



## Oceania Dairy Market Overview

Agricultural Marketing Service  
Dairy Market News

Report 29

July 17, 2025

MMN Slug ID 1037 / Slug Name: MD\_DA120

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### AUSTRALIA

The June 2025 Production Inputs Monitor report was recently released by Dairy Australia. Except for Victoria, all Australian states recorded below-average rainfall totals in June, maintaining dry conditions throughout most of the country. Water storage levels remain below year-ago levels, providing support for higher temporary water prices. Drought conditions also increased hay prices, leading to higher feed prices, though wheat prices remained steady. Fertilizer prices increased in June due to tight global supplies. June culling rates decreased from May, but total culling volumes for the season remain above prior-season levels.

Dairy Australia recently released export data for Australia showing milk export volumes from July 2024 - May 2025 were 150,072 metric tons, down 11.3 percent from the same time period a year earlier.

The Australian Competition and Consumer Commission (ACCC) announced it would not block a large, non-Australian firm from purchasing several businesses belonging to an Oceania-based cooperative. A deal has yet to be made, but ACCC asserts such a merger would not significantly alter current market dynamics. At least one Australian dairy cooperative voiced concerns about the potential deal, arguing that concentration of market power will lead to lower prices for milk producers.

### NEW ZEALAND

New Zealand dairy farmers took advantage of strong milk prices throughout the 2024/25 marketing year to pay down debt and increase investments. Between October 2024 and March 2025, New Zealand dairy farmers paid down \$1.7 billion of debt according to a recent report. Combined with reduced interest payments due to the decline in interest rates from last year, this will allow for increased investment in farm operations and for farmers to manage uncertainty in the upcoming year. Land is being purchased by farmers looking to expand existing operations or by contractors hoping to establish their own dairy farms.

At Global Dairy Trade (GDT) event 384, prices for most commodities exceeded industry expectations based on New Zealand dairy commodity futures prices. The strong performance indicates export demand remains elevated, especially from the North Asia and Southeast Asia/Oceania regions which combined to purchase 69 percent of the total product offered. Additionally, prices may be influenced by European supply concerns, where elevated temperatures and disease concerns are dampening milk output.

Following GDT event 384, a group in New Zealand that forecasts milk prices increased their milk price forecast for the 2025/2026 season by 3 cents from \$10.08 per kilogram milk solids (kgMS) to \$10.11/kgMS. The spot value of milk increased to \$10.41/kgMS. The group noted that prices at GDT event 384 were above market expectations.

Information for the period July 7 - 18, 2025, issued biweekly

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Published by:

Dairy Market News - Madison, WI

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