



Annual
Report
2024/25



Our purpose

Progressing a positive future for New Zealand dairy farming

Because when farmers succeed, the sector thrives, and New Zealand as a whole is better off.

Our vision

To make the levy the best investment of every New Zealand dairy farmer

Because your levy does for the sector what no farmer can do alone. That's why every day we work to deliver value to New Zealand dairy farmers. Find out more at **dairynz.co.nz**

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Tracy Brown
Chair

Campbell Parker
Chief Executive

From the Chief Executive

It has been a year of change

A year ago, we launched our new DairyNZ Strategy, guided by our vision: “To make the levy the best investment of every New Zealand dairy farmer.”

It is built around three pillars: productivity, resilience, and sustainability.

We now have nine programmes of work and are operating in a more focused and collaborative way than before. We are clear about what we deliver for farmers and the wider dairy sector, and we continue to emphasise the DairyNZ difference – how we work with others to support our farmers at farm system level.

As we begin the second year of our strategy, we are building on the progress we’ve made

We have refocused on what matters most for the future and gone back to the core of what we do well: science and research, and farm systems.

We are listening to you

One of the key pieces of feedback from levy payers is that you want us around more, bringing the science and research to the farm and helping farmers learn from one another.

Over the past year we have been delivering larger, future-focused events led by our scientists and experts – often with partners to reduce duplication. These new events are building momentum, and they will continue to evolve as we refine them and build on the feedback.

Farmers also made it clear to us that they really value discussion groups and missed them in some communities.

That’s why discussion groups are back. It’s important they’re farmer-led as that’s how they work best.

Research and science for you

We are improving our focus on adoption of science, and farmers helping us to deliver key projects and shape future science programmes.

Pasture-based farming sets us apart; it’s the base of our competitiveness. So, a big focus of our science will be around on-farm productivity through improved forage gains and more resilient pastures.

One of the key pieces of feedback from levy payers is that you want us around more, bringing the science and research to the farm and helping farmers learn from one another.

This year we are starting a new \$17 million, seven-year collaborative science and research programme – Resilient Pastures – to address this issue.

We’re focused on the big challenges to deliver value for you, so that you can focus on ‘the today’, knowing DairyNZ is working on the solutions you need on-farm in the ‘future’.

Telling you our story

At DairyNZ, we work like every day is a levy day and we want to explain how we do that better.

We are increasing the transparency around levy investments and making sure we tell our story more effectively.

Looking ahead, I’m optimistic

We are working in a world where change is constant – and that is our opportunity.

We are not just adapting to change, we are helping shape it.

But what excites me is what lies ahead for DairyNZ, as the world increasingly recognises the value of sustainably produced milk and looks to New Zealand for the science-backed breakthroughs. Our people are at the centre of that, and we’ll investigate how to do it better.

Ngā mihi.

Tracy Brown
Chair

Campbell Parker
Chief Executive

From the Chair

Kia ora,
As I reflect on my first year as Chair, the future feels bright. That is a very welcome feeling after some tough years

I am proud that dairy is a champion of the economy. The export outlook for the sector remains positive with revenue forecast to increase by 16% on the previous year to a record high of \$27 billion, in the year to 30 June 2025.

Emerging technologies that help us get the best from our animals and pasture are providing farmers choice, and DairyNZ is having strong influence on practical and enduring policy settings in New Zealand to maintain our competitive advantage.

I have taken to heart some words from my predecessor

Before he left, Jim van der Poel told me that you need to do what is right, and that won’t always be what is easy. That is something that resonates strongly with me and I keep it in mind as we make decisions for DairyNZ now and into the future.

This year we consulted with farmers on a change to the Milksolids Levy rate

The decision to adjust the levy for the first time was made after carefully considering feedback from levy payers.

It wasn’t a decision made lightly, with the change striking a balance between the different views of farmers while providing longer-term certainty for important projects.

We are committed to better communication with you about where your levy is invested and the return it

delivers to your business and the sector alike. You will see this on the pages that follow.

We also made the decision to request an independent review of OSPRI

In 2024 we commissioned two reports on OSPRI – the first to examine the extent of the problems with the Information Systems Strategic Programme, and the second on the organisation’s governance structure.

This led to new directors being appointed to the Board and a new Shareholders and Funders Group being established. We are closely monitoring progress and performance.

Science remains at the heart of what we do

Research will always be our core business, and our biggest challenge as a sector is reducing our footprint while increasing productivity and profitability, giving us a mandate to be able to produce more in the future – within a catchment context.

DairyNZ is the only organisation that supports dairy farmers with independent scientific research for our sector alone. We’re committed to delivering the right science in the right way on-farm and proving its value every step of the way.

We are advocating for you

We’ve worked closely with decision-makers for the interests of farmers on policies like the review of biogenic methane targets, helping to replace the National Policy Statement for Freshwater Management, and progressing the work that came from the Industry Working Group on animal evaluation and genomics.

We’ve also focused on sharing information on the reform of gene technology laws, to ensure farmers understand the developments.

Read more about our strategy at dairynz.co.nz/strategy

Our Board of Directors



1.



2.

1. Tracy Brown
DairyNZ Chair
Waikato

2. Cameron Henderson
Deputy Chair
North Canterbury



3.



4.

3. Mary-Anne Macleod
Director - Independent
Bay of Plenty

4. Dr Jacqueline Rowarth
Director - Farmer elected
Waikato



5.



6.

5. Chris Lewis
Director - Farmer elected
Waikato

6. Mark Todd
Director - Independent
Canterbury



7.



8.

7. David Hunt
Director - Independent
Wellington

8. Richard McIntyre
Director - Farmer elected
Horowhenua

To read more about our Board, visit dairynz.co.nz/board

Dairy sector facts

Herds and cows (in 2023/24)
10,485 Total number of herds.

448 Average herd size.

4.7m Number of milking cows.

Milk production
20.9b Litres of milk processed by New Zealand dairy companies in 2024/25.

1.94b Kilograms of milksolids produced by dairy farmers in 2024/25.

1.7m Total effective hectares of dairy land in New Zealand in 2023/24.

Top 5 markets for New Zealand dairy exports
(Year to 31 March 2025)

95% Percentage of our products that are exported to around 130 countries. An estimated 90 million people annually could consume 2.5 serves of NZ dairy per day.



Export value
(Year to 30 June 2025)
\$27b
Dairy is our largest export earner, generating around \$27 billion, which is one-quarter of the value of all New Zealand exports.

Employment
55,000
Number of people the dairy sector directly employs.

Environment
84%
Percentage of dairy farmers who have an industry farm environment plan in 2024.

Sources:
New Zealand Dairy Statistics 2023/24
Dairy's Economic Contribution to New Zealand Report August 2023
MPI Situation and Outlook for Primary Industries June 2025
NZX New Zealand Milk Production Report

Looking back:

Highlights over the 2024/25 year



Research and science discoveries

- Home-grown feed: On average, operating profit is **\$350/ha** higher for each extra tonne of pasture and crop eaten on the milking platform.
- Genetic gain: The top **25%** within each herd on average make **50kg more milksolids** than the bottom 25%.
- Environmental mitigations: Nitrogen (N)- Low N farmlet trials indicate **~40 to 50%** reduced N leaching. Plantain farmlet trials have shown a **26%** reduction in nitrogen leaching over four years.
- Pasture: Genetically Modified High Metabolisable Energy ryegrass improves the quantity and quality of livestock feeds.
- Technology: Herd performance holds when adopting wearable technology.



Advocacy

- In the 2024/25 year, we advocated on farmers' behalf in central and regional Government processes to help achieve positive outcomes for the sector.
- We have provided:
- 13 submissions to Central Government including:
 - 2 on Immigration
 - 2 on the Resource Management Act
 - 1 on the Emissions Trading Scheme
 - 1 on Emergency Management
 - 2 on Biosecurity
 - 1 on Gene Tech Reform
 - 1 on Vocational Training
 - 1 on Wastewater Environmental Standards
 - 1 on Farm Plastics Recycling
 - 1 on Freshwater Farm Plan settings
 - 1 submission to the Climate Change Commission
 - 5 submissions or written feedback to regional council processes.



Events and awards

- We delivered **132** events to more than **3250** farmers and rural professionals, with over **35** subject matter experts, and several with partners including Fonterra, LIC, and Dairy Women's Network.
- The format of our events has been evolving, which has seen average attendance increase by **78%** from the previous year.
- DairyNZ won a Primary Industries NZ Award in the research and science category for the research and development of woodchip denitrifying bioreactors as an edge-of-field practice for mitigating nitrogen loads to New Zealand waterways.
- The Reducing Sprains and Strains project won the Innovation award at the 2025 New Zealand Workplace Health and Safety Awards.



Farmer communication and engagement

- ↑ Dairy Training Limited vocational training course completion rate was **70.4%** in 2024, up from **64.8%** in 2023.
 - ↑ There has been a **40%** increase in the use of DairyNZ resources compared to last season.
- Top 3 *Talking Dairy* podcasts (based on seven-day downloads).
- 🔧 #1 New milking frequency trends and the impact of once-a-day milking in early lactation | Ep. 84
 - 💰 #2 \$10 payout - now what? | Ep. 95
 - 🌐 #3 Global shifts, local insights - Farmers' Forum preview | Ep. 99
- Established a Pou Ārahi role to increase Māori engagement.



Science by the numbers

54

Number of peer-reviewed research articles published

414m

Number of data points collected from Connected Farms equipped with animal and environmental sensors

4100

The number of Jersey cows we collected data from to estimate correlations between early-life indicators and first-lactation fertility traits

1707

Number of farms contributing to DairyBase for 2023/24

300

Number of people who visited Scott and Lye Farm this year

4

Number of meetings of the newly established Independent Science Panel

What's ahead – multi-year projects kicking off

- DairyNZ is leading the Resilient Pastures programme, established with the Ministry for Primary Industries, farmers and sector partners including Beef + Lamb New Zealand, TR Ellett Agricultural Research Trust, Hine Rangi Trust, Barenbrug, and Northland Dairy Development Trust.
- DairyNZ is developing solutions and strategies, with sector partners, for non-replacement dairy calves, a crucial opportunity for our sector.
- DairyNZ is progressing the next phase of the



Emissions and Profitability project alongside Fonterra and LIC.

- Progress is being continued towards OneBW to improve rates of genetic gain.

Your levy at work



Accelerating on-farm PRODUCTIVITY

Next generation genetic improvements

Genetic gain is crucial for farmers and the sector as a whole – contributing 50% of annual on-farm gains in productivity and profit according to a DairyNZ trial.

For the average farm, that is worth \$25,000 per year. The top 10% of dairy herds of Breeding Worth (BW) can achieve an additional \$12,600 in annual profit due to genetic selection compared to the median herd.

But we are falling behind the rest of the world on genetic gain, with our rate staying largely the same over the past decade. That is despite overseas dairy industries doubling their rate of genetic gain.

In 2024 the Industry Working Group (IWG) handed down its final report evaluating genetic gain progress. The IWG identified major issues to resolve, and work is underway on its recommendations.

The Future Focused Animal Evaluation Governance Group has been formed and is working to establish a future-looking National Breeding Objective and uniting behind OneBW for genomic selection.

The top 10% of dairy herds of BW can achieve an additional \$12,600 in annual profit due to genetic selection compared to the median herd.

This is all part of our work to get the sector rate of genetic gain back to world-leading levels, so farmers have the confidence to use genomics in their breeding plans.



Profit Gap – highest and lowest BW cows



Pasture – our history and our future

Productive pastures are key to successful farming in New Zealand and underpin our international competitiveness. They keep the cost of production low and are central to our low emissions milk production.

Climate change and static pasture harvest are threatening that foundation. In parts of the North Island, recent analyses suggest rates of decline between 0.5 and 1 tonne of dry matter per hectare (DM/ha) per decade across Waikato and Te Tai Tokerau over the last 20 years.

To help combat this, DairyNZ is leading a joint programme with MPI through the Primary Sector Growth Fund with our sector partners Beef + Lamb New Zealand. It focuses on enhancing pasture performance and persistence on dairy, sheep and beef farms across the upper North Island.

The \$17 million, seven-year Resilient Pastures

programme will bring together farmers and the sector to identify pasture species and management practices that are more resilient to climate variation and extreme weather events.

We are also progressing work on the Forage Value Index (FVI) to identify forages that will maximise farm profit. We are working with the New Zealand Plant Breeding & Research Association to design a new research programme for next steps for FVI and ryegrass breeding. This work builds on the recent FVI validation trial which has challenged our assumptions about the rate of genetic gain in pastures.

DairyNZ is also working closely with the Government around changing legislation on the use of genetically modified plants.

We have co-invested in the development of the high metabolisable energy (HME) genetically modified (GM) ryegrass produced by AgResearch scientists.

HME has the potential to give real yield and emissions benefits for farmers with initial results showing it produces 10% less methane and 10% more metabolisable energy.



Investing in people

People are the driving force behind our sector's success, and we want them to see dairy as a career for life – a good place to progress, a good place to invest.

Your investment into workforce and workplace initiatives is delivering real results with the number of employees staying in the sector for more than five years increasing.

We are continuing work on the Great Futures in Dairying Plan, to improve leadership, management practices and culture, as well as changing the job through research into efficiency and productivity, technology and automation.

