

Australian Dairy Industry Overview



**THRIVE
TOGETHER**
WITH AUSTRALIAN DAIRY

As one of the world's largest exporters, Australia is known for providing safe and nutritious dairy for a healthier world.

This is underpinned by the pristine landscape, air and clean water that make up our dairy regions, as well as our strict food safety systems and world-leading Australian Dairy Industry Sustainability Framework.

Our diverse range of dairy farms and processors large and small, allows us to deliver a wide range of world class dairy products and ingredients, all year round. Across our supply chain, we work together to create a positive culture where everyone thrives, from our farmers to our valued global partners.





82% of farmers are confident about the future of their own businesses (up by 2% on 2021).

2022 National Dairy Farmer Survey (NDFS)

Our farms

The Australian dairy industry is made up of eight key regions, each with its own unique landscape, climate, and farming systems. This means we can create a wide range of nutritious dairy options from year-round milk supply. With approximately 4,500 dairy farms spread around the country, we produce upwards of 8.5 billion litres of milk every year – 32% of which is exported.

Our industry is predominantly pasture based, with most cows grazing grass freely along with some supplementary feed.

Australian dairy farmers are committed to the best care for their animals and environment. Guided by the world-leading Australian Dairy Industry Sustainability Framework, the industry has invested significantly in research and innovation programs such as Dairy Bio and Dairy Feedbase, which deliver transformational herd and forage productivity gains for farmers. Innovation also extends to programs to improve water use on farms and reduce methane emissions. Smarter farming will ensure the dairy industry will continue thriving into the hands of the next generation.

Our processors

With a diverse range of processors both large and small, the Australian dairy industry produces a wide variety of products and ingredients to suit retail, foodservice, hospitality, and manufacturing applications.

The Australian dairy industry and its processors have been committed to relationships in our trade markets for many years, helping to build capability and demand for dairy throughout Asia and the world. Our strong history in supplying both domestic and international markets means our farmers and manufacturers are experienced with both large supply and boutique specifications, not only in products but also packaging and transportation.

The industry has a wide range of processors who work directly with customers, tailoring products to specific market requirements, ensuring you receive exactly what you need, now and into the future.



Our products

Australians love dairy, and consume approximately 94.4 litres of milk per capita each year, higher than most developed countries. While our domestic demand is strong, approximately one third of the milk we produce is processed into range of products for export to over 100 countries across the globe.

Dairy Health and Nutrition

Dairy foods such as milk, cheese and yoghurt are recognised as a nutritious part of a healthy and sustainable diet by many dietary guidelines across the world. Dairy foods provide a unique package of 10 essential nutrients including protein and calcium which deliver health benefits such as bone and muscle strength. The Australian dietary guidelines also recognises that the consumption of milk, cheese and yoghurt is linked to reduced risk of heart disease, hypertension, type 2 diabetes, metabolic syndrome and colorectal cancer.

World-class food safety

Australian dairy is committed to providing safe and nutritious dairy foods to the world as part of our Australian Dairy Industry Sustainability Framework. This is underpinned by our strict food safety systems, embedded across the entire supply chain, from pre-farm, to processing and transport to you. Since the inception of the framework in 2012, there have been no cases of non-compliant chemical residues in dairy foods and a low number of product-recalls due to food contamination– evidence of the high standards of safety for Australian made dairy foods.

Australia's product mix

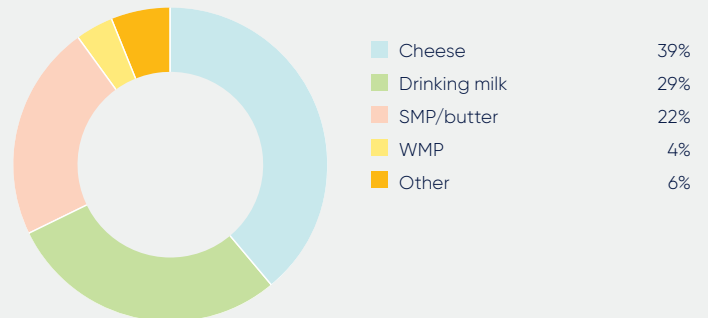
Australia produces a wide array of products for export. Current exports include dairy ingredients and nutritionals for manufacturing including milk powder, buttermilk powder and butteroil, lactoferrin and whey protein concentrate, as well as a wide range of food service, bakery and retail product, namely fresh milk, bulk and artisan cheese, butter, yoghurt, fresh and frozen creams and ice cream.

