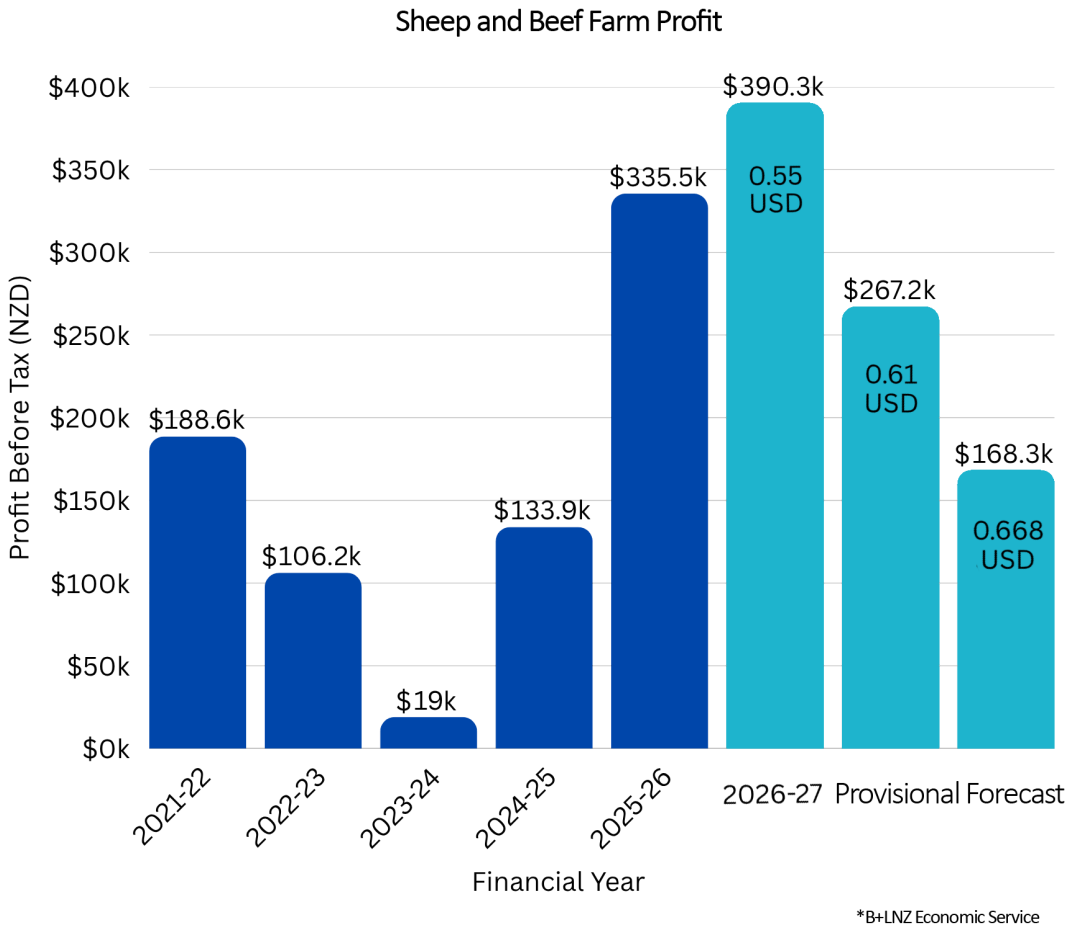
Waimai Romney 2026

Welcome to the Spring of 2026 Waimai Romney Newsletter. As I write this edition, I can't help but think about the amazing year we have all just experienced in NZ farming history. I was brought up with the stories of the Korean 1951 wool boom, when wool was selling for “a pound for a pound,” with farmers' wool cheques literally being life charging. While I don't think the year 2025/26 is life changing, it still represents historical highs for most of the sheep and beef industry. These highs we need to celebrate and do everything in our power to preserve into the future. Whether new to farming, or in your farming prime, we need to enjoy the moment!

Average Farm Profit before Tax hit an exceptional provisional high of $335,500 in 2025/26, marking one of the strongest periods for the sector in decades. While forecast profits are due to drop to $267,200 for the 2026/27 year this is based on a US$ at $0.61. Presently our kiwidollar has shown some real weakness against the greenback, and is down to $0.5651. This is due to a strong US dollar, interest rate gaps between our two countries, along with global investor sentiment that the US dollar is safer. B+LNZ forecast for Farm Profit Before tax, at a US$ of $0.55 is $390,300 which just shows that exporters financial successes are often out of our control.



