Inside Dairy

MAY-JULY 2025

By DairyNZ

More than just a job

Building a resilient future

Features:

Over the fence...

As this season nears its end, we reflect on varied weather patterns, from significant spring rainfall in the south, to recent dry summer conditions in several regions. Despite these fluctuations, the season has generally been a solid one.

However, rewinding to June last year, we weren't anticipating such a strong season with a $10 payout. This highlights how quickly things can shift throughout a season, with many of the costs and returns in dairy farming influenced by unpredictable international factors.

That's why this edition of Inside Dairy is focused on business resilience.

Our cover story features Sam and Jenna Hodsell, who constantly refine their farm system by experimenting with new ideas and discarding what doesn't work. By prioritising resilience, they're making sure that farming remains not only rewarding today but sustainable well into the future as well.

Additionally, we highlight several science-backed resources available. With strength in numbers, we often create these tools with farmers and stakeholders, including the work on page 20, which aims to identify suitable pasture species and management practices that enhance pasture resilience. This work will help improve the ability of pastures to recover from and be resilient to climate change and extreme weather events.

I'm proud of key research like this from the DairyNZ team. While there's no instant gratification from these long-term projects, the solutions will be comprehensive and enduring. We remain committed to identifying areas where progress is needed, to ensure dairy farmers have options to keep their farms strong now, and resilient for the many years ahead.

Lastly, I'd like to thank everyone who attended a levy roadshow event or provided feedback during the recent milksolids levy consultation. Your input is valued and helps shape the future of our sector.

As always, your feedback is welcome at **Campbell.Parker@ceo.dairynz.co.nz**

Ngā mihi,

Campbell Parker
DairyNZ chief executive

Contents

On the cover:
Southland farmers Sam and Jenna Hodsell and their son Charlie, read their story on page 6.

Connect with DairyNZ

dairynz
company/dairynz
Sign up to DairyNZ News at dairynz.co.nz/subscriptions
Talking Dairy Podcast: Tune in at dairynz.co.nz/podcast

We appreciate your feedback

Email us at insidedairy@dairynz.co.nz, scan the QR code or visit bit.ly/inside-dairy-survey

Inside Dairy is the official publication of DairyNZ Ltd. It is circulated to New Zealand rural dairy letterboxes and online at dairynz.co.nz

Contact DairyNZ | info@dairynz.co.nz

ISSN 1179-4909

This publication was accurate at the time of printing on 28 April 2025.

Access DairyNZ regional support

DairyNZ's regional teams have local area managers throughout the country and are here to support you in finding farm systems solutions for a thriving and sustainable farm business.

Scan the QR code to find contact details for your regional team or visit **dairynz.co.nz/regional-teams**

Do you want to take your business to the next level? Mark and Measure is crafted specifically for farmers, and features customised content to meet your needs.

Designed by DairyNZ and delivered by specialists, the Mark and Measure course is relevant to any stage of the business journey. It suits farm owners, contract milkers and herd-owning or variable-order sharemilkers.

The course provides interactive presentations, expert analysis, networking and post-course support. The DairyNZ levy subsidises costs, and there is potential for financial support.

This year's only course is in Queenstown on June 10-12, with limited spaces. Find out more and register at **dairynz.co.nz/mark-and-measure**

Managing GHG emissions

Understanding your farm's emissions profile is key when considering where and how you can make changes to manage and reduce your emissions.

Changing the farm system is complex, so considering the entire farm system when making adjustments can lead to better and more sustainable results. As well as emissions efficiency, this includes profitability, production and environmental outcomes. Assessing the whole farm system helps you reach your emissions goals while balancing trade-offs and avoiding unintended consequences.

See our website for practical options to consider for your farming system: **dairynz/managing-ghg**

Be ready to have your say on the TB Plan review

A 10-year review of the TB Plan is underway, and farmers will have the chance to share their views later this year. DairyNZ, alongside other OSPRI shareholders, is overseeing an independent review to assess the future of TB control and eradication in New Zealand.

TB comes at a high cost to affected farmers, and while progress has been made, there's more to do. Keep an eye out for consultation details - your voice will be important in shaping what comes next.

New Workplace 360 tool

Workplace 360 is a self-assessment tool that helps you build a productive and positive workplace. An updated version will be launched on June 1, focusing on continued improvement and more choice in the areas you want to review.

Completing Workplace 360 once a year is still a requirement for Fonterra's Co-operative Difference programme, but you won't need a 100% pass rate – completing the assessment is the only requirement.

dairynz.co.nz/workplace360

Precision Dairy Farming Conference

DairyNZ is hosting the Fourth International Precision Dairy Farming Conference in Christchurch, from 3-5 December 2025.

4th International Precision Dairy Farming Conference
3-5 Dec 2025 I Christchurch

This event, which strongly focuses on research, innovation, adoption, and real-world applications, brings together researchers, farmers, advisors, and technology developers from around the globe to explore advancements in automation, sensors, robotics, digital technologies, and data-driven insights that are shaping the future of dairy farming.

The program includes field trips, research presentations, case studies and trade exhibitions.

For more details, visit **precisiondairyfarmingconference.nz**

Fieldays

We're excited to connect with dairy farmers at Fieldays®, 12-15 June, Mystery Creek, Hamilton. Visit the DairyNZ team at site PC44 in the Pavilion to chat with farmers, sector partners and experts about resilient pastures, healthy waterways and reducing greenhouse gas emissions. See the latest science and research in action and discover the value it can bring to your farm.

Plus, pop around the corner to site PB49 to meet the Dairy Training team and learn about their free, NZQA-accredited practical training options to upskill and grow your dairy farming business.

For more information, visit **fieldays.co.nz**

DairyNZ Farmers Forum —25

Dairy's Future. The here and how.

Do you enjoy future-focused, boundary-pushing discussions about the dairy sector? Are you keen to gain high-level insights into the global trends affecting New Zealand's dairy sector? We're uniting inspiring thought leaders with expertise in global trade, dairy exports, economic developments, and innovative practices alongside a network of dynamic dairy farmers, rural professionals, and sector leaders.

Join us as we chart our course and shape our future through innovation, integration, and collaboration.

Waikato - Tuesday 27 May
Canterbury - Tuesday 17 June
Southland - Wednesday 2 July

Find out more and register at **dairynz.co.nz/farmers-forum**

DairyNZ

Milksolids levy adjustment

Effective from 1 June 2025

New milksolids levy rate

3.6c → 4.5c

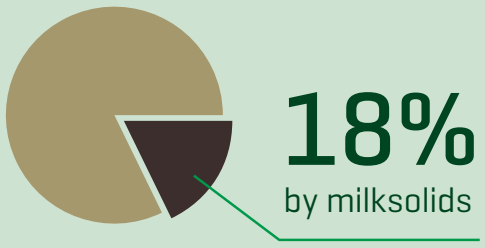
Since 2009

2025/2026
*aim to hold at no more than 4.5c for min 3 years

Following a comprehensive consultation, the DairyNZ Board based its decision on formal feedback from levy payers, the financial sustainability of DairyNZ, and the resilience of our sector. The new rate allows DairyNZ to continue supporting farmers in those vital areas that only industry-good can, including to lift profitability and sustainability through science and research, evidence-based policy advocacy, and independent extension behind the farm-gate.

Feedback received

1588 farmers



12 consultation events

Participation is in line with the annual Board of Directors election turnout.

Consultation options

By turnout -1588 farmers, 18% milksolids

Maintain activities (4.4-4.6 c/kgMS)

64%

(63% by milksolids)

Accelerate activities (4.7-5 c/kgMS)

14%

(20% by milksolids)

No preference

22%

(17% by milksolids)

Striking the balance

Some farmers endorsed our work and want us to do more, especially across science and research.

Others want a stronger commercial focus to keep costs down, or the levy rate unchanged.

Why now
Levy income: stable past decade.

Govt funding dropped **$10m** p.a. in past decade.

Cost inflation - DairyNZ cuts costs by **$5.5m** in past year.

DairyNZ cash reserves low.

Levy rate review.

4.5c/kgMS
first change in 16 years.

Farmer Feedback → Changes Coming

Six key themes arose during the consultation:

- The need for greater engagement, communication and extension services.
- A clearer picture on where the levy is invested and return on investment.
- Further efficiencies and commercial rigour across DairyNZ.
- More farmer engagement in shaping research and science priorities.
- Higher degree of science translated into practical on-farm solutions.
- More coordination and partnerships to avoid sector duplication.

This feedback will influence DairyNZ's work across:

- Farmer engagement
- Transparency around levy investment and ROI
- Research and science programme

Uniting for a better environment

The Dairy Environment Leaders forum brought its concerns – and positive energy – to Wellington.

The 2025 Dairy Environment Leaders forum fostered collaboration between farmers, policymakers, and sector experts, all working towards a more sustainable future for New Zealand dairy.

Themed "Kotahitanga" (meaning unity, togetherness, solidarity and collective action), the 2025 Dairy Environment Leaders (DEL) forum was a buzz of positive energy. It was held in Wellington in early March, when farming leaders, policymakers, politicians and other sector stakeholders came together.

The chair of DEL, Amber Carpenter, opened the two-day forum by saying, "I just want to thank DairyNZ for your belief and support of our farmer-led initiative and, as I've said before, the ripple effect that goes across our farms and our community is massive."

The event featured a series of presentations and panel discussions focused on sustainable farming practices, environmental stewardship and innovative solutions to the challenges faced by the sector. Attendees heard from experts in the field, shared their own success stories, and collaborated to enhance the environmental performance of dairy farming in New Zealand.

"We know that New Zealand has one of the most sustainable dairy sectors in the world, but that is not a reason to be complacent. We must continue to do better," Tracy Brown, DairyNZ Board chair, said in her opening remarks.

Farmers shared insights and examples of the valuable work happening within catchment groups across the country.

> ***Our farmers are at the forefront of environmental stewardship.***

Observers commented on the genuine willingness within the government to work together, to develop enduring policies and minimise the challenges that arise from frequent change.

This was highlighted during the cross-party panel, which featured politicians from several parties. Scott Willis from the Green Party captured it: "Where we see commonalities and support across the House, we've got to take them and make them real."

National's Hon. Nicola Grigg echoed this sentiment, "I think the funny thing about politics that the public doesn't see often is that we actually agree on many things. We agree on the what, but we don't agree on the how.

"We agree we need clean water and to protect our environment, but it's how we get there."

On the afternoon of day one, attendees visited Parliament, splitting into groups hosted by various politicians. They came together in the evening for a stakeholder function in the Beehive.

"As sector leaders, it's valuable for DEL farmers to have opportunities to engage with politicians and policymakers," said event organiser Adam Duker, DairyNZ senior environment specialist.

"We value the accessibility of politicians and government, and there is recognition of the importance of sector engagement."

On day two, Fraser McGougan, who farms near Whakatāne in the Bay of Plenty, shared his experiences of navigating the challenge of where farming fits with the environment. He classified himself as a "fast follower, not an early adopter" and stressed the importance of using networks to find out what other people are doing, and researching what does and doesn't work in your own system.

He also reminded the room of New Zealand's place in the world.

"We've got to remember we're a tiny nation on the other side of the world, and we can't influence the global direction. We're an export nation, and we have to rely on what our customers want."

Canterbury farmer Charles Whitehead, a longtime DEL member who is stepping down from his national committee role, summarised the event during the wrap-up. He encouraged farmers to talk to people, especially Members of Parliament.

"They're humans just like you and want to know what you're up to. Invite them to your farm. Even if they don't come, you would've made the connection, and next time you're unhappy, reach out, letting them know you don't agree and would like to sit down for a cup of tea to discuss."

His key advice was to understand the numbers: "Look at your operation, know your emissions and nitrate leaching values, and what they're doing to the environment."

Carpenter concluded the forum by sharing plans for DEL's future, including a website and increasing brand awareness – starting with Fieldays. She encouraged attendees to promote the programme with other farmers in their networks and continue the hard work they do on their own farms for their environment.

