



DAIRY COMPANIES ASSOCIATION OF NEW ZEALAND

Priorities for Government Action

A policy roadmap to support dairy
export value growth

October 2026



Foreword



Dairy is, and can continue to be, an engine for growing a more prosperous New Zealand.

Our industry starts with one of nature’s most complete food sources. The value of dairy is increasingly recognised for healthy diets. More than a century of New Zealand dairy innovation has built an industry that leads in the production and trade of high-quality, safe and sustainable dairy products. Looking forward, global dairy demand fundamentals remain strong and provide significant opportunity for New Zealand export revenue growth.

Dairy is a high-wage, export-intensive industry that converts a natural advantage into durable national income. One in every three dollars that New Zealand earns from goods trade is a dairy dollar. Dairy has delivered more than \$9 billion of export revenue growth since 2020.

Dairy has delivered for New Zealand during a difficult period. This delivery has included functioning as an important shock absorber for regional economies across New Zealand, with dairy processors continuing to purchase from thousands of farms and other businesses across a multitude of other industries even during challenging times.

The operating environment for dairy processing is complex. Transforming a highly perishable raw ingredient into high-value exports requires reliable transport infrastructure, abundant and affordable energy supplies, global logistics connectivity, and access to consumers.

Policy frameworks matter. The fewer trade barriers faced, the greater the market options exporters have and the better able they are to realise the true value of these products. Protecting and promoting the evidence-based, outcomes-focused foundations of New Zealand’s food regulatory systems supports not only food safety and suitability but also export competitiveness. Proactive biosecurity readiness minimises risks. Scientifically informed nutrition policy supports dairy’s role in healthy diets at home and abroad. Policy that supports long-term energy and infrastructure adequacy underpins the cost structures and investment confidence for ongoing dairy value growth. Bipartisan approaches, with a view to New Zealand’s long-term success, are equally important across the trade, infrastructure, food regulatory, and biosecurity policy domains.

This document sets out priorities for government focus to protect the success of our industry and enhance its contribution to the country.

Guy Roper
Chair

Kimberly Crewther
Chief Executive

Dairy’s Economic delivery

- \$10.7b** Direct GDP 2.8% of the economy
- \$28b+** Exports NZ’s largest goods export
- 51,800** Jobs directly supported
- \$4.0b** Wages paid across the sector
- \$95,540** Average dairy processing wage
- \$6.4b** Purchases of non-milk inputs by processors

Region	Dairy jobs	GDP \$M
Auckland	2,030	\$935.5
Bay of Plenty	1,600	\$531.8
Canterbury	8,650	\$1,966.6
Manawatu - Wanganui	2,750	\$700.8
Northland	1,730	\$489.4
Otago	1,980	\$635.8
Southland	4,050	\$955.4
Taranaki	3,800	\$912.7
Waikato	10,600	\$2,807
West Coast	1,150	\$300.9

Backing dairy is backing export value growth at scale

Delivering an export-enabling policy environment can support the dairy industry to sustain export value growth at levels unmatched elsewhere in the economy.

The dairy sector is unique in its ability to grow export value within the New Zealand economy. With a scale that is more than double the next biggest goods exporter (red meat), the impact of dairy growth on export revenue is at a magnitude not delivered elsewhere.

10-year performance record

- \$13b to \$28b in dairy exports from 2015 to 2025
- 7.8% compound annual growth rate in export earnings
(While milk supply had a compound growth rate of 0.19% per annum)
- \$9b addition to export earnings since 2020

Value from sustained performance

- \$28b to \$55b in 2034 from potential dairy export growth
- 7.8% compounding annual growth in export earnings
- \$27b addition to export earnings



Source: Trade Data Monitor – New Zealand exports.
HS Codes 0401, 0402, 0403, 0404, 0405, 0406,
1901.10, 3501.10, 3501.90, 3502.20

Forecast export value from maintaining 7.8% annual growth

Growth of this scale depends on protecting today’s trade, opening the markets still closed to us, and keeping the foundations strong at home.

We are calling on Government to



Back an ambitious trade agenda that grows opportunity for dairy



Deliver export-competitive infrastructure and energy settings



Streamline food regulation and export assurances



Base food and nutrition policy on current science and clear labelling



Fund a biosecurity system that minimises impact and maximises trade continuity

The policy detail summary:

