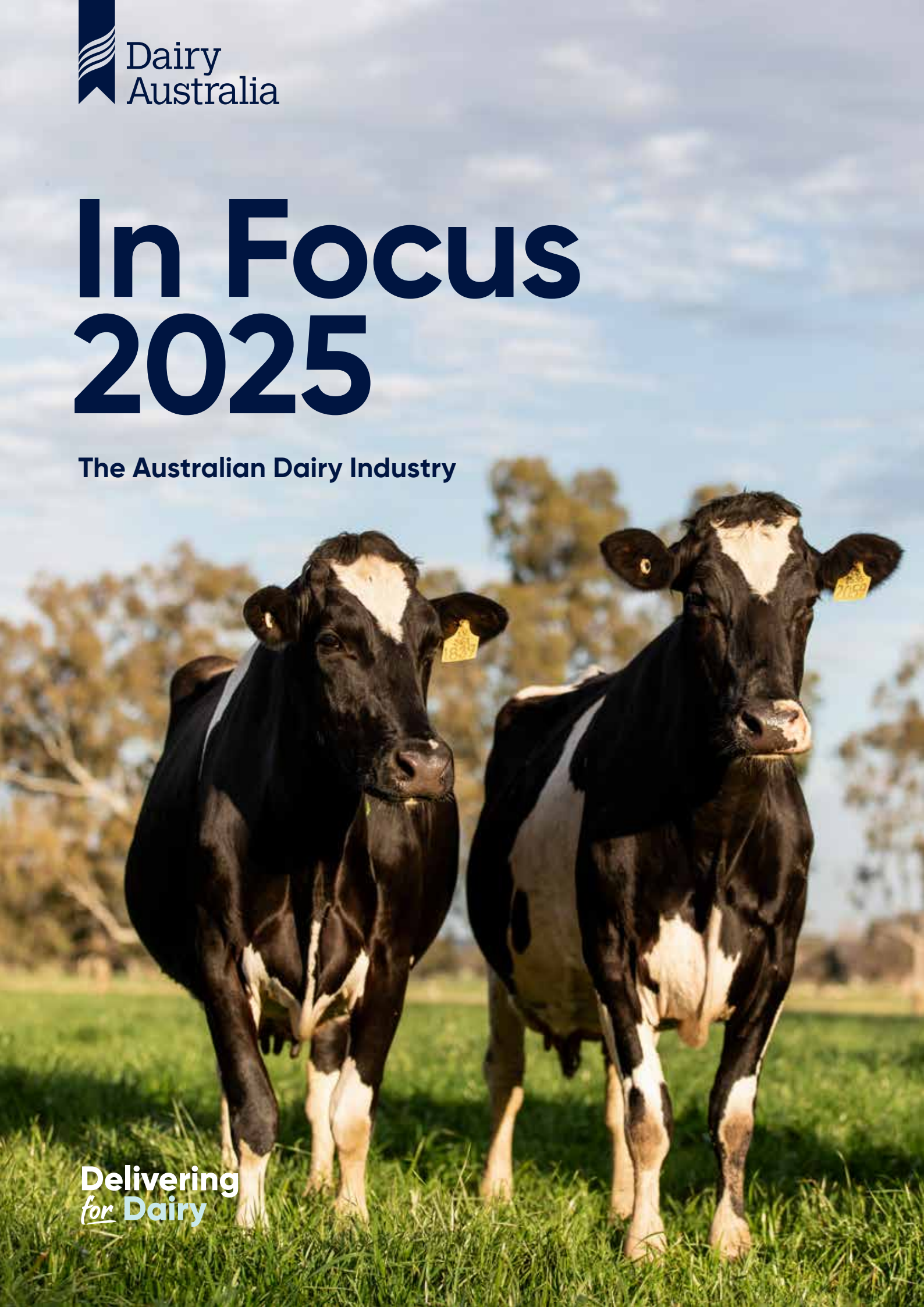
Dairy Australia

In Focus 2025

The Australian Dairy Industry



Delivering for Dairy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Key facts about Australia's dairy industry

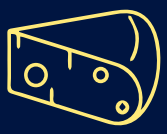
Dairy is Australia's **third largest** rural industry

8,315 million litres of milk produced worth **$5.966 billion**. Average annual production per cow **6,287 litres**

3,772 dairy farms and a national herd of **1.3 million cows.** Average herd size **345 cows.**

30,400 dairy industry workforce

Annual production of main commodities



430,068 tonnes
Cheese

198,440 tonnes
Milk powders

72,021 tonnes
Butter & AMF (CBE)

Australian milk utilisation

40% Cheese
32% Drinking milk
21% Skim milk powder or butter
2% Whole milk powder
5% Other

Annual per capita consumption
85 litres
of drinking milk

36%
of milk production exported

Major export markets

China
156,802 tonnes

Japan
74,998 tonnes

Singapore
58,312 tonnes

Indonesia
57,389 tonnes

Thailand
39,237 tonnes

Foreword

The dairy industry is Australia's third largest rural industry and a key sector of the agricultural economy, generating approximately A$5.966 billion in farmgate value in the 2024–25 financial year.

The 2025 Australian Dairy Industry In Focus report provides a snapshot of Australia's position in the global dairy industry, based on statistics for the 2024–25 season.

As the national service body for the Australian dairy industry, Dairy Australia is funded by a combination of levies paid by dairy farmers (calculated on the fat and protein content of milk), and matching payments from the Commonwealth Government for eligible research and development (R&D) activities.

Dairy Australia plays a key industry role in quantifying the flow of milk across Australia, which is processed into a wide range of dairy products and then sold into diverse domestic and overseas markets.

This report is made possible through the significant contributions of dairy processors that continue to provide regular data.

Key findings

Farmgate milk prices eased slightly yet remained high during the 2024–25 season, with Australian dairy farmers receiving an average of A$9.35/kg MS (US$47 per 100kg of milk). Across calendar year 2024, this was above the milk price paid in New Zealand but lower than other key global competitors the United States, United Kingdom and the European Union.

Australian milk production dipped 0.7% in 2024–25, from 8,376 million litres to 8,315 million litres. The decline is largely due to seasonal weather conditions, with drier conditions across Southern Australia and flooding in the Subtropical and NSW Mid-north Coast regions.

The number of dairy farms continued its downwards trend in 2024–25, down three per cent from the previous year. However, while farm numbers decreased, the average size of farms has grown, with the number of large farms – and their share of milk production – increasing.

In 2024–25, 36% of milk produced in Australia was exported. Australian milk accounted for just over one per cent of the world's estimated milk production, but Australia is ranked fifth globally on dairy exports, behind New Zealand, the European Union, the United States and the United Kingdom. Australia accounts for a little over four per cent of the total world dairy trade.

The total value of Australia's dairy exports in 2024–25 was A$3.8 billion – a 5% increase on 2023–24 – with the top five Australian export markets measured by dollar value being Greater China, Japan, Indonesia, Malaysia, and Thailand.

Despite Australian consumption trends varying significantly over the past 20 years, dairy continues to be considered a 'staple' food in many households. In Australia, the main consumer dairy products are drinking milk, cheese, yoghurt, and butter/butter blends. Per capita consumption of yoghurt remained steady at 10kgs while drinking milk is estimated at around 85 litres. While this has declined marginally in recent years, Australia's consumption of drinking milk remains high compared to other developed countries.

Further information

Most statistics referred to in this report are updated monthly and available at **dairyaustralia.com.au**.

I trust you will find the Australian Dairy Industry In Focus continues to provide valuable information on one of this country's most important industries.

Matthew Shaffer
Chief Executive Officer

The Australian dairy industry

An important rural industry

The dairy industry is a major rural industry in Australia, ranked third behind the red meat and wheat industries, with a farmgate production value of around A$6 billion (as shown in Table 1). Dairy is a significant source of employment across regional areas, adding substantial value through further downstream processing. In 2024–25, approximately 30,400 people were directly employed on dairy farms and by dairy processing companies. Further employment connected to the industry is represented in associated transport, distribution, and farm services, as well as research and development activities. This mostly occurs close to farming areas, thereby generating significant economic activity and employment across regional Australia.

Dairying is well established across the temperate and some subtropical regions of Australia. While most of the milk is produced in South-east Australia, all states have dairy industries that supply fresh drinking milk to nearby cities and towns. Most states produce a range of high-quality consumer products, including fresh milks, custards, yoghurts, and specialty cheeses.

The manufacture of dairy commodity products for export is largely concentrated in South-eastern Australia and includes cheddar, mozzarella cheese, specialised milk powders and butterfats.

The dairy industry experienced strong growth throughout the 1990s, which eventually stalled in the early 2000s. In addition to industry deregulation, this period coincided with the severe and prolonged 'millennium drought.' Increased levels of market and margin volatility undermined confidence in the outlook for many farmers, who seek reliable returns on which to build a longer-term future. This has resulted in ongoing consolidation within both dairy farming and dairy processing.

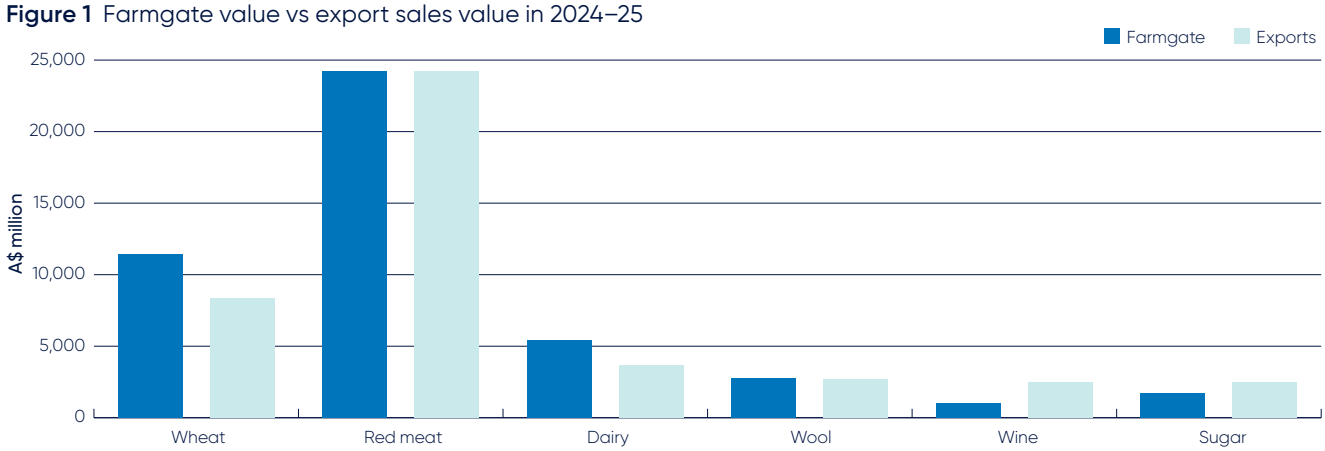
In line with long-term trends, the number of dairy farms continued to fall in 2024–25, down three per cent from the previous year. However, while farm numbers decreased, the average size of farms has grown, with the number of large farms – and their share of milk production– increasing. Additionally, there has been further consolidation among processors, with manufacturing facilities facing continued rationalisation.

Table 1 Australian dairy industry – long-term trends

At June 30	1990	2000	CAGR % 1990s	2010	CAGR % 2000s	2020	CAGR % 2010s	2025 (p)	CAGR % 2020s
Milk production (ML)	6,262	10,847	5.6	9,023	-1.8	8,797	-0.3	8,315	-1.4
Dairy cows ('000)	1,654	2,171	2.8	1,596	-3.0	1,394	-1.3	1,300	-1.7
Farm numbers	15,396	12,896	-1.8	7,511	-5.3	5,055	-3.9	3,772	-7.1
Value of farm production*($m)	3,388	4,297	2.4	3,366	-2.4	4,829	3.7	5,966	5.4
Per capita consumption (milk equivalent)	245	274	1.1	301	0.9	319	0.6	290	-2.4
Export value ($m)	613	3,918	20.4	2,391	-4.8	3,378	3.5	3,808	3.0
Export share of production (%)	31	54		45		29		36	

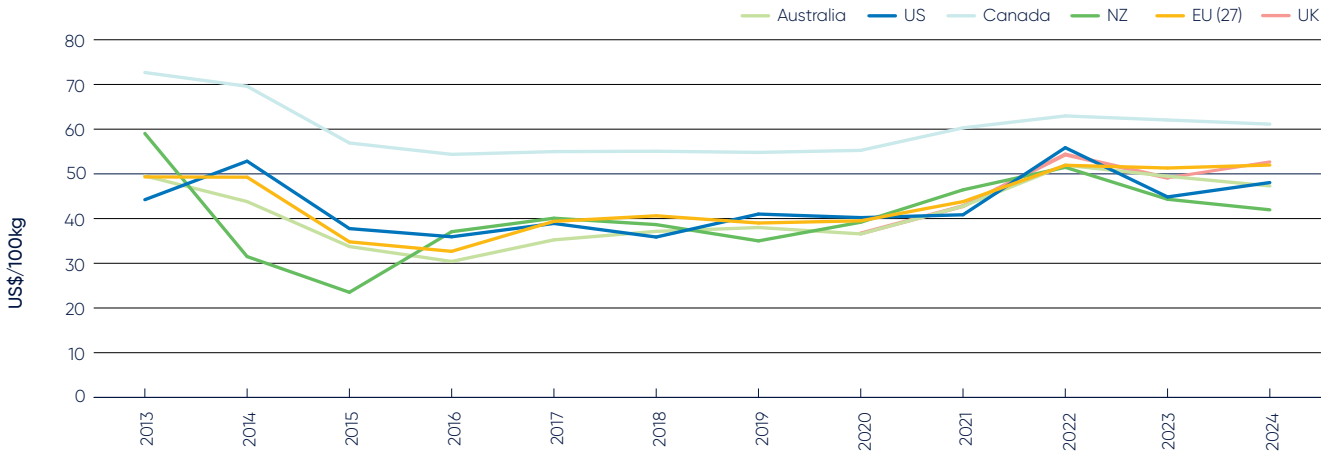
CAGR = Compound Annual Growth Rate
Source: ABS, ADC, DA, state authorities

Figure 1 Farmgate value vs export sales value in 2024–25



Source: ABARES Australian Commodities Quarterly Report (forecast)

Figure 2 International farmgate milk prices (US$/100kg)



Source: Dairy Australia

A globally competitive industry

Since the dairy industry completed deregulation in 2000–01, Australian dairy farmers have operated in an open market with minimal government intervention. As a result, Australia's domestic dairy market is subject to international pressures, either through direct competition for export sales or competition from imports. International markets and events also have a major influence on Australian farmgate milk prices. While most milk produced is consumed domestically, Australia is also a major exporter and importer of dairy products (predominantly from New Zealand).

Farmgate milk prices eased in the 2024–25 season with Australian dairy farmers receiving an average price of A$9.35/kg MS (US$47 per 100kg of milk). Across calendar year 2024, this price was above that of New Zealand, but below that paid to farmers in the European Union, the United States, and the United Kingdom. These indices represent milk receipts only and do not include other components of total farm income, such as decoupled government support, livestock sales or other activities.

As shown in Figure 2, the price received by farmers around the world has continued to converge. Farmgate prices now more closely reflect global dairy commodity price trends due to the removal of many market-distorting industry policies, progressive deregulation and increased global trade. While broadly tracking other producers, Canada's dairy farmers operate in a highly regulated environment, which determines prices, production, and imports according to a scheme known as Supply Management.

Historically, Australia has been considered a low-cost producer of dairy products, however in recent years, farm cost structures have increased in response to the need to adapt to drier conditions. This has resulted in higher expenditure on supplementary feed and temporary water allocations, particularly in Northern Victoria and Southern New South Wales. Since deregulation, local milk production has declined while the size of the domestic market has increased due to population growth. As a result, the share of milk that is exported, and Australia's share of international dairy trade, have both contracted.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Farm facts

Dairy farms are located in all states of Australia, with the majority of milk production occurring in South-eastern Australia, where the climate and natural resources are generally favourable for dairying. As such, the industry is predominantly pasture-based, resulting in cost efficient systems producing high-quality milk. In a year of 'normal' seasonal conditions, grazed pasture covers approximately 60-65% of cattle feed requirements.