"Our farmers are at the forefront of environmental stewardship, and this forum is a testament to their dedication and leadership. By coming together, we can share our experiences, learn from each other and continue to innovate for a more sustainable future."

Farmers and sector leaders gathered in Wellington to share insights, build connections, and drive meaningful change for the environment and the dairy sector.

Farmers lead the way to a sustainable future

The Dairy Environment Leaders (DEL) programme is a farmer-led initiative operating nationally and in regional communities. New members are welcome regardless of where you are on your environmental journey. Find out more at **dairynz.co.nz/del**

Happy staff, healthy cows and a profitable farm – the key ingredients in the Hodsells' approach to sustainable dairying.

More than just a job

Sharemilkers Sam and Jenna Hodsell are in it for the long haul, and that means building resilient and effective farm systems.

Farming isn't just a job for Southlanders Sam and Jenna Hodsell. It's a way of life they want to enjoy for the long haul – and building a resilient business means creating a system that fuels their passion rather than feeling like just another day at work.

As 50:50 sharemilkers, they know that a thriving farm is about more than just production numbers. It's about happy staff, well-cared-for animals, and a profitable business for both them and Sam's parents, Craig and Gaewyn Hodsell, who own the farm. By focusing on resilience, they're ensuring farming stays rewarding – not just for today, but for the future.

"It's doing what you enjoy, doing the basics well, and looking after your people so you have a good team around you," Jenna says.

The farm is fully self-contained. The Hodsells winter-graze their cattle on a support block near the farm, and they use swedes, kale and fodder beet for winter feed.

It's a pasture-based system. The 600-cow herd is run as two separate herds, with the older cows calving on August 5 and the heifers 10 days earlier, running through late October.

The Hodsells say their low stocking rate of about 2.5 cows per hectare helps their farm system remain resilient in the face of climate and milk price fluctuations. They can maximise the pasture harvested by balancing demand and supply across the entire system, enabling the cows to fully utilise it and consistently achieve grazing targets.

They monitor the pasture with a plate meter at key times and through pasture walks, recording the data in their grazing book, which is then used to create a grazing plan displayed on a wall planner.

By doing regular farm walks they have the information required to make changes to round lengths during crucial periods of higher or lower pasture growth.

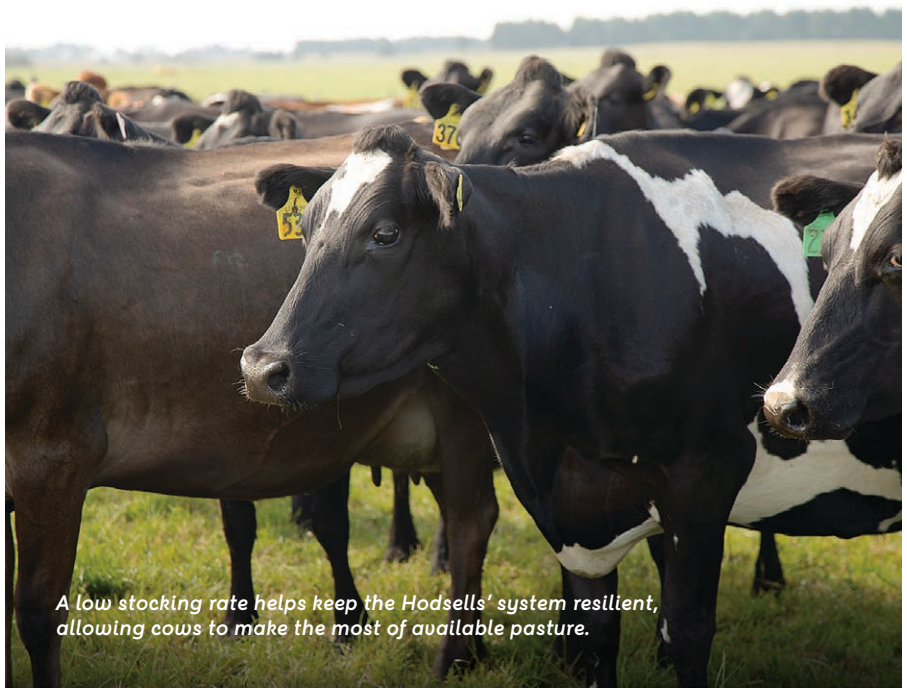
With a lower stocking rate, maximising milk production per cow becomes a priority. By observing grazing residuals and animal behaviour, they ensure cow intakes are maximised during peak growth periods by remaining flexible with grazing rotation lengths.

"When there is surplus grass, we're trying to get the cows to harvest that as much as possible," Sam says, "and we usually make 250 bales of baleage through spring."

There are three key strategies they follow throughout the season.

"Until October, we follow the DairyNZ spring rotation planner, and once we're in surplus, we're feeding the cows to appetite as much as we can, so if they're hungry, they'll get shifted on."

Once summer takes hold, they shift to a more formal rotation length, and the diet is topped up with palm kernel extract (PKE) on the exit lane, or silage as required.



A low stocking rate helps keep the Hodsells' system resilient, allowing cows to make the most of available pasture.

"They're on 24-hour grazing, so when we get them in the morning, we can see whether they are going to need any food during the day, and that allows us to make sure they are fully fed at night."

To benchmark their performance, the Hodsells use data from a local accountancy firm and DairyBase. This helps them track their spending and see where they stand before looking at anything new.

They regularly discuss ideas with Sam's parents, who support them in trying new approaches.

"Our mentality is to try new things on the farm each year, to see whether it works, and we carry on with it if it does or drop it if it doesn't," Jenna explains.

> ***A low stocking rate helps their farm system remain resilient in the face of climate and milk price fluctuations.***

For example, this season, they tried more sexed semen in their artificial breeding programme. In previous years, they experimented with once-a-day (OAD) milking, which led to milking all cows OAD for 10 days post-calving – a change that has positively impacted their reproductive performance.

The Hodsells have a passion for genetics and breeding, and after six seasons of focus, their herd sits

Farm facts:

Location: Taramoa, Southland
Structure: 50:50 Sharemilkers
Effective area: 242ha
Total Area: 296ha
Herd size: 600 cows
System: 2-3
Production: 1,300kgMS/ha
Operating expenses: $3.42/kgMS*
Operating profit: $2,022/ha*
GHG emissions: 9.2kgCO_2e/kgMS
(*for the 2023/24 season)

in the top 5% in New Zealand, with a breeding worth of $352 and a production worth of $395. Sam does the artificial insemination himself, and fertility, confirmation and production are the key traits they breed for.

Sam says he gets a lot of satisfaction from seeing the resulting progeny grow into the herd after selecting the bulls.

Another tactic they tried was shifting their two full-time team members from a salary to an hourly rate four years ago.

This change had the biggest impact on engagement, fostering a sense of ownership and boosting staff morale. Not long after, they also brought on another employee, further strengthening the team.

"It's allowed for more flexibility in the system both for the cows and the people involved," Jenna says.

"It's been welcomed by the staff," Sam adds.

"It allows us to treat them more individually and allows the team to work at a level of freedom that they want to.

"It's also taken the pressure off, having an extra person, and I think it's one of the key reasons why we do more milksolids than we used to."

A passion for farming, smart decision making and a long-term mindset are shaping the Hodsells' future in the sector.

Having more people on the farm has freed up Sam's time, allowing for greater attention to detail and the ability to make improved management decisions.

"We're not trying to do anything amazing. We're focusing on doing the basics, really," Sam explains.

When they first started, output was around 290,000 kilograms of milksolids (kgMS), and over the past five years it has steadily increased to a peak of 321,000kgMS.

Last season it dropped to 314,000kgMS after a tough autumn, and this season it is expected to be down again after the tough, wet spring across the region.

Sam says they tried everything they could to get through that period.

"It was pretty challenging.

"Our key decision on the farm was to try to minimise pasture damage because that has the longest-term effect on our season, so our decisions were based on that."

They were feeding PKE and dried distillers grain on the farm's exit lane as they tried to keep their cows fed to maintain body condition.

"At that moment, the financial costs of it didn't matter," he says.

"It was about surviving and looking after the farm and cows. We just had to buy the feed.

"It was the start of the season, and if we didn't look after our animals as well as we could, it would have impacted the rest of the season."

Their low stocking rate and cost-effective system mean they don't chase production with the current high payout.

> ***"We farm to the good years and the bad years, and we don't change a lot just because it is a good year.***

"We farm to the good years and the bad years, and we don't change a lot just because it is a good year," Jenna says.

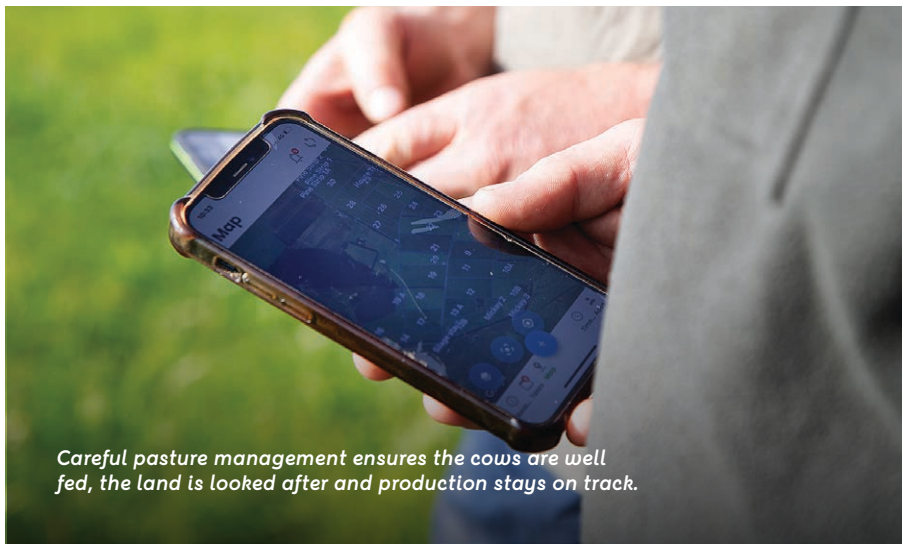
Their long-term goal is to own a support block or a high-country farm. To get there, they're steadily building equity through livestock trading, raising extra heifers, and keeping farm costs low while maximising income and production.

But they are happy accumulating their equity and enjoying their farming lifestyle.

View the Hodsell's farm

Scan to take a quick peek at Sam and Jenna Hodsell's farm.

bit.ly/hodsell-farm



Careful pasture management ensures the cows are well fed, the land is looked after and production stays on track.

Staff engagement is a priority in the Hodsells' business. Switching to hourly wages has boosted morale and given the team more flexibility.

A practical approach to freshwater policy

Farmers need certainty about the rules they must follow and the clear, measurable outcomes they should be aiming for.

David Cooper
DairyNZ principal policy adviser

A wetland in a boggy paddock at AB Lime's dairy farm in Winton is delivering both environmental and recreational benefits.

DairyNZ is looking for a revised National Policy Statement on Freshwater (NPS-FM) that will bring much-needed clarity and simplicity to freshwater regulations. Farmers need certainty about the rules they're working within, and the current system is too complex and challenging to navigate.

We want to see a shift away from simply setting numerical limits to an approach focused on identifying specific ecosystem and human health outcomes. We want real, measurable improvements combined with pragmatic and efficient solutions.

It's not just about setting limits. It's about identifying the outcomes communities and tangata whenua want to achieve and ensuring those goals translate into meaningful, on-the-ground actions. A well-structured framework would help farmers take the right steps at the farm and catchment level, turning values and limits into practical action plans.

> ***Focus on what you can control – your farm plan, good management practices, and involvement in catchment groups.***

That means regulations should take an outcomes-based approach, combining clear rules with non-regulatory actions and including an important role for freshwater farm plans. When farmers plan their next steps, they need the correct information to assess risks at the farm and catchment levels and to implement effective solutions.