High-level call

Priorities

	Back an ambitious trade agenda that grows opportunity for dairy	• Enforce trade commitments: act on Canada's Class 4a milk price subsidies and build trade dispute capacity. • Improve access with existing FTA partners: upgrade EU and India FTAs and use CPTPP reviews/accessions to open protected markets. • Close strategic gaps in FTA coverage: advance FTAs with Sri Lanka, Bangladesh, Nigeria and Egypt. • Invest in strategic trade relationships: develop long-term trade strategies for China, the US and India. • Address NTBs and subsidy distortions: tackle priority NTBs, including via targeted APEC region deals, and discipline subsidies. • Promote NZ system equivalence and rules-based trade: promote NZ outcome equivalence and trade rules.
	Commit to a bipartisan approach to infrastructure planning to deliver export-competitive infrastructure and energy settings	• Long-term infrastructure investment strategy: commit to long-term investment. • Efficient, resilient land transport: maintain roads and rail and invest in freight efficiency. • Faster consenting for major infrastructure: continue fast-track and RMA reform for significant infrastructure. • Managed, multi-decade energy transition: recognise asset lifetimes and invest upstream in gas supply. • Abundant, affordable electricity: curb regulated electricity and gas network costs, grow demand response and ease generation consenting.
	Streamline food regulation and export assurances	• Streamline Animal Products Act assurances: cut duplication, make assurances risk-proportionate and ease verification for high performers. • Promote NZ system equivalence abroad: invest in promoting NZ's regulatory system to partners. • Enable new technologies safely: modernise gene tech rules while maintaining market assurances, invest in Codex and align internationally on environmental inhibitor products. • Efficient, accountable cost recovery: strengthen levy-payer input into cost-recovered work and capex decisions. • Scientific and emerging risk scanning capability: continue investment in the NZ Food Safety Science and Research Centre and maintain MPI science capability.
	Base food and nutrition policy on current science and clear labelling	• Codex-aligned dairy definitions: require distinct naming for non-dairy plant-based alternatives. • Science-based nutrition policy: fix cheese's Health Star Rating before mandating, fund regular national nutrition surveys and ensure updates to dietary guidelines reflect current science. • Evidence-based international input: provide science-based NZ input in global policy development on animal-sourced and ultra-processed foods. • Sustainable nutrition outcomes: count nutrient density in sustainability metrics.
	Fund a biosecurity system that minimises impact and maximises trade continuity	• Advance FMD response preparedness: continue engagement with industry to address identified improvement opportunities. • Pre-prepared FMD emergency regulations: draft FMD emergency regulations in advance. • Dairy trade continuity during FMD: pre-agree dairy trade terms for an outbreak and regularly exercise trade continuity with the sector. • Risk-based border biosecurity: keep border measures proportionate and targeted.



Trade

The need for an ambitious trade agenda that grows opportunities for dairy

New Zealand dairy is a leading contributor to national economic success because the world buys what we produce. As the country's largest goods export sector, dairy supports jobs, regional communities, and national prosperity. The scale of our industry footprint and the strong ongoing global dairy demand growth fundamentals position dairy to deliver unmatched export revenue growth. This will generate the economic activity needed to fund improved education, healthcare, and infrastructure. However, success in delivering this export growth is shaped by access to global consumers through open markets.

Over the past 30 years, successive New Zealand Governments have made considerable progress in improving trade opportunities. In 2025, \$19.7 billion of New Zealand dairy exports entered FTA partner markets duty-free. Nonetheless, significant opportunities to reduce trade costs, remove distortions, and grow opportunities remain.

In 2025, \$8 billion of dairy exports either sat outside FTA coverage or continued to face tariffs and quotas within FTAs. The aggregate cost of applied tariffs faced by these exports was \$726 million. Dairy trade opportunities are limited because 43% of global dairy consumption sits outside of New Zealand FTA coverage, and FTA partners accounting for 45% of global dairy consumption continue to impose tariffs and/or quotas (including in the EU, Japan, Canada, Korea, Mexico and India). In addition, the compliance costs of non-tariff measures applied to the dairy exports exceed 28% of export value, with new and overly onerous regulatory challenges continuing to emerge. Other countries' use of trade-distorting subsidies also continues to undercut opportunities and suppress returns for New Zealand's unsubsidised dairy products. A majority of dairy products traded globally are derived from subsidised farming systems.

Tariffs, quotas, subsidies, non-tariff barriers (NTBs), regulatory complexity, and rising protectionism are shaping who can compete, where products can go, and what value exporters can return to New Zealand. Where New Zealand is successful in bringing down barriers and distortions with trading partners, the natural competitiveness and valued attributes of New Zealand's pasture-based dairy products are able to shine, enabling the value returns for New Zealand dairy products to reach their full potential.

New Zealand needs a trade agenda that is both ambitious and practical. That means opening new opportunities beyond traditional markets, improving existing agreements, removing tariffs and non-tariff barriers wherever possible, and holding trading partners to the rules they have agreed.

DCANZ is calling for a clear, coordinated, and forward-looking trade agenda that backs dairy to compete, grow, and deliver for New Zealand. In a more uncertain and protectionist world, New Zealand must defend open trade, push back against unfair practices, and secure the market access needed for dairy to continue to grow its contribution to the country's prosperity.



\$726m

Annual tariff burden

Tariffs continue to cost New Zealand dairy exporters approximately \$726 million each year.



