



Oceania Dairy Market Overview

Agricultural Marketing Service
Dairy Market News

Report 29

July 16, 2026

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Australia

Dairy Australia reports that Australia exported 151,017 metric tons of milk from July 2025 to May 2026, a 12.2 percent increase from the previous year.

Dairy Australia also recently released data on packaged milk sales. In May 2026, milk sales totaled 201.2 million liters, up 0.1 million liters year-over-year (YoY). May sales increased YoY in Victoria (2.1 percent), while decreasing in New South Wales (0.3 percent), Queensland (0.3 percent), South Australia (1.7 percent), Western Australia (1.2 percent), and Tasmania (2.4 percent). Packaged milk sales year-to-date (YTD) in Australia's 2025/2026 season total 2,170.8 million liters, up 24.3 million liters (1.1 percent) season over season. Compared to the 2024/2025 season, YTD sales in the 2025/2026 season increased in Victoria (2.6 percent), Queensland (1.2 percent), South Australia (1.4 percent), and Western Australia (0.8 percent), but decreased in New South Wales (0.1 percent) and Tasmania (1.2 percent).

The June 2026 Production Inputs Monitor from Dairy Australia reports a sharp decline in overall input prices, led by a steep drop in urea costs. The average urea price was lower in June than in February, supported by softer global demand as buyers shifted toward alternative fertilizers. In contrast, diammonium phosphate prices rose due to limited sulfur supplies and ongoing export restrictions from China. Fuel prices fell 15 percent as global oil values continued to ease. Rainfall varied across dairy regions, as Southwest Victoria and South Australia received above average rain, while other regions saw average to below average totals. Recent weather has supported strong pasture growth, reducing pressure on feed prices. However, feed markets are mixed, with cereal grain prices declining and protein concentrates increasing. A weaker Australian dollar boosted export demand. Domestically, the Bureau of Meteorology declared an El Niño event and forecast drier than average conditions over the next three months, lifting demand for feed stocks and adding upward pressure on prices. Temporary water prices continued to fall, with Northern Victoria's monthly average 20 percent below February's peak. Water storage and soil moisture levels across many regions remained higher than a year earlier.

New Zealand

Following Global Dairy Trade (GDT) Event 407, a group in New Zealand that forecasts milk prices increased their 2026/2027 season milk price forecast to \$9.41 per kilogram milk solids (kgMS). The spot value of milk decreased to \$9.64/kgMS from \$9.76/kgMS. Prices were lower for both SMP and WMP, as well as for milk fats offered at GDT Event 407. The group's 2025/2026 season milk price forecast remains at \$9.74/kgMS. This prediction reflects a US cents per NZ dollar exchange rate assumption of 0.5905 and a forecast range of \$9.12/kgMS to \$9.98/kgMS. The September 2026/2027 Milk Price Futures contract last settled at \$9.79/kgMS.

A large New Zealand cooperative reduced its FY2027 Farmgate Milk Price midpoint to \$9.25/kgMS from \$9.75/kgMS, adjusting the forecast range to \$8.00-\$10.50/kgMS. The key driver to the price reduction is falling GDT prices. GDT prices have seen softer-than-expected demand and strong global supply, leading to 11 percent price declines since late May. Milk output from major exporting regions is also up YOY. The cooperative also noted "significant exposure" due to limited contracted sales. The 2025/2026 forecast remains unchanged at \$9.60-\$9.80/kgMS (midpoint \$9.70/kgMS). Breakeven estimates are \$8.79/kgMS for FY2027 and \$8.41/kgMS for FY2026.

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