Even with pending changes, freshwater farm plans remain critical. We expect they will continue to play a key role, and there needs to be a clear transition from existing sector plans. We also anticipate a more significant role for catchment groups, which are already making a difference by working together on local solutions to improve freshwater outcomes.

Our advice to farmers remains the same: focus on what you can control – your farm plan, good management practices, and involvement in a local catchment group.

Another key question is how environmental limits will change. Officials have signalled that changes are coming. Regarding water quality, the current requirement to maintain or improve areas where it has degraded should remain central. Straying from that would be risky.

The NPS-FM is just one part of broader legislative reform, including ongoing Resource Management Act (RMA) changes. The second phase of RMA reform is underway, including the Resource Management (Freshwater and Other Matters) Amendment Act, which came into force in late 2024. This Act prevents councils from notifying freshwater plans until the revised NPS-FM is in place or until the end of 2025, whichever comes first, to ensure regional and national policy alignment.

A key part of this phase is the Resource Management (Consenting and Other System Changes) Amendment Bill, which closed for submissions in February. This Bill includes provisions to better recognise industry-led farm plans and certification processes, a positive signal that government ministers want to integrate existing farm plans more closely into freshwater regulations.

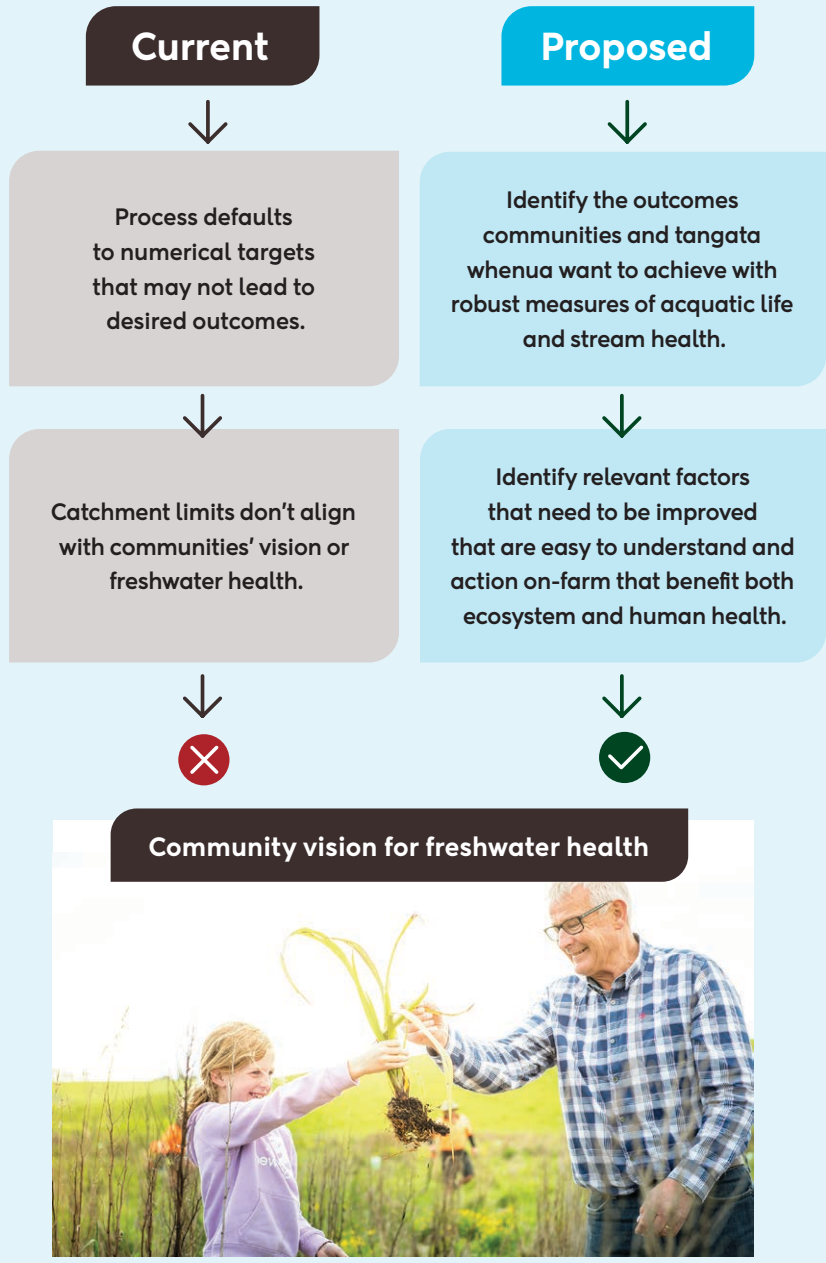
The third phase of RMA reform has also begun with the release of an Expert Advisory Group report and a response by Cabinet. It remains to be seen where national policy directions, such as the NPS-FM, and the roles of regional councils fit within this broader resource management overhaul.

Under the current legislation, regional councils already have the power to go beyond national rules, as we've seen with Waikato Regional Council's Plan Change 1. How future reforms will affect these powers – through changes to the RMA or the Local Government Act – is still unknown.

In the meantime, our focus remains on advocating for fair, enduring regulations that give farmers the certainty they need. DairyNZ is committed to ensuring that farmers have a strong voice in this process and that the final policy is practical and effective for improving freshwater outcomes.

Find the latest information on our website at **dairynz.co.nz/freshwater-policy**

A freshwater policy approach focused on community vision



Proposed changes to the Freshwater National Objectives Framework.

Grounded in science, built to last

DairyNZ works to ensure that policies that impact dairy farming are practical, workable and enduring.

David Burger
DairyNZ general manager farm solutions and policy

Policy changes can be challenging for farmers, making it difficult for them to plan with confidence. Change on farms takes time, so clear direction is essential to ensure today's efforts align with future expectations. Unfortunately, uncertainty remains.

Farm plan legislation, which has been under discussion for over five years but still hasn't been implemented, is one example. And even when laws are passed, it takes time for regional councils to translate national policies into regionally relevant rules.

> ***We want policy frameworks to endure no matter who is in government.***

At DairyNZ, we're focused on ensuring policies are evidence-based, practical and enduring. We advocate for solutions that achieve the right outcomes while providing farmers with the tools and flexibility to make them happen.

We want policy frameworks to endure no matter who is in government, and we recognise the importance of working across all parties.

Collaboration is key, and we've been working closely with Beef + Lamb New Zealand and Federated Farmers to ensure a strong, united voice on the big issues across the pastoral sector.

While we may not always agree on every detail, we know alignment makes a real difference in shaping policies that work for farmers.

We bring science, research and a whole-farm system approach to policy discussions, ensuring a strong evidence base to inform policy direction, and a clear understanding of its implications.

On freshwater, for example, our economic analysis has helped highlight what different proposals could mean for individual farmers and the sector as a whole.

Change takes time, but DairyNZ's advocacy has been instrumental in the progress over the past five years. Wins like the split-gas approach for methane, shifting away from strict pugging rules to manage wintering, progress towards risk-based environmental farm plans, keeping dairy out of the Emissions Trading Scheme, and a more pragmatic approach to freshwater nitrogen limits, show that persistence pays off.

Policy is a key focus of levy investment, and this is a great example of the collective strength it brings – helping achieve what would be difficult for individual farmers to do alone.

We know how important it is to be in the room, working on solutions rather than pushing back from the sidelines. Groups like the Dairy Environment Leaders programme help ensure farmers' voices are at the heart of these conversations.

Keep an eye out for consultation opportunities, and visit our website for the latest updates.

David Burger believes clear, practical policies are key to giving farmers confidence for the future.

Advocating for dairy's future

DairyNZ's policy and advocacy work is driven by our purpose – to progress a positive future for dairy farming.

We want to understand the issues that matter most to dairy farmers, and we use that understanding, alongside our credible science, to advocate for better outcomes for dairy farmers and the sector.

TB plan review

The TB programme is currently undergoing a 10-year review of its plan. DairyNZ and other stakeholders are considering options for its future direction.

Farmer consultation is anticipated in 2025, and a new plan will be implemented in 2026.

Improving freshwater policy

The Government is considering changes to the National Policy Statement for Freshwater Management. Any proposed reforms will likely undergo consultation.

DairyNZ continues to engage with ministers, officials, and industry partners to ensure that farmers' voices are heard as freshwater policies evolve.

Ag and Hort products review

The Agricultural and Horticultural Products Regulatory Review examined the approval process for the ACVM* and HSNO** Acts. DairyNZ emphasised restricted access to biosecurity and animal health tools and research into greenhouse gas reduction.

The Cabinet accepted all 16 recommendations to reduce red tape, aiming to improve product access and boost productivity.

Gene technology reform

The Gene Technology Bill is before the Health Select Committee. DairyNZ has presented to the committee in support of our submission on the Bill, which agrees with the overall intent of the reform but has some areas of concern. Read the DairyNZ submission at **dairynz.co.nz/gene-tech**

Climate change

The Government has yet to decide whether to adjust the 2050 climate targets, based on two reports received late last year.

The independent methane review panel report recommended a revised methane target reduction by 2050, whereas the Climate Change Commission has recommended 35-47% by 2050. The current legislated target for methane is a 24-47% reduction by 2050.

Status:

- under review
- pending government announcements
- implementation of recommendations
- select committee stage
- under review

**ACVM: Agricultural Compounds and Veterinary Medicines*
***HSNO: Hazardous Substances and New Organisms*

Find more about our policy and advocacy work and the most up-to-date information at **dairynz.co.nz/policy-and-advocacy**

Winter smarts

Essential winter tools for farm success.

As we approach a new season, evaluating your farm's performance and making informed decisions now will drive long-term business resilience and optimise the upcoming season.

Assessing your business, setting up a high-performing team, evaluating milking strategies and preparing for calving are all key actions to enhance productivity and profitability.

dairynz.co.nz/winter-smarts

Driving business performance

Evaluating business performance and budgets at the end of the season will help you set future-focused goals that enhance profitability and resilience.

Key metrics to focus on that drive profitability are operating profit/ha, return on assets and operating expenses/kgMS. Use the final payout figures from your dairy company for the 2024-25 season and estimates for the season ahead to update your budget.

Get started with our budget templates, including the annual cash budget and monthly cashflow budgets **dairynz.co.nz/budget**

Impacts of OAD milking in early lactation

Choosing the right milking strategy depends on your farm goals and system. Understanding different options can help you make the right decision for your herd and business. If you're looking to ease the workload through calving or improve cow health heading into mating, now is the time to assess whether once-a-day (OAD) milking in early lactation could work for you.

What's the trade off?

- 1-2% less kgMS for the season if OAD is used for 3 weeks from planned start of calving
- 3-5% less kgMS if used for 6 weeks from planned start of calving

Make an informed decision for your farm this season **dairynz.co.nz/early-lactation-OAD**

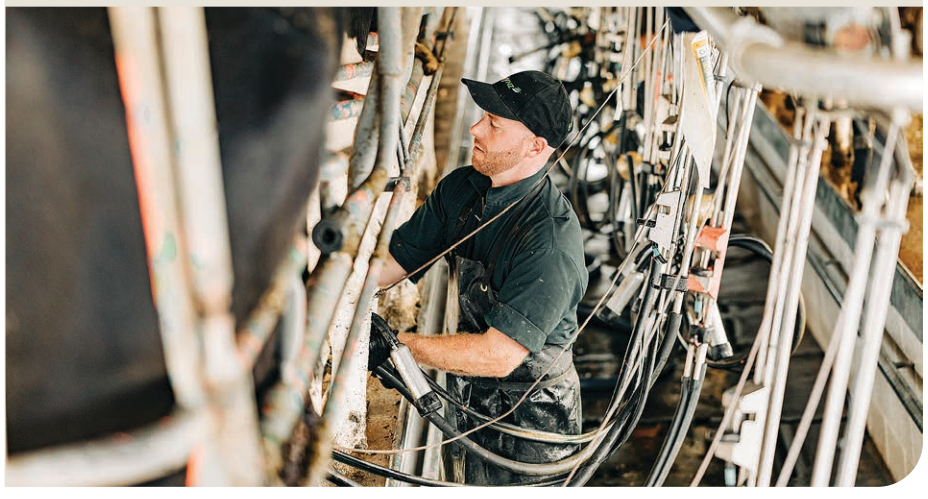
TALKING DAIRY

Podcast | Ep. 84

New milking frequency trends and the impact of OAD in early lactation

Hear the research into OAD milking during early lactation and the outcomes farmers have experienced from trialling this method.

dairynz.co.nz/podcast-84



Feed management for a successful calving

A well-prepared herd sets the foundation for a smooth and productive calving season. Ensure cows are fed appropriately to meet body condition score (BCS) targets.

