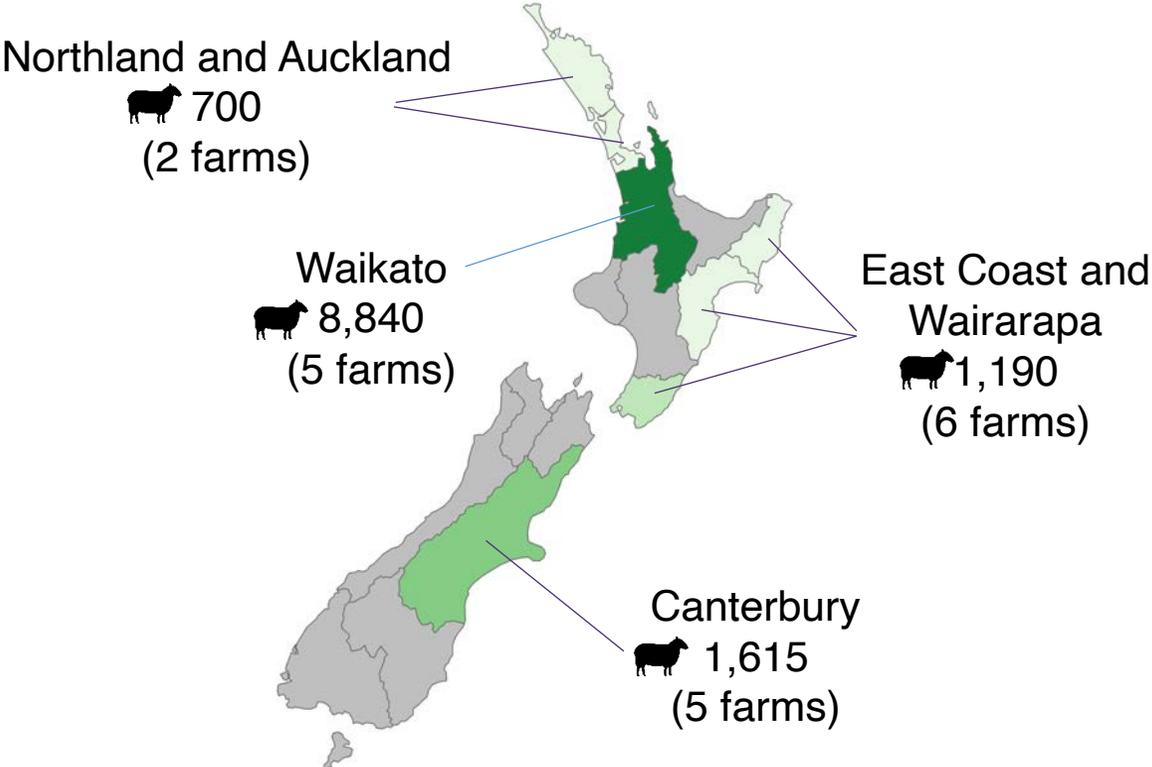
- Raise awareness of the sector's growth and potential
- Gain businesses insights from farmers currently operating in the sector
- Provide data and analysis to inform and support
 - Existing sheep dairy farmers, and
 - Potential new entrants
- Support MPI policy development and advice

Methodology

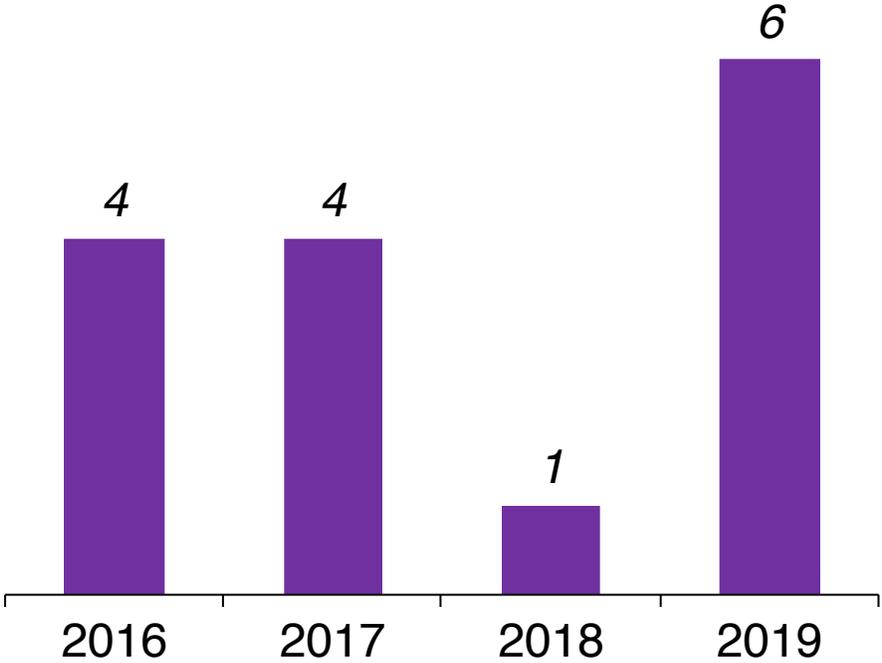
- Interviewed 18 commercial sheep milking operators across New Zealand
- Interviews were conducted between October 2019 and February 2020
- Questions involved a range of farming system, production, and financial information