*B+LNZ Economic Service

While strong red meat prices remain on offer in 2026/27, there are some head winds , with the predicted El Nino weather pattern, rising input prices and a stronger dollar which will all have an effect on how much of that opportunity reaches the farm bottom line. Lamb farm gate prices are still predicted to average $207hd and mutton $144hd, both slightly coming off last year's highs, while wool is definitely back to making farmers money. RaboResearch expects lamb prices to remain well-supported into the new season. ”In our view, the balance of record export values, diverse market demand and constrained North Island availability suggests limited downside in the near term. The key test will be whether offshore buyers continue to absorb historically high prices as new-season supply begins to build.” Jen Corkran-Senior Animal Protein Analyst.



Ann and I were lucky enough to hear Simon Quilty, a global meat market expert, speak at this year's B+LNZ conference earlier this year, and what a ray of sunshine and energy he was.

Simon's key message was that “Strong demand, high prices and low volume in the market all bode well for NZ beef and lamb exports, well into the next two to three years. There are no “Black Swan” events on the horizon.” He commented that shifting supply and demand dynamics are shaping pricing and opportunities for NZ beef and lamb. He emphasised that the US has a critical need for NZs lean beef, with the rising cost of, and demand for, US protein also lifting lamb prices, creating further opportunities for NZ farmers.

He said that the main things driving protein demand are “young people building muscle mass; older people trying to retain it, and those trying to lose weight on GPL-1 weight loss drugs. One example was the huge take-up of the weight loss drugs (ie Ozempic). 13.3 percent of Americans today, or the equivalent of 46 million people, are on weight loss drugs! The expectation is that within 3 years, that will be 92 million. “An important part of that diet is the requirement to consume protein, and meat sits right there at the very top. And what's important is this is not a cheap drug and the people on them are consuming protein at a higher rate and have money to spend.” Generally where the US goes, other countries follow.

The other structural change in the US to grow demand for protein is the US Government's 2025 decision to turn the food pyramid “upside down,” and elevate the importance of meat in diets while reducing the emphasis of carbohydrates. The message is simple: Eat Real Food. American households have been told to prioritise diets built on whole, nutrient-dense foods - meat, dairy, vegetables, fruits, healthy fats and whole grains.



Essentially they are being told to eat the foods our grandparents did! “We are putting real food back at the centre of the American diet. Real food that nourishes the body. Real food that restores health. Real food that fuels energy and encourages movement and exercise. Real food that builds strength.”

This all comes about as the US faces a health emergency, with 90% of health care spent on treating people with chronic diseases, many of which are the direct result of the standard American diet of highly processed foods and a sedentary lifestyle.

These two factors are massive changes in the way the US, and the world look at proteins, and especially meat proteins. Simon Quilty, because of the changes in how meat is perceived, believes prices will continue to rise. “The clear message to me is the global fundamentals for meat proteins are strong: we've got to today driven by strong demand. I can't see a black swan event on the horizon, that is likely to push the prices lower, but I can see every reason why they will remain where they are and go higher.” This is such a positive message to New Zealand's sheep and beef farmers as we don't want the current pricing levels to be a short term knee jerk event, but have some longevity about them into the future, based on sound fundamentals. As New Zealand produces the best grass fed meat in the world, we are in a prime position to take advantage of the world's increased demand for meat proteins.

As individual business owners, it is always interesting to be reminded what the key drivers of performance are for New Zealand's top sheep and beef businesses, which properly haven't changed a lot over the years. Precision livestock management, exceptional cost control, and strategic adaptation to environmental and market challenges are the primary drivers of high performance for top New Zealand sheep and beef farmers. It is probably very easy for businesses in this current financial environment to lose sight of these key drivers, and become complacent. We need to keep investing in those things that make our businesses strong, like infrastructure, fertiliser and genetics, but at the same time maintain tight financial and management discipline.



As always we, at Waimai Romney & CharaBlack, are very excited by the 2025 born rams we have for sale this year. The rams are well grown having experienced a pretty mild winter, with good spring growth. We are continuing to focus on moderate framed sheep with good carcasses and meat over the top, while maintaining high-performance terminal and maternal breeding indexes, which drive our profitability. Our 2026 Sire team this year averaged New Zealand Maternal Worth (NZMW) of 3461, putting them in the top 10% of maternal rams in the country. This is largely driven by our focus on fertility, growth and survival.

