

# The 'multi-speed' industry: Dairy productivity in the spotlight

ESCoE-UNSW CONFERENCE ON ECONOMIC  
MEASUREMENT 2025

9 December 2025

**Will Chancellor**

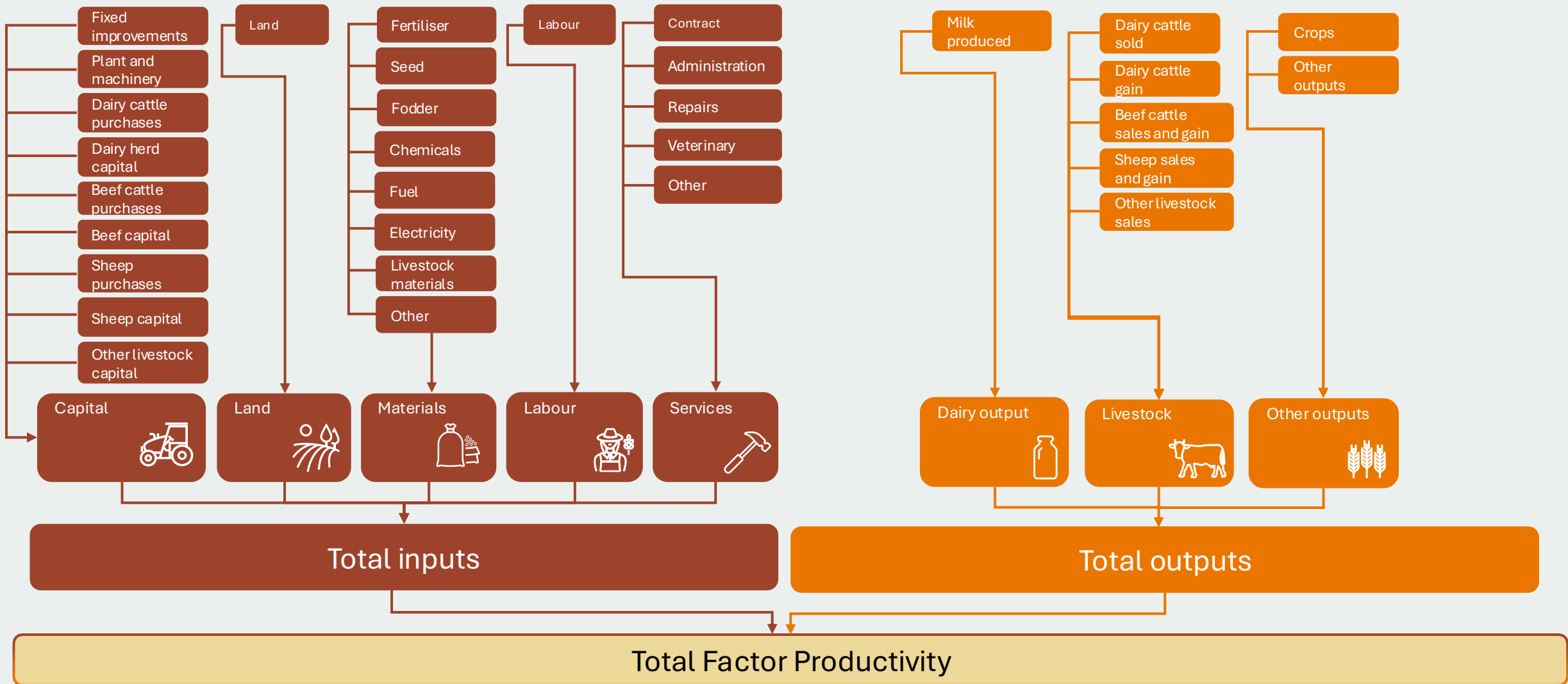
Australian Bureau of Agricultural and Resource Economics and Sciences (ABARES)



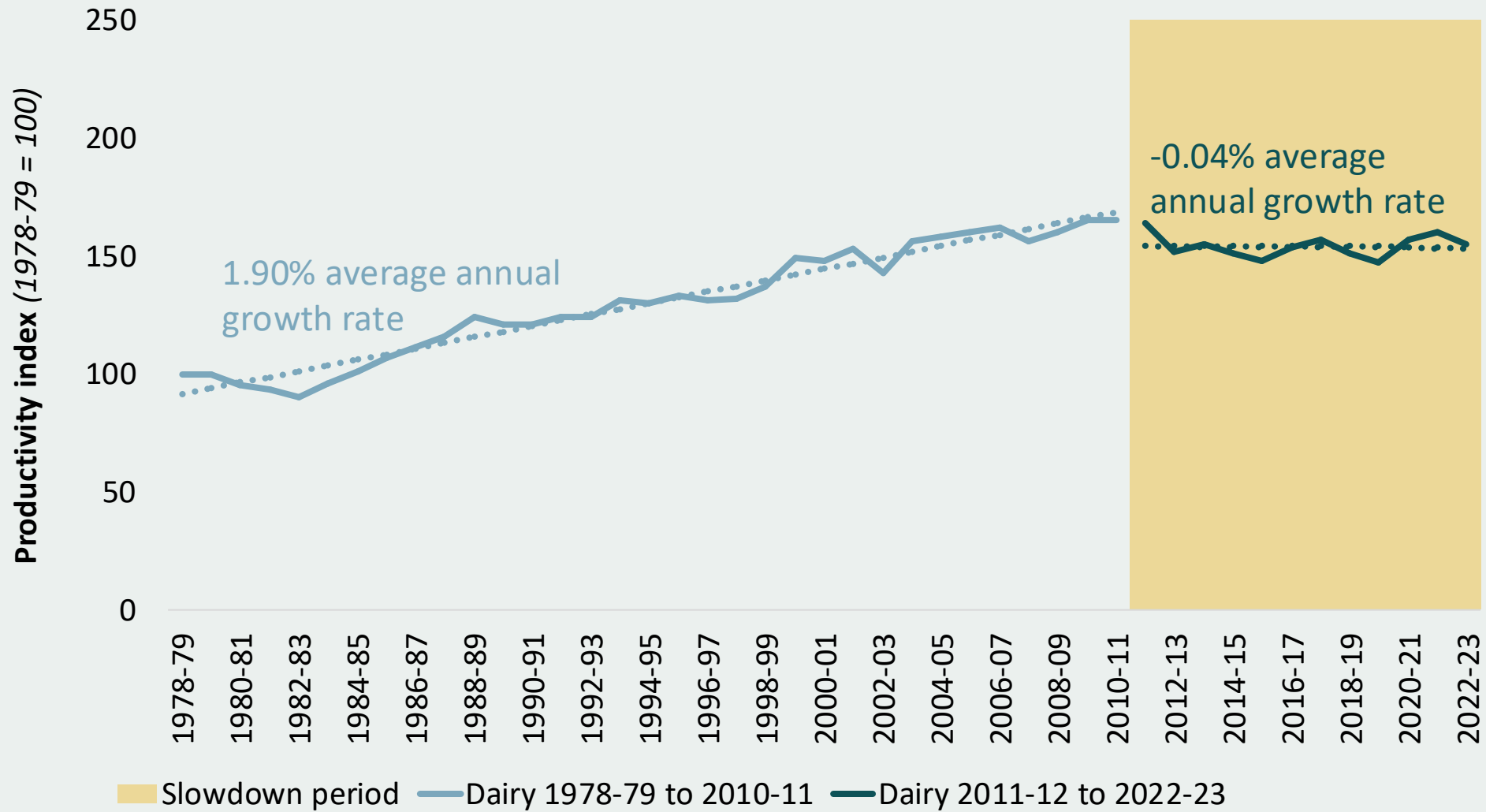
# ABARES dairy productivity

Australian Dairy Industry Survey (ADIS)