Overview

New Zealand sheep dairy profile (December 2019)



New sheep dairy farms established (2016 - 2019)



2019

Statistics

12,345

Total dairy sheep population

~1.6m litres

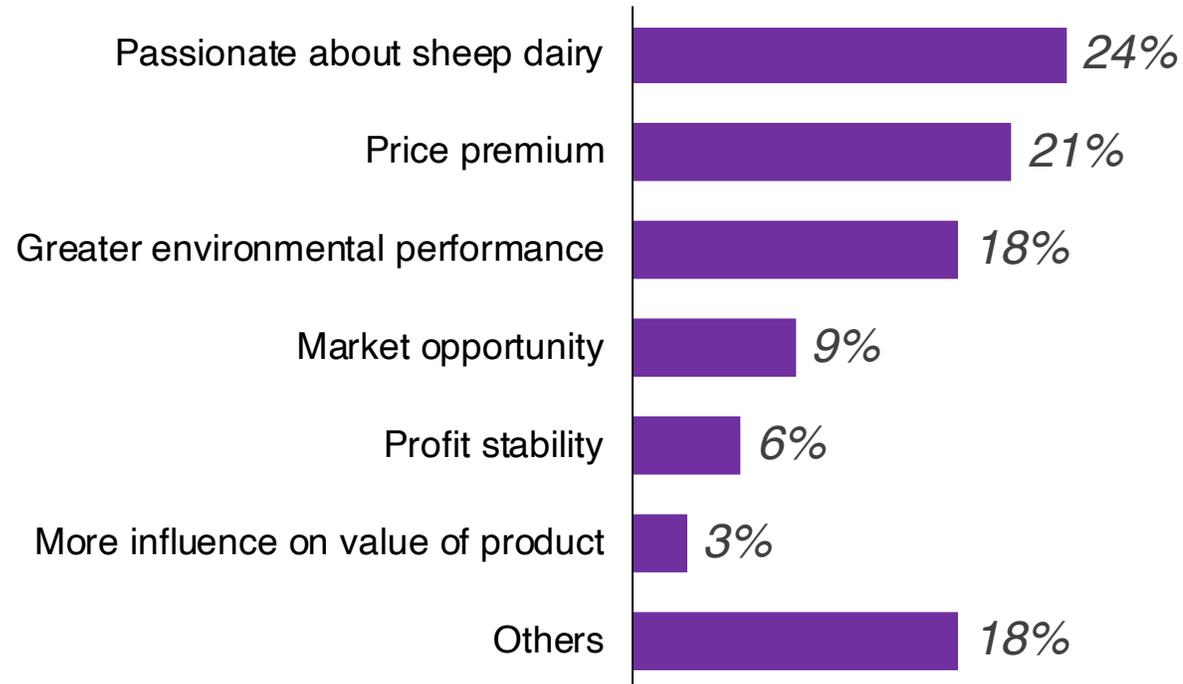
Total milk production

12%

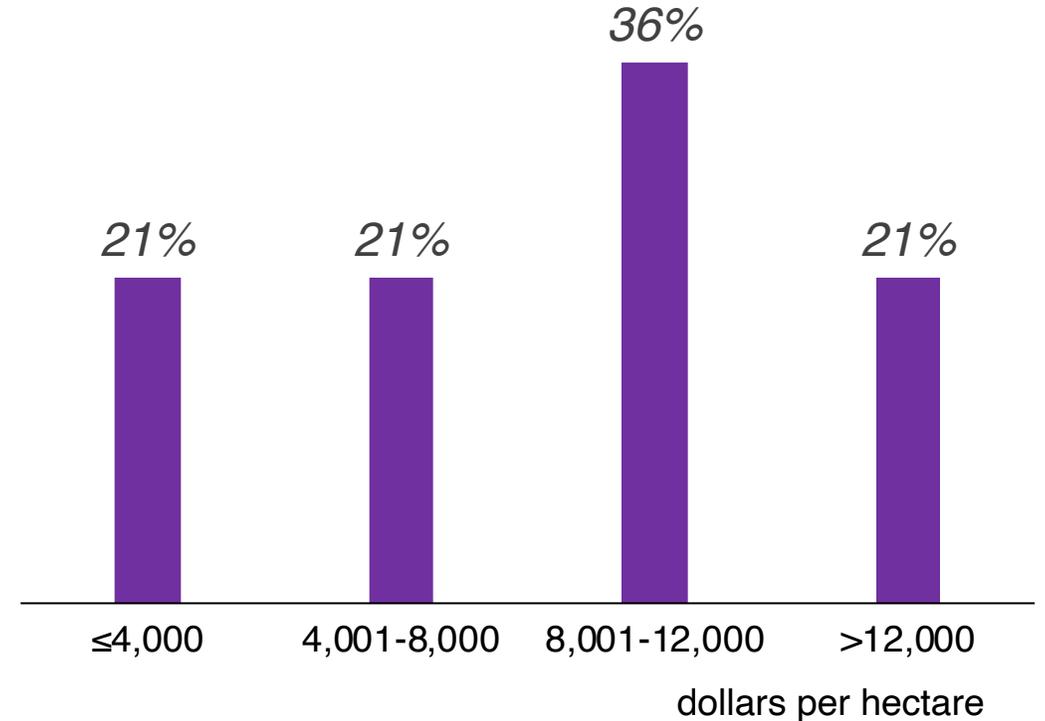
