Submission to the National Food Security Strategy Discussion Paper

Prepared by
Australian Dairy Farmers

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Introduction

1. Australian Dairy Farmers (ADF) is the national advocacy body representing dairy farmers across all Australian states.
2. ADF welcomes the opportunity to contribute to "Feeding Australia: National Food Security Strategy."
3. Dairy is indispensable to Australia's food and nutrition security due to its scale, year-round supply, and nutrient density.
4. Dairy is the third-largest agricultural industry by value, generating over **$5.5 billion** at the farm gate, with further value added through processing and export.[1]
5. Dairy is a daily staple for Australian households and a cornerstone of dietary guidance.
6. Most production is consumed domestically as fresh milk, cheese, yoghurt and other staples, making dairy a pillar of everyday nutrition for Australian households.
7. Protecting this finite dairy land base aligns with national food security and does not conflict with Paris Agreement objectives.
8. ADF should be appointed as a **member** of any committee, council or working group of the National Food Security Strategy.
9. Dairy farmer representation ensures practical, region-specific advice on land, water, processing capacity, workforce, and nutrition programs.

Current Data

10. Australia produced **~8.3 billion litres** of milk in 2024/25, down from **8.8 bn** in 2022/23, confirming a continued structural decline in supply.
11. There are **3,889 dairy farms** (2023/24 published baseline), down from **4,163** a year earlier, with the downtrend continuing into 2024/25.
12. The 2024/25 farm-gate value of milk is around **$5.5 billion**, with export value near **$3.0 billion**.
13. The national milk pool has fallen from **~8.8 billion litres in 2022/23 to ~8.3 billion litres in 2024/25**, tightening factory throughput.[2]

Table A — Snapshot of the Australian dairy sector (2024/25)

Metric	2024/25	Notes
Milk production	**~8.3 bn litres**	End-season estimate
Number of dairy farms	**3,889 farms**	Latest published farm count
Farm-gate value of milk	**$5.5 bn**	ABARES 2024/25 estimate
Dairy export value	**$3.0 bn**	ABARES 2024/25 estimate
Key export products	Cheese, powders, butter	Asia-Pacific focus

[1] ABARES. Agricultural Commodities and Snapshot of Australian Agriculture 2024–25 (farm-gate and export value; production context).
[2] Dairy Australia. Situation & Outlook, May 2025 (milk production estimate 2024/25; market trends).

Table B — Comparison: 2022/23 vs 2024/25

Metric	2022/23	2024/25	Change	% Change
Milk production (litres)	**8.8 bn**	**~8.3 bn**	**-0.5 bn**	**-5.7%**
Number of dairy farms	**4,163**	**3,889**	**-274**	**-6.6%**
Farm-gate value ($AUD)	**$6.1 bn**	**$5.5 bn**	**-$0.6 bn**	**-9.8%**
Dairy export value ($AUD)	**$3.3 bn**	**$3.0 bn**	**-$0.3 bn**	**-9.1%**

Sources for 2022/23 baselines: DAFF "Dairy in Australia" (milk production 8.8 bn L; employment; farm-gate value $6.1 bn; exports $3.3 bn). **Sources for 2024/25:** Dairy Australia Situation & Outlook May 2025 (milk production ~8.3 bn L); ABARES Agricultural Commodities (2024–25) (farm-gate value $5.5 bn; exports $3.0 bn); dairy farm count reported from Dairy Australia's *In Focus* (3,889 farms in 2023/24) as the latest published figure.

14. Australians consume ~88 L milk, 13 kg cheese, 10 kg yoghurt, and 3.4 kg butter per person per year—underscoring dairy's nutrition role.

15. The industry directly employs approximately **33,500 people** in farming and processing and underpins tens of thousands of regional jobs across supporting industries, like manufacturing.

16. Only about **0.2%** of Australia's landmass is suitable for **low-cost, pasture-based dairy** and this land is concentrated in a few temperate, water available regions.[3]

17. Owner-operator dairy farm median age was **~56 (2016)**; median age of Australian dairy cattle farmers is now **48**.[4]

    (a) the ABS states this is notably younger than the broader farming workforce (ABS ~58), reflecting higher labour intensity, technology adoption, and family-business succession in dairy.[4]

18. The industry target is **–30%** emissions intensity by 2030 (kg CO_2-e per kg FPCM, baseline 2015) under the Australian Dairy Sustainability Framework.[5]

    (a) Dairy processors have already cut emissions intensity **~25.5%** and absolute emissions **~27%** since 2010/11.