Extended Lactation study

The Extended Lactation farmlet study aims to reduce peaks in annual workload.

In its second year, the study at Scott Farm is testing the productivity and profitability of a system with a 24-month calving interval, where half the herd calves each spring.

In year one of the study, it had similar profitability to a standard 12-month calving interval producing 4% more at 49kg MS/ha.

Extended lactation cows achieved more than 600 days in milk and in their first year of lactation also produced 15-20% more than the farmlet average (and an equivalent amount less in their second year).

This expands on our previous research around milking once-a-day (OAD) and flexible milking, which over time has led to approximately 10% of spring calving herds being milked full season OAD.



Tash Leach, DairyNZ senior research technician, testing pilot and calibration samples with milk which contains Bronopol, a preservative to prevent microbial growth, and methyl blue dye as an indicator.

This research is helping build our understanding of extended lactation, which will be useful for farmer decision making.

A closer look at wearable technology

With the rise of on-animal sensors, new research is investigating how wearables affect reproductive performance.

In a study that is the first of its kind, we analysed herd reproductive records to see what, if any, changes occurred after adopting wearables. The analysis used data from 141 wearable herds and 1158 reference herds.

Overall, there was no evidence to support improvement, or deterioration, in reproductive performance following the farms' adoption of wearables. This means the potential benefits of wearables to potential time saving and labour efficiency and management can be captured without impacting reproductive performance.

In the future, wearable technologies could offer benefits beyond reproduction and individual animal management, such as improving grazing management or mitigating heat stress.




Benefits of pasture
\$350/ha ↑
On average, Operating Profit is \$350/ha higher for each extra tonne of pasture and crop eaten on the milking platform.

Powering more adaptable and RESILIENT farms

Future-fit farm systems are at the heart of everything we do

As the world changes, farmers continue to have to make adjustments to keep their businesses profitable and resilient.

We are here to help you with that – by bringing strong farm systems knowledge to farmers delivered through events, and easy access via our website and communication channels when you need it.

Farmers have told us they want greater access to our scientists, experts, and research.

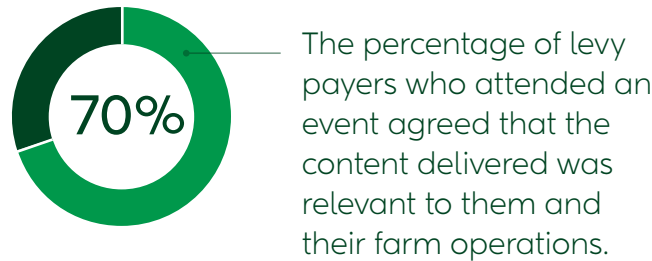
This past year, our new events have begun to improve access, while we continue to support farmers connection in the local regions.

We have heard from farmers that local discussion groups also matter. So, in 2025 DairyNZ has brought them back with a new approach that puts farmers in the lead.



We recognise that we cannot do everything alone which is why we have transformed the way we work with our partners.

We are strengthening our relationships and reducing duplication where we can.



This year, we ran a series of 30 events with Fonterra and LIC. A total of 760 people attended these events, to hear about what farmers were doing to improve reproduction efficiency and genetic gain strategies for their farms.

We also partnered with Federated Farmers at 13 other events. These events, which focused on managing risk in share-farming, were attended by a total of 450 people.

That’s in addition to the work we do alongside our partners supporting the Pasture Summit and Dairy Women’s Network through events like People’s Expo.

There has also been increased demand for our farm systems capability training, with more than 100 rural professionals participating this year.



Dairy Companies Association of New Zealand Executive Kimberly Crewther, DairyNZ Chief Executive Campbell Parker, Meat Industry Association CEO Sirma Karapeeva, Deer Industry Chief Executive Rhys Griffiths, Minister for Biosecurity Andrew Hoggard, Beef + Lamb New Zealand Chair Kate Acland, NZ Pork Chief Executive Brent Kleiss, and Ministry for Primary Industries Director-General Ray Smith signed the new operational agreement on Foot and Mouth Disease at the 2025 Fieldays.

Advocating for a fair and equitable biosecurity system

We continue to take a leading role in ensuring farmers have a voice in preparing for and responding to major biosecurity events.

This includes negotiating an operational agreement for Foot and Mouth Disease (FMD), which was signed in June 2025.

The agreement sets out how the costs of FMD readiness and response activities will be shared between the Government and the livestock sector.

It also creates legally binding participation of the sector in decision-making, ensuring that farmers’ interests, knowledge and input is heard.

We also advocated for an independent review of OSPRI.

We commissioned two reports on OSPRI – the first examined the problems with the Information Systems Strategic Programme, and the second focused on its governance structure. This led to new directors being appointed to the OSPRI Board and a new Shareholders and MPI Group being established.

We helped lead the *Mycoplasma bovis* (*M. bovis*) eradication programme, partnering with the Ministry for Primary Industries (MPI) and Beef + Lamb New Zealand to move the eradication programme to a national pest management plan (NPMP) in January 2025.

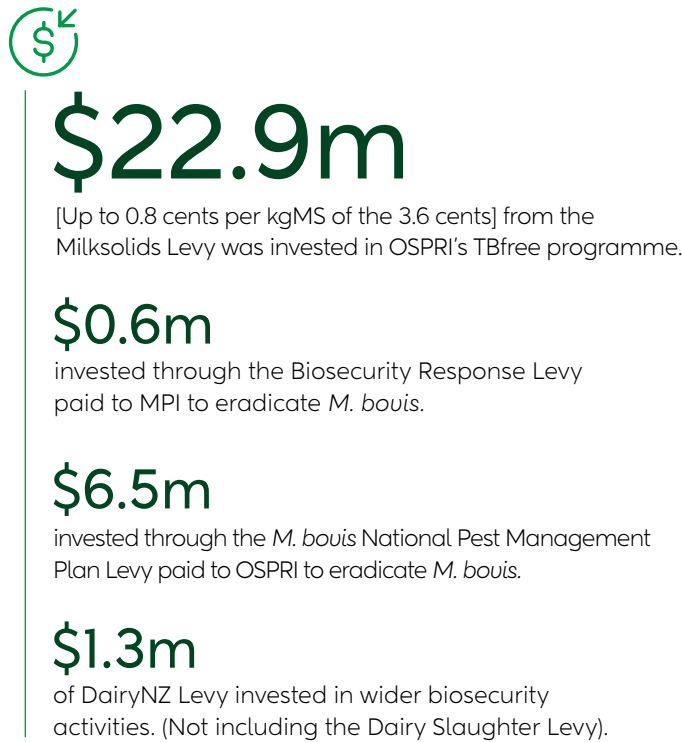
We supported farmers with the DairyNZ Beef + Lamb New Zealand Compensation Assistance Team which

wound up in 2025 after helping 1370 farmers with more than 2310 claims.

More than \$161 million in claims were submitted by the team on behalf of farmers, including \$88 million from dairy farmers alone.

The significant milestone means that responsibility of the programme has been transferred from MPI to OSPRI, who also manage Bovine TB, NPMP and the NAIT animal tracking and tracing system.

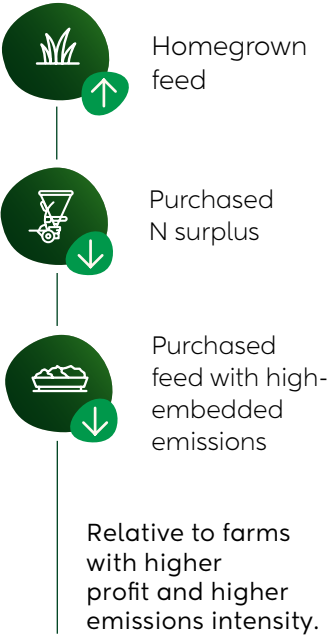
This continues a long history of DairyNZ advocating strongly on behalf of dairy farmers, and it led to the development of knowledge and tools that can be used in any future biosecurity incursions.





The use of all three datasets together is a first, with the project creating a single, anonymised dataset of around 8000 farms.

Farms with higher profit and lower emissions intensity have:



Telling the story of dairy through data

Credible evidence sits across everything we do at DairyNZ. With the broadest and most comprehensive farm data in New Zealand, we monitor and scale our research to inform future work.

This data helps farmers make better, faster and more informed decisions that have a direct impact on-farm and boost the sector as a whole.

The Emissions and Profitability project

The Emissions and Profitability project was a collaborative effort between DairyNZ, DairyBase by DairyNZ, Fonterra and LIC.

By bringing together three sets of data from DairyNZ, Fonterra, and LIC, the study aimed to improve the understanding of relationships between physical farm performance measures and profitability, with a focus on reducing greenhouse gas (GHG) emissions.

The use of all three datasets together is

a first, with the project creating a single, anonymised dataset of around 8000 farms.

Findings from the study will help farmers develop opportunities to increase profitability while reducing emissions intensity, while also being fully aware of other potential impacts on their farm system.

This is a key focus for DairyNZ – to ensure the whole system is considered. An early insight demonstrated high-profit farms with low emissions intensity can be found everywhere within each region.

Productivity and competitiveness

DairyNZ is working with Dairy Australia and Teagasc to calculate the New Zealand dairy sector’s productivity and international competitiveness.

Analysis shows our ability to produce pasture at low cost continues to set us apart, and it is key to our international competitiveness. However, our ability to improve productivity has plateaued over the last 10 years.

The next stage of work will focus on identifying the contributing factors to the flattening of productivity improvements.

Enabling SUSTAINABLE and competitive dairying

Analysing and elevating our animal welfare science

Over the past year, DairyNZ researchers delved into the latest animal welfare science to identify aspects of New Zealand farming systems that contribute positively to a dairy cow’s quality of life. The goal was to identify where we can better meet the needs of our animals and improve our international competitiveness.

Our research showed that pasture-based systems generally support a good quality of life for cows. But there are challenges, particularly when it comes to providing comfortable lying areas during winter and managing heat stress in summer.

We’ve used our work to influence policy and inform farmers on good practice. We’re also working to increase the options available for farmers to address the biggest compliance or competitive risks.

Off-Paddock Wintering Infrastructure project

To explore practical alternatives to traditional on-paddock wintering, we partnered with the Ministry for Primary Industries through the Off-Paddock Wintering Infrastructure project.

Working with the Southern Dairy Hub and local

“We know that healthy well-cared for animals underpin a successful dairy sector.”

DairyNZ senior science manager
Kirsty Verhoek

farmers, we designed new infrastructure concepts that considered cow comfort, environmental outcomes and cost. Insights from the project have been incorporated into the updated DairyNZ guidelines to help farmers plan and implement successful infrastructure investments.

Selective Dry Cow Therapy in New Zealand

We worked with Cognosco in late 2024 to analyse information on cow health from commercial dairy farms, to understand the impacts of using selective Dry Cow Therapy (DCT) antibiotics, versus whole herd DCT.

Analysing bulk milk somatic cell count (BMSCC) and antibiotic use, we found the majority of farms were able to maintain BMSCC at acceptable levels across the eight-year data set using selective DCT, while a small population of herds showed benefit from whole herd DCT.

The new information has now been incorporated into our guidelines and shared with farmers.



Researching the factors behind our emissions

DairyNZ is working with farmers to improve understanding of what steps they can take on farm to reduce emissions.

We are now two years into the four-year Emissions4Pasture joint New Zealand and Ireland research programme, to investigate how different factors impact methane emissions from dairy cows in pasture-based systems.

Partnering with the Ministry for Primary Industries, Ag Emissions Centre and Ireland’s Department of Agriculture, Food and the Marine, researchers are looking into how pasture species, management and seasonal composition influence cows’ base methane emissions and their responses to methane-reducing technologies like feed additives.

The programme will also look at how these different factors are accurately accounted for at a farm and national level.

Preliminary results suggest that cows grazing fresh forages emit less methane than currently estimated,

supporting similar findings internationally. If confirmed, this could lead to a retrospective adjustment to New Zealand’s national greenhouse gas inventory.

By understanding the factors that influence methane emissions during the seasons, we can ensure that potential methane mitigations are optimised to our pasture-based systems.

The programme will also ensure our dairy methane emissions are accurately accounted for, and help New Zealand maintain its international ranking as one of the most emissions efficient producers of milk in the world.



Sustainable catchments programme

Our Sustainable Catchments programme is trialling a range of on-farm tools and approaches to show what works to improve water quality, while keeping farms profitable.

In the Waimea catchment, wetlands have been built to reduce nitrogen and improve biodiversity, with research showing that wetlands can typically reduce N by 20-80%, depending on temperature, retention time and incoming N levels.

Improving farm efficiency in South Canterbury and Waimea is also seeing results, with farms looking at updating irrigation infrastructure, optimising feed pads and reviewing stocking rates to further reduce N losses.

In the Pōkaiwhenua catchment we are working with local Iwi to improve water quality for local species of tuna, kōura and cran’s bully. This includes looking at the role improving shade has on water temperature and health.

This work is developing credible and practical solutions that can be used on farms across the country.

Low N systems

This research explores stacking mitigation strategies to significantly reduce N losses from the farm system. Preliminary results from the multi-year Low N Farmlet Trial indicate a ~40-50% reduction in N leaching, with a 12% total and 6% intensity reduction in greenhouse gas emissions, but an 8% reduction in profit.