28%

Lost to compliance costs

Non-tariff measures can add costs equivalent to 28% of product value.



16 of 27

Key markets still apply tariffs

16 of New Zealand's top 27 dairy export markets, including 7 FTA partners, continue to maintain tariffs.



43%

of global dairy consumption

remains outside of New Zealand FTA coverage.



45%

FTA partners accounting for 45% of global dairy consumption

continue to apply tariffs and/or quotas on New Zealand dairy exports.



Subsidised competition

Challenging global conditions

Most dairy products traded internationally come from subsidised production systems, creating an uneven playing field for unsubsidised New Zealand products.

Summary of priorities and policy asks for the trade agenda

Priority	Issue	Specific ask
Enforce trade commitments	Breaches of trade rules and commitments place New Zealand trade opportunities at risk. The largest current breach of concern is that Canada's milk pricing system is working to subsidise dairy protein products onto the global market (and reduce Canada's import demand), putting at risk added value opportunities for New Zealand dairy exporters. (Estimated value at risk of \$256m p.a.)	- Urgently address Canada Milk Class Pricing subsidies using the trade dispute mechanisms available to New Zealand. Build New Zealand trade dispute capacity to take timely action against breaches in trade commitments
Grow and improve market access opportunities with existing free trade agreement partners	Trade agreement partners accounting for seven of New Zealand's top 27 export markets continue to impose tariffs or quotas on dairy exports. Trade with India (which is not within the top 27 markets) will also continue to be stifled by high tariffs. In some cases, NTBs imposed by FTA partners who have eliminated tariffs are still constraining trade. This limits trade opportunities and leaves New Zealand exports at a competitive disadvantage where other exporters have secured better trade agreement outcomes. FTA review mechanisms and bilateral trade agreement partner accessions to regional agreements are opportunities to address unfinished business	- Seek an upgrade of the EU FTA, with priorities to eliminate in-quota tariffs and match or better the level of dairy tariff elimination accorded to Australia. (EU makes up 13% of global dairy consumption) - Seek an upgrade to the India FTA at the first review (and each following review as required) focused initially on matching tariff elimination given to others for non-chapter 04 products (India makes up 27% of global dairy consumption) Leverage CPTPP upgrade and accession processes to improve access into protected markets including Japan, Canada, Mexico, and Korea
Advance new negotiations to address strategic gaps in NZ trade agreement frameworks	In total, 43% of global dairy consumption continues to sit outside of New Zealand's FTA framework, and there are no pre-existing agreements with seven of New Zealand's top 27 dairy markets (with annual exports to these markets ranging from \$100m to \$1.2b). Advancing trade agreements would improve market access and add trade certainty.	Advance bilateral negotiations with Sri Lanka and Bangladesh, including by leveraging each country's RCEP accession ambitions, to fill strategic gaps in South Asia FTA coverage. Advance negotiations with Nigeria and Egypt to extend FTA coverage to key existing markets and make a start in building closer trade ties with Africa.
Invest in long-term strategically important trade relationships	With the US, China and India together accounting for 40% of global dairy consumption and 40% of NZ dairy exports, long-term relationships with these markets are critical.	Establish long-term strategies to maintain, enhance and grow trade opportunities with China, the US, and India
Continue working for rules-based trade	The rules-based trading system has been beneficial in reducing distortion in dairy markets and increasing trade options and certainty for New Zealand exporters. An erosion of rules will have a trade-chilling effect, diminishing opportunities to continue growing the dairy industry's contribution to New Zealand.	- Continue participation in efforts to maintain and enhance rules-based trade and ensure existing access is not eroded. - Ensure new initiatives to progress bottom-up rules in plurilateral processes are outcome-focused and enforceable.

Priority	Issue	Specific ask
Address priority non-tariff barriers and subsidy distortions for dairy	Non-tariff barriers add cost and limit trade opportunities. MFAT-commissioned modelling of NTBs in the APEC region has highlighted dairy as the sector facing the highest NTB burden. With DCANZ modelling highlighting the ongoing impacts of subsidies on dairy markets, strategies to reduce subsidy impacts on dairy trade will also shape trade opportunities for New Zealand. Other countries have grown to become major net exporters of dairy products while maintaining significant subsidies and largely closed dairy markets. Their ambitious trade agendas in the Asia-Pacific region will grow the competitive challenges subsidies present for New Zealand exporters.	• Grow momentum in addressing dairy industry non-tariff barrier priorities. • Pursue extension of regulatory improvements secured under third-party trade agreements to New Zealand • Advance agreements that reduce non-tariff barriers for New Zealand exports at a systemic level with significant APEC region markets • Pursue strategies to address other dairy exporters' subsidy-linked impacts on global dairy markets (including through potential rules enforcement action)
Promote the NZ systems' outcome equivalence with global customer and regulator priorities	New Zealand's success in producing high-quality, safe, low-emissions dairy products while maintaining good animal welfare reflects the strengths of our pastoral farming systems and New Zealand's outcome-based approach to food regulation. Maintaining global competitiveness and minimising the burden of regulatory and private standards compliance requires active promotion of New Zealand's achievement of customer and regulator outcome priorities through our existing system. In the absence of this, the industry will be hampered by a layering of additional requirements that add little benefit.	• Maintain and communicate a strong outcome-focused and evidence-based narrative about the New Zealand system for dairy production to demonstrate outcome equivalence with third-country regulatory requirements and reduce non-tariff barriers. • Work with industry to identify attributes of the New Zealand system that can be better leveraged for private standards assurance without added verification costs.
Match trade ambition with trade capability & capacity	Executing an ambitious trade agenda will require capability and capacity to be maintained within MPI and MFAT for new negotiations, agreement upgrades, trade disputes, and addressing technical barriers.	• Invest in the capability and capacity necessary to advance an ambitious multi-pronged trade agenda and ensure this is deployed efficiently.





