

Dairy's economic contribution

2020 update

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SENSE PARTNERS

DATA LOGIC ACTION

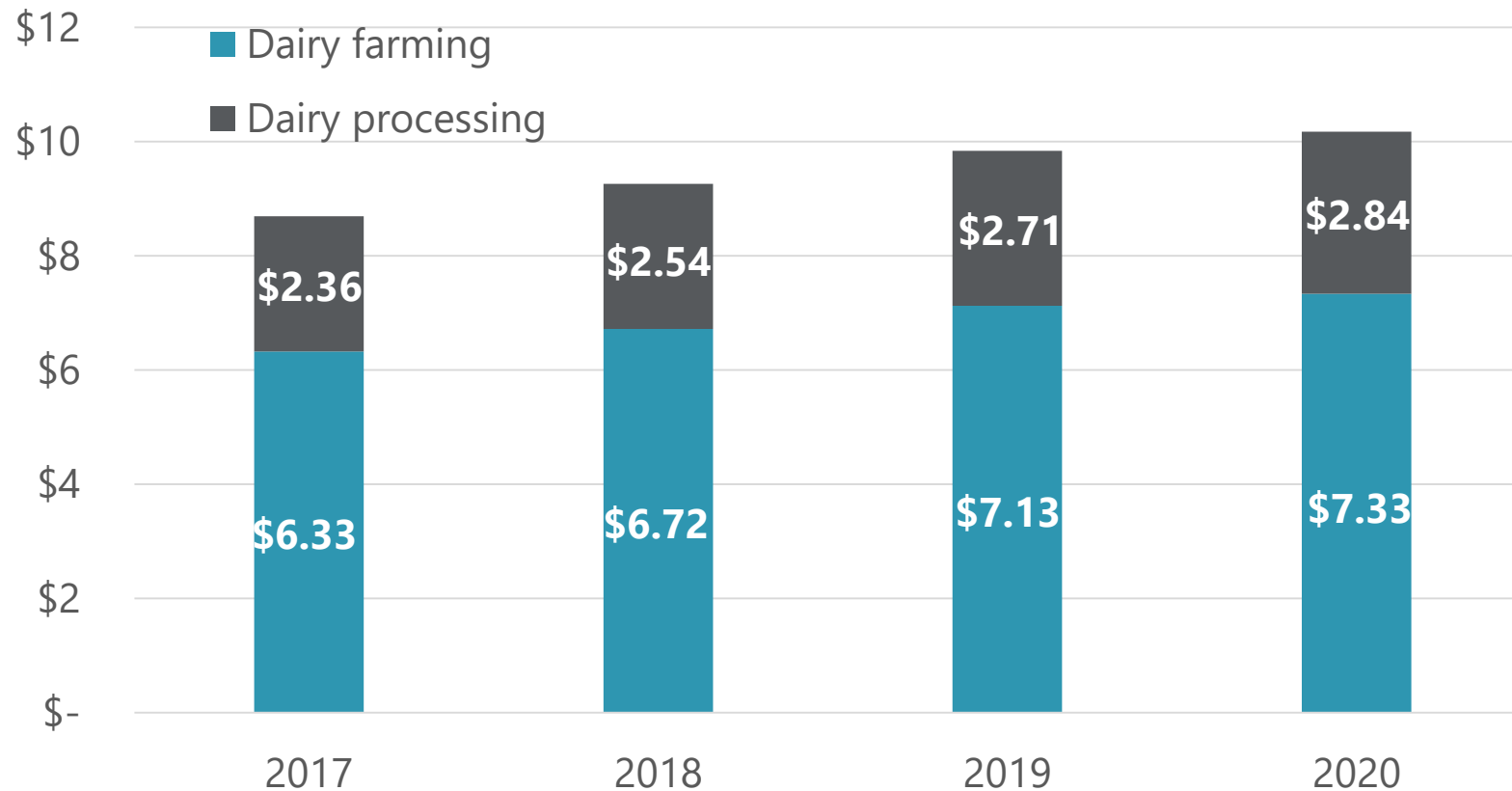


Dairy GDP

Dairy directly adds \$10.2b to the NZ economy

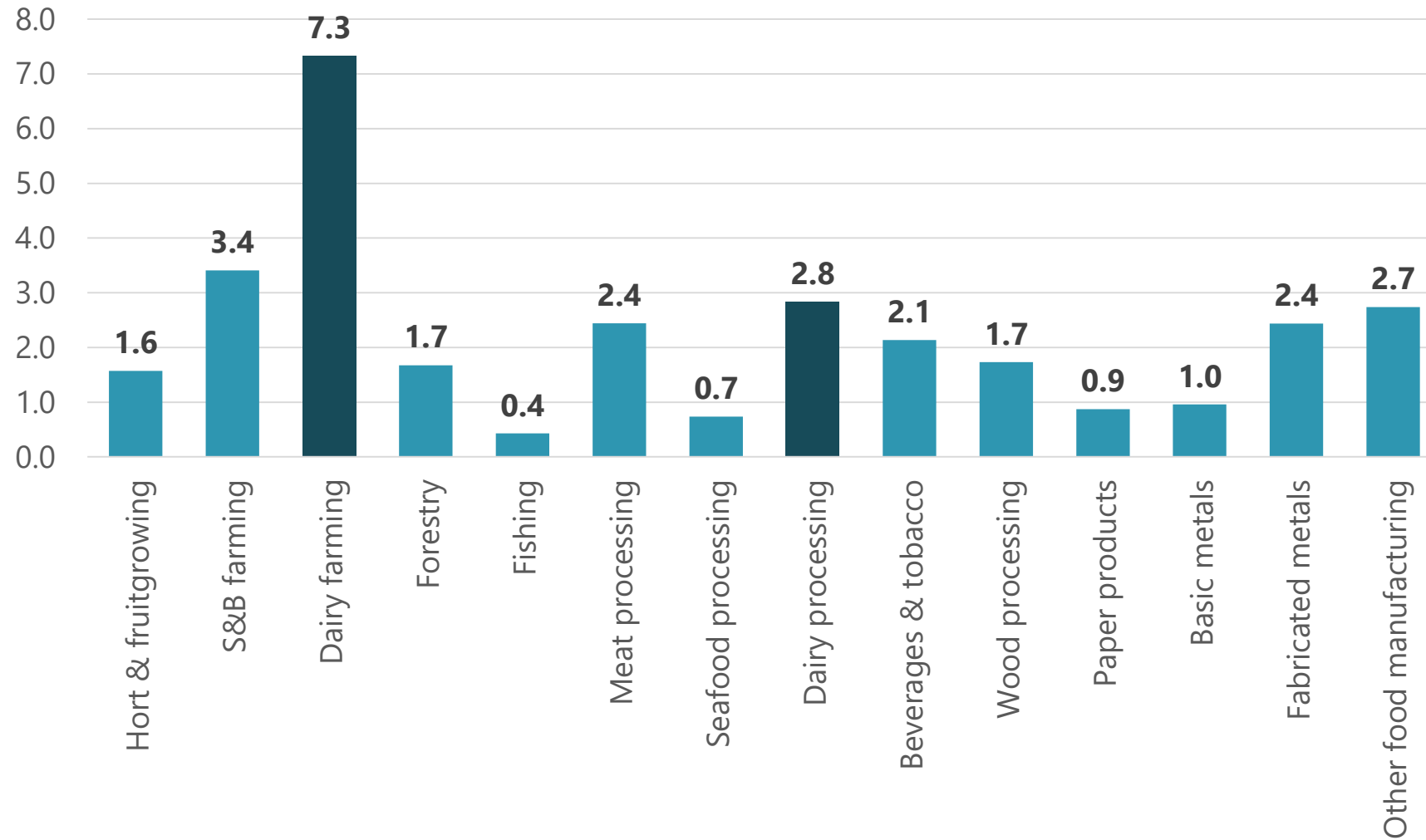


Industry value added, NZD billions, March years





Value added of selected export-focused industries, \$billions, 2020

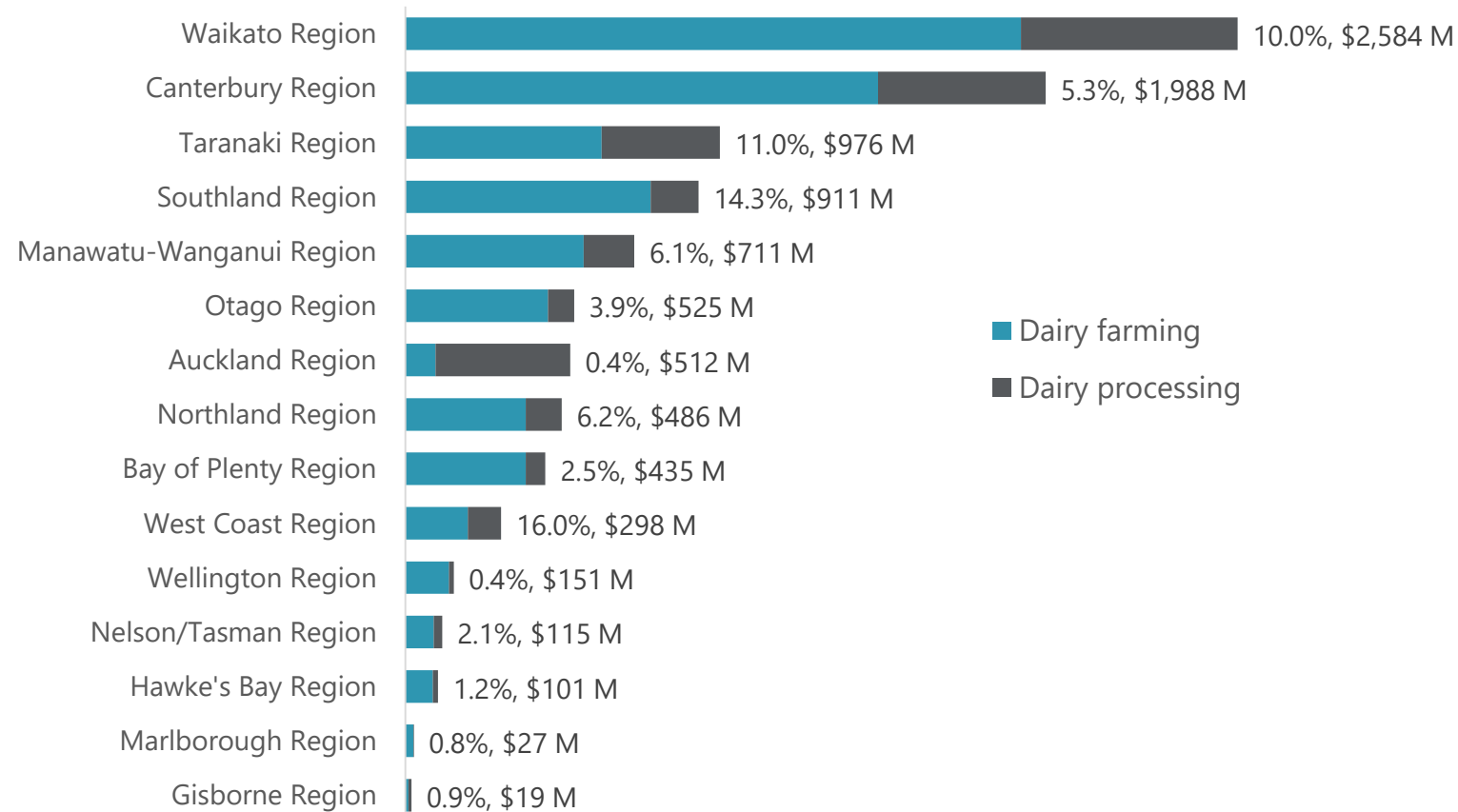


Source: StatsNZ, Sense Partners

Dairy makes a significant GDP contribution across regional New Zealand



Regional GDP contribution, % of total GDP, \$millions, 2019



