



State of the Dairy Nation Pulse Report

Dairy delivers record year for New Zealand Inc.

February 2026



About this report

Over the past season, the New Zealand dairy sector produced record levels of milk from fewer cows, while delivering the highest export earnings to date, and employing almost 55,000 people.

This report provides an accessible snapshot of the 'State of the Dairy Nation' and the dairy sector's recent contribution to NZ Inc based on key findings from four major industry reports.*

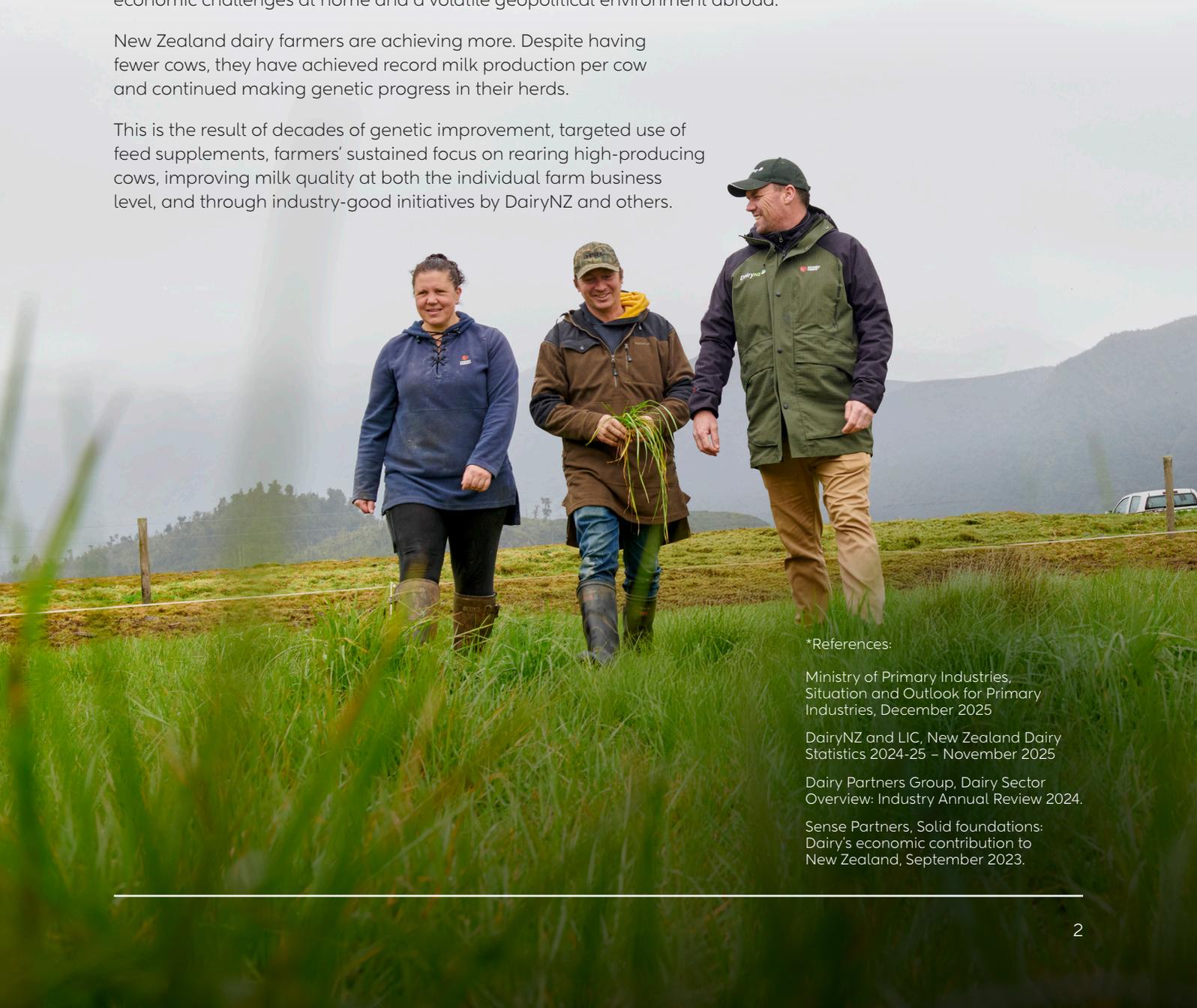
It takes the pulse of the sector ahead of a major new economic impact study underway on the dairy industry for release later this year.

