

Annual Investment Plan

2026-27



Introduction

Having spent the last year at farm tables, in dairies and at farmer events, the Dairy Australia team and I have listened hard to ensure a solid foundation for our strategic plan and strategic goals. Our aim is to support farmers to navigate their current challenges and anticipate what lies ahead, and what that really boils down to is improving farm profitability and maintaining competitive returns. Strong farm business performance enables investment, builds confidence and creates opportunities for future generations.

This Annual Investment Plan outlines how we will invest in 2026-27 to support the goals and priorities set out in Dairy Australia's Strategic Plan 2030. To develop it, we consulted with farmers, our regional partners and industry to ensure we heard what they want us to focus on this year. I want to give a big shout out to our partners in the Regional Development Programs and our national and state advocacy organisations for their help and support to shape this plan. In return, we will make every dollar count by investing where we can deliver the most value for farmers and the industry.

The industry goals we developed with farmers in 2025 provide a clear direction for our investments. They are ambitious and focused on outcomes that can make a meaningful difference on farm: improving profitability, increasing home-grown feed utilisation, lifting herd productivity, supporting herd longevity and other sustainable practices farmers already do every day. Striving to reach these goals will drive competitive returns and pride in our industry – helping us to attract and retain great people.

Our investments in 2026-27 align with these goals and our three strategic priorities.

We will **unlock today's potential** by strengthening farm business performance and supporting better decision-making. We'll deliver services, data and insights to support farmers to manage their farm business, including planning and benchmarking, tailored extension and pathways for people. Key investments are expanding the Dairy Farm Monitor data set and improving the DairyBase user experience, strengthening services that improve understanding of cash, profit and wealth, and continuing to invest in regional resources and services. The work under this strategic priority will help us reach all of our industry goals.

We will **innovate for future success** through broadening our research investments in feed and herd productivity, with increased focus on management practices. This includes 12 new fodder research projects, such as work on clover-rich pasture systems to improve productivity, nitrogen use efficiency and whole-farm performance. We will also redevelop extension materials on animal nutrition, mastitis, heifer management and reproduction programs. The work in this area will help us reach our goals around herd and feed productivity and increasing herd longevity.

We will **ensure a sustainable industry** by working with our partners to support farm practices that build both sustainability and profit. We will help maintain Australia's competitiveness in domestic and export markets, and drive the community trust that underpins our social licence and market access. Important investments under this priority include our market access work, our programs with schools and the community, and our many collaborations with industry partners around policy and sustainable practices. The initiatives in this area underpin our work across the four industry goals and help drive a proud, profitable industry, ready for the future.

Our industry produces an extraordinary product. We deliver nutritious food every day to Australian fridges and households across Asia and beyond. Dairy Australia is committed to investing in the success of farmers to help our industry compete and thrive.

I look forward to continuing to work alongside farmers and our industry partners as we navigate opportunities, tackle challenges and shape a strong future for Australian dairy.



A handwritten signature in black ink, reading "Matthew Shaffer". The signature is fluid and cursive, with a long, sweeping tail on the last letter of the last name.

Dr Matthew Shaffer
Chief Executive Officer

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Acknowledgement of Country

Dairy Australia acknowledges the role of First Nations peoples and recognises their continuing connection to lands, waters and communities.

Disclaimer

The content of this publication is provided for general information only and has not been prepared to address your specific circumstances. We do not guarantee the completeness, accuracy or timeliness of the information.

Acknowledgement

Dairy Australia acknowledges the funding from levy payers and contribution by Commonwealth Government.

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Overview

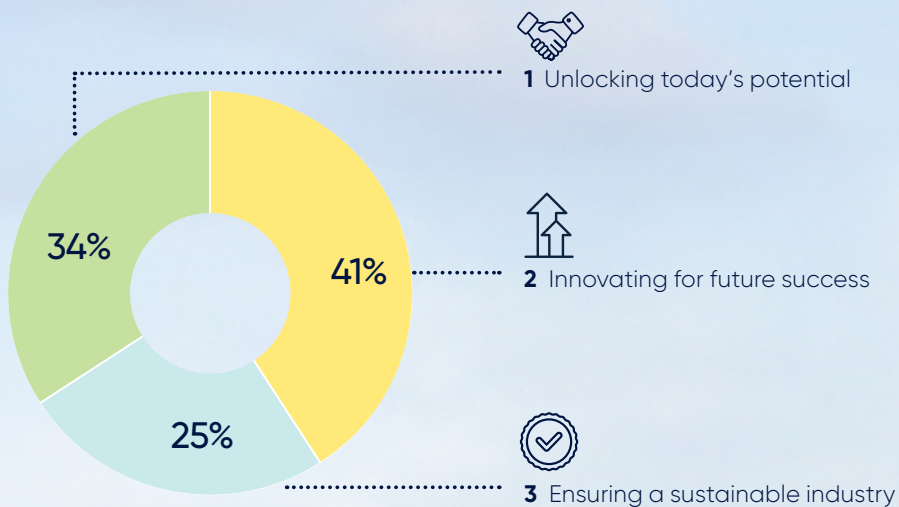
Budget

Dairy Australia's total budget in 2026–27 is \$66.6 million.

We are prioritising investment towards achieving our strategic industry goals and scorecard, with

- \$52.6 million allocated to three strategic priorities.
- \$7 million supporting strategic enablers that underpin delivery.
- \$7 million to operating and administration costs and general business support expenses of running the organisation.

Breakdown of investment across the three strategic priorities (\$52.6 million)



Industry goals

Working closely with industry, Dairy Australia has identified an overarching goal to ensure that dairy farms achieve competitive returns on total assets (ROTA) of five to six per cent¹, supported by four goals that describe the outcomes we're aiming to achieve for Australian dairy farmers. To progress these goals in 2026-27, key investments and outcomes are outlined below.

Goal	Key investments and outcomes	
 Increase profitability Increase earnings before interest and tax (EBIT) by 30 cents per kilogram of milk solids	• Improve data-driven benchmarking and insights by expanding Dairy Farm Monitor Project (DFMP) sample size. • Improve understanding of the key features associated with top performing, consistently profitable farms through detailed analysis of longitudinal DFMP data and development of case studies. • Support farmers in achieving their farm business goals by delivering programs related to cash, profit and wealth.	
 Increase feed productivity Increase homegrown feed utilisation by one tonne per milking hectare	• Improve the amount of fodder grown, used and conserved through 12 new forage research projects. • Improve the effectiveness of extension delivery by refreshing Top Fodder and Feeding Pastures for Profit. • Enable better ryegrass cultivar selection by continuing to enhance the Forage Value Index. • Maximise the benefits of virtual fencing technologies by supporting the decision-making process for farmers.	
 Increase herd productivity Increase genetic gain by \$90 per cow entering the herd	• Continue to improve genetic gains by supporting increased use of the Balanced Performance Index and initiating the new Australian Breeding Values Predictive Powers research project. • Strengthen genetic gain and breeding decision-making through investment in DataGene, including upgrades to data platforms, development of genomic mating tools and an approach to extension, progression of single-step genetic evaluation, and enhancement of reference population data.	
 While remaining focused on sustainable practices Increase the number of heifers reaching third lactation and beyond by 12%	• Improve heifer health and longevity through research to control mastitis and pinkeye. • Strengthen heifer growth, fertility and lifetime productivity by updating practical tools and resources across nutrition, mastitis, heifer management and reproduction programs, including InCalf, Countdown and Better Heifers.	