Annual growth in flock since 2016

Sheep dairy establishment

Motivations



Farm conversion costs

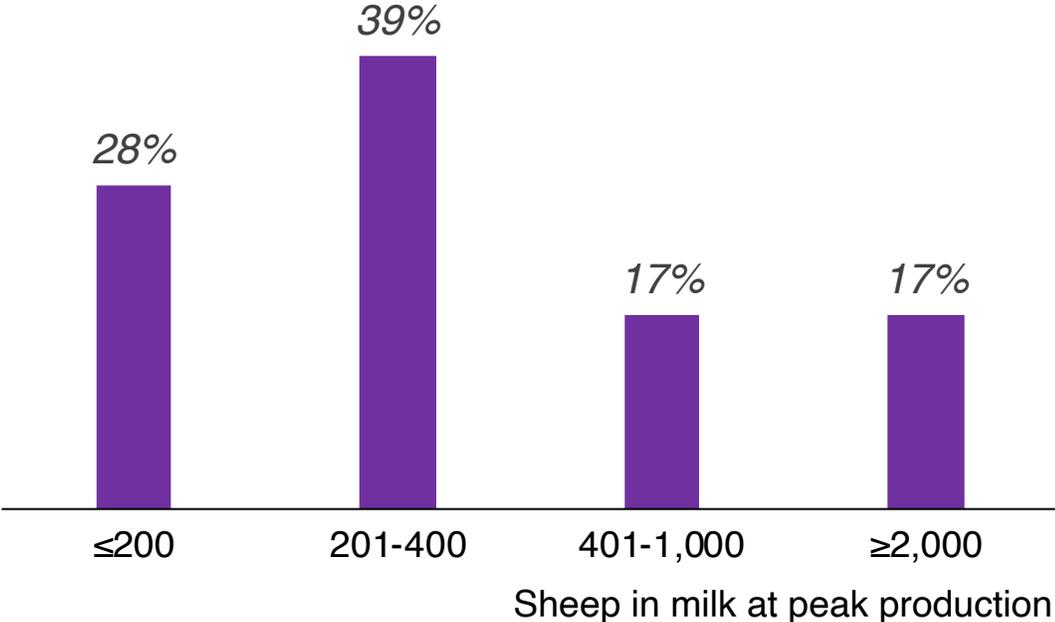


Industry passion, potential for enhanced returns and environmental performance dominate motivations to enter the industry