Source: StatsNZ, Sense Partners

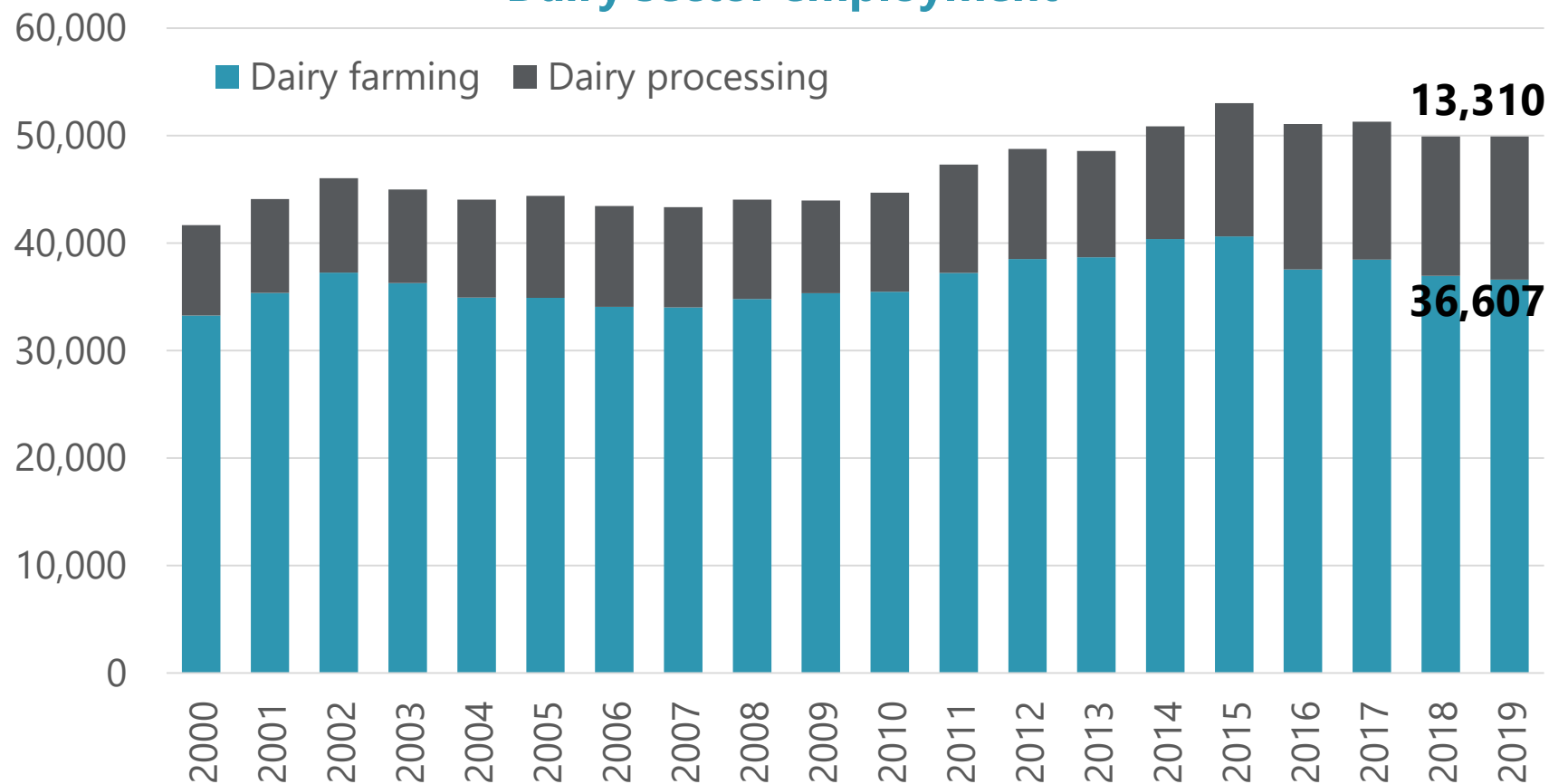


Dairy workers and wages



Dairy employs 50,000 people directly

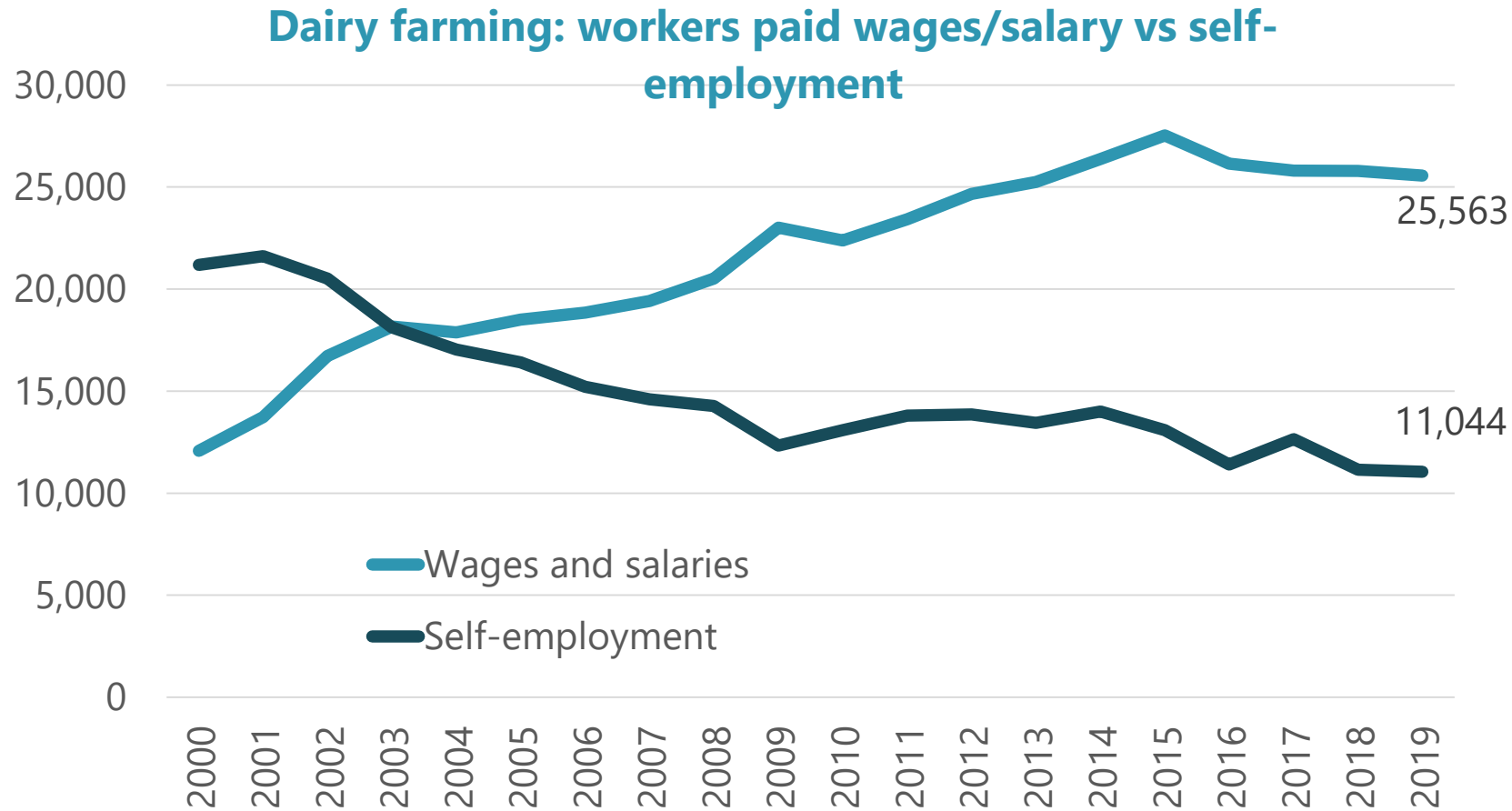
Dairy sector employment



Employment has held steady at around 50,000 jobs for the past 4 years, from a peak of 53,000 in 2015

Source: StatsNZ, Sense Partners

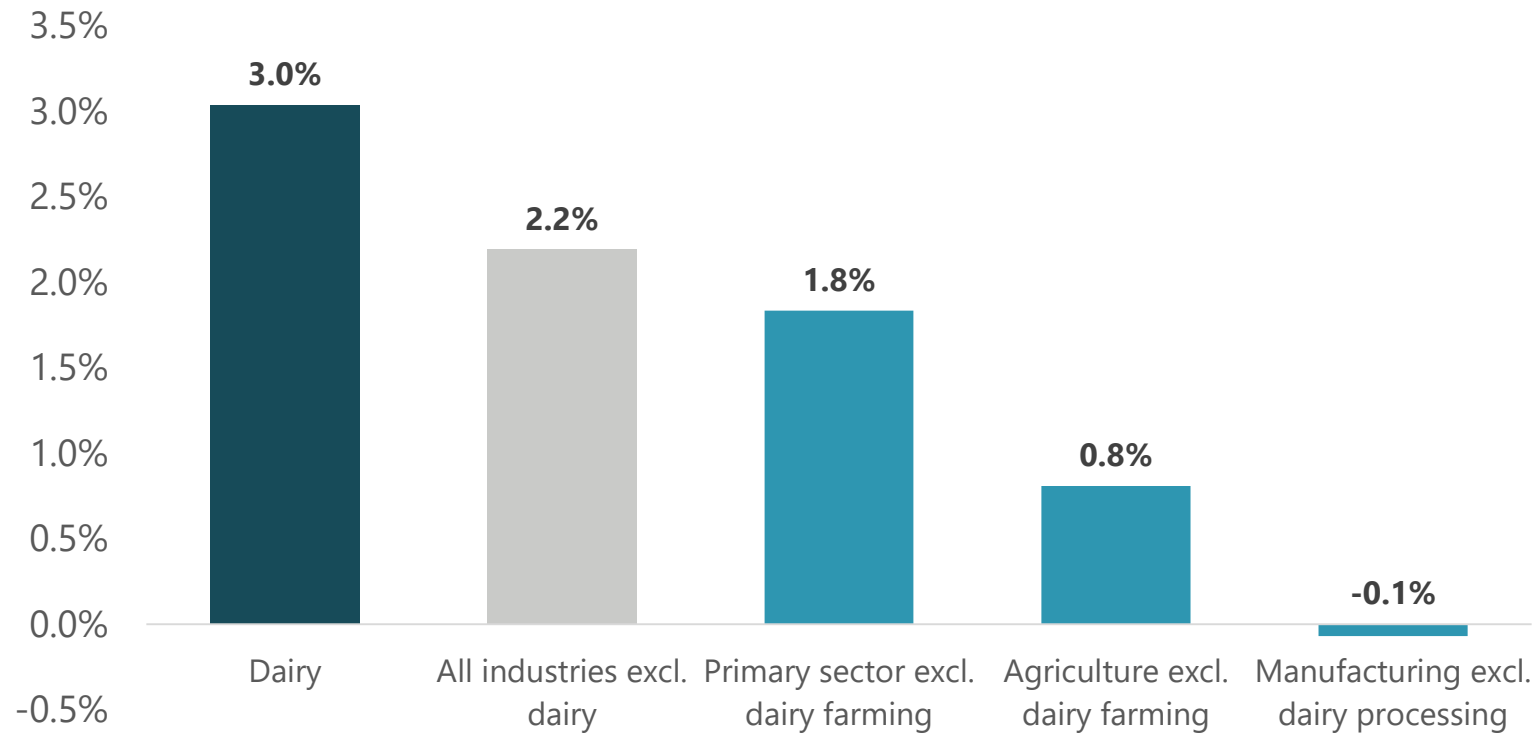
On-farm jobs are growing through additional employees; self-employed numbers are relatively steady



Jobs growth in dairy has significantly outpaced the wider economy over the past 19 years