Key findings

New Zealand's world-renowned dairy sector is making a strong contribution to the economic and social resilience of New Zealand in the face of wider economic challenges at home and a volatile geopolitical environment abroad.

New Zealand dairy farmers are achieving more. Despite having fewer cows, they have achieved record milk production per cow and continued making genetic progress in their herds.

This is the result of decades of genetic improvement, targeted use of feed supplements, farmers' sustained focus on rearing high-producing cows, improving milk quality at both the individual farm business level, and through industry-good initiatives by DairyNZ and others.



*References:

Ministry of Primary Industries, Situation and Outlook for Primary Industries, December 2025

DairyNZ and LIC, New Zealand Dairy Statistics 2024-25 – November 2025

Dairy Partners Group, Dairy Sector Overview: Industry Annual Review 2024.

Sense Partners, Solid foundations: Dairy's economic contribution to New Zealand, September 2023.

Producing more high-quality New Zealand milk from fewer cows

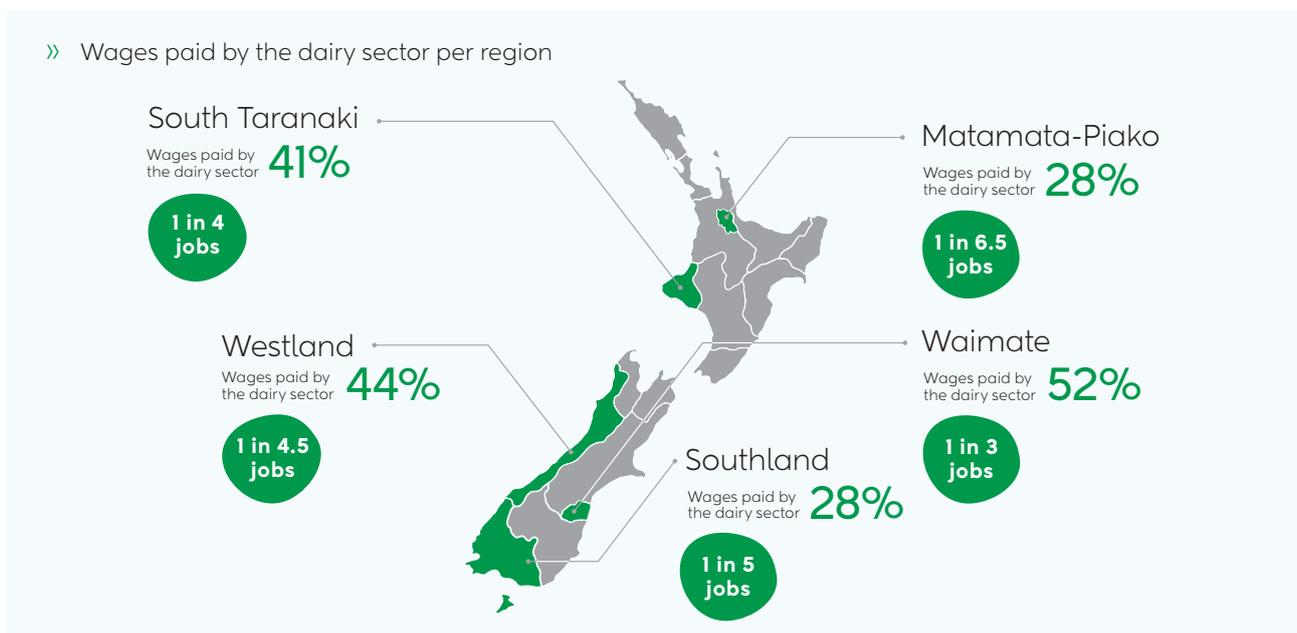
- » In 2024/25 season, dairy companies processed **21 billion** litres of milk containing **1.94 billion** kilograms of milksolids.
- » Milk volume was up **2.3%** and milksolids were up **2.9%** (extra 55 million kg) – indicating high milkfat content. This was despite cow numbers being down 0.5% to 4.68 million.
- » The lift was driven by record high production per cow, with the average cow producing **414** kgs of milksolids, which is up 14 kg from last season.
- » Average milksolids production per hectare of dairy farm increased to **1,137 kg/ha** matching the previous record 2020/21 season.
- » 2024/25 saw even more activity to improve herds, with farmers continuing to invest in data and genetics to support long-term gains. To take out the guess work, a total of **3.84 million** cows were herd-tested, up **5%** from last season, with 82% of the national herd now tested. The proportion of cows mated to high quality sires through artificial breeding (AB) also increased slightly to **81.5%**
- » The 2024/25 season saw record-high percentages of milkfat (5.06%) and protein (4.00%) in herd-tested cows, and higher milk quality compared to previous year (as measured by somatic cell counts).
- » The total number of herds has steadily declined by around **190 herds** per year, since **2015/16**, reaching 10,370 in 2024/25. However, the average herd size has shown a steady upward trend over the years reaching **451 cows** in 2024/25.
- » Dairy farmers have been investing in their collective futures through reinvestment of their milksolids levy by DairyNZ in research, science and extension programmes. A recent independent study (Nimmo Bell – November 2025) found that over a recent five year period (2020/21-2024/25) DairyNZ's programmes delivered dairy farmers more than a seven times return on investment of the milksolids levy. In dollar terms **\$341m** of levy revenue for DairyNZ has generated an estimated **\$2.98 billion** of value.

