

DAIRY

COUNTRY

CONNECTING FARMERS

AUTUMN 2026

EQUITY GROWTH PATHWAYS

Learn from other
farmers' journeys

ANIMAL HEALTH TIPS

Twisted gut, drench
resistance, 'crypto' in calves

IMPROVING PASTURE PRODUCTIVITY

A deep dive into utilising
pasture well

SHARED SUCCESS

New Zealand dairy is a great sector to work in – particularly right now. We do dairy very well due to the sector collaborating and sharing success.

WORDS TRACY BROWN

DAIRY FARMING TODAY LOOKS very different to 20 years ago; yet the basics are the same. Dairy farmers want the best for our animals, our land, our teams and the next generation, and we are incredibly successful at what we do.

The past few seasons have been very positive, with strong milk prices, increasing global demand, reducing interest rates and a tighter focus on research-led environmental outcomes.

New Zealand dairy farmers are achieving more with fewer cows, shown through record milk production per cow and continued genetic progress.

It feels like we're getting the basics right, and together, we deserve the success that's coming our way.

Certainly, margins are tight on-farm, but dairy remains profitable in New Zealand. Our shared approach to research, development, investment and knowledge is a critical factor.

For the past century, Kiwi dairy farmers have collectively invested in their industry's future, including for the past couple of decades via the DairyNZ levy.

DairyNZ is focused on ensuring the levy is our farmers' best investment. We take a transparent approach, investing in science, research, advocacy and farm extension for our farmers. Every investment is determined on its ability to drive productivity, strengthen farm systems and compete on sustainability.

It has been reassuring to see it's paying off. An independent report found DairyNZ's levy-funded activities created a seven-fold return on investment for farmers in terms of value with benefits coming from productivity gains and costs avoided.



ABOVE Tracy Brown, Chair, DairyNZ.

The future is bright. We're locking in as the world's most productive dairy farmers, embracing responsible dairy as our competitive advantage and future-proofing the way we farm.

By sharing innovation and best practice freely to increase production efficiently, DairyNZ and Kiwi dairy farmers are creating a vibrant future for the sector – one that leads the world in responsible dairy. ∞

NUTRITION THE MISSING LINK IN PROFITABILITY

A major rethink of how New Zealand dairy farms feed their animals. Kaitlin Bates says smarter, science-based nutrition may hold the key to dairy's next productivity and profitability gains.

WORDS SARAH PERRIAM-LAMPP

THERE IS A SURPRISING disconnect at the heart of New Zealand dairying. Although nutrition is recognised as fundamental to animal health and milk production, Waikato-based Farmlands Technical Field Officer, Kaitlin Bates, found in her 2025 Kellogg's research that it remains "inconsistently understood and poorly integrated" across many farm systems.

Drawing on 18 in-depth interviews with nutritionists, industry bodies, farmers and rural professionals, alongside a comprehensive literature review, she found New Zealand dairy farmers are "leaving money, performance, and resilience on the table" by failing to treat nutrition as a strategic driver of farm success.

"Smart nutrition isn't about chasing the latest product or feeding fad. It's about building strong foundations for your business by investing early in stock," says Kaitlin.

New Zealand's pasture-based dairy system has long been considered the country's competitive advantage. But Kaitlin points out pasture alone cannot meet the increasingly complex demands placed on the



modern dairy cow, particularly high-genetic-merit animals with significant energy needs in early lactation.

Her Kellogg's report, released in 2025, titled "Smart Nutrition, Stronger Herds: A Holistic Approach to NZ Dairy Excellence", focused on young stock being the hidden weak link alongside a notable gap in formal training for animal nutrition advice to farmers

Young Stock: The Hidden Weak Link

One of her report's starkest findings concerns young stock. Kaitlin suggests that improving young stock nutrition is one of the most cost-effective ways to increase herd productivity and one of the most urgently needed shifts in practice.

"Despite calves representing the future of a farmer's herd, the six to nine month post-weaning period remains chronically overlooked on many farms. This phase, along with the second winter, is critical for bone development and future milk production."

Kaitlin points out that the first six months are only part of the story. The real pressure often comes between six and twelve months, especially in tough summers.

"We go into a dry summer and feed them cheap feed. While there is a time and a place for that, it's just not the right time and place for young stock. They're our investment animals."

Her evidence from local and international research confirms that early-life nutrition is directly linked to first-lactation performance, reproductive success and

long-term health. Poor growth rates and inadequate protein-energy intake have been associated with structural issues such as spontaneous fractures in first-calving heifers.

"We're not actually recognising them for their potential. We don't fully understand what the investment needs to be from day zero all the way to 10 years old."

Missing Standardised Knowledge

Her interest in this area, enhanced by her day job at Farmlands, allows her to look at the 'whole farm system' - pasture, young stock, cows, environment and economics.

"It's not just about selling the next truckload of feed but bringing value to farmers through quality advice."

Due to a notable gap in formal training across the sector, she has seen the compounding issues of variable pasture quality and excess crude protein leading to nitrogen losses.

"Despite calves representing the future of a farmer's herd, the six to nine month post-weaning period remains chronically overlooked on many farms."

KAITLIN BATES

FARMLANDS & 2025 KELLOGG'S SCHOLAR



Tertiary institutions offer limited hands-on or ruminant-specific nutrition training, while existing professional development often centres on product knowledge rather than systems thinking. Interviewees repeatedly stressed the need for "standardised, practical, nutrition training" across the sector.

"In New Zealand, we don't have a career pathway or an accreditation. The title nutritionist has no association to any formal training yet can hold huge implications on animals health or productivity and ultimately farm businesses."