Supplement with magnesium two to four weeks before calving, and provide calcium (limeflour) to colostrum and milking cows for up to four months post-calving to support metabolic balance and milk production.

Tailor feeding to BCS
Check out **dairynz.co.nz/BCS-strategies**

- Cows below target BCS should receive 100% of their maintenance feed (kgDM).
- Cows at or above target BCS should receive 90% of maintenance feed levels (kgDM) from 2-3 weeks before calving.

BCS at calving targets

5.5
First and second calvers

5
Mixed-aged cows

Choose calving paddocks carefully – avoid those recently treated with effluent or capital fertiliser, as high potassium levels can increase the risk of milk fever.

Learn more at **dairynz.co.nz/transition-cows**

Supporting a high-performing team

Investing in your team's development and wellbeing will ensure they are ready for the 2025-26 season. Support your team in using any existing leave before calving so they're recharged for the busy period ahead. Clear communication through regular staff meetings helps everyone understand their role and expectations.

When onboarding new staff, involve your team in their training plan, prioritising essential winter skills. Look for sector training opportunities on our events page and through your local vets.

View the key steps to building a great team at **dairynz.co.nz/great-teams**

Feed budgeting

A feed budget helps maximise productivity and profitability by accurately allocating feed. Use our Simple Feed Budget to assess your situation and guide decisions over the coming days, weeks and months. It helps you estimate expected demand and supply to identify any feed deficits so you can determine how much to reduce feed demand, through removing stock or drying off cows, and/or increase supply by bringing in feed.
To calculate feed supply and demand over 12 months, use our Feed Budget Template.

Find our feed budget templates at **dairynz.co.nz/feed-budgets**

Acing the business of farming

With a range of tools on hand, a resilient farm business adapts quickly to challenges, safeguarding its systems and people to maintain progress.

Paul Bird
DairyNZ senior business specialist

Many farmers don't start out thinking of themselves as business managers, but strong business performance is key to long-term success. Running a farm with a clear business focus leads to a more resilient operation, providing greater financial security, flexibility and opportunities for the future.

Top-performing farm operators don't just work hard – they focus their effort where it matters, like in business management. They analyse their business performance annually, benchmark against high-profit farms, manage cash flow monthly and actively seek insights from the best operators in the sector. They don't farm in isolation – they connect, learn and improve.

Farmers can also access expert support, including rural accountants, bankers and free business tools like DairyBase and Econ Tracker. Despite these resources being readily available, only a small portion makes full use of them.

Where to start?

No matter where you are in your farming journey, think about your goals and break them down to see what you can do to achieve them. Do you want to own a farm one day? Or is it really just financial security and owning your own house that you want? Each person and family will have different aspirations. No one can tell you your goals; they're unique to you and what you want to achieve.

Goal planning can be done in different ways – on your own, with a business partner, or as part of a group. Some prefer informal discussions, while others find value in structured courses or working with a coach or consultant. Choose the approach that works best for you.

Once you have a clear direction, it becomes easier to assess where you are now and identify any changes needed to reach your goals.

But whether you've considered the big picture or not, start by determining your current position and then your targets.

Winter is a great time to review your financial situation. Use tools like DairyBase or accounting reports to assess your expenses, reflect on the season, and compare your performance to benchmarks. Adjust your plan as needed and go from there.

Important metrics

Two key metrics are essential for understanding and monitoring farm business performance: cash surplus and operating profit. Cash surplus represents what's available for debt reduction or investment, while operating profit is just what's dropping out of the farm operation before interest and tax – similar to EBIT (earnings before interest and taxes).

Cash surplus is the money left after covering farm expenses, interest, tax and personal drawings. A positive cash surplus means the farm is generating more than it spends, meaning there is surplus available for reinvestment into debt repayment or other assets, such as stock or land.

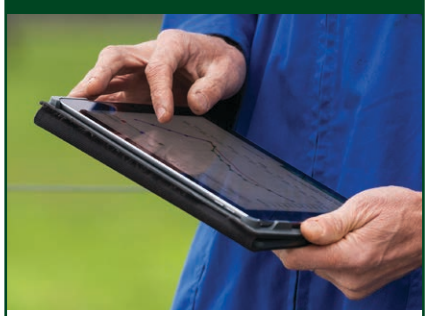
Without a positive cash surplus over time, a business risks going backwards, as ongoing borrowing becomes necessary to stay afloat.

Operating profit is a key measure of a farm's financial performance, calculated by subtracting farm costs from farm revenue.

Unlike cash surplus, it excludes tax, interest and capital spending.

Tools to use

dairynz.co.nz/business-tools



Budget templates
A number of templates, useful for personal budgeting and businesses, are available on the DairyNZ website.
dairynz.co.nz/budgeting

10-year equity forecast tool
A simple tool to input your current financial position and forecast future equity based on your current strategy. It simulates scenarios to show the potential outcomes of different changes.
dairynz.co.nz/10-year-tool

DairyBase
DairyBase is a free tool that helps you understand your farm's performance by comparing key indicators with other farms and identifying strengths and areas for improvement.
dairynz.co.nz/dairybase

DairyNZ Econ Tracker
An online tool featuring relevant economic information that can assist in "sense-checking" your own forecasting to ensure you haven't overlooked anything.
dairynz.co.nz/econtracker

Aleisha Broomfield and James Courtman prioritise essentials, communicate openly and maintain a long-term perspective to navigate farm business challenges successfully.

Smart business strategies

In 2023, Aleisha Broomfield and James Courtman purchased their own 70 hectare dairy farm near Morrinsville. They were then offered to buy the neighbouring property, expanding their farm to 107ha and 300 cows. They are also sharemilking another 300 cows close by.

They share some of their keys to managing their business:

- Divide roles strategically to maximise strengths.
- Use financial tools to track performance, budget and strengthen bank discussions.
- Upskill continuously through courses, programmes and sector awards to enhance financial management.
- Adjust business plans to adapt to challenges like interest rate and milk payout changes.
- Leverage bank relationships to secure better interest rates with detailed financial data.
- Put in consistent effort and focus to drive results.

> ***Top-performing farm operators don't farm in isolation – they connect, learn and improve.***

New Zealand farmers have access to world-class benchmarking systems, making it easier to understand how their operation compares.

Understanding these figures in the context of your own business is crucial. Does your spending align with your financial and personal goals?

For instance, if your goal is to buy a herd of cows, are you managing your finances in a way that brings you closer to achieving it?

Plan ahead for safer calving

From paddock choice to late pregnancy and lactation, proactive management makes all the difference to winter calving.

Penny Timmer-Arends
DairyNZ senior animal care specialist

New Zealand's pasture-based systems generally support good animal welfare, but bad weather can create wet and muddy paddocks, making management more challenging. Public concern is growing over calves being born on mud, and the Ministry for Primary Industries (MPI) has been actively monitoring animal welfare during winter, particularly in the South Island, for several years.

Calving is stressful for a cow's body and can put her health at risk. Sick cows require substantial extra care. This highlights the importance of planning, which minimises problems for you and your team.

Encouragingly, the 2023-24 Animal Care Consult data shows that 95% of farmers check their springing cows at least three times a day, with many inspecting them even more often. During poor weather most farmers increase calf pickups – proactive steps that help reduce some of the risks associated with winter calving.

Calving paddocks

Providing the best calving conditions starts with careful paddock selection and proactive management. Keeping good records (for example, a wintering plan or spring rotation planner with expected calving dates) also helps demonstrate your efforts if needed.

MPI Animal Welfare Inspectors will require farmers to move cows close to calving if surface conditions are unsuitable.

Plan ahead

Use paddocks that aren't in the grazing rotation and lock them up for an extended period before calving begins to prevent manure contamination and pugging. If possible, avoid areas close to the dairy to reduce the risk of effluent run-off – choose higher ground instead.

Ensure enough space for all cows to calve in clean conditions, and identify a back-up paddock if conditions are too wet.

Planning the transition

The transition period (three weeks before and after calving) is critical as cows adjust from late pregnancy to lactation, navigating various physiological challenges.

Providing flat, sheltered paddocks with clean surfaces and plenty of pasture can help support a smooth transition. Ideally, these paddocks are also away from effluent areas and within easy walking distance of the shed.

Good planning helps minimise calving challenges. Choosing the right paddocks and managing transitions can improve outcomes for cows, calves and your team.

Regularly draft cows into the springer mob and check springers often to help identify cows having trouble.

At-risk calves

Calves that had a difficult birth or are born in poor weather are more likely to have trouble standing and suckling. Identify high-risk calves as soon as possible, record their numbers and bring them to the calf shed to get warm and have a good feed of colostrum.

Find more information at **dairynz.co.nz/calving**

Calving management checklist

- Split the herd by expected calving dates.
- If wintering on crop, transition back to grass 10–14 days before calving.
- Check springers regularly, especially in wet weather, and collect calves as needed.
- Ensure the farm team understands the plan and their roles.
- Use a spring rotation planner to manage grazing and allow for wet weather.

Products helping reduce injuries

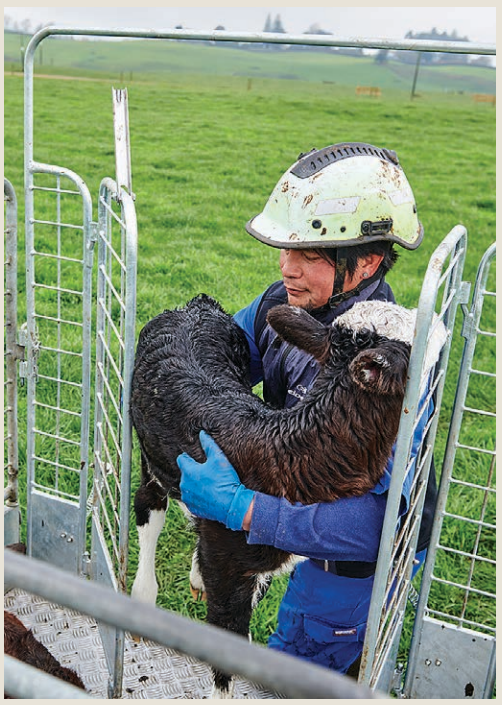
After three years, the Reducing Sprains and Strains project, in partnership with ACC, wrapped up in 2024.

As a result of the project, three innovations are now available on the market: Kea Trailers' Easy-Entry Calf Gate, the Gallagher Easy-Access Calf Pen Gate, and Wheelco's Heavy Duty Pivot Milk Bucket Trolley.

Additionally, a cups-on-mat prototype is being developed with the Wholesale Matting Co.

Sprains and strains are common injuries on dairy farms, especially during the busy calving season – but many of these injuries can be prevented. Now is the ideal time for farmers who are preparing for calving to consider tools and practices that minimise injury risk.

Find ideas at **dairynz.co.nz/sprains-strains**



Kea Trailers' Easy-Entry Calf Gate minimises the struggle of opening and closing the trailer gate while handling a wriggling calf or preventing escapees.