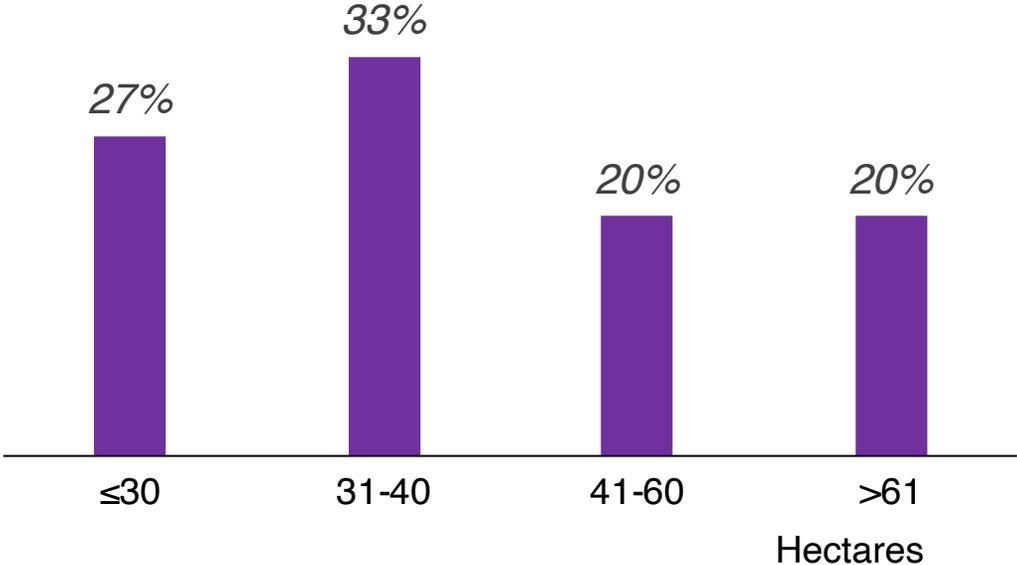
Establishment costs vary significantly, depending on the level of existing infrastructure before conversion

Farm characteristics

Farm size (stock)

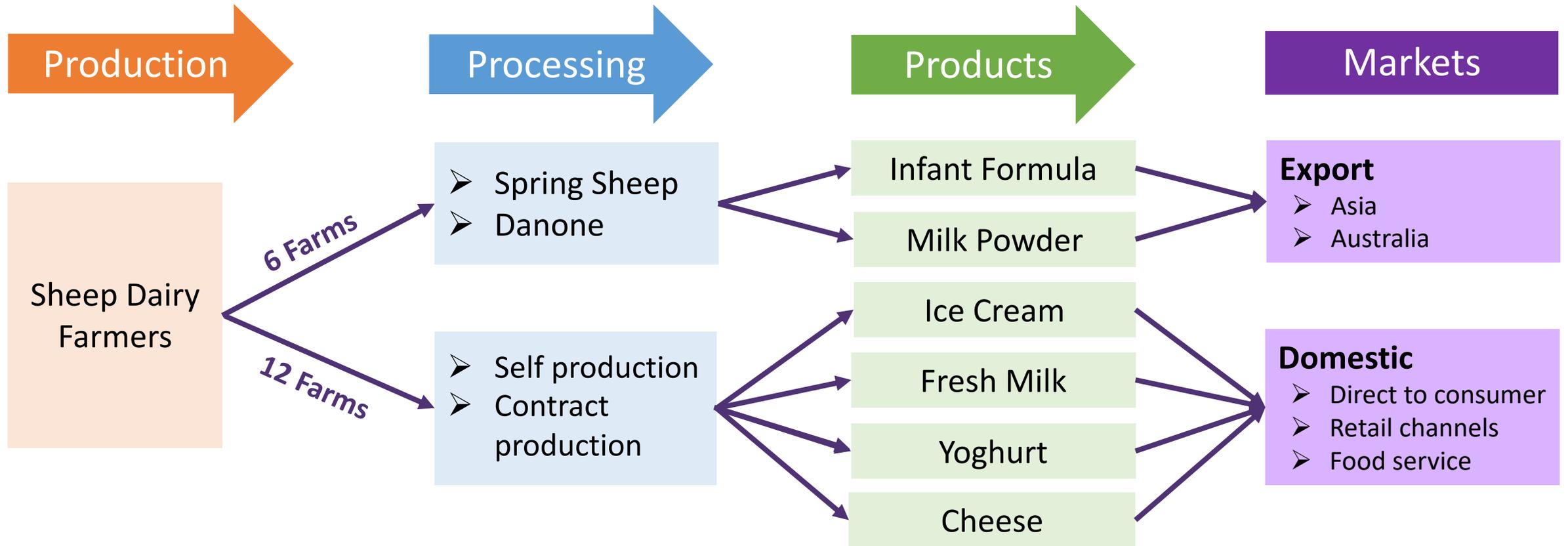


Farm size (ha)



At a farm level, larger industry scale is being facilitated by access to powder processing facilities (Waikato). Smaller scale farming operations are often focused on artisan cheese and yoghurt production.