A prototype tool that uses bulk milk urea to indicate herd dietary N surplus/deficit is being tested with farmers. Used alongside other farm information, it

supports tactical and strategic decisions to optimise N use efficiency and manage N loss risk.

Case study interviews with six Māori farming entities are also being conducted to obtain Te Ao Māori perspectives on dairy farming and the *taiao* (environment).

Plantain potency and practice

Farm systems modelling shows plantain is one of the most cost-effective options for reducing nitrogen leaching.

After four years of experimental trials at Massey and three years at Lincoln, the Plantain programme has shown that Ecotain plantain mixed swards can reduce nitrate leaching by around 26% with no significant impact on production.

Further work is underway to determine the effectiveness of different plantain cultivars and to understand how plantain works in different soils and climates, so that its full effect can be modelled in Overseer.



Preliminary results suggest that cows grazing fresh forages emit less methane than currently estimated.



Advocating for farmers

The Government is undertaking significant policy decisions that affect dairy farmers.

DairyNZ regularly speaks with, and makes formal submissions to, decision-makers across central and regional government on our views and concerns to influence and improve delivery of sensible policy outcomes for farmers.

What follows is some of the work we have been doing on your behalf.

✓ Resource Management (Consenting and Other System Changes) Amendment Bill

We support the Bill's aim to streamline consenting and improve efficiency for farmers. We advocated for clearer permitted activity pathways, opposed new charges for permitted activity monitoring, and backed practical changes to consent processes that reduce duplication and cost.

✓ Methane targets

We advocated for and secured a review of methane targets.

✓ National Freshwater Reform

We advocated for a review of the National Policy Statement for Freshwater Management centered around ecosystem health. We developed an alternative freshwater framework that is practical and effective, outcomes-focused, has balanced policy and includes farmer-led catchment level solutions.

✓ Freshwater Farm Plans

We've successfully advocated for a transition from existing sector Farm Environment Plans (FEPs) to regulatory Freshwater Farm Plans (FWFPs). We're working to ensure plans are robust, recognise existing sector programmes and can act as an alternative to local council consents where appropriate.

✓ Gene Technology Bill

We support the Bill's direction but called for key improvements: clearer trade and market access protections, better definitions to support co-existence, stronger recognition of Māori interests, a primary sector voice in advice, and a transition period of two to five years to build confidence in the new system.

✓ Immigration Accredited Employer Work Visa Review: Phase 2

We advocated for practical immigration settings that reflect the realities of dairy farming. Our submission contributed to key policy changes, including greater flexibility on wages and experience levels and longer visas, which deliver real benefits for farmers.

✓ Emergency Management Bill

We called for animal welfare to be prioritised in emergency planning, stronger rural representation in decision-making and clearer coordination between agencies.

✓ Vocational Education and Training Reform

We advocated for strong sector leadership in training decisions, funding that reflects dairy's diverse needs and stable, long-term arrangements to support investment.

✓ Biosecurity Act Review

We supported a more integrated, sustainably-funded biosecurity system with stronger investment in readiness. Our policy position was supported and informed by the DairyNZ Economic Survey and DairyBase data.

✓ Waikato Plan Change 1

We helped shift the plan away from relying on Overseer as a strict numerical reduction tool at the farm scale, reducing compliance costs and providing greater flexibility.

We also provided strong water quality science, farm systems and economics expertise, to champion a fairer approach across all land uses, ensuring that contaminant reductions reflect each sector's actual contribution within the catchment.

Read more about our submissions at dairynz.co.nz/advocacy



Latest from our research farms

Our purpose-built research farms are equipped with the latest technology to conduct world class replicated farm systems studies and research.

This season we invested \$920,000 into our Animal Intake Facilities at Lye Farm, which includes 20 new Hokofarm RIC2 Discover automated feeding systems.

This has increased our capability to measure individual feed intakes, feeding behavior, efficiency, and gas emissions for 40 calves and 20 cows. That is in addition to 40 cows within our Calan barn.

New technology has also been introduced to help automate the process of feeding cut-and-carried pasture. This has helped improve the efficiency, accuracy, and labour load of the process.

We have upgraded our data storage and management systems and increased our data science capability, so our researchers are equipped to keep pace with the changes in technology for better use of historical and new datasets.

Irrigation has also been installed at Lye Farm to increase our ability to support research requirements over the summer period.

In addition to the Waikato-based research farms our partnerships and investments into critical regional groups ensure DairyNZ is conducting relevant and timely research.

This includes contributing to and supporting the Southern Dairy Hub with the infrastructure project, Dairy Trust Taranaki with the Step Change programme, and the Northland Agricultural Research Farm with its climate change adaption research.

300+

The number of people who visited Scott and Lye farms this year.

35

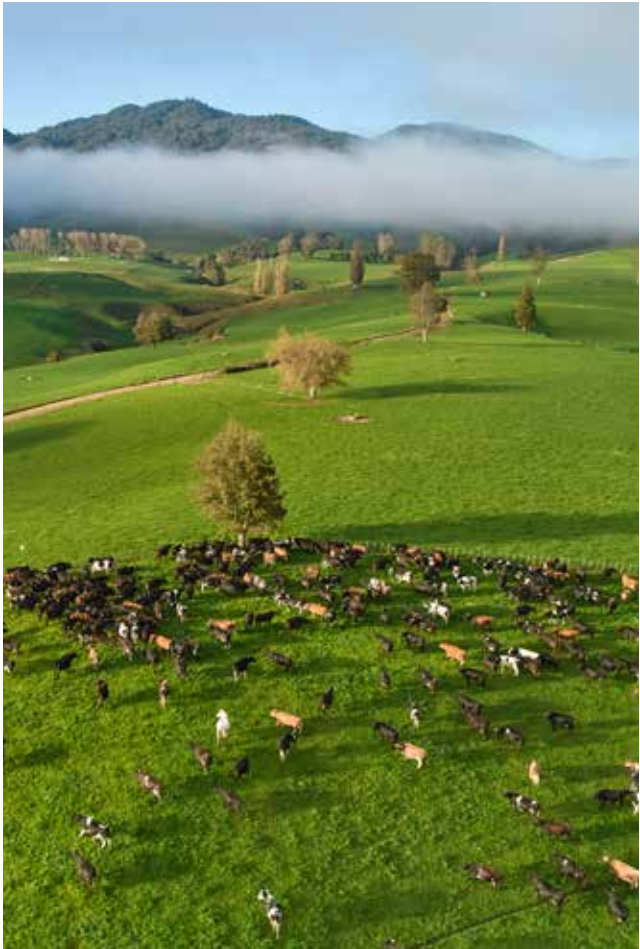
The number of groups who visited these farms this year.

15

The number of countries our farms' visitors came from.

Hosted the Nuffield Contemporary Scholars Conference.





An independent view on our research and science

DairyNZ prides itself on the impact, strength and rigour of its research and science programmes.

We would not have the dairy sector we have today without farmer levy investment in long-term research and science. It’s important this collective-good work is as strong as possible and delivering practical solutions for farmers.

That is why in late 2023, we established an independent science panel with representatives from the international science community that meets twice a year to review and provide feedback on our research programmes and activities.

This expert oversight helps test our science, providing further confidence that it is addressing the right challenges and opportunities, it is credible, robust, connected to trusted partners, and remains world-leading.

The panel had a chance to meet with farmers during a visit to the Waikato. This was an opportunity to help understand the New Zealand farming context and hear directly from farmers.

The Science Panel is made up of:

- Chris Murphy – Consultant, former Dairy Australia Group Manager (Chair)
- Laurence Shalloo – Head of the Animal & Grassland Research and Innovation programme at Teagasc, Ireland
- Richard Cookson – Dairy Goat Co-operative Director and Waikato dairy farmer
- Ariana Estoras – AgResearch Director of Māori Research and Partnerships
- Yani Garcia - Director of the Dairy Research Foundation at The University of Sydney, Australia.

“The Science Panel brings an independent, global perspective to ensure DairyNZ’s science remains credible, farmer-focused, and future-ready,” science panel Chair Chris Murphy said.

“We’ve been impressed by the depth of expertise, commitment to practical outcomes, and willingness to be challenged and continuously improve.”

How we are supporting our people

The health, safety, and wellbeing of our people remains a top priority for DairyNZ.

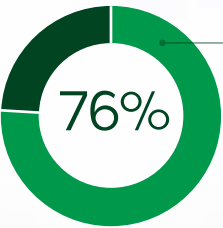
As part of this work, we actively measure and report health, safety and wellbeing performance to our Board of Directors.

Lost-time workplace injuries increased in the last financial year, and one notifiable event was reported to WorkSafe NZ. These incidents were thoroughly investigated internally, and corrective actions taken.

The total number of injury-related incidents decreased compared to the previous year, except for those resulting in time off work, which saw an increase.

This year DairyNZ conducted an internal audit of its Health, Safety and Wellbeing Management System. This assessed our current systems, policies, procedures and practices to ensure compliance with relevant legislation, evaluate operational effectiveness, and identify potential risks.

The audit confirmed that our management system is compliant with legislation, with four improvement opportunities identified for implementation.



Percentage of staff engagement as at March 2025.

Throughout the year, a range of initiatives were introduced to foster greater collaboration across teams and spark innovation, reinforcing our commitment to a positive and dynamic work environment.

Health and Safety	Year ending 31/05/2025	Year ending 31/05/2024
Lost-time workplace injury incidents	4	2
Notifiable incidents	1	1
Culture		
Staff engagement index	76% (March 2025)	88% (October 2023)
Voluntary turnover	9.9%	14.6%

Actual staff numbers by gender *			
31/05/2025	F	M	Total
Leadership Team	4	4	8
Organisation	158	96	254
Total	162	100	262
31/05/2024	F	M	Total
Leadership Team	4	4	8
Organisation	162	107	269
Total	166	111	277

*Includes permanent full-time and part-time employees and fixed-term staff.

Actual position numbers (including vacancies) *		
	Year ending 31/05/2025	Year ending 31/05/2024
Leadership Team	8	8
Organisation	276	270
Total	284	278

*Includes permanent full-time and part-time employees and fixed-term staff.



What's next

-  World-leading animal genetic gain →
-  Increased workplace productivity →
-  Improved forage gains →
-  Credible evidence →
-  Future-fit farm systems →
-  Reduced GHG emissions →
-  Enhanced animal care →
-  Strong biosecurity systems →
-  Healthy waterways →

10 year	3 Year	1 Year
The sector rates of genetic gain match world-leading competitors.	Lead indicators of improvement of generation interval, farmer uptake, genomic BW reliability and bull screening and enrolment are progressing.	Continue to work towards one genomic breeding worth.
Workplace productivity on dairy farms has significantly increased and is internationally competitive.	DairyNZ research shows how farmers could achieve a 20% increase in cows/FTE and the sector is on track for a 10-year target of an average increase of 30 cows/ FTE (when an FTE/ full-time equivalent worker works no more than 45 hours/week).	Research with farmers to explore novel approaches like extended lactation.
Gains in forage performance (genetics, forage combinations, management) enable resilience to climate and improve international competitiveness.	Field evaluation of new genetics, technologies, forage combinations and management systems underway.	Resilient Pastures programme underway.
Access to high quality data and insight is unlocking significant benefit to the sector and ensuring credibility and trust with customers and stakeholders.	Increased trust and awareness of DairyNZ sector data and insights. Measured as 75% familiarity and 100% trust (of the 75%) by commercial and Government stakeholders.	Improve our data collection quality and efficiency from and for dairy farmers and for research purposes.
Our dairy systems are world-leading in cost of production, customer desirability and business resilience, and match world-leading competitors in emissions intensity.	Cost of production and emissions intensity matches that of world-leading competitors.	Farm systems research on maximising benefits from data on-farm.
Farmers are on track to meet GHG commitments, enabled by fair and practical policies and access to cost effective mitigation strategies.	The dairy sector is supported by science-based, fair and practical regulation and there is a pipeline of economically viable options in development.	Levy-funded research to investigate the role of supplementary feeds on greenhouse gases.
New Zealand dairy farming remains internationally competitive in animal care.	The sector is meeting current requirements and progressing towards future expectations for animal care, with farmers involved in developing options.	Develop solutions and strategies to increase the value of surplus dairy calves and identification of heat stress in dairy cattle.
An integrated, science-based and sustainably-funded biosecurity system that reduces institutional fragmentation, improves coordination, and ensures efficient investment for farmers.	The Biosecurity Act includes provisions that support a sustainably funded, integrated biosecurity system.	Ongoing advocacy for changes to the Biosecurity Act and the Government Industry Agreement on readiness.
Farmers are empowered to drive improvements in water quality and ecosystem health at scale across dairy catchments and are seen as responsible stewards of the land.	Farmers benefit from pragmatic and equitable policy for freshwater management, supported by an integrated toolbox of solutions to improve waterway health.	Progressing mitigation research (e.g., Nitrogen and E.coli) and initiating new restorative ecosystem health research.