What really excites me about the 2025 born rams we have just selected as sires, is that they are all positive (good) for DPD (Dual Purpose Dags). We are totally committed to producing sheep with low inputs, and no or low dags traits is something we are endeavouring to select for in our Waimai Romney stud. The ability to be able to select rams, all with positive indexes for DPD, just shows the commitment, and genetic selection that has taken place over the last 5 to 6 years in this area is starting to work. As we know, genetic improvement takes time, but is permanent.

Our Waimai CharaBlack rams have once again excelled in a progeny trial focused on meat quality and carcase weight. The raw data showed that out of 46 rams our two Waimai CharaBlack rams progeny that were processed, were 1st and 3rd for carcass weight, had average to above average marbling and were 4th and 6th for overall tenderness, which was a very pleasing result.

				Waimai CharaBlack	
Total = 852 rams	**Max**	**Min**	**Average**	**CB 72/24**	**CB 738/24**
PRESLTWT	45.55	38.00	41.41	**43.77**	**45.55**
CWT	20.60	16.57	18.37	**20.30**	**20.60**
Dressing%	47%	43%	44%	**46%**	**45%**
GR	13.75	6.26	8.48	**12.30**	**10.40**
CBUTT	66.50	61.97	64.17	**64.98**	**66.23**
VisMarble	3.83	2.43	3.22	**3.40**	**3.20**
pH	5.74	5.56	5.63	**5.60**	**5.60**
Tenderness	7.67	3.26	4.74	**3.65**	**3.39**

A Shear force tenderness test under 3.2 - 3.5 kg is considered very tender and highly acceptable to consumers. This is an outstanding result, and once again gives us confidence that the genetic program we are running, to produce high growth rate terminal sires with exceptional meat quality, is working. If sheep farmers are to grow further value out of our amazing grass feed lamb protein we produce, I believe it will be meat quality attributes that drive this increase in value.

The resurgence of wool prices over the last year has been a long time coming and something that was badly needed by our industry. The season's closing sale of the 2025-26 year in June capped an exceptional year for wool. The season opened with a South Island wool indicator (SWI) of $3.25 a kilogram clean, and finished at an average of $7.70/kg for good style, highlighting the remarkable strengthening of the market over the past 12 months, and the best seen in the past 15 years. “Buyer demand remained robust, supported by strong global participation in natural fibres, with China continuing to drive renewed interest in natural wool fibres,” said Dave Burridge, PGG Wrightsons.

The free trade agreement with India is further good news for our wool industry. The New Zealand Ministry of Foreign Affairs and Trade confirms that the India-New Zealand Free Trade Agreement (FTA) will take effect on October 20th, 2026, giving New Zealand wool exporters immediate zero-tarriff (duty-free) access to India and dropping previous tariffs from 2.75%. Also New Zealand's previous 33% tariff on sheep meat exports to India will be completely eliminated on October 20th! This is fantastic news for our industry.



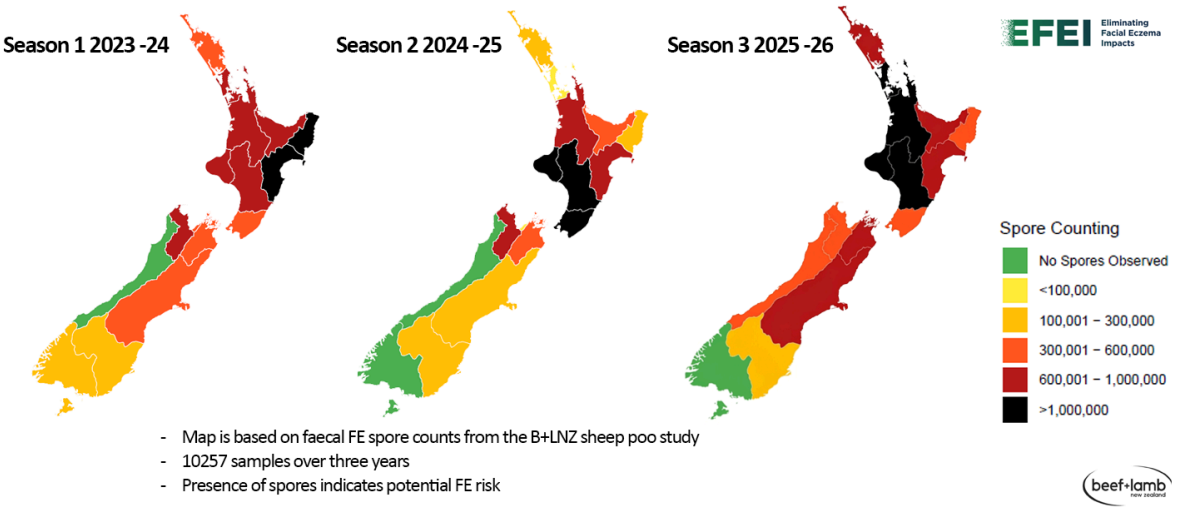
Andy Caughey, CEO, Wool Impact, says "the free trade agreement gives New Zealand wool, and especially strong wool, a real opportunity in one of the world's largest economies. India is already an important market for our wool, taking NZ$77 million worth of wool, and the new FTA gives us a stronger platform to grow that relationship over the long term. India's Farm to Fibre to Factory to Fashion to Foreign approach is a natural fit for our NZ farmers wool."