While most farms are located in coastal areas where pasture growth is generally reliant on rainfall, there are also several inland dairying areas that use irrigation schemes, most notably in Northern Victoria and the New South Wales Riverina region. Dairy farm systems vary across Australia – while many farms use pasture as the herd's main feed source, the use of supplementary feed is widespread. There is a greater incidence of intensive feeding practices observed in states such as New South Wales and Queensland, with high rates of supplementary feeding.

Over the past decade, the use of supplementary feeding has increased significantly as farmers adapt to drier conditions, and seek to flatten their farm's seasonal milk production profile. Supplementary feed can be purchased or homegrown, and includes grain, hay, silage and in some situations, feed byproducts.

Such changes in production systems can introduce additional input costs, price risk and management complexity, and can lead to greater variability of farm returns.

Dairy Australia's 2025 National Dairy Farmer Survey showed nearly all dairy farmers engaged in some level of supplementary feeding. Feeding moderate to high levels of concentrates is practised across all regions, with the national average feeding rate remaining steady in 2024–25 at 1.8 tonnes per cow per year.

See Appendix 3 for detailed tables on feed prices by state dairying regions.

Since 1979–80, the number of dairy farms in Australia has been steadily declining from 21,989 farms to 3,772 in 2024–25 (refer to Table 2). The rate of decrease in farm numbers has historically followed changes in farmgate milk prices from season to season. While strong prices can slow the rate of attrition, periods of weaker farmgate milk prices and adverse seasonal conditions can accelerate farm exits. Land prices and the performance of other agricultural industries can also encourage farm exits, regardless of farmgate milk prices.

Table 2 Number of registered dairy farms

	NSW	Vic	Qld	SA	WA	Tas	Aust
2011–12	778	4,556	555	275	162	444	**6,770**
2012–13	731	4,284	518	268	160	437	**6,398**
2013–14	710	4,268	475	264	156	435	**6,308**
2014–15	704	4,127	448	252	157	440	**6,128**
2015–16	690	4,141	421	246	151	430	**6,079**
2016–17	661	3,889	406	240	148	427	**5,771**
2017–18	626	3,881	393	228	159	412	**5,699**
2018–19	575	3,516	356	212	150	404	**5,213**
2019–20	534	3,462	327	206	135	391	**5,055**
2020–21	523	3,080	307	198	132	378	**4,618**
2021–22	494	2,984	280	181	116	365	**4,420**
2022–23	466	2,774	278	182	112	351	**4,163**
2023–24	452	2,552	266	170	107	342	**3,889**
2024–25 (p)	443	2,476	253	166	99	335	**3,772**

Source: State milk authorities and Dairy Australia

Falling farm numbers reflects a worldwide trend in agriculture. Changing business practices have encouraged a shift to larger, more intensive production systems with greater economies of scale. However, while the number of farms across Australia has declined, the average herd size continues to grow. In 1985, the average herd size was 93 cows; this has grown to 345 cows in 2024–25. There is also an emerging trend of large farm operations milking more than 700 cows.

Despite the average herd size increasing over time, Australia's national herd has been declining. Increased volatility in farm cash incomes has seen many farmers participate in the export heifer trade or sell dairy cows for slaughter as an additional source of farm income. Strong beef and land prices, labour challenges and extreme weather events have also encouraged some farmers to destock or diversify their businesses, or even exit the dairy industry.

See Appendix 8 for detailed tables on heifer exports.

Consequently, a smaller national herd limits total milk production, relying on increased per cow yields to maintain production volumes. Improved herd genetics, as well as advances in pasture management and supplementary feeding regimes, have increased average annual per cow yields over time.

Over the past four decades, yields have more than doubled from 2,900 litres in 1979–80 to 6,287 litres in 2024–25. The average yield figure varies by state and with seasonal conditions.

In Australia, the dominant dairy breed is the Holstein, accounting for around two-thirds of all dairy cows. Other important breeds include the Jersey, Holstein/Jersey cross, Brown Swiss, Ayrshire and local breeds, the Australian Red, and the Illawarra. Australian farmers have access to some of the best genetic material in the world with artificial insemination the most commonly used breeding practice on farm. Herd recording is also widely used with around half of all dairy farms regularly recording herd performance.

The genetic evaluation of dairy cattle was previously conducted by the Australian Dairy Herd Improvement Service (ADHIS). ADHIS has now been superseded by DataGene – an independent, industry-owned, not-for profit organisation that focuses on pre-competitive herd improvement. DataGene is involved in several aspects of herd improvement including genetics, herd testing, herd recording, data systems, herd test standards and evaluation. DataGene goes beyond the ADHIS in seeking to drive genetic gain and herd improvement by combining research, development, and extension within one organisation.

Table 3 Number of dairy cows ('000 head)

At 31 March	NSW	Vic	Qld	SA	WA	Tas	Aust
2011–12	204	1,115	101	76	57	148	**1,700**
2012–13	210	1,096	96	77	62	148	**1,688**
2013–14	181	1,093	98	73	66	137	**1,647**
2014–15	177	1,147	91	68	59	147	**1,689**
2015–16	182	1,005	89	78	60	149	**1,562**
2016–17	164	975	86	71	64	160	**1,520**
2017–18	166	1,023	85	67	56	149	**1,547**
2018–19	149	898	78	72	56	175	**1,428**
2019–20	144	883	64	70	51	182	**1,394**
2020–21	159	859	69	69	53	179	**1,388**
2021–22	151	830	66	65	50	173	**1,335**
2022–23	140	800	60	65	50	175	**1,290**
2023–24	153	825	60	64	49	179	**1,330**
2024–25 (e)	152	805	59	64	46	174	**1,300**

From 2018–19, Tas data sourced from TDIA; from 2018–19 to 2020–21, SA data source from Dairysafe SA
Source: Dairy Australia estimate based on informattion from ABS and state milk authorities

Farmgate milk prices

Farmgate milk prices paid to Australian dairy farmers vary between processors and payment structures from dairy companies to individual farmers can differ significantly. The price paid can be based on the volume of solids in the milk (specifically milkfat and protein) or on a cents per litre basis, depending on how the milk is utilised. Milk supply agreements can provide a range of incentives for milk quality, productivity, or volume levels and for year-round milk supply. There may also be volume growth incentives in place (to improve operating efficiencies), or loyalty incentives to guarantee supply for long periods. These all influence the final farmgate price received.

Unlike many countries around the world, the Australian government has no legislative control over the farmgate milk price. Since deregulation in 2000–01, all prices within the industry are set by market forces. Therefore, the returns received by an individual company are affected by various factors, including market and product mix, marketing strategies, utilisation and efficiencies in factory processing capacity, and exchange rate hedging policies.

Competition among processors to secure milk may also influence farmgate milk prices from season to season.

Implemented in 2020, the Dairy Code of Conduct stipulates that prior to the start of each season, all dairy processing companies must publicly release a minimum opening milk price by 2pm (AEST) on 1 June. In a feature that is unique to the Australian dairy industry, farmgate milk prices cannot be reduced below the minimum announced price during the season.

Australian dairy companies operate in an open and internationally competitive market. This includes free trade under the Closer Economic Relations (CER) agreement with New Zealand, a major global dairy producer. As a result, the returns local processors can achieve are influenced by global dairy commodity prices, even if they are not directly participating in export trade.

Table 4 Average annual milk production per cow (litres)

	NSW	Vic	Qld	SA	WA	Tas	Aust
1979–80	2,870	3,012	1,984	3,163	3,105	2,958	**2,848**
1989–90	3,602	3,920	3,122	3,934	4,205	3,791	**3,781**
1999–00	4,827	4,989	4,349	6,790	6,338	4,381	**4,996**
2005–06	5,039	5,221	4,076	5,791	5,369	4,581	**5,108**
2006–07	5,151	5,261	4,033	6,417	5,235	4,696	**5,182**
2007–08	5,031	5,393	4,163	5,799	5,907	4,961	**5,275**
2008–09	5,420	5,807	5,032	6,053	6,355	5,140	**5,691**
2009–10	5,329	5,518	5,052	5,907	6,641	4,640	**5,448**
2010–11	5,409	5,860	4,980	6,257	6,637	5,379	**5,758**
2011–12	5,760	6,027	5,008	6,646	5,967	5,636	**5,930**
2012–13	5,534	5,473	4,667	7,099	5,996	5,166	**5,498**
2013–14	5,542	5,639	4,640	6,896	5,443	5,578	**5,615**
2014–15	6,572	5,795	4,388	7,411	5,752	6,400	**5,917**
2015–16	6,719	5,621	4,644	7,634	6,669	5,981	**5,841**
2016–17	6,434	5,749	4,823	6,520	6,342	5,511	**5,813**
2017–18	6,949	6,058	4,670	7,195	6,199	5,805	**6,108**
2018–19	6,757	5,622	4,325	6,937	6,674	5,203	**5,723**
2019–20	7,146	6,289	4,505	7,007	6,661	5,208	**6,201**
2020–21	7,274	6,446	4,734	7,239	7,052	5,369	**6,376**
2021–22	6,831	6,416	4,382	7,212	6,519	5,112	**6,241**
2022–23	6,677	6,251	4,322	7,263	6,767	5,224	**6,139**
2023–24	7,262	6,569	4,702	7,395	6,917	5,309	**6,443**
2024–25 (e)	7,013	6,422	4,598	7,363	6,865	5,068	**6,287**

Source: Dairy manufacturers, ABS, state milk authorities and Dairy Australia

World dairy prices directly affect returns for the 36% of Australian milk exported as butter, cheese, and milk powders, which must compete with other countries' exports. Global prices also influence the additional 35% of production that goes into locally consumed manufactured dairy products, which must be competitively priced against imports. As a result, over 70% of milk produced in Australia is exposed to global dairy prices, while the remainder is consumed domestically as liquid drinking milk.

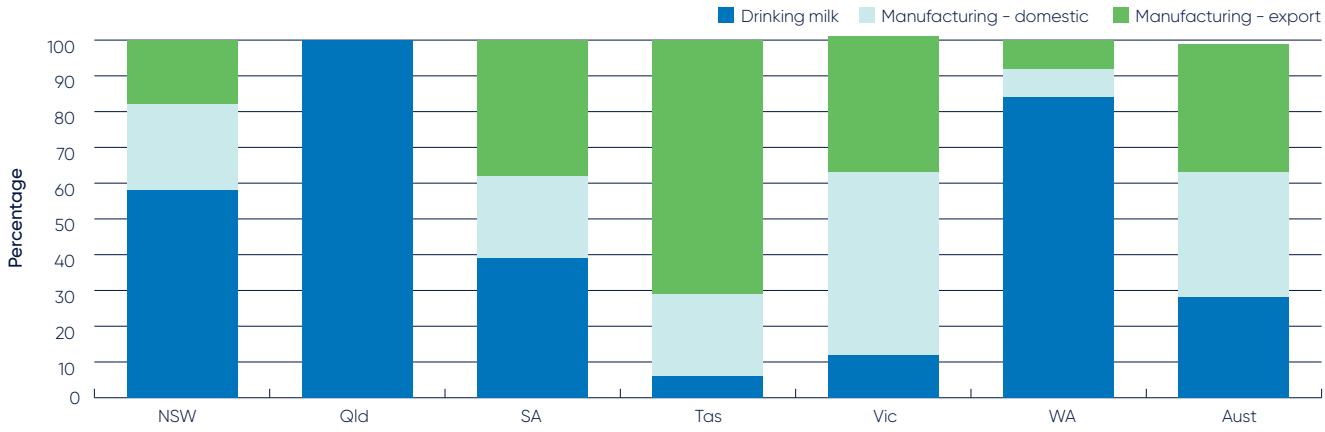
The strength of the Australian dollar on foreign exchange markets also affects farmgate milk prices. Dairy companies benefit from a 'weaker' Australian dollar, which makes exports more competitive and imports relatively more expensive, all other things being equal.

The farmgate milk price received by farmers can therefore vary significantly around Australia, depending on how milk is used in the marketplace. As shown in Figure 3, in the northern and western dairy regions, fresh drinking milk makes up a larger proportion of the production mix. Farmers in these regions will receive farmgate milk prices tied to the drinking milk market, where a stable year-round supply is more important, and prices will often be paid on a cents per litre basis.

Alternatively, in South-east Australia, milk for processing (export and domestic use) accounts for most of the milk produced. As such, the average farmgate milk price received in these regions tends to follow global markets and export returns, and be paid based on a $/kg MS (milk solids) basis. Most farmers in exporting regions receive a 'blended' price that incorporates returns from milk for manufacturing and the proportionately smaller local fresh drinking milk market.

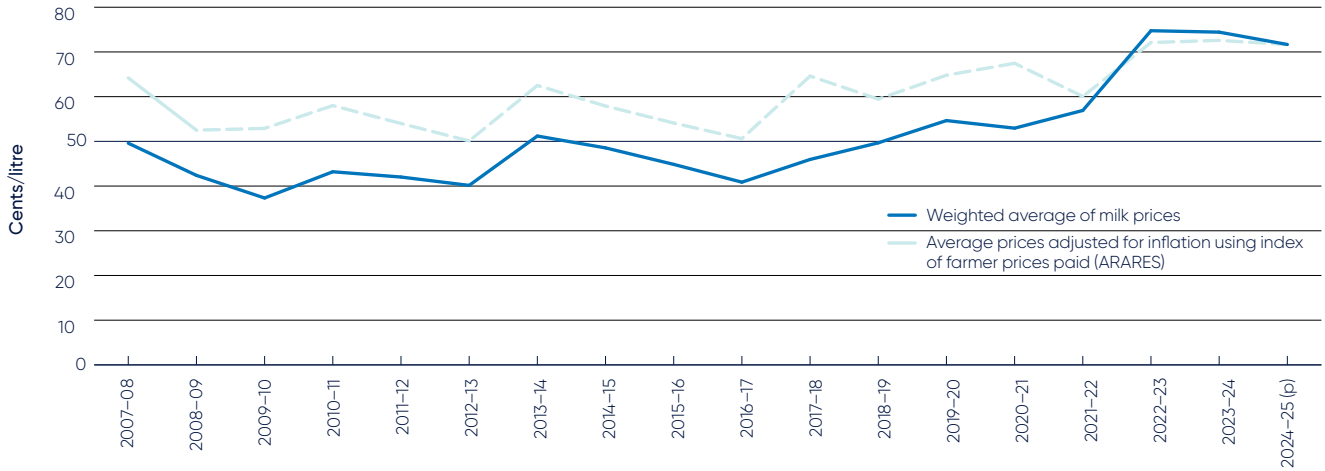
Dairy products produced in some states are often exported out of another. For instance, some product manufactured in South-east South Australia or Tasmania is regularly exported from the port of Melbourne. As such, this can cause the percentage of milk exported from each state to fluctuate based on changes in shipping arrangements.