Budget 2025/26

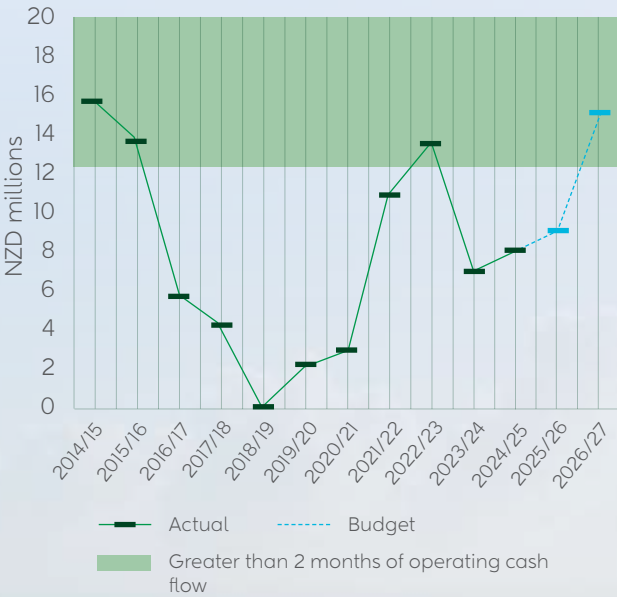
After a challenging year last year, our sharper commercial focus has seen us deliver a more sustainable financial position for 2024/25.

There is still more to be done, which is why we are stabilising our reserves, a key part of our decision to raise the Milksolids Levy rate earlier this year.

Our aim is to rebuild a modest but prudent level of reserves over the next two years, so we can continue to support the sector, even in times when levy income may fluctuate.

Building our Low-Point Cash Balance over time

Demonstrating how we are building cash reserves over the next two seasons to healthier levels



Budget for FY26	Millions \$
Levy income	85.9
Govt funding	5.8
Other income	9.4
Total Revenue	101.1
Depreciation and amortisation	-3.0
Employee costs	-35.5
Third party research subcontracts	-9.0
Operating costs	-31.1
TBfree	-14.5
Total Expense	-93.1
Budgeted Surplus	8.0

Strategic investment

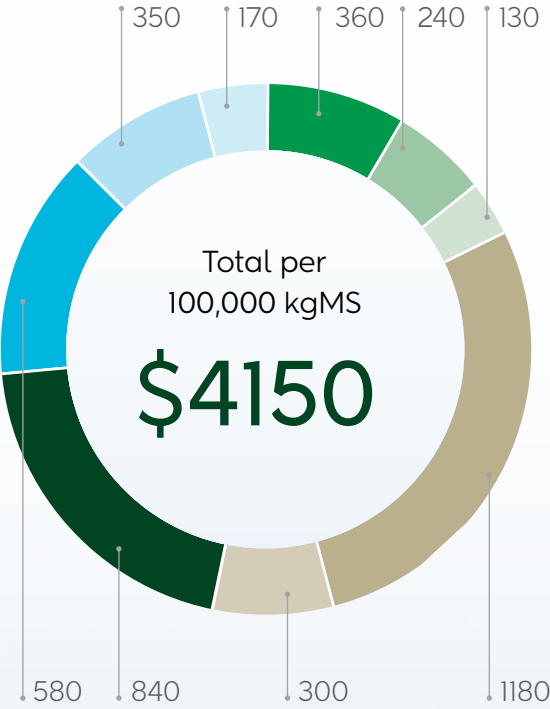
In 2025/26, DairyNZ will invest in technology that supports farmers with data sharing and capture, to ensure a faster uptake from research to on-farm solutions for farmers.

This includes modernising and improving the functionality of our customer relationship management (CRM) system and our DairyBase system.

We have again increased our investment in research and science with work already beginning on OneBW – which we know is one of the most critical projects to support farmers with a universal source of genetic gain truth. Your levy investment will go towards progressing this work so a solution can be delivered to you as soon as possible.

Funds will also go towards our Resilient Pastures programme, investigating the role of supplementary feeds on greenhouse gases (GHG), and work on managing non-replacement calves.

2026 levy funding targets
expressed as dollars per 100,000 kgMS



*Values shown are rounded to the nearest \$10.
** Excludes operational costs and overheads, which equate to 15% of total budgeted expenditure.

KEY:
Programmes and examples of work included

- Strong biosecurity systems
TBfree, FMD readiness
- Healthy waterways
LowN, plantain, catchment programmes, freshwater science and policy work
- Enhanced animal care
Animal welfare and care research, non-replacement dairy calves
- Reduced GHG emissions
Emissions4Pasture, Climate Smart Research, supplementary feeds research
- World-leading animal genetic gain
Animal Evaluation, NBO and management of the Dairy Industry Good Animal Database
- Improved forage gains
Resilient Pastures, Forage Value Index, GE Technology Policy
- Increased workplace productivity
Extended lactation and use of on farm data to drive labour productivity improvement
- Future-fit farm systems
Extension activities, farm system research and demonstration, sponsorship of sector partners
- Credible evidence
Economics and insights, DairyBase, Data science and automation

Financials





Improved financial outlook for DairyNZ

The 2024/25 year has been a relatively positive year for many across the wider sector.

Following a challenging few years, milksolids have rebounded and were up by 3% for the 2024/25 dairy season.

This increase saw an extra \$2 million in income for DairyNZ, with a \$3.7 million surplus at year-end.

While DairyNZ’s income reduced slightly overall, we responsibly reduced our costs and returned a surplus after a deficit last year.

Income has remained stable, though slightly lower, due to a decrease in Government funding and use of our farms by external organisations to test research and new methane-reducing technologies in a pastoral system.

In the past 12 months we have reduced our costs and created efficiencies, reducing our expenditure by \$7 million compared to the year prior.

These reductions were made across the business including employee costs, operational areas, and a small decrease in science third-party sub-contracts.

A priority has been to expand our research and

testing facilities to better support farmers with farm system improvements and emerging technologies. We invested \$3.5 million into capital assets during the year, including a new animal feed intake facility at Lye Farm and a farming system modelling tool.

Like most organisations, ensuring adequate cash reserves remains important, and we are working towards rebuilding a modest but prudent level of reserves over the next two years.

As a result of lower expenditure and increased milk production our cash low point for the season was \$8.1 million – one million better than the prior year.

We plan to continue achieving surplus cash balances in the next two to five years to ensure DairyNZ can hold a minimum cash balance of at least two-three months budgeted operating expenses across the whole financial year.

Our statement of service metrics are detailed further in this report and measure the quality and value that farmers (our levy payers) consider DairyNZ provides to them and the dairy sector.

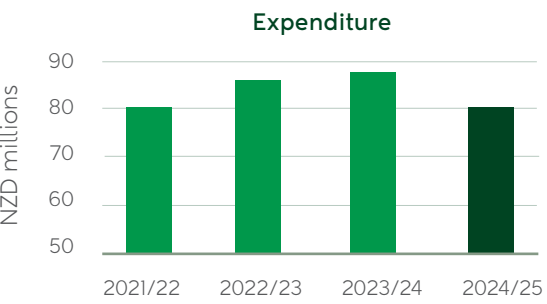
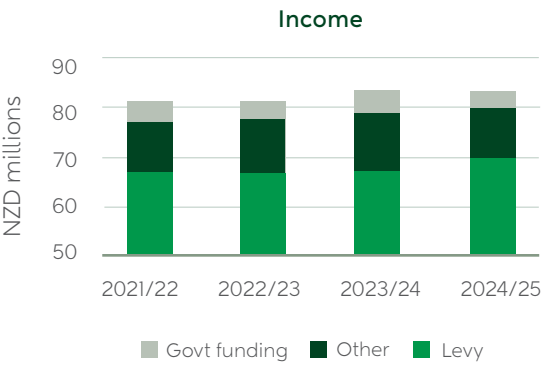
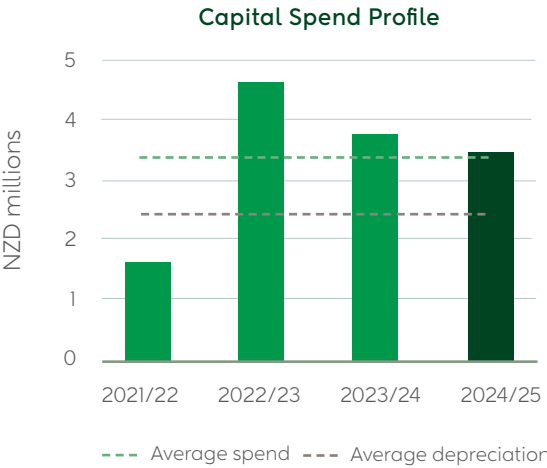
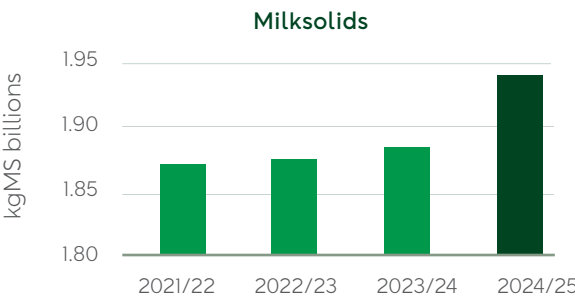
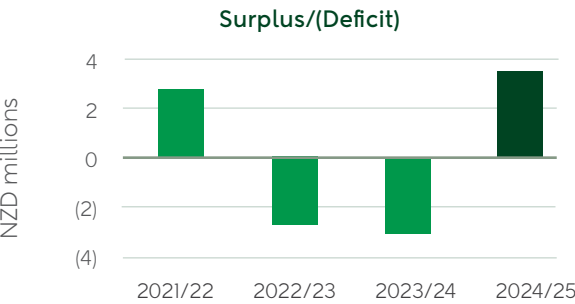
Through this financial year we observed quarter-on-quarter improvements to both the “critical to future success of the sector” and “value to New Zealand dairy farmers” metrics.

However, some results dipped earlier this year,

coinciding with our consultation to increase the Milksolids Levy rate and the removal of discussion groups.

We have listened to feedback and have brought back discussion groups, and we are making other changes thanks to farmer feedback.

Encouragingly, the first survey results in in the 2026 financial year show a rebound with the “value to New Zealand dairy farmers” metric now nearing its target (58%) and “percentage of farmers who support the continuation of the levy” at 72%.



Cashflow from Operating and Investing Activities Trending

	2021/22	2022/23	2023/24	2024/25
Operating cashflow excluding biosecurity levies (M. bovis, NPMP)	10,191	(238)	1,308	4,098
Cash used for funding capital	(1,566)	(5,361)	(3,124)	(3,069)
Postive/(negative) cashflow	8,625	(5,599)	(1,816)	1,029



Independent auditor’s report
To the Members of DairyNZ Incorporated

Our opinion

- In our opinion, the accompanying general purpose financial report of DairyNZ Incorporated (the Incorporated Society), including its subsidiaries (the Group), presents fairly, in all material respects:
- the financial position of the Group as at 31 May 2025, its financial performance, and its cash flows for the year then ended; and
 - the service performance for the year ended 31 May 2025 in that the service performance information is appropriate and meaningful and prepared in accordance with the Incorporated Society’s measurement bases or evaluation methods

in accordance with Public Benefit Entity Standards issued by the New Zealand Accounting Standards Board (the applicable financial reporting framework).

What we have audited

The general purpose financial report which comprises:

- The consolidated financial statements (the financial statements), including:
 - the consolidated statement of financial position as at 31 May 2025;
 - the consolidated statement of comprehensive revenue and expense for the year then ended;
 - the consolidated statement of changes in net assets/equity for the year then ended;
 - the consolidated statement of cash flows for the year then ended; and
 - the notes to the consolidated financial statements, which include significant accounting policies and other explanatory information.
- The statement of service performance (the service performance information) for the year ended 31 May 2025.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (New Zealand) (ISAs (NZ)) and the audit of the service performance information in accordance with the ISAs (NZ) and New Zealand Auditing Standard 1 (Revised) *The Audit of Service Performance Information* (NZ AS 1 (Revised)). Our responsibilities under those standards are further described in the *Auditor’s responsibilities for the audit of the general purpose financial report* section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our independence

We are independent of the Group in accordance with Professional and Ethical Standard 1 *International Code of Ethics for Assurance Practitioners (including International Independence Standards) (New Zealand)* (PES 1) issued by the New Zealand Auditing and Assurance Standards Board, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Other than in our capacity as auditor we have no relationship with, or interests in, the Group.

Other information

The Directors are responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements, the service performance information and our auditor’s report thereon. The other information we obtained prior to the date of this auditor’s report comprised the statutory information. The remaining other information is expected to be made available to us after that date.

Our opinion on the general purpose financial report does not cover the other information and we do not express any form of audit opinion or assurance conclusion thereon.

In connection with our audit of the general purpose financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements and service performance information or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed on the other information that we obtained prior to the date of this auditor’s report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

PricewaterhouseCoopers, Corner Ward and Anglesea Streets, PO Box 191, Hamilton 3240, New Zealand
T: +64 7 838 3838, www.pwc.co.nz



When we read the other information not yet received, if we conclude that there is a material misstatement therein, we are required to communicate the matter to the directors and use our professional judgement to determine the appropriate action to take.

Responsibilities of the Directors for the general purpose financial report

The Directors are responsible, on behalf of the Incorporated Society, for the preparation and fair presentation of the general purpose financial report in accordance with the applicable financial reporting framework, and for such internal control as the Directors determine is necessary to enable the preparation of general purpose financial report that is free from material misstatement, whether due to fraud or error.

