Australia

In Australia farmgate milk prices for the 2024-2025 season were cut by around 15 percent from several processors, amid increasing competition from imported dairy products. A spokesperson for a dairy farming group within Australia stated input costs have increased in recent years and lower milk prices will add further pressure on dairy producers, which could drive more dairy farmers out of the market. A representative from a processor within the country noted lower priced butter and cheese imported into Australia is negatively impacting sales within Australia. Dairy imports are rising in Australia, and the volume of products brought into the country has nearly tripled in the last 20 years.

In Tasmania, a milk branded as more environmentally friendly is being tested in stores by a local dairy company. The milk is produced by cows fed a diet containing a seaweed extract which contributes to reduced methane output released during digestion. A spokesperson for the dairy company noted they switched a portion of their herd to the new diet in February and have seen methane output reduced by around 25% since changing the herd’s diet. Studies have shown seaweed along with other feed additives in cattle diets can reduce greenhouse gas emissions. The cost associated with these products have been a concern, preventing their widespread adoption. The environmentally friendly milk is being sold in stores within Tasmania with a 25-cent premium for a two-liter bottle.

New Zealand

Milk production data from New Zealand for June 2024 was recently released. This data showed total June 2024 production was down 1.1 percent on a tonnage basis compared to a year earlier. During June 2024, the total kg of milk solids decreased by 2.2 percent from the previous year.

Export data for June 2024 was recently released for New Zealand. This data showed a combined 10 percent decrease in value for milk powder, butter, and cheese exported in June 2024 compared to June 2023. Fresh milk and cream export values were 4.4 percent lower in June 2024, when compared to a year earlier. Infant formula export values in June 2024 were 104 percent higher compared to June of 2023, while casein and caseinate values were up 16 percent in the same time.

A group in New Zealand, which forecasts dairy production, is forecasting the volume of milksolids produced in New Zealand in July to decline by 0.2 percent from 2023, but they anticipate the volume of milksolids produced in the country to increase compared to last year from August through October.

A recently released financial survey for the 2024-2025 season in New Zealand found that farmers would be operating on a tight budget this year. An economist for the company which conducted the survey stated that farmers would need milk prices around $8.31/kgMS this season to break even compared to the approximately $8/kgMS budgeted within the survey. However, markets are forecasting $8.50/kgMS for milk prices during the upcoming season. The survey found feed is the largest cost on farms, followed by overheads. The economist further stated that farms are not in a bad spot, as many have supplementary feed on hand and are anticipating an increase in milk production during the upcoming season.

Information for the period July 22 - August 2, 2024, issued biweekly