It was a very positive move in September to see the formation of the New Zealand Wool Collective, a merger between Wool Impact and Campaign for Wool, NZ's advocacy and resource hubs. NZWC chief executive Ross McIsaac said the merger builds on two years of partnership between the organisations, aligning their work, expertise and resources. "The merger makes sense, as NZ wool has value that isn't being fully realised, and capturing more of that value for wool growers will require a collective effort alongside the work of individual businesses." These are all very positive developments to improve the long term profitability of this amazing natural fibre, and our wool industry.



The final year of the B+LNZ sheep poo study has finally finished, with over 400 farms being involved over the 3 years of the project, which was to identify the presence of the spore which would indicate potential FE risk. Facial eczema (FE) is a liver disease caused by a toxin called sporidesmin. The toxin is produced by the fungus Pseudopithomyces toxicarius, which grows in dead litter at the base of pasture in warm, humid conditions. Recent monitoring has shown that FE risk is more widespread and variable than most people thought. Spores have been found further south than expected, spore counts can stay high well into late autumn, and FE risk can vary a lot from one year to the next.

The bottom line is all of the North Island is affected, and half of the South Island! This is a huge change from 15 - 20 years ago when it was really only regions north of Taupo experiencing FE challenges. In the Waimai we had spore counts of 330,000 spores/gram seen on the 7th April, 1,870,000 spores/gram on 13th April, and still 550,000 spores/gram on the 12th May, which just shows the extreme FE challenge our sheep were under over this extended period. While all our ewe hoggets were tupped over this period, we experienced no signs of eczema, and our hoggets scanned 116%, with only 12% dry, which just shows the genetic tolerance our flock has built up over the last 40 years. Facial eczema continues to move down the country and breeding for FE tolerance, using FE Gold genetics, is the only long term, cost effective solution to combating this debilitating animal health issue.



We will be having our annual **Open Day on Thursday 15th October** where we would love to see everyone. It will be between **10am - 4pm**. We are thrilled to have Ross McIsaac the new CEO of the New Zealand Wool Collective who will talk about the merger to form this organisation, what they are doing ,the opportunities he sees for wool, and what is planned going forward. This is a wonderful opportunity to meet one of the wool industries most clear thinking experts. We will also have Chris Tennett-Brown, ASB senior economist, who will discuss the external factors influencing sheep and beef farm profitability, as well as strategies for making the most of farm profits.

Our **Waimai Romney & CharaBlack Sale** is going to be on **Thursday 5th November at 12pm**. This is a change in starting time for the sale, so please take note of that. Private Treaty rams will be sold over the following weeks. Over the last 4 years we have been reluctant to change the price of Private Treaty rams, but this year we will be putting the price up $200hd for these rams across the price divisions. We look forward to seeing you all over the coming months. Please take the time to fill out the enclosed order form and get it back to asap, as we ran out of rams last year, and want to make sure we take the time to look after everyone. Take care and look after yourselves.

Kind Regards
Alastair, Ann, Helen & Chloe

WAIMAI ROMNEY
841 Waimai Valley Road
RD2, NGARUAWAHIA 3794

www.waimairomney.co.nz
Alastair 027 457 3615