The Directors are also responsible, on behalf of the Incorporated Society, for the service performance information, including:

- the selection of elements/aspects of service performance, performance measures and/or descriptions and measurement bases or evaluation methods that present service performance information that is appropriate and meaningful in accordance with PBE FRS 48 *Service Performance Reporting*;
- the preparation and fair presentation of service performance information in accordance with the Incorporated Society’s measurement bases or evaluation methods, in accordance with the applicable financial reporting framework; and
- the overall presentation, structure and content of the service performance information in accordance with the applicable financial reporting framework.

In preparing the general purpose financial report, the Directors are responsible for assessing the Group’s ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Auditor’s responsibilities for the audit of the general purpose financial report

Our objectives are to obtain reasonable assurance about whether the general purpose financial report, as a whole, is free from material misstatement, whether due to fraud or error, and to issue an auditor’s report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (NZ) and NZ AS 1 (Revised) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate or collectively, they could reasonably be expected to influence the economic decisions of users taken on the basis of this general purpose financial report.

A further description of our responsibilities for the audit of the general purpose financial report is located at the External Reporting Board’s website at:

<https://www.xrb.govt.nz/standards/assurance-standards/auditors-responsibilities/audit-report-13-1>

This description forms part of our auditor’s report.

Who we report to

This report is made solely to the members, as a body. Our audit work has been undertaken so that we might state those matters which we are required to state to them in an auditor’s report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Incorporated Society and the members, as a body, for our audit work, for this report or for the opinions we have formed.

The engagement partner on the audit resulting in this independent auditor’s report is Matthew White.

For and on behalf of:

PricewaterhouseCoopers

PricewaterhouseCoopers
18 August 2025

Hamilton

Statutory Information

For the year ended 31 May 2025

The Directors present the Annual Report along with the audited accounts for DairyNZ Incorporated (DairyNZ) and its subsidiary companies (the Group) for the year ended 31 May 2025.

1. Activities

DairyNZ’s main income is provided by the Commodity Levies (Milksolids) Order 2020, as well as the undertaking of dairy research, science and extension activities.

2. Results

The Group’s total comprehensive surplus for the year was \$4,320,645.

3. Disclosures

Pursuant to Clause 24.1(c) and 24.1(d) of the Rules of DairyNZ Incorporated and/or Section 211(l) of the Companies Act 1993, we disclose the following information:

Directors	DairyNZ Incorporated		Subsidiary & Other Directorships
T. Brown	Director	Elected (Chair)	DairyNZ Ltd
C. Henderson	Director	Elected (Deputy Chair)	DairyNZ Ltd
D. Hunt	Director	Appointed	DairyNZ Ltd
C. Lewis	Director	Elected	DairyNZ Ltd
M. Macleod	Director	Appointed	DairyNZ Ltd
R. McIntyre	Director	Elected	DairyNZ Ltd
J. Rowarth	Director	Elected	DairyNZ Ltd
M. Todd	Director	Appointed	DairyNZ Ltd

Directors	Subsidiary & Other Directorships
H. Blair	New Zealand Animal Evaluation Ltd
E. Coats	New Zealand Animal Evaluation Ltd
C. Henderson	New Zealand Animal Evaluation Ltd
S. Howse	New Zealand Animal Evaluation Ltd
S. Montgomerie	New Zealand Animal Evaluation Ltd
W. Reynolds	New Zealand Animal Evaluation Ltd
B. Thorrold	Dairy Insight (PGGR Consortia) Ltd
C. Parker	DairyNZ Accreditation Ltd, Dairy Training Ltd
R. Marsh	DairyNZ Accreditation Ltd, Dairy Insight (PGGR Consortia) Ltd
J. Murphy	Dairy Training Ltd
M. Todd	M. bovis Free New Zealand Ltd, National Animal Identification and Tracing (NAIT) Ltd, OSPRI New Zealand Ltd, SDH GP Ltd, TBfree New Zealand Ltd

Changes during the financial year

- M. Todd appointed as director of SDH GP Limited 18 June 2024.
- D. Hunt elected as director of DairyNZ Limited 18 June 2024.
- G. Taylor resigned as director of SDH GP Limited 4 July 2024.
- A. Finch resigned as director of SDH GP Limited 4 July 2024.
- R. McIntyre elected as director of DairyNZ Limited 22 October 2024.
- J. van der Poel resigned as director of DairyNZ Limited 23 October 2024.
- M. Todd appointed as director of OSPRI New Zealand Limited 1 November 2024.
- T. Brown resigned as trustee of New Zealand Dairy Industry Awards 12 December 2024.
- D. Burger appointed as trustee of New Zealand Dairy Industry Awards 12 December 2024.

Changes after balance date

No changes have been made after balance date.

Directors’ interest

A Directors’ interest register is maintained. Director interests is included as an agenda item, including the review of the register at every board meeting.

Donations

There were no donations made in the current year.

Board and committee attendance

	Board	ARC	P&C
J. van der Poel	4	1	1
T. Brown	9	4	4
C. Henderson	9	1	4
C. Lewis	9	4	-
D. Hunt	8	3	1
M. Macleod	9	-	4
R. McIntyre	5	-	3
J. Rowarth	9	3	1
M. Todd	9	4	-
Total meetings	9	4	4

DairyNZ has two permanent Board Committees, the Audit and Risk Committee (ARC) and the People & Culture (P&C) Committee.

The ARC assists the Board in fulfilling its governance responsibilities in relation to the Group’s management of key strategic and operational risks, policies and procedures for managing and mitigating risks, financial reporting, audit activities, treasury matters, financial risk management and internal control frameworks.

The P&C Committee assists the Board in fulfilling governance responsibilities in relation to recruitment, retention, remuneration and development of directors, executives and other employees and to promote a safe and healthy working environment.

Directors remuneration

Remuneration paid during the period was as follows:

Board of Directors	2025
J. van der Poel	42,215
T. Brown	92,567
C. Henderson	61,343
C. Lewis	58,307
M. Macleod	64,485
J. Rowarth	61,807
M. Todd	67,167
D. Hunt	46,826
R. McIntyre	31,678
J. Hoets (Associate)	13,125
M. Devlin	1,885
Directors of New Zealand Animal Evaluation Limited	
S. Howse	41,538
C. Henderson	21,944
E. Coats	20,769
H. Blair	20,711
S. Montgomerie	20,000
W. Reynolds	20,769
	687,136

Employees remuneration

The following number of employees received (were paid) remuneration and other benefits (including redundancies) totalling more than \$100,000 during the year:

Salary Band	Number of Employees	
	2025	2024
100,000 - 110,000	30	31
110,000 - 120,000	18	18
120,000 - 130,000	14	30
130,000 - 140,000	25	13
140,000 - 150,000	19	18
150,000 - 160,000	9	9
160,000 - 170,000	8	9
170,000 - 180,000	6	8
180,000 - 190,000	9	9
190,000 - 200,000	4	2
200,000 - 210,000	-	2
210,000 - 220,000	4	4
220,000 - 230,000	4	3
230,000 - 240,000	5	2
250,000 - 260,000	-	1
270,000 - 280,000	-	1
280,000 - 290,000	2	1
290,000 - 300,000	1	2
300,000 - 310,000	-	2
320,000 - 330,000	1	-
330,000 - 340,000	-	1
350,000 - 360,000	-	1
380,000 - 390,000	2	-
560,000 - 570,000	1	-
960,000 - 970,000	-	1

Auditors remuneration

The following amounts were payable to the auditors of DairyNZ Incorporated and its subsidiaries:

	For audit work	For other services
PricewaterhouseCoopers (PwC)	135,386	-

Statement of Service Performance

For the year ended 31 May 2025

DairyNZ exists to progress a positive future for New Zealand dairy farming. DairyNZ has three strategic priorities being:

1. Accelerating on-farm productivity.
2. Powering more adaptable and resilient farms.
3. Enabling sustainable and competitive dairying.

Performance measures

DairyNZ implemented a revised strategy on 1 June 2024 (FY25), to focus efforts towards the three strategic priorities outlined above with the vision of making the levy the best investment of every New Zealand dairy farmer.

It should be noted that measures reported in the Statement of Service Performance must be auditable and verifiable. Outcomes that arise from long-term strategic objectives may not necessarily translate to annual auditable measures.

The performance measures DairyNZ is presenting below have been grouped under two areas:

- a) Our Farmers – putting our relationship and engagement with levy payers at the heart of our business.
- b) Our Investment (Expenditure) – demonstrating levy investment (expenditure) against our strategic priorities for the sector.

Our Farmers

These measures assess the quality and value that farmers (our levy payers) consider DairyNZ provides to them and the dairy industry based on the criteria of being auditable and verifiable.

DairyNZ conducts a farmer perception quarterly survey completed in March, June, September and December to quantify these measures. Quarterly surveys are carried out by an independent third party using established methodology and selection criteria. A different subset of the farmer population is selected for each survey. The 2025 actual metrics are from the farmer perception survey completed in March 2025.

The targets for 2026 are unchanged from 2025, recognising that they are still ambitious and where not achieved in FY25, DairyNZ’s strategic intent is to meet these targets.

Farmer Metrics (our levy payers)	2026 Target	2025 Target	2025 Actual	2024 Actual
% of Levy Payers who agree that DairyNZ is critical to the future success of the sector – measured as % of farmers who scored 6 or above out of a possible score 1-10	70%	70%	57%	66%
% of Levy Payers who would vote “Continued” if the Levy Vote were held today – measured as an average percentage	80%	80%	69%	72%
DairyNZ Farmer Events – Levy Payer NPS* – measured by the proportion of promoters vs proportion of detractors for DairyNZ events, from post-event surveys	30	30	15	29
% of levy payers agree my DairyNZ levy has been invested to deliver value to New Zealand dairy farmers over the last year (new measure and goal added in FY25) – measured as % of farmers who scored 6 or above out of a possible score 1-10	60%	60%	48%	–
% of Levy Payers agree DairyNZ delivered value to their farm business in the last year – measured as % of farmers who scored 6 or above out of a possible score 1-10	Measures discontinued at the end of FY24. DairyNZ has selected metrics aligned with DairyNZ’s strategy launched on 1 June 2024		N/A	39%
Levy payers overall satisfaction with DairyNZ – measured as an average score out of a possible score 1-10			N/A	5.9

Through this financial year we observed quarter-on-quarter improvements to both the “critical to future success of the sector” and “value to New Zealand dairy farmers” metrics. However, results dipped sharply in the quarter ending 31 March 2025, coinciding with our consultation on a potential increase to the DairyNZ levy. Encouragingly, our first survey results in the 2026 financial year indicate a rebound from that decline, with the “value to New Zealand dairy farmers” metric now nearing its target (58%).

Net Promotor Score (NPS) *

Net Promotor Score (NPS) is a widely-used metric that measures customer satisfaction and loyalty by asking: “How likely are you to recommend our service to a colleague or peer?” Respondents score on a scale of 0-10 and are categorised as Promoters (9-10), Passives (7-8), or Detractors (0-6). The score is calculated by subtracting the percentage of Detractors from the percentage of Promoters, resulting in a score between -100 and +100.

For our event delivery in the 2025 financial year, our NPS target was 30. We achieved a score of 15, a decrease from 29 in the previous year. This was likely primarily related to a negative response to the change in our service offering early in the year, shifting away from discussion groups and running more future-focused events. However, as we refined the new offering and integrated feedback, scores improved steadily over the course of the year.

Our Investment (Expenditure)

DairyNZ is responsible for investing and utilising levy funds, along with government and commercial co-funding, to achieve dairy industry good outcomes that align with our three strategic priorities:

- 1. Accelerating on-farm productivity
- 2. Powering more adaptable and resilient farms
- 3. Enabling sustainable and competitive dairying

For the purpose of this Statement of Service Performance, we have disclosed investment across our nine work programmes that align with our three strategic priorities.

Accelerating on-farm productivity

World-leading animal genetic gain

Improved forage gains

Increased workplace productivity

Powering more adaptable & resilient farms

Future-fit farm systems

Credible evidence

Strong biosecurity systems

Enabling sustainable & competitive dairying

Healthy waterways

Enhanced animal care

Reduced GHG emissions

Expenditure directly attributable to our strategic programmes that include research and science projects, extension and policy activities, and TBfree, have been expressed as dollars per 100,000 kg of milksolids to demonstrate the proportion of investment across the full work portfolio. From 2025, DairyNZ has presented a breakdown on how it spends levy funding against nine work programmes which work towards achieving the strategic priorities. DairyNZ has included the 2026 targets which are calculated using the 2026 board approved budget, expressed as dollars per 100,000 kg of milksolids.