Figure 3 Use of Australian milk by state in 2024–25



Source: Dairy Australia

Figure 4 Factory paid milk prices



Index calculated using 2021–22 base
Source: Dairy manufacturers and ABARES

Table 5 Indicative factory paid milk prices by state

		2019–20	2020–21	2021–22	2022–23	2023–24	2024–25 (p)
NSW	¢/litre	62.01	62.66	64.05	82.07	84.54	83.34
	$/kg milk solids	8.55	8.58	8.78	11.18	11.60	11.36
Vic	¢/litre	53.60	50.83	55.24	73.26	72.40	68.81
	$/kg milk solids	7.01	6.62	7.26	9.58	9.42	8.91
Qld	¢/litre	68.02	66.80	70.00	87.52	90.00	91.60
	$/kg milk solids	9.31	9.06	9.51	11.90	12.25	12.31
SA	¢/litre	53.64	52.89	53.66	71.93	72.17	71.35
	$/kg milk solids	7.40	7.32	7.48	9.96	9.92	9.58
WA	¢/litre	52.28	53.76	55.14	69.02	71.23	71.91
	$/kg milk solids	7.27	7.44	7.67	9.74	9.85	9.89
Tas	¢/litre	53.30	51.00	57.02	75.51	72.66	69.21
	$/kg milk solids	6.70	6.41	7.17	9.46	9.21	8.63
Aust	**¢/litre**	**54.65**	**52.95**	**56.91**	**74.75**	**74.43**	**71.67**
	$/kg milk solids	**7.19**	**6.95**	**7.52**	**9.85**	**9.79**	**9.35**

Source: Dairy manufacturers

Farm profitability

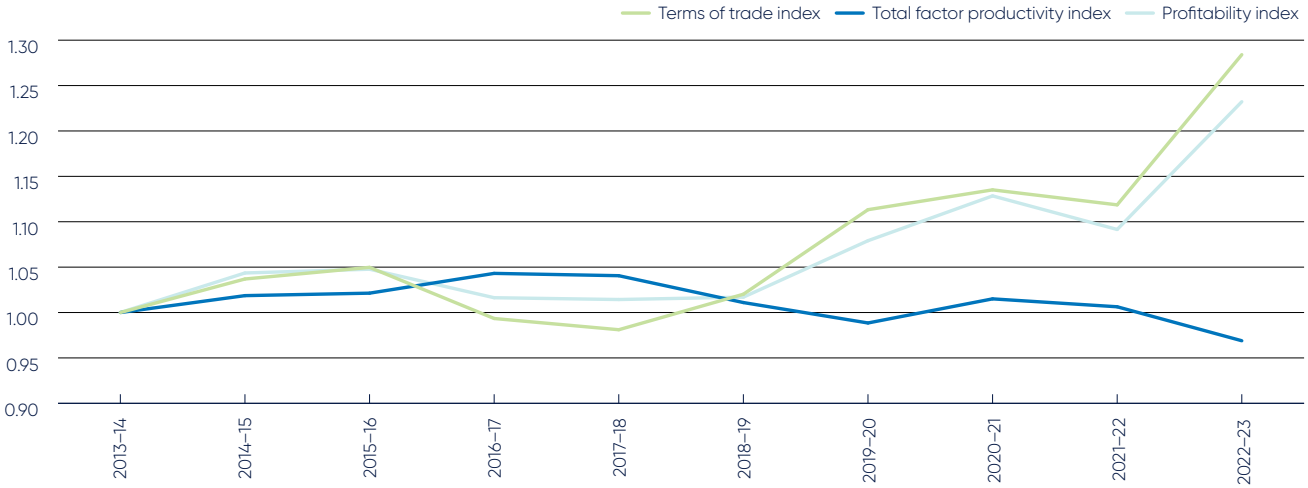
Farm profitability is shaped by two main factors: favourable terms of trade (the ratio of prices received for outputs to costs of inputs) and productivity growth. Dairy Australia's International Dairy Productivity Report highlights that dairy farm profitability has generally improved since 2013–14, increasing by 2.3% on average each year. Much of the improvement over this period has been driven by favourable terms of trade, which have strengthened by 2.8% per year on average. Productivity however, fell 3.1% over the same period, with the main contributor, technological progress, rising by just 0.1% over the 10 years.

Both commodity prices and input costs are heavily influenced by global market forces beyond the farmgate. As such, movements in the terms of trade are hard to predict, as well as difficult to manage. Conversely, productivity growth is more within the realm of control. One way we can influence it is by conducting research, development and extension (RD&E) activities.

Stronger productivity growth can improve long-term profitability regardless of global market movements and reduces dependence on favourable terms of trade, which are uncertain and outside our control. This resilience is key to staying competitive globally, where other producers are also investing in efficiency and innovation.

For more information, see the International Dairy Productivity Report on the Dairy Australia website.

Figure 5 Australian dairy farm profitability, terms of trade, and total factor productivity (2013/14=1 for all indices)



Source: International Dairy Productivity Report 2025

Milk production

While the number of dairy farms in Australia has steadily decreased, the average farm size has grown. The number of cows and per cow yields increased, until the major widespread 'millennium drought' in 2002–03. The next decade was a period of consolidation for the industry, with falling cow numbers and dry seasonal conditions constraining production. This was especially the case in Northern Victoria, where reduced availability of irrigation water saw prices rise significantly.

Volatility in farmgate milk prices and farm incomes have also impacted farmer confidence and the industry's ability to grow. The disruption caused by the late season step-downs in 2015–16, lower average milk prices and challenging seasonal conditions in the subsequent years, shifted the focus of many farmers.

Their priority transitioned from longer-term investments and increasing milk production, to cost control, refinancing and business consolidation. In many cases, farmers culled extensively during these years, taking advantage of higher beef prices to maintain cashflow.

Australia's milk pool decreased one per cet in 2024–25 to 8,315 million litres, relative to the higher comparable volume produced in 2023–24. Weather conditions were less favorable in comparison to the previous season, while higher beef and heifer export prices likely encouraged diversification. Longer- term constraints still weigh on Australian milk production however, including farm exits and labour challenges.

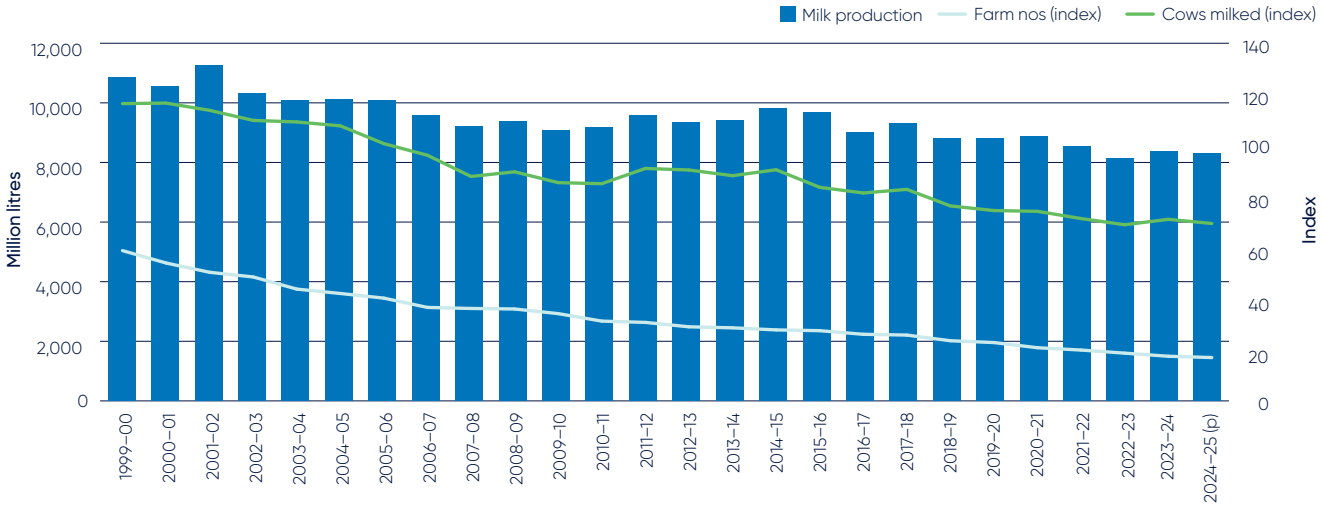
As Figure 6 indicates, the underlying trend has continued towards fewer farms, larger herds and increasing levels of milk production per farm.

Table 6 Milk production by state (million litres)

	NSW	Vic	Qld	SA	WA	Tas	Aust
2006–07	1,104	6,297	537	655	349	641	**9,583**
2007–08	1,048	6,102	486	606	319	661	**9,223**
2008–09	1,064	6,135	513	628	340	709	**9,388**
2009–10	1,099	5,813	530	605	359	677	**9,084**
2010–11	1,087	5,936	487	572	372	726	**9,180**
2011–12	1,136	6,246	491	575	349	792	**9,589**
2012–13	1,137	6,076	465	542	349	765	**9,334**
2013–14	1,124	6,174	446	525	342	810	**9,421**
2014–15	1,184	6,411	422	530	367	891	**9,805**
2015–16	1,198	6,249	421	538	392	883	**9,681**
2016–17	1,141	5,732	425	497	385	836	**9,016**
2017–18	1,144	5,979	399	505	385	913	**9,325**
2018–19	1,094	5,576	359	497	374	910	**8,810**
2019–20	1,054	5,625	315	489	364	950	**8,797**
2020–21	1,075	5,651	309	500	362	961	**8,858**
2021–22	1,072	5,465	299	490	341	887	**8,554**
2022–23	990	5,141	279	472	338	906	**8,127**
2023–24	1,040	5,296	282	479	344	934	**8,376**
2024–25 (p)	1,071	5,266	275	471	331	901	**8,315**

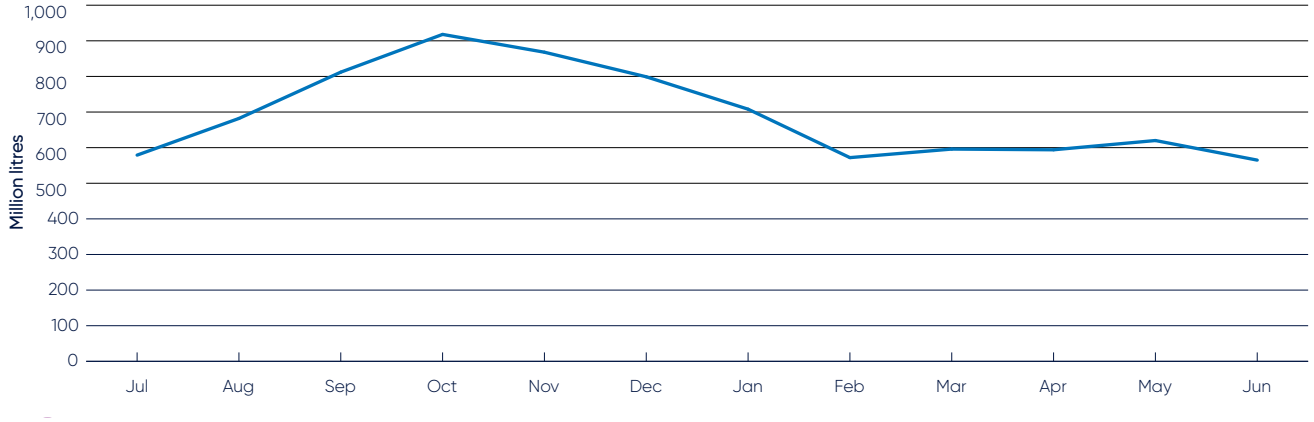
Source: Dairy manufacturers

Figure 6 Australian milk production vs indices of farms and cows milked



Source: Dairy manufacturers, ABS, state authorities and Dairy Australia

Figure 7 Seasonality of milk production in Australia in 2024–25



Source: Dairy manufacturers

As shown in Table 6, dairy farming is concentrated in the temperate zone of Australia. Australian milk production remains strongly seasonal in key south-eastern dairying regions, reflecting the predominantly pasture-based nature of the industry. Milk production peaks in October, tapers off until late summer, and then flattens out into the cooler winter months (as illustrated in Figure 7). The production of long shelf-life manufactured products in these parts of the country has enabled maximum milk utilisation within the seasonal cycle. However, the seasonality of milk output in Queensland, New South Wales and Western Australia is much less pronounced, due to a greater focus on drinking milk and fresh products. Farmers in these states manage calving and feed systems to ensure flatter, year-round milk production.

See Appendix 4 for more details on the seasonality of milk production by state dairying regions.

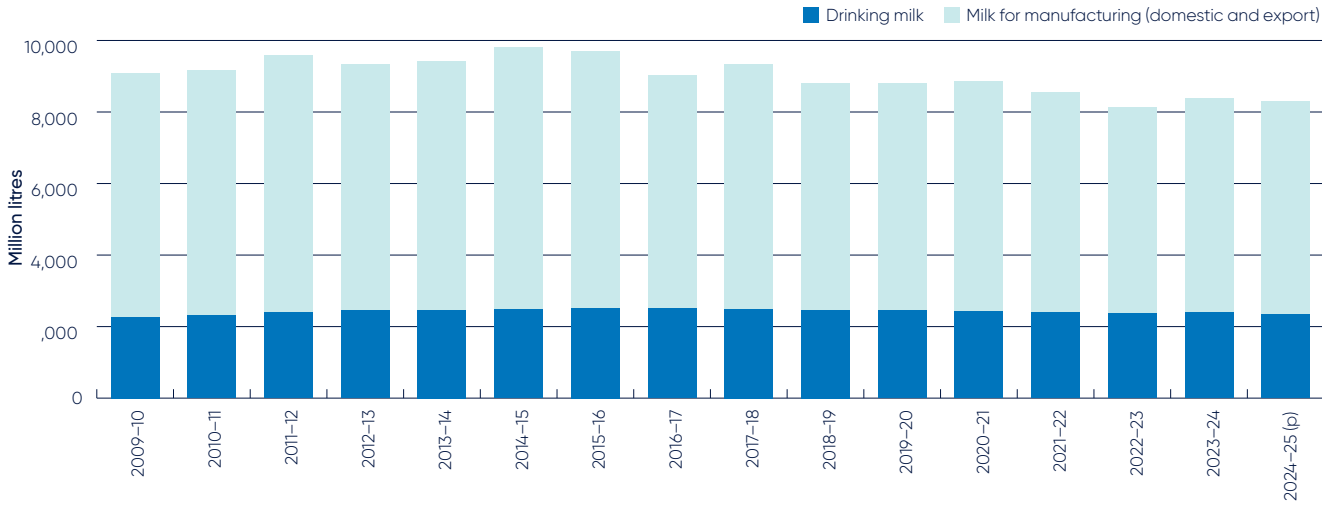
Solids such as milkfat, protein, lactose, and minerals are the core constituents of cows' milk, with water comprising about 87% of the volume. Companies base their farmgate milk prices on the milkfat and protein components of the milk.

Milk composition can vary between regions and seasons, as shown in Table 7. This can be due to several factors, including cow breed, age, nutrition, and feed quality.

With ongoing population growth since 2001–02, the proportion of milk destined for domestic consumption, as either drinking milk or manufactured products (e.g. cheese and butter), has increased. In 2024–25, 28% of Australia's production was used for domestic drinking milk, compared to 18% in 2001–02. About 35% of milk produced in 2024–25 was used for domestically consumed manufactured products, up from 26% in 2001–02.

Conversely, the proportion of milk available for export, as manufactured product, has declined from 56% in 2001–02 to 36% in 2024–25. Over recent years, Australia's imports of dairy products for local consumption have increased. This has enabled the Australian dairy industry to continue to export a significant share of its milk production, despite having a larger domestic market and a smaller milk pool.

Figure 8 Drinking and manufacturing milk production



Source: Dairy manufacturers

Table 7 Average fat/protein composition by state (%)

	NSW	Vic	Qld	SA	WA	Tas	Aust
Milkfat							
2012–13	3.92	4.12	4.03	3.83	3.95	4.31	4.09
2013–14	3.90	4.11	3.98	3.80	3.98	4.31	4.07
2014–15	3.92	4.15	4.00	3.78	3.95	4.35	4.10
2015–16	3.90	4.13	4.00	3.78	3.97	4.30	4.08
2016–17	3.91	4.14	4.00	3.78	3.97	4.34	4.10
2017–18	3.93	4.12	4.03	3.79	3.95	4.30	4.09
2018–19	3.93	4.12	4.03	3.85	3.93	4.39	4.10
2019–20	4.00	4.16	4.00	3.87	3.90	4.37	4.13
2020–21	4.04	4.22	4.03	3.91	3.95	4.42	4.18
2021–22	4.10	4.23	4.08	3.97	4.01	4.40	4.20
2022–23	4.11	4.24	4.08	4.01	4.08	4.42	4.22
2023–24	4.06	4.26	4.09	4.01	4.04	4.39	4.22
2024–25 (p)	4.11	4.28	4.14	4.04	4.04	4.48	4.25
Protein							
2012–13	3.27	3.37	3.30	3.26	3.27	3.48	3.35
2013–14	3.28	3.39	3.29	3.27	3.26	3.47	3.37
2014–15	3.28	3.40	3.32	3.28	3.27	3.49	3.38
2015–16	3.28	3.40	3.32	3.27	3.26	3.48	3.37
2016–17	3.28	3.42	3.31	3.27	3.29	3.51	3.39
2017–18	3.31	3.41	3.31	3.28	3.28	3.51	3.39
2018–19	3.27	3.40	3.28	3.28	3.27	3.50	3.38
2019–20	3.33	3.46	3.30	3.34	3.27	3.58	3.43
2020–21	3.34	3.43	3.35	3.33	3.28	3.56	3.42
2021–22	3.35	3.43	3.33	3.37	3.29	3.55	3.42
2022–23	3.37	3.43	3.34	3.38	3.29	3.58	3.43
2023–24	3.37	3.46	3.34	3.41	3.29	3.59	3.45
2024–25 (p)	3.40	3.46	3.38	3.40	3.33	3.61	3.45

Source: Dairy manufacturers

Dairy manufacturing

Farmer-owned cooperatives no longer dominate the Australian industry, with a wide range of companies now operating including national and multinational companies, both privately owned and publicly listed. Some large multinational companies have been established within the industry for many years, including Fonterra (New Zealand), Lactalis (France) and Saputo (Canada).