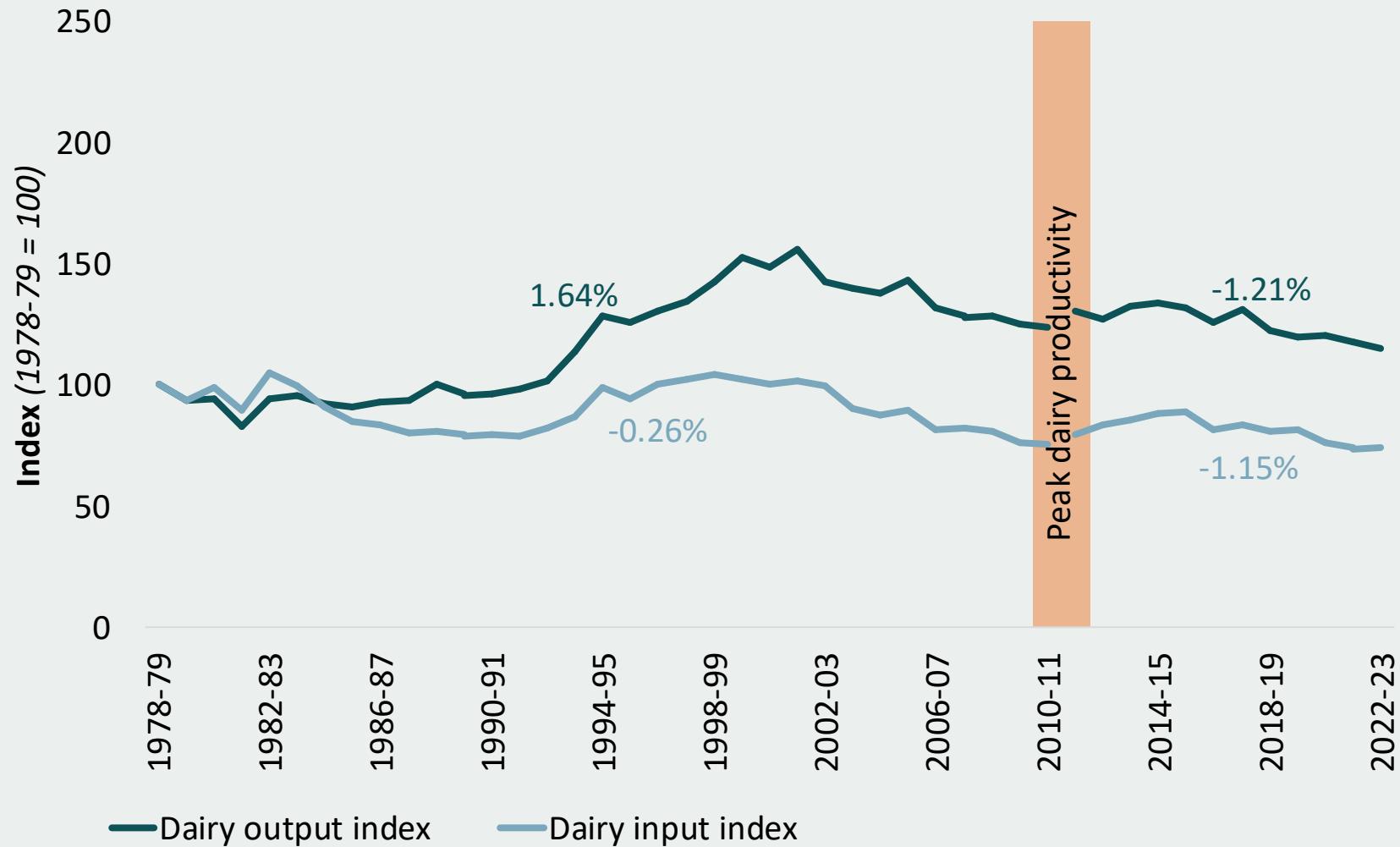
Price data (ABS, ABARES commodity database, RBA, and others)