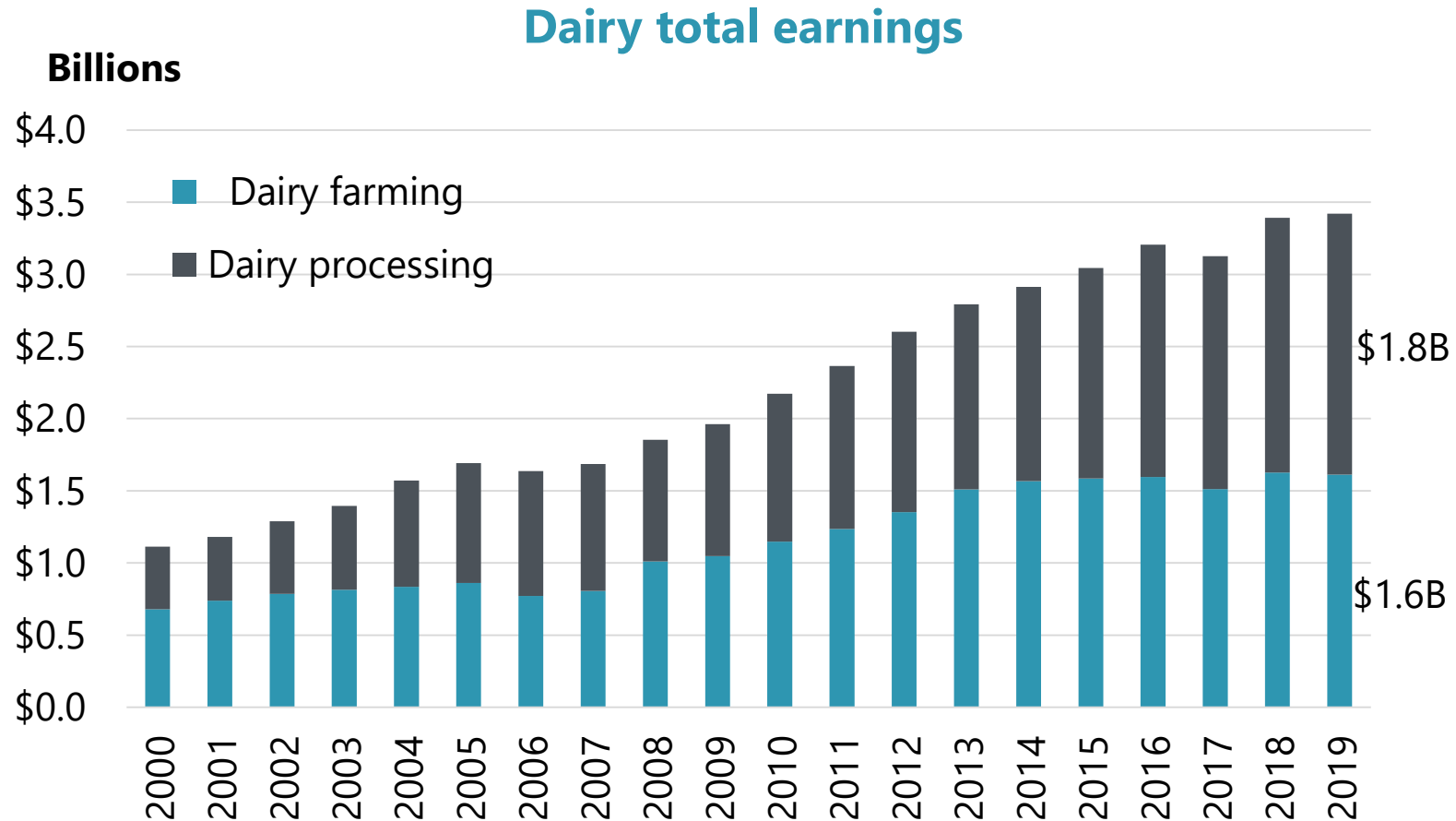


**Average annual jobs growth by industry 2000-2019
(excluding self-employees)**

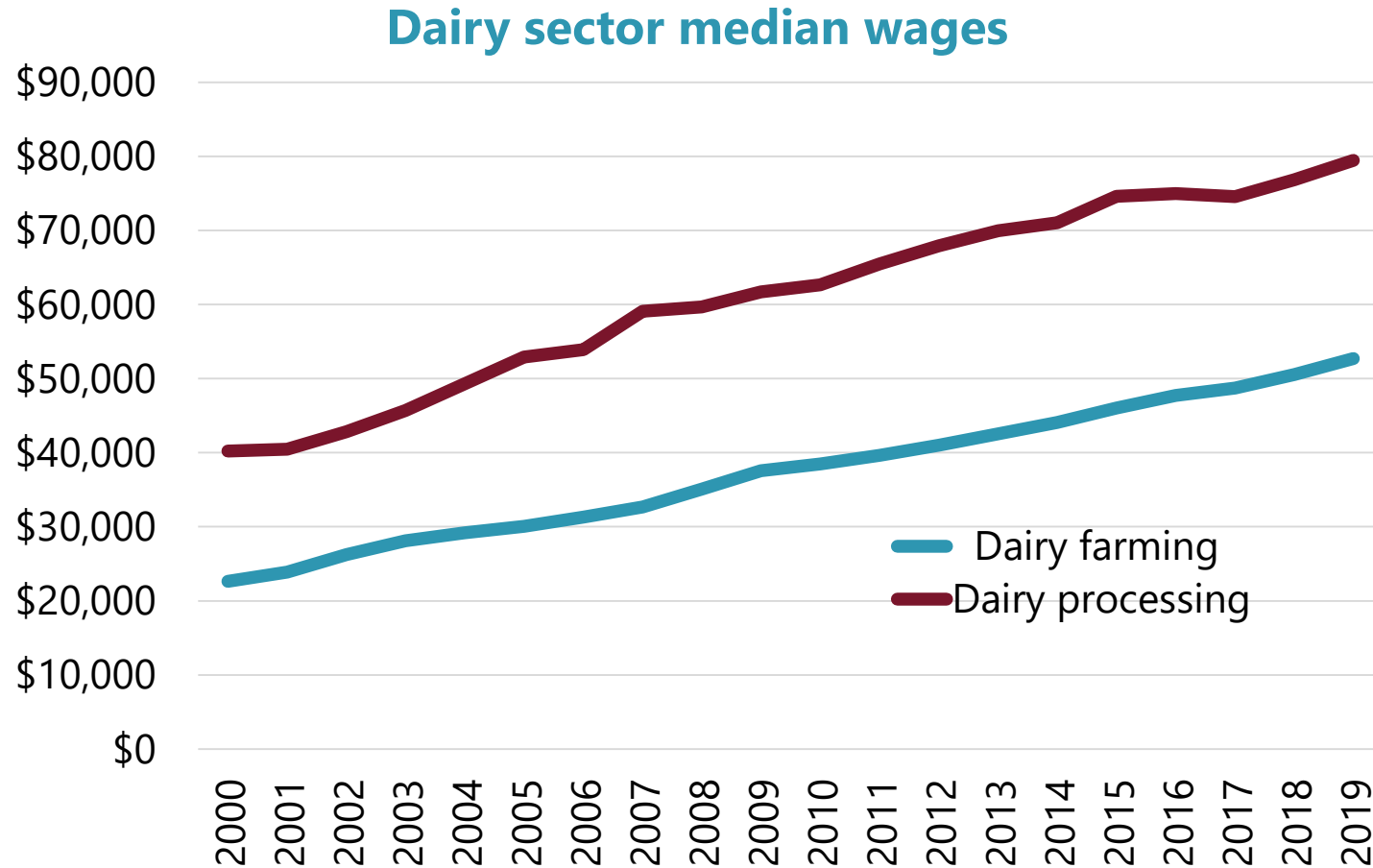


Source: StatsNZ, Sense Partners

Dairy directly generates \$3.4b in wages



Stable job numbers but paying better

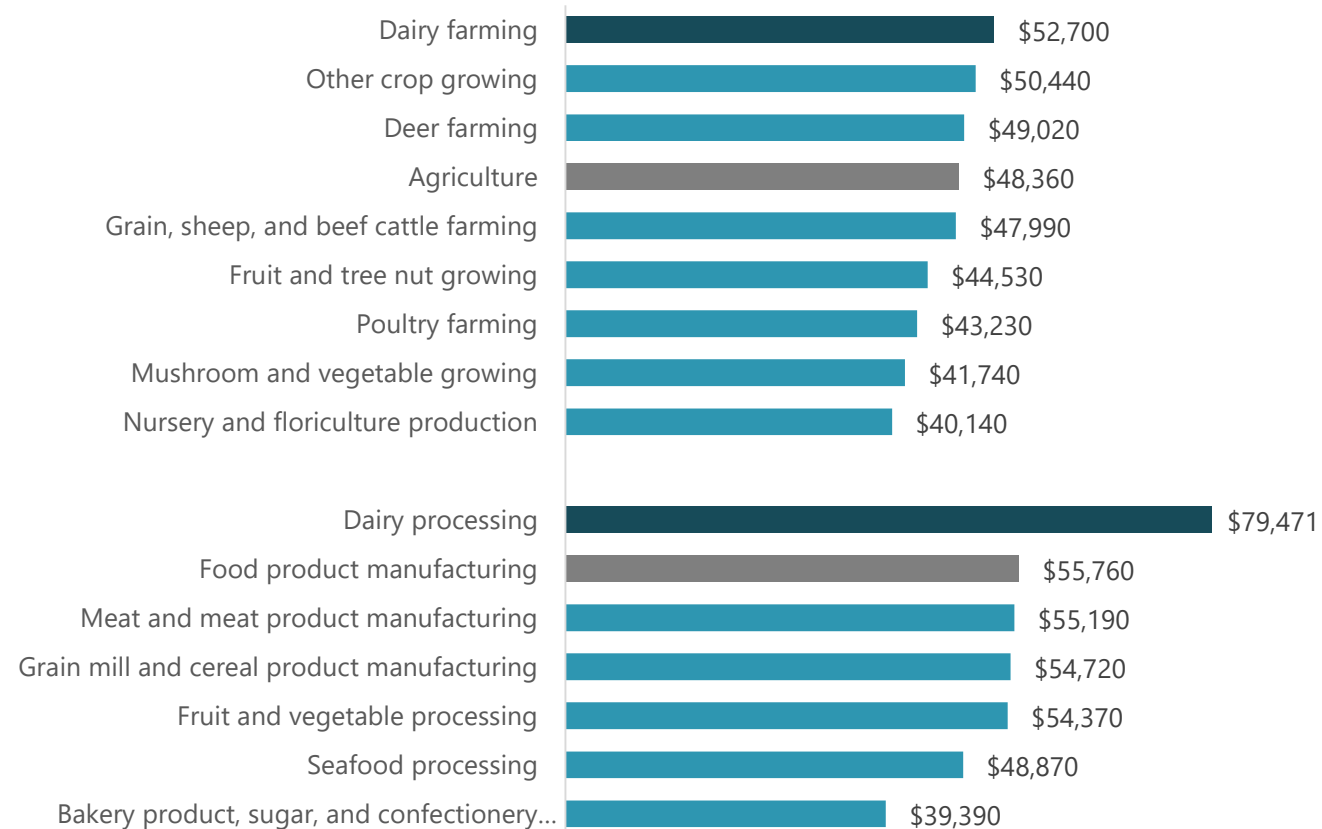


Source: StatsNZ, Sense Partners

Dairy on-farm and processing jobs pay well...