Over the past two decades, Australia's contracting milk pool has reduced the need for local dairy companies to invest in processing capacity. The age of existing plants and the need to rationalise production has resulted in the closure of some plants to lower costs. Nevertheless, new developments continue to arise, with some processors choosing to increase capacity at remaining sites or upgrade plants to produce higher specification products.

Australia produces a variety of dairy products, with cheese consistently the largest utiliser of milk, accounting for 40% of Australia's milk production in 2024–25.

Investments in cheese production over recent years suggest this is likely to remain the case in future. Drinking milk and skim milk powder/butter represent the next two largest production streams, accounting for 32% and 21% of Australian milk respectively. While most of the drinking milk produced is consumed domestically, almost half of Australia's manufactured dairy products are exported.

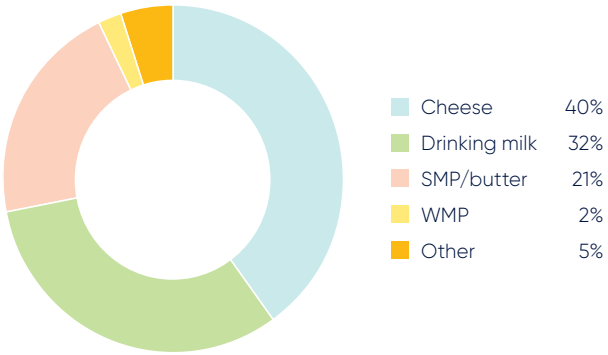
In 2024–25:

51% manufactured product exported

49% manufactured product sold on the Australian market

in milk equivalent terms

Figure 9 Australian milk utilisation in 2024–25



Source: Dairy Australia

Dairy markets

In Australia, milk production exceeds the volume required for domestic consumption, with surplus product therefore destined for export markets. As illustrated in Figure 10, the share of total production destined for export has declined from around 50% two decades ago, to approximately one-third in recent years, contracting due to population growth and an overall decline in milk production.

In 2024–25, Australia exported 36% of milk produced; while accounting for just over one per cent of the world's estimated milk production, Australia remains a significant exporter of dairy products. The country holds a four per cent share of world dairy trade, and is currently ranked fifth behind New Zealand, the European Union, the United States and the United Kingdom.

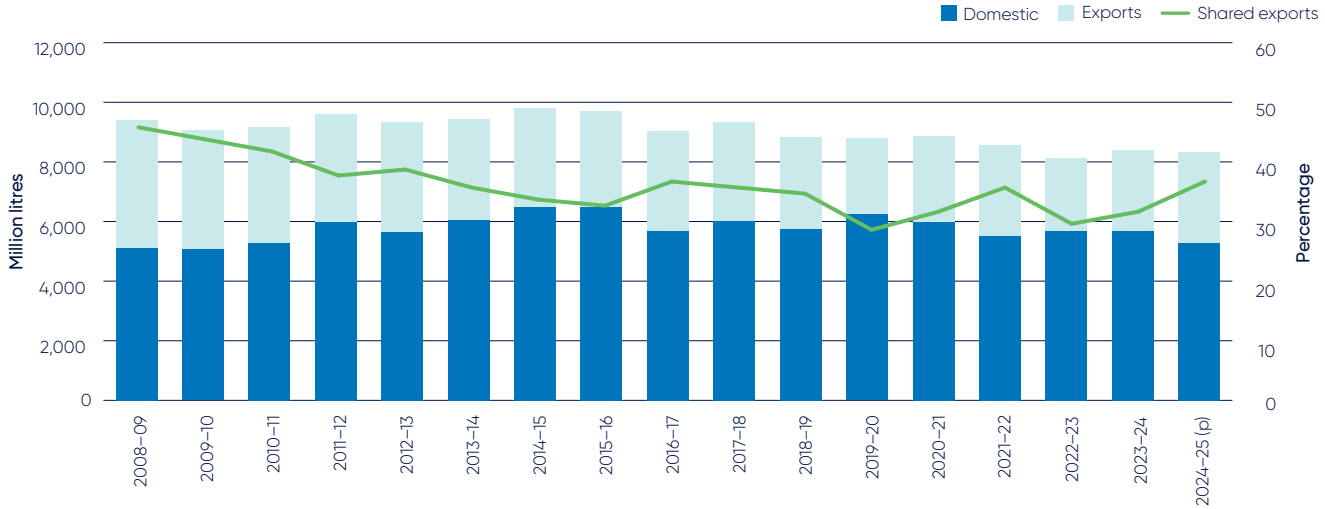
For a number of years, Greater China (including China, Hong Kong and Macau) has been Australia's largest market and in 2024–25 was a destination for about 22% of exports by volume. Other large export destinations include Japan, Malaysia, Singapore, and Indonesia. As a mature, high-value market with long established business relationships, Japan is a vital trade partner for Australian exporters. About 85% of Australian exports in 2024–25 were destined for Asia.

In 2024–25, Australia's total exports were valued at A$3.8 billion. Measured by dollar value, the top five export markets were Greater China, Japan, Indonesia, Malaysia, and Thailand. This order differs slightly from export rankings by volume, highlighting the differences in value for various dairy products imported.

The concentration of Australian exports to Asia reflects the geographical proximity to these markets, and the extent to which Australia has been hindered from accessing other major markets by direct restrictions (as in the case of the European Union). Increased competition in key importing markets has also played a role in creating this concentration. Asian markets hold considerable potential for consumption growth as incomes rise and diets become more 'westernised'. Australian dairy companies also have proven track records in supplying these markets over several decades.

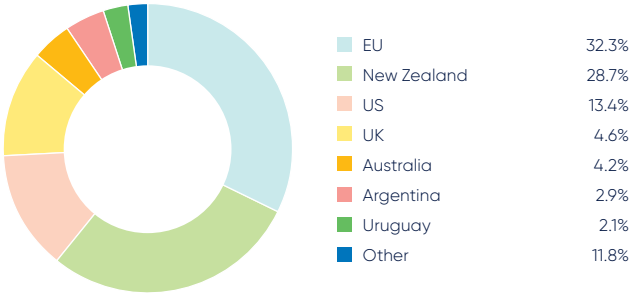
See Appendix 8 for detailed tables of Australia's export markets.

Figure 10 Australian production and exports (milk equivalents)



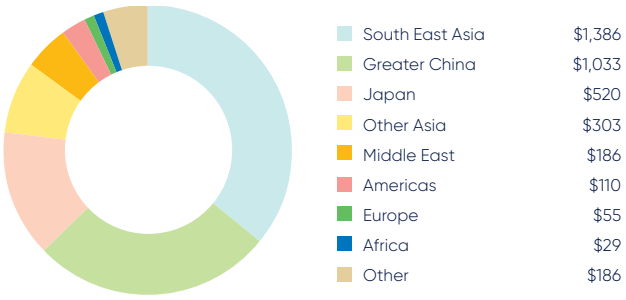
Source: Dairy manufacturers and ABS

Figure 11 Exporters' share of world dairy trade in 2024 (milk equivalents)



Source: Dairy Australia

Figure 12 Australian exports by region in 2024–25 (A$ million)



Source: ABS

Table 8 Australian dairy exports by product by region 2024–25 ($A million)

	SE Asia	Other Asia	Europe	Middle East	Africa	Americas	Other	Total
Butter/AMF	85	74	16	5	4	24	7	215
Cheese	344	763	1	41	20	42	45	1,256
Milk	124	166	0	3	1	0	29	323
SMP	478	197	0	71	2	0	22	770
WMP*	181	399	0	39	2	24	5	650
Other	174	257	38	27	0	20	78	594
Total	**1,386**	**1,856**	**55**	**186**	**29**	**110**	**186**	**3,808**

*Also includes infant powder.
Other includes buttermilk powder, casein, condensed milk, ice cream, lactose, whey powder, yoghurt and mixtures.
Source: ABS

Table 9 Top 10 Australian export destinations in 2024–25

Country	Volume (tonnes)	% of total	Country	Value (A$ million)	% of total
Greater China*	156,802	23	Greater China*	1,033	27
Japan	74,988	11	Japan	519	14
Malaysia	63,327	9	Indonesia	302	8
Singapore	58,312	9	Malaysia	297	8
Indonesia	57,389	9	Thailand	218	6
Thailand	39,237	6	Singapore	206	5
Vietnam	36,881	6	Vietnam	198	5
Philippines	35,349	5	Philippines	145	4
Korea, South	21,147	3	Korea, South	141	4
New Zealand	20,566	3	New Zealand	138	4

*Includes China, Hong Kong and Macau
Source: Dairy Australia and ABS

Australian consumption of dairy products

Dairy is considered a 'staple' food in many Australian households. Consumption trends have varied quite significantly over the past two decades, reflecting changes in tastes in response to multicultural influences on food trends; health perceptions around dairy products; and flavour and packaging innovations. In Australia, the main consumer dairy products are drinking milk, cheese, yoghurt, and butter/butter blends.

Currently, per capita consumption of drinking milk is estimated around 85 litres. This has marginally declined over recent years, however, in comparison to other developed countries, Australia's consumption of drinking milk remains high. Fresh milk remains the most popular variety among consumers, despite the popularity growth of UHT milk during the COVID-19 pandemic years.

Annual per capita consumption of cheese in Australia was over 13kg in 2024–25. While cheddar types remain the most popular variety of cheese, non-cheddar cheese varieties available in Australia have increased. These varieties have grown in popularity due to rising demand for mozzarella cheese in the foodservice sector and retail stores, as well as growth in specialist cheese varieties.

Combining convenience and health attributes, yoghurt is a healthy snack for consumers with a growing per capita consumption estimated at 11kg in 2024–25. Consumer preferences have shifted in line with a heightened focus on natural and healthy products, and increased awareness of the health risks of sugar.

As a result, consumers have transitioned away from sweetened and flavoured yoghurt varieties, towards Greek and natural style yoghurts.

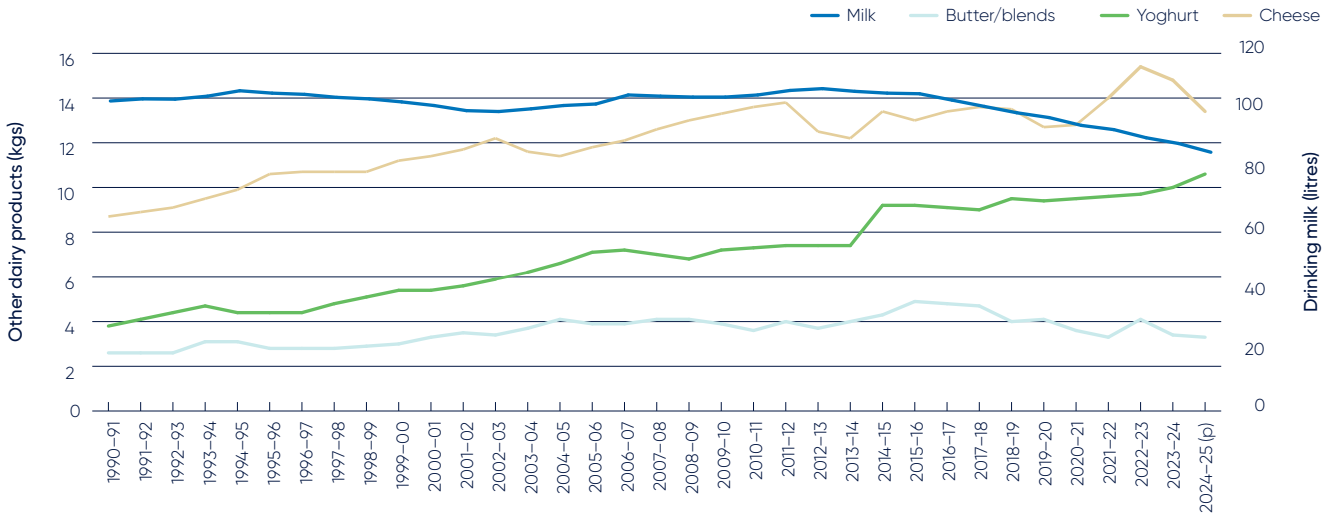
In 2024–25, per capita consumption of butter in Australia was approximately 3.3kg. Australian consumers are attracted to the natural characteristics of butter, along with its superior taste and cooking functionality. Sales of this product are also underpinned by findings in health and nutritional science and by changing consumer perception of health risks associated with saturated fats and butter.

Table 10 Per capita consumption of major dairy products

	Milk (l)	Cheese (kg)	Butter/ blends (kg)	Yoghurt (kg)
2020–21 (r)	94.4	12.8	3.6	9.5
2021–22 (r)	93.0	14.0	3.3	9.6
2022–23 (r)	90.3	15.4	4.1	9.7
2023–24 (r)	88.4	14.8	3.4	10.0
2024–25 (p)	85.5	13.4	3.3	10.6

Source: Dairy manufacturers and Dairy Australia

Figure 13 Per capita consumption



Source: Dairy manufacturers and Dairy Australia

Drinking milk

Drinking milk is a staple item in almost all Australian households. It is widely consumed, convenient and versatile and contains a valuable package of protein, vitamins, and minerals.

Australian consumers overwhelmingly prefer fresh, pasteurised milk (heated to 74 degrees for 15 seconds). This preference for fresh milk generally requires dairy farming close to major population centres and extensive cold-chain logistics to provide reliable, year-round fresh milk. While fresh milk accounts for the vast majority of milk sales in Australia, the share of supermarket sales by volume for UHT milk (heated to 140 degrees for two seconds) has increased over the past two decades. This was further accelerated by the COVID-19 pandemic and associated panic buying, due to its longer shelf-life.

Regular or full cream milk has a milkfat content of 3.4 to 3.6%, while low-fat and skim milks are modified to contain less than 1.5 and 0.15% milkfat respectively. The cream removed during modification can be bottled as table cream or manufactured into butter and other dairy products. As the composition of milk produced changes through the course of a season, most milk is standardised to ensure a consistent taste and nutritional profile all year-round. Drinking milk generally undergoes further processing in the form of homogenisation, which disperses the fat equally throughout the milk, rather than allowing it to separate at the top.

The share of fresh white full cream milk as a percentage of the total fresh white milk market has increased over time, as sales volumes of low-fat and skim milks have declined. While white milk (unflavoured) still accounts for most of drinking milk sold, sales of flavoured milk have also grown.

Flavoured milk is an important source of revenue for the industry due to its higher unit prices. Sales of this milk variety remain distinctly regional, with strong local brands and varying consumption patterns. South Australia has historically consumed between two and three times the national average of flavoured milk, with much flatter year-round demand. Demand in states such as Victoria tends to be seasonal.

There are several major players in the Australian drinking milk market. The two largest are Bega Cheese and Lactalis Australia. Fonterra Australia and Saputo Dairy Australia both entered the drinking milk market after 2011, securing major supermarket private label contracts in Victoria and New South Wales. Some major retailers also directly source milk for private label supermarket sales. Brownes (Western Australia) and Norco (Queensland and Northern New South Wales) have more localised distribution.

See Appendix 7 for more details of supermarket milk sales and average prices.

Historically, Australia only exported relatively small volumes of liquid milk. However, the category now holds the 2nd largest exported volume share and is predominantly UHT. In 2024–25, Australian exports of liquid milk fell nine per cent, totaling close to 165 million litres. Around 91% of the total liquid milk exports were destined for Asia, with the remainder going towards the island countries of the Pacific and some markets in the Middle East and Africa.