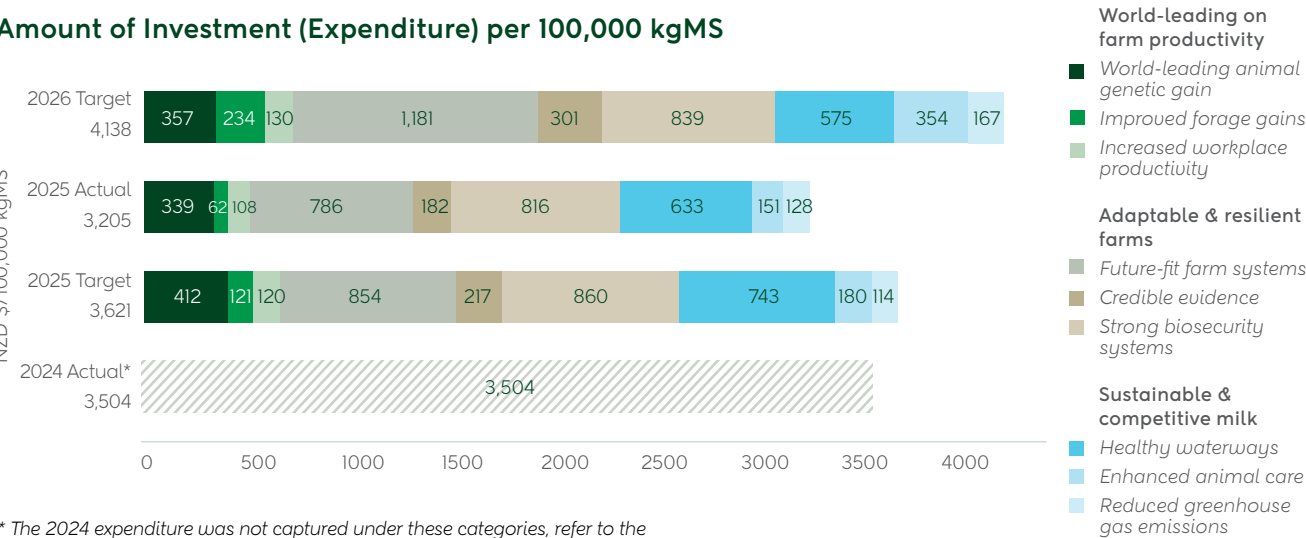
Overheads and operational expenditure not related to our programmes has not been allocated.

Non-Levy Revenue	2026 Target	2025 Target	2025 Actual	2024 Actual
Percentage of non-levy revenue generated by DairyNZ	15%	17%	17%	20%
Tax credit received for research and science undertaken	\$306k	\$750k	\$305k	\$680k

DairyNZ continually works with government, crown research institutes and commercial organisations to supplement levy income and reduce duplication in science and across the dairy sector. The proportion of income from other sources was slightly down from prior year. The tax credit for research undertaken has decreased from 2024 primarily due to the ineligibility of projects resulting from the criteria for funding source, and some projects had not advanced through the research pipeline to enable a claim.

Discontinued Measures (aligned to previous strategy prior to 1 June 2024)	2024 Total
	\$ millions
The amount of total investment expenditure	66
Amount of investment expenditure per 100,000 kgMS:	\$/100,000 kgMS
Research & Development	539
Farm Systems & Resilience	1,481
Biosecurity (includes TBfree levy passed on to OSPRI)	821
Protect & Nurture the Environment	355
Build Great Workplaces for NZ's Talented Workforce	187
Grow Vibrant & Prosperous Communities	44
Leading On-Farm Animal Care	77
Total per 100,000 kgMS	3,504

Amount of Investment (Expenditure) per 100,000 kgMS



Consolidated Statement of Comprehensive Revenue and Expense

For the year ended 31 May 2025

<i>In thousands of New Zealand dollars</i>	Note	2025	2024
Revenue			
Non-exchange revenue			
Milk solids levy	3	69,808	67,797
Revenue from other non-exchange transactions	3	4,808	4,825
Exchange revenue			
Revenue from exchange transactions	3	8,764	10,770
Interest	3	806	965
Total revenue		84,186	84,357
Expenses			
Depreciation and amortisation	9, 10	(2,725)	(2,103)
Employee costs	4	(33,662)	(36,041)
Operating costs	5, 6	(24,602)	(28,638)
Science third party sub-contracts		(4,991)	(6,174)
TBfree		(14,500)	(14,500)
Total expenses		(80,480)	(87,456)
Surplus/(deficit) for the period		3,706	(3,099)
Other comprehensive revenue and expense			
Net change in fair value of financial assets		615	75
Other comprehensive revenue and expense for the period		615	75
Total comprehensive revenue and expense for the period		4,321	(3,024)

Consolidated Statement of Changes in Net Assets/Equity

For the year ended 31 May 2025

<i>In thousands of New Zealand dollars</i>	Contributions received	Investment fair value reserve	Retained earnings	Total equity
Balance as at 1 June 2023	33,783	205	19,909	53,897
Surplus/(deficit) for the period	-	-	(3,099)	(3,099)
Net change in fair value of available for sale financial assets	-	75	-	75
Total comprehensive revenue and expense for the period	-	75	(3,099)	(3,024)
Balance as at 31 May 2024	33,783	280	16,810	50,873
Balance as at 1 June 2024	33,783	280	16,810	50,873
Surplus/(deficit) for the period	-	-	3,706	3,706
Net change in fair value of available for sale financial assets	-	615	-	615
Total comprehensive revenue and expense for the period	-	615	3,706	4,321
Balance as at 31 May 2025	33,783	895	20,516	55,194

Consolidated Statement of Financial Position

As at 31 May 2025

In thousands of New Zealand dollars	Note	2025	2024
Assets			
Current assets			
Cash and cash equivalents	7	39,973	27,428
Trade and other non-exchange receivables	8	6,938	7,194
Trade and other exchange receivables	8	1,883	3,506
Inventories		128	176
Total current assets		48,922	38,304
Non-current assets			
Property, plant & equipment	9	21,930	21,342
Intangible assets	10	5,988	5,949
Biological assets - livestock	11	1,606	1,310
Investment in joint ventures and associates	17	3,713	3,596
Other investments	12	1,631	1,017
Total non-current assets		34,868	33,214
Total assets		83,790	71,518
Liabilities			
Current liabilities			
Trade and other payables	13	24,890	15,853
Deferred income		139	603
Employee entitlements	14	3,022	3,709
Total current liabilities		28,051	20,165
Non-current liabilities			
Employee entitlements	14	545	480
Total non-current liabilities		545	480
Total liabilities		28,596	20,645
Members' funds	15		
Contributions received		33,783	33,783
Investment fair value reserve		895	280
Retained earnings		20,516	16,810
Total members' funds		55,194	50,873
Total members' funds and liabilities		83,790	71,518

Signed for and on behalf of the Board who authorised the issue of the Financial Statements on 14 August 2025.



Tracy Brown
Chair



M Todd
Chair - Audit & Risk Committee

Consolidated Statement of Cashflows

For the year ended 31 May 2025

In thousands of New Zealand dollars	Note	2025	2024
Cash flows from operating activities			
Receipts			
Milksolids Levy		69,180	68,496
Biosecurity Response levy		12,322	45,438
OSPRI M. bovis National Pest Management Plan levy		5,629	-
Interest		896	866
Dividends		199	182
Other revenue		12,431	14,862
Payments			
Employee costs		(33,931)	(34,521)
Supplier payments		(44,677)	(48,577)
Biosecurity Response levy		(806)	(41,856)
OSPRI M. bovis National Pest Management Plan levy		(5,629)	-
Net cash flows from operating activities		15,614	4,890
Cash flows from investing activities			
Receipts			
Sale of biological assets		282	194
Sale of property, plant & equipment		196	328
Sale of investments		-	193
Payments			
Purchase of property, plant & equipment and intangibles		(3,383)	(3,696)
Purchase of biological assets		(164)	(143)
Net cash flows from investing activities		(3,069)	(3,124)
Net increase/(decrease) in cash and cash equivalents		12,545	1,766
Cash and cash equivalents at beginning of period		27,428	25,662
Cash and cash equivalents at end of period	7	39,973	27,428

Notes to the Financial Statements

For the year ended 31 May 2025

Accounting policies

1. Reporting entity

DairyNZ Incorporated ("DairyNZ") is an incorporated society registered in New Zealand under the Incorporated Societies Act 2022. DairyNZ's registered office is at the corner of Ruakura Road and Morrinsville Road, Hamilton.

DairyNZ promotes or funds the provision of industry good activities to provide benefits to the dairy industry. Accordingly, DairyNZ has designated itself as a public benefit entity for the purpose of financial reporting.

The consolidated financial statements of DairyNZ as at, and for the year ended 31 May 2025 comprise of DairyNZ Incorporated and subsidiaries (together referred to as the "Group") and the Group's interests in associates and jointly controlled entities. The financial statements have been prepared in accordance with the Financial Reporting Act 2013.

2. Basis of preparation

a) Statement of compliance

The financial statements have been prepared in accordance with New Zealand Generally Accepted Accounting Practice ("NZ GAAP").

The financial statements comply with Public Benefit Entity International Public Sector Accounting Standards ("PBE IPSAS") and other applicable Financial Reporting Standards, as appropriate for Tier 1 not-for-profit public benefit entities.

The accounting policies set out in the relevant notes have been applied consistently to all Group entities.

b) Basis of measurement

The measurement base applied is historical cost adjusted for revaluation of assets (investments).

c) Going Concern

The financial statements have been prepared on a going concern basis. The Commodity Levies (Milksolids) Order 2020 was made by Order in Council on 3 August 2020. This order came into force on 1 December 2020 and expires on 30 November 2026. It is the expectation of Management and the Board of Directors that the entity will continue to operate as a going concern and that the Commodity Levies (Milksolids) Order will be extended when the current Order expires in November 2026.

d) Functional and presentation currency

The financial statements are presented in thousands of New Zealand dollars, which is DairyNZ's functional currency.

e) Use of estimates and judgements

Estimates and judgements are made by management in applying the Group's accounting policies.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

f) GST

The financial statements are prepared exclusive of GST with the exception of receivables and payables which are stated inclusive of GST.

g) Income Tax

Income derived from DairyNZ Incorporated and subsidiaries (excluding DairyNZ Limited) is exempt income under Section CW51 of the Income Tax Act 2007.

Dairy Training Limited is fully exempt from income tax as it is registered as a charity under the Charities Act.

Income derived from DairyNZ Limited has been granted exemption in accordance with Section CW49 (1) of the Income Tax Act 2007.

3. Revenue

Revenue is recognised and measured at the fair value of consideration received or receivable to the extent it is probable that the economic benefits will flow to the Group and the amount of revenue can be reliably measured.

The following specific recognition criteria in relation to the Group's revenue streams must also be met before revenue is recognised.

Revenue from exchange transactions

Exchange transactions are transactions in which one entity receives assets or services or has liabilities extinguished, and directly gives approximately equal value (primarily in the form of cash, goods, services or use of assets) to another entity in exchange.

Revenue from exchange transactions is recognised with reference to the following PBE Standards:

- PBE IPSAS 9.19 - Revenue from rendering of services is recognised in reference to the stage of completion of the work performed.

- PBE IPSAS 1.99 - Interest income is recognised as it is earned using the effective interest rate method.

Other revenue includes dividends, gain on disposal of assets, R&D tax credits, reimbursements and rental income.

In thousands of New Zealand dollars

Revenue from exchange transactions	2025	2024
Research commercial revenue	3,358	6,171
Research farm revenue	2,740	2,008
Dairy Training Limited course revenue	1,171	1,049
Other revenue	1,495	1,542
Total revenue from exchange transactions	8,764	10,770

Revenue from non-exchange transactions

Non-exchange transactions arise when an entity receives value from another entity without giving approximately equal value in exchange.

Revenue from non-exchange transactions is recognised with reference to the following PBE standard:

- PBE IPSAS 23.7 - Non-exchange transactions are those where the group receives value from another entity without giving approximately equal value in exchange.

a) Milksolids levy

DairyNZ has the ability to raise a levy from levy payers under the Commodities Levies (Milksolids) Order 2020. Levy revenue is calculated and recognised based on the quantity in kilograms of milksolids sold to the collection agent each month by the levy payer at 3.6 cents per kilogram of milksolids. Of this, \$14.5 million is passed through to TBfree New Zealand Ltd for the TB eradication programme. Under the Commodities Levies (Milksolids) Order 2020, DairyNZ may increase the levy rate after consulting with dairy farmers. The DairyNZ Board increased the levy rate to 4.5 cents for the 2025/26 season (commencing 1 June 2025) after reviewing the consultation feedback from dairy farmers and considering the financial context of DairyNZ.

b) Other funding

Inflow of resources from government grants and funding are recognised as revenue in the period for which the funding received is utilised. Funds that are not utilised as stipulated are either returned, resulting in the recognition of a non-exchange liability or recognised as income in advance to be utilised over future periods.