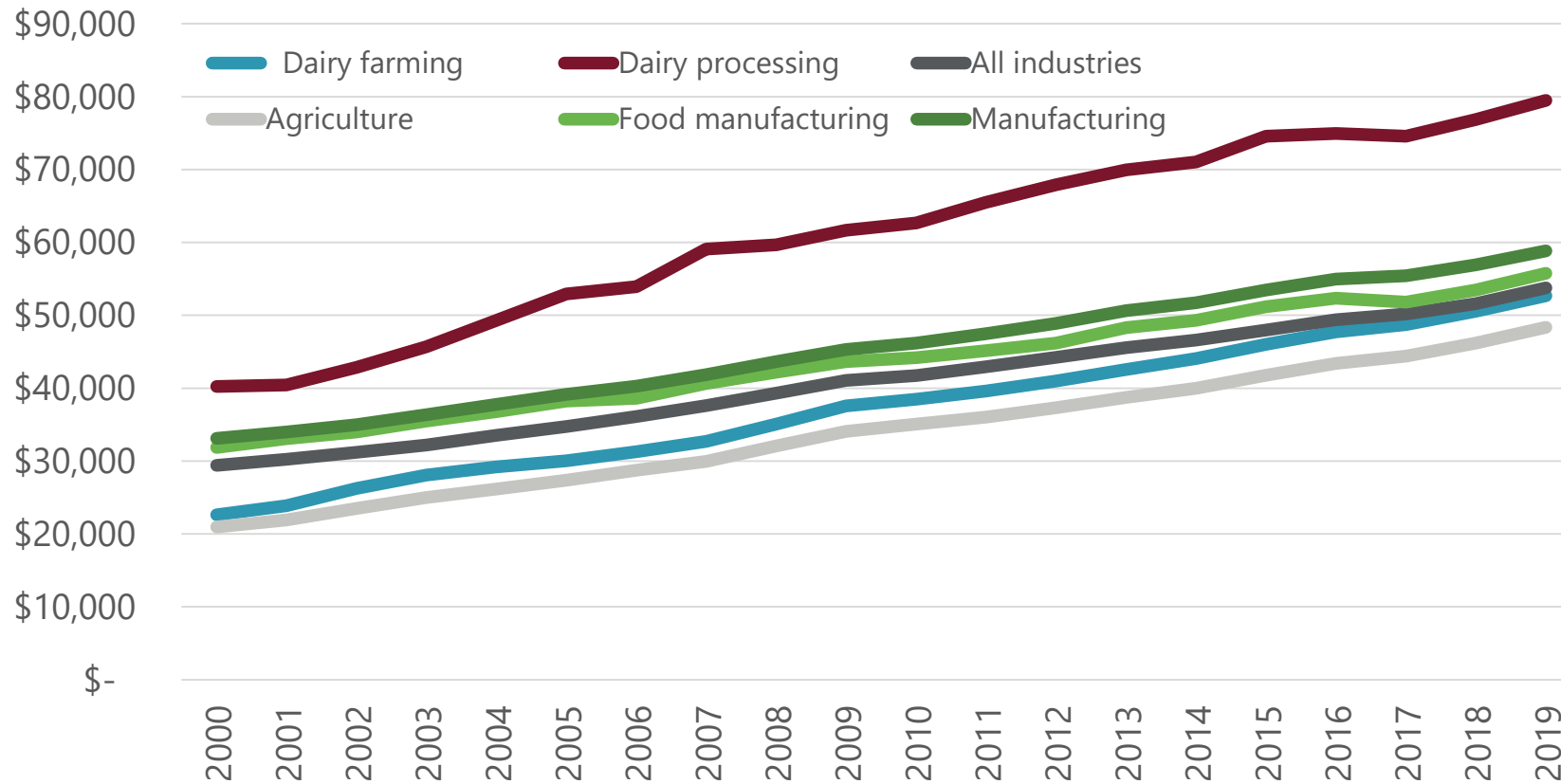


Median wage across comparable industries





Median wages dairy and other industries

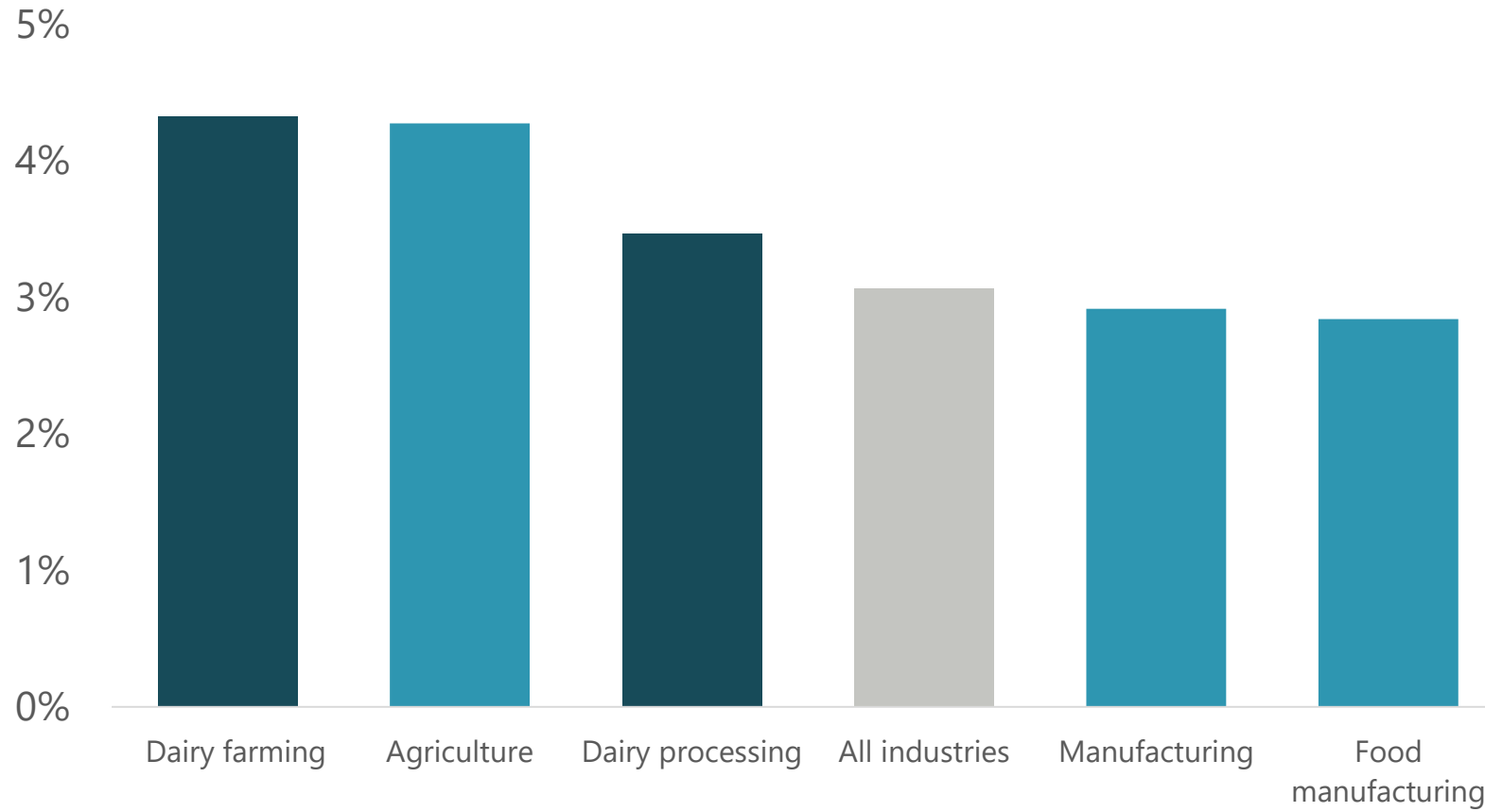


Source: StatsNZ, Sense Partners

...and have been growing faster than others



Average annual wage growth by industry 2000-2019

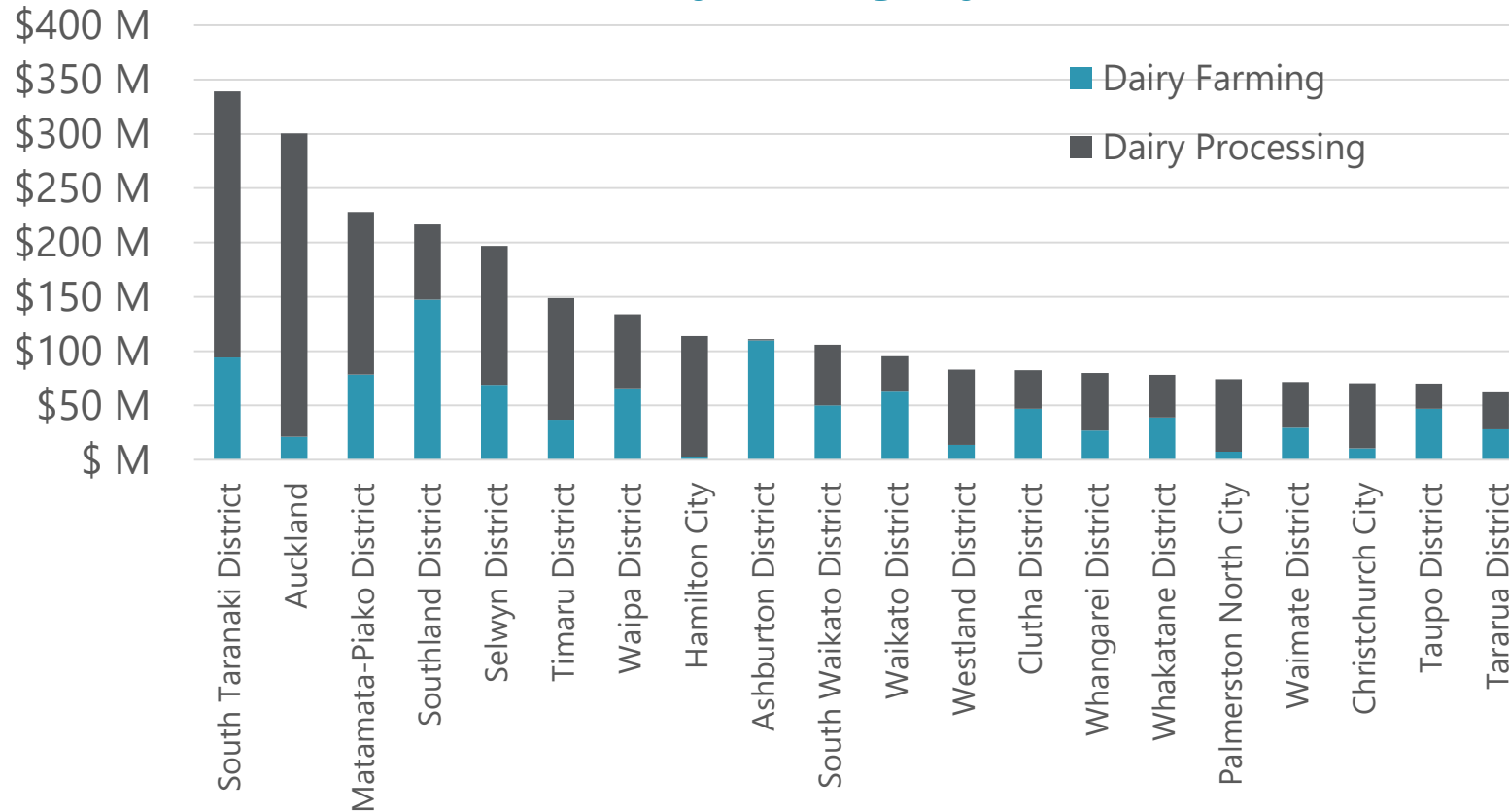


Source: StatsNZ, Sense Partners

Pumping wages into rural New Zealand



Total dairy earnings by TA

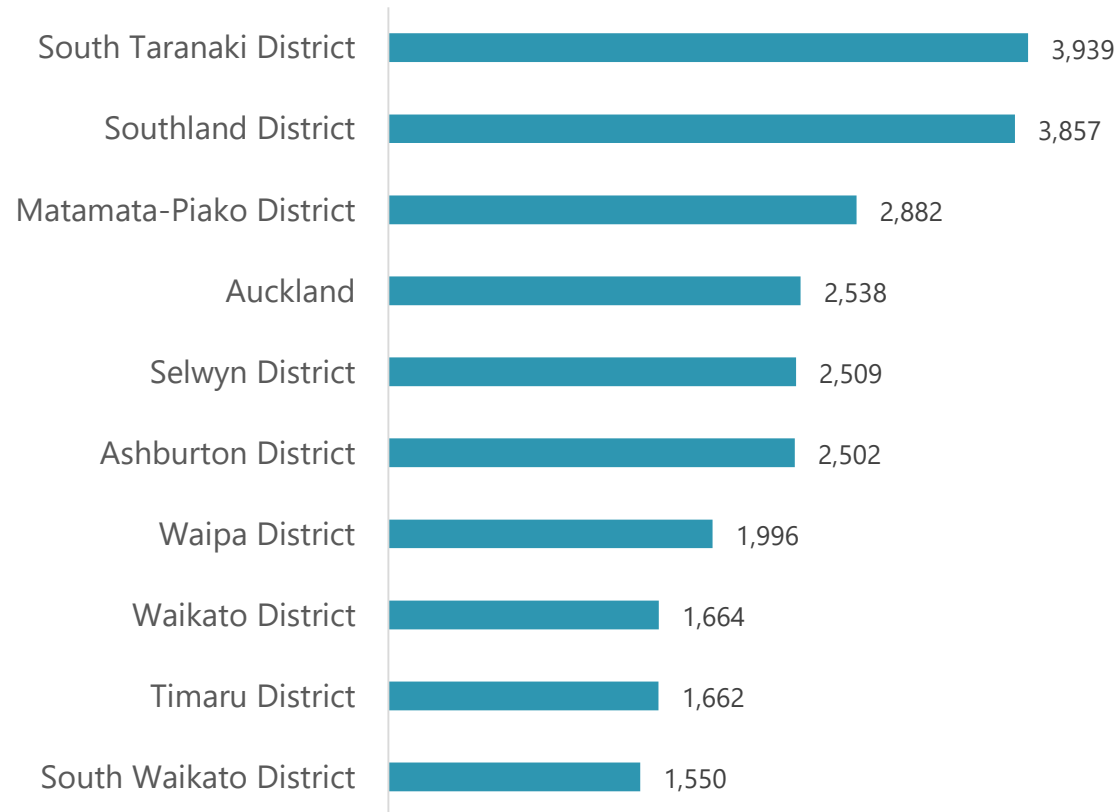


Source: StatsNZ, Sense Partners

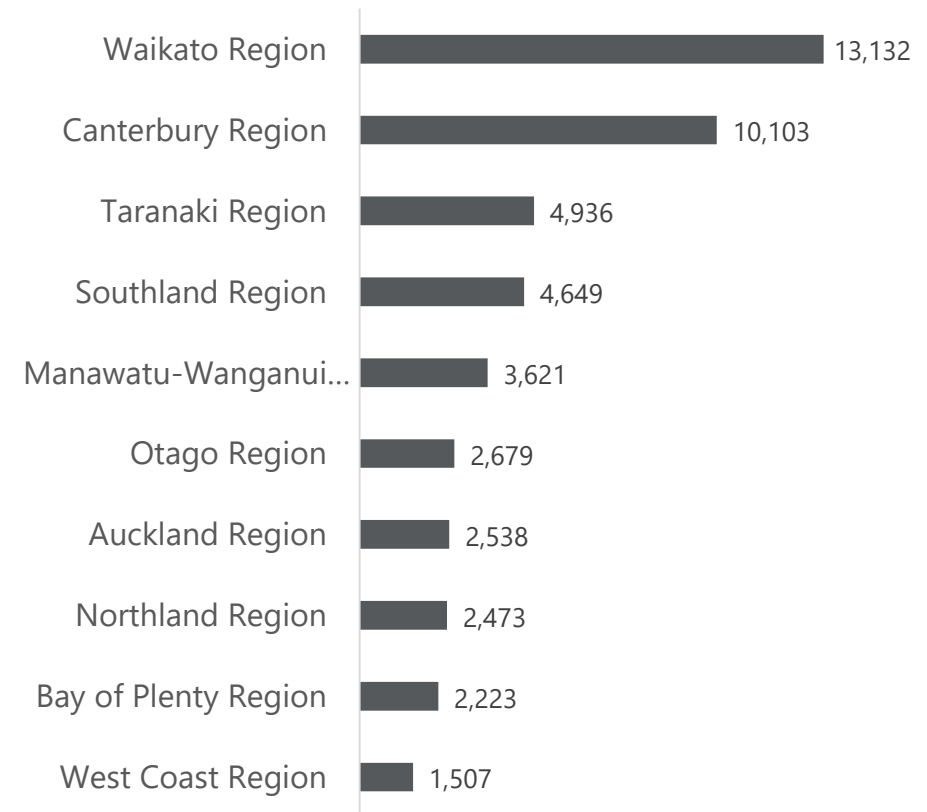
Ten largest dairy jobs TAs and Council areas