¹ Excludes capital growth

Key investments

Unlocking today's potential



1.1 Uplifting farm business performance



- Strengthen benchmarking insights to support better farm business decisions by expanding the Dairy Farm Monitor Project and DairyBase dataset, including broader Victorian representation.
- Build stronger farm business performance by supporting planning and improving understanding of cash, profit and wealth drivers.

1.2 Enhancing farm operations



- Deliver tailored extension activities and resources which support farm businesses, through new programs including Cash, Costs & Margins, Pasture Fundamentals, Disbudding Best Practice, and Irrigation Management.
- Empower dairy farmers to make more informed decisions by reviewing how we make extension programs, tools, and resources available to service providers to use with their clients.

1.3 Creating pathways for people



- Support farmers to build the skills and capability of farming teams through clearer career pathways and progression of the Dairy Capability Guide.
- Make it easier for farmers to attract, onboard and retain people through practical people management, workforce, safety and career resources.

Innovating for future success



2.1 Building feedbase productivity



- Get more value from home-grown feed through continued investment in lifting pasture and forage performance and improving utilisation.
- Build more resilient feed systems with practical options to manage climate variability, pests and input pressures.
- Develop agronomic resources and tools to inform best practice in the production of high-quality forage crops across all regions.

2.2 Building herd productivity



- Improve herd performance and longevity through continued investment in genetics, nutrition and animal health research, and redevelopment of extension material across nutrition, heifer management and reproduction.
- Reduce the impact of priority animal health issues, including mastitis and pinkeye, by strengthening prevention, diagnostics and management approaches, and redeveloping mastitis extension material.

2.3 Adapting to a changing operating environment



- Make it easier to manage emissions, effluent and odour on farm, through clearer guidance and systems that support confident day-to-day decisions.
- Progress practical options to reduce emissions intensity while maintaining or lifting productivity and profitability, including expanded focus on data-driven case studies.

Ensuring a sustainable industry



3.1 Advancing industry sustainability



- Continue to support industry, including Australian Dairy Farmers and Australian Dairy Products Federation, via data-driven technical policy support.
- Progress industry-led sustainability initiatives such as the Australian Dairy Sustainability Framework, CalfWays and the Dairy Animal Care Assurance Program.
- Support dairy farmers and industry through proactive issues management, including preparedness for and potential response to H5 avian influenza, and monitoring evolving risks that may impact farm operations and critical input supply chains, including fuel and fertiliser.

3.2 Remaining locally and globally competitive



- Strengthen Australia's position as a trusted supplier of high-quality dairy by building preference for Australia as a trusted source of high-quality and sustainable dairy products in international markets.
- Conduct economic research to better understand domestic sources of comparative advantage and critical success factors.
- Support the industry's competitive position through timely market insights, trade analysis and engagement that improves access and reduces barriers in key markets.

3.3 Driving community trust and support



- Strengthen community trust and support for Australian dairy, encouraging preference for Australian dairy products and contributing to a positive operating environment for farmers.
- Build confidence in dairy's health and nutrition benefits among health professionals, educators and future consumers, supporting informed choices and long-term demand for Australian dairy.

Operating environment

2025–26 unfolded amid global supply growth, volatile input costs and shifting demand. While international milk production expanded and domestic conditions fluctuated, Australian dairy benefited from resilient farmgate pricing, recovering production and stable household demand. However, input cost volatility, including the impacts of conflict in the Middle East, provided a significant challenge for farmers at various times across the season.

Milk production trends

Milk production began the 2025–26 season weakly, before improved weather and easing feed prices supported a second-half recovery. The season is expected to finish around 0.5% above last year, outperforming earlier forecasts.

Input costs, operating and export conditions

Production has been supported by favourable input conditions for most of the season. Feed costs declined, with wheat and hay cheaper across most regions. Water prices in Northern Victoria were elevated, and urea prices rose sharply in March, while other fertiliser varieties also recorded price growth amid increased demand.

Export conditions have been supported by resilient global pricing despite increased production in key export regions. Skim milk powder prices remained elevated, while butter and cheese markets were softer globally, which limited returns for Australian producers.

Production outlook for 2026–27

Favourable autumn rainfall and good pasture conditions in many regions are expected to support early 2026–27 production. However, an adverse climate outlook and high input costs are projected to limit output across the season. Demand is expected to remain steady. Dairy Australia estimates production to decline by around 2%, ranging from a 1% fall under favourable conditions to a 3% decline if high costs and dry conditions persist.



Financial position

Income and expenditure summary

As per our five-year strategic plan financial forecast, Dairy Australia is proposing a \$1.25 million deficit budget position in 2026-27.

Table 1 Budgeted profit and loss analysis for 2026-27

	\$'000
Income	65,330
Expenditure	
Strategic Priority 1 – Unlocking today's potential	17,897
Strategic Priority 2 – Innovating for future success	21,672
Strategic Priority 3 – Ensuring a sustainable industry	13,073
Enablers	6,978
Operating and administration costs	6,960
Total expenditure	66,580
Total salaries included in the above	25,172
Surplus/(deficit)	(1,250)

Profit and loss analysis

Income summary

The majority of Dairy Australia's income is derived from farmer levy and Commonwealth matching payments, with other external contributions received for investment in specific projects.

This income is closely linked to milk production. Farmers are levied based on production while Commonwealth matching payments are based on the gross value of production for the industry.

Table 2 Budgeted income analysis for 2026-27

	% of total income	\$'000
Income		
Levy	45.3	29,580
Commonwealth matching payments	44.4	28,976
External contributions	9.0	5,878
Other	1.3	896
Total income		65,330
Production – litres (million)		8,149

Dairy Service Levy

Levy income is based on milk production of 8,149 million litres for 2026-27, with milk volume assumed to decrease by approximately 2.0 per cent compared to the 2025-26 forecasted volumes. This scenario reflects the impacts of high input costs and an unfavourable climate outlook over the early months of the season, which are projected to contribute to the fall in milk production. The rate of milk levies is 2.93c/kg milk fat and 7.13c/kg protein, with levy being based on 3.5 per cent protein and 4.25 per cent milk fat composition.

Government matching payments

Commonwealth matching payments are based on matching all levy expended on eligible RD&E expenditure. Dairy Australia is eligible to claim matching payments to the lower of 0.5 per cent gross value of production or 50 per cent of RD&E spend.