In thousands of New Zealand dollars

Revenue from non-exchange transactions	2025	2024
Milksolids levy		
Fonterra Co-operative Group Limited	54,327	52,952
Open Country Dairy Limited	6,662	6,304
Synlait Milk Limited	3,017	3,042
Westland Dairy Company Limited	2,121	2,139
Olam Food Ingredients New Zealand Limited	842	505
Oceania Dairy Limited	836	804
Miraka Limited	809	828
The Tatua Co-operative Dairy Company Limited	560	548
Mataura Valley Milk Limited	395	402
Other dairy companies	239	273
Total milksolids levy	69,808	67,797
Other funding		
MPI & SFFF research funding	2,090	3,511
MBIE research funding	1,411	1,314
Other government funding	1,307	-
Total other funding	4,808	4,825
Total revenue from non-exchange transactions	74,616	72,622

4. Employee costs

Expenses include the following items:

In thousands of New Zealand dollars

	2025	2024
Employee costs		
Salary and wages - research and science	12,808	12,505
Salary and wages - other	19,863	22,196
Other staff costs	991	1,340
Total employee costs	33,662	36,041

5. Operating costs

Expenses include the following items:

In thousands of New Zealand dollars

	2025	2024
Operating costs		
Commodity levy collection fee	351	339
External audit fees	135	119
Legal fees	417	529
Property costs	1,798	1,606
Research farm expenses	927	859
Sponsorships	1,853	1,936
Travel	1,243	1,207
Vehicle costs	1,068	1,300
Board and governance costs		
Directors' fees (including directors of subsidiaries and associates)	705	619
Directors' and governance expenses	168	184

Research and development

Research and development costs are expensed when incurred. Expenditure on research activities is undertaken with the prospect of gaining new scientific or technical knowledge and understanding. The Group's total research and development costs for the period were \$40.20 million (2024, \$39.70 million).

External audit fees

PricewaterhouseCoopers (PwC) were appointed as auditors for the DairyNZ group for the current financial year, replacing KPMG who had performed the audit since inception.

The Group has adopted the Amendment to PBE IPSAS 1 Disclosure of Fees for Audit Firms' Services, effective for periods beginning on or after 1 January 2024, which requires specific fee disclosures to improve transparency and consistency in audit firm fee reporting. These disclosures have been presented below:

	2025	2024
Audit of the financial statements - DairyNZ Group	125,386	105,000
Audit of the financial statements - Dairy Training Ltd	10,000	13,500
Audit or review related services	-	-
Other assurance services and other agreed-upon procedures	-	-
Taxation services	-	-
Others	-	-
Total	135,386	118,500

6. Impairments

This note provides information on the Group's assessment of impairment for continuing operations. An impairment is recognised when the carrying amount of an asset is greater than its recoverable amount or expensed when future economic benefit or service potential is no longer probable to the entity.

The impairments recognised in the Statement of Comprehensive Revenue and Expense are presented in the following table:

In thousands of New Zealand dollars

	Note	2025	2024
Investment in PGgRc impairment	17	186	-
Investment in Southern Dairy Hub impairment	17	131	753
Genotypes impairment	10	-	1,877
Other impairment	9	-	146
Total impairment		317	2,776

Investment in PGgRc:

In July 2024, PGgRc sold the intellectual property in a methane vaccine in exchange for the issue of shares. This sale was recognised as income in the consortium. At the time of the sale, DairyNZ's ownership percentage of PGgRc was 23.62%.

DairyNZ has made the decision to impair DairyNZ's share of this sale (\$185,586) given any potential commercialisation from the intellectual property is unlikely to materialise in the short term, meaning the carrying value of the investment needs to reflect DairyNZ's recoverable amount of its investment.

Investment in Southern Dairy Hub:

At 31 May 2024 Southern Dairy Hub LP (SDH) acquired Southern Demonstration and Research Farm Ltd, which resulted in a change in business operations with the full farming business now accounted for within SDH. The reorganisation of the entity led SDH to assess the value of its land and farming assets via an independent valuation.

The fair value of the combined net assets was used to determine the recoverable amount of the DairyNZ's 37.5% share of the business. At 31 May 2024, DairyNZ's share of the recoverable amount of the business was assessed to be \$3,564,817. This was lower than the carrying value of the investment, resulting in an impairment of the investment of \$752,947 in the 2024 financial year. In July 2024, the SDH board commissioned a full independent valuation of the assets of the newly combined business. The recoverable amount of DairyNZ's share of the assets was assessed to be \$3,432,567, which has resulted in a further impairment of the investment of \$132,250 in the current financial year.

7. Cash and cash equivalents

<i>In thousands of New Zealand dollars</i>	Note	2025	2024
Bank balances		23,394	17,838
Biosecurity levy bank balance	18	15,179	3,590
Short-term deposits		1,400	6,000
Cash and cash equivalents		39,973	27,428

The Biosecurity levy bank balance cannot be utilised by DairyNZ; it is held solely for M. bovis compensation costs. Please refer to note 18 for more detail on the Biosecurity Response levy. DairyNZ is working with MPI to work through how this levy can be accessed for both response and readiness activities for the benefit of dairy farmers.

Sensitivity analysis

In managing cash flows, DairyNZ aims to reduce the impact of short-term fluctuations on earnings by investing in short term deposits. Over the longer term, however, permanent changes in interest rates will have an impact on profit. A reduction of 1% in interest rates would reduce interest revenue by \$184,758 (2024, \$187,220). Cash deposits made on DairyNZ’s behalf are made only with New Zealand registered banks with an appropriate credit rating.

8. Trade and other exchange or non-exchange receivables

<i>In thousands of New Zealand dollars</i>	2025	2024
Non-Exchange transactions		
Milksolids levy receivable	4,289	3,969
Biosecurity Response levy receivable	9	2,645
OSPRI M. bovis National Pest Management Plan levy receivable	946	-
Other trade receivables	1,694	580
Total non-exchange receivables	6,938	7,194

<i>In thousands of New Zealand dollars</i>	2025	2024
Exchange transactions		
Trade receivables	1,091	2,638
Trade receivables due from related parties	445	15
Prepayments	338	754
Accrued interest	9	99
Total exchange receivables	1,883	3,506

9. Property, plant and equipment

<i>In thousands of New Zealand dollars</i>	Land & Buildings	Leasehold Improvements & Farm Development	Plant, Vehicles & Equipment	Capital Work in Progress	Total
For the year ended 31 May 2025					
Cost					
Opening balance	26,515	3,882	13,506	51	43,954
Additions	11	180	2,054	100	2,345
Transfer from WIP	-	-	51	(51)	-
Disposals	-	-	(570)	-	(570)
Balance at 31 May 2025	26,526	4,062	15,041	100	45,729
Accumulated depreciation and impairment					
Opening balance	9,841	1,885	10,887	-	22,613
Depreciation	614	237	874	-	1,725
Impairment	-	-	-	-	-
Disposals	-	-	(539)	-	(539)
Balance at 31 May 2025	10,455	2,122	11,222	-	23,799
Net book value as at 31 May 2025	16,071	1,940	3,819	100	21,930

For the year ended 31 May 2024					
Cost					
Opening balance	26,359	2,347	13,193	1,402	43,301
Additions	302	552	974	51	1,879
Transfer from WIP	-	983	419	(1,402)	-
Disposals	-	-	(1,080)	-	(1,080)
Impairment	(146)	-	-	-	(146)
Balance at 31 May 2024	26,515	3,882	13,506	51	43,954
Accumulated depreciation and impairment					
Opening balance	9,307	1,803	11,236	-	22,346
Depreciation	534	82	730	-	1,346
Impairment	-	-	-	-	-
Disposals	-	-	(1,080)	-	(1,080)
Balance at 31 May 2024	9,841	1,885	10,887	-	22,612
Net book value as at 31 May 2024	16,674	1,997	2,619	51	21,342

Property, plant and equipment

The prior period movement schedule opening balances have been restated. The restatement relates to prior period disclosure errors that have been corrected during the current year. Specifically:

Plant, Vehicles & Equipment

The comparative period plant, vehicles and equipment movement schedule has been restated. The impact is an increase to the opening cost of plant, vehicles and equipment at 31 May 2024 of \$1,014,000 and an increase to the opening accumulated depreciation of plant, vehicles and equipment at 31 May 2024 of \$1,014,000.

This restatement has no impact on the opening 2024 plant, vehicles and equipment net book value and therefore there is no impact on the consolidated statement of financial position as a result of the restatement.

Recognition and measurement

Items of property, plant and equipment are measured at cost less accumulated depreciation and impairment losses.

Depreciation

Depreciation is calculated on a straight-line basis on all property, plant, vehicles and equipment over their useful lives. The estimated useful lives are as follows:

- Buildings - 10-50 years
- Leasehold improvements - Lease term
- Farm development - 5-20 years
- Plant, vehicles and equipment - 2-10 years

Land

Land is valued at cost.

10. Intangible assets

<i>In thousands of New Zealand dollars</i>	Software	Capital Work in Progress	Total
For the year ended 31 May 2025			
Cost			
Balance at 1 June 2024	12,281	2,927	15,208
Additions	188	851	1,039
Transfer from WIP	2,149	(2,149)	-
Balance at 31 May 2025	14,618	1,629	16,247
Accumulated amortisation and impairment			
Balance at 1 June 2024	9,259	-	9,259
Amortisation for the year	1,000	-	1,000
Impairment	-	-	-
Disposals	-	-	-
Balance at 31 May 2025	10,259	-	10,259
Net book value as at 31 May 2025	4,359	1,629	5,988
For the year ended 31 May 2024			
Cost			
Balance at 1 June 2023	11,500	3,798	15,298
Additions	337	1,450	1,787
Transfer from WIP	444	(444)	-
Impairment	-	(1,877)	(1,877)
Balance at 31 May 2024	12,281	2,927	15,208
Accumulated amortisation and impairment			
Balance at 1 June 2023	8,502	-	8,502
Amortisation for the year	757	-	757
Impairment	-	-	-
Disposals	-	-	-
Balance at 31 May 2024	9,259	-	9,259
Net book value as at 31 May 2024	3,022	2,927	5,949

Intangible assets

The prior period movement schedule opening balances have been restated. The restatement relates to prior period disclosure errors that have been corrected during the current year. Specifically:

Software

The comparative period software movement schedule has been restated. The impact is a reduction to the opening cost software at 31 May 2024 of \$1,247,000 and decrease in the opening accumulated amortisation for software at 31 May 2024 of \$1,247,000.

This restatement has no impact on the opening 2024 software net book value and therefore there is no impact on the consolidated statement of financial position as a result of the restatement.

Costs associated with researching or maintaining computer software programmes are recognised as an expense as incurred. Costs that are directly associated with the development of identifiable and unique software products controlled by the Group and that are probable to generate economic benefits exceeding costs beyond one year, are recognised as intangible assets.

Costs include the employee costs incurred as a result of developing software and an appropriate portion of relevant overheads. Software development costs recognised as assets are amortised over their estimated useful lives, between 2 to 7 years. The amortisation period and amortisation method is reviewed at each financial year-end.

11. Biological assets

<i>In thousands of New Zealand dollars</i>	2025	2024
Balance at 1 June	1,310	1,272
Increases due to purchases	164	143
Increases due to natural increases	200	156
Decreases due to sales	(282)	(193)
Change in fair value	214	(68)
Balance at 31 May	1,606	1,310
Number of livestock held at 31 May	832	797

Biological assets are livestock (dairy cows) held by the Group and are measured at fair value less point-of-sale costs.

Point-of-sale costs include all costs that would be necessary to sell the livestock. PGG Wrightson determined the fair value of dairy cows at 31 May 2025 (2024: PGG Wrightson). The fair value of livestock is based on the market price of livestock of similar age, breed and genetic make-up less point-of-sale costs.

12. Other investments

<i>In thousands of New Zealand dollars</i>	2025	2024
Financial assets held at fair value through Other Comprehensive Revenue and Expense	1,631	1,017
Balance at 31 May	1,631	1,017

Financial assets consist of shares held with Fonterra Co-operative Group Limited, Livestock Improvement Corporation, and Ballance Agri-Nutrients Limited. Shares are held as a consequence of research farm business operations and are not held for trading.

In accordance with PBE IPSAS 41, any gain or loss arising from a financial asset or financial liability measured at fair value shall be recorded in the surplus or deficit, except when it pertains to an investment in an equity instrument.

DairyNZ has elected to present gains and losses on this investment through Other Comprehensive Revenue and Expense, as permitted by Paragraph 106. This election, made at the initial recognition, is irrevocable and applies to subsequent changes in the fair value of the equity instrument investment, which falls within the scope of this standard and is not held for trading or contingent consideration recognised by an acquirer in a PBE combination subject to PBE IPSAS 40. The amounts presented in Other Comprehensive Revenue and Expense shall not be subsequently transferred to surplus or deficit.

13. Trade and other payables

<i>In thousands of New Zealand dollars</i>	2025	2024
Trade payables	5,049	6,287
Trade payables due to related parties	1,516	1,213
Biosecurity Response levy payable	15,053	5,920
OSPRI M. bovis National Pest Management Plan levy payable	822	-
Non-trade payables and accrued expenses	2,450	2,433
Balance at 31 May	24,890	15,853

Recognition and measurement

Trade payables are recognised at cost when the company becomes obliged to make future payments resulting from the purchase of goods and services.

14. Employee entitlements

<i>In thousands of New Zealand dollars</i>	2025	2024
Short-term employee benefits	3,022	3,709
Long-term employee benefits	545	480
Balance at 31 May	3,567	4,189

The provision for employee entitlement relates to annual leave, long service leave, sick leave and retirement allowances.

Short-term employee benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A provision is recognised for the amount expected to be paid if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

Long-term employee benefits

The Group’s net obligation in respect of long-term employee benefits is the amount of future benefit that employees have earned in return for their service in the current and prior periods, that benefit is discounted to determine its present value, and the fair value of any related assets is deducted. The discount rate is 4.58% which was the 10-year government bond rate as at 31 May 2025. The calculation is performed using the projected unit credit method. Any actuarial gains or losses are recognised in the consolidated statement of comprehensive revenue and expense in the period in which they arise.