Jobs by TA



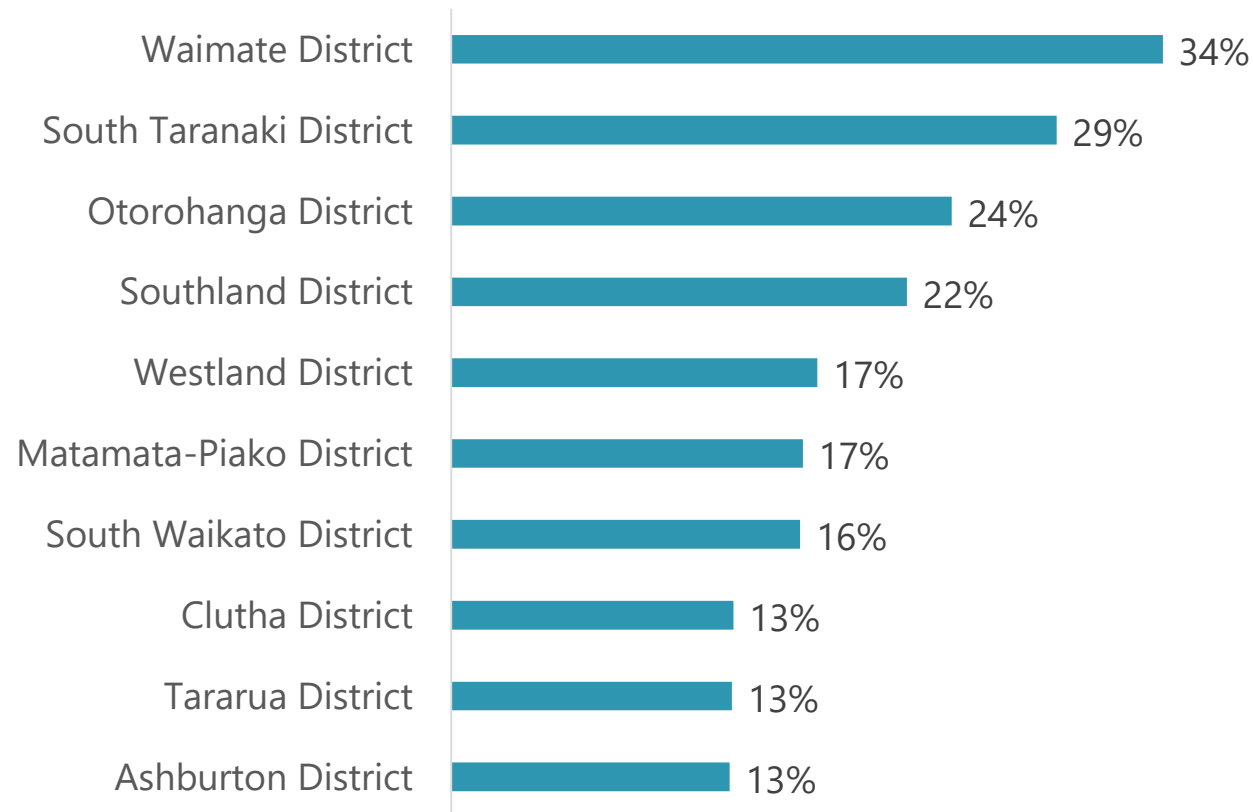
Jobs by Regional Council



Dairy accounts for up to a 1/3 of all jobs in some Districts

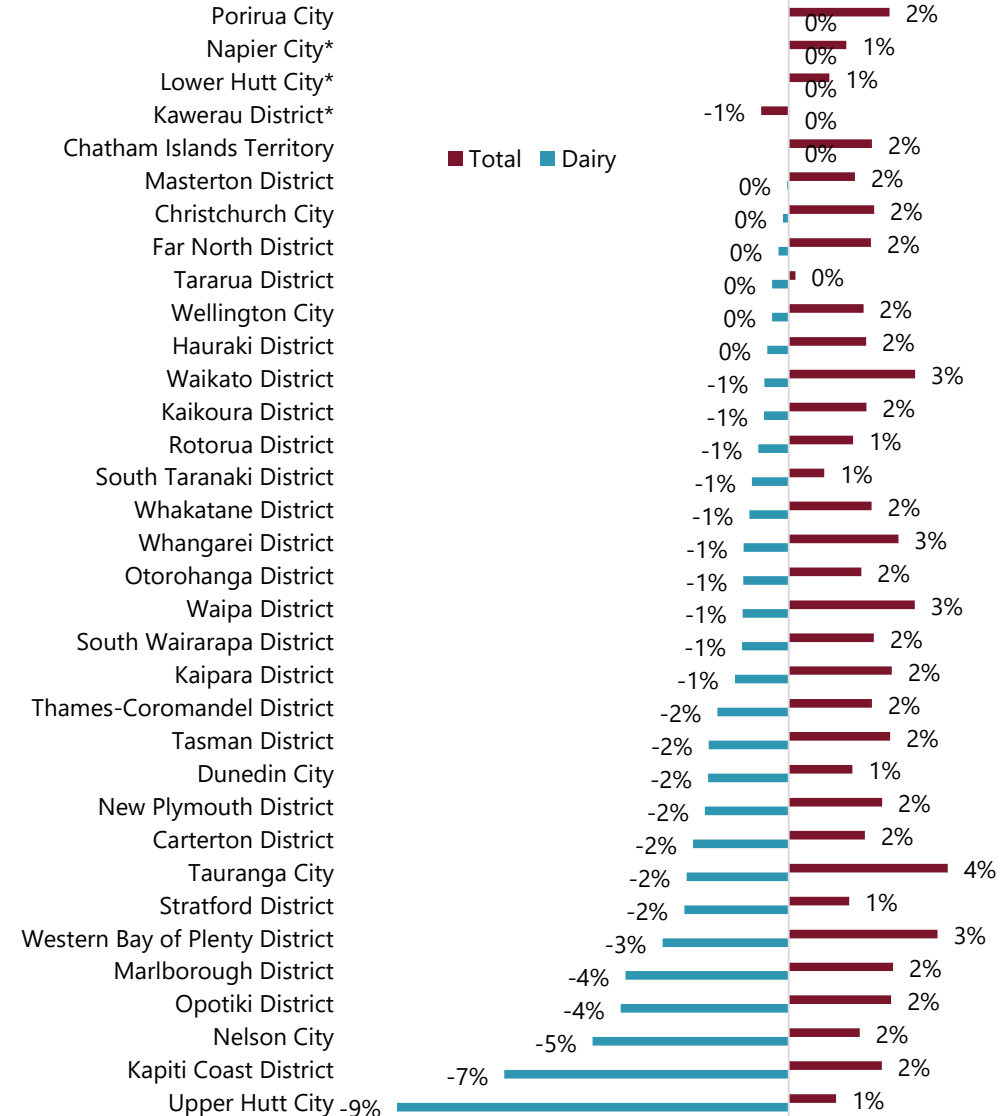
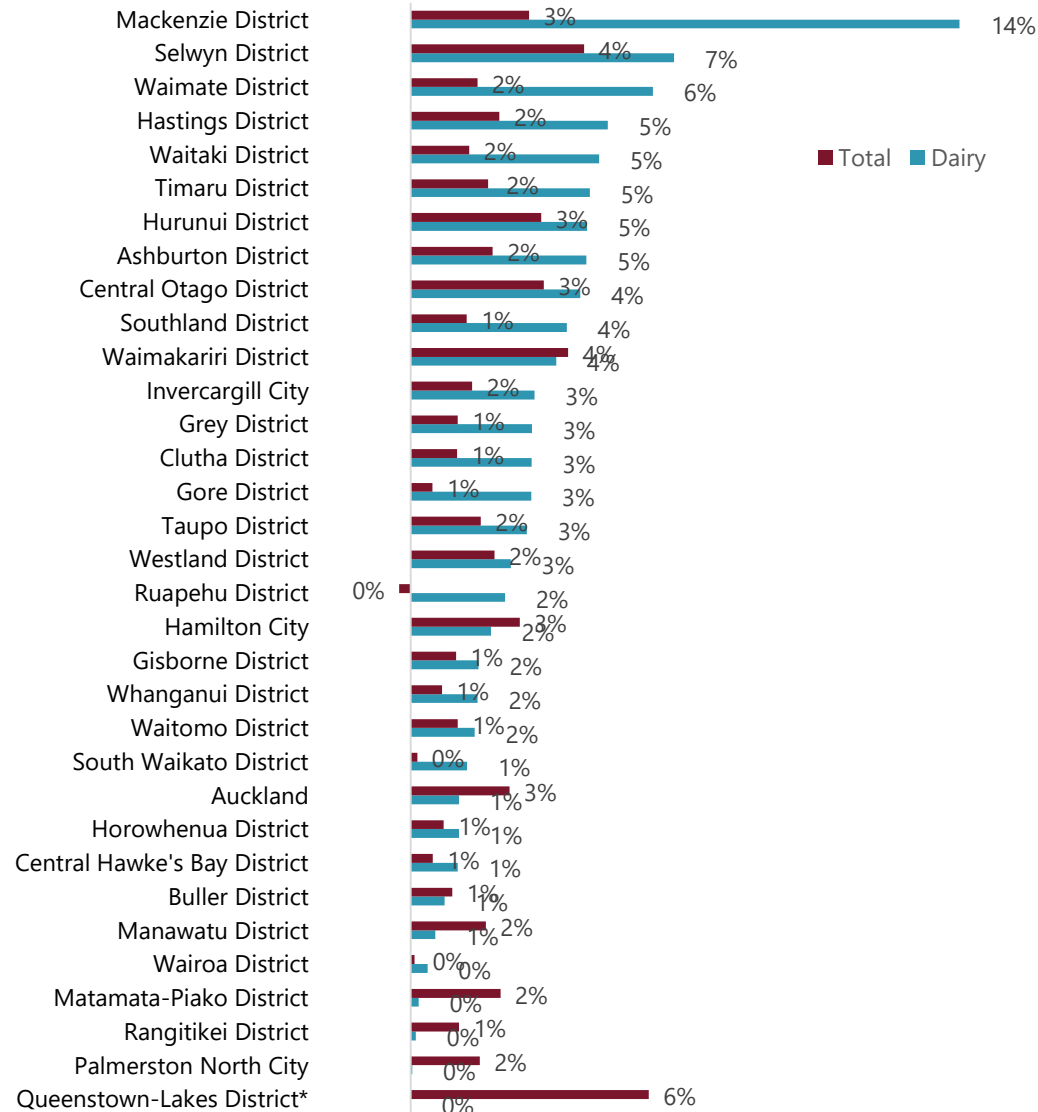


Dairy as a % of total employment by TA



Source: StatsNZ, Sense Partners

Jobs growth by District: dairy and total, 2000-19



*these TAs had 0 dairy employees in 2000 and more than 1 in 2019. They have been indicated as 0% for consistency