Nutrition as an Economic Lever

Kaitlin's report makes a strong economic case for smarter feeding. Feeding strategies significantly influence feed conversion efficiency (FCE), a key driver of milk income over feed cost (IOFC), emissions intensity and overall farm profitability.

"Farmers or advisers may look at cost cutting without recognising the return on investment that comes from high quality feed."

Many farms lack essential cow-level data like daily milk output and milk income over feed cost (IOFC), which hampers economic performance visibility and informed decision making. Integrated financial-nutritional advisory models to support this analysis such as the Dairy Victory Platform (DVP) could help farmers quantify the economic benefits of improved feeding decisions. The DVP uniquely calculates economic key performance indicators (KPI) at the cow and herd levels and benchmarks these against a dynamically selected cohort of farms, facilitating comparisons across various farm sizes, and milk production levels.

She calls for a sector-wide effort to revive and modernise the once-influential FeedRight programme, develop nationally recognised micro-credentials for nutrition advisors, and create cross-disciplinary advisory teams combining vets, agronomists, nutritionists and financial specialists.

A common theme emerged for Kaitlin while doing her Kellogg's report - New Zealand does not need more information, it needs better integration. ∞



Scan to read Kaitlin's Kellogg's Report - Smart Nutrition, Stronger Herds: A Holistic Approach to NZ Dairy Excellence.

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BUILDING DIVERSITY IN NEW ZEALAND DAIRY EXPORT MARKETS FOR INDEPENDENT MANUFACTURERS

The combination of a shrinking milk pool, increasing geopolitical volatility, and heavy market concentration in China, is placing unprecedented pressure on dairy exporters. Malinda Wynyard's 2025 Kellogg Report explores the fertile ground for innovation, differentiation and strategic global positioning into emerging markets.

WORDS SARAH PERRIAM-LAMPP

FOR MUCH OF OUR country's dairy history there has been a prevailing assumption that premium, value-added dairy products would find their best home in wealthy, developed markets. We have long relied on major single-market partners - first Britain, then China - but we now sit at a pivotal moment, with our dairy exports particularly, during periods of political or economic instability.

In her Kellogg report, "Building Diversity in New Zealand Dairy Export Markets for Independent Manufacturers", Malinda Wynyard, a management accountant at Miraka and 2025 Kellogg scholar, challenges long-held beliefs of where value really lies for our dairy products globally.

Her review of the post-2008 China Free Trade Agreement shows how NZ's dairy exports surged - quadrupling by 2024 - but also how fragile this reliance has become as China expands domestic dairy production and consumer behaviour shifts.

"Chinese milk has become both cheaper and more trusted in key markets which has eroded some of the traditional advantages New Zealand exporters once enjoyed."

Her report focused on what 'independent dairy manufacturers' need to lean into to thrive in offshore markets (which Miraka was technically one of them whilst she was doing her report).



“Consumers in wealthy, first world countries tend to trust their own local dairy producers more and often see imported New Zealand dairy as no better and sometimes worse than local options.”

MALINDA WYNYARD
MIRAKA & 2025 KELLOGG'S SCHOLAR

“With Open Country’s purchase of Mataura Valley and Miraka, there are now fewer independent manufacturers, and New Zealand is drifting towards a de facto duopoly of Fonterra and Open Country,” says Malinda.

As industry consolidation with Fonterra’s milk procurement shrinks, in an environment of flat total national milk supply, she says the focus of the non-Fonterra manufacturers has a value vs volume game to play on the world stage.

Her biggest surprise was discovering that ‘developing nations’, not established first-world economies, are often more willing to pay a premium for attributes like sustainability and animal welfare.

“Meanwhile, in developing countries, New Zealand’s reputation for integrity, food safety and values-based production can still command attention and higher value,” she explains.

“Consumers in wealthy, first world countries tend to trust their own local dairy producers more and often see imported New Zealand dairy as no better and sometimes worse than local options.”

She highlights that this raises the stakes for how these smaller dairy processor businesses perform into the future, not just for shareholders, but for farmers, rural communities and the wider economy.

For smaller manufacturers without the scale, capital or political weight of well-capitalised entrants like OFI

entering the New Zealand market, she argues their most powerful lever is their authentic relationships up and down the value chain.

Across her interviews there was a strong consensus that emerged: independent manufacturers cannot and should not try to compete on price. Whether the exporter is Māori-owned, New Zealand-owned or foreign-owned, she suggests that clarity of their purpose and storytelling are what ultimately gets the best cut through in emerging markets. Her research identifies several promising avenues for diversification:

1. Southeast Asia

A rapidly expanding middle class, rising dairy consumption and limited local technical capacity make SEA a high-potential region.

2. Japan

Japan’s ageing population and declining domestic dairy supply create strong demand for high-value, innovative ingredients.

3. Latin America

Despite complexity and competition from the US and EU, markets such as Mexico show clear opportunity for specialised NZ dairy products.

4. Indigenous-to-Indigenous Trade

Māori-owned exporters have distinctive advantages when forming relationships with other indigenous economies.

Malinda drew inspiration from the success of the Merino industry, which transformed a commodity product into a premium global brand by connecting values, people and narrative.

“You have to have relationships all through the value chain that are aligned with what you’re trying to achieve. That builds strong relationships all the way through that holds the value.”

She argues that NZ dairy must do the same, especially independent processors aiming to stand out.

“If everyone going to market tells the same story in a different way, no one else is going to understand it.”

She believes a strong cohesive national dairy story, aligned with tikanga Māori where appropriate, could strengthen New Zealand’s total market appeal and build deeper cross-cultural relationships. ∞



Scan to read Malinda’s Kellogg’s Report - Building Diversity in New Zealand Dairy Export Markets for Independent Manufacturers.