Energy & infrastructure

The need for resilient and competitive infrastructure and energy to support trade-driven economic growth

New Zealand dairy processing turns roughly 22 billion litres of milk into the country's largest goods export, and it does so on the back of energy and infrastructure. Every step of the chain – chilled collection from farm, evaporation and spray drying, cold storage, and the road, rail and port links that carry product to market – depends on energy that is abundant, secure and competitively priced, and infrastructure that is efficient and resilient. Any erosion of energy affordability challenges export competitiveness and limits capital investment to further add value to New Zealand milk.

Dairy processors have taken significant steps in recent years in the transition to renewable energy, but the transition pathway is not yet secure and faces significant challenges. The hydro system remains exposed to dry-year risk, and dairy peak season coincides with the periods of greatest system stress. Electricity demand will grow as processing, transport and the wider economy electrify, and transmission and distribution to dairy regions must be built ahead of that demand, not after it. Until there is greater renewable capacity and reliability within the electricity sector, indigenous natural gas and, to a lesser extent, coal will remain important parts of the energy mix that underpin continuity of dairy processing. Liquid fuels will also remain essential to milk collection and freight for some time. New Zealand's distance from market will leave the supply chain exposed to international fuel disruption and price volatility, doubling the importance of minimising these pressures elsewhere within the energy mix.

Energy policy needs to be considered through an export lens. Decarbonisation will not endure if energy becomes unaffordable, unreliable or internationally

uncompetitive. Affordability, security and sustainability must be advanced together. Maintaining security will take more than new renewable generation: the system needs firming, flexibility, storage, fuel availability and demand-side capability – including the flexible load dairy processors can offer.

Infrastructure matters just as much. Efficient road, rail and port logistics also underpin export competitiveness, and regional infrastructure keeps dairy communities connected to global markets. Constraints are emerging across the networks dairy depends on, so long-term planning is needed to keep milk moving to market.

New Zealand's freight cost disadvantage, due to distance from market, has been compounded by global shipping disruptions and fuel price increases. While those sit outside of New Zealand policy control, domestic transport infrastructure efficiencies, including at port, can be influenced by New Zealand policy, including consenting timeframes and resilience of connectivity to ports. For example, 53% of New Zealand dairy exports depart the Port of Tauranga with reliance on a single rail line.

DCANZ is foremost calling for all political parties to commit to a bipartisan approach to long-term infrastructure planning on energy, ports, freight networks, and transport infrastructure – as detailed in the “asks” in the following table



Summary of priorities and policy asks for export-competitive energy and infrastructure

Priority	Issue	Specific ask
Commit to a long-term infrastructure investment strategy	A bipartisan approach to major infrastructure investment is needed to ensure investments in infrastructure planning flow through to timely and improved outcomes.	- Develop a National Port Strategy setting out a long-term vision for the sector that prioritises export competitiveness. - Commit to long-term strategic infrastructure investment to support export growth and international competitiveness, including energy, ports, freight networks, digital connectivity, border systems, and transport infrastructure.
Improve land transport infrastructure efficiency and resilience	The New Zealand dairy industry's performance as a competitive and reliable exporter of dairy products relies on reliable domestic transport infrastructure	- Ensure ongoing maintenance of roads and rail lines to minimise risks of disruption. - Continue to invest in key infrastructure that will support more freight efficiency.
Ease consenting complexity for significant infrastructure	Consenting complexities are resulting in long timeframes for major infrastructure projects, such as in the case of the Port of Tauranga berth extension, with flow-on effects for dairy industry competitiveness.	Continuation of policy options to deliver nationally significant infrastructure (e.g. fast track/RMA reforms)
Commit to long-term energy transitions	Pathways for emerging fuels remain commercially immature. A well-managed multi-decade transition to renewable energy for large-scale industrial use is necessary, which recognises current asset lifespans and the critical role that coal and gas continue to play in maintaining dairy processing continuity and competitiveness as alternative sources of energy develop.	- Ensure policy settings recognise major manufacturing asset lifetimes and limiting factors on the speed of transition. - Continue upstream investment in gas supply as part of a staged transition plan. - Address rapidly growing regulated costs across electricity transmission and distribution, and the gas transmission network.
Support abundant and affordable electricity	An affordable and reliable energy supply is necessary to ensure ongoing international competitiveness	- Increase competitiveness in the electricity market and encourage greater demand-side participation (e.g. demand response) - Enable easier consenting for new generation - Ensure grid infrastructure is in place to drive electrification