Generating more in export earnings for New Zealand than ever before

- » In the year to 30 June 2025, New Zealand exported a record **\$27.15 billion** of dairy products, a **16.87%** gain on the year prior (\$23.23 billion), after soft milk production in the US and the EU contributed to tight global supplies and strong dairy prices.
- » The value of dairy exports has risen **42.5%** (or \$8.1 billion) in the five years to 30 June 2025. Dairy now generates more than **one in every four dollars** of New Zealand's foreign exchange receipts from goods and services exports.
- » Dairy processing is the most globally connected industry in New Zealand with 87.5% of dairy processing output by value being exported. New Zealand's 2.6% of global milk supply is transformed into more than **1,500** different products and specifications.
- » New Zealand exports dairy products to **140** diverse markets.. China accounts for **35%** of our dairy exports, however Australia, Indonesia, United States, Saudi Arabia, Malaysia and Japan each account for 4% or more of sales, while the remaining 39% of sales go to all other countries.

Strongly supporting jobs and businesses in New Zealand's regions

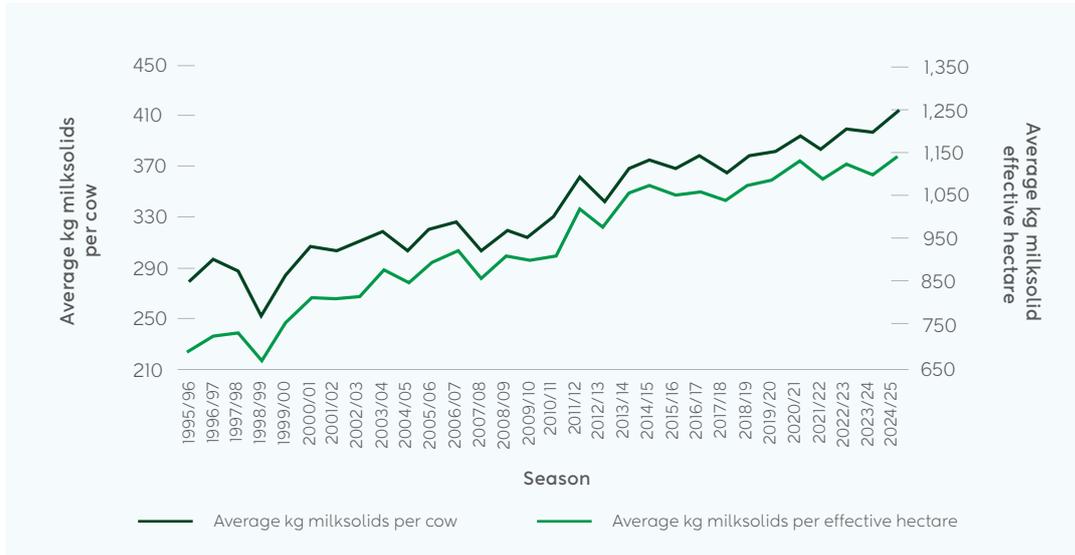
- » Dairy directly employs almost 55,000 people. The sector sustained **54,787 jobs** as at March 2023, with 38,462 on-farm and 16,325 in dairy processing. The number of dairy processing jobs grew at an average rate of **3.2%** per year between 2019 and 2023.