External contributions

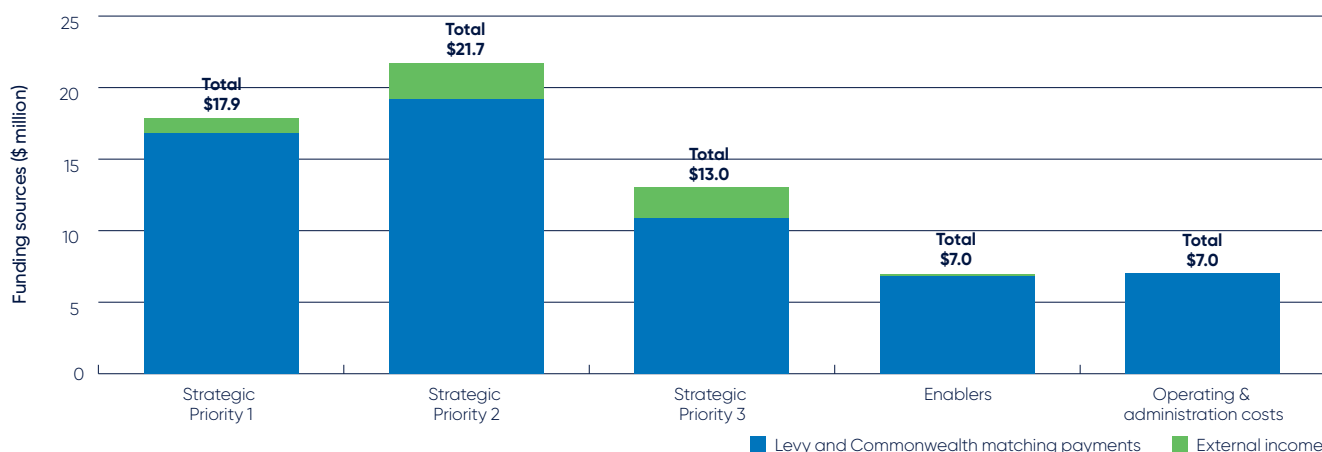
Income received from government or other external parties, such as research organisations or universities, which contribute or enable Dairy Australia to carry out specific projects or activities and services.

Expenditure summary

Expenditure is comprised of the three strategic priorities, enablers and operating and administration costs.

Table 3 Expenditure summary for 2026-27

	\$'000
Expenditure	
Strategic Priority 1 - Unlocking today's potential	17,897
Strategic Priority 2 - Innovating for future success	21,672
Strategic Priority 3 - Ensuring a sustainable industry	13,073
Enablers	6,978
Operating and administration costs	6,960
Total expenditure	66,580



An aerial photograph showing a herd of black and white cows walking along a dirt path. The path runs vertically through the center of the image. To the left of the path is a river and dense green vegetation. To the right is a grassy field. The text 'Investing in our strategic priorities' is overlaid in white on the left side of the image.

Investing in our strategic priorities

PRIORITY 1



Unlocking today's potential

Purpose

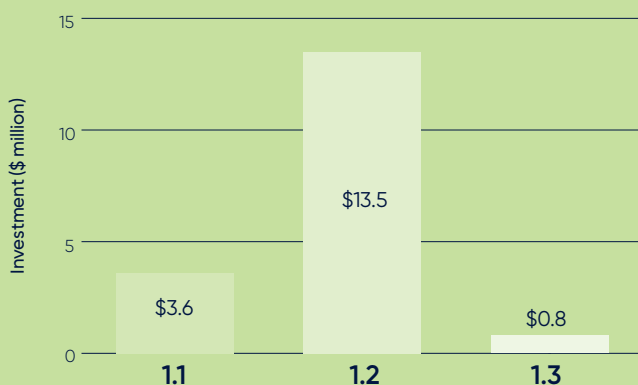
Strengthening farm business performance by supporting informed decision-making, farm practice change and people.

1.1 Uplifting farm business performance

1.2 Enhancing farm operations

1.3 Creating pathways for people

2026-27 investment: \$17.9 million



Sub-priority 1.1

Uplifting farm business performance



Outcome

Dairy farm businesses perform better on cashflow, profit and wealth and will be more adaptable, and profitable.

Project	Key 2026-27 activity
Dairy Farm Monitor Project (DFMP)	Provide evidence-based insight into farm profit metrics and productivity measures by capturing over 250 high-quality dairy farm datasets and reporting data through the DFMP. Expand the Victorian farm sample and enable a greater degree of economic analysis, insights and reporting.
Our Farm, Our Plan (OFOP)	Support farmers to better understand the current position of their business, including productivity drivers and areas for improvement, using the Farm Fitness Checklist and Farm Business Snapshot as entry points to OFOP. Continue to support farm businesses to improve performance, set long-term goals, and manage risk by delivering one-to-one OFOP sessions to develop a 'plan on a page' and scaling participation.
Farm Business Management co-development with DairyNZ	Enhance the farm business management services available to Australian famers by collaborating with DairyNZ, who have successfully developed the Mark & Measure program.
DairyBase	Provide a data platform for farmers and their advisors to identify opportunities to drive profit and manage risk through DairyBase, a detailed online farm analysis tool. Progress the next stage of the DairyBase uplift by transitioning to a modern cloud-based platform, improving reliability and security while creating a foundation for future enhancements.
Dairy Farm Business Analysis refresh	Enhance the Dairy Farm Business Analysis program to better meet farmer needs by tailoring delivery methods, improving accessibility and supporting a smoother transition from introductory financial concepts, enabling farmers to analyse their farm business based on cash, profit and wealth.
Characteristics of profitable dairy farms	Improve understanding of the key features associated with top performing, consistently profitable farms through detailed analysis of longitudinal DFMP data. Conduct case studies of individual farms that have grown wealth, supplemented with farm data to show how management decisions and conditions have contributed to their relative success.
Intensive Farm System Monitoring	Provide evidence-based insight into intensive dairy farm systems profit metrics and greenhouse gas outputs by capturing and reporting data from 15 total mixed ration farms in Victoria and New South Wales.

Sub-priority 1.2

Enhancing farm operations



Outcome

Dairy farmers are equipped to make on-farm improvements that impact profitability, productivity and sustainability.

Project	Key 2026-27 activity
Extension and engagement	Deliver targeted extension, engagement and advisory activities across all dairy regions to support the diverse needs of dairy farm businesses. This includes practical information, tools and support to strengthen business performance, governance, people management and productivity improvement, while responding to emerging issues and seasonal conditions. Farmers will be connected to relevant services, trusted expertise, technical specialists and peer networks, supporting informed decision-making and practice change. For more information on region-specific extension priorities, refer to the Regional priorities section of this Annual Investment Plan.
Support for Regional Development Programs	Partner with Regional Development Programs to identify and respond to local dairy industry needs. Support the governance and work of Regional Development Program boards located in each region.
Response to fuel and fertiliser disruptions	Continue to provide practical tools and resources to assist farmers to plan for and manage fuel and fertiliser supply and price volatility, supporting informed decision-making and cost management.
Redevelopment of Top Fodder	Enhance silage production capability by updating the Top Fodder program with the latest science, farming practices, and extension methods. Deliver pilots of the updated workshop and technical material in the Gippsland and Murray regions.
Fall Armyworm	Collaborate with other RDCs to coordinate research, development and extension, improve information sharing, and support service providers to deliver practical, evidence-based advice on Fall Armyworm.



Sub-priority 1.3

Creating pathways for people



Outcome

Dairy farmers are employing, managing and building skilled teams, while creating career pathways in a valued and rewarding industry.

