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Small gains, big prize - \$2.9b opportunity for NZ farmers

New research from ANZ New Zealand (ANZ NZ) shows a 5% uplift in farm revenue coupled with a 5% reduction in costs could lead to a profit increase of \$2.9B across five key New Zealand agricultural sectors.

Managing Director Business & Agri Lorraine Mapu says the next wave of farm performance gains will come from making farming systems easier to run, not simply asking farmers to work harder.

"The opportunity is significant - across the sectors we looked at (*dairy, red meat, kiwifruit, arable and pipfruit*), a 5% lift in revenue and 5% reduction in costs could translate into an estimated \$2.9 billion uplift in farm profitability.

"But the important question is: How will farmers get there?"

ANZ NZ's latest Agri Insights Report shows:

- Low-input doesn't have to mean low-performance.
- Input efficiency is now a resilience strategy, not just a cost-control exercise.
- Agritech is becoming less about the latest gadgets, more about reducing pressure on management and farming teams.
- Farmers are already data-rich - opportunity lies in connecting and using that data efficiently.
- High performers are not chasing every new tool but investing selectively.

"We've looked at the practical changes that can help close that gap - better-connected information systems, more efficient use of inputs, targeted automation, smarter land-use decisions and investment in tools that genuinely fit the farm system."

Mapu says the strongest opportunities are likely to come from reducing friction inside the business.

"For many farmers, the issue isn't a lack of information, it's that information often sits in different places - accounting systems, production records, environmental reporting tools, spreadsheets and advisers' processes, to name a few.

"When those systems are better connected, farmers can spend less time wrangling information and more time making decisions that improve performance."

Mapu says agritech is most useful when it supports practical decision-making, rather than adding another layer of complexity.

"The farmers we spoke to were very clear that technology has to earn its place - it needs to make the work easier, improve timing, reduce waste or help the team make more consistent decisions.

"It's not about adopting technology for its own sake - it's about choosing tools that actually help a system run better."

Mapu says that distinction is becoming more important as AI and automation become more capable.

"AI has the potential to be very useful in agriculture, but its value will depend on how well it connects with the realities of running a farm or orchard.

"There are real opportunities for farmers in this area - not in replacing their judgement, but in helping them pull information together faster, reduce duplication, identify what needs attention and make better-informed decisions with the data they have."

The report also highlights automation as a practical way to reduce pressure on workers, improve safety and support more consistent execution during busy or difficult periods.

"In many cases, the value of automation is not as simple as a higher productivity figure.

"It can show up as fewer late nights, less manual rework, safer teams and better timing when conditions are tight.

"That matters, because small pressure points can add up quickly in a farming business."

Mapu says high-performing businesses tend to be deliberate about where they invest.

"The best operators don't chase every new product or platform.

"They are clear about what they want to improve, they understand the weak points in their system, and they invest in changes their people can actually absorb.

"That is where agritech and AI can be most powerful - as part of a more connected, disciplined and resilient farming system."

She says the estimated \$2.9 billion opportunity should be seen as a practical challenge for the sector.

"This is a big number, but it is built on small, achievable gains. Better timing, less waste, clearer information, fewer repeated problems - those are the kinds of improvements that compound over time.

"For farmers, the question is what part of the system they can improve next, and how they get there."

ANZ NZ's latest *Agri Insights* report, *Optimising Farm Systems*, is part two of a three-paper series, and explores how farmers and growers can improve their operations using information, automation and optimisation.

The full report can be found here: <https://www.anz.co.nz/business/bizhub/agribusiness/agri-insights/optimising-farming-systems/>

For media enquiries contact:

Luke Appleby
External Communications and Content Manager
Tel: +64 22 615 3575

Briar McCormack
Head of External Communications
Tel: +64 21 280 1173