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- » The dairy sector pumps **\$3.6 billion** directly into workers' pockets. Total dairy processing wages were \$2.2 billion in the year to March 2023. They reached a median of \$90,000 in 2023, having grown at an average rate of 3.4% per year between 2019 and 2023. Dairy farming wages are now on a par with the national median wage of \$59,000 and grew at an average 8.6% per year since 2019. Total dairy farming wages were **\$1.4 billion** in the year to **March 2023**.
 - » Dairy contributes significant proportions of regional GDP, for example **14.4%** for the West Coast, **13.8%** for Southland, **12%** for Taranaki and **9.3%** for the Waikato.
 - » In the year to March 2023, dairy farmers spent **\$7.9 billion** on goods and services while dairy processors spent **\$19.6 billion** including the purchase of \$14.6 billion of raw milk from farmers.
 - » Dairy farming is a **top 10 purchaser** in **1/3rd** of all industries, representing 31.5% of GDP. Key areas include fertiliser and pesticide manufacturing (\$256 million GDP and 801 jobs supported), banking and finance (\$383 million GDP and 1,323 jobs), pharmaceutical, cleaning, and other chemical manufacturing (\$134 million GDP and 1,203 jobs).
 - » Dairy processing is a **top 10 purchaser** in **1/4** all of industries, representing 19% of GDP. Key areas included road transport and freight services (\$450 million GDP and 4,785 jobs supported), polymer and rubber (\$168 million GDP and 1,231 jobs supported), and marketing and management services (\$129 million GDP and 1,292 jobs supported by dairy processing).
 - » Māori businesses own around **\$4.9 billion** in assets in the dairy sector Māori made up 16.5% of dairy farming employees and self-employed in the sector, up from 12.7% in 2015. The number of Māori employees rose from **3,693** in 2015 to **4,040** in **2021**.
 - » In 2024/25, **58%** (6,060) of New Zealand dairy herds operated under an owner-operator structure, **26%** (2,708) operated under a sharemilking agreement and **13%** operated under a contract milkers' agreement. Fifty-eight percent (1,580) of all sharemilkers have 50/50 agreements pointing to the importance of sharemilking as a route to farm ownership.
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Producing more from less

Source: NZ Statistics 2024/25



Generating record export revenues for New Zealand

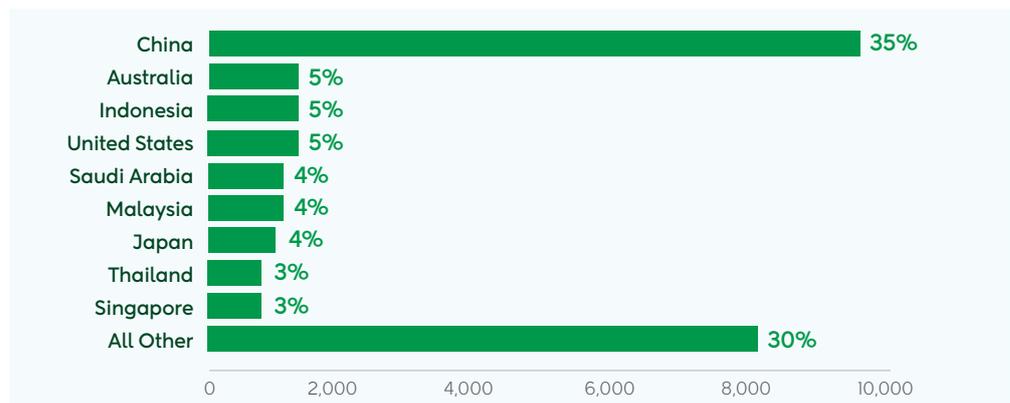
Source: * Situation and Outlook for Primary Industries (SOPI) December 2025, page 28