Project	Key 2026-27 activity
People in Dairy	Provide information and tools for getting farm safety and people management fundamentals right. Improve awareness of careers in dairy through the maintenance and further development of the People in Dairy online resource, along with regional team extension.
Dairy Capability Guide	Develop a toolkit to enable farmers to implement the Dairy Capability Guide at each stage of the employee lifecycle, uplifting capability and improving engagement and retention.
Workforce safety	Provide resources for farmers to identify and manage hazards and risks within their dairy farm business.
Culturally and linguistically diverse (CaLD) workforce support	Develop resources for CaLD employees and their employers to support settlement, engagement and retention in the dairy industry.
Education pathways	Improve visibility of education and capability development pathways across the dairy industry by creating clear progression options for people at different career stages, supported by digital learning and credentialling tools.



PRIORITY 2



Innovating for future success

Purpose

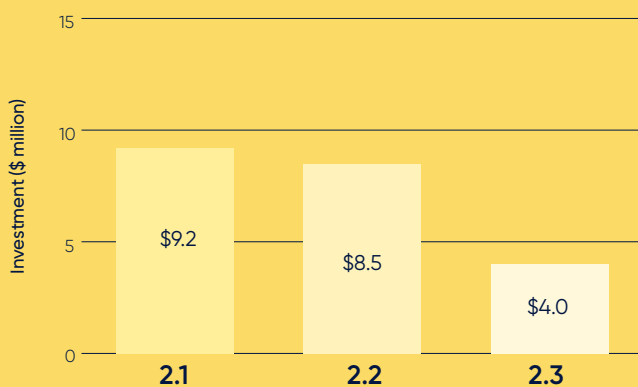
Driving research and innovation that delivers productivity benefits via incremental gains and disruptive technology.

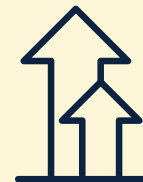
2.1 Building feedbase productivity

2.2 Building herd productivity

2.3 Adapting to a changing operating environment

2026-27 investment: \$21.7m





Sub-priority 2.1

Building feedbase productivity

Outcome

Sustainable production of forages with high nutritive value for grazing or conservation from high functioning soils.

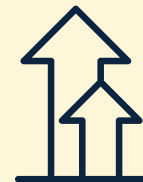
Projects delivering value in 2026-27	Key activity
Forage Value Index	Drive feed innovation through supporting further adoption of the Forage Value Index (FVI), which now includes nutritive value (energy) in the index alongside predicted yield to enable better pasture variety portfolio planning.
Forage crops extension	Improve production practices to achieve high-quality forage crops across all regions by developing agronomic resources and tools.
Soil function in varied pasture systems	Deliver insights into soil function under differing pasture systems, including altered species and nitrogen management, after conclusion of research in partnership with Tasmanian Institute of Agriculture.
Feeding Pastures for Profit (FPPF)	Increase adoption of pasture management best practices through the redevelopment of Feeding Pastures for Profit, ensuring extension delivery remains relevant, practical and accessible, while training new deliverers to expand reach and uptake.
Fall Armyworm (FAW)	Improve dairy farm resilience by supporting better Fall Army Worm identification, preparation and control. Minimise damage to autumn forages where limited or no insecticides are available through development of practical recommendations.

Projects delivering value in the longer-term	Key activity
DairyFeedbase 2023-28	Deliver increased efficiency of fertiliser inputs through soil sensing technology. Boost water and nutrient uptake for improved plant growth through high functioning rhizosphere. Reduce synthetic fertiliser reliance by using biological and recovered nutrients. Test functionality of microbes discovered through the original DairyBio research project. Deliver precise design for multi-species swards to maximise nutrition and productivity. Demonstrate improved persistence over mono-culture ryegrass. Investigate lower methane outputs of multi-species. Provide better modelling of persistence and defined management interventions to mitigate pasture decline.
+1 sustainable Ryegrass	Generate trusted, regionally relevant perennial ryegrass performance data through large-scale trials and on-farm demonstrations to strengthen farmers' pasture decisions. Build the datasets and protocols needed to support a future national breeding and evaluation framework. 2026-27 will see the commencing of small plot trials in Hamilton and the preparation of larger partner farm paddocks for sowing in autumn 2027.

Projects delivering value in the longer-term	Key activity
Adopting clover-rich pasture mixes	Identify and overcome constraints to white clover establishment and persistence and validate how clover rich systems affect pasture intake, milk productivity, profitability, nitrogen use, and greenhouse gas outcomes relative to ryegrass dominant systems. Establish a farmlet systems trial to look at establishing clover on a whole farm level. Prioritise smaller, plot component work in 2026-27 and commence data collection on farmlet level in subsequent years.
TonneUP	Deliver measurable gains in pasture productivity, utilisation and farm profitability by combining farmer-led advanced monitoring with practical C4 agronomy, seasonal transition management and case studies to drive adoption. Selection of partner farms and commencement of baseline data on pasture utilisation will occur in 2026-27.
Systems analysis capacity for dairy feedbase innovation	Rebuild and modernise national systems analysis capability for dairy feedbase innovation by developing an integrated whole-of-system modelling framework and training a cohort of analysts. Deliver decision-ready tools and insights that help R&D investors, service providers and farmers prioritise, test and adopt feedbase innovations with confidence across regions and production systems.
Herb to Herbivore	Demonstrate the methane-reduction potential of pasture herbs in temperate dairy systems through agronomy and in vivo testing. Deliver practical, low-cost grazing guidance to help farmers achieve methane reductions of up to 15 per cent without compromising productivity or profitability. 2026-27 will see the first two research taskgroups commence, ready for preparation and sowing of new species plots in autumn 2027.
The missing grass	Investigate why temperate perennial pasture productivity and grazing intake have stagnated or declined across major regions of Australia and New Zealand and identify practical strategies to overcome these constraints, safeguarding the home-grown feedbase that underpins dairy profitability and resilience.
More milk from maize	Assess the value of feeding Australian adapted BM1 BMR corn to transition dairy cows and deliver practical evidence-based guidance on its benefits for forage quality, milk production and farm sustainability.
Closing the clover gap	Identify and address the key limitations to clover establishment, persistence and utilisation in grazing systems using targeted, smaller plot trials. Deliver system-level evidence on what clover-rich pastures can achieve in nitrogen-fertiliser-constrained environments, with results relevant to both dryland and irrigated pasture-based farms. Plots to be sown at all trial locations in 2026-27 after protocols are planned.
Soil health framework	Support dairy farmers to demonstrate their soil-related sustainability credentials, capture the value of soils, drive resilient and profitable production systems, and enable reporting on the status of soil health by generating the evidence base for sustainable soil management. Define soil health benchmarks and provide measurable, interpretable indicators to support decision-making through investment in a cross-RDC project led by the grains industry.
Building a soils roadmap	Develop a national soils RD&E roadmap to identify and prioritise the highest-value soil research opportunities for dairy. The roadmap will provide a clear line of sight to where future effort should be focused, supporting more targeted research that delivers practical gains in soil function, pasture productivity and farm resilience over time.
Soil health and productivity increases through crop rotation and manure management	Generate practical guidelines for sustainable dairy forage systems by assessing the long-term effects of break crop rotations and manure application on soil health, forage performance, feedbase dynamics and farm profitability using established infrastructure and partnerships developed through the C4Milk Project.