Food regulation

The importance of streamlined food regulation and export assurances

New Zealand dairy processors who manufacture products for export markets operate under the Animal Products Act 1999 and its associated legislation. This includes each processing site operating under an independently verified risk management programme. The Animal Products Act was established as a principled, outcome-focused legislative framework based on scientific risk assessment; and it is important that it continues to operate on this basis, promoting proportionality to risk and flexibility for innovation.

Food safety is of foundational importance to the New Zealand dairy industry and is a non-negotiable expectation for global dairy customers. The confidence that overseas regulators have in New Zealand's food safety systems facilitates market access for our exports. However, overly onerous approaches that extend beyond what is necessary to achieve outcomes or impose inflexible prescription will limit innovation and efficiency, add cost for New Zealand producers and consumers, and risk undermining the competitiveness of New Zealand dairy products.

Regulatory requirements should achieve their intended outcomes without imposing unnecessary compliance costs or administrative burden on businesses, or placing New Zealand exporters at a disadvantage relative to their international competitors. It is important that timely reviews and adjustments occur to ensure the regulations and the systems that implement them and provide export assurances remain fit for purpose, responsive to evolving food science and technology, and aligned with international best practice and Codex Standards to the greatest extent possible. An effective New Zealand system for scanning of emerging food safety risks is needed.

The Animal Products Act system is significantly cost recovered through fees, charges and levies. MPI's dairy processing and exporting cost recovered levies and fees are forecast to collect \$9.8 million in the 2026/27 year.

DCANZ is calling for a proactive approach to streamline regulations wherever possible to avoid unnecessary cost impost. DCANZ urges Government to proactively build global recognition of the New Zealand system to limit the need to mirror other countries' prescriptive requirements where outcome requirements are already effectively met. DCANZ also calls for cost-recovered approaches for maintenance and development of regulatory standards and assurance to adhere to the principles of justifiability, efficiency, accountability and equity.

Markers of good food regulation

Focused on outcomes

Evidence and science-based

Proportionate to risk

Consumer health protected

Trade facilitated

New technology enabled

Nimble in response to new risks

Consumers informed

Summary of priorities and policy asks for streamlining food regulation and assurances

Priority	Issue	Specific ask
Streamline Animal Products Act regulatory assurances to reduce undue compliance cost	The integrity and international reputation of New Zealand's high-quality food regulatory and export assurance system need to be maintained to support consumer safety and trading partner confidence in our products. However, these should be proportionate to risk and no more onerous than necessary to achieve the targeted outcomes.	• Revise the assurance framework for radioactivity testing of imported dairy ingredients to ensure proportionality to risk and align with approaches being taken by other countries • Streamline official assurance requirements to ease overly onerous transfer document settings • Review performance-based verification frequency and breadth requirements for high-performing businesses • Enable greater synergies and efficiencies, and minimise duplication, between regulatory compliance and commercial assurances
Actively promote New Zealand's regulatory system outcome equivalence with market outcomes priorities	As trading partner requirements evolve, New Zealand exporters face a risk of increasing compliance costs and regulatory burden if export assurance requirements extend beyond what is necessary to meet statutory objectives or importing country requirements. In addition, where New Zealand cannot clearly demonstrate the effectiveness and equivalence of its regulatory framework, importing countries may impose additional or duplicative controls, creating trade inefficiencies and reducing the international competitiveness of New Zealand exporters.	• Invest in programmes that proactively communicate and promote the effectiveness and equivalence of the New Zealand system to trading partners.
Enable new technologies while safeguarding market access	New Zealand's dairy competitiveness has long been supported by the adoption of new technologies. It is important that the regulatory system continues to support technologies while ensuring market acceptability risks are managed.	• Continue working internationally to progress alignment for regulatory settings relevant to environmental inhibitors • Modernise regulations for genetic technologies while maintaining the ability for NZ exporters to meet official and commercial GM status assurance requirements for export products • Maintain active engagement in Codex and other relevant international fora to support the development of science-based approaches that protect and enhance food safety in the context of new and emerging technologies.