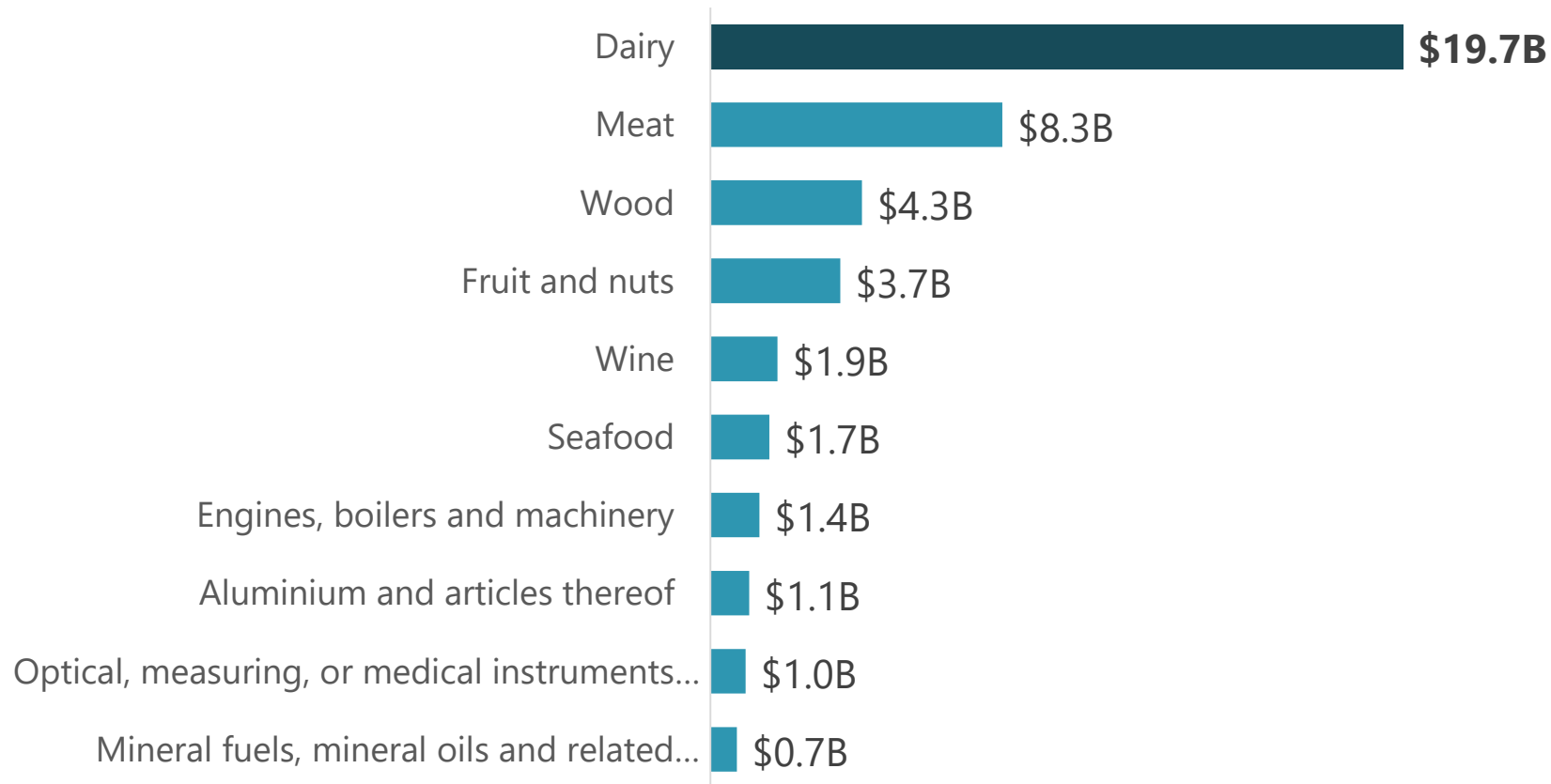


Dairy exports

Dairy generates almost \$20b of exports...