See Appendix 8 for more details of drinking milk exports.

Table 11 Drinking milk sales by type (million litres)

	Regular	Reduced	No fat	Flavoured	UHT	Total
1989–90	1,257	322		111	40	**1,730**
1999–00	1,099	354	144	173	164	**1,933**
2009–10	1,133	590	117	215	211	**2,267**
2010–11	1,140	630	109	227	208	**2,314**
2011–12	1,160	677	104	236	208	**2,385**
2012–13	1,171	689	100	240	243	**2,443**
2013–14	1,192	688	93	241	250	**2,464**
2014–15	1,244	656	88	241	257	**2,486**
2015–16	1,311	615	80	246	266	**2,518**
2016–17	1,362	563	71	246	256	**2,498**
2017–18	1,398	536	64	242	251	**2,491**
2018–19	1,409	518	61	233	248	**2,469**
2019–20	1,424	496	56	228	256	**2,460**
2020–21 (r)	1,395	482	51	234	257	**2,419**
2021–22 (r)	1,366	468	49	234	273	**2,390**
2022–23	1,376	448	47	236	259	**2,366**
2023–24	1,403	440	44	241	256	**2,384**
2024–25 (p)	1,388	432	41	242	237	**2,340**

Source: Milk processors and state milk authorities

Table 12 Drinking milk sales by state (million litres)

	NSW	Vic	Qld	SA	WA	Tas	Aust
1979–80	531	437	249	127	119	41	**1,504**
1989–90	582	449	316	150	164	47	**1,730**
1999–00	597	531	383	185	190	48	**1,933**
2009–10	708	545	497	213	247	57	**2,267**
2010–11	714	566	501	213	262	58	**2,314**
2011–12	720	582	531	220	274	58	**2,385**
2012–13	718	600	562	222	280	61	**2,443**
2013–14	710	612	583	221	279	59	**2,464**
2014–15	714	624	581	221	285	61	**2,486**
2015–16	731	636	583	222	285	61	**2,518**
2016–17	719	632	578	226	283	60	**2,498**
2017–18	718	626	583	223	281	60	**2,491**
2018–19	706	636	576	217	276	58	**2,469**
2019–20	689	649	575	215	277	55	**2,460**
2020–21	680	621	573	210	280	55	**2,419**
2021–22 (r)	663	611	574	210	279	53	**2,390**
2022–23	652	608	571	207	275	53	**2,366**
2023–24	647	624	577	206	279	51	**2,384**
2024–25 (p)	633	609	569	201	278	50	**2,340**

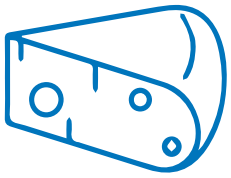
State figures exclude interstate traded milk prior to 2001, NSW includes ACT after June 2000.
Source: Milk processors and state milk authorities

Cheese

In 2024–25, Australia produced over 430,000 tonnes of cheese. In recent years, dairy companies have adjusted export mixes to take advantage of favourable movement in international commodity prices, which significantly impacts production volumes. This can lead to increased cheese production as international price trends can make it an attractive revenue stream (as has been the case for the past few years).

Cheese is a major product for the Australian dairy industry, utilising more than one-third of Australian milk. Cheddar cheeses have historically held the majority share of total cheese production, however, there has been a long-term production trend away from cheddar varieties towards non-cheddar cheese types. As such, the non-cheddar share of total production volumes has increased from 30% three decades ago, to 55% in 2024–25.

The trend away from cheddar cheeses towards non-cheddar cheese types is also evident in Australia's cheese exports. The non-cheddar share of total export sales has increased steadily from around 60% two decades ago, to around 83% in 2024–25.



Australia exported close to

169,000 tonnes

of cheese to 57 different countries in 2024–25, worth close to A$1.3 billion.

Japan continues to be Australia's most important overseas market for cheese, accounting for around 40% of cheese exported in 2024–25. This product is mostly fresh or cream cheese varieties, used for processing. Other important overseas markets include Greater China, Malaysia, the Philippines, South Korea, Thailand, and Indonesia.

Australia is also a major importer of cheese, purchasing 28% more overseas cheese over the past 10 years. Imports from New Zealand and the United States totaled around 46,000 tonnes and 29,000 tonnes respectively, with the European Union accounting for the balance.

Table 13 Australian cheese production by type of cheese (tonnes)

	2019–20 (r)	2020–21 (r)	2021–22 (r)	2022–23 (r)	2023–24	2024–25 (p)
Cheddar	192,549	167,774	194,614	187,725	202,461	193,440
Semi hard	68,347	86,259	82,841	96,225	98,563	89,810
Hard grating	11,059	16,336	19,950	20,556	17,607	14,328
Fresh	107,162	108,185	114,880	110,899	119,185	122,412
Mould	7,395	7,441	11,557	10,681	10,295	10,079
Total cheese	**386,512**	**385,995**	**423,842**	**426,086**	**448,112**	**430,068**

Source: Dairy manufacturers

Butter

In 2024–25, Australia produced over 72,000 tonnes of butter and anhydrous milkfat (AMF) in commercial butter equivalent terms (CBE). AMF (commonly known as butter oil) is butter with the water removed, similar to ghee. When manufacturing butter, skim milk powder is created as a coproduct, using the solids non-fat components of the milk. It is primarily produced for export and domestic food manufacturing applications, such as bakery and confectionery. While these sectors all utilise butter, most domestic butter sales are through retail and foodservice outlets.

In 2024–25, around 62% of domestic dairy spread sales were through supermarkets. Since the COVID-19 pandemic, sales through grocery outlets have held a significantly larger share compared to foodservice. Volumes sold through supermarkets have increased, as inflation eased and retail prices steadied.

In 2024–25, butter imports accounted for 39% of the Australian butter market by volume. Of the 40,000 tonnes of butter and AMF imported into Australia, 86% was from New Zealand, while the remaining product was sourced from various European countries and Asia. Australian exports of butter and AMF can vary significantly from year to year, depending on milk availability during the season and how local dairy companies respond to international prices for competing products.

In 2024–25, export volumes of butter and AMF increased 39% to around

21,200 tonnes.

Out of 43 countries, Australia's most important overseas markets for butter and AMF were Malaysia, Greater China, Taiwan, Thailand, and Singapore.

See Appendix 8 for more details of butter and AMF exports.

Table 14 Butter and AMF production (tonnes)

	2019–20 (r)	2020–21 (r)	2021–22 (r)	2022–23 (r)	2023–24 (r)	2024–25 (p)
Butter/butter blends (CBE)	73,249	80,656	71,562	62,659	67,319	72,021

Source: Dairy manufacturers

Table 15 Australian exports of butter and AMF (tonnes)

	2019–20	2020–21	2021–22	2022–23	2023–24 (r)	2024–25 (p)
Butter/butter blends (CBE)	8,044	17,479	15,824	5,896	11,400	15,611
AMF (CBE)	3,809	7,201	6,723	4,832	3,878	5,563

Source: ABS

Other fresh and frozen dairy products

Australian manufacturers produce a range of fresh dairy products, including yoghurts, dairy desserts, chilled custards and creams, and frozen products such as ice-cream.

Over the past two decades, yoghurt production has grown considerably. The product category's ability to meet rising consumer preferences for convenient, yet healthy snacks has been advantageous in an environment of time-poor lifestyles. Growth in yoghurt sales has also been underpinned by regular product innovation, particularly in areas such as packaging, flavour combinations and the use of probiotic cultures. New products, such as drinking yoghurts and single snack servings in convenience outlets, have also helped drive growth.

Yoghurt sales strengthened from the initial COVID-19 outbreak and have continued to grow as consumers look for healthy products and purchased more for cooking and baking at home. Featuring international brands, such as Ski, Yoplait and Chobani, there is an ongoing trend away from sweetened and flavoured varieties in the yoghurt market. Traditional, unflavoured types, such as Greek-style yoghurt, are perceived to be healthier and more 'natural' to health-conscious consumers. This shift in perception has strengthened sales of unflavoured, traditional type yoghurts, overtaking sweetened and flavoured yoghurts as the most sold product.

Dairy desserts are a low volume and high value dairy category, including products such as mousses, crème caramels and fromage frais. Marketed as an indulgence or treat item, these products are generally targeted to adult consumers however, fromage frais and flavoured custards are examples of children's products which often feature popular cartoon characters on-pack.

As a traditional favourite, chilled custard sales have marginally increased in recent years, as manufacturers expand their product offerings. This includes branching out into new flavours and small, snack-sized, single serve plastic cups sold in multi-packs.

Cream remains an important fresh dairy product widely used in cooking, with annual sales increasing in 2024–25. Regular and sour creams are used extensively as accompaniments or ingredients and similar to butter, consumers remain interested in cream's superior taste and cooking functionality, relative to plant-based substitutes.

See Appendix 6 for more details on cream, custard and dairy dessert sales.

Milk powders

Australian manufacturers produce a wide range of milk powders. The technology used in the production and utilisation of powders, has allowed the range of specifications available from Australian manufacturers to expand in line with customer needs.

Only a small portion of Australia's powder production is sold domestically, with local product primarily used as an ingredient in food manufacturing. Infant formula is a high-value product that has shown considerable growth in recent years, generated through Australian supermarket sales (partly due to the demand from informal re-export trades, such as the Diagou trade), and through direct exports.

Following several challenging years for the dairy industry, manufacturers have had access to a smaller national milk pool and a wider variety of markets. As a result, companies have had to be more flexible with their product mixes, taking advantage of relative movements in international commodity prices. Differing market access arrangements also impact the competitiveness of product pricing. For example, local producers will be at a competitive disadvantage where Australia may not have negotiated a free trade agreement, but a competitive supplier country has done so. This impacts local production mixes because the bulk of Australia's milk powders are exported overseas.

Up to the year 2000, as milk production grew steadily, whole milk powder (WMP) production expanded to represent a larger share of total milk powder production. However, this trend reversed in 2001–02, with skim milk powder (SMP) becoming more prominent.

In 2024–25, skim milk powder accounted for

86%

of milk powders produced.

In 2024–25, Australia also imported over 61,000 tonnes of milk powders, most of which is sourced from New Zealand, decreasing 11% from 2023–24.

Exported milk powder is often recombined into liquid milk products, particularly in tropical climates where fresh milk supplies are not readily available. This is mainly due to insufficient local production or limited development of cold chain distribution facilities. These products are also used in bakery items (improving the volume and binding capacity of bread and ensuring crisper pastry and biscuits), confectionery and milk chocolates, processed meats, ready-to-cook meals, baby foods, ice-cream, yoghurt, health foods and reduced-fat milks. Industrial grade powder is often used for animal stockfeed.

The major export markets for Australian milk powders are mostly concentrated to Asia. Out of 29 export destinations, the largest export markets for Australian-produced skim milk powder in 2024–25 were Indonesia, Greater China, Vietnam, Malaysia, and Kuwait. Australian-produced whole milk powder was exported to 28 destinations in 2024–25, with Greater China, Thailand, the United Arab Emirates, Indonesia, and Singapore representing the largest markets.

See Appendix 8 for more details on milk powder exports.

Table 16 Australian production of milk powders (tonnes)

	2019–20 (r)	2020–21 (r)	2021–22 (r)	2022–23 (r)	2023–24 (r)	2024–25 (p)
Skim milk powder	158,381	149,345	146,938	130,206	164,037	170,714
Whole milk powder*	44,616	52,680	39,661	29,524	21,212	27,726

*Includes infant powder
Source: Dairy manufacturers

Table 17 Australian exports of skim milk powder by region (tonnes)

	2019–20	2020–21	2021–22	2022–23	2023–24 (r)	2024–25 (p)
Asia	94,576	112,334	132,752	105,881	124,135	136,707
Middle East	11,140	9,944	14,147	9,731	17,735	15,685
Africa	25	150	175	160	900	515
Pacific	1,901	478	1,850	1,299	29	5,219
Americas	0	0	7	0	0	0
Europe	0	5	0	0	0	0
Total	**107,642**	**122,911**	**148,931**	**117,071**	**142,799**	**158,126**

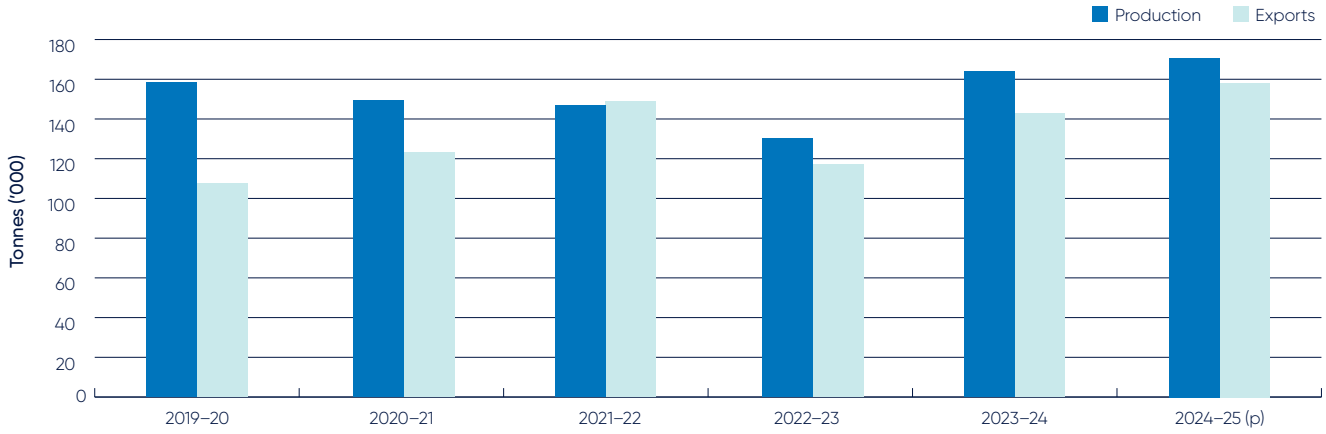
Source: ABS

Table 18 Australian exports of whole milk powder by region* (tonnes)

	2019–20	2020–21	2021–22	2022–23	2023–24 (r)	2024–25 (p)
Asia	44,174	52,029	54,517	38,022	41,626	50,422
Middle East	846	636	5,973	17,705	3,851	9,241
Africa	13	172	668	186	404	304
Pacific	1,032	1,125	1,094	1,019	746	988
Americas	491	217	618	1,134	1,713	1,396
Europe	0	0	0	0	25	0
Total	**46,556**	**54,179**	**62,871**	**58,066**	**48,365**	**62,351**

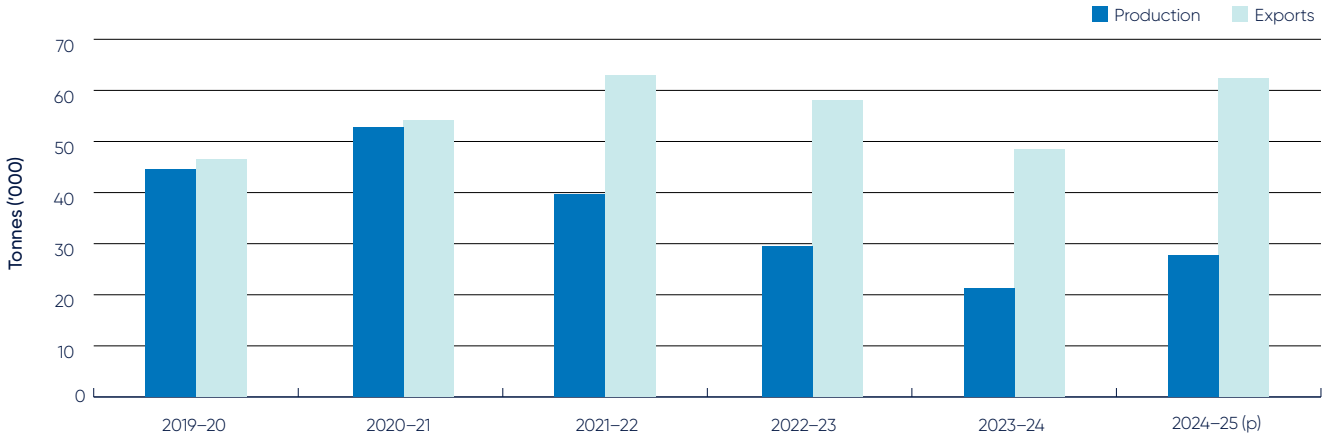
*Includes infant powder
Source: ABS

Figure 14 Australian production and exports of skim milk powder



(Dairy Australia estimates that this collection covers over 85% of SMP production)
Source: Dairy manufacturers and ABS

Figure 15 Australian production and exports of whole milk powder



(Dairy Australia estimates that this collection covers over 80% of WMP production)
Source: Dairy manufacturers and ABS

Whey products and casein

As a byproduct of the cheese-making process, whey has traditionally been disposed of in its liquid form. However, over the past few decades, the value of whey's components and properties have been recognised, increasing the utilisation of whey powder and protein concentrates.