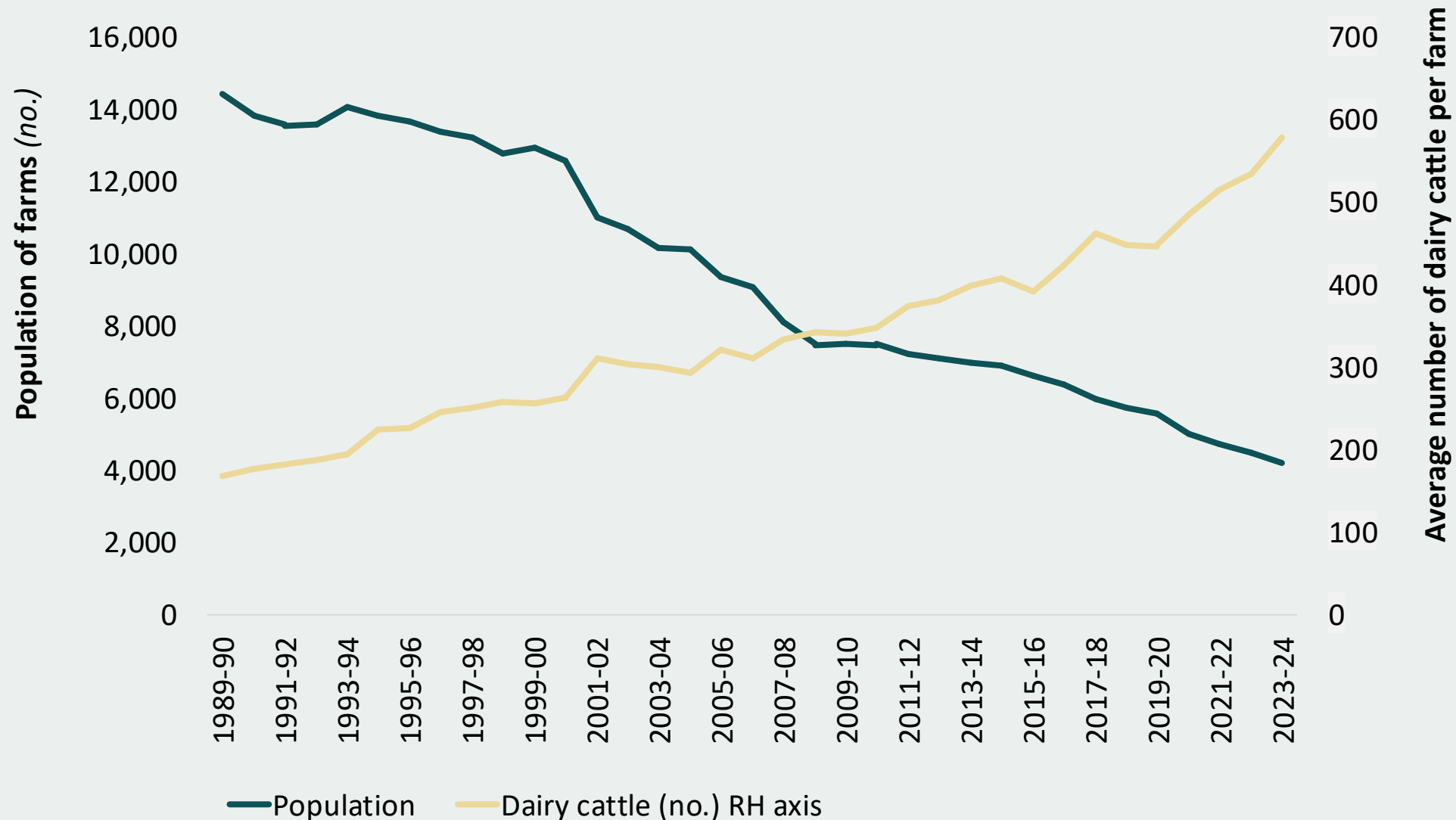
# Peak dairy productivity



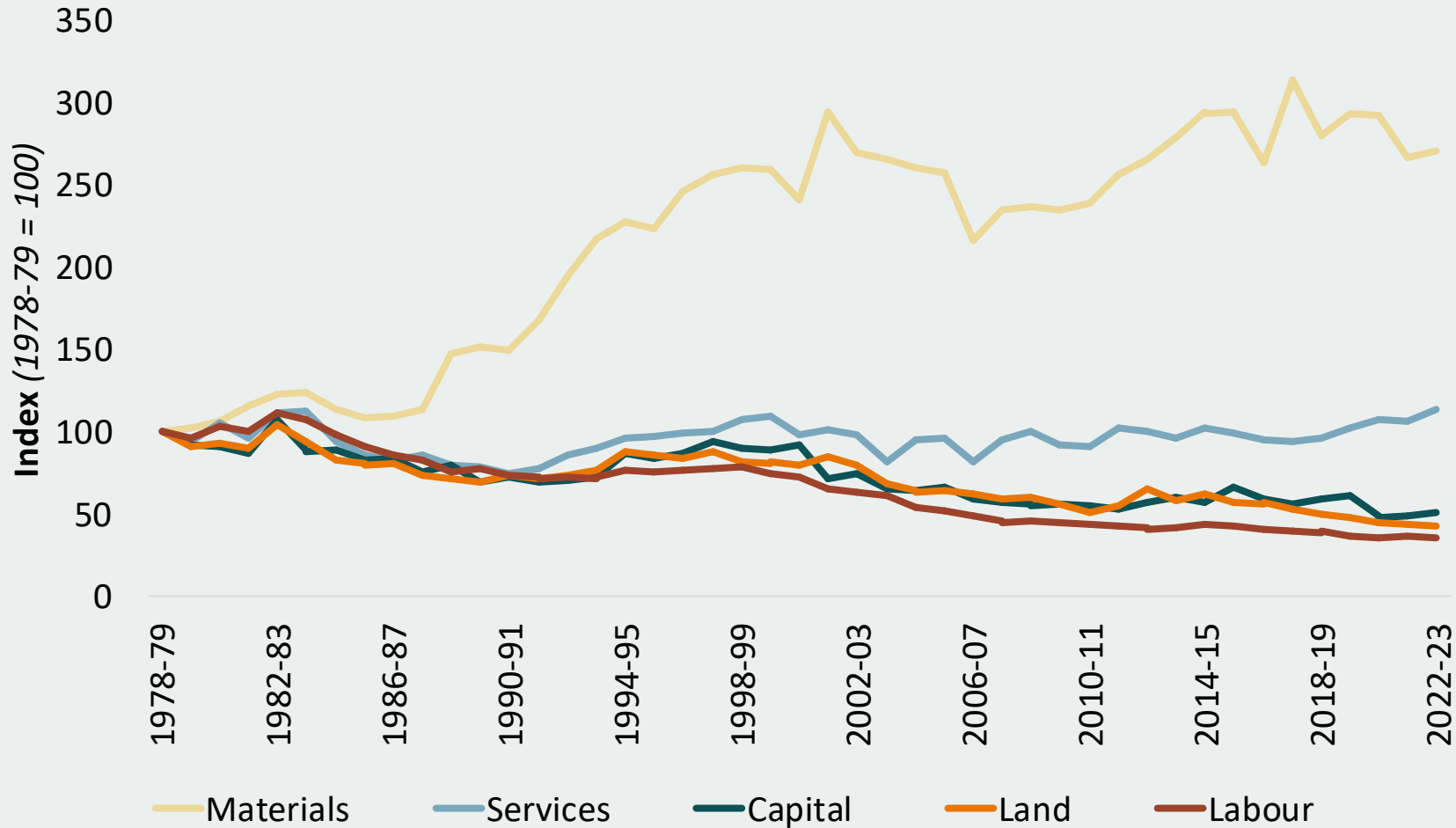
# Dairy farm input and output indexes



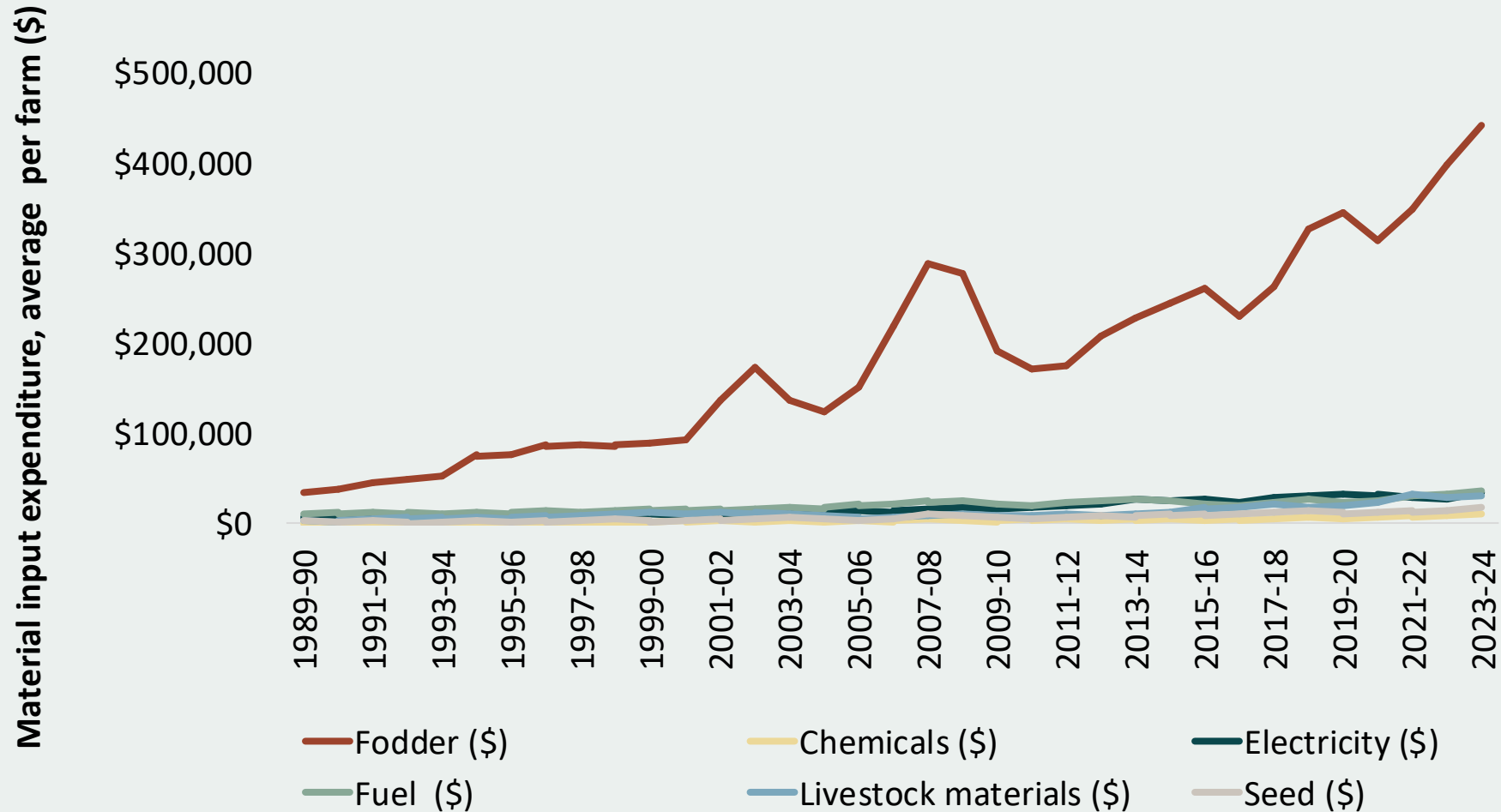
# Dairy farm structural change



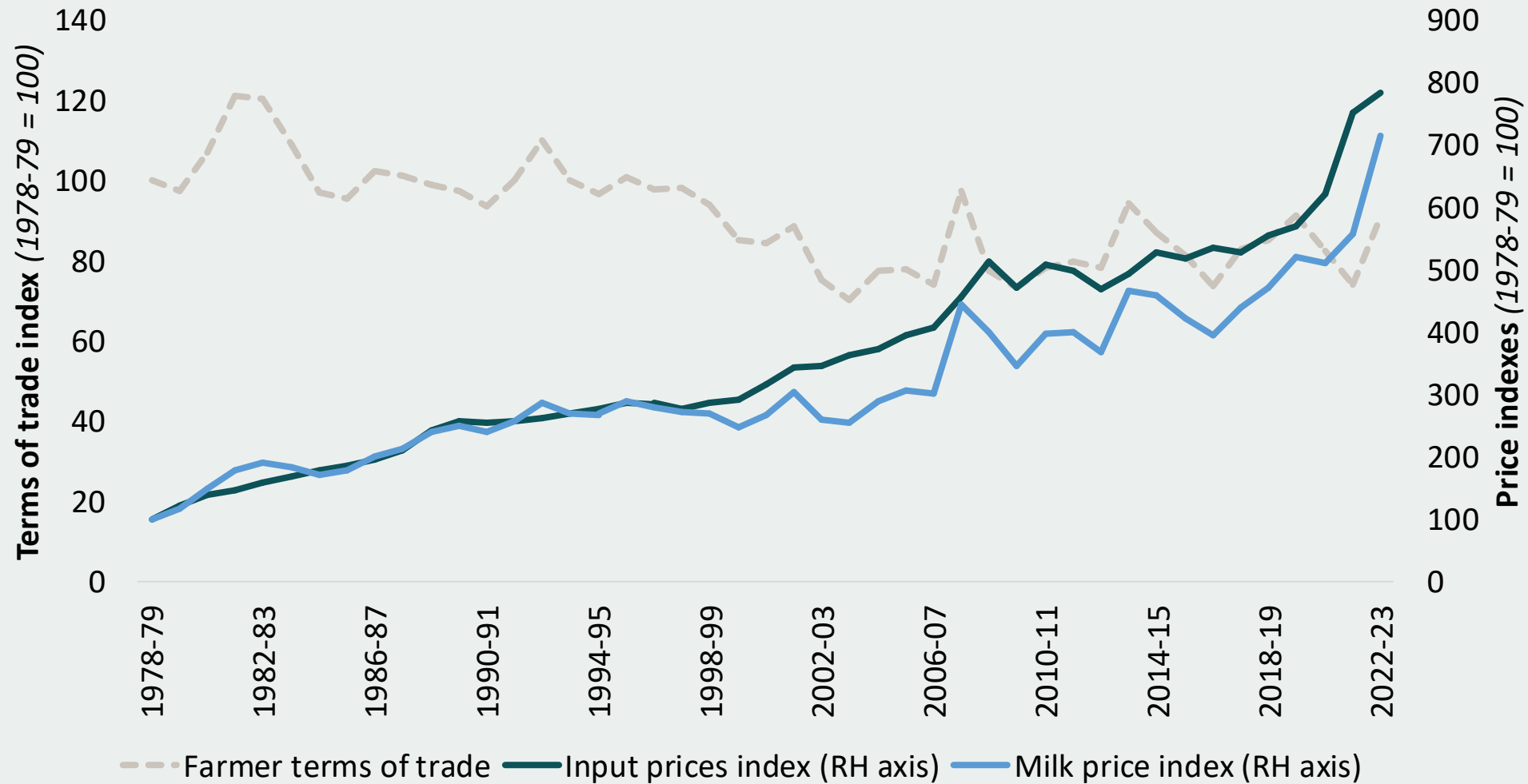