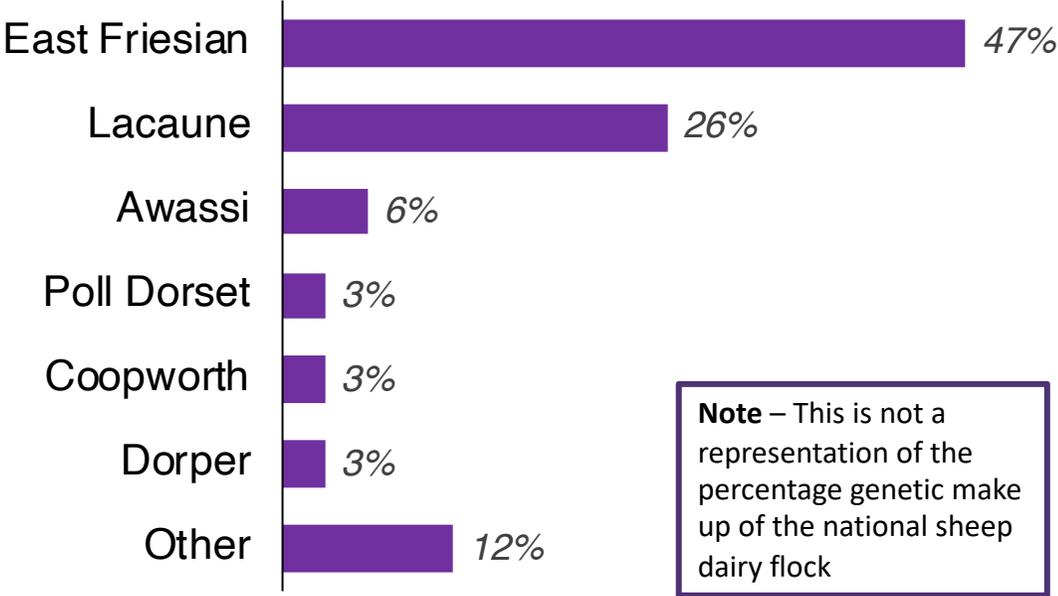
Supply chain



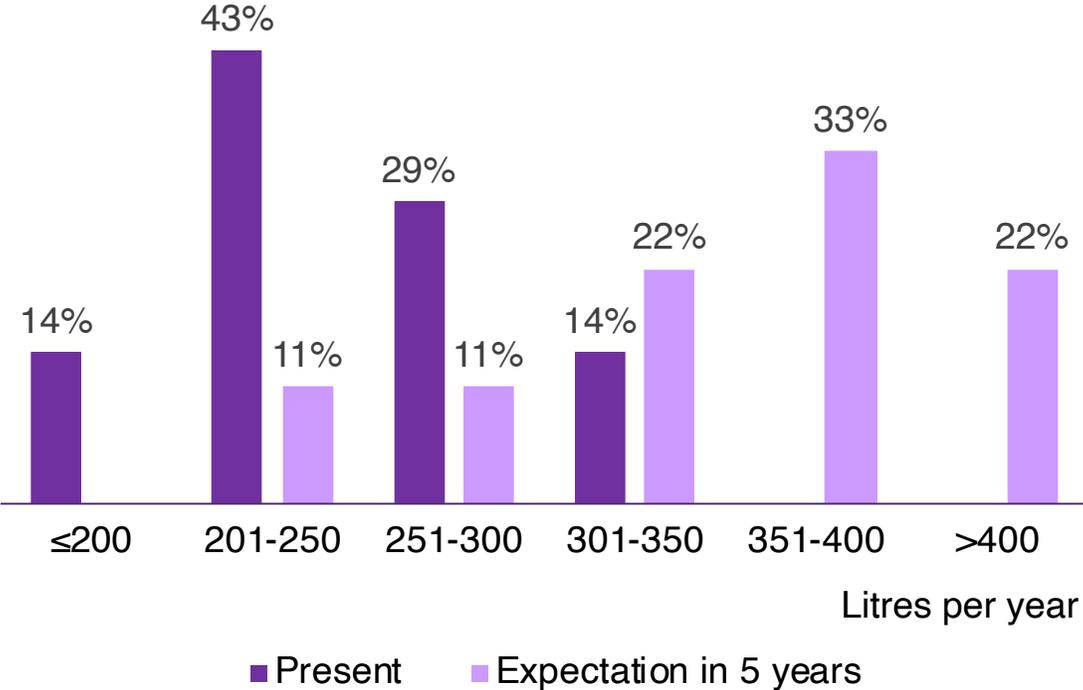
Export markets are currently being developed with powdered products. Lack of drying facilities outside of the Waikato mean that production is focused domestically on cheeses, yoghurts, fresh milk and other products