Food-grade whey powder is used in the manufacture of ice-cream, bakery products (cakes, biscuits), chocolate flavouring, infant formula, yoghurt, beverages and processed meat. Industrial uses include animal feed (for pigs, horses and poultry), calf milk replacer and even as a carrier for herbicides.

Whey protein concentrates are used in snack foods, juices, confectionery, ice-cream, biscuits, processed meats, protein drinks, desserts, infant foods and dietetic products. Products such as cosmetics, skin creams, bath salts and detergents also contain protein concentrates.

In Australia, whey is used domestically in manufacturing infant formula, biscuits and ice-cream, while the remainder is exported. In 2024–25, Indonesia, Greater China, Thailand, Malaysia, and Singapore were the largest export markets for Australian whey powders.

Casein and caseinates are used as binding ingredients, emulsifiers and milk substitutes in processed foods such as noodles, chocolate, sweets, mayonnaise, ice-cream and cheese. Industrial uses of casein and caseinates include plastics (buttons, knitting needles); the manufacture of synthetic fibres and chemicals (plants, glues, glazed paper, putty and cosmetics); a nutritional supplement and binder in calf milk replacers; as well as a range of other technical applications.

Australia is no longer a significant producer of casein and imports the vast majority of its requirements. These mostly originate from New Zealand (over 70% of the total volume), with the balance being met by Europe and the United States in 2024–25.

Industry levies

Dairy Service

Dairy Australia is the national service body for the Australian dairy industry. Dairy Australia is funded by a combination of levies paid by dairy farmers, calculated on the fat and protein content of milk, and matching payments from the Commonwealth Government for eligible research and development (R&D) activities.

Animal Health Australia

Australian dairy farmers contribute funding to Animal Health Australia (AHA), as do farmers in all other livestock industries. AHA is a non-profit public company limited by guarantee. Members include Australian state and territory governments as well as key commodity and interest groups. AHA's task is to facilitate partnerships between governments and livestock industries and provide a national approach to animal health systems. The Animal Health Levy is the dairy industry's contribution to AHA programs.

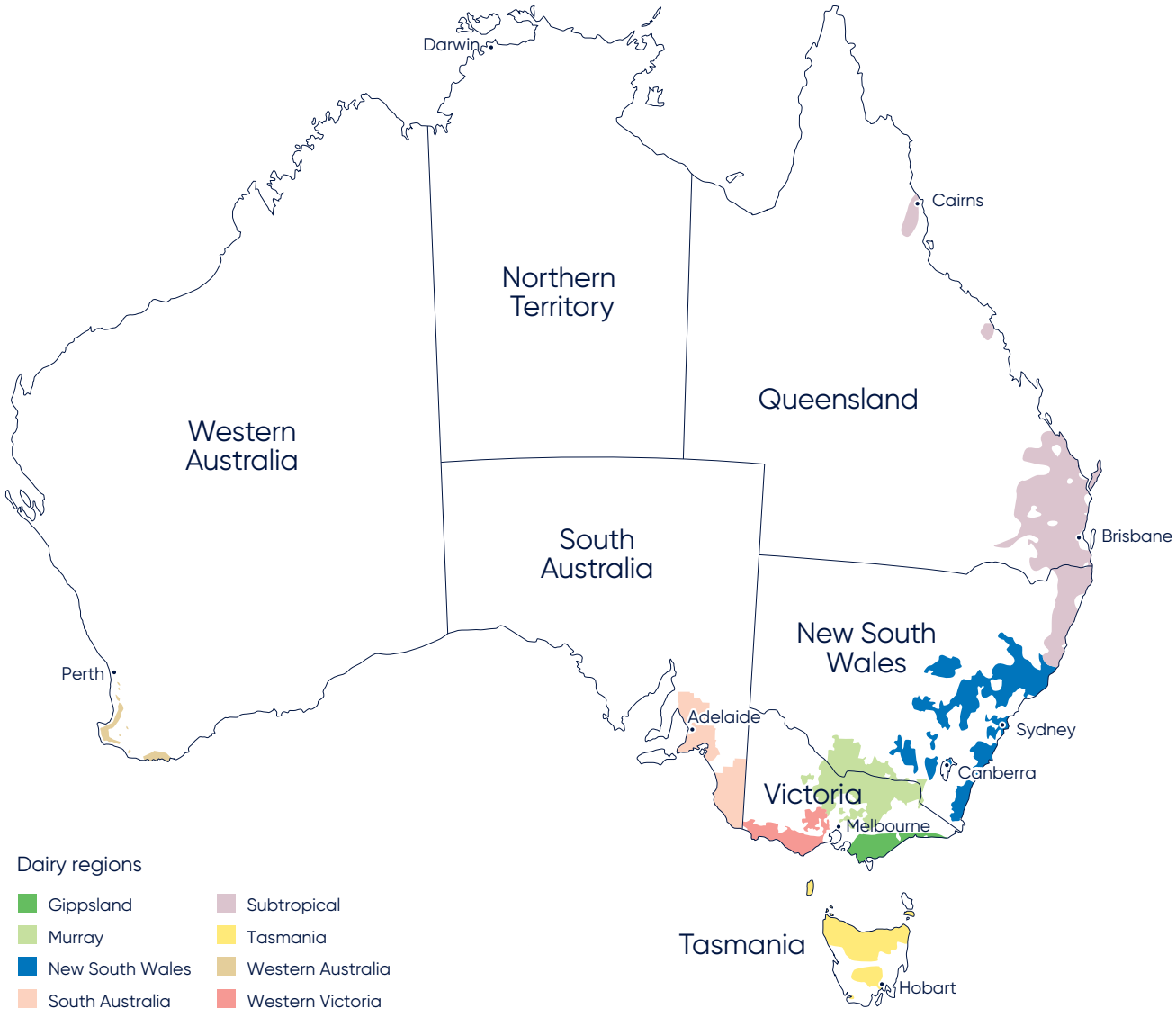
Table 19 Average rate of milk levies for 2024–25

	Milkfat (¢/kg)	Protein (¢/kg)	Milk* (¢/litre)	Milk solids (¢/kg)
Animal Health	0.0580	0.1385	0.007	0.09
Dairy Service	2.8683	6.9914	0.363	4.72

*Based on average 2024–25 Australian milk composition of 4.25% milkfat and 3.45% protein

Appendices

Appendix 1 Dairy regions



Appendix 2 Australian industry footprint

Table A1 Australian state/region breakdown 2024–25

	Qld	NSW	Vic	SA	WA	Tas	Aust
Dairy farms[1]	253	443	2,476	166	99	335	**3,772**
Cows in milk and dry ('000)[2]	59	152	805	64	46	174	**1,300**
People employed on farm (full time and part-time)[3]	800	1,800	7,500	400	1,400	1,200	**13,100**
People employed in processing (full time and part-time)[3]	1,700	3,700	9,500	600	1,200	600	**17,300**
People directly working in dairy (full time and part-time)[3]	2,500	5,500	17,000	1,000	2,600	1,800	**30,400**
Volume of milk produced (ML)[4]	275	1,071	5,266	471	331	901	**8,315**
Share of national milk production (%)	3.3	12.9	63.3	5.7	4.0	10.8	**100**
Value of milk leaving farms ($m)[5]	252	893	3,623	336	238	623	**5,966**
Value of dairy products exported ($m)[6]	70	415	2,459	229	47	588	**3,808**
Share of national dairy exports – value (%)	2	11	65	6	1	15	
Volume of dairy products exported ('000)	16	38	512	54	28	64	**714**
Share of national dairy exports – volume (%)	2	5	72	8	4	9	

Source: [1] Dairy farm no.s by State from InFocus - & estimated by state dairy authorities; [2] Cow no.s by State from InFocus - & estimated by RDP from ABS Farm Census data. [3] Number derived from a three-yearly median state level figures from ABS Labor Force Statistics, May 2020 Quarter publication: split on the basis of milk production within states; [4] Milk production from Dairy Australia milk production database; [5] Value of milk leaving farms is region milk flow multiplied by State average milk prices from Dairy Australia's farmgat survey. [6] ABS Export data: split on the basis of milk production.

	Subtropical	New South Wales	Gippsland	Murray	Western Victoria	South Australia	Western Australia	Tasmania	Aust
Dairy farms[1]	340	302	917	782	831	166	99	335	**3,772**
Cows in milk and dry ('000)[2]	74	101	299	279	263	64	46	174	**1,300**
People employed on farm (full time and part-time)[3]	1,000	1,500	2,700	2,400	2,500	400	1,400	1,200	**13,100**
People employed in processing (full time and part-time)[3]	2,100	2,900	3,500	3,200	3,200	600	1,200	600	**17,300**
People directly working in dairy (full time and part-time)[3]	3,100	4,400	6,200	5,600	5,700	1,000	2,600	1,800	**30,400**
Volume of milk produced (ML)[4]	388	787	1,930	1,750	1,756	471	331	901	**8,315**
Share of national milk production (%)	4.7	9.5	23.2	21.0	21.1	5.7	4.0	10.8	**100**
Value of milk leaving farms ($m)[5]	356	656	1,328	1,211	1,218	336	238	623	**5,966**
Value of dairy products exported ($m)[6]	75	392	864	793	820	229	47	588	**3,808**
Share of national dairy exports – value (%)	2	10	23	21	22	6	1	15	
Volume of dairy products exported ('000)	19	28	183	167	171	54	28	64	**714**
Share of national dairy exports – volume (%)	3	4	26	23	24	8	4	9	

Source: [1] Dairy farm no.s by State from InFocus - & estimated by RDP from LMR data - methodology change for Subtropical, dairy NSW and Murray due to improved data availability; [2] Cow no.s by State from InFocus - & estimated by RDP from ABS Farm Census data; [3] Number derived from a three-yearly median state level figures from ABS Labor Force Statistics, May 2020 Quarter publication: split on the basis of milk production within states; [4] Milk production from Dairy Australia milk production database; [5] Value of milk leaving farms is region milk flow multiplied by State average milk prices. Average ratio of farm cash costs vs. cash income [Aust] for 2010/119 (76%), 2011/12 (77%) & 2012/13 (85%) of 80%. Expectation is that 80% of farm cash income is absorbed by cash expenses, thus flowing back into community. ABARES Farm Performance Survey data. [6] ABS Export data: split on the basis of milk production.

Appendix 3 Feed prices

Table A2 Indicative Australian grain prices ($ per tonne)

		Wheat	Barley	Maize	Sorghum	Canola meal	Oats	Lupins
Atherton Tablelands	2022–23	419	387	443	411			
	2023–24	415	410	443	406			
	2024–25	374	357	417	363			
Darling Downs	2022–23	403	403	431	388			
	2023–24	422	419	434	399			
	2024–25	344	328	395	336			
North Coast NSW	2022–23	389	352	416	344			
	2023–24	375	377	431	365			
	2024–25	332	300	415	327			
Central West NSW	2022–23	399	354	410	330			
	2023–24	366	348	399	365			
	2024–25	317	294	385	337			
Bega Valley	2022–23	403	350	424		553		
	2023–24	386	349	427		552		
	2024–25	348	298	357		496		
Goulburn/Murray Valley	2022–23	390	346	424		537		
	2023–24	359	333	427		539		
	2024–25	344	323	357		501		
Gippsland	2022–23	420	370	463		553		
	2023–24	383	355	433		551		
	2024–25	363	345	357		516		
South West Victoria	2022–23	398	337	462		539		
	2023–24	351	321	433		536		
	2024–25	322	314	357		501		
South East South Australia	2022–23	404	333	454		584		
	2023–24	376	326	425		581		
	2024–25	364	330	352		546		
Central Districts SA	2022–23	394	348	459		380		
	2023–24	360	327	427		414		
	2024–25	320	316	352		407		
South West WA	2022–23	355	308				320	289
	2023–24	383	347				437	444
	2024–25	354	337				404	504
North West Tasmania	2022–23	510	460	473		643		
	2023–24	473	445	443		641		
	2024–25	452	434	371		606		

Data represents a simple yearly average of weekly data in each region.
Source: Profarmer

Table A3 Indicative Australian hay prices ($ per tonne)

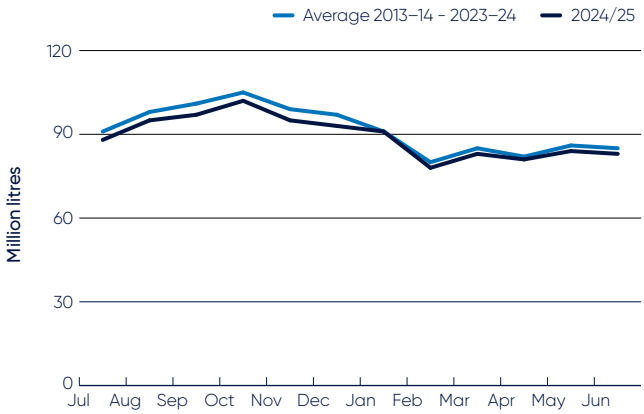
		Pasture hay	Cereal hay	Lucerne hay	Straw
Atherton Tablelands	2022–23	350			
	2023–24	395			
	2024–25	355			
Darling Downs	2022–23	301	318	460	136
	2023–24	294	289	407	106
	2024–25	276	371	442	182
North Coast NSW	2022–23	297	352	503	179
	2023–24	291	313	402	104
	2024–25	283	336	407	159
Central West NSW	2022–23	256	267	414	122
	2023–24	290	300	397	109
	2024–25	288	330	422	150
Bega Valley	2022–23	361	325	510	220
	2023–24	319	315	424	129
	2024–25	384	410	506	239
Goulburn/Murray Valley	2022–23	286	272	436	130
	2023–24	290	305	392	107
	2024–25	304	340	433	149
Gippsland	2022–23	215	287	511	128
	2023–24	256	297	398	120
	2024–25	300	380	485	193
South West Victoria	2022–23	225	274	413	122
	2023–24	243	304	378	104
	2024–25	302	368	426	157
South East South Australia	2022–23	292	319	418	146
	2023–24	267	303	360	107
	2024–25	323	398	445	170
Central Districts SA	2022–23		298	440	157
	2023–24		303	378	107
	2024–25		362	426	169
South West WA	2022–23	203	280	420	119
	2023–24	241	323	392	116
	2024–25	297	313	432	126
North West Tasmania	2022–23	228	268	338	172
	2023–24	264	274	344	111
	2024–25	313	328	401	137

Data represents a simple yearly average of weekly data in each region.
Source: Australian Fodder Industry Association (AFIA)

