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Global Demand for Australian Dairy Surges, Boosting Exports

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Australian dairy farmers are urged to capitalize on rising global demand for their products, with exports to Asia and beyond driving profitability in 2025.

Australian dairy farmers are being encouraged to ramp up exports to meet surging global demand, particularly in Asia, where markets like China, Japan, and Southeast Asia are driving significant growth, according to Dairy Australia's sustainable international trade senior manager, Catherine Taylor, as reported by Stock & Land on August 2, 2025. With a projected global dairy deficit of up to 30 million tonnes by 2030, Australia's high-quality cheese, butter, and milk powders are increasingly sought after. In financial year 2024, dairy exports to China alone reached \$1 billion, with Southeast Asia and Japan importing \$1 billion and \$500 million respectively, per Dairy Australia's trade data.

The Australian dairy industry, generating \$6.1 billion in farm gate value in 2022-23, exports about 32% of its milk production, primarily as value-added products, according to the Department of Agriculture, Fisheries and Forestry (DAFF). Taylor noted that Australia's reputation for reliable, high-quality dairy ensures sustained demand, especially in countries like the Philippines, Vietnam, and Thailand, where import volumes rose 14%, 35%, and 44% over the past five years. Despite a 17.9% drop in exports to China from 2022-23 to 2023-24 due to increased local production, recent recovery signals strong future potential, per Dairy News Australia.

However, challenges loom. The Australian Bureau of Agricultural and Resource Economics and Sciences (ABARES) forecasts a slight decline in milk production for 2025 due to fewer farms and dry conditions, projecting 8.8 million metric tons, a 1.1% increase from 2024. Rising input costs and competition from New Zealand, which holds a dominant share of Australia's dairy imports, add pressure, as noted in a Rabobank report. Critics on X, like @DairyFarmerAU, argue that the Labor government's focus on foreign markets overlooks local farmers' struggles with costs. Still, Taylor emphasized that exporting offers a vital revenue stream, with Australia's dairy reaching 100 countries, including emerging markets in the Middle East and Africa.

The industry's resilience, bolstered by a 3% production increase in 2023-24, positions it to meet global demand, but farmers must navigate economic and environmental hurdles to sustain this export boom, per Dairy Australia's July 2024 report.