Cheese is consistently the major product stream, accounting for 39% of Australia's milk production. Australia makes a wide variety of cheeses, from bulk natural, mozzarella and cream cheese, to specialty cheeses, including soft ripened, fresh and hard cheeses, which represent the multicultural diversity of Australian producers. We are seeing a long-term trend away from cheddar cheeses toward non-cheddar varieties. This is evident both domestically and through export with the non-cheddar share of total export sales increasing from around 60% two decades ago, to close to 71% in 2020/21.

Drinking milk and skim milk powder/butter production are the next two largest users of milk, accounting for 29% and 22% of Australian milk, respectively. Australian manufacturers produce a range of milk powders, including skim milk powder (SMP) and whole milk powder (WMP). SMP accounted for close to two thirds of milk powder production in 2020/21. The technology used in both the production and use of powders has seen the range of specifications available from Australian manufacturers expand in line with customer needs.

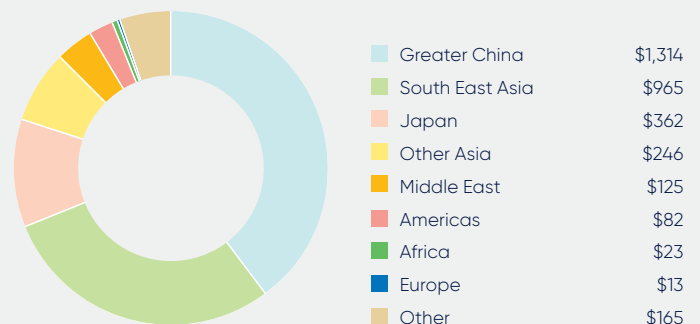


Australian milk utilisation in 2020/21



Source: Dairy Australia

Australian exports by region 2020/21 (A\$ million)



Source: ABS

Our Partnerships

The Australian dairy industry is committed to growing and thriving together with its valued global partners.

We have strong partnerships across the world. Of our international exports, 88% is supplied to Asia. Our top five export markets in 2020/21 were Greater China, Japan, Malaysia, Indonesia and Singapore (by value).

The Australian dairy industry works collaboratively with our farmers, exporters and governing bodies, to deliver a favourable policy environment, build mutually beneficial trade relationships and to support growth in our key export markets.

As part of this trade network, Dairy Australia has worked in key markets for more than 20 years to build strong trade partnerships. One of our leading programs is the Dairy Australia International Scholarship program, which each year invites key trading partners to take part in an immersive program that showcases the very best of Australian dairy. Over 20 years, the program has built a cohort of 850 alumni who are now influential local industry representatives in export markets.

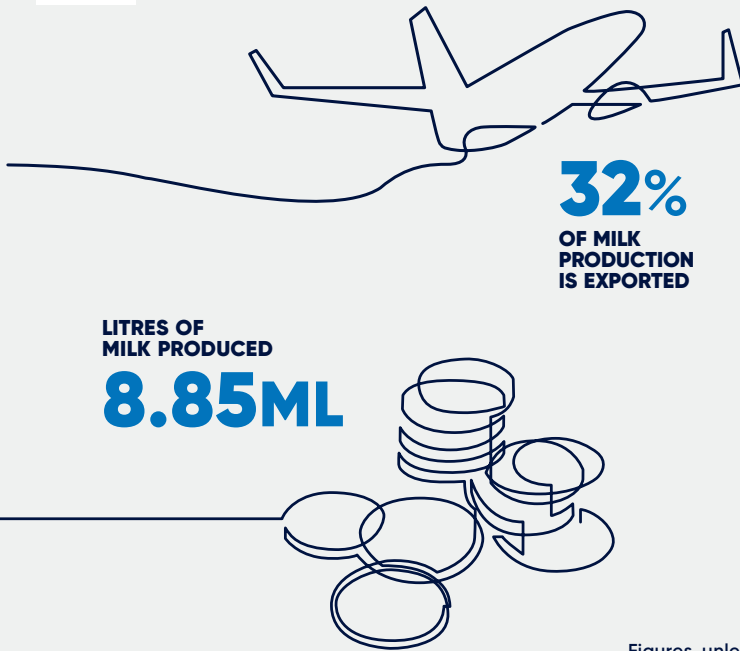
More information

For additional information visit dairyaustralia.com.au/thrivetogether or scan the QR code:



Australian dairy products are consistently high in quality, providing value for money. They are highly regarded by consumers in my market and also very suitable for the food service sector.

Dairy Australia Scholarship Alumnus



MAJOR EXPORT MARKETS tonnes

318,507 t Greater China	70,717 t Singapore
69,188 t Japan	67,979 t Malaysia
	52,323 t Indonesia

Figures, unless otherwise stated are taken from Australian Dairy Industry In Focus 2021.

Disclaimer

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