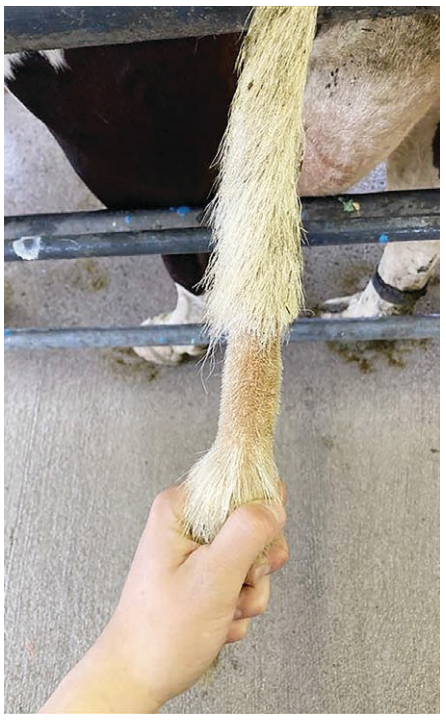
The Gallagher Easy-Access Calf Pen Gate minimises the injury risks associated with lifting calves, buckets and feed or moving between pens while carrying heavy loads.

Wheelco's Heavy-Duty Pivot Milk Bucket Trolley safely and efficiently transports heavy milk buckets. It allows slide-on loading and upright movement to prevent spills.

Snapped on and off farm

A snapshot of DairyNZ at work in the regions with and for farmers.

Senior Scientist Elena Minnée visited a Waikato farm using diverse crops for summer feed to assess yield, utilisation and feed quality.



Summer intern Korrie Fletcher analysed tail hair from cows in the wooded area trial to measure cortisol, as an indicator of stress.

Northern Southland Farmers engaged in deep discussions on potential farm system changes to further reduce nutrient losses, as part of the Jobs for Nature funded catchment project.

DairyNZ research was a focus at the 2025 Australian Dairy Conference and delivered by head of science Nicolas Lyons.

Northland area manager Hamish Matthews connected with farmers off-farm and supported the Northland Surfing for Farmers this summer.

Senior scientist Katrina Macintosh shared DairyNZ research and insights as training at a free Masterclass on contaminant sources and pathways.

Laser levelling a potential wetland for development in the Waimea catchment as part of the Jobs for Nature funded catchment projects.

Farmers gathered at well-attended events to hear from DairyNZ and Fonterra specialists on genetic strategies to enhance herd performance.

Central Waikato area manager Willie McKnight organised an on-farm visit for Hon. Nicola Willis to meet with some local farmers at Al Hall's Te Miro farm.

Robert and Krystal Whitaker with their sons Thomas, 3, and George, 2, on their first farm in Maihiihi, east of Otorohanga.

A smart path to ownership

Through savvy investing, disciplined budgeting and a clear vision, this young couple secured their first farm – proving farm ownership is still within reach for young Kiwis.

Sacrifice, calculated risk-taking and disciplined budgeting have enabled Robert and Krystal Whitaker to buy their first farm in their 30s. The couple are in their first year of milking 245 cows on their 88.5 hectare (75ha effective) farm at Maihiihi, east of Otorohanga in Waikato.

One such risk that ultimately paid off was their decision to purchase residential property individually in 2018, soon after they met, using their existing savings.

"We both bought houses close to where we were living then. Rob's was in Tirau and mine was in Te Puke," says Krystal, 31.

"We rented them out for five years, managed them ourselves, and made a really good profit."

After this period, they avoided any potential tax under the bright-line property rule, choosing to sell the properties and use the cash to purchase their farm.

"We made around $200,000 in capital gains alone on each property by the time we sold. We had strong deposits, and since there were no opportunities to buy livestock at the time, we chose property. It was something we could manage ourselves, with fairly low risk and better time management," Rob (35) says.

Krystal credits their disciplined budgeting and use of benchmarking tools like DairyBase for keeping their farm business on track.

They had previously purchased their herd using the equity in their properties to 50:50 sharemilk 310 cows on Innes and Mandy Semmens's farm in Matamata.

"It seems unrealistic now, but when we bought our cows, our interest rate on them was 2.8%. We were paying next to no interest and managed to pay them off within the first year," Krystal says.

The timing worked out well – they made and cashed in on these investments just before interest rates surged after the Covid-19 pandemic. And having been owned by the previous sharemilker, the herd was well established.

Rob takes pride in his stockmanship. The herd's low somatic cell count enabled him to be selective when culling and selling surplus stock. The stock sales also contributed to the farm deposit, as they reduced the number of cows by 65, leaving 245 currently milking.

Rob says they couldn't have achieved all this without the guidance of those they met along the way, including farmers on a similar progression trajectory, whether through contract milking or sharemilking, often from groups like New Zealand Young Farmers or at DairyNZ events, as well as the encouragement and advice from their parents.

> ***"There's not too many other industries where you can go to someone's house and they'll tell you everything about how they got to where they are.***

Some of these are friends Rob made when he moved to New Zealand from the United Kingdom 15 years ago, and had remained in touch with.

"We surrounded ourselves with people who think similar to us," he says.

He credits their farming mentors, who have always been happy to offer advice, including Dave and Sue Fish, Sir Henry van der Heyden, Martin and Judith Bennett and Innes and Mandy Semmens.

"We've been lucky that we've come across so many good people that

Farm facts:

Location: Maihiihi, Otorohanga
Structure: Owner-operator
Effective area: 75ha
Herd size: 245 crossbred cows
System: 3
Production: 1,533kgMS/ha
Operating expenses: $5.58/kgMS*
Operating profit: $4.53/kgMS
GHG emissions: n/a**
(*includes extra R&M
**figures calculated after the first season)

taught us skills along the way," he says.

"We've had vast experience with different farming systems, and we appreciate how open the sector is to sharing knowledge and being transparent."

"There aren't many other industries where you can go to someone's house and they'll tell you everything about how they got to where they are," Krystal adds.

They also credit the long-standing relationship they have with their bank manager, Aaron Bennett from ASB, who helped them along the way.

"When we came to him, he knew our farming history and how we are with money. We almost couldn't make it happen, but our relationship with him made all the difference," Krystal says.

They have consistently budgeted throughout their farming journey by using the DairyNZ templates, calculating forecasts against actuals, updating monthly, and using benchmarking tools such as DairyBase. They have also been disciplined with their spending and work closely with their accountant.

"If you're not spending money, it stays in your back pocket, and we have been like that right from the get-go," Krystal says.

Having a fixed payment structure during contract milking and later in sharemilking gave them certainty, making it easier to project their likely income.

Krystal, who grew up on a sheep and beef farm in the King Country, was working in the kiwifruit industry. They relied on her off-farm income for living expenses, only taking minimal drawings from the farm business.

"For the most part, my income has covered our living expenses, while the farm runs itself," she says.

Rob always had the goal of owning a farm. He was 18 when he first came to New Zealand in 2008 for a work experience placement during his studies. He had grown up on a family dairy farm.

He returned to New Zealand in 2010 and has spent the past 15 years working his way along the progression pathway.

During their three years of sharemilking with the Semmenses, he and Krystal considered upscaling to a larger farm or purchasing their own farm. They're pleased they pushed to make the leap to farm ownership.

They spent months looking for their first farm in late 2023, attending open days and looking online at properties that fit their budget.

They were drawn to the farm's rolling contour, which was a key factor in their decision to buy. Many of the farms they inspected were either too steep, had run-down infrastructure or no opportunity for scale.

"This farm was the best we could afford with the contour. The infrastructure was there, and we could start making money right away," Rob says.

The Whitakers acknowledge the mentors, friends and sector networks that helped guide them through their farming journey.

"The farm also fits the definition of a first farm with lots of scope to develop and improve it," Krystal says.

They found the infrastructure suitable for the low-input system they wanted. With pockets of trees and plenty of space, it was an ideal place to raise their young children, three-year-old Thomas and two-year-old George.

Buying the farm meant leaving Matamata and moving to Otorohanga, a region that was new to them.

Their advice to farmers aiming for farm ownership is to be ready for short-term sacrifices to achieve long-term goals.

"Push people, like bank managers, for scenarios and different [interest] rates, and use your accountant," Rob says.

"And know your own numbers, so when you go to those people, you know where you are," Krystal adds.

While they're pleased with what they have achieved so far, they see the farm as a stepping stone to a larger farm in the next five to 10 years.

"We would like to have a big enough farm that Rob is not milking every day. This is just a stepping stone to pay debt to get ahead and buy something else."

And in the meantime they're trying to create a better work-life balance for themselves and enjoying their family.

The Whitakers' financial discipline and willingness to seek advice were crucial in securing their first farm in their 30s.

View the Whitaker's farm

Scan to catch a quick glimpse of Robert and Krystal Whitaker's farm.

bit.ly/whitaker-farm

Tackling N mitigation head-on

The Low N Systems programme explores how combining strategies can help farmers significantly reduce N losses while maintaining farm viability.

Dr Claire Phyn
DairyNZ principal scientist

Farmers can choose from various nitrogen (N) mitigation strategies and technologies, but combining them in a farm system doesn't always result in additive reductions, as their effectiveness depends on how they interact within the N cycle (see *Figure 1)*. It can also be challenging to assess which options are best suited to a specific farm and its conditions, including which measures are the most cost-effective.

The DairyNZ-led Low N Systems research programme is exploring how different mitigation strategies can be combined to help farmers significantly reduce N losses while achieving their farm business goals.

The findings will offer practical solutions to support farmers in lowering their N footprint, benefiting both ground and surface water quality and improving ecosystem health in N-sensitive catchments.

Stacked farmlet cows grazing diverse pastures, part of the Low N Systems research focused on reducing N losses while maintaining a viable farm business.

The programme uses a range of approaches (such as modelling, detailed experiments, larger-scale farm system trials and farmer case studies) to investigate reducing N losses.

The N loss reduction targets some farmers face can feel challenging, particularly when considering the potential implications for their farms' profitability. This research is about tackling those challenges head-on – applying and testing solutions, pushing the boundaries and uncovering practical insights for integrating mitigations into a farm system. The goal is to provide farmers with reliable information and confidence as they explore their options.

The research seeks to understand the potential short- and long-term outcomes of implementing stacked low N systems and the range of likely on-farm results across different farm systems.