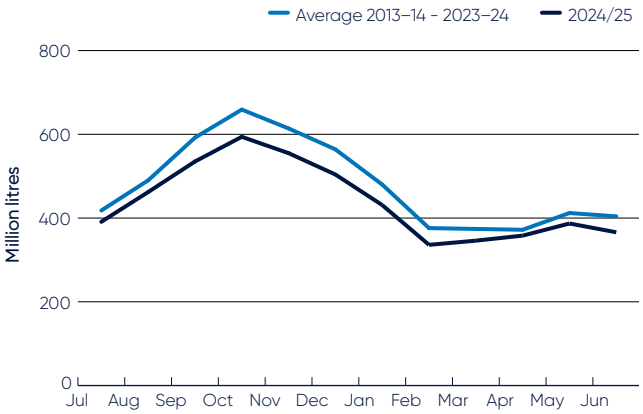
Appendix 4 Milk production

Figure A1 Seasonality of milk production in 2024–25

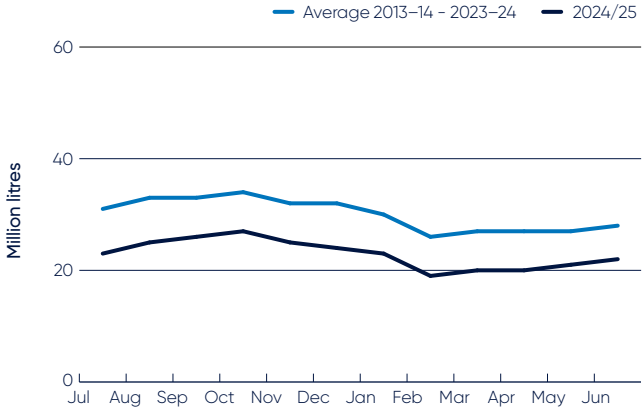
New South Wales



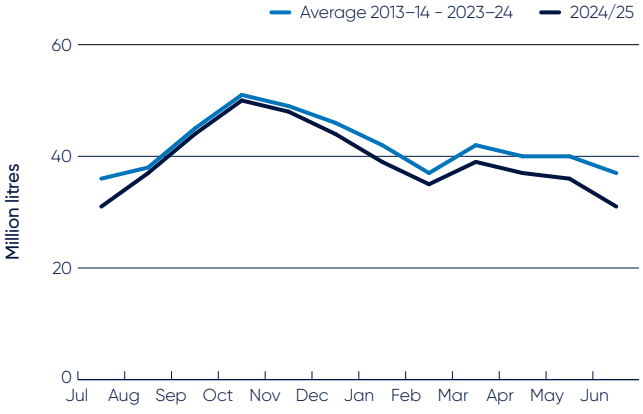
Victoria



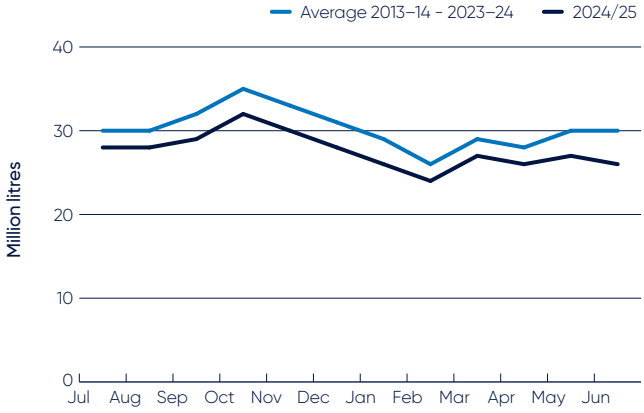
Queensland



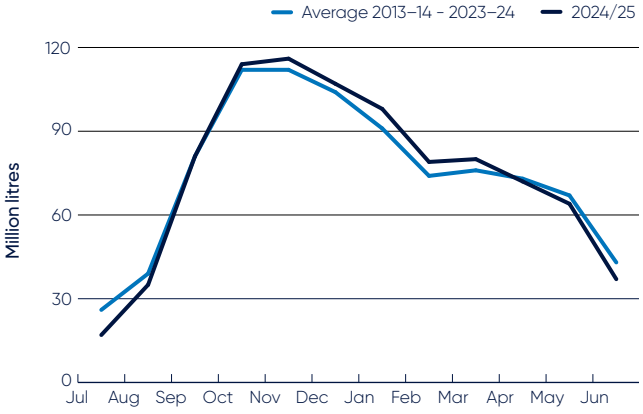
South Australia



Western Australia



Tasmania



Appendix 5 Manufacturing processes

Figure A2 Product yield from 10,000 litres of milk 2024–25

The milkfat and solids in manufacturing milk can be used to produce a wide variety of dairy products. There are four major production processes: two joint product processes for butter/skim milk powder (SMP) production and butter/casein production, and single product processes for whole milk powder (WMP) and cheese production. For each of these separate product lines, numerous other dairy products can be made from the residual milk components.

The first step in making butter is to separate whole milk into cream and skim milk. The liquid skim milk is evaporated, and spray dried to produce SMP. The cream is churned until the fat globules form into solid butter, leaving a liquid by-product, buttermilk. This liquid can be dried to make buttermilk powder (BMP).

While there are various ways of making casein, one of the most common methods stems from the joint product process for creating butter. After separating whole milk into cream and skim milk, the skim milk can be set by mixing with acid to produce curd. The curd is shaken to remove large clumps, leaving a liquid whey by-product which is removed. The curd is then repeatedly rinsed in water and drained, with any excess moisture extracted by pressing the curd. This is then milled, dried, ground down and passed through a sieve to be broken into particle size.

To produce WMP, milk, with some cream removed, is evaporated, concentrated and dried, either by roller or spray process to form a powder. The spray drying method is more commonly used and involves spraying a fine mist of concentrated milk into a current of hot air to form granules of powder. The granules can be treated with steam to 'instantise' the powder and make it easier to reconstitute into milk.

The techniques to produce cheese can vary substantially, differing by the producer and variety of cheese created. To make cheddar cheese, some cream is removed from the pasteurised milk. Starter culture is added to the milk to produce both acid and flavour. Then rennet is added to form curd and whey. The curd is cut, heated, and stirred to allow the whey to drain. A process called cheddaring then takes place, and involves the curd being allowed to mat together, before it is milled, salted, pressed and packed.

The cheese is stored to develop the desired maturity and flavour - the longer it is stored, the stronger the flavour. Mild cheddar is matured for approximately three months, semi-matured cheddar for three to six months, and mature or tasty cheddar for up to a year.

The liquid whey extracted during cheese manufacturing contains protein, lactose, and a small portion of fat. It can be dried to make products for pharmaceutical purposes, as a useful supplement in stock feed, and in the creation of ice-cream.

The cream from the standardisation of milk for WMP, casein and cheddar production can be used to make butter and BMP.

Table A4 Product composition

	% fat	% SNF
Skim milk powder	1.0	94.5
Butter	80.5	2.0
Ghee	99.6	0.1
Casein	1.5	88.5
Whole milk powder	26.0	70.4
Cheddar cheese	33.0	31.0
Gouda	31.5	23.5
Edam	21.2	31.8
Parmesan	21.8	46.2
Cottage cheese	4.0	16.0
Brie	25.0	25.0
Mozzarella	23.1	30.9

Table A5 Australian production of dairy products (tonnes)

	Butter/Butter Blends/AMF (CBE)	SMP	WMP*	Cheese
1989–90	104,158	130,976	56,476	175,087
1999–00	181,620	236,322	186,653	379,717
2005–06	145,754	205,495	158,250	379,698
2006–07	133,101	191,475	135,364	364,496
2007–08	127,618	164,315	141,974	362,233
2008–09	148,495	212,030	147,544	343,902
2009–10	128,379	190,233	126,024	350,943
2010–11	122,520	222,484	151,269	341,464
2011–12	119,845	230,286	140,424	353,137
2012–13	118,330	224,061	108,838	345,281
2013–14	116,206	210,964	126,322	320,369
2014–15	118,710	242,266	96,840	353,119
2015–16	118,730	255,792	66,125	353,477
2016–17	100,079	222,109	63,342	355,252
2017–18	93,365	201,426	83,999	385,475
2018–19	73,481	192,373	48,534	381,953
2019–20 (r)	73,249	158,381	44,616	386,512
2020–21 (r)	80,656	149,345	52,680	385,995
2021–22 (r)	71,562	146,938	39,661	423,842
2022–23 (r)	62,659	130,206	29,524	426,086
2023–24 (r)	67,319	164,037	21,212	448,112
2024–25 (p)	72,021	170,714	27,726	430,068

*Includes infant powder
Source: Dairy manufacturers

Appendix 6 Domestic sales

Table A6 Dairy company domestic sales (tonnes)

Major dairy products (excl drinking milk)	Sales channel	2022–23	2023–24 (p)	2024–25 (p)
Butter	Grocery	42,805	42,022	42,762
	Non-grocery	24,429	21,963	26,289
Butter total		**67,234**	**63,985**	**69,051**
Cheese	Grocery	146,942	150,784	151,635
	Non-grocery	98,557	95,079	101,666
Cheese total		**245,499**	**245,864**	**253,301**
Cream	Grocery	76,350	78,113	76,897
	Non-grocery	52,058	51,660	56,115
	Not Specified	73,369	65,093	64,367
Cream total		**201,777**	**194,866**	**197,380**
Yoghurt	Grocery	138,551	148,458	156,954
	Non-grocery	11,082	11,289	11,217
	Not Specified	2,244	2,112	2,217
Yoghurt total		**151,877**	**161,859**	**170,388**

This data is dairy company wholesale sales to distributors/warehouses/retailers. Grocery refers to major supermarket chains. Non-Grocery refers to other retailers including convenience stores, the foodservice and industrial channels.

Source: Dairy manufacturers

Appendix 7 Supermarket sales

Milk

Table A7 Supermarket milk sales by state ('000 litres)

	NSW	Vic	Qld	SA & NT	WA	Tas	Total
MAT 16 Jul 2023 (r)	447,915	351,892	303,671	127,640	151,310	35,327	1,417,755
MAT 14 Jul 2024 (r)	445,662	344,559	306,701	128,253	154,419	35,484	1,415,078
MAT 13 Jul 2025	459,135	350,554	310,579	127,721	155,317	33,865	1,437,170

Table A8 Supermarket milk sales by type ('000 litres)

	Regular	Reduced Fat	No Fat	UHT	Total
MAT 16 Jul 2023 (r)	822,451	356,542	22,192	216,571	1,417,755
MAT 14 Jul 2024 (r)	825,713	339,933	21,651	227,782	1,415,078
MAT 13 Jul 2025	845,887	339,306	18,914	233,063	1,437,170

Table A9 Supermarket milk sales - flavoured vs unflavoured ('000 litres)

	Flavoured	Unflavoured	Total
MAT 16 Jul 2023 (r)	111,833	1,305,922	1,417,755
MAT 14 Jul 2024 (r)	115,899	1,299,179	1,415,078
MAT 13 Jul 2025	128,733	1,308,437	1,437,170

Table A10 Supermarket milk sales - branded vs private label

	MAT 16 Jul 2023 (r)			MAT 14 Jul 2024 (r)			MAT 13 Jul 2025		
	Volume	Value	Price/Litre	Volume	Value	Price/Litre	Volume	Value	Price/Litre
	'000 litres	'000 dollars		'000 litres	'000 dollars		'000 litres	'000 dollars	
Total branded milk	554,262	1,488,820	$2.69	528,343	1,521,319	$2.88	538,506	1,601,065	$2.97
Total private label milk	863,493	1,399,735	$1.62	886,735	1,437,154	$1.62	898,664	1,428,407	$1.59
Total milk	**1,417,755**	**2,888,555**	**$2.04**	**1,415,078**	**2,958,473**	**$2.09**	**1,437,170**	**3,029,472**	**$2.11**

NielsenIQ Homescan based on a continuous panel of 10,000 households; excludes non-private dwellings & businesses, non-permanently occupied households & out-of-home/impulse purchasing. DAIRY AUSTRALIA calculation based in part on data reported by NielsenIQ through its Homescan Service for the dairy category for the 52-week period ending 13/07/2025, for the total Australian market, according to the NielsenIQ standard product hierarchy.

Dairy spreads

Table A11 Supermarket yellow spreads sales by type

	MAT 16 Jul 2023 (r)			MAT 14 Jul 2024 (r)			MAT 13 Jul 2025		
	Volume	Value	Price/Litre	Volume	Value	Price/Litre	Volume	Value	Price/Litre
	Tonnes	'000 dollars		Tonnes	'000 dollars		Tonnes	'000 dollars	
Butter	27,620	400,748	$14.51	29,206	436,501	$14.95	29,771	463,531	$15.57
Butter blends	31,561	360,292	$11.42	31,957	387,476	$12.13	31,811	384,600	$12.09
Margarine	29,688	235,538	$7.93	29,334	231,807	$7.90	28,006	211,167	$7.54
Total yellow spreads	**88,869**	**996,578**	**$11.21**	**90,497**	**1,055,784**	**$11.67**	**89,589**	**1,059,324**	**$11.82**

Table A12 Retail sales of dairy spreads by pack size

	MAT 16 Jul 2023 (r)			MAT 14 Jul 2024 (r)			MAT 13 Jul 2025		
	Volume	Value	Price/kg	Volume	Value	Price/kg	Volume	Value	Price/kg
	Tonnes	'000 dollars		Tonnes	'000 dollars		Tonnes	'000 dollars	
Butter	**27,620**	**400,748**	**14.51**	**29,206**	**436,501**	**14.95**	**29,771**	**463,531**	**15.57**
250 gram	8,224	131,865	16.04	8,156	135,166	16.57	7,287	125,556	17.23
500 gram	15,575	202,296	12.99	16,685	222,638	13.34	16,531	233,873	14.15
Other sizes	3,821	66,588	17.43	4,366	78,697	18.03	5,952	104,102	17.49
Butter blends	31,561	360,292	11.42	31,957	387,476	12.13	31,811	384,600	12.09
250 gram	786	15,066	19.17	845	16,044	19.00	856	16,368	19.13
500 gram	20,621	241,977	11.73	18,939	236,798	12.50	18,817	232,283	12.34
Other sizes	10,154	103,248	10.17	12,173	134,634	11.06	12,138	135,949	11.20
Total dairy spread sales	**59,181**	**761,040**	**$12.86**	**61,163**	**823,977**	**$13.47**	**61,582**	**848,131**	**$13.77**

Table A13 Retail sales of margarine by pack size

	MAT 16 Jul 2023 (r)			MAT 14 Jul 2024 (r)			MAT 13 Jul 2025		
	Volume	Value	Price/kg	Volume	Value	Price/kg	Volume	Value	Price/kg
	Tonnes	'000 dollars		Tonnes	'000 dollars		Tonnes	'000 dollars	
250 gram	593	7,731	13.04	639	7,905	12.37	767	8,968	11.70
500 gram	16,330	146,356	8.96	15,263	139,674	9.15	13,867	126,007	9.09
Other sizes	12,765	81,451	6.38	13,431	84,229	6.27	13,373	76,193	5.70
Total margarine sales	**29,688**	**235,538**	**$7.93**	**29,334**	**231,807**	**$7.90**	**28,006**	**211,167**	**$7.54**

NielsenIQ Homescan based on a continuous panel of 10,000 households; excludes non-private dwellings & businesses, non-permanently occupied households & out-of-home/impulse purchasing. DAIRY AUSTRALIA calculation based in part on data reported by NielsenIQ through its Homescan Service for the dairy category for the 52-week period ending 13/07/2025, for the total Australian market, according to the NielsenIQ standard product hierarchy.