Projects delivering value in the longer-term	Key activity
Optimising forage sorghum	Evaluate forage sorghum varieties and silage systems (alongside targeted rumen interventions) to identify options that can match or exceed corn silage for productivity, profitability and water efficiency in dairy systems. Deliver farmer-ready recommendations supported by feeding-trial results and economic analysis to de-risk adoption and guide future forage decisions.
Smart agronomy for better cereal silage	Increase the yield and nutritive value of winter silage forages through targeted nitrogen and fungicide management, delivering cost effective and widely adoptable agronomic practices that improve feed quality, farm returns and resilience in Australian dairy systems. Trials to commence in 2026-27 after trial design is finalised.





Sub-priority 2.2

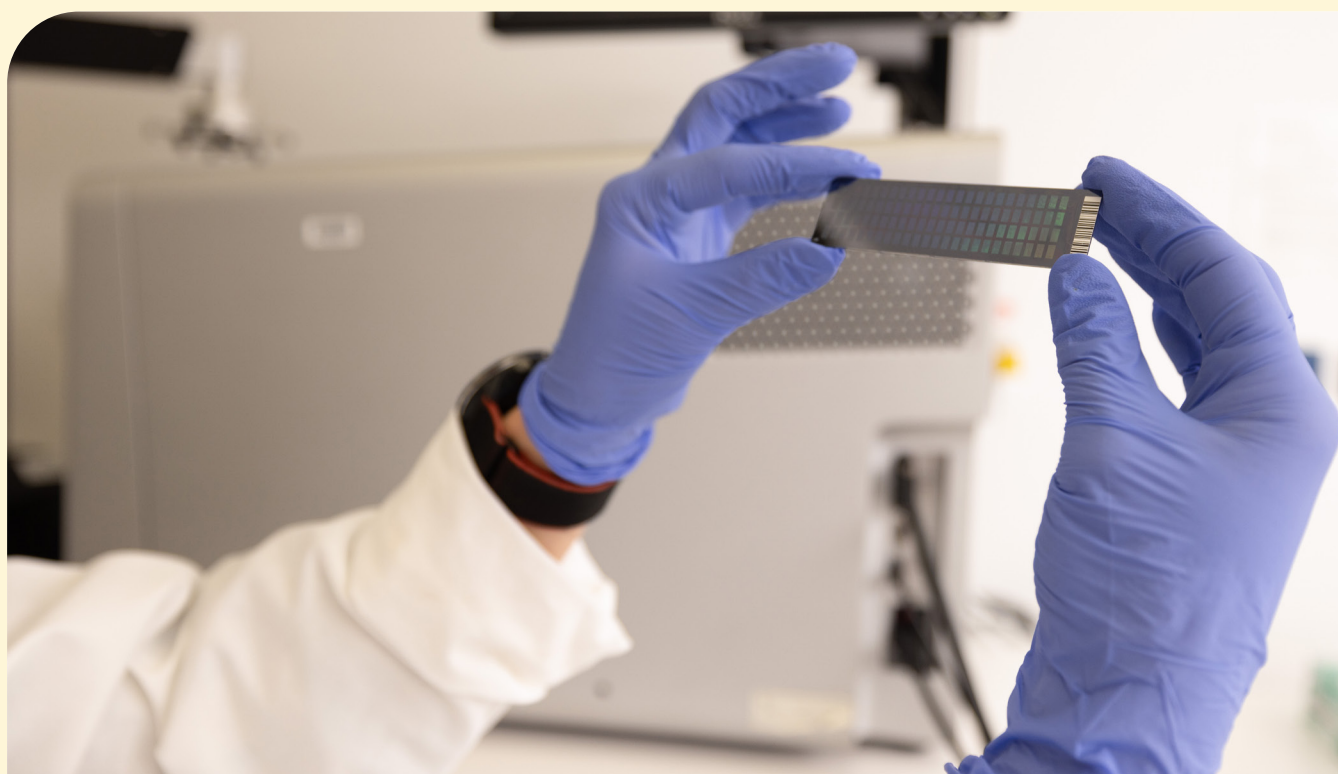
Building herd productivity

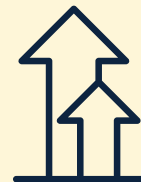
Outcome

Cow longevity and herd productivity is optimised.

Project	Key 2026-27 activity
DataGene	Strengthen genetic gain and breeding decision-making through investment in DataGene, including upgrades to data platforms, development of genomic mating tools, progression of single-step genetic evaluation and enhancement of reference population data.
DairyFeedbase: Improving Lifetime Production and Sensing Data into Actionable Insight	Increase longevity, reproductive performance and herd resilience through improved early-life nutrition, heifer and first-lactation management. This work aims to reduce calf losses, increase the number of cows reaching second lactation, and support profitability, animal welfare and environmental outcomes. Improve herd health decision-making by developing integrated data systems and new sensing technologies that turn farm data into practical insights. This includes using image analysis to support earlier detection of clinical mastitis.
Redevelopment of InCalf	Drive improvement of reproductive performance in Australian dairy herds by updating the InCalf extension program in collaboration with DairyNZ.
Dairy UP	Support farmers to reduce the impact of key animal health challenges that affect productivity, milk quality and cow welfare through targeted Dairy UP research and extension. Current focus areas include: • Improving mastitis control by building practical, farm relevant evidence on causes, risk factors and management options to support better on farm decision making, milk quality and cow longevity. • Strengthening understanding of infectious bovine keratoconjunctivitis (IBK/pinkeye) to support more effective control plans, improved diagnostics and better targeted vaccines, reducing disease incidence, welfare impacts and production losses.
DairyBio – Animals	Accelerate genetic gain by strengthening the predictive power of Australian Breeding Values for index traits to increase reliability, stability and alignment with future on-farm performance.
Redevelopment of Countdown	Support improved management of mastitis by updating the Countdown Technotes and the advisor training program, in collaboration with DairyNZ and Animal Health Ireland, drawing on shared expertise to ensure resources reflect current science and best-practice mastitis management.
Data-driven animal health, welfare and antibiotic use benchmarking	Enhance utilisation of herd health and veterinary medicine sales data to improve animal health outcomes and promote responsible antimicrobial use. Research, develop and test a prototype animal health benchmarking report to meet the needs of individual farmers and the industry in monitoring and improving animal disease, welfare, antimicrobial usage and antimicrobial resistance metrics. Quantify the level of antimicrobial resistance (AMR) on Australian dairy farms to antimicrobials of high importance to human health, to meet industry obligations under the Australian Government's Animal Sector AMR Action Plan, maintain market access and grow global competitiveness.