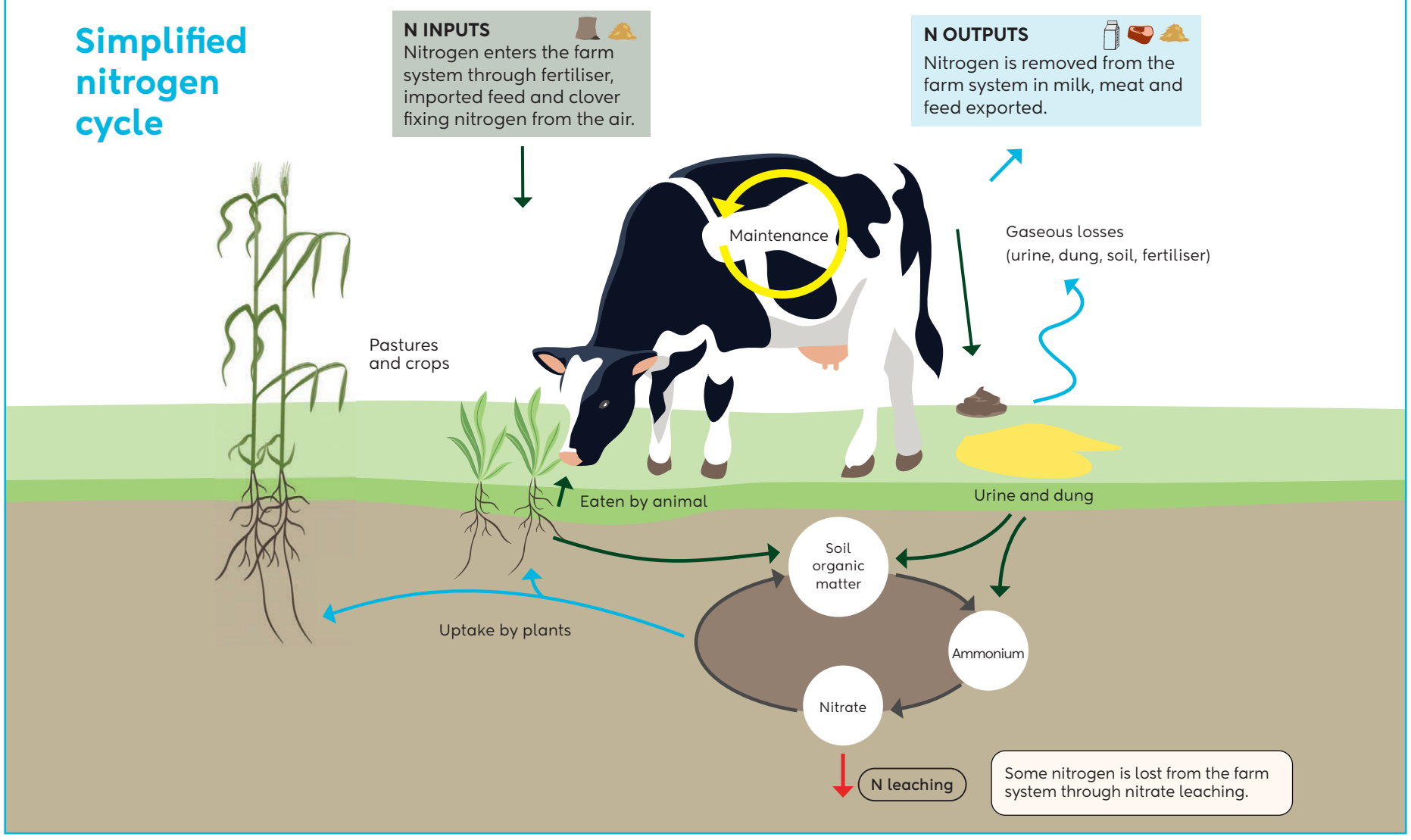
Trial work combined with modelling and case studies from commercial farms offers a clearer understanding of the variability in responses under practical farming conditions.

> ***Different mitigation strategies can be combined to help farmers significantly reduce N losses while achieving their farm business goals.***

This multi-year research programme, running from mid-2021 to late 2025, is funded by New Zealand dairy farmers through DairyNZ and by the Ministry for Business, Innovation and Employment (MBIE), with additional co-funding and in-kind support from Fonterra and CRV. DairyNZ collaborates on this research with Lincoln University, Fonterra, AgResearch and AbacusBio.

To find further information and the most recent results, check out **dairynz.co.nz/low-n**

Figure 1. Combining mitigation strategies that target different aspects of the N cycle can help reduce N losses to the environment



Low N farmlet trial

A farmlet trial began at the Lincoln University Research Dairy Farm (LURDF) in July 2023 to test and demonstrate a profitable and practical stacked low nitrogen (N) system.

The study is examining how different farm systems influence N losses by comparing a typical Canterbury dairy farm system with an alternative approach that integrates multiple N mitigation strategies.

The Control farmlet represents a standard system, while the Stacked farmlet incorporates diverse pastures, including Italian ryegrass and plantain, applies over 50% less N fertiliser, operates with a 6% lower stocking rate, and modifies wintering practices by using grass and baleage instead of kale and baleage.

It also includes tactical mitigations, using bulk milk urea as an indicator to manage herd dietary N surplus through grazing management, nitrogen fertiliser application and supplementary feeding.

The Stacked farmlet aims to demonstrate a system that helps farmers significantly reduce N leaching while also delivering co-benefits, such as lowering greenhouse gas (GHG) emissions and minimising any potential impacts on farm profitability.

> ***The suite of mitigations on the Stacked farmlet reduced N leaching by ~40 to 50% on the milking platform.***

The research team is monitoring the performance of both farmlets to see how they align with modelled expectations.

Early results from the first year of the research trial show the Stacked farmlet delivers promising environmental benefits while identifying opportunities to refine the system. Despite using significantly less N fertiliser, pasture growth was only 5% lower than the Control farmlet, and milk production per cow remained the same – though total milksolids per hectare were 7% lower.

Encouragingly, the suite of mitigations on the Stacked farmlet reduced N leaching by ~40 to 50% on the milking platform, with total GHG emissions reduced by 12% per hectare and emissions intensity by 6% per kilogram of milksolids. A further ~10% reduction is expected across the whole farm system by switching from a kale-baleage wintering system (followed by an oats catch crop) to pasture-baleage wintering.

The significant reductions in N loss and GHG emissions came with some trade-offs, including an 8% lower profit per hectare, partly due to increased pasture conservation and re-grassing expenses and lower milk revenue.

With further refinements to pasture management, there is potential to enhance both environmental gains and farm profitability in future seasons.

The farmlet trial validates previous modelling and, while based in Canterbury, its findings – particularly on the core principles of stacked mitigations – will be relevant across regions.

A farmlet trial is testing practical ways to cut nitrogen losses while keeping dairy farms productive and profitable.

Incorporating plantain into pastures can reduce N leaching losses and help optimise N efficiency.

Bulk milk urea tool

A new bulk milk urea (BMU) indicator tool is being developed to help farmers track and manage their herd's dietary N surplus throughout the season. By monitoring BMU alongside other farm data, farmers can identify when mitigations could be utilised to reduce the risk of higher urinary N loading onto soils at critical times of the year.

This on-farm management tool is based on new research showing that BMU can act as a near real-time indicator of herd dietary N surplus and the risk of urinary N loss in pasture-fed cows. It could help farmers make both tactical and strategic decisions to improve N use efficiency and reduce N loss risk.

When cows consume more protein than needed, the excess dietary N is converted to urea N and excreted in urine, milk and dung. Elevated urinary N increases the risk of higher urinary N loading onto soils, which is a key contributor to N losses to the environment.

A milk urea level above ~30 milligrams per decilitre (mg/dL) suggests an increasing risk of dietary N surplus and higher urinary N excretion, while a BMU below 20 mg/dL may indicate a risk of protein deficiency in the diet. Considering these levels alongside other information – such as diet, animals and management factors – is important for understanding the full context of these risks.

To develop the BMU tool and management guidelines, researchers are using multiple datasets and approaches, including an observational study of 38 farms across Waikato and Canterbury. This study highlighted differences in grazing management between farms with low and high BMU levels. Herds with low BMU tended to graze pastures with a higher pre-graze cover and a more advanced leaf stage and used slower grazing rotations.

How these farms managed their pastures resulted in lower protein levels and a lower N-to-energy ratio, which likely meant the cows had less excess N in their diet relative to their requirements. Studies also identified that farmers could manipulate their herd dietary N surplus and risk of N loss through altered N fertiliser and supplementary feed management practices.

The tool is currently in the prototype stage and is being tested by farmers across several regions. It's an online dashboard app that allows farmers to monitor their BMU levels in near real-time, and see how they compare to an optimal zone and benchmark against district averages, similar farm systems and previous years. The tool also includes data on prior annual metrics like purchased N surplus and fertiliser use, with links to guidance on managing dietary N surplus and N loss risks.

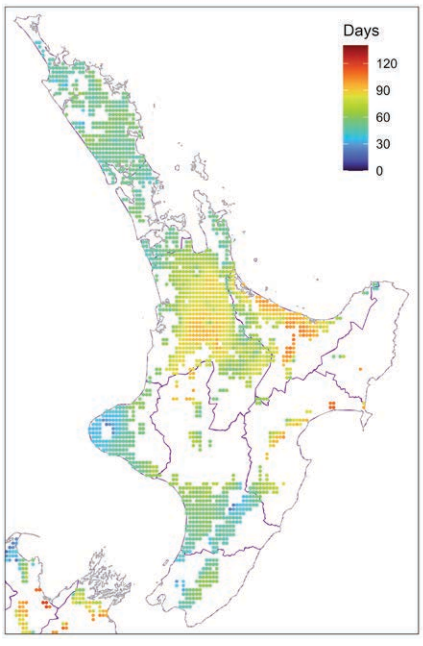
Getting ahead on animal care

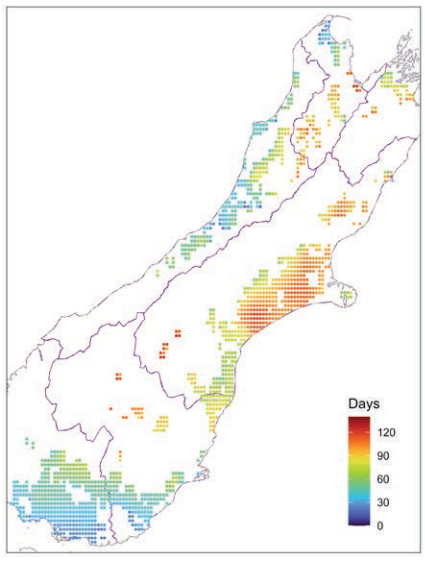
Thermal comfort and non-replacement calves are two key focus areas as national and global standards increasingly require greater attention to livestock in our production systems.

Jenny Jago
DairyNZ principal scientist

Farming livestock comes with the responsibility of ensuring the animals' needs are met. As science advances, we're gaining a better understanding of animal sentience – their ability to experience stress, comfort and social connection. This shift moves beyond simply preventing harm, to creating environments where animals can live comfortably. A well-cared-for animal is a productive animal, ultimately, that's what everyone wants.

Average number of days a year that dairy cows are at risk of heat stress across New Zealand





Regarding animal care, competitiveness is measured by how we stack up against customer expectations, other dairy-producing countries, and national and global standards. How well our farming systems perform in these areas will determine whether we're ahead of the game or falling behind.

At DairyNZ, we're working to identify which aspects of New Zealand's dairy system are already well-equipped to meet these needs, as this could give us a competitive advantage and show us where we can improve.

DairyNZ's Enhanced Animal Care programme focuses on identifying those areas of opportunity. Two key risks to our competitiveness include keeping cows comfortable in climate extremes, and managing non-replacement calves.

While keeping cows outdoors provides a competitive advantage, as customers and cows prefer outdoor environments, we must ensure their comfort during weather extremes, especially managing heat load. In some regions, at certain times, the weather conditions can become stressful for cows.

We use technology and animal sensors in our research to better understand the cow experience through data.

> ***The fact that an animal is producing well doesn't necessarily mean it's having a positive experience.***

At the same time we work closely with farmers to learn from their observations and identify higher-risk regions. Our goal is to understand the conditions that can lead to stress and develop predictive tools to support farmers.

The work is also exploring practical mitigation options for farmers. Since trees take time to grow and provide effective shade, we're identifying alternative solutions that can offer more immediate relief for cows at risk of heat stress.

A study is underway to explore how cows value the option to manage heat load by accessing shade outside their paddock. The goal is to develop practical, on-farm strategies that support positive welfare experiences and help farmers enhance cow wellbeing.

Proactively addressing animal wellbeing ensures we stay ahead of market and regulatory shifts.

Another area of focus is non-replacement dairy calves, which remain an underutilised resource with significant potential for the dairy and beef sectors.

We're collaborating closely with partners across the entire supply chain to explore opportunities in this space.

Other aspects of the programme involve mapping sector progress and understanding current practices to help inform policy development.

We also ensure that the technical information supporting industry programmes, like SmartSAMM and HealthyHoof, remains up to date by collaborating with industry experts and reviewing the latest science.

Much of our work is forward-thinking. We are preparing to address challenges that will become more pressing in the future, potentially sooner than we expect.

Find out more about heat stress at **dairynz.co.nz/heat-stress**

Aligning on animal sentience

The conversation around animal wellbeing and sentience is gaining momentum, and these expectations are reinforced across the sector. As Federated Farmers dairy chair Richard McIntyre explains, the fact that an animal is producing well doesn't necessarily mean it's having a positive experience. The focus is on finding practical ways to enhance its wellbeing – ways that support farming systems and our global reputation.

