Inland Revenue
Te Tari Taake

26 September 2023

Dear

Thank you for your request made under the Official Information Act 1982 (OIA), received on 29 August 2023. You requested the following:

> *Could you please provide me the total number of farms in NZ as of 31 March 2023?*
> *Could you also breakdown the number of farms by entity type as of 31 March 2023? The entity types requested (and number of farms held by each) are: - Sole trader - Trust - Partnership - Company – Corporation*

Inland Revenue holds some industry-specific data for taxpayers with business-related income. This data is based on the industry classification codes, listed in **Appendix A**, taxpayers used when filing their tax returns for the year ended 31 March 2022. This is the most recent tax year in which return filing is complete.

The table below details the number of farms in New Zealand, based on filed taxed returns by entity and return type. Please note, this is not necessarily an accurate reflection of all farms in New Zealand as Inland Revenue does not hold a register of business entities.

The different return types reflect different entity structures. For unincorporated sole traders, IR3 individual income tax returns are used where unincorporated self-employment income is also declared. Individuals using a farm-related industry code but with no self-employment income declared are not included. The associated taxpayers may have received partnership income, look through company income, shareholder salaries or earn schedular payments[1], but the data provided assumes that the associated farms have already been counted as the parent entities.

Number of Farms* filing income tax returns for year ended 31 March 2022

Entity and Return Type	Number
IR4 - Company/Corporation	21,197
IR6 - Trust	5,088
IR7 - Partnership	24,530
IR7 - Look through company	2,069
IR3 - Sole Trader	9,317
IR8 – Māori Authorities	255
IR9 - Clubs/Societies	18
Total	**62,474**

Number of Farms identified by the industry classification codes listed in Appendix A

---

[1] People with schedular payments use the PAYE system, often with multiple employers, and are taxed at a flat rate on their gross earnings. At year end they claim their business-related expenses in their tax return. They are responsible for their own ACC premia covering work accidents.

The industry-specific data held by Inland Revenue may not necessarily reflect the current industry as taxpayers' activities may have changed or may not have been updated. For example, an individual may have a "dairy farmer" industry classification in our system but be retired or no longer working in that industry.

Statistics New Zealand (Stats NZ) holds relevant information on farming demographics (from 2002-2019) which may be helpful to you. Stats NZ's latest release on farming demographics can be found here: stats.govt.nz/indicators/farm-numbers-and-size/. However, this does not include information on farms by entity type. This information will not necessarily align with the information Inland Revenue holds.

Publishing of OIA response

Please note that Inland Revenue regularly publishes responses to requests that may be of interest to the wider public on its website. We consider this response is of public interest so will publish this response in due course. Your personal details or any information that would identify you will be removed prior to it being published.

Thank you for your request.

Yours sincerely

Sandra Watson
Policy Lead, Forecasting & Analysis

Ref: 24OIA1240

Appendix A

Industry classification

Classification of a taxpayer into industries uses the business industry classification (BIC) data held by Inland Revenue. This is based on the Australian and New Zealand industry classification system (ANZSIC). To identify farming entities, level 4 ANZSIC codes are used in the table below. Please note the list excludes forestry, aquaculture, fishing, and agricultural services.

Industry coding systems like ANZSIC and BIC are hierarchical. The last two digits in the table below are all "00", but BIC codes use these two final digits to provide greater detail. In order to identify farming entities we focussed on the first four digits (for example "A0111") and did not reference the final two digits. This methodology also picked up taxpayers using BIC codes with that further detail.

ANZSIC Codes for Farms

ANZSIC Code	Definition
A011100	Nursery Production (Under Cover)
A011200	Nursery Production (Outdoors)
A011300	Turf Growing
A011400	Floriculture Production (Under Cover)
A011500	Floriculture Production (Outdoors)
A012100	Mushroom Growing
A012200	Vegetable Growing (Under Cover)
A012300	Vegetable Growing (Outdoors)
A013100	Grape Growing
A013200	Kiwifruit Growing
A013300	Berry Fruit Growing
A013400	Apple and Pear Growing
A013500	Stone Fruit Growing
A013600	Citrus Fruit Growing
A013700	Olive Growing
A013900	Other Fruit and Tree Nut Growing
A014100	Sheep Farming (Specialised)
A014200	Beef Cattle Farming (Specialised)
A014400	Sheep-Beef Cattle Farming
A014500	Grain-Sheep or Grain-Beef Cattle Farming
A014900	Other Grain Growing
A015900	Other Crop Growing n.e.c.
A016000	Dairy Cattle Farming
A017200	Poultry Farming (Eggs)
A018000	Deer Farming
A019100	Horse Farming
A019200	Pig Farming
A019900	Other Livestock Farming n.e.c.