Top merchandise trade exports in year to June 2020

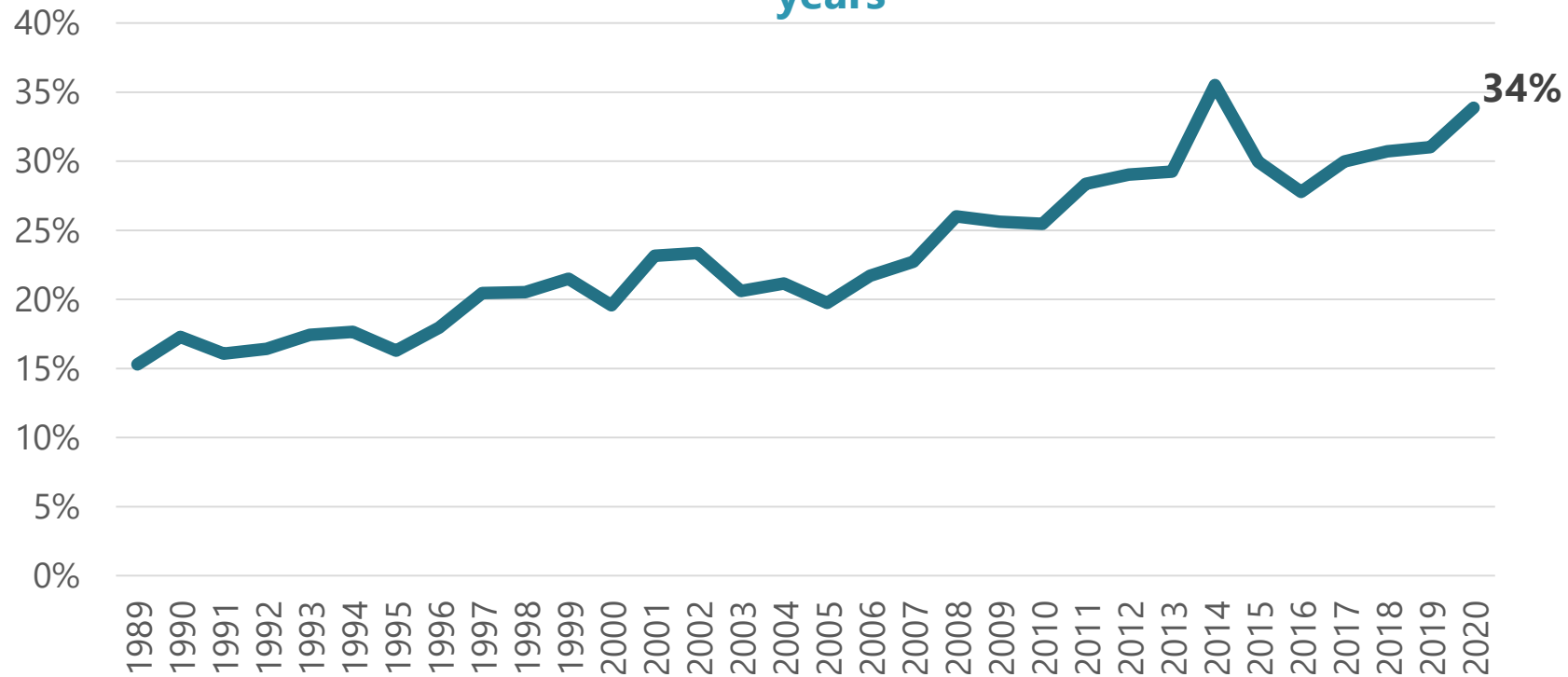


Source: StatsNZ, Sense Partners

...accounting for a third of goods export revenue



Dairy exports as share of total merchandise exports, June years

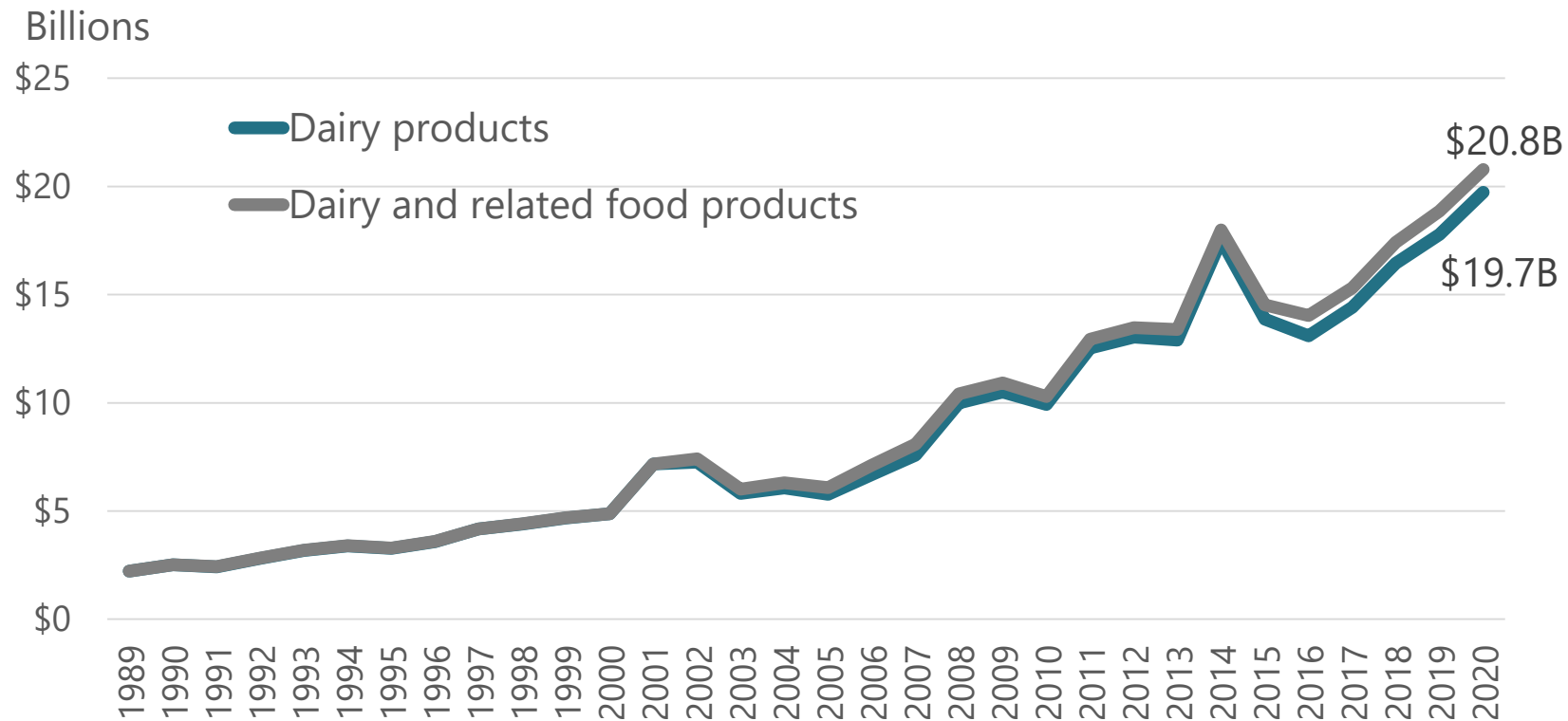


Source: StatsNZ, Sense Partners

Exports have grown from \$2.2b in 1989 to \$20b now



Value of dairy exports, June years

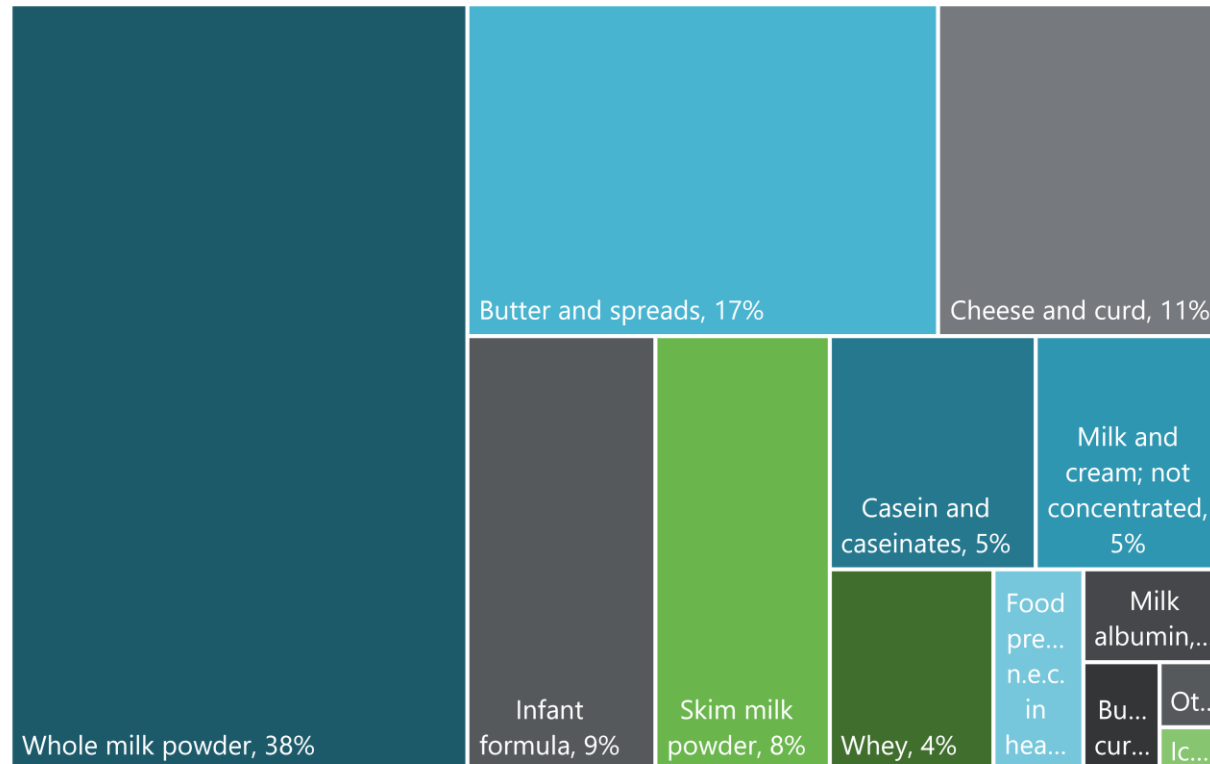


Source: StatsNZ, Sense Partners

Covering a range of products



Share of dairy exports by product category, year to June 2020

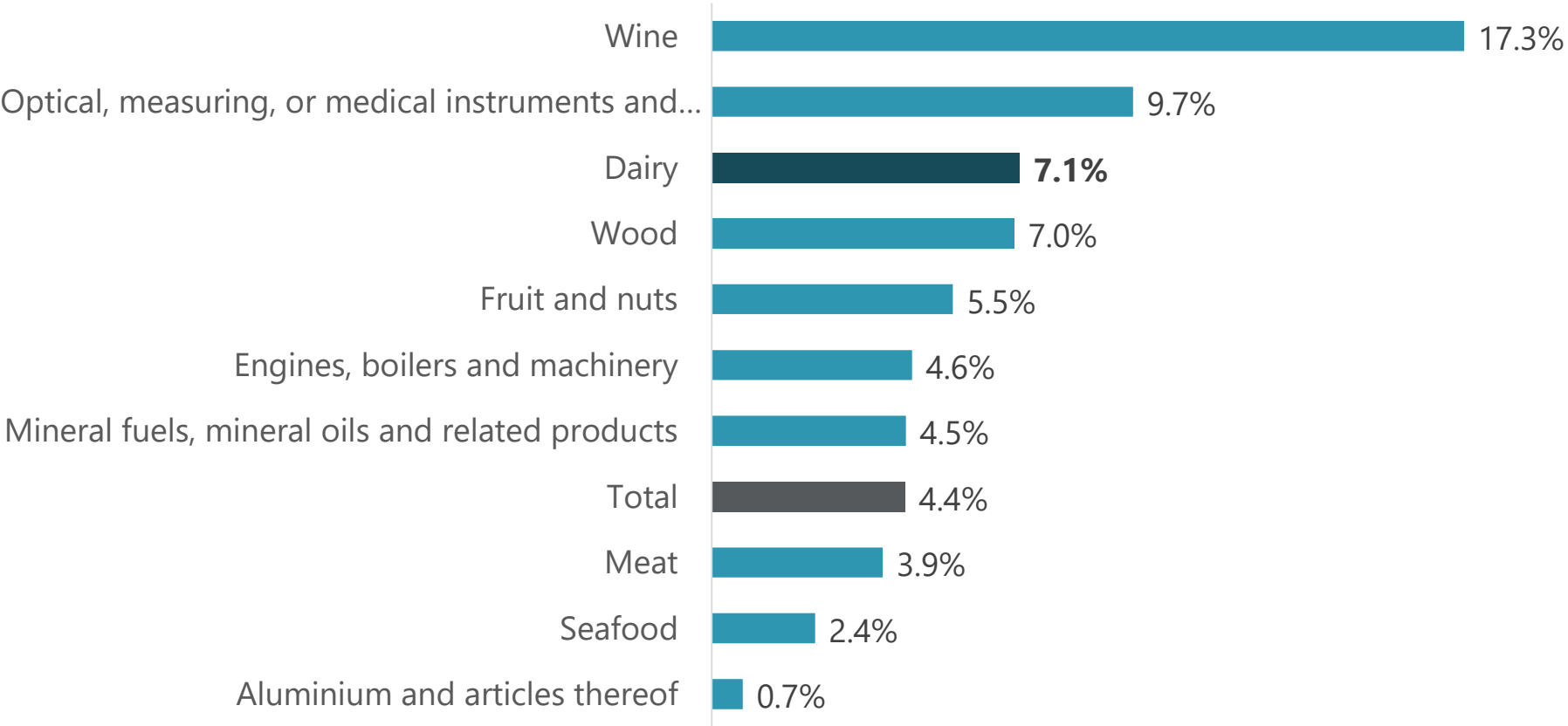


Whole milk powder	\$7.6B
Butter and spreads	\$3.4B
Cheese and curd	\$2.1B
Infant formula	\$1.8B
Skim milk powder	\$1.6B
Casein and caseinates	\$1.0B
Milk and cream; not concentrated	\$1.0B
Whey	\$0.7B
Food preparations n.e.c. in heading 1901	\$0.4B
Milk albumin	\$0.3B
Buttermilk, curdled milk and cream, yoghurt, kephir, fermented or acidified milk or cream	\$0.2B
Other milk powders	\$0.1B
Ice cream	\$0.1B
Total	\$19.7B