Priority	Issue	Specific ask
Require efficiency and accountability in cost-recovered work programmes	MPI collects approximately \$9.8 million per annum via the dairy processor and dairy exporter levies and fees, mostly for food standards and assurance-related work. Industry has an ongoing request for greater input into prioritisation of this investment and for efficiency of work programme delivery.	- Implement processes for improved input from levy payers into MPI work programme establishment and ensure clear reporting of deliverables against milestones and budget. - Establish an agreed policy for engagement of industry funders in major decision points for significant cost-recovered capital expenditure projects (e.g. the recent Trade Certification systems build)
Invest in scientific and emerging risk-scanning capability for food safety	Having food safety capability to provide early visibility of new risks and expert support for responses has ongoing importance for food industries. Capability cannot be rapidly established at times of need and must be maintained.	Continue to support co-funding for work of industry and pan-industry benefit via the New Zealand Food Safety Science and Research Centre and maintain MPI's food science capability





Food & nutrition policy

Science-based, evidence-informed, outcomes-focused

Food and nutrition policy has an important role in enabling healthy diets and supporting consumers to make informed food choices. To do this effectively, policy settings must reflect robust contemporary nutrition science and should not overlook the nutritional value and nutrient density of whole foods, the food matrix, and the contribution different foods make within dietary patterns.

Dairy foods are naturally nutrient-dense, providing a unique package of high-quality protein, essential vitamins and minerals, fats, and other bioactive components. Milk, cheese, yoghurt and dairy ingredients make an important contribution to healthy, balanced diets across the life stages.

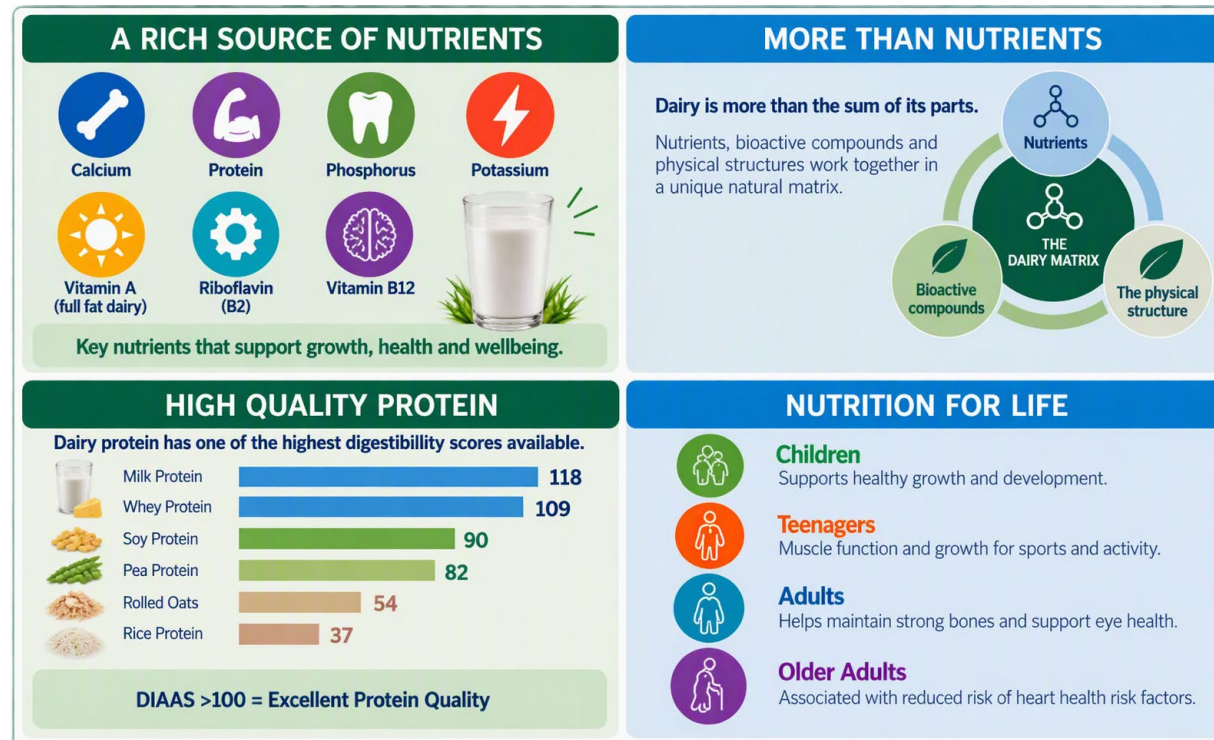
As nutrition policy increasingly evolves to address issues such as nutrient profiling, food-processing classifications and sustainable diets, access to robust evidence and internationally aligned standards becomes increasingly important. New Zealand's nutrition policy settings haven't consistently kept pace in recent years with advances in nutrition science. Some current and emerging policy approaches focus on individual nutrients or broad food classifications without adequately recognising nutrient density, bioavailability, the food matrix, health outcomes or the role of whole foods within overall dietary patterns. New Zealand also lacks an up-to-date national nutrition survey, limiting the evidence available to understand current food and nutrient intakes, identify population needs and assess the likely impacts of policy change.

