



The Milksolids Levy Order Proposal

See inside for a formal description
of the proposed levy order



DairyNZ 

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Description of the 2026 Milksolids Levy Order proposal

The proposed 2026 Milksolids Levy Order under the Commodity Levies Act 1990 is intended to replace the 2020 Milksolids Levy Order and will allow DairyNZ to continue collecting a levy from dairy farmers to fund industry good activities for another six years. Industry good activities include enhancing the profitability, sustainability and competitiveness of New Zealand dairy farming.

Dairy farmers whose business includes producing bovine milksolids for supply to a dairy processor are currently paying 4.5 cents per kilogram of milksolids for industry good activities under the Commodity Levies (Milksolids) Order 2020. This 2020 Order will expire on 30 November 2026.

You can view the current 2020 order here: Commodity Levies (Milksolids) Order 2020 (LI 2020/181) at dairynz.co.nz.

The Milksolids levy order vote 2026

The vote in 2026 is to determine the level of support from dairy farmers to renew the commodity levy on milksolids to continue the funding of dairy industry good activities. Dairy farmers can vote Yes or No between 16 February 2026 and 13 March 2026.

This booklet sets out what is proposed to be included in the new Levy Order if dairy farmers vote to continue the milksolids levy including what changes are proposed.

The organisation receiving the levy

The levy will be payable to:

DairyNZ Incorporated
Private Bag 3221
Corner Ruakura and
Morrinsville Roads
Hamilton 3240

The commodity to be levied is milksolids

Milksolids means, in relation to a dairy farmer, bovine milksolids produced in New Zealand by the dairy farmer and supplied to a dairy processor.

Who will pay the levy

All dairy farmers who produce milk from bovine animals for supply to a dairy processor will be primarily responsible for paying the levy. This includes all dairy farm owners, sharemilkers, and dairy farm leaseholders that supply a dairy processor while the 2026 Milksolids Levy is in force. They are referred to as levy payers in this document.

Basis of the levy

The levy is proposed to be calculated on the quantity in kilograms of milksolids supplied to a dairy processor.

In determining the quantity of milksolids supplied to a dairy processor, it is proposed that DairyNZ may:

- a. where DairyNZ receives data on kilograms of milksolids supplied by a dairy farmer to that dairy processor, rely on that data without further inquiry; and
- b. where DairyNZ receives data on the quantity of liquid milk supplied by a dairy farmer to a dairy processor, convert that data to relate to kilograms of milksolids at such conversion rate as DairyNZ may, in any case, determine.

Levy year

- The first levy year is proposed to be from 1 December 2026 to 31 May 2027.
- Each subsequent levy year (other than the last levy year) is proposed to be from 1 June to 31 May.
- The last levy year is proposed to be from 1 June 2032 to 30 November 2032 (Note: Under the Commodity Levies Act 1990, Levy Orders last six years.)

No change to the current **25/26 levy rate of 4.5cents** for the first levy year of the new Milksolids Levy Order.

Levy rate cap remains at 5 cents

Setting of the levy rate

- a. The levy is proposed to be set at a single rate, which is set for a levy year (annually)
- b. The DairyNZ Board of Directors set the levy rate for the first year in accordance with the 2026 Levy Order and the Rules of DairyNZ (Rules). The proposed levy rate for the first levy year is proposed to be 4.5 cents (excluding GST) per kilogram of milksolids (no change to the existing levy in the current season of 2025/26).
- c. For any subsequent levy years, beginning with the levy year starting on 1 June 2027, the DairyNZ Board will fix the actual rate of the levy. If proposing to change the rate of the levy, the DairyNZ Board will only do so after consulting with dairy farmers and in accordance with its Rules before the beginning of the levy year to which the levy will apply.
- d. Where no new rate is fixed for a levy year, it is proposed that the previous rate will continue to apply.

Maximum rate of levy

DairyNZ is not proposing to change the existing maximum allowable rate in the 2026 Milksolids Levy Order, which lasts for a duration of six years. The maximum allowable rate, in any year, is proposed to be set in the 2026 Milksolids Levy Order as 5 cents (excluding GST) per kilogram of milksolids (no change from the previous Levy Orders issued in 2020, 2014 and 2009).

Notification of rates of the levy

As soon as practicable after fixing the rate of the levy for any levy year, it is proposed that DairyNZ will notify dairy farmers of the rate, and the levy year to which it relates, via DairyNZ publications, DairyNZ's website and in a major rural publication. DairyNZ is also proposing to notify in writing all dairy processors of the rate.

How the levy is to be paid

Dairy farmers producing milksolids to supply a dairy processor is proposed to be responsible for paying the levy. However, levy collection agents will be required to recover the levy from dairy farmers and forward the levy to DairyNZ. Levy collection agents will include all dairy processors supplied directly by dairy farmers. The levy will be recovered by automatic deduction from milksolids payments or where necessary by invoicing the dairy farmer directly.

Use of the levy

The levy will be spent by DairyNZ on industry good activities relating to bovine milksolids or dairy farming in the areas of:

- research and development, including economic research, analysis, and insights,
- information transfer and farmer technology adoption practices,
- biosecurity activities including disease control and mitigation,
- promoting and advocating on behalf of the dairy industry,
- developing and supporting dairy industry evaluation systems, data networks and databases including publication of relevant indices, statistics and economic information,
- education and training,
- provision of information to dairy farmers and the dairy industry,
- administration of DairyNZ and its subsidiaries,
- communicating with dairy farmers and the dairy industry in respect of the above.