Farm Characteristics

**Flock genetics
(breed types cited by respondents)**



Milk production per ewe

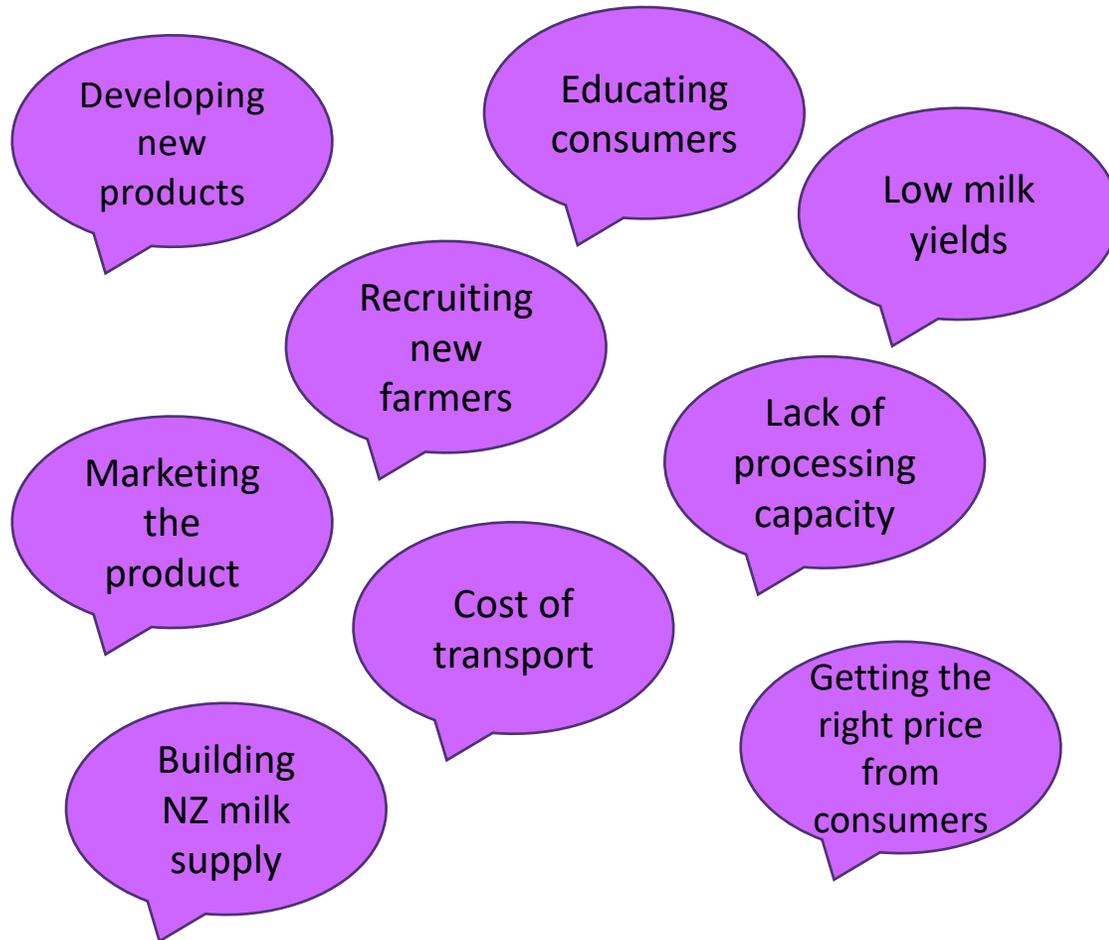


The national flock is a mix of New Zealand and imported European genetics. East Friesian and Lacaune are the most commonly breeds cited.

Productivity levels are currently low compared to European standards, but improvements in breed genetics and feed quality are expected to lift this over time.

Key Challenges and Advice

What do you see as the key challenges your business is currently confronting?



What would your advice be to those aiming to enter the industry?





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