New Zealand is yet to adopt the internationally agreed Codex standard for use of dairy terminology, despite having contributed significantly to its development, risking consumer confusion and loss of dairy value.

At the same time, international discussions on animal-source foods, food processing and sustainable diets have the potential to influence domestic policy, global dietary guidance and the market environment for New Zealand dairy, making it important that New Zealand provides an evidence-based contribution.

DCANZ is calling for New Zealand to have an evidence-based and internationally engaged nutrition policy system that recognises the full nutritional contribution of dairy and supports its role in healthy and sustainable diets at home and abroad.

Dairy's nutritional contribution



Summary of nutrition policy asks to support informed consumers and healthy diets

Priority	Issue	Specific ask
Align New Zealand food standards with Codex definitions of milk and milk products	The unique characteristics and benefits of products underpin New Zealand dairy export value, particularly as demand for high-quality protein and energy-dense foods increases. The encroachment of non-dairy alternative products into dairy terminology and dairy categories within food standards risks diminishing consumers' understanding of dairy products and eroding the value of our products. New Zealand standards approaches create potential international precedents.	- Align New Zealand regulations and food standards with the internationally agreed Codex General Standard for the Use of Dairy Terms. - Establish distinct categories and naming for non-dairy plant-based alternatives in food standards to protect the identity of dairy products in New Zealand food standards. - Enforce truth of labelling rules for non-dairy products using dairy terminology.
Fix Health Star Rating system issues before it is compulsory	FSANZ recently consulted on proposals for mandatory Health Star Rating that scored cheese inconsistently with the FSANZ principle that core foods (like cheese) should score at least 3 stars due to their meaningful contribution to nutrient intakes within everyday diets. More than half of core cheeses scoring less than 3 stars sends a message that is inconsistent with the New Zealand Food Based dietary guidelines.	Require changes to the Health Star Rating system to make it consistent with New Zealand guidelines before it becomes mandatory
Fill evidence gaps to inform nutrition policies and guidance	New Zealand has an out-of-date dietary survey, meaning a substantive evidence gap in nutritional policy development	Commission and maintain a regular national nutrition survey as a critical evidence base to inform nutrition policy.
Ground New Zealand's domestic nutrition policies and input into international policy discussions in robust, contemporary nutrition scientific evidence	A contemporary, transparent and evidence-based approach is needed to ensure nutrition policy and guidance supports healthy diets, and appropriately recognises the meaningful nutritional contribution of nutrient-dense dairy ingredients and foods. This includes having meaningful opportunities for input from interested stakeholders.	- Ensure updates to New Zealand dietary guidelines are based on contemporary science regarding protein quality, dairy saturated fat, the dairy matrix and the role of nutrient-dense foods within healthy dietary patterns. - Ensure New Zealand participation in global policy dialogues on animal-sourced foods and ultra-processed foods takes into account contemporary science - Provide opportunities for scientific, industry, and wider stakeholder input into New Zealand government development of nutrition policy positions, including for international policy consultations

Priority	Issue	Specific ask
Ensure sustainability and food system policies are informed by nutritional science	Some sustainable food system and diet frameworks are assessing foods primarily through environmental metrics without adequately considering nutritional value, nutrient density, affordability, accessibility and food security outcomes.	- Invest in the scientific evidence, data and metrics needed to assess the full sustainability value of foods, taking into account nutrient density and delivery, affordability and food security outcomes. - Embed nutrition outcomes alongside environmental considerations in sustainability policy. - Champion science-based positions on sustainable diets in relevant international policy and standards-setting forums.





Biosecurity

Minimising economic impacts and maximising trade continuity

New Zealand's freedom from many major livestock pests and diseases is a foundation of the dairy industry. It underpins efficient production, strong animal health, low use of animal medicines, and milk with a comparatively low environmental footprint.

Preventing the entry of pests and diseases is far better than managing the consequences of an incursion. But biosecurity settings must also work for New Zealand as a trading nation that depends on imports of inputs for our productive sectors, goods not efficiently produced here, and the two-way movement of people. Ongoing investment is necessary in border controls that are science-based and risk-proportionate – targeting real risk, facilitating legitimate trade, and avoiding unnecessary cost and regulatory burden.

Even with a high-functioning border, some residual risk of new pests and diseases entering New Zealand will remain, and when incursions occur, a rapid and well-executed response is key to minimising impacts. New Zealand must hold ready diagnostic capabilities, trained response staff, and current response plans – above all for foot and mouth disease (FMD).