Project	Key 2026–27 activity
Redevelopment of Advanced Nutrition in Action	Drive improved herd nutrition decisions by redeveloping Advanced Nutrition in Action to reflect current evidence, including First 100 Days in Milk research. Content and delivery will be modernised using adult learning principles to improve engagement, relevance and on-farm application.
Ruminal Acidosis and in-feed antimicrobials	Empower farm businesses to systematically review their management of ruminal and subacute ruminal acidosis to optimise rumen health, feed efficiency and ensure judicious use of in-feed antimicrobials.
Better Heifers	Support the collection and reporting of accurate and consistent feed system data by reimagining the feed systems classification. Enable better-informed strategic investment and prioritisation decisions, support benchmarking and trend analysis, facilitate targeted marketing, and improve decision-making within farm systems, enabling fit-for-purpose farmer services.
National milk quality statistics and Australian Milk Quality Awards	Monitor the milk quality performance of farms across Australia for bulk milk cell count, Bactoscan and thermotolerant counts to identify opportunities for improvement and recognise and reward high achieving farms in each region.
H5N1 milk disinfection studies	Reduce the potential impacts of emerging animal disease threats by investigating which disinfectants are effective against H5N1 Avian Influenza in milk.
Review of international prevention practices for facial eczema	Synthesise new evidence on effectively managing facial eczema in dairy herds, assessing approaches such as spore monitoring, pasture and grazing management, zinc supplementation, fungicide use and genetic tolerance to inform more effective, evidence-based prevention strategies.
Herd '27	Partner with DataGene's Herd '27 conference to deliver leading insights from global and Australian experts on herd improvement, with practical applications of data, genetics and emerging technologies to support better on-farm decision-making, productivity and profitability.
Australian Association of Ruminant Nutrition	Improve herd nutrition and feeding decisions by supporting professional development for advisors through training, conferences and webinars delivered by the Australian Association of Ruminant Nutrition.





Sub-priority 2.3

Adapting to a changing operating environment

Outcome

Profitable dairy businesses that are based on optimal production systems while mitigating impact on climate and environment.

Project	Key 2026–27 activity
Green Cow	Expand research to develop a methane efficiency breeding value to commercial herds, to enable permanent, cumulative reductions in enteric methane emissions while maintaining productivity.
Odour sampling for intensive dairy farms	Model odour profiles from contained farm systems to determine appropriate separation distances between intensive dairy farms and neighbouring properties and protect the social license of dairy farmers.
Managing Farm Carbon	Support individual farm businesses to understand, calculate and reduce their farm emissions to meet market demands and industry metrics by developing, delivering and embedding the Managing Farm Carbon service offering.
Enteric methane reduction – feed additives, novel technologies and acceptance	Support farmers to reduce enteric methane while maintaining productivity and profitability by progressing practical options such as feed additives and emerging technologies.
Improving effluent systems	Develop economic case studies on effluent management, update the manure management database and provide current information for dairy farmers on manure management.
Profitable emissions reduction	Empower farm businesses to reduce emissions intensity while maintaining or increasing profitability by investigating the relationship between farm profitability and emissions intensity and developing supporting case studies, expanding this work to all eight regions.
Farm Environmental Tracker development and extension	Deliver resources and extension for measuring and improving farm environmental practices through the Farm Environmental Tracker tool.
Contained housing transition and operation guide	Develop the new National Contained Housing System Operational Guidelines to empower farm businesses investing in significant contained housing infrastructure changes to improve daily operations.
Climate change adaptation for dairy farmers	Enable dairy farmers to adapt to a changing environment by embedding recommended practice change within our national climate adaptation extension program that caters to specific farm systems and regional needs.
Access to AgVet chemicals	Offer increased flexibility and production of a variety of forages through the minor use permitted label options for pesticides and herbicides.

PRIORITY 3



Ensuring a sustainable industry

Purpose

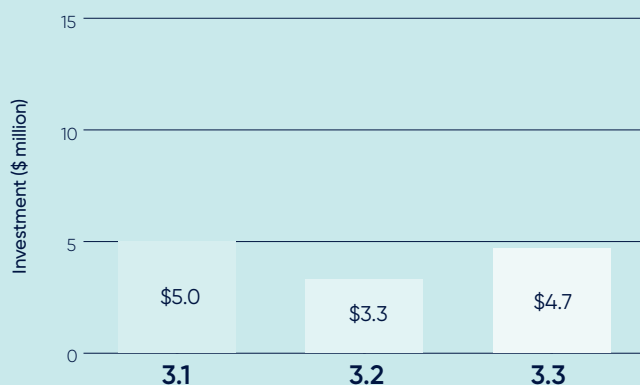
Unite the dairy industry to shape and deliver dairy's commitment to sustainability, strengthen global and domestic competitiveness, and drive community trust and support.

3.1 Advancing industry sustainability

3.2 Remaining locally and globally competitive

3.3 Drive community trust and support

2026-27 investment: \$13.0 million





Sub-priority 3.1

Advancing industry sustainability

Outcome

The Australian dairy industry is recognised as credible, transparent and committed to maintaining world-class sustainability practices.

Project	Key 2026-27 activity
Technical policy support	Deliver strategic and technical policy research, analysis, insights and solutions focused on trade, biosecurity, human health and nutrition, water, climate, land-use and planning, environmental protection, animal welfare and workforce access. Provide technical support to industry peak bodies on submissions and consultations to enable effective government engagement.
Australian Dairy Sustainability Framework (ADSF)	Continue supporting the review of the ADSF to strengthen and evolve the commitments, goals, targets and governance of the ADSF, ensuring it remains aligned to the most significant and material issues facing dairy. Support stronger reporting, transparency and communications to deliver clearer messages to farmers, stakeholders and the community.
Dairy Animal Care Assurance Program (DACAP)	Support consistent, industry-led animal care standards and community trust in Australian dairy through continued development of the Dairy Animal Care Assurance Program on behalf of the Australian Dairy Industry Council, including on-farm piloting and stakeholder engagement.
CalfWays	Support the industry commitment that all calves enter a valued market chain by 2035 through delivery of the CalfWays Roadmap, including developing practical beef-from-dairy pathways and improving market opportunities for dairy-born calves. In 2026-27, this includes expanding regional beef-from-dairy pilots, progressing a framework to support credible sustainability claims, and assessing the feasibility of new models that strengthen calf-rearing and supply chain outcomes.
Growing Beef from Dairy	Collaborate with Meat & Livestock Australia to develop extension materials to breed, feed and manage beef animals from the dairy industry.
Modelling the economic contribution of dairy and impact of climate extremes	Undertake economic modelling to support industry policy and decision-making by providing updated estimates of the economic contribution of dairy regions, assessing the impacts of recent droughts in South-east Australia, and evaluating how future weather events could affect regional economics and the dairy industry.
Supporting supply chain sustainability	Work with the value chain – particularly the Dairy Manufacturers Sustainability Council – to share knowledge, improve compliance, support reporting on updated sustainability targets and develop key industry projects to enable progress. Convene technical working groups to support food waste reduction, emissions reporting/reduction, improved water utilisation and sustainable packaging, expanding industry representation and impact.
Assessing emerging contaminants in milk supply	Improve preparedness for emerging contaminants by developing dairy-specific testing methods to identify risks, understanding where contaminants can enter the supply chain, and using this information to support food safety, market assurance, and responses to customer and regulatory requirements.

Project	Key 2026–27 activity
Issues management and emergency response	Support dairy farmers and industry with a coordinated and proactive approach to identifying, analysing and responding to industry issues, risks and emergencies, with a focus on coordinating the industry response to fuel and fertiliser disruptions.
Supporting uplift in industry effluent management	Improve understanding of effluent management challenges, investment requirements and opportunities to support improved compliance and environmental outcomes across the dairy industry.
International collaboration activity	Collaborate with the International Dairy Federation and the Global Dairy Platform to contribute to global policy discussions and standards development, ensuring Australian perspectives are represented while strengthening global networks.