** Situation and Outlook for Primary Industries (SOPI) December 2025, page 21

Dairy export revenue 2021 - 2027 *



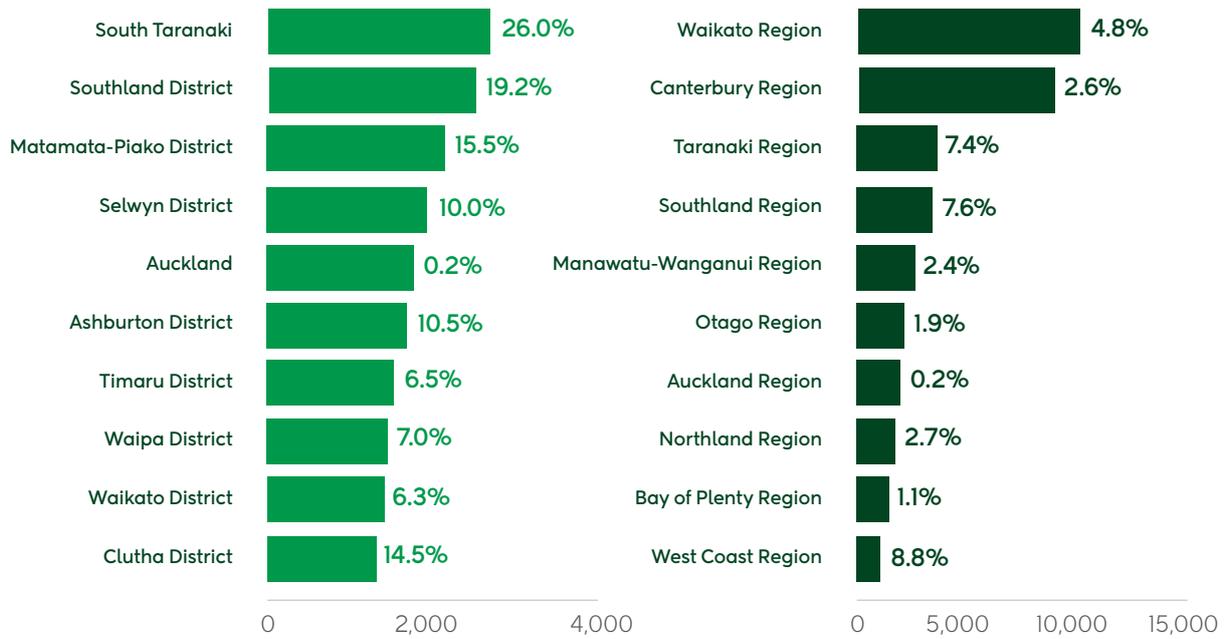
New Zealand's Dairy export markets **



Strongly supporting jobs and businesses in New Zealand's regions

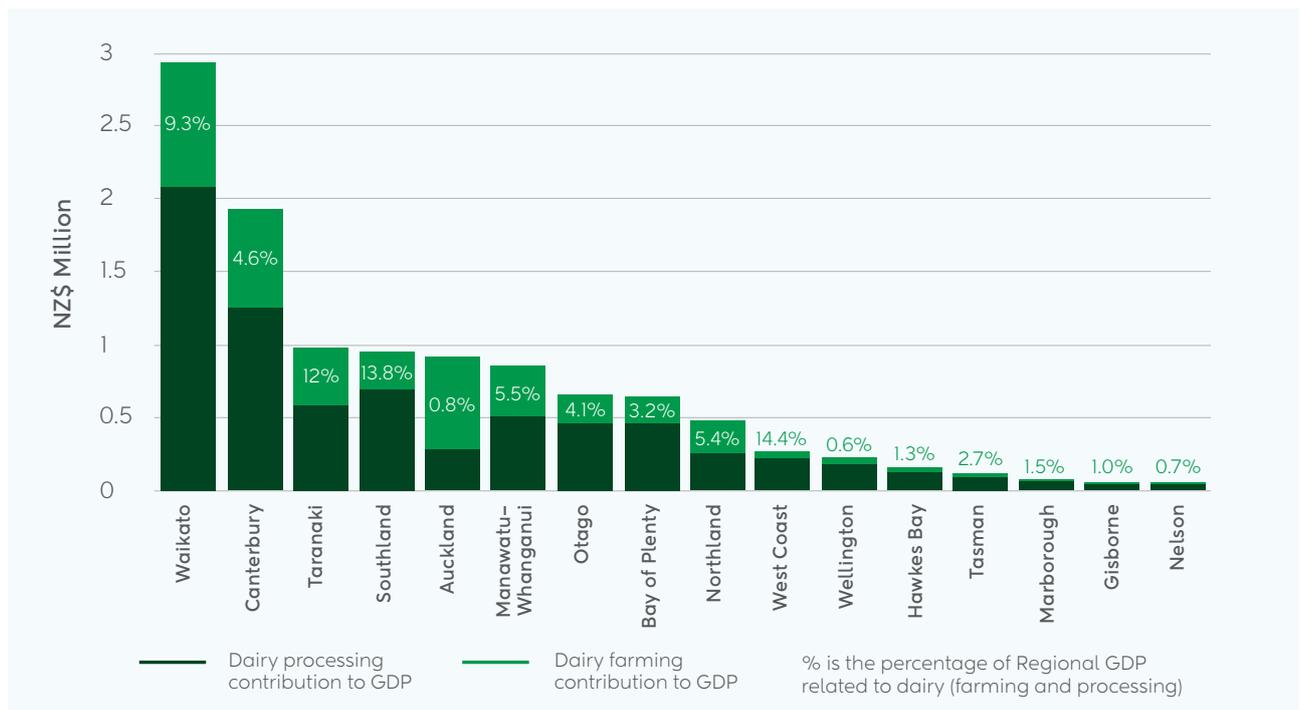
Source: Statistics New Zealand, Sense Partners