# Dairy farm input index



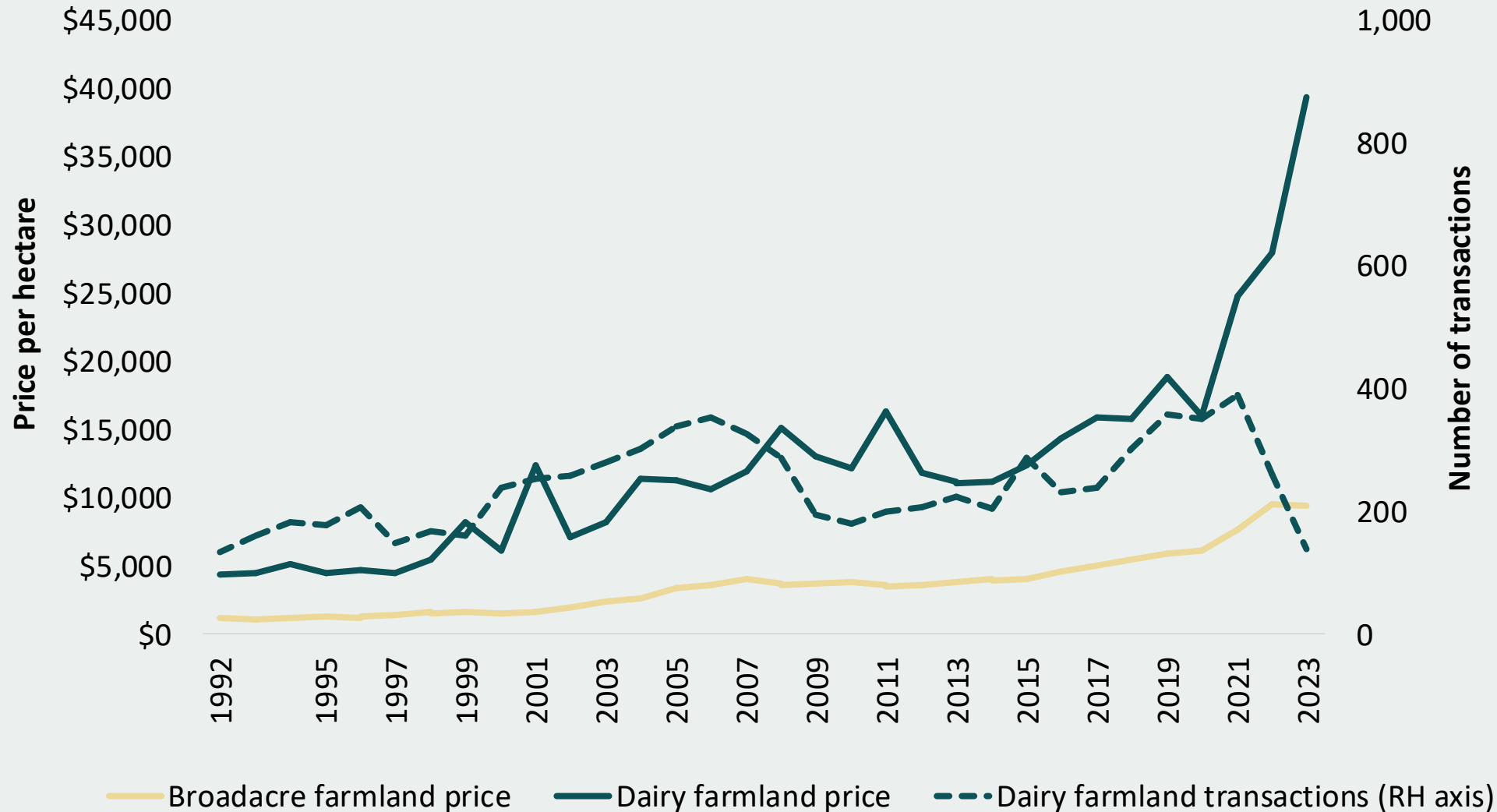
# Expenditure on material inputs



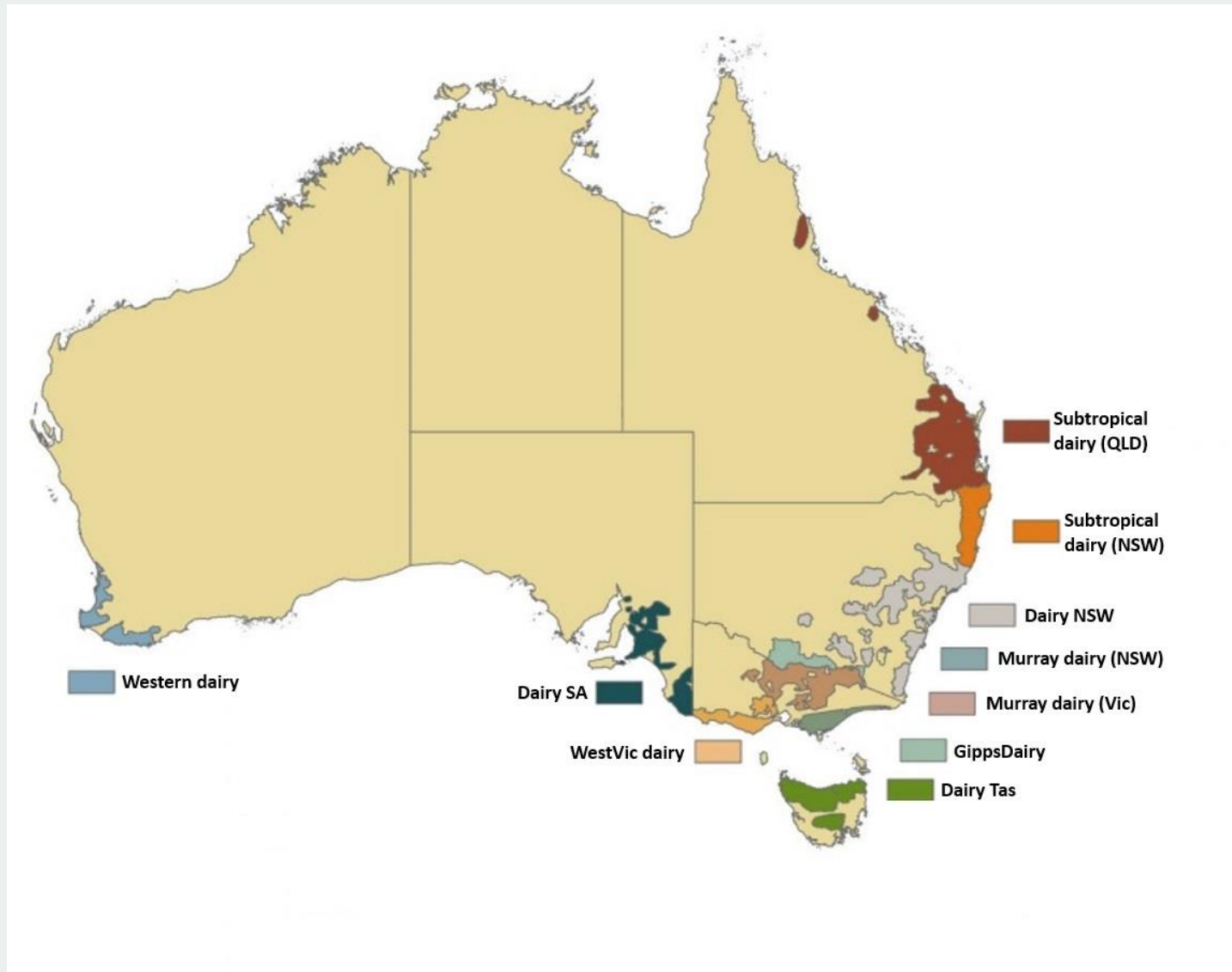
# Dairy farm terms of trade



# Dairy farmland price