Sub-priority 3.2

Remaining locally and globally competitive



Outcome

The Australian dairy industry leverages its strengths to compete domestically and internationally.

Project	Key 2025-26 activity
International trade program	Maintain market development programs in China, Japan and South-east Asia to strengthen preference for Australian dairy and support long-term market access. Continue to build understanding of Australia's sustainability credentials in export markets, including investigating emerging issues relating to sustainable packaging and processing in China. Deliver the Dairy Australia Scholarship Program in partnership with the Victorian Government, supporting emerging dairy professionals from key export markets to develop a deeper understanding of Australian dairy systems, products and industry strengths. Strengthen relationships with key customers, industry influencers and Scholarship Program alumni through seminars, networking events and business engagement activities across China, Japan and South-east Asia. Increase farmer involvement in trade and market development activities by sharing insights and learnings from international market visits and creating opportunities for dairy farmers to contribute to industry engagement in priority export markets. Collaborate with industry partners including Meat & Livestock Australia, Wine Australia, Hort Innovation and Seafood Industry Australia on initiatives such as Taste the Wonders of Australia to raise the profile of Australian dairy with senior decision-makers in key customer organisations. Leverage co-investment and external funding to extend the reach and impact of levy-funded market development activities in increasingly competitive export markets.
Dairy farm systems economic analysis	Provide insights to support decision making by establishing an economic research project to identify and evaluate the critical success factors and sources of comparative advantage of innovative dairy systems.





Sub-priority 3.3

Drive community trust and support

Outcome

Community trust and support for Australian dairy is maintained.

Project	Key 2025–26 activity
Community marketing campaigns	Promote industry commitments to sustainable dairy production, highlighting the ADSF's revised goals and targets. Strengthen trust among younger adults (18–34) by addressing priority health, animal welfare and sustainability questions transparently using You Ask, We Answer to reflect community expectations. Execute evidence-led campaigns, including Healthy Bones Action Week, to convert trust into consumption by reinforcing dairy's essential role in supporting health. Deliver a national campaign that builds pride in, and support for, Australian dairy, reinforced through community-led initiatives including the Australian Grand Dairy Awards, World Milk Day and the promotion of Dairy Destinations regional itineraries Engage farmer ambassadors, alongside a range of trusted influencers including health experts, to credibly showcase industry practices, values and nutrition benefits, strengthening consumer trust and connection.
Schools engagement	Drive long-term community support for dairy by providing teachers with lesson plans and resources to educate school children on the health benefits of dairy, the farm-to-plate process and dairy careers. Deliver engaging dairy experiences for students (through programs such as Picasso Cows and virtual farm experiences), while exploring additional income revenue to support delivery. Promote the redeveloped Discover Dairy education website and curriculum-linked lesson plans. Extend dairy education through existing partnerships with Life Ed Australia and Primary Industry Education Foundation Australia. Engage regional communities and farmer ambassadors to share dairy messages with school children.
Health professionals engagement	Equip health professionals with trusted, evidence-based resources to support confident dairy recommendations in clinical practice. Deliver targeted education to address misinformation, intolerance concerns and competing messages, and show how dairy fits within a healthy diet. Translate evidence into practical guidance to support dietary change across bone and muscle health, ageing, gut comfort and metabolic health. Build future advocates by supporting dairy nutrition education for students and early-career health professionals through universities and practical learning tools.

Project	Key 2025–26 activity
Farmer ambassadors	Grow and support a strong, diverse farmer ambassador cohort from across the Australian dairy industry. Equip ambassadors with practical tools and training to confidently share their stories and talk about dairy and sustainability. Provide opportunities for ambassadors to support industry promotion through campaigns, events, schools, media and social content.
Cows Create Careers	Build positive perceptions of dairy careers among secondary school students through co-sponsorship of Cows Create Careers. Review and update the Cows Create Careers program based on review outcomes. Support interested students by offering clear pathways, practical career resources and connections to regional contacts.
Workforce attraction marketing	Drive awareness of the benefits of working in dairy through careers expos, partnerships and resources for career advisors.
Dairy trust tracker	Conduct bi-annual Dairy Trust Tracker research to monitor community trust, attitudes and perceptions of the Australian dairy industry, and identify emerging risks and opportunities.
Health and nutrition research and policy	Strengthen the evidence base for dairy's role in healthy, sustainable diets and ensure industry perspectives are represented in nutrition policy and regulatory discussions. In 2026–27, this includes developing a five-year nutrition research strategy, investing in global nutrition research partnerships, contributing to the review of the Australian Dietary Guidelines, and translating emerging evidence into practical resources for health professionals, policymakers and consumers.



Strategic enablers

Four strategic enablers have been identified as being critical areas of focus for Dairy Australia to support the achievement of the Strategic Plan's performance metrics.

2026-27 investment: \$7.0 million

Enabler	Key activity 2026-27
Communications & Engagement	Improve the relevance of communications and engagement for farmers by tailoring information and practical research outcomes to meet their needs and channel preferences. Increase communications that share real-life farmer experiences and Dairy Australia insights, showing how sustainable farm practices support productivity and profitability. Continue to make it easier for farmers to access Dairy Australia's online information and resources, including AI-driven search. Strengthen engagement with farmers and industry through the Annual Investment Plan consultation process, ensuring investment priorities are informed by farmer needs, regional differences and emerging industry challenges or opportunities
Data & Insights	Provide farmers, industry and Dairy Australia with trusted insights through reporting on milk production and trade, publication of reports including In Focus and Dairy Situation and Outlook, farmer surveys and industry analysis. Convene and support industry forums, including the Situation and Outlook breakfast, to share emerging trends, market outlooks and farmer sentiment, supporting informed decision-making and industry discussion. Strengthen measurement and evaluation of Dairy Australia's investments to better understand practice change, inform future investment decisions and maximise return on investment. Improve the quality, accessibility and use of industry data to support better decision-making and maximise investment outcomes. Progress cloud migration, strengthen data governance and enhance engagement insights to support more targeted service delivery. Build a stronger data and insights capability through improved governance, responsible use of artificial intelligence, enterprise-wide data integration and increased organisational capability.
Expertise & People	Strengthen organisational capability by aligning leadership, culture and workforce planning to support strategy delivery. Progress phase 2 of the human resources information system rollout, enhance workforce wellbeing and safety, and build the skills needed for future success.
Strategic Partnerships	Support the operations of Dairy Moving Forward which sets the future direction of R&D for the Australian Dairy Industry. Continue to strengthen strategic partnerships that increase industry impact and leverage co-investment, including collaborations with organisations such as the Gardiner Foundation, research partners, Regional Development Programs and peak industry bodies. Continue to build on the partnerships framework that enables a consistent approach to tracking, reporting, managing and governing partnerships, with farmer benefit at the centre of the approach. Introduce and embed a system to better manage Dairy Australia contracts, which are currently handled manually.

Regional priorities

Dairy Australia continues to invest in delivering services across all dairy farming regions, with our regional services model evolving to remain relevant and effective.

With teams based in every dairy region, our focus is on extension and farm engagement, ensuring services are grounded in regional knowledge and connected to local farming climates, systems and priorities. Extension activities are tailored to provide practical support, including on emerging issues such as fuel and fertiliser disruptions. Delivery is complemented by peer-to-peer learning initiatives that strengthen capability, connection and knowledge sharing across the industry.