Count of dairy employees. Top 10 districts and regions



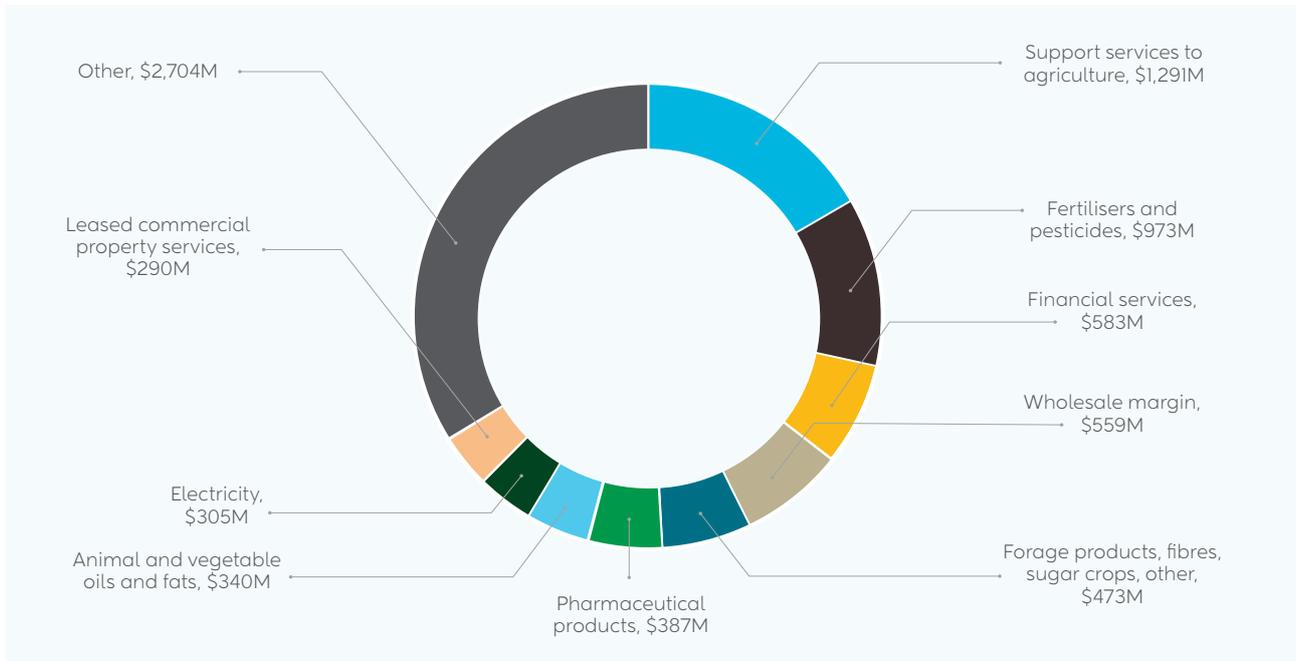
Dairy's contribution to Regional GDP

Source: New Zealand Dairy Statistics 2023/24

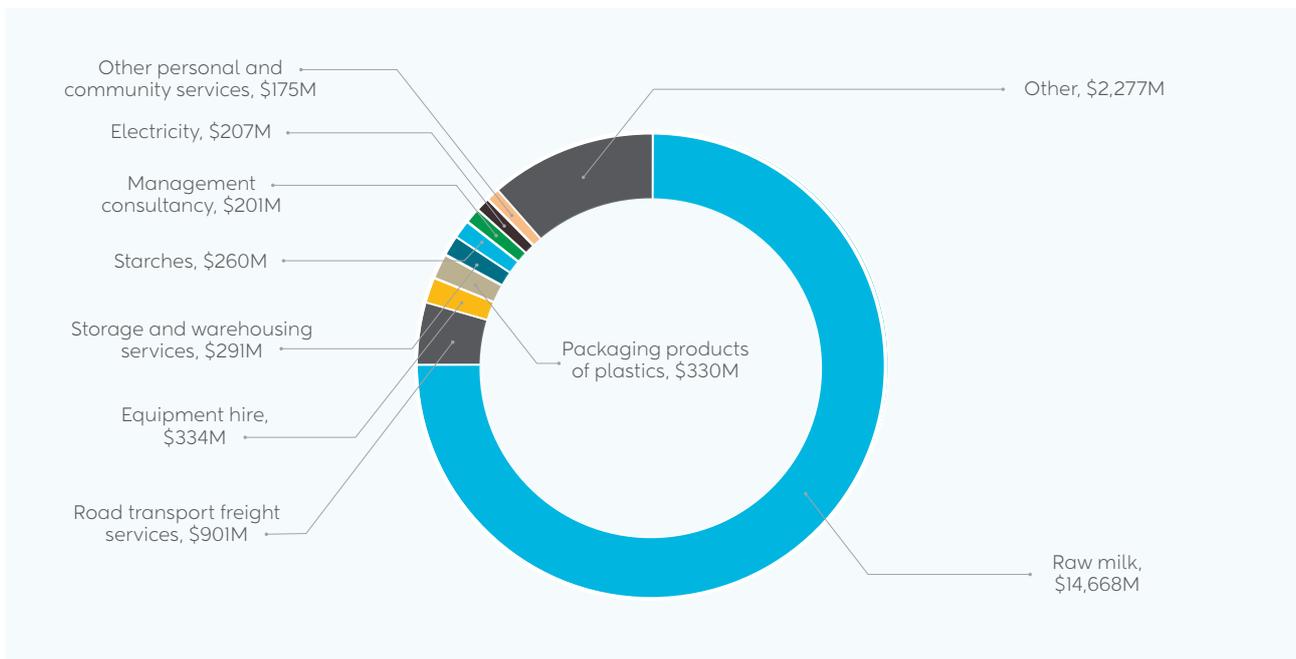


Input expenditure, dairy farming, year to March 2023

Source: Statistics New Zealand, Sense Partners



Input expenditure, dairy manufacturing, year to March 2023



Looking ahead

Production and export forecasting

According to the Ministry of Primary Industries, Dairy export revenue is forecast to increase 1% to \$27.4 billion in the year to 30 June 2026. It sees growing global supply as outpacing demand growth, putting downward pressure on prices, “although a weaker NZD is expected to support exporters to maintain good returns.”

Strong milk production in New Zealand, supported by supplementary feed, is still expected to increase export volumes. December milksolids (MS) collected rose 3.1% year-on-year (YoY) to 235,413,000 kgMS, surpassing the midpoint expectation of a 1.7% increase. Following November’s collections, this represents the highest monthly figure for December since 2014 and the second-largest month ever in New Zealand milk collections. In the season to date, milk solids are up 3.2% on last season.

Overall, MPI is forecasting that production for 2025/26 will increase 1% to 1.96 billion kgMS, a new record for the industry.

“Weaker dairy commodity prices than last season are forecast to result in a decrease from last season’s record farmgate milk price to \$9.70 per kilogram of milksolids (kgMS). Although lower, the milk price remains strong and well above the expected break-even milk price, supporting farmer confidence,” according to the Ministry’s recent Situation and Outlook for Primary Industries report (December 2025).



Comment by Campbell Parker, Dairy NZ Chief Executive

“The most recent dairy season (2024/25) reinforces the importance of the dairy sector to New Zealand, and is one that dairy farmers and the dairy sector as a whole can be proud of.

It’s clear that once again dairy stood out as the economic backbone not just for regions but for the New Zealand economy as a whole, setting records for production and overseas earnings, while sustaining tens of thousands of meaningful and increasingly well remunerated jobs.

This record contribution is no accident. It reflects the long-term efforts of farmers, supported by industry good organisations and constructive government policies to drive productivity, resilience and sustainability in the sector. It also points to strong fundamentals and a great future for New Zealand’s dairy sector even amid changing market conditions and global volatility.”

Upcoming study

DairyNZ and our partner Dairy Companies Association of New Zealand (DCANZ) will publish a new comprehensive economic impact study for the sector in mid-2026.