per hectare

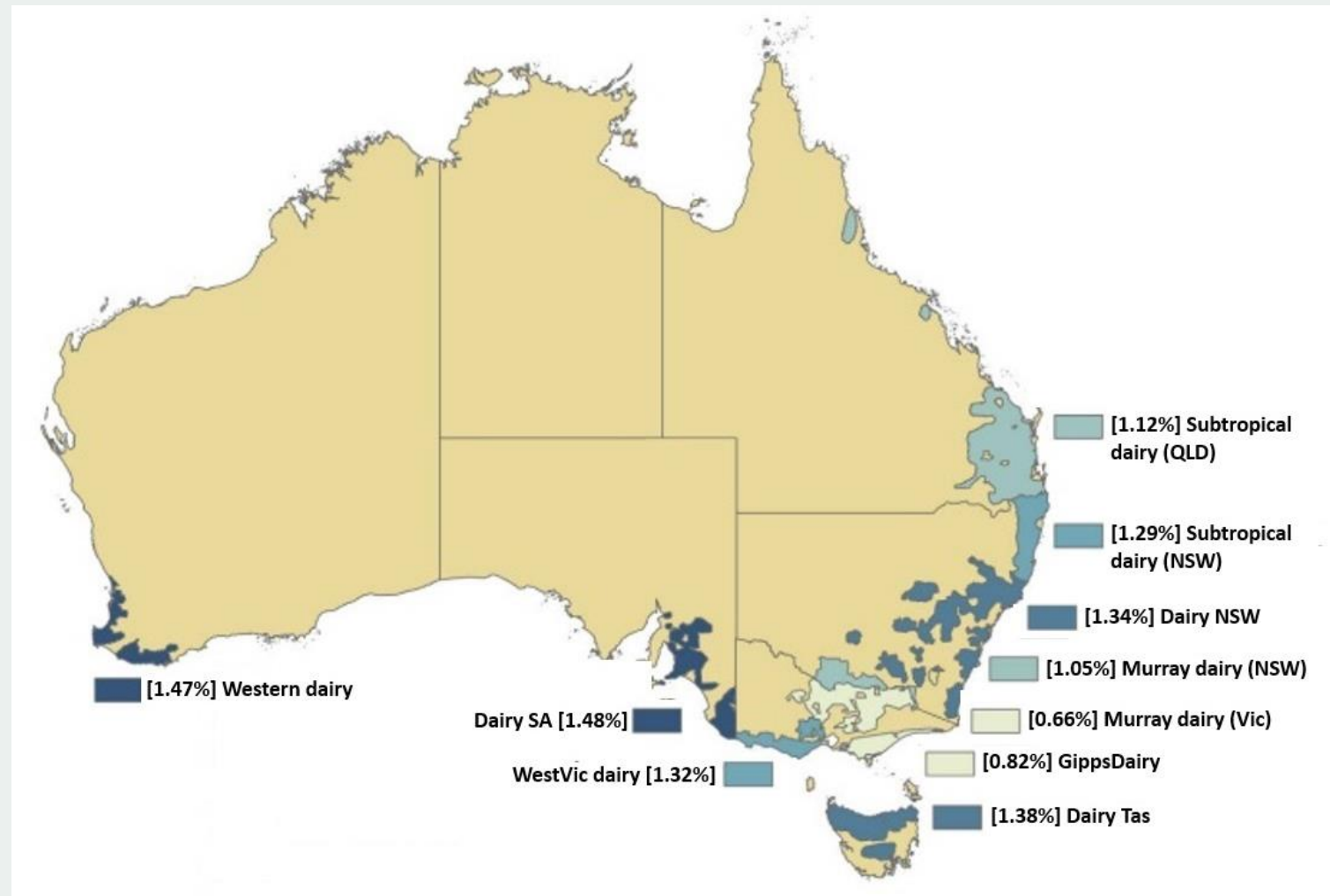


# Dairy regions in Australia



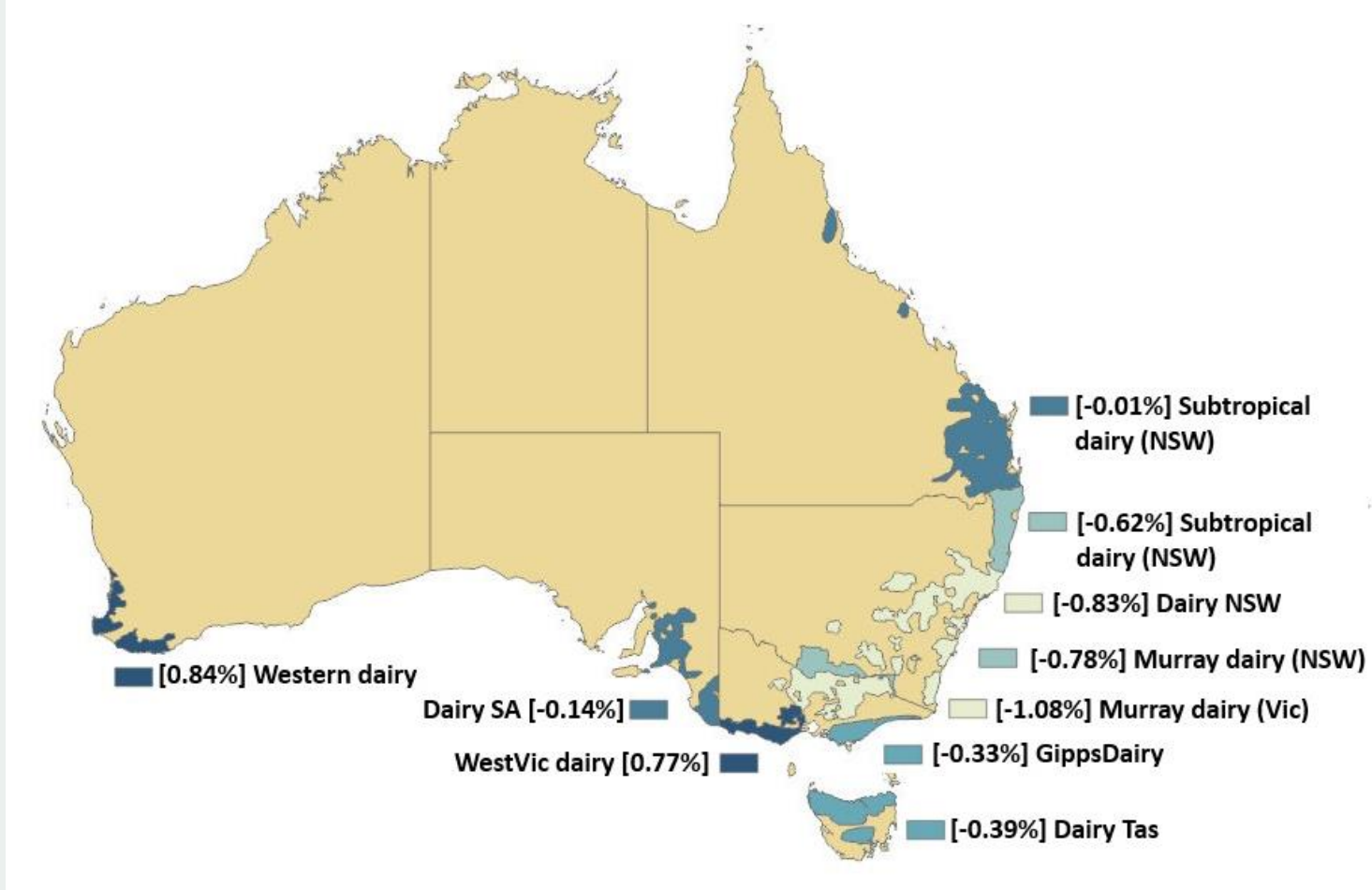
# Long-run productivity growth

Productivity average annual growth rate, by dairy region, 1978-79 to 2022-23

