



Regulatory changes to better enable agricultural drone use

Date	10 February 2026	Priority	Medium
Security classification	Unclassified	Tracking number	MFR2026-026
Attachments	No		

Meeting details

Date	Meeting type	Attendees
11/02/2026	Meeting between Ministerial offices	Nick Bryant, Senior Ministerial Advisor Peter Clark, Private Secretary Office of Associate Minister of Transport, Hon James Meager

Contact for discussion if required

Name	Position	Phone number	1st contact
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Regulatory changes required

- As discussed in MFR2025-288
 - Part 101** of the CAA rules sets the simple, prescriptive rules for low-risk drone operations, below 400 ft, within line-of-sight, under 25 kg, and without hazardous dropping, requiring no certification.
 - Part 102** provides the certification pathway for any operation that exceeds these limits, such as flying drones over 25 kg, conducting agricultural spraying, or undertaking more complex activities, and requires an exposition covering risks, training, and maintenance.
 - Part 137** governs agricultural aviation for manned aircraft and sets additional requirements for tasks like spraying or spreading, but currently does not cover unmanned aircraft, meaning agricultural drones fall outside this framework unless it is updated to include them.
- Parts 101 and 102 of the CAA Rules limit agricultural drone use, particularly spraying, due to the 25 kg weight limit and prohibition on dropping objects. Part 137 requires broader reform, and the Ministry for Regulation considers this should be the focus of a dedicated regulatory regime to enable agricultural drone use.
- Regulatory pathways include:
 - Targeted changes to Part 101 / 102** to enable heavier drones to undertake low-risk spraying on an operator's own land by adjusting thresholds and clarifying permissions, reducing reliance on costly Part 102 certifications.
 - Broader reform of Part 137 (Preferred)** to create a dedicated and durable regulatory regime for unmanned agricultural aviation, aligning rules with emerging drone technologies and providing long-term sector capability. Reforms to Part 137 was not part of the planned CAA reforms announced last year.

Potential economic impact

- The misalignment between emerging agricultural-drone use and existing regulatory settings has several economic and sector-wide impacts.
- The number of large spray drones doubling (from 80 to 160¹) in a year indicates strong underlying commercial demand and technological maturity, not that the regulatory environment is fit for purpose. It is possible that there would be stronger growth under an alternative regulatory environment.

¹ NZ Agricultural Drone Association, as cited in Sudesh Kissun, "Agricultural drone use soars among NZ contractors", Rural News, 20 May 2025.



6. Current rules (Part 102) impose compliance costs of around \$15k–\$20k per operator, or \$180k–\$240k sector-wide annually. The scale of these costs is not tailored to the relatively low risks associated with on-farm spraying. The relevant risks include aviation and operator safety, environmental risks such as spray drift, and impacts on other regulated parties through nuisance, noise, or privacy. These figures reflect only the direct financial costs to operators; there are also significant time and administrative burdens associated with meeting compliance requirements.
7. Internationally, more enabling approaches exist. The Ministry for Regulation understands that at a federal level, Australia allows much larger agricultural drones (over 25 kg and up to 150 kg) to operate on farmland with only licensing and registration under standard operating conditions, rather than the full Part 102 certification required in New Zealand.
8. The scale and structure of these compliance costs directly influence how widely the technology can be taken up across farming sectors. These costs may limit uptake by horticulturalists, viticulturists, croppers, and livestock farmers, even though each stands to benefit in clear ways. Horticulture and viticulture gain from precise, timely spraying without soil compaction or difficult machinery access. Croppers benefit from rapid post-rain application and avoiding heavy-vehicle damage. Livestock farmers, especially in hill-country, can safely treat steep or inaccessible areas without helicopters or labour-intensive groundwork.
9. These benefits generate direct costs savings in these industries, for example through reduced fuel use or labour costs from tractor usage and manual spraying. There are also health benefits to operators relative to spraying from a backpack, through a reduction in direct exposure to chemicals. On the other hand, costs may include externalities generated from increased spray drift to neighbouring properties or waterways.
10. Much of the existing growth could be generated by early adopters, who grow quickly because the value is high. However, many smaller or mid-sized operators may struggle to absorb the compliance burden, limiting future growth if this burden remains.
11. The Ministry for Regulation considers that regulatory reform is needed to unlock broader economic benefits, particularly through productivity gains from more efficient, timely, and lower-cost spraying, by enabling wider adoption of the technology and supporting a maturing sector.
12. A cost-benefit analysis, which seeks to monetise as many of the aforementioned costs and benefits, is feasible, with sufficient time to find robust data sources and work through any conceptual issues. Some assumptions will need to be made around, for example, potential industry growth, but this would not detract from the feasibility or rigour of the analysis.