Appendix 8 Australian exports

Table A14 Australian exports of cheese (tonnes)

	2019–20	2020–21	2021–22	2022–23	2023–24 (r)	2024–25 (p)
Asia						
China, Hong Kong	20,898	25,520	27,747	20,691	24,932	29,108
Indonesia	3,960	2,491	3,298	3,200	3,584	7,285
Japan	76,626	60,446	60,210	53,285	62,832	67,848
Korea, South	8,140	7,926	8,385	7,653	8,213	8,464
Malaysia	9,065	12,889	11,756	6,288	9,190	9,504
Philippines	6,599	7,488	7,717	7,023	6,691	8,733
Singapore	4,933	5,505	5,642	4,274	5,132	4,809
Taiwan	3,200	3,193	3,792	3,041	3,830	4,629
Thailand	5,211	4,075	5,447	5,751	7,448	8,406
Other Asia	3,034	3,573	2,892	2,771	3,883	3,391
Total Asia	**141,666**	**133,106**	**136,886**	**113,977**	**135,734**	**152,177**
Middle East						
Saudi Arabia	1,278	1,451	1,357	1,324	1,146	2,272
U.A.E.	1,254	1,150	1,067	954	1,294	913
Other Middle East	3,974	2,884	2,317	2,775	2,481	1,824
Total Middle East	**6,506**	**5,485**	**4,741**	**5,053**	**4,921**	**5,010**
Africa	**1,649**	**1,733**	**1,918**	**1,778**	**1,689**	**2,280**
Pacific						
New Zealand	3,516	3,491	4,664	2,699	3,297	3,674
Others	1,201	1,328	1,401	1,296	1,303	1,236
Total Pacific	**4,717**	**4,819**	**6,065**	**3,995**	**4,600**	**4,910**
Americas						
Caribbean	0	139	782	62	190	161
United States	1,323	5,551	2,804	1,327	1,126	1,951
Others	1,366	1,877	3,195	1,914	2,053	2,172
Total Americas	**2,689**	**7,567**	**6,781**	**3,303**	**3,369**	**4,284**
Europe	**380**	**698**	**169**	**60**	**127**	**69**
Total	**157,607**	**153,408**	**156,560**	**128,166**	**150,440**	**168,730**

Source: ABS

Table A15 Australian exports of whole milk powder* (tonnes)

	2019–20	2020–21	2021–22	2022–23	2023–24 (r)	2024–25 (p)
Asia						
Bangladesh	716	5,184	1,571	2,086	1,480	1,684
China, Hong Kong	28,976	29,146	24,021	20,816	18,241	25,288
Indonesia	154	365	6,265	4,789	2,536	3,954
Japan	8	9	950	0	1	1
Malaysia	535	2,734	2,175	451	1,036	1,659
Philippines	7	172	48	8	0	0
Singapore	3,511	3,474	3,616	1,655	2,074	2,183
Sri Lanka	1,638	2,047	233	139	346	345
Taiwan	1,398	1,076	1,162	902	575	333
Thailand	5,658	4,891	11,154	4,493	10,668	11,597
Others	1,574	2,931	3,322	2,683	4,668	3,378
Total Asia	**44,175**	**52,029**	**54,517**	**38,022**	**41,626**	**50,422**
Africa	**13**	**172**	**668**	**186**	**404**	**304**
Americas	**491**	**217**	**618**	**1,134**	**1,713**	**1,396**
Europe	**0**	**0**	**0**	**0**	**25**	**0**
Middle East	**846**	**636**	**5,973**	**17,705**	**3,851**	**9,241**
Pacific	**1,032**	**1,125**	**1,095**	**1,019**	**746**	**988**
Total	**46,557**	**54,179**	**62,871**	**58,066**	**48,365**	**62,351**

*Also includes infant powder
Source: ABS

Table A16 Australian exports of butter* (tonnes)

	2019–20	2020–21	2021–22	2022–23	2023–24 (r)	2024–25 (p)
Asia						
China, Hong Kong	2,386	7,009	5,088	1,180	3,097	1,936
Japan	175	177	696	107	156	1,001
Korea, South	574	910	2,892	1,308	1,765	1,767
Malaysia	1,206	1,483	1,227	778	1,020	1,949
Singapore	1,275	1,893	1,908	838	1,227	1,595
Taiwan	868	926	975	436	1,417	1,884
Others	961	1,052	1,077	437	635	1,646
Total Asia	**7,445**	**13,450**	**13,863**	**5,084**	**9,317**	**11,778**
Middle East	**1**	**1,332**	**833**	**5**	**241**	**298**
Africa	**152**	**1,030**	**229**	**218**	**383**	**393**
Pacific	**108**	**236**	**183**	**552**	**167**	**683**
Americas	**320**	**1,230**	**666**	**37**	**1,292**	**993**
Europe	**20**	**200**	**50**	**0**	**0**	**1,467**
Total	**8,046**	**17,478**	**15,824**	**5,896**	**11,400**	**15,612**

*Includes butter blends converted at the rate of 1kg butter blend = 0.7kg butter
Source: ABS

Table A17 Australian exports of skim milk powder (tonnes)

	2019–20	2020–21	2021–22	2022–23	2023–24 (r)	2024–25 (p)
Asia						
China, Hong Kong	32,460	56,817	62,150	64,070	32,924	24,417
Indonesia	24,698	23,508	30,340	22,230	37,604	37,229
Japan	3,019	2,201	793	384	1,702	1,766
Malaysia	2,825	3,158	5,537	2,256	11,098	18,483
Philippines	7,864	3,335	4,227	2,768	2,231	6,890
Singapore	6,068	4,851	7,674	3,165	4,637	5,292
Taiwan	1,950	1,763	986	894	856	766
Thailand	8,550	5,171	7,839	5,916	9,931	11,355
Others	7,142	11,531	13,206	4,198	23,153	30,509
Total Asia	**94,576**	**112,335**	**132,752**	**105,881**	**124,135**	**136,707**
Africa	**25**	**150**	**175**	**160**	**900**	**515**
Americas	**0**	**0**	**6**	**0**	**0**	**0**
Europe	**0**	**5**	**0**	**0**	**0**	**0**
Middle East	**11,140**	**9,944**	**14,147**	**9,731**	**17,735**	**15,685**
Pacific	**1,901**	**478**	**1,850**	**1,299**	**29**	**5,219**
Total	**107,642**	**122,912**	**148,931**	**117,071**	**142,799**	**158,126**

Source: ABS

Table A18 Australian exports of AMF (tonnes)

	2019–20	2020–21	2021–22	2022–23	2023–24	2024–25 (p)
Asia						
Bangladesh	0	42	21	0	0	0
Indonesia	0	0	48	6	3	94
Malaysia	167	460	313	772	543	559
Philippines	230	1,338	83	563	148	367
Singapore	0	167	126	83	64	83
Others	2,817	3,111	3,077	2,782	2,245	1,986
Total Asia	**3,214**	**5,118**	**3,669**	**4,207**	**3,003**	**3,090**
Middle East	**23**	**0**	**1,169**	**0**	**38**	**250**
Africa	**0**	**370**	**313**	**1**	**0**	**0**
Americas	**326**	**897**	**1,177**	**277**	**422**	**1,715**
Europe	**245**	**750**	**298**	**177**	**118**	**102**
Pacific	**1**	**66**	**98**	**170**	**298**	**405**
Total	**3,809**	**7,201**	**6,723**	**4,832**	**3,879**	**5,563**

Actual product weight (not CBE)
Source: ABS

Table A19 Australian exports of liquid milk ('000 litres)

	2019–20	2020–21	2021–22	2022–23	2023–24 (r)	2024–25 (p)
Asia						
Singapore	48,420	46,808	51,408	43,342	38,872	35,582
Philippines	16,637	19,871	24,558	22,693	25,451	16,462
Malaysia	26,995	23,428	20,881	13,762	9,737	13,806
Indonesia	152	295	311	170	374	545
Hong Kong	14,955	15,034	13,641	10,928	9,093	7,565
China	90,301	126,087	129,657	110,194	64,981	50,635
Other Asia	27,328	28,148	29,197	22,311	20,531	25,832
Total Asia	**224,788**	**259,671**	**269,653**	**223,399**	**169,039**	**150,425**
Africa	**425**	**95**	**344**	**492**	**474**	**617**
Pacific	**18,795**	**14,581**	**14,342**	**13,453**	**11,810**	**13,143**
Others	**99**	**298**	**145**	**178**	**218**	**562**
Total	**244,107**	**274,645**	**284,484**	**237,522**	**181,541**	**164,747**

Source: ABS

Table A20 Australian exports of whey products* (tonnes)

	2019–20	2020–21	2021–22	2022–23	2023–24	2024–25 (p)
Asia	30,755	33,177	33,747	28,697	39,139	23,218
Europe	198	173	135	75	40	46
Other	3,294	2,329	1,618	1,789	1,911	1,927
Total	**34,247**	**35,679**	**35,500**	**30,561**	**41,090**	**25,191**

*Includes whey protein concentrates
Source: ABS

Table A21 Australian exports of live dairy heifers (cows) by market

	2019–20	2020–21	2021–22	2022–23	2023–24	2024–25 (p)
Asia						
China	77,210	86,228	93,216	100,207	52,719	15,813
Indonesia	1,746	338	2,193	1,590	1,586	5,161
Japan	1,657	350	0	0	0	0
Malaysia	2,403	3,267	2,836	3,859	1,638	2,985
Pakistan	4,860	0	0	1,388	1,232	5,471
Taiwan	434	0	0	0	0	11
Vietnam	0	0	4	0	0	0
Other Asia	3,136	200	215	3,363	904	240
Total Asia	**91,446**	**90,383**	**98,464**	**110,407**	**58,079**	**29,681**
Middle East	2,837	0	0	0	0	1,898
Others		340				12,688
Total	**94,283**	**90,723**	**98,464**	**110,407**	**58,079**	**44,267**

Source: ABS

Table A22 Australian exports of live dairy heifers (cows) by state

	NSW	Vic	Qld	SA	WA	Tas	Aust
2010–11	219	61,817	978		12,081	103	**75,198**
2011–12	806	57,926	304	3,130	2,656	454	**65,276**
2012–13	305	69,359	620	2,282	12,188	2,668	**87,422**
2013–14		89,640	1,171	4	1,525		**92,340**
2014–15	910	64,638	122		7,535		**73,205**
2015–16	242	69,486		230	1,949		**71,907**
2016–17	647	70,395	240		1,769		**73,051**
2017–18	1,612	43,258	345	48	1,616		**46,879**
2018–19	719	90,869	459	24	276		**92,347**
2019–20		86,007	2,660		5,616		**94,283**
2020–21	92	89,612	340		679		**90,723**
2021–22	4	91,679	3,813		2,968		**98,464**
2022–23		107,494		1,600	1,313		**110,407**
2023–24	1,205	55,116		8	1,750		**58,079**
2024–25	1,567	42,596		104			**44,267**

Source: ABS

Appendix 9 Australian imports

Both locally made and international dairy products are utilised and consumed in Australia. Overseas dairy products have always had a presence within the Australian market, however, the nature and scale of imports have changed over time. While imports now service a higher portion of domestic dairy demand, they allow the Australian dairy industry to adapt to changing market conditions by putting milk components to best use and export a significant share of its milk production.

The diversity of the Australian dairy manufacturing and lack of significant category level gaps in local production has meant that imported dairy products have served a host of purposes over time. Mainly utilised in the food service and ingredient sectors, imported dairy has traditionally been purchased for provenance marketing or to cut costs in low margin applications such as fast food. In recent years, the price difference between Australian and other origin product has encouraged dairy imports, especially during periods of high inflation. The presence of overseas dairy products on the supermarket shelves has also risen as consumers look for low-cost dairy products.

Before the 2000s, cheese accounted for over half of all imported dairy (by volume). These days, the volume is much higher, but the category now represents closer to 30% of imported dairy, with butter, WMP, ice cream and mixtures also prominent categories. Australia is no longer a significant producer of casein, and as such, the vast majority of requirements are imported.

Table A23 Total Australian imports (tonnes)

	2019–20	2020–21	2021–22	2022–23	2023–24	2024–25 (p)
New Zealand	176,394	139,254	133,611	172,335	160,416	148,979
Europe	70,952	77,131	74,292	76,018	70,175	78,607
United States	48,461	44,843	47,594	55,490	41,579	43,825
Other	13,553	14,284	14,021	15,310	17,176	21,320
Total imports	**309,360**	**275,511**	**269,518**	**319,153**	**289,346**	**292,731**

Includes butter blends converted at the rate of 1kg butter blend = 0.7kg butter
Source: ABS (excludes goats cheese: tariff code 0406901040)

Table A24 Australian imports of dairy products (tonnes)

	2019–20	2020–21	2021–22	2022–23	2023–24	2024–25 (p)
Skim milk powder	16,291	14,598	13,003	14,537	13,661	10,862
Buttermilk powder	2,260	2,096	3,760	4,546	1,708	2,436
Wholemilk powder*	85,096	57,932	57,905	64,060	55,472	50,429
Whey powder & concentrates	15,292	12,469	9,618	9,410	7,668	11,767
Condensed milk	4,607	10,101	14,227	15,119	16,036	17,674
Milk	2,485	1,569	1,795	2,644	3,510	2,053
Cream	2,948	3,525	3,013	4,502	5,192	5,831
Yoghurt	1,772	1,336	1,130	1,422	1,440	1,642
Butter**	34,249	31,267	27,101	41,383	31,596	29,426
Butter oil	8,013	5,764	7,526	9,426	9,094	10,953
Cheese***	95,918	94,624	92,554	104,466	99,040	103,992
Casein	576	787	1,007	1,695	2,047	1,771
Caseinates	1,418	1,707	1,614	991	718	722
Lactose	15,900	13,788	13,123	11,160	7,964	7,710
Ice cream ('000 lts)	22,535	23,948	22,142	33,792	34,200	35,465
Total Imports	**309,360**	**275,511**	**269,518**	**319,153**	**289,346**	**292,731**

**Includes infant powder*
***Includes butter blends converted at the rate of 1kg butter blend = 0.7kg butter*
****Excludes goats cheese (Tariff code: 0406901040)*
Source: ABS

Table A25 Australian cheese imports by country (tonnes)

	2019–20	2020–21	2021–22	2022–23	2023–24	2024–25 (p)
Austria	540	537	482	631	448	511
Bulgaria	964	970	768	922	941	802
Denmark	1,955	2,464	2,183	2,359	2,433	2,299
France	1,845	1,856	2,333	3,256	2,533	2,522
Germany	2,715	2,703	2,567	2,394	2,249	1,702
Greece	2,147	2,544	2,236	1,836	1,508	1,726
Italy	5,107	5,318	5,451	6,046	6,000	6,872
Netherlands	3,096	3,704	3,662	3,041	3,112	3,643
Poland	1,128	1,122	892	116	60	111
Other	3,982	3,767	4,365	4,289	4,560	5,486
Total EU	**23,479**	**24,985**	**24,939**	**24,890**	**23,844**	**25,674**
New Zealand	**44,131**	**42,110**	**35,941**	**43,120**	**47,064**	**46,165**
United States	**25,330**	**24,713**	**28,978**	**34,121**	**25,696**	**29,498**
Norway	**1,085**	**588**	**253**	**20**	**4**	**5**
Switzerland	**207**	**248**	**323**	**379**	**324**	**384**
United Kingdom	**1,281**	**1,706**	**1,867**	**1,805**	**1,987**	**2,110**
Other	**406**	**274**	**254**	**131**	**121**	**157**
Total cheese imports	**95,918**	**94,624**	**92,554**	**104,466**	**99,040**	**103,992**

Includes butter blends converted at the rate of 1kg butter blend = 0.7kg butter
Excludes goat cheese (Tariff code 0406901040)
Source: ABS

Acronyms

ABARES	Australian Bureau of Agricultural and Resource Economics and Sciences
ABS	Australian Bureau of Statistics
ACT	Australian Capital Territory
ADC	Australian Dairy Corporation
ADF	Australian Dairy Farmers Ltd
ADHIS	Australian Dairy Herd Improvement Service
ADIC	Australian Dairy Industry Council Inc.
ADPF	Australian Dairy Products Federation Inc.
A$	Australian Dollar
AEST	Australian Eastern Standard Time
AHA	Animal Health Australia
AMF	Anhydrous milk fat
Aust	Australia
BMP	Buttermilk powder
CAGR	Compound annual growth rate
CBE	Commercial butter equivalent, a unit of conversion of AMF to butter (1kg butter = 0.805kg AMF)
CER	The Closer Economic Relations Agreement between NZ and Australia
DA	Dairy Australia
DFMP	Dairy Farm Monitor Project
(e)	Estimated data
EU	European Union
LGA	Local Government Area
ML	Million litres
MS	Milk solid
na	Not available
NSW	New South Wales
NT	Northern Territory
NZ	New Zealand
(p)	Provisional data
pp	percentage points
QDAS	Queensland Dairy Accounting Scheme
Qld	Queensland
(r)	Revised data
R&D	Research and Development
SA	South Australia
SE	South-east
SMP	Skim milk powder
SNF	Solids non fat
Tas	Tasmania
U.A.E	United Arib Emirates
UHT	Milk subjected to ultra-high temperature treatment to extend shelf life
UK	United Kingdom
US$	United States Dollar
Vic	Victoria
WA	Western Australia
WMP	Whole milk powder
WPC	Whey protein concentrate

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