Our understanding of animal welfare continues to evolve, driven by evidence-based science and increasing consumer expectations. Major customers are setting higher welfare standards, aligning with frameworks like the Five Domains and Five Freedoms. International trade agreements further reinforce the importance of strong welfare standards and ensuring welfare protections remain in place.

New Zealand law also underpins this responsibility, requiring that animals' physical, health and behavioural needs are met in accordance with good practice and scientific knowledge. By proactively addressing these expectations, we can maintain our competitive edge while ensuring practical, outcome-based solutions that work for farmers.

A closer look at wearable technology

As more and more farmers adopt wearables, new research aims to assess how they affect reproductive performance.

Paul Edwards
DairyNZ senior scientist

The use of wearable technology (on-animal sensors) has significantly increased among farmers. In a 2023 survey, 18% of farmers reported using wearables, compared to 3% in 2018. This growth translates to more than 820,000 cows now equipped with devices.

Investing in these technologies requires a significant commitment, yet farmers have had limited independent, publicly available information on their potential impact on reproductive performance – an important factor they regularly consider in return calculations – until now.

The widespread adoption of wearables has generated enough data to evaluate reproductive performance before and after implementation, as well as compare it to herds without wearables for the same period.

To provide more clarity around this, we analysed herd reproductive records to see what, if any, changes occurred after adopting wearables.

The analysis used data from 141 wearable herds and 1,158 non-wearable herds. The "control" herds (those without wearables) were matched with the wearable herds based on location, herd size, production and calving dates to compare like with like as much as possible.

Records were filtered to include only the period from two years before to two years after wearable adoption (or, for non-wearable herds, the year they were matched with a wearable herd). This was due to the limited number of farms with data extending beyond two years.

After adopting wearables, farmers extended the duration of their artificial breeding (AB) period. Some transitioned to all-AB in the first year, eliminating any natural mating periods with bulls.

By the second year, most had shifted to all-AB, with the delay presumed to be while they built confidence in the technologies.

Herds using wearables had higher performance measures, such as 3-week submission rates (see *Figure 1*) and 6-week calving rates (see *Figure 2*), compared to those without wearables, both before and after adopting the technology.

With this in mind, companies marketing wearables should take care when discussing reproductive performance, ensuring that comparisons with industry averages don't unintentionally suggest any differences are due to the adoption of wearables.

Wearable herds had lower non-return rates after adoption, likely because they had longer AB periods. However, after accounting for mating length, there was no significant difference (see *Figure 3*).

Notably, lower-performing herds showed no reproductive performance gains after adopting wearables, with results comparable to similar herds without them.

> ***Farmers have had limited independent, publicly available information on the potential impact.***

The research indicates that farmers who automated mating with wearables, potentially reducing labour or reliance on key staff, did so without compromising reproductive performance.

A longer artificial breeding period offers several potential benefits, including that the non-return rate is more likely an accurate indicator of conception rates, providing timely feedback to adjust mating plans rather than waiting until after scanning to assess bull performance. And all-AB systems can help produce higher-value calves.

In the future, wearable technologies could offer benefits beyond reproduction and individual animal management, such as improving grazing management or mitigating heat stress. Future outcomes may improve as farmers better understand how to use data from wearable systems effectively, for example, additional pregnancy diagnoses.

Given the lack of evidence for significant positive or negative impacts, it would be advisable for farmers considering wearable technologies not to place value on improved reproductive performance when assessing return on investment.

For more information on wearables and herd reproductive performance, check out **dairynz.co.nz/wearables**

The impact of wearables on reproductive performance

A study of self-selected herds that have adopted wearables relative to a matched reference group.

Wearable herds mean
Wearable herds confidence interval
Non-wearable herds mean
Non-wearable herds confidence interval

Figure 1. Comparison of wearables vs. non-wearables on 3-week submission rate. Statistically significant differences.

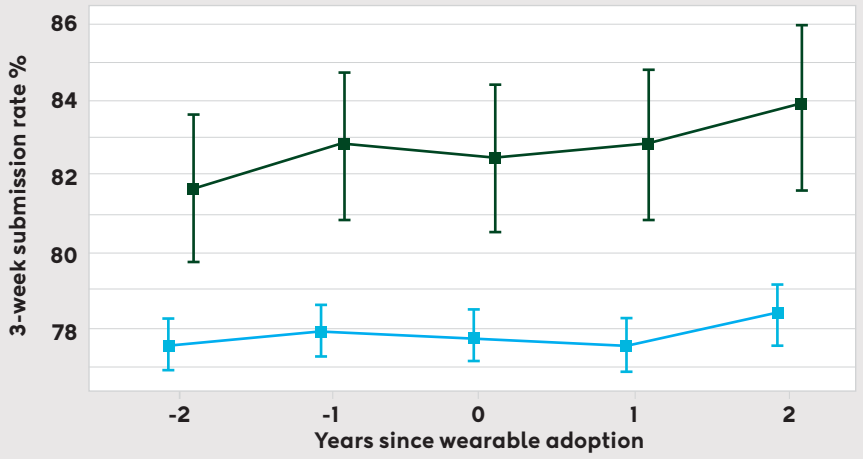


Figure 2. Comparison of wearables vs. non-wearables on 6-week calving rate. Statistically significant differences.

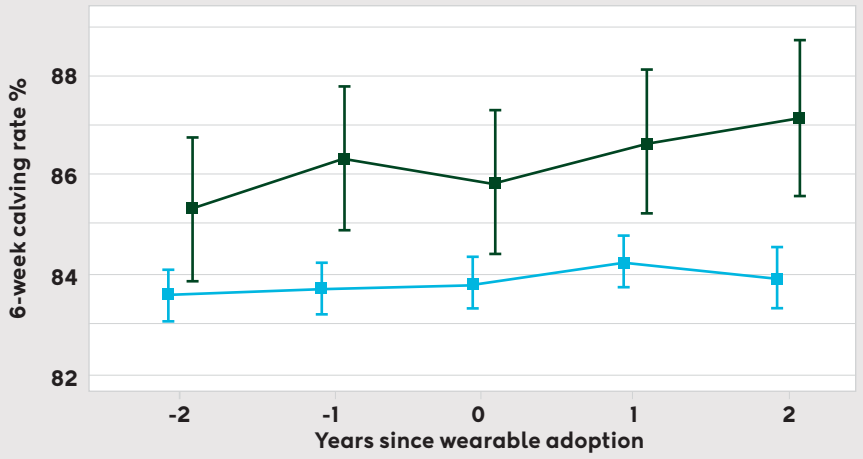
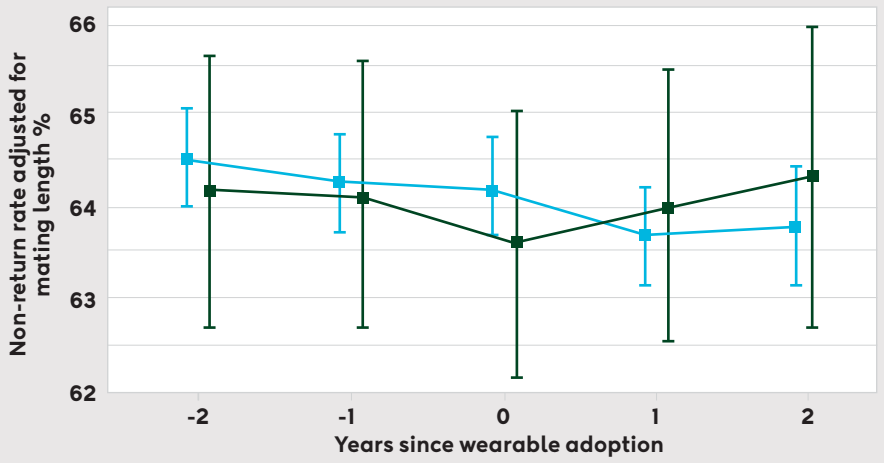


Figure 3. Comparison of wearables vs. non-wearables on non-return rate, adjusted for mating length. No statistically significant differences.



The adoption year was marked as Year 0, with any effects of wearables becoming apparent from Year 1 onward.

Other technical contributors:

- Callum Eastwood – DairyNZ
- Sarah Bird – Massey University PhD student
- Chris Burke – DairyNZ
- Winston Maston – EpiVets

Chasing pasture persistence

Scientific modelling indicates pasture persistence will decline in parts of the upper North Island as the climate changes.

Elena Minnee
DairyNZ senior scientist

Poor pasture persistence is an increasing concern for many New Zealand farmers, leading to an investigation into the extent of the problem. DairyBase data shows a growing trend of declining pasture harvest, with about a tonne per hectare per decade in Northland and half a tonne in Waikato over the past twenty years.

DairyNZ-led modelling suggests pasture production and persistence will continue to decline in the future in the Upper North Island. Factoring this into farm system studies highlights the potential for significant impacts across the entire farm system.

This trend is reflected in Stats NZ data, which shows a 2-3% increase in pasture renewal rates across Waikato and Te Tai Tokerau Northland between 2007 and 2017.

And while Northland is currently facing urgency, it is expected that Waikato and Bay of Plenty will soon encounter similar challenges as well.

Pasture is vital to the New Zealand economy. It provides a sustainable, low-cost feed source, underpinning the country's competitive advantage in global dairy markets. Case studies and data confirm that incremental global warming and changing weather patterns affect feed flow.

Although milk production has remained stable in affected areas, supplementary feed use and cropping and pasture renewal rates have increased, potentially masking the impact of climate on pasture. While these strategies are viable, they can affect farm profitability and the environment.

Increased pasture renewal and cropping also have downsides, including soil structure impacts and loss of nitrogen and carbon.

In a survey of farmers, over half of those interviewed believed the impact of climate change will increase. "We are constantly managing to minimise the effects of wet and dry – it's very taxing to live on the edge of disaster," said a Northland dairy farmer.

Prolonged dry conditions are accelerating pasture decline, pushing farmers to adapt and find solutions for a changing climate.

"I consider myself older, wiser and calmer now, but pasture persistence still gives me anxiety for the future," a Waikato dairy farmer said. A Kaikohe dairy farmer added, "Pasture starts declining in the second year, and by the third or fourth year, it's almost over."

Farmers are already adapting – trialling different pasture species, adjusting management practices and testing new approaches.

Through the Improved Forage Gains programme, DairyNZ is working with farmers and sector partners to refine strategies that can be applied across different regions.

Looking beyond New Zealand, we're also exploring international solutions from farmers facing similar climate challenges. Their experiences could offer insights into what works – and what doesn't – as we prepare for a future where today's challenges may become the norm.

Pasture persistence is a complex issue, but ongoing research, innovation and farmer-led adaptation will be key to keeping New Zealand's pasture-based farming system resilient and competitive. We'll continue to share updates as our work progresses.

Find out more about climate change adaption at **dairynz.co.nz/adapting**

Events with purpose

Our events aim to provide genuine value to farmers – centred on expertise, meaningful engagement, and practical insights that truly make a difference.

For upcoming events in your area, check out the events page on the DairyNZ website **dairynz.co.nz/events**

From September 2024 until the end of December, we connected with over **2,500 farmers** and rural professionals across New Zealand at more than **100 of DairyNZ's new events**.

Managing risk in share farming

Structured communication and thoughtful recruitment underpin a strong, collaborative working environment.

Good communication is the backbone of share farming. Robin Barkla outlined his approach to structured meetings at the recent Federated Farmers workshops supported by DairyNZ.

A quick chat in the paddock can easily be forgotten, so Robin Barkla takes a more structured approach to communication. He and his wife Claire hold monthly meetings with their contract milkers on their Bay of Plenty farms.

Robin recently outlined his insights at the share-farming workshops run by Federated Farmers, supported by DairyNZ.