The regional priorities for 2026-27 have been informed by the annual industry consultation process, where farmers and regional stakeholders provided input on the specific challenges and opportunities in their regions.

Support for regional initiatives

We recognise that meaningful impact relies on collaboration. Dairy Australia focuses on areas where we can add the most value and invest through Regional Development Programs (RDPs) to further enable regionally led responses to local opportunities and challenges, while supporting strong partnerships and shared outcomes.

	Gippsland	Murray	New South Wales	South Australia	Subtropical	Tasmania	Western Australia	Western Victoria
Registered dairy farms	917	782	302	166	340	335	99	831
Cows in milk and dry ('000)	299	279	101	64	74	174	46	263
Farmgate value (\$m)	1,328	1,211	656	336	356	623	238	1,218
Litres (ML)	1,930	1,750	787	471	388	901	331	1,756
Share of national volume	23.2%	21%	9.5%	5.7%	4.7%	10.8%	4%	21.1%
People directly working in dairy	6,200	5,600	4,400	1,000	3,100	1,800	2,600	5,700
Average ROTA	5.10%	6.29%	5.23%	5.16%	3.64%	7.20%	4.44%	5.02%
Average EBIT	\$2.10	\$2.25	\$2.54	\$2.26	\$1.85	\$2.60	\$2.13	\$2.29
Avg (t DM/ha) homegrown feed	8.39	6.96	6.96	6.22	6.47	10.69	5.34	5.91
Usage of Good Bulls Guide	38%	23%	37%	50%	33%*	39%	34%	32%
Never weigh heifers	85%	69%	77%	53%	76%	43%	76%	61%

Extension priorities and key partnerships

Gippsland

Extension priorities

Build capability across dairy people
Deliver extension events, learning opportunities and farmer-led activities that respond to local needs.

Strengthen farm business resilience
Increase farm business planning, risk management and recovery from unexpected events.

Collaborate to amplify impact
Build strategic relationships and support delivery of actions in the Gippsland Dairy Industry Strategic Plan.

Key partnerships

GippsDairy: Shared planning and delivery.

Q Fever: Partner with WorkSafe Victoria to test and vaccinate 1,000 dairy farmers and farm workers across Victoria.

Facial eczema: Review international prevention practices.

CALD workforce support: In partnership with Gardiner Foundation.

Next Gen Retreat: Introduce young people to dairy careers and opportunities.

Gippsland Dairy Industry Leadership Group.

Murray

Extension priorities

Improve profitability through feedbase
Strong focus on feedbase productivity and nutrition, such as Advanced Nutrition in Action workshops.

Plan for access to water
Strengthening decision-making around irrigation, feed and system choices. Prepare for potentially prolonged price increases and possible shortages of fertiliser.

Improve heifer performance
Support improvements in animal nutrition and increased weighing of heifers, including practical strategies to improve heifer fertility and health.

Key partnerships

Murray Dairy: Shared planning, delivery and evaluation.

Young Dairy Network: In partnership with Murray Dairy and Gardiner Foundation.

C4Milk: Murray Dairy, Gardiner Foundation, Queensland Department of Primary Industries (QDPI).

WomenCan: Farm placements for women in the Shepparton region.

Northern Dairy Industry Leadership Group.

Subtropical

Extension priorities

Improve herd health and productivity
Deliver mastitis, lameness, transition cow and heat stress programs suited to subtropical conditions.

Build a resilient feedbase
Support C4 Milk extension, FertSmart, irrigation, Pasture Fundamentals and TopFodder delivery.

Evaluate changing calving patterns
Adapt farm business programs to assess the financial impacts of changing milk flows..

Key partnerships

C4Milk: QDPI collaboration investigating fodder crops, feeding systems and profitability.

Queensland Department of Primary Industries: Technical support and extension tailored to subtropical dairy systems.

NSW Department of Primary Industries and North Coast Local Land Services: Regional extension and farmer capability development.

Tasmania

Extension priorities

Build people management capability
Build employee, leadership, safety and wellbeing capability across large and complex farms.

Increase homegrown feed productivity
Improve grazing, forage planning, soil management and system decisions for Tasmanian conditions.

Strengthen farm business management
Improve costs, margins, planning, decision-making, data use and benchmarking.

Key partnerships

DairyTas: Shared planning, delivery and evaluation.

Hire, Develop, Reward, Keep: Workforce capability program in partnership with DairyTas.

Tasmanian CalfWays Action Plan: Partnership with TasFarmers.

AgFest: Connect with farmers and agribusiness, supporting innovation, knowledge sharing and capability.

Tas Innovation Hub: Partnership supporting dairy farmers and industry.

New South Wales

Extension priorities

Strengthen farm business management
Improve understanding of profit drivers through practical extension, peer learning and business analysis tools.

Lift feed and herd productivity
Focus on young stock, pasture, nutrition, milk quality and mastitis management.

Attract, retain and develop talent
Support farming teams with employment, career and leadership pathways.

Key partnerships

Dairy NSW: Shared delivery of regional extension, workforce and farm business initiatives.

Discussion Groups: Dairy NSW and NSW Department of Primary Industries and Regional Development partnership.

Climate Smart Feedbase: Collaboration between Dairy NSW, Subtropical Dairy, Murray Dairy and QDPI.

South Australia

Extension priorities

Improve farm business performance
Build business capability through benchmarking, planning, risk management and financial tools.

Increase homegrown feed productivity
Improve pasture production, utilisation, feed quality and forage decision-making.

Build industry capability and resilience
Support practical learning, discussion groups, peer engagement and workforce capability.

Key partnerships

DairySA: Shared extension delivery, industry engagement and regional priority setting.

South Australian Dairyfarmers' Association: Collaboration on industry capability, advocacy and resilience.

Western Australia

Extension priorities

Strengthen farm business performance
Build capability through benchmarking, risk management and whole-farm planning.

Increase homegrown feed productivity
Improve pasture production, utilisation, feed quality and grazing management.

Enhance nutritional management
Build nutrition capability through practical training in feed quality, diet balancing, supplementary feeding and body condition management to support herd performance and profitability.

Key partnerships

Western Dairy: Shared planning, delivery and evaluation.

Healthy Estuaries WA: Led by Western Dairy, in partnership with WA Government to support nutrient management and environmental outcomes.

Farm Business Resilience Program: Led by Western Dairy, in partnership with the Future Drought Fund and WA Government.

WA Farmers and WA Dairy Industry Working Group.

Western Victoria

Extension priorities

Manage people and build workforce capability
Strengthen workforce capability, leadership, safety and people management practices.

Increase homegrown feed productivity
Improve pasture production, feeding decisions and nutrient use efficiency to reduce seasonal risk.

Strengthen farm business performance
Build capability in budgeting, benchmarking, business analysis and risk management to support profitability, resilience and long-term success.

Key partnerships

WestVic Dairy: Shared planning, delivery and evaluation.

CALD workforce engagement: Gardiner Foundation partnership strengthening recruitment and retention capability.

Sustainable Agriculture Program: Partnership with Catchment Management Authorities and the Natural Heritage Trust.



1800 004 377
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