19. Recent farm studies place on-farm emissions intensity **~1.0 kg CO_2-e per kg FPCM**, reflecting Australia's efficient pasture systems, (typical Global range ~0.83–1.39).[6]

20. Dairy is actively reducing emissions intensity through feed innovation, manure management, energy efficiency, and genetics.

Impacts

21. The comparison table demonstrates clear losses in production, enterprise numbers, farm-gate value, and exports since 2022/23.

[3] Footnote: Derived from ABS 2010–11 estimate of ~4 million ha of dairy-owned grazing land (≈0.52% then) adjusted for subsequent industry contraction; see ABS/ABARES and DAFF sources.
[4] ANZSCO 121313, Jobs and Skills Australia
[5] ADF/Australian Dairy Sustainability Framework — 2030 intensity target; processor emissions outcomes.
[6] UTAS/peer-reviewed research — farm-level emissions intensity (kg CO_2-e/kg FPCM).

(a) While season factors have impacted in recent times, this decline has been the trend for over a decade.

22. Shrinkage in milk supply risks further plant rationalisation, job losses, and longer milk collection distances.

(a) Once a dairy plant closes, regional supply options diminish and resilience falls.

23. Over-reliance on imported dairy ingredients would expose Australia to global volatility and supply shocks.

24. Maintaining distributed domestic processing capacity is a national resilience priority.

25. Dairy's nutrient density and affordability deliver high public-health value, especially for children, older Australians, and lower-income households.

26. Ensuring consistent access to local dairy helps prevent nutrition insecurity and supports healthy diets.

Biosecurity:

27. Australia's biosecurity and border systems are critical to safeguarding food supply chains from emerging pests and diseases.

28. Government analysis estimates $210 billion in avoided agricultural damages over 50 years from proactive preparedness and effective responses to incursions.

29. **Foot-and-mouth disease (FMD)**, **lumpy skin disease (LSD)** and **highly pathogenic avian influenza (HPAI)** represent the highest-impact transboundary risks to dairy.

30. A dairy incursion would trigger **movement controls and standstills**, disrupting milk pick-up, causing **on-farm milk dumping** and **temporary factory shutdowns**.

31. Market access could be **suspended** for key dairy exports, while domestic retail faces **short-term supply shortfalls** and increased costs until controls lift.

32. Labour and logistics constraints during an incursion increase milk miles and cold-chain risks, compounding losses in perishable product categories.

33. Post-incursion **restocking, testing and certification** requirements would slow recovery in the **milk pool**, with knock-on effects for regional jobs and processing throughput.

34. The reputational impact on brand and market confidence can outlast the immediate disease response, requiring targeted recovery programs.

35. There is a strong need for **strengthened surveillance, preparedness, and rapid response capacity** to protect food supply.

Competition:

36. Australia's dairy processing has consolidated since deregulation, reducing dairy farmer and local buyer choice.

37. The Senate inquiry (2017) referred to finding "a fair, long-term solution… with particular reference to **fresh milk security**." [7]

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[7] www.aph.gov.au/Parliamentary_Business/Committees/Senate/Economics/Dairyindustry/~/media/Committees/economics_ctte/Dairyindustry/report.pdf

38. A diverse, regionally distributed processing footprint improves resilience, supports dairy farmers, sustains jobs, and keeps milk local.[8]

39. The report underscored that **fresh drinking milk is a daily household staple** and warned that harmful pricing practices threaten supply.

40. The Senate Select Committee on Supermarket Prices (2024) highlighted concentration concerns and recommended stronger competition settings.[9]

ADF position

41. ADF should be appointed as a **member** of any committee, council or working group of the National Food Security Strategy.

42. Producer representation ensures practical, region-specific advice on land, water, processing capacity, workforce, and nutrition programs.

43. ADF supports a whole-of-system strategy that reverses this trajectory and aligns agricultural, environmental, trade, health, workforce, and regional development policies.

44. High-quality dairy land and reliable water access are foundational for rebuilding the milk pool.

45. Lock in national feed security—dynamic mapping, strategic reserves, and drought logistics—so herds stay fed, milk keeps flowing, and to stabilise milk supply across seasons.

46. Urban encroachment, land re-zoning, and unmanaged offsets should not reduce prime dairy acreage.

47. Biosecurity is a first-order food security issue for dairy given the sector's reliance on healthy, mobile herds and continuous fresh supply.