The potential for preparedness to become episodic, particularly for less frequent animal disease response, is a risk that needs to be managed to ensure critical readiness capability is not diminished over time. The significant impacts and costs necessitate readiness being a core priority across the biosecurity system. Partnership between government and the animal industries in readiness and response better leverages combined capability to improve outcomes. Maintaining momentum in the FMD Operational Agreement will underpin enduring and improved readiness. Greater integration of government's engagement in animal health across the endemic and incursion domains would also aid improved outcomes and reduce duplication.

Trade disruption amplifies economic damage from FMD. For dairy, the World Organisation for Animal Health has recommendations that recognise dairy processing heat treatments provide a basis for safe trade from geographies experiencing an FMD outbreak. These recommendations provide an opportunity to secure trade continuity and minimise cost, but only if response preparedness includes promoting trading partner acceptance of the recommendations and establishing practical systems for New Zealand trade assurances.

DCANZ is calling for ongoing investment in risk-based border biosecurity management and response capability, and commitment to continued partnership with animal industries to strengthen FMD preparedness, including prioritisation of trade continuity arrangements.

WOAH recommendations FMD & Dairy Trade

SAFE COMMODITIES & INACTIVATION

✓ SAFE COMMODITY

UHT Product

- ✓ WOAH-recognised safe commodity
- ✓ No FMD virus-specific veterinary certification required
- ✓ Safe for trade from FMD virus-affected geographies



TRADE WITH ASSURANCES VETERINARY CERTIFICATION REQUIRED

Products may be traded when accompanied by a veterinary certificate demonstrating either Pathway 1 or Pathway 2.



1 Pathway 1: Source herd + processing assurances

- Products originate from herds which, at the time of milk collection, were not infected or suspected of being infected with FMD virus.
- Come from milk that has a **pH less than 7** or has been tested for FMD virus with negative results.
- Has been heated at a minimum temperature of **72°C for at least 15 seconds**.

OR



2 Pathway 2: Virus inactivation through processing

- Products have been processed to ensure the inactivation of FMD virus through a treatment process.
- A minimum temperature of **72°C for at least 15 seconds applied twice** (high temperature – short time pasteurisation).
- Or an equivalent treatment demonstrated to achieve virus deactivation.



With necessary precautions after processing to avoid contact with any potential source of FMD virus.

Summary of biosecurity asks to reduce economic impacts and maximise trade continuity

Priority	Issue	Specific ask
Advance known opportunities to strengthen FMD response preparedness	As preparedness programmes mature, greater emphasis is needed on translating lessons and identified improvements into enduring capability. Tension for resourcing between reactive response activities and preparedness needs to be managed to avoid slowing the implementation of longer-term preparedness initiatives. New approaches should be considered for leveraging sector expertise and operational knowledge, and integrating these solutions into a cohesive national response capability.	• Work with industry to ensure preparedness improvements are systematically progressed, embedded, and maintained over time, and that readiness capability continues to mature despite competing response and operational priorities. • Consider new approaches to strengthen FMD preparedness.
Ensure emergency regulations for FMD are prepared in advance	Emergency regulations are essential for an effective response to an FMD incursion due to the urgency and severity of controls. These need to be developed and consulted on as part of readiness.	• Urgently draft the emergency regulations necessary for an FMD response, working with industry to ensure that the requirements are implementable and fit for purpose.
Secure pre-agreements for risk-based dairy trade continuity during an FMD response with key trading partners	Scientifically based treatments for safe trade in dairy products are available. Acceptance of products depends on the markets' biosecurity settings. Pre-agreement of terms of trade and the official assurances given support trade continuity and potentially allow industry sustainability following an outbreak.	• Maintain momentum in negotiating pre-agreed arrangements for trade in dairy products in the event of a FMD outbreak • Regularly test and exercise arrangements for dairy trade continuity in an FMD response with the dairy sector
Maintain investment in risk-based border biosecurity systems	Prevention of new pest and disease incursions is better than managing the consequences of them. However, measures should be proportionate to risk and no more trade-constraining or imposing of regulatory burden on businesses importing goods than necessary.	• Continue to focus on border measures but ensure that they are targeted, proportionate to risk, and verified appropriately, especially on legitimate pathways.
Ensure traceability and data systems support biosecurity outcomes	Traceability and response data systems play an important role in biosecurity response and assurance. Traceability for some FMD-susceptible species remains limited and reliant on outdated systems.	• Address known gaps in susceptible species traceability to the level necessary for a successful FMD response. • Invest in systems to support biosecurity response which leverage modern data systems capability



Our Members

DCANZ represents the common policy positions of New Zealand dairy manufacturing and exporting companies. Our members account for 99% of the milk processed in New Zealand



DCANZ Management

DCANZ's management team holds significant dairy industry experience and knowledge of trade, regulatory, biosecurity, nutrition, and sustainability policy



Kimberly Crewther
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Katie Owen
Regulatory & Policy Manager



Laura Anderson
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DAIRY COMPANIES ASSOCIATION OF NEW ZEALAND