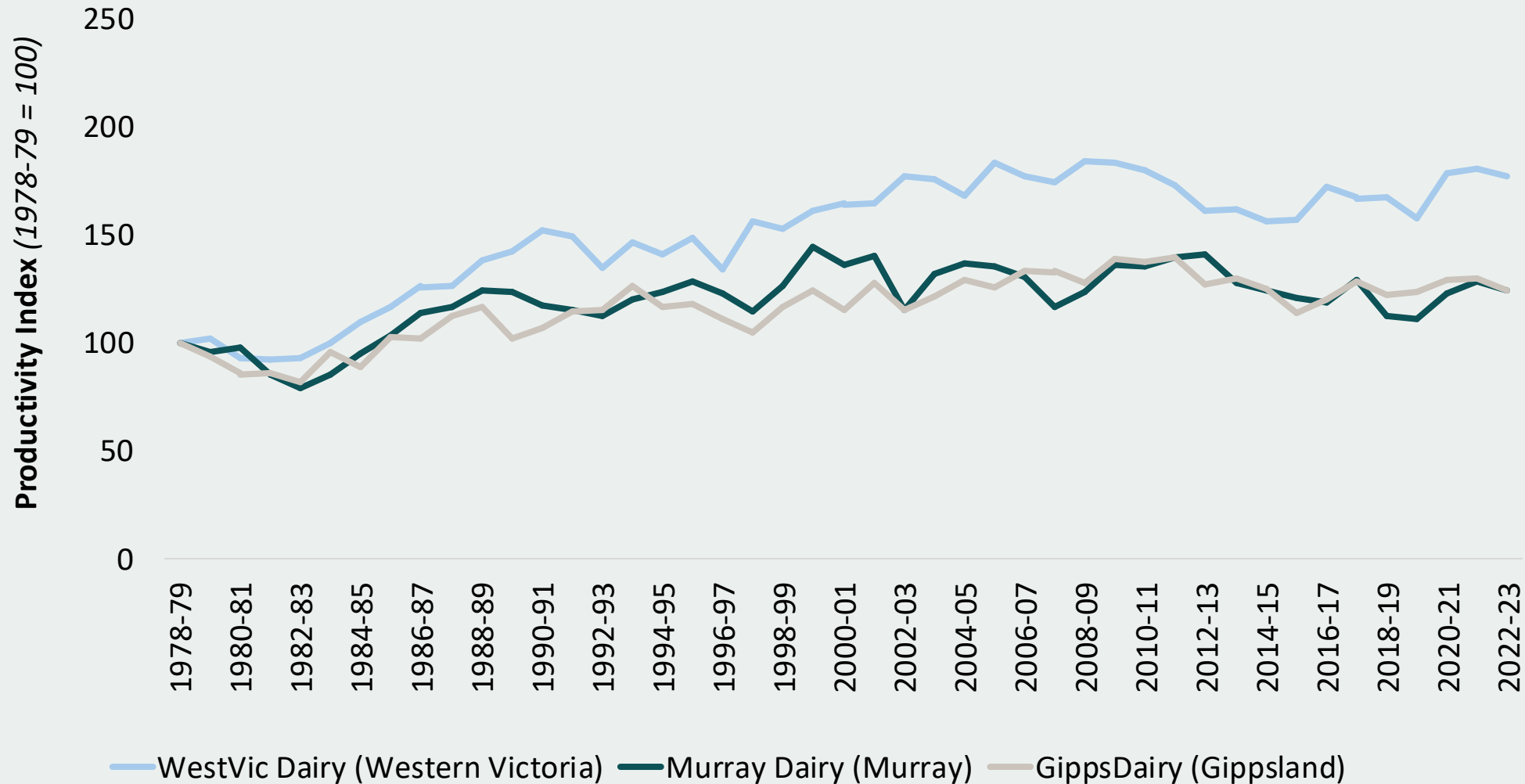


# Slowdown period productivity growth

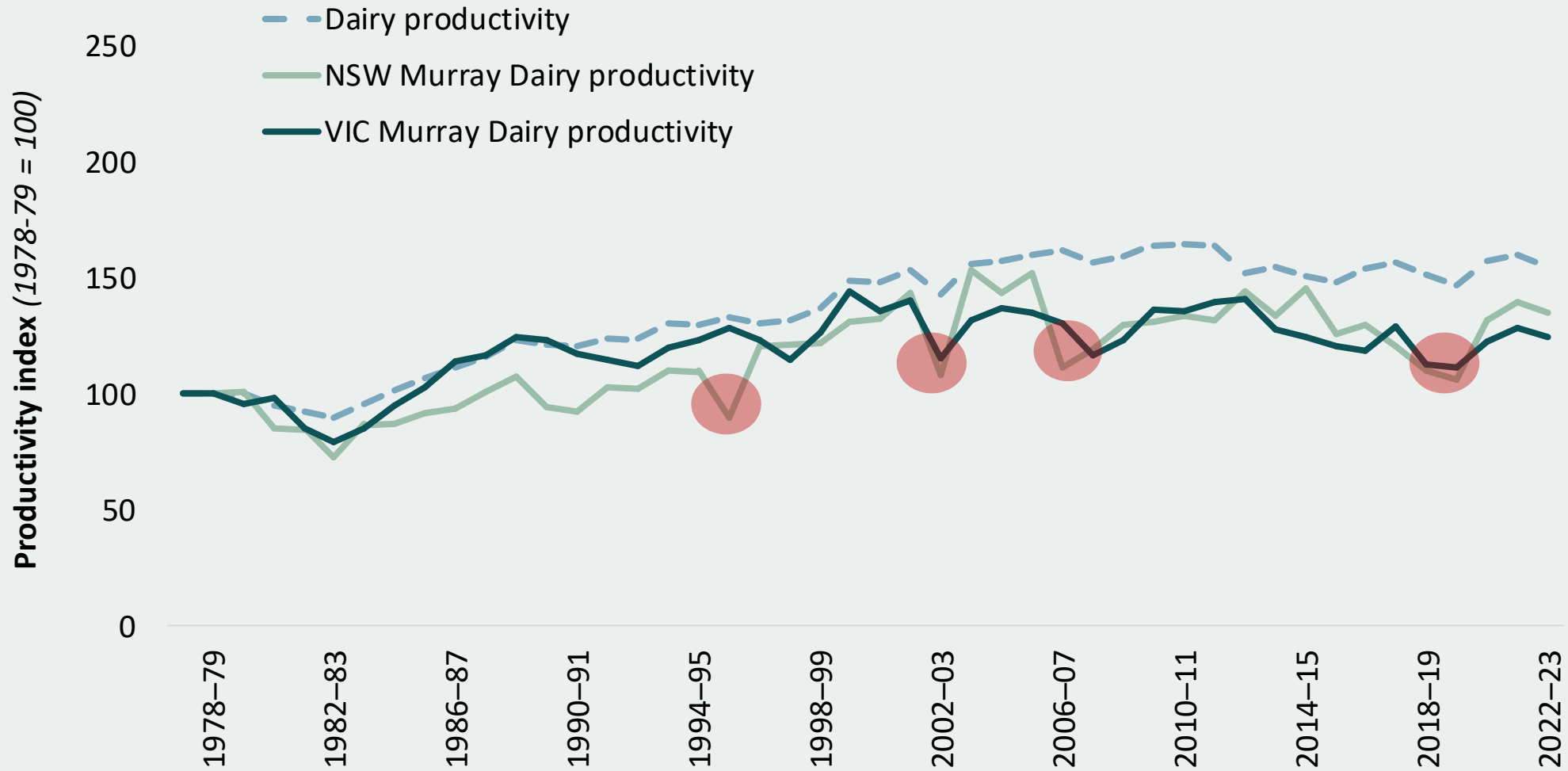
Productivity average annual growth rate, by dairy region during slowdown period, 2011-12 to 2022-23