48. Emergency animal diseases (EADs) such as Foot-and-Mouth Disease (FMD), Lumpy Skin Disease (LSD) and Highly Pathogenic Avian Influenza (HPAI) create severe domestic and export shocks.

49. Climate measures must be designed to complement, not compromise, domestic food output.

50. Land-based climate measures should avoid displacing productive dairy land needed for domestic food supply.

51. Increased drought resilience is essential through modern water infrastructure and fit-for-purpose in-drought and irrigation policy.

52. Transition finance and R&D are needed to accelerate low-emissions dairy technologies on-farm and in factories.

53. Competition and market transparency should support viable farmgate pricing and timely, fair contracts.

54. Maintaining a diverse processing footprint mitigates risk and sustains regional economies.

55. Skills, migration, housing, childcare, and healthcare access affect the availability of dairy workers in regions.

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8 www.aph.gov.au/Parliamentary_Business/Committees/Senate/Economics/Dairyindustry/~/media/Committees/economics_ctte/Dairyindustry/report.pdf

9 https://parlinfo.aph.gov.au/parlInfo/download/committees/reportsen/RB000320/toc_pdf/SupermarketPricesFinalreport.pdf

56. Transport, energy, and cold-chain investments lower costs and reduce waste across the supply chain.

57. Nutrition programs should prioritise access to dairy in aged care, schools, remote communities, and low-income areas.

58. Public education on the benefits of dairy supports healthy consumption and stable demand.

59. Trade policy should safeguard market access while preventing strategic dependence on imports for staples.

60. A "food security lens" should be applied across major policies to identify unintended effects on domestic food supply.

Response to Discussion Paper – Key Priority Areas

61. Resilient supply chains require geographically distributed processing and secure access to transport, energy, and labour.

62. Biosecurity readiness (EADRA, standstills, vaccine access, processor contingency) is a supply-chain resilience action.

63. Modern water infrastructure secures pasture growth and factory throughput.

64. Productivity, innovation, and economic growth depend on long-term R&D, extension, and adoption incentives.

65. Competition and cost-of-living outcomes improve when farmgate markets are transparent and regionally competitive.

66. Reducing import exposure preserves consumer access and price stability for staple dairy.

67. Policy stability is needed so farmers and processors can invest confidently in capacity including emissions reduction.

Response to Discussion Paper – Whole-of-System Considerations

68. Climate change and sustainability policies should protect prime dairy land and facilitate emissions-reducing innovation.

69. Climate measures must complement—not displace—food output; apply land-use guardrails and in-paddock sequestration.

70. People and workforce policies should address regional housing, services, and targeted skills pathways for dairy.

71. Health and nutrition policy should prioritise access to nutrient-dense dairy foods to reduce malnutrition risks.

72. Trade and market access policy should support exports while ensuring domestic self-sufficiency for core dairy staples.

73. National and regional security considerations argue for reducing import exposure by sustaining local dairy capacity.

Strategic Recommendation

74. ADF should be appointed as a member of any committee, council or working group of the National Food Security Strategy.

75. Producer representation ensures practical, region-specific advice on land, water, processing capacity, workforce, and nutrition programs.

76. Map and protect the **~0.2%** dairy-suitable land as strategic food production zones.
77. Align carbon and biodiversity markets to avoid displacement of productive dairy land.
78. Invest in drought and water security infrastructure for key dairy regions.
79. Hardwire nationally funded, industry-co-governed biosecurity readiness to prevent milk dumping, protect exports, and keep fresh supply flowing.
80. Lock in national feed security.
81. Expand R&D and transition finance for low-emissions dairy technologies and on-farm efficiency.
82. Maintain a distributed processing footprint and avoid settings that accelerate over-consolidation.
83. Strengthen competition, pricing transparency, and contract fairness at the farmgate.
84. Address regional workforce barriers via skills, migration, housing, childcare, and healthcare.
85. Prioritise nutrition programs that improve equitable access to dairy for vulnerable groups.
86. Safeguard against strategic import dependence by rebuilding milk supply and competitiveness.
87. Apply a “food security lens” to major policy decisions across portfolios.

Conclusion

88. Australia’s dairy food security depends on a small, irreplaceable base of dairy-suitable land and a resilient milk-to-market system.
89. Protecting this land, rebuilding the milk pool, and sustaining distributed processing are essential to national resilience.
90. Dairy can deliver on nutrition, affordability, regional jobs, domestic supply, exports, and emissions reduction when policy settings align.
91. ADF stands ready to work with government and stakeholders to implement a whole-of-system plan that keeps Australian dairy strong.

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