15. Members’ funds

DairyNZ members’ funds comprise retained earnings, fair value reserves and contributions received. Equity is represented by net assets.

The fair value reserve comprises the cumulative net change in the fair value of investments. The Group is not subject to any externally imposed capital requirements and its policies in respect of capital management and allocation are reviewed regularly by the Directors. There have been no material changes in the Group’s management of capital during the period.

16. Subsidiaries

Subsidiaries are entities controlled by the Group. Control exists when the Group has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. Benefits from activities may be both of a financial and non-financial nature. Benefits of a non-financial nature could be if those benefits are meeting the Group’s social objectives. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

The Group has the following subsidiaries:

			Percentage held	
Name	Principal activity	Balance date	2025	2024
DairyNZ Limited	Dairy industry research, development and extension	31 May	100%	100%
Dairy Training Limited	Dairy industry training	31 May	100%	100%
New Zealand Animal Evaluation Limited	Maintenance of a national breeding index	31 May	100%	100%
Dairy Insight (PGGR Consortia) Limited	Holding company in a greenhouse gas emission research consortium	31 May	100%	100%
DairyNZ Accreditation Limited	Accreditation of dairy industry services	31 May	100%	100%

Transactions eliminated on consolidation

Intra-group balances, and any unrealised income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements. Unrealised gains arising from transactions with equity accounted investees are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

17. Joint ventures and associates

Joint Ventures

Joint ventures are a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the arrangement. Investments in joint ventures are accounted for using the equity method and are recognised initially at cost.

Joint Venture	Principal activity	Balance date	Value of investment held (\$ 000's)		Percentage held	
			2025	2024	2025	2024
Pastoral Greenhouse Gas Research Consortium (PGgRc)	Greenhouse gas emissions research	30 June	23	32	23.62%	27.18%

Associates

Associates are those entities in which the Group has significant influence, but not control, over the financial operating policies. Investments in associates are accounted for using the equity method and are recognised initially at cost. The cost of the investment includes transaction costs. The consolidated financial statements include the Group's share of the profit or loss and other comprehensive income of equity accounted investees.

Associate	Principal activity	Balance date	Value of investment held (\$ 000's)		Percentage held	
			2025	2024	2025	2024
Southern Dairy Hub Limited Partnership	Dairy research farm	31 May	3,690	3,564	37.5%	37.5%
OSPRI Limited	Manages national animal identification and tracing (NAIT), M. bovis Free and TBfree programmes	30 June	-	-	45.5%	45.5%

OSPRI Limited is not equity accounted as it is a charitable entity - registration number CC49247. DairyNZ will not receive any future tangible financial benefit from OSPRI Limited or be entitled to any distributions on winding up.

The summarised financial information for Southern Dairy Hub Limited Partnership is presented based on the draft 31 May 2025 financial statements, which is the most recently available financial information at the time of issuing the financial report.

In thousands of New Zealand dollars

Associate	Southern Dairy Hub LP	
	2025	2024
Revenue		
Interest revenue	5	3
Other revenue	4,559	400
Total revenue	4,564	403
Expenses		
Depreciation and amortisation	(373)	(290)
Interest expense	(381)	(258)
Other expenses	(3,123)	(2,429)
Total expenses	(3,877)	(2,977)
Net profit/(loss)	687	(2,574)
Assets		
Current assets		
Cash and cash equivalents	108	526
Other current assets	3,098	2,626
Total current assets	3,206	3,152
Total non-current assets	14,450	14,509
Total assets	17,656	17,661
Liabilities		
Current liabilities		
Current financial liabilities	(112)	(172)
Other current liabilities	(254)	(297)
Total current liabilities	(366)	(469)
Non-current liabilities		
Non-current financial liabilities	(7,449)	(8,039)
Total non-current liabilities	(7,449)	(8,039)
Total liabilities	(7,815)	(8,508)
Net assets	9,841	9,153

18. Biosecurity response levy

The Biosecurity Response Levy is in place under the Biosecurity (Response - Milksolids Levy) Order 2019 and it was used to fund the Mycoplasma bovis (*M. bovis*) disease eradication programme. DairyNZ is responsible for collecting the levy via the dairy processors. It is separate from the Milksolids Levy which DairyNZ invests on farmers' behalf. On 1 July 2024, the levy rate was reduced from 2.4c to 0.8c per kilogram of milksolids in recognition of the national effort from New Zealand dairy farmers in response to *M. bovis*.

The Biosecurity Response Levy was zero-rated on 31 December 2024, with the *M. bovis* programme to be funded by the new Mycoplasma Bovis National Pest Management Plan Levy managed by OSPRI (OSPRI *M. bovis* NPMP Levy). All monies collected for this new levy are passed on to *M. bovis* Free New Zealand (OSPRI) each month.

The balance of the Biosecurity Response Levy is held to cover any compensation costs arising from events occurring prior to 31 December 2024. Claims from an event can be made up to 31 December 2025 with compensation to be paid by 31 December 2026. At 31 May 2025 the balance available for compensation payments was \$15,178,551.

Given the success of the eradication programme, it is unlikely that the remaining funds are all going to be required for *M. bovis* compensation payments. As a result, DairyNZ is working with the government to expand the scope of this levy to enable readiness activities to be funded from it. Currently FMD and other biosecurity readiness activities are funded from the Milksolids Levy.

19. Risks

Exposure to currency, interest rate and credit risk arises in the normal course of the Group's business.

Credit risk

Credit risk is the risk that the counterparty to a transaction with the Group will fail to discharge its obligations, causing the Group to incur a financial loss. The Group is exposed to credit risk through the normal trade credit cycle and advances to third parties. No collateral is required in respect of financial assets. Management has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis.

Reputable financial institutions are used for investing and cash handling purposes. The maximum exposure to credit risk is represented by the carrying value of each financial asset in the Consolidated Statement of Financial Position.

The status of trade receivables at the reporting date are as follows:

<i>In thousands of New Zealand dollars</i>	2025	2024
Not past due	8,033	9,607
Past due 0-30 days	440	173
Past due 31-120 days	1	57
Past due 121-365 days	-	2
Past due more than 1 year	-	8
Balance at 31 May	8,474	9,847

Foreign currency risk

Foreign currency risk occurs from operational expenditure in foreign currency and the related trade payables. Management is responsible for managing exposures to foreign currency in accordance with the group's Treasury and Investment Policy approved by the Audit & Risk Committee.

Interest rate risk

Interest rate risk is the risk that the value of the Group's assets and liabilities will fluctuate due to changes in market interest rates. The Group is exposed to interest rate risk primarily through its cash balances.

20. Term deposits

<i>In thousands of New Zealand dollars</i>	2025			2024		
	Balance	Maturity date	Interest rate	Balance	Maturity date	Interest rate
Short Term Deposit	800	21/06/2025	3.71%	5,000	1/07/2024	6.01%
Short Term Deposit	600	12/07/2025	3.75%	1,000	30/11/2024	5.74%
	1,400			6,000		
Average effective interest rate			0.93%			2.67%

21. Operating leases

Non-cancellable operating lease rentals are payable as follows:

<i>In thousands of New Zealand dollars</i>	2025	2024
Less than one year	1,076	1,093
Between one and five years	1,508	1,479
More than five years	346	195
	2,930	2,767

The Group leases a number of vehicles and facilities under operating leases. The leases typically run for a period of 3-5 years, with an option to renew the lease after that date. Lease payments are increased periodically to reflect market rentals.

Lease payments

Payments made under operating leases are recognised in the Consolidated Statement of Comprehensive Revenue and Expense on a straight-line basis over the term of the lease. Lease incentives received are recognised as an integral part of the total lease expense, over the term of the lease.

22. Capital commitments

DairyNZ has capital commitments totalling \$328,524 (2024, \$485,562).

23. Committed funds

The Group is contracted to provide funds to a number of projects on a multi-year basis, in exchange for services provided. However, certain conditions in the contract must be met annually before the funds are paid out. Funds committed for future projects which are subject to certain conditions being met are as follows:

<i>In thousands of New Zealand dollars</i>	2025	2024
Less than one year	16,072	16,310
Between one and five years	1,995	16,778
	18,067	33,088

24. Contingent liabilities

There are no contingent liabilities at 31 May 2025 (2024: \$nil).

25. Subsequent events

There were no significant events after balance date that would have a material impact on the financial statements.

Refer to note 3 for further understanding of the milksolids levy rate increase effective 1 June 2025.

26. Reconciliation of surplus/(deficit) to net cash flow from operating activities

<i>In thousands of New Zealand dollars</i>	2025	2024
Surplus/(deficit) for the period	3,706	(3,099)
Add/(deduct) non-cash movements		
Depreciation	1,725	1,346
Amortisation of intangible assets	1,000	757
Net change in fair value of biological assets	(414)	(87)
Gain on sale of fixed assets	(169)	(333)
Impairment of intangible assets	-	1,877
Impairment of investments	317	753
Net change in fair value of land	-	146
Share of earnings of associates and joint ventures	(364)	87
	2,095	4,546
Add/(deduct) movements in working capital items		
Change in inventories	48	(17)
Change in trade and other receivables	1,879	1,363
Change in trade and other payables	9,037	2,110
Change in deferred income	(464)	(145)
Change in provisions and employee benefits	(687)	132
	9,813	3,443
Net cash from operating activities	15,614	4,890

27. Related parties

Parent and ultimate controlling party

The immediate parent and controlling party of the Group is DairyNZ Incorporated.

Transactions with key management personnel

Key management personnel compensation paid comprised:

<i>In thousands of New Zealand dollars</i>	2025		2024	
	Remuneration	Number	Remuneration	Number
Directors	548	11	479	9
Leadership Team	2,992	9	4,078	12

Directors receive fees as disclosed in the statutory disclosures and comprises of eight directors and one associate director. As at 31 May 2025, the leadership team comprises of eight employees on standard employment contracts, the number above reflects changes in personnel during the financial year.

Related party transactions

Key management personnel at various times are members of other boards. During the year ended 31 May 2025, the following related party transactions have occurred where directors or the leadership team are members of the governing bodies:

a) AgResearch Ltd

AgResearch Ltd provided research and analysis services to DairyNZ Ltd during the 2025 financial year totalling \$2,340,300 (2024: \$1,730,800) and an accrued balance totalling \$138,900 (2024: \$nil). A balance of \$1,192,300 is payable to AgResearch Ltd at May 2025 (2024: \$918,900).

DairyNZ Ltd provided research and analysis services to AgResearch Ltd during the 2025 financial year totalling \$1,111,900 (2024: \$581,000). A balance of \$363,600 is receivable at May 2025 (2024: \$3,400).

DairyNZ Inc provided funding to AgResearch Ltd for multiple research projects during the 2025 financial year totalling \$103,500 (2024: \$718,100). No balance is payable to AgResearch Ltd at May 2025 (2024: \$119,000).

b) Ballance Agri-Nutrients Ltd

DairyNZ Ltd purchased goods from Ballance Agri-Nutrients Ltd for research farm use during the 2025 financial year totalling \$75,562 (2024: \$151,400) and an accrued balance of \$2,878 (2024: \$nil). A balance of \$13,600 is payable to Ballance Agri-Nutrients at May 2025 (2024: \$24,300). These supplies were purchased from Ballance Agri-Nutrients Ltd on the same terms and conditions applied to other customers of Ballance Agri-Nutrients Ltd.

DairyNZ Ltd provided data analysis services to Ballance Agri-Nutrients Ltd during the 2025 financial year totalling \$2,400 (2024: \$nil). No balance is receivable at May 2025 (2024: \$nil).

c) National Institute of Water and Atmospheric Research (NIWA)

NIWA provided research and analysis services to DairyNZ Ltd during the 2025 financial year totalling \$148,100 (2024: \$20,700). A balance of \$57,500 is payable at May 2025 (2024: \$11,500).

DairyNZ Ltd provided research and analysis services to NIWA during the 2025 financial year totalling \$5,000 (2024: \$35,000). No balance is receivable at May 2025 (2024: \$nil).

d) Southern Dairy Hub LP

Southern Dairy Hub LP provided research services to DairyNZ Ltd during the 2025 financial year totalling \$122,200 (2024: \$nil). DairyNZ pay directors fees totalling \$17,500 (2024: \$nil) for Mark Todd’s directorship of Southern Dairy Hub LP.

Other related party transactions

DairyNZ enters into funding and investment transactions (programme expenses) with its subsidiaries, associates and joint ventures in the ordinary course of business.

<i>In thousands of New Zealand dollars</i>	Funding Provided		Balance Outstanding	
	2025	2024	2025	2024
Pastoral Greenhouse Gas Research Consortium	70	41	-	-
M. bovis Free New Zealand Limited (a subsidiary of OSPRI)	5,629	-	-	-
TBfree New Zealand Limited (a subsidiary of OSPRI)	14,500	14,500	1,390	1,390
	20,199	14,541	1,390	1,390



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This printed annual report comprises the summary audited financial statements. The summary financial statements do not include all the disclosures provided in the full financial statements and are not expected to provide a complete understanding as provided by the full financial statements.

To access the full audited financial statements including the Accounting Policies and notes supporting the financial statements please visit
dairynz.co.nz/annual-report