"Everyone's busy. If we talk about things on the farm, it tends to be forgotten till it becomes an issue," Robin said.

"So we have monthly meetings with agendas and record actions to keep everything clear."

During the meetings, they discuss what's coming up and farming practices. The contract milkers share what they're doing, and Robin and Claire offer suggestions, taking on a governance role.

They actively encourage their team to bring forward ideas for open discussion. Robin and Claire remain open to conversation and exploring opportunities – especially when backed by a cost-benefit analysis.

Robin believes a successful share-farming relationship requires both parties to be approachable and open to discussing any issues without getting upset. It's also about balancing workloads and other pressures.

"Even the right people can be snappy on the wrong day. Sometimes you need to recognise when it's not the right time to discuss something and leave it for another time."

Robin said it's important to "pick your battles" but stick by your non-negotiables.

"There'll always be things you'd prefer weren't there, but keeping the big picture in mind, you've got to determine if it's worth being niggly about."

Regular housing checks are part of their farm policies, and he stresses the importance of staying on top of them.

Fundamentally, Robin believes it starts with employing the right people.

"We don't advertise our positions. We tend to find people by putting the word around our networks, particularly with farm consultants, who may know someone looking.

"First, we talk to candidates, then meet them. If all goes well, we show them around our farm and talk to their referees."

He believes the key is to gather as much insight as possible and always visits their current farm. He also connects with locals, such as vets or stock agents to get a feel for them.

However, despite careful planning, Robin knows things don't always go smoothly. "You need to accept it and move on."

By prioritising structured communication and thoughtful recruitment, Robin and Claire have built a strong, collaborative working environment. Their approach ensures that challenges are addressed early, expectations are clear, and everyone stays focused on the bigger picture.

Progress in the New Zealand dairy sector is a shared effort. DairyNZ collaborates with others in the sector to effectively deliver events like these, ensuring farmers receive valuable knowledge while reducing duplication and maximising impact.

Congratulations to the winners

DairyNZ proudly supports the New Zealand Dairy Industry Awards and the Ballance Farm Environment Awards, highlighting the top operators in the dairy sector and broader primary industries. All entrants are farmers dedicated to their land, animals, and environment.

Regional finals occurred during March and April, with the finals scheduled for 10 May for the NZ Dairy Industry Awards and 18 June for the Ballance Farm Environment Awards.

To find out more about the awards and results, check out **nzfeawards.org.nz** and **dairyindustryawards.co.nz**

Winners of the 2024 NZ Dairy Industry Awards, Dairy Trainee Kirwyn Ellis, Share Farmers Will Hinton and Kali Rangiawha, and Dairy Manager Kieran McCahon.

Sam Waugh received the DairyNZ Sustainability and Stewardship Award for Donalds Farm at the Auckland regional BFEA 2024.

Turning science into solutions

DairyNZ technical specialists work to ensure new research and information is available when and where farmers need it.

Region | Area of expertise | Key project examples

Virginia Serra

Head of solutions and development

- **National**
- High profit, low footprint farm
- Future Fit Farm systems, Hinds and Selwyn Catchment Project

Mark Williams

Farm systems specialist

- **Upper North Island**
- Farm systems analysis, DairyBase, profitable feed management, implementing change on farm, whole farm system context.
- 5 strategies to improve BW on farm, Deferred grazing implementation

Mark Speight

Farm systems specialist

- **Upper North Island**
- Farm systems analysis, DairyBase, profitable feed management, implementing change on farm, whole farm system context.
- Case study farms, Farm systems review

Katie Sievwright

Farm systems specialist

- **Taranaki**
- Pasture and feed management, DairyBase, extension, farm systems analysis, greenhouse gases (especially methane).
- Dairy Trust Taranaki, Farm Systems review

Felix Rodriguez Firpo

Farm systems specialist

- **Lower North Island**
- Farm systems analysis, DairyBase analysis, farm systems modelling, plantain.
- Plantain Potency and Practice, Benchmarking and data insights

Ron Pellow

Senior farm systems specialist

- **Upper South Island**
- Implementing research and new practices on farm, catchment approaches, farm system analysis, home-grown feed.
- Sustainable Catchments (South Canterbury/ Waimea), Low-N research programme

Nicole Cochrane

Farm systems specialist

- **Lower South Island**
- Farm systems analysis, pasture and feed management, DairyBase.
- Off-paddock wintering infrastructure project, Benchmarking and data insights

Paul Bird

Senior business specialist

- **National**
- Farm business management, business planning, DairyBase analysis.
- DairyBase benchmarking and data insights, Profitability and GHG emissions

At DairyNZ, a dedicated team of specialists helps turn science and technical insights into practical solutions for farmers using data to guide their approach. By connecting established science with new research and emerging insights, they work to ensure farmers can access, understand and apply the knowledge that matters most to their businesses.

These experts are involved in everything from interpreting research on farm systems and providing insights from sector data, to developing the tools, resources and guidance that support decision-making alongside a team of developers. They share knowledge through various channels, including field days, workshops and online content, ensuring information is available when and where farmers need it.

Their role is to bridge the gap between science and on-farm practice – helping farmers make informed choices with confidence.

Sarah Brown

Business specialist

- **National**
- Farm business and finance, DairyBase analysis.
- DairyBase benchmarking and data Insights, Cashflow budget case study farms

Nick Tait

Senior partnership lead

- **National**
- Working with partners to deliver value for farmers, farm systems and environmental change and implications on profit and production.
- Climate change, Profitability and GHG emissions

Jane Muir

Senior people specialist

- **National**
- Supporting farmers to attract, grow and retain great people on farm.
- Great futures in dairying plan, People expos

Penny Timmer-Arends

Senior animal care specialist

- **National**
- Advocating on behalf of dairy farmers to acheive practical animal welfare regulations, and supporting good animal care practices on farm.
- Calf care, Preparing cull cows for transport

Johan van Ras

Environment specialist

- **Upper North Island**
- Catchment science, profitable, sustainable farming.
- Pōkaiwhenua catchment project, Dairy Environmental Leaders (DEL)

Adam Duker

Senior environment specialist

- **Lower North Island**
- Environmental mitigations on farm, catchment and community projects, farm environment plans, community led waterway health initiatives .
- Tararua plantain project, Dairy Environment Leaders (DEL)

Justin Kitto

Senior environment specialist

- **South Island**
- Water quality, policy development and implementation, wetland development and riparian restoration.
- Waimea wetland project, Wintering good farming practice project

Join us

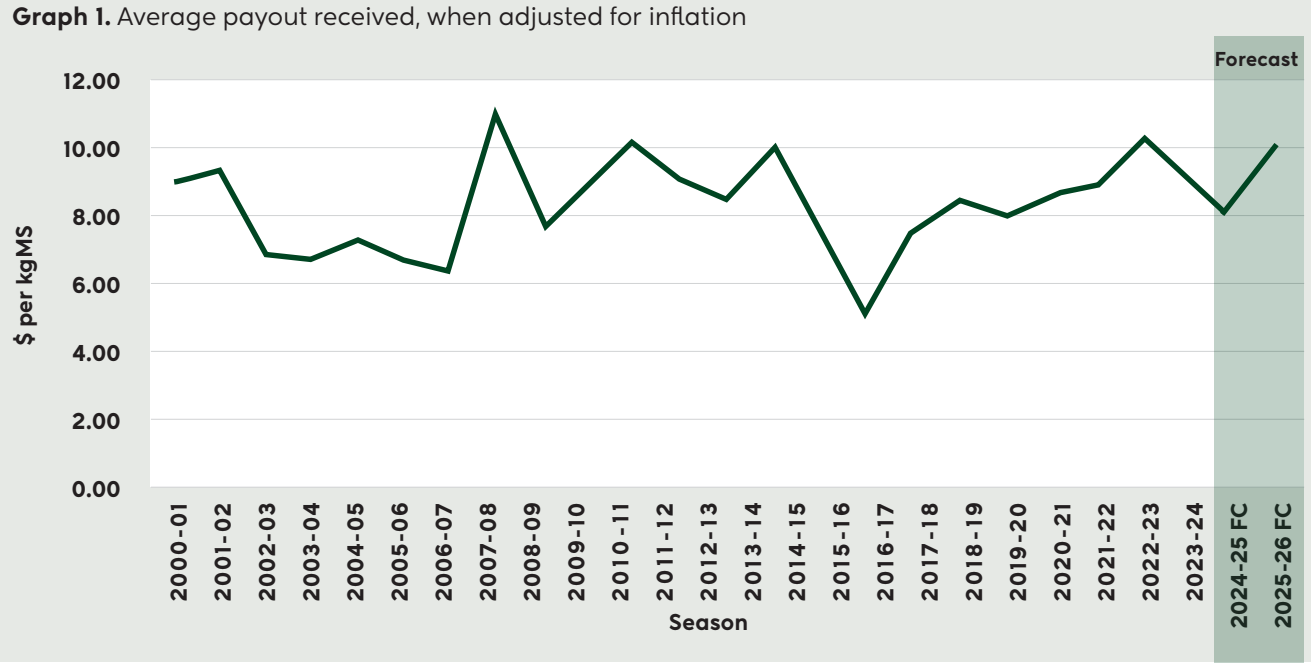
at a DairyNZ event to hear from our specialists and gain valuable insights. Find out what's coming up at **dairynz.co.nz/events**

How to handle the high forecast

Farmers who overhaul their systems in response to payout fluctuations often end up worse off than those who hold steady and act strategically.

Mark Storey
DairyNZ head of economics

Graph 1. Average payout received, when adjusted for inflation



At first glance, DairyNZ's forecast of average payout for 2024-25 looks like a record-breaker. But once adjusted for inflation, the story shifts (see Graph 1). In real terms, the payout received still falls short of the 2007-08 high of $11.13 per kilogram of milksolid (kgMS). So, while the headline number might look impressive, its value over time tells a different story.

This underscores why adjusting for inflation matters – headline figures can be deceiving when assessing the actual economic return for dairy farmers over time.

However, even though the current forecast payout isn't a record in inflation-adjusted terms, it's still one of the strongest in recent years. It sits alongside the 2021-22 season, which had a real milk price of $10.41 per kgMS, the highest inflation-adjusted payout in the past decade.

DairyNZ economic analysis indicates that farmers who make drastic system changes in response to payout fluctuations often end up worse off than those who stay the course. The advice is to remain committed to core business principles.

From experience, a high payout in one season is often followed by a significant drop. Although DairyNZ's initial forecast suggests the payout may remain high as we head into the 2025-26 season, and hopefully this pattern will change, it's worth remembering how much it can shift throughout the season.

Farmers can make the most of the strong payout by building healthy cash reserves and paying down debt where possible. Taking a strategic approach now will help safeguard farm businesses against future volatility.

Market dynamics are also shifting. While China's demand has helped sustain prices, rising stock levels could soften future demand. As the 2024-25 season winds down, the focus will turn to market sustainability, with domestic production, economic conditions, and the United States indicating an escalation in global tariffs shaping the outlook in the months ahead.

Since 2019, milk production costs have risen across most dairy-exporting regions, making farming more expensive. Despite this, Oceania farmers maintained the lowest production costs in 2024 (17% below other areas), though currency fluctuations affected US comparisons. Feed remains the largest expense.

Dairy farming will continue to face cost pressures and variability over the next decade, influenced by climate change, energy transition costs and evolving regulations. However, with the current government, some regulatory pressures are easing. In New Zealand, debt servicing costs – while recently high – are declining as interest rates ease and farms improve their debt-to-asset ratios by paying down debt. Labour remains a key challenge in both Australia and New Zealand, but overall, the sector is adapting to changing conditions.

TALKING DAIRY

Podcast | Ep. 95
$10 payout - now what?

Explore farm financial trends, the impact of better milk prices and key strategies to stay resilient amid ongoing challenges.

dairynz.co.nz/podcast-95