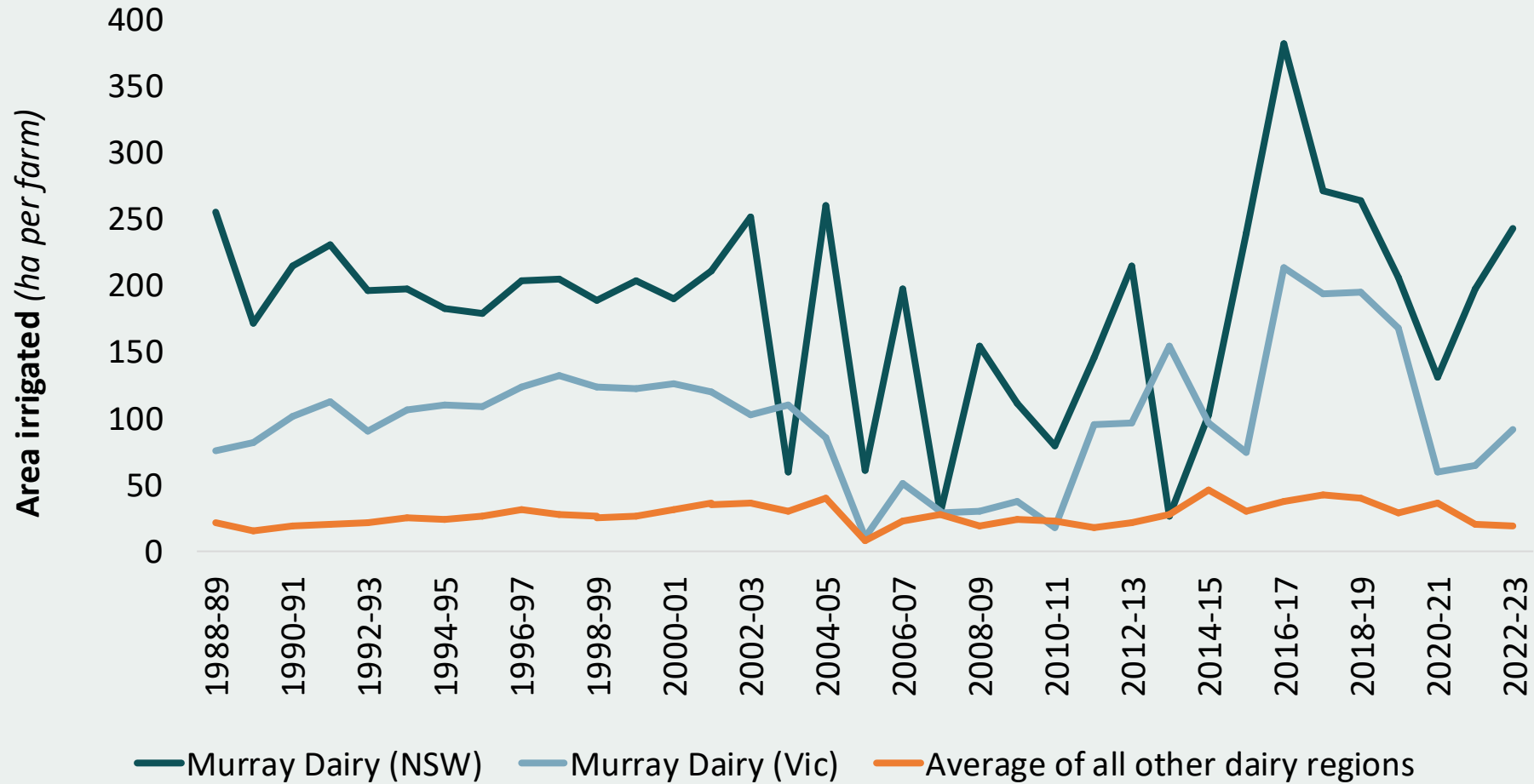
# Victoria dairy productivity by region



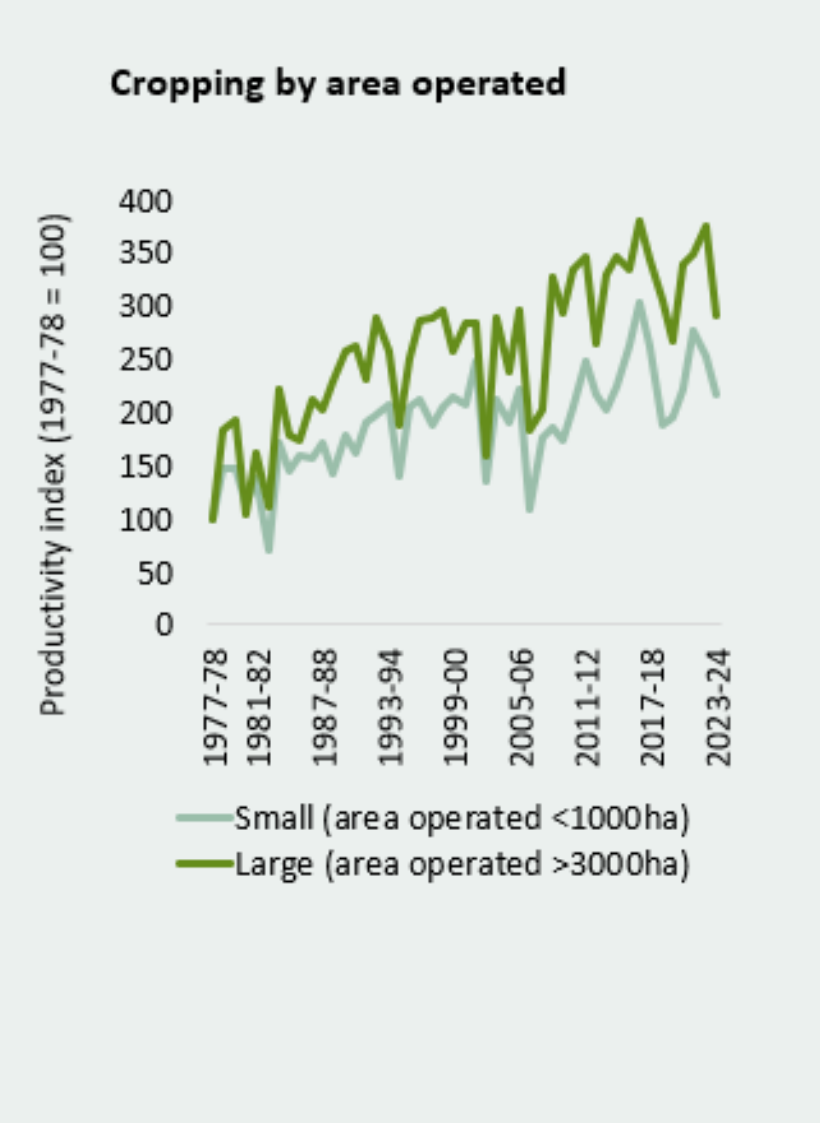
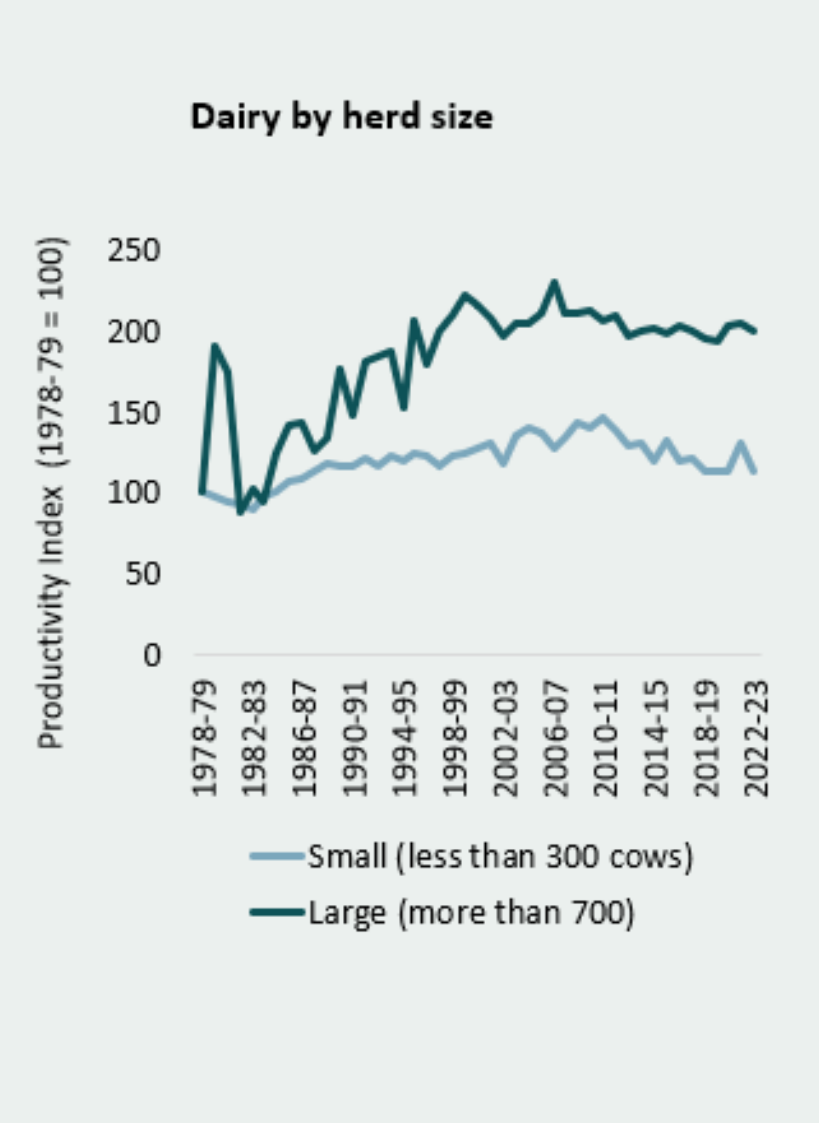
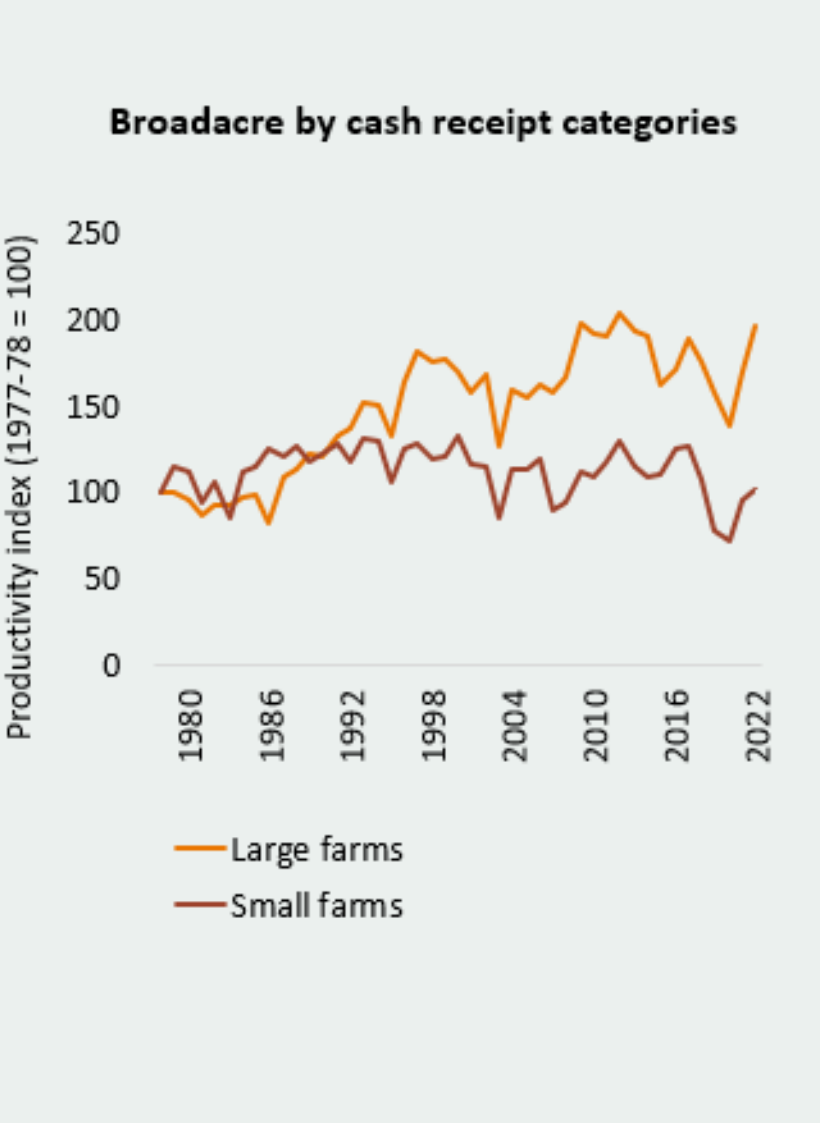
# Dairy productivity and drought