Dairy exports have grown at over 7% p.a. since 1989

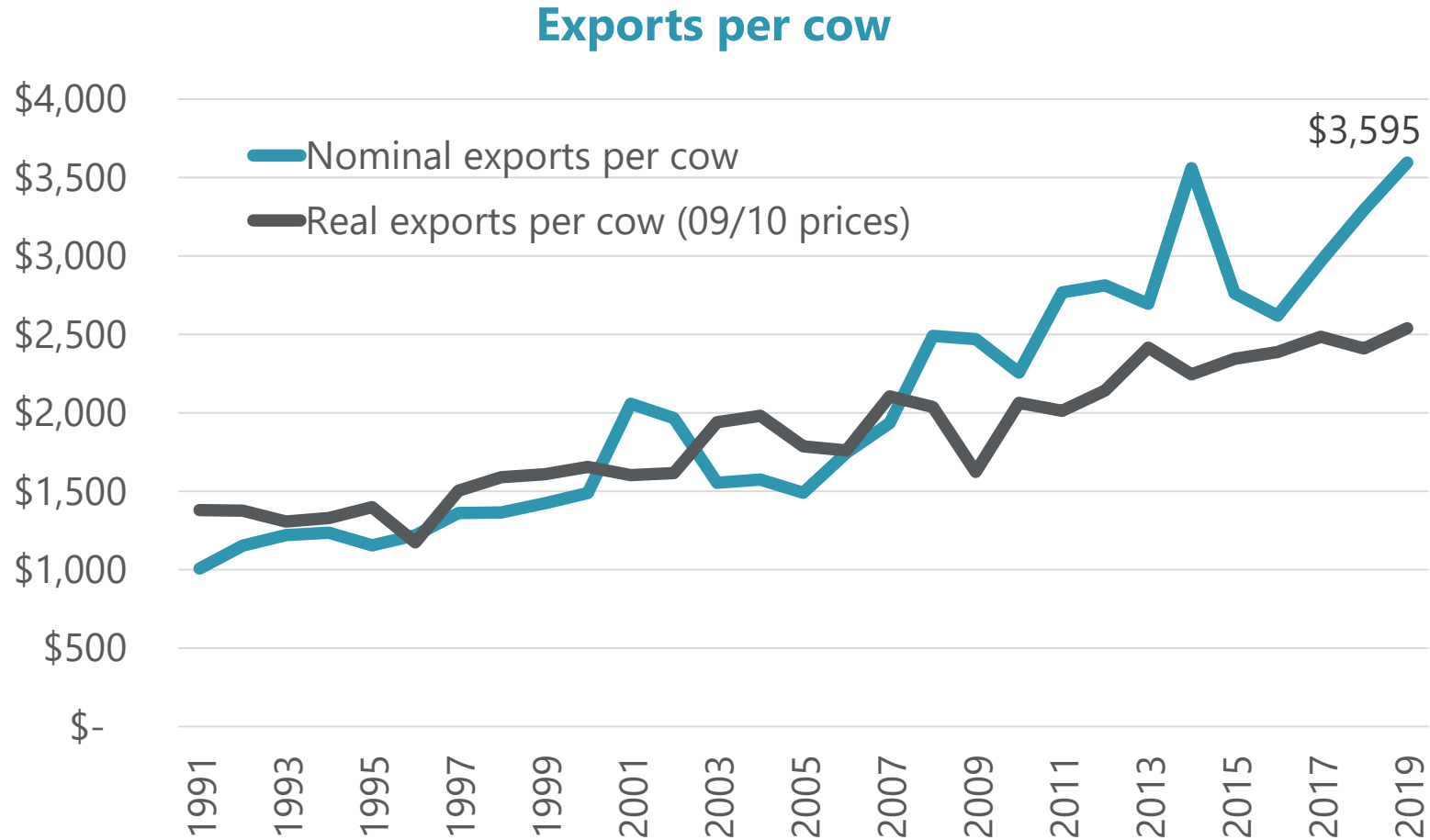


Average growth in merchandise exports 1989-2020

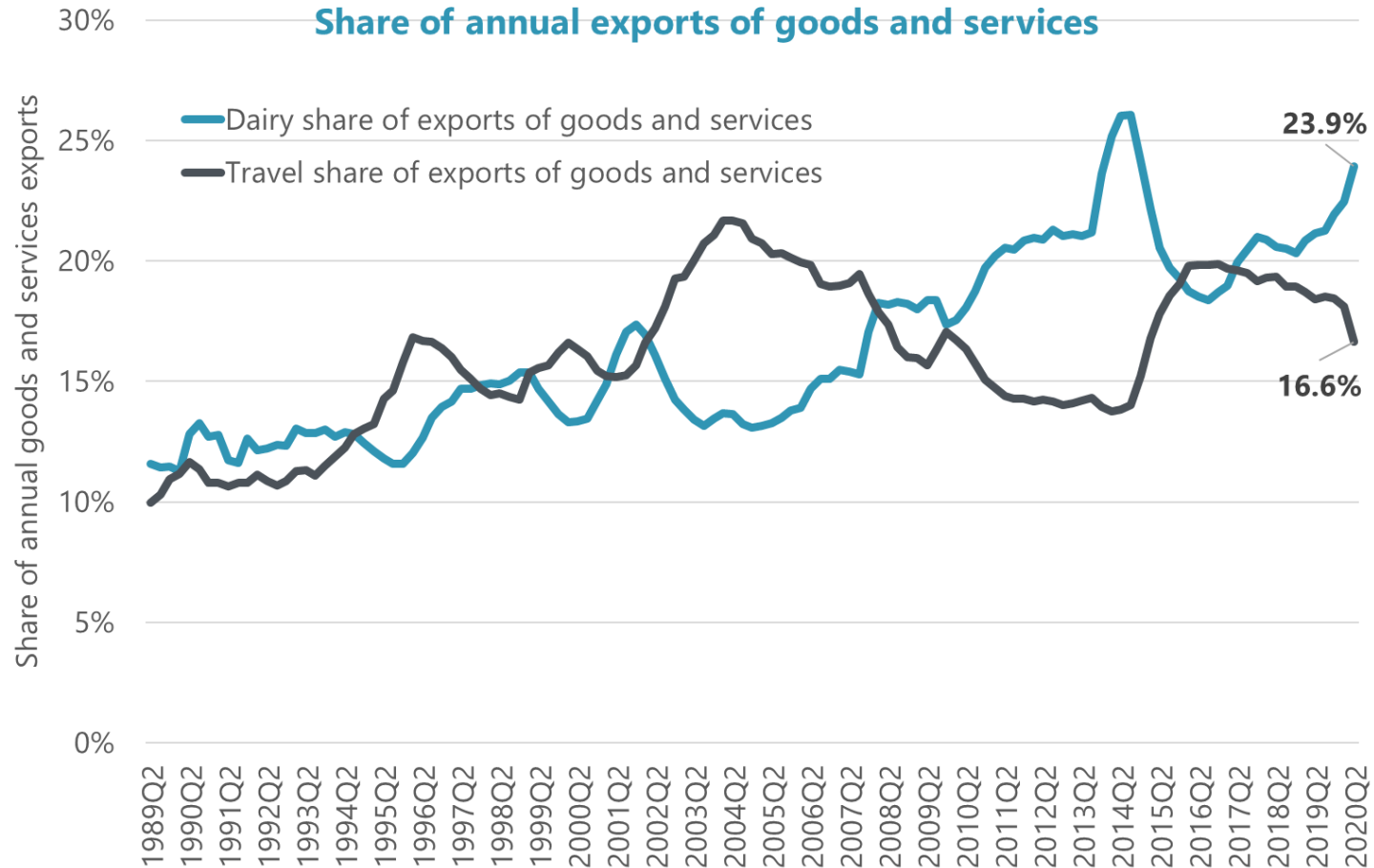


Source: StatsNZ, Sense Partners

Export growth has been driven by more than herd numbers



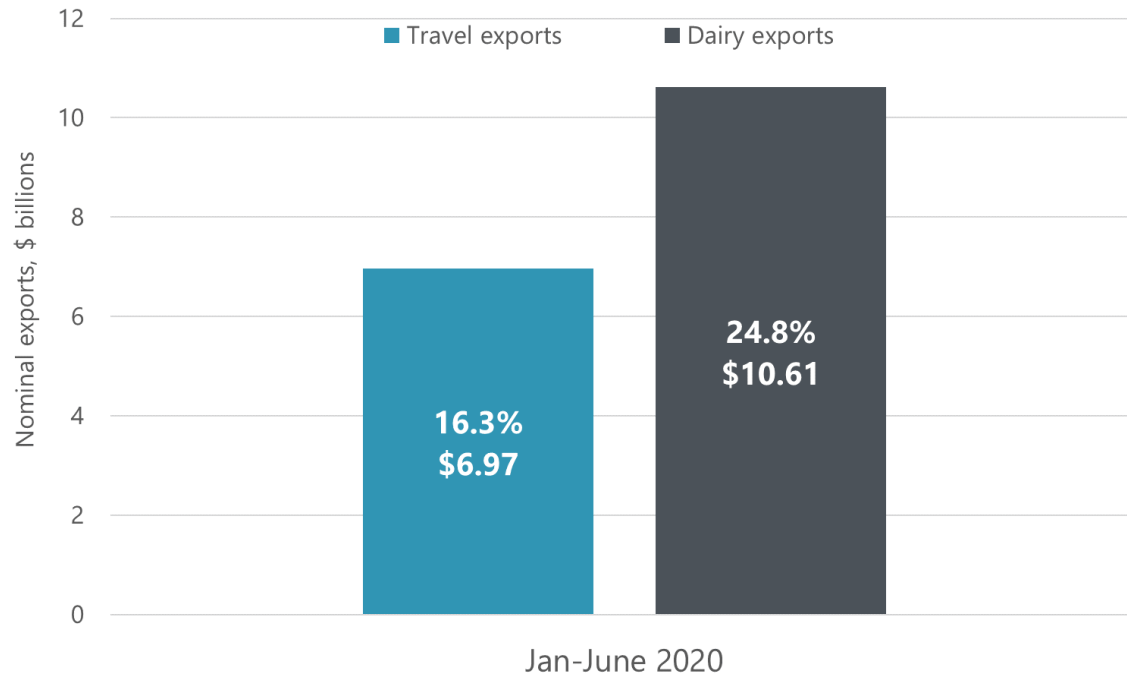
Dairy accounted for almost 25c of every export dollar New Zealand generated in the past year



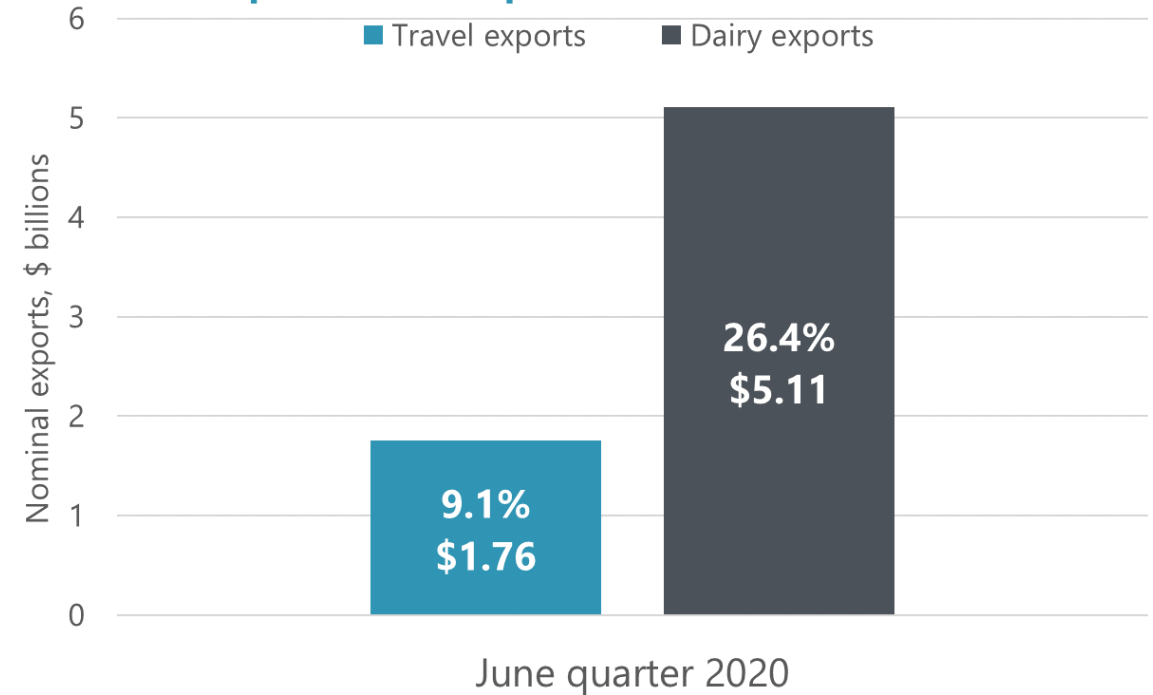
Dairy's contribution to total exports of goods and services has risen in Covid-hit 2020



Exports in first 6 months of 2020, NZD billions



Exports in June quarter 2020, NZD billions



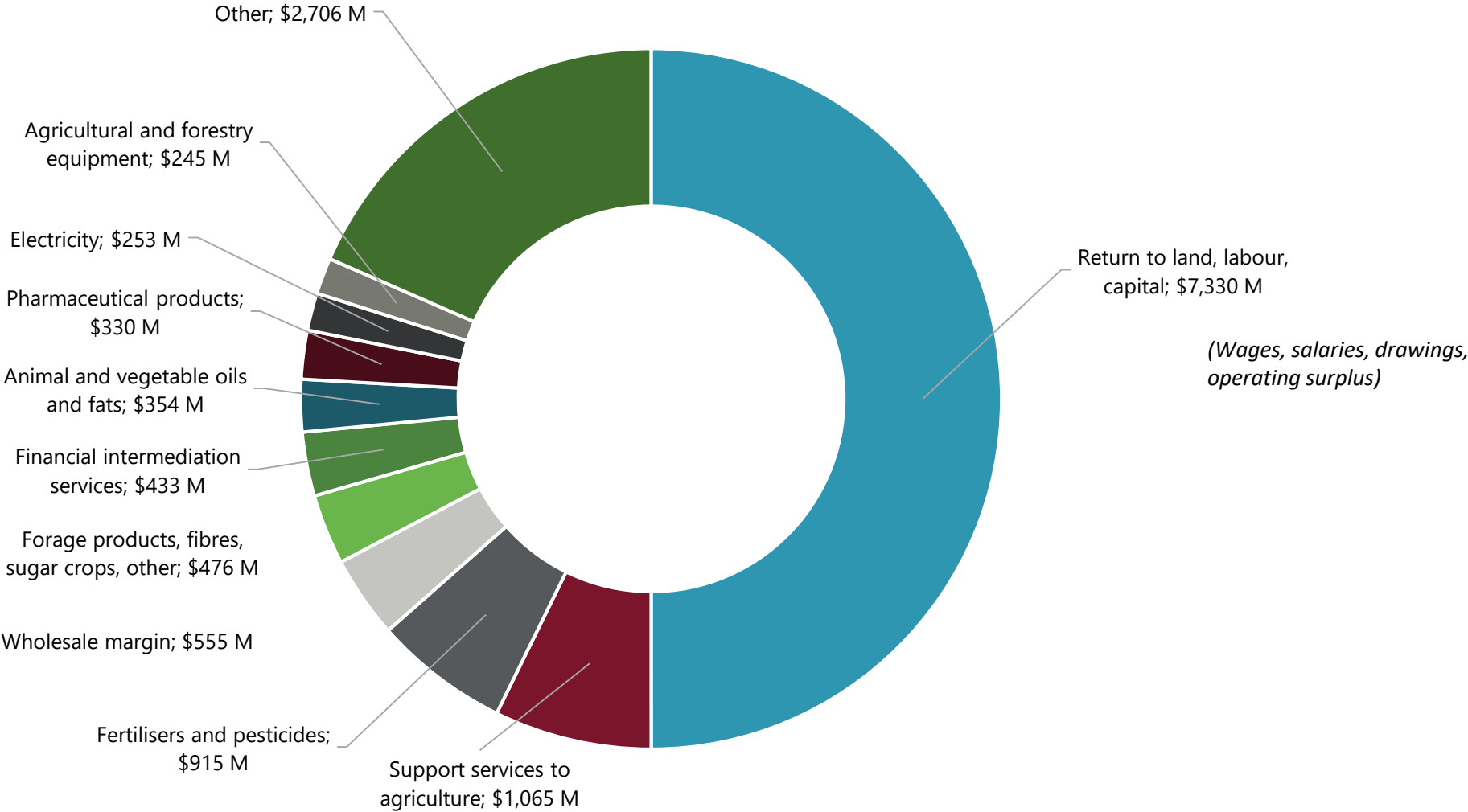


Dairy support of other industries

Dairy farmers spend \$14.7b on inputs



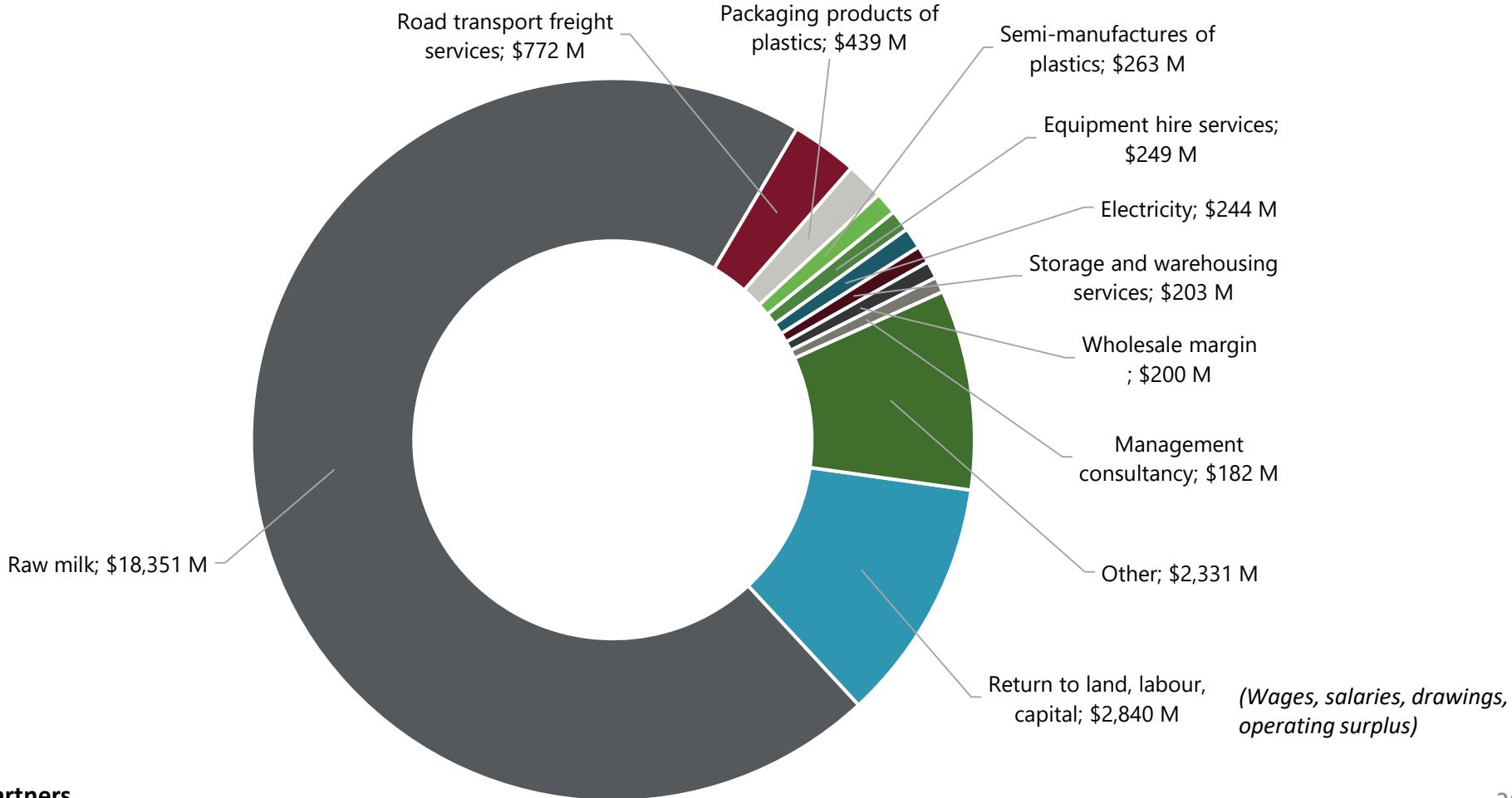
Input expenditure dairy farming in 2020



Dairy processors buy more than just milk with their \$26.1b of purchases



Input expenditure dairy manufacturing in 2020



Source: StatsNZ, Sense Partners