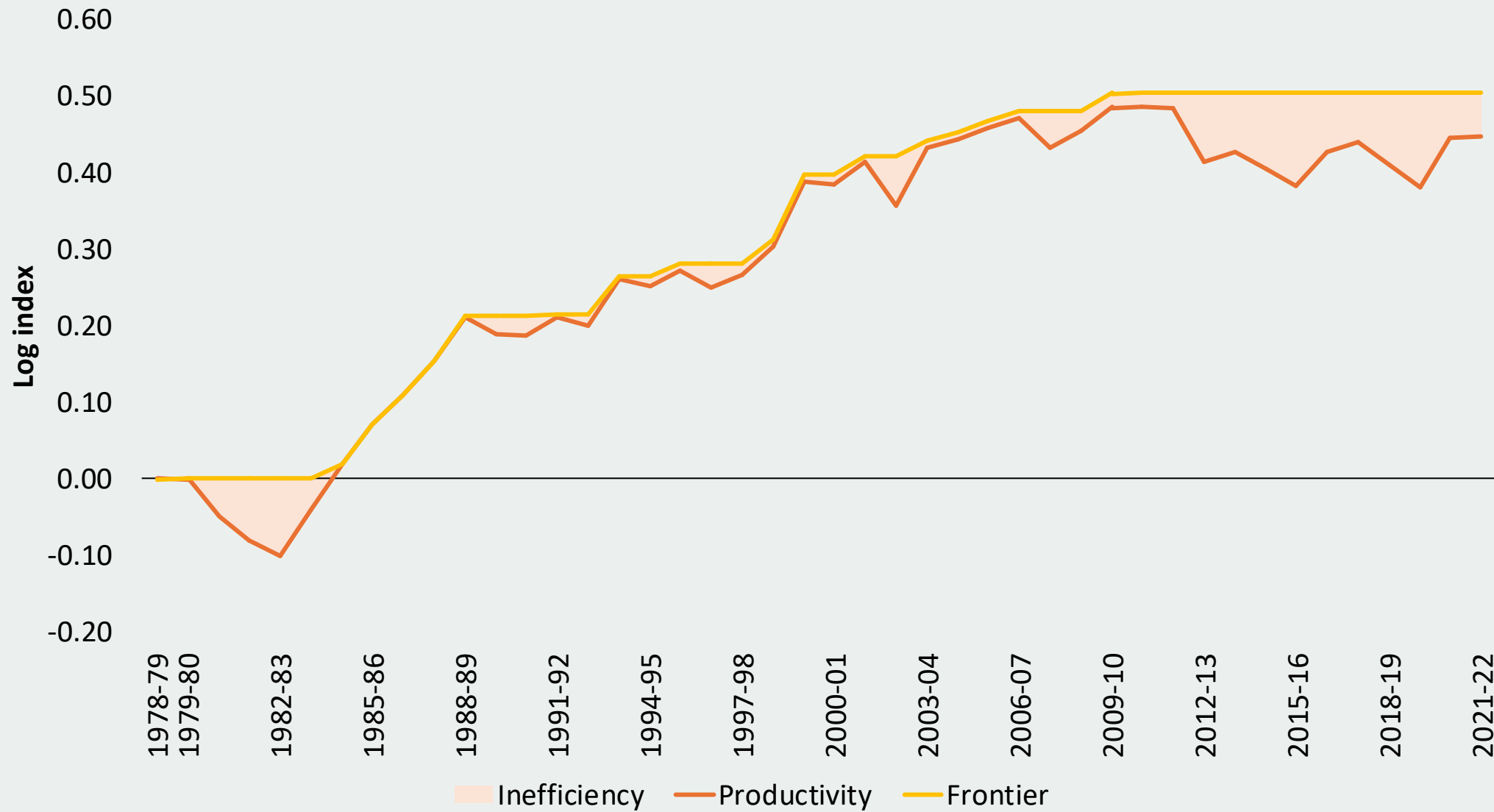
# Comparison of average area irrigated



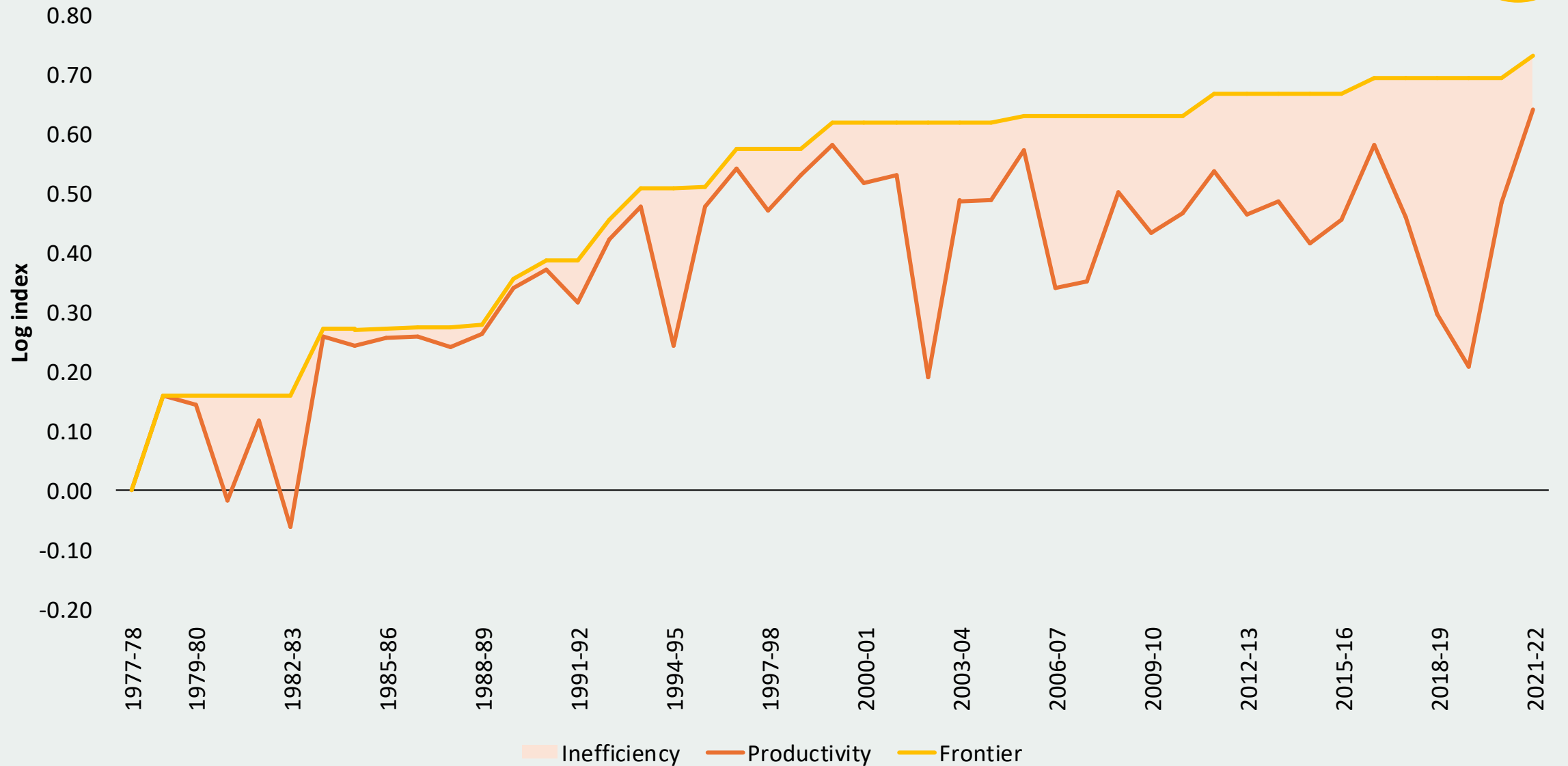
# The relationship between size and productivity



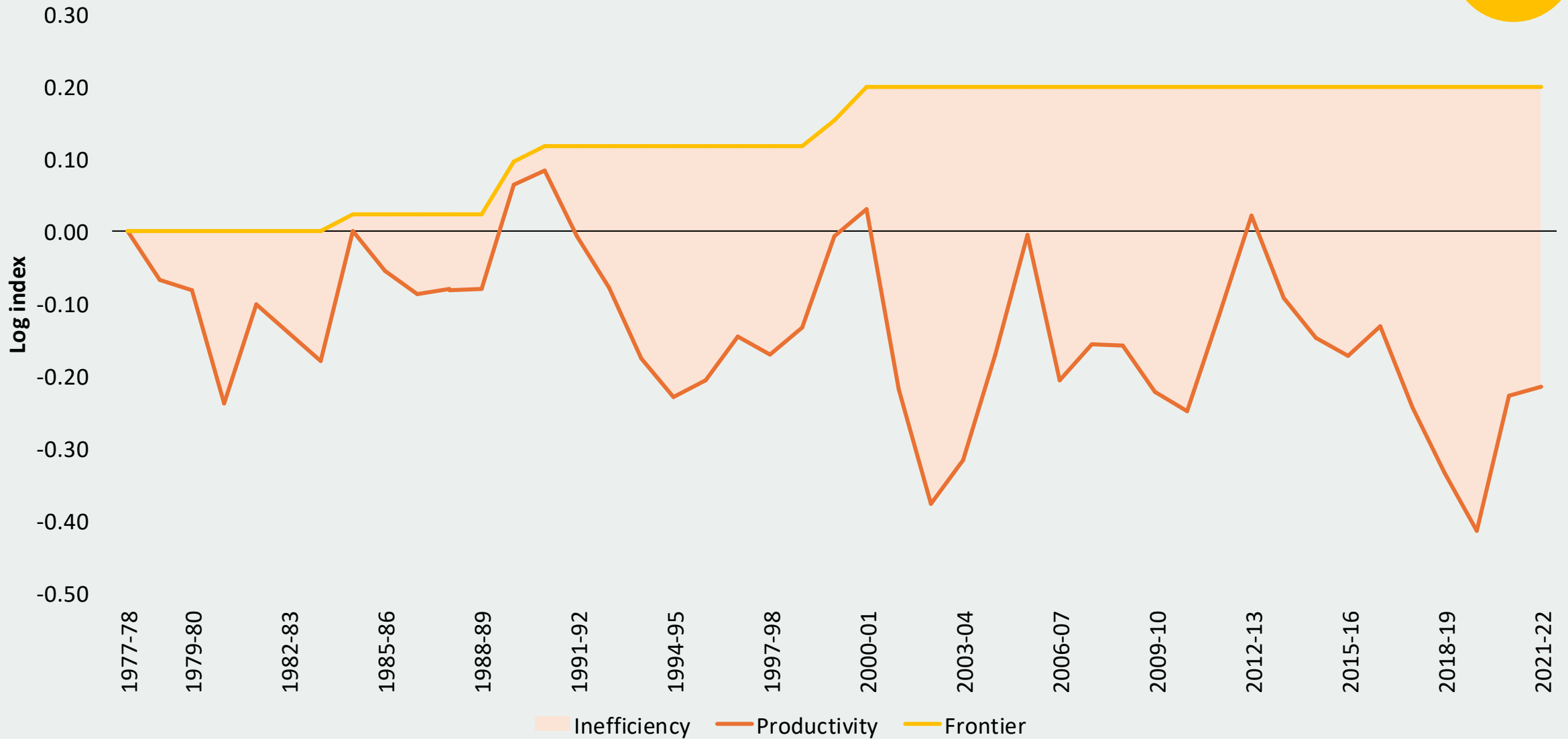
# Dairy farm productivity frontier



# Broadacre productivity frontier



# Sheep industry productivity frontier



Note: Sheep industry defined as specialist producers of lambs, sheep or wool.

# What happens next for dairy productivity



**Optimise  
policy settings**



**Build resilience**



**Optimal land use**



**Offset declining  
terms of trade**




**Research and  
development  
(and extension)**

Thanks for listening.

The paper is available to download on the [ABARES website](https://www.abares.gov.au)

More ABARES productivity work is available here:

<https://www.agriculture.gov.au/abares/research-topics/productivity/productivity-publications>



The image shows the cover of an ABARES Insights report. At the top left is the Australian Government logo and the text 'Australian Government Department of Agriculture, Fisheries and Forestry'. To the right is the ABARES logo. The title 'ABARES Insights' is prominently displayed in the center, with 'ABARES' in orange and 'Insights' in dark teal. Below the title, it says 'ISSUE 2 — FEBRUARY 2025'. The main background is a dark teal color. On the right side, there is a circular inset image showing a large group of dairy cows. Below this image is a magnifying glass icon over a bar chart. The main title of the report is 'The 'multi-speed' industry: Dairy productivity in the spotlight', followed by the authors 'Dr Will Chancellor and Dr Jared Greenville'. A short summary paragraph is at the bottom.

Australian Government  
Department of Agriculture,  
Fisheries and Forestry

ABARES

ABARES  
Insights

ISSUE 2 — FEBRUARY 2025

The 'multi-speed' industry:  
Dairy productivity in the spotlight

Dr Will Chancellor and Dr Jared Greenville

National dairy farm productivity has slowed considerably, and there has been a reduction in the number of dairy farms over the past three decades. Has the dairy industry fallen off the productivity treadmill or is there more to this story? Once farm data are aggregated into national level statistics the nuances can be easily lost. Untangling the statistics reveals that while productivity on some dairy farms is thriving, on others it appears to be lagging. This report unpacks the story of the multi-speed industry and explores the potential opportunities to unlock future growth.