Change to use of the levy

The uses of the levy outlined previously include two proposed uses which are new compared to the 2020 Levy, being:

- economic research, analysis, and insights,
- communicating to dairy farmers and the industry in respect of the above.

The purpose for separately identifying that the levy may be used for economic research in addition to general research is to help provide greater transparency of DairyNZ's role in working across the dairy industry in the provision of industry good activities. The additional clause on communication reflects that the outcomes of DairyNZ's activities can be shared with both dairy farmers and the industry, which again is essential to DairyNZ's industry good function.

Change to consultation on how the levy money is to be spent

The 2026 Levy Order proposes to update how DairyNZ will consult with levy payers in relation to how it proposes to spend levy money. In the 2026 Milksolids Levy Order this is proposed to be written to state that 'DairyNZ must consult with dairy farmers (levy payers) on how it proposes to spend levy money in accordance with its Rules'.

What are the Rules of DairyNZ?

The Rules of DairyNZ are voted upon by Members of DairyNZ (levy payers) whenever changed, meaning levy payers must support the changes proposed by DairyNZ.

The Rules of DairyNZ will be updated and voted on in 2026, post the Levy vote. The change to the Rules will include a requirement that 'DairyNZ will consult levy payers on how it proposes to spend levy money through meetings with levy payers or any other manner of consultation as the Board considers appropriate in the circumstance'. The reason for including 'other manner of consultation' provides for the ability to capture consultation feedback via, for example, electionz.com.

Change to collection of information from existing Levy Order

It is proposed to change the 2020 Levy Order to broaden the information supplied to require collection agents to include the levy payer's physical farm location.

The new information proposed to be collected under the 2026 amendment will fall under the confidentiality of all farmer details that are provided to DairyNZ. The reason for collecting this information is to enable DairyNZ to hold more accurate information to communicate and engage with levy payers in the calculation and use of levy funds.

The Milksolids Levy Order 2026 is proposed to be updated to allow a Milk Processor two months to provide levy payer information after receiving a written request from DairyNZ. The 2020 Levy Order did not specify a time requirement for such information to be provided to DairyNZ.

Changes to confidentiality of information provided for the purpose of the levy

It is proposed that the 2026 Milksolids Levy Order will include protections for farmers' personal information and commercially sensitive information that is collected and provided to DairyNZ under the Order. The proposed protections for this information will require that a person who gathers information may not disclose (except to some other officer or employee of DairyNZ, or any subsidiary of DairyNZ and its officer(s) and employees) any information obtained:

- a. under or because of the 2026 Milksolids Levy Order; or
- b. under the Commodity Levies Act 1990 in relation to this order.

This proposal would not affect or prevent:

- a. the production of records or accounts under section 17(1) of the Commodity Levies Act 1990; or
- b. the production of any statement under section 25 of the Commodity Levies Act 1990; or
- c. the giving of evidence in any legal proceedings taken:

- i. under or in relation to the proposed order; or
- ii. under or in relation to the Commodity Levies Act 1990; or
- iii. as required by law.

The proposed 2026 Milksolids Levy Order would allow DairyNZ to:

- a. disclose and use information for the purposes of research and development, statistical analysis and provision of insights, or extension activities, provided that the information is anonymised.
- b. confidentially disclose and use the levy information for any of the purposes for which DairyNZ can spend the levy.
- c. disclose or use the information with the consent of every identifiable person to whom it relates.

The provision on anonymous disclosure of information enables DairyNZ to provide this to the industry for specific industry good purposes. Farmers will be protected through the requirement that the information will be anonymised so that individual farmers and farm businesses will not be identifiable.

The provision on confidential disclosure and use of information has been included to clarify that

information can be disclosed to facilitate it being used for the purposes for which DairyNZ can use the levy, but that this must be confidential so as to protect farmers' information.

Payment of the Levy

The due day for payment of the levy to DairyNZ is proposed to be:

- a. in the case of a collection agent that pays a dairy farmer for the supply of milksolids on a monthly basis, the 20th day of the month following the month in which the milksolids were supplied; or
- b. in the case of a collection agent that pays a dairy farmer for the supply of milksolids on any other basis, every 3 months, with payment for the first quarter due on:
 - i. 20 March 2027 for the first levy year; and
 - ii. 20 September in any subsequent levy year.

The latest day for payment of the levy is proposed to be the last day of the month in which the levy falls due.

Penalty for late payment

If any levy money (or GST payable on that money) has not been paid on or before the latest date for payment, it is proposed

that the collection agent must pay an additional amount of 5% of the amount owing at the end of each month.

However, it is proposed that DairyNZ may waive the payment of the additional amount and allow the collection agent an extension of time in which to pay the levy money if DairyNZ considers that the default arose because of extraordinary circumstances beyond the control of the collection agent.

Collection agent's annual fee

It is proposed that a collection agent charge a collection fee of not more than 0.5% of the amount of levy collected (exclusive of GST) plus the GST payable on the fee by:

- a. deducting the amount of the fee before paying the levy to DairyNZ; or
- b. recovering the amount of the fee as a debt due from DairyNZ.

Collection agents will also be required to provide the dairy farmer with information on the amount of levy deducted.

There are no changes made to the collection fee or process for collection agents in the proposed 2026 Milksolids Levy Order compared to the 2020 Levy Order.

Record keeping

Part of DairyNZ's role will be to collect and collate information relating to the dairy industry. Accordingly, it is proposed that DairyNZ shall be responsible for keeping records of:

- a. each amount of levy paid to it; and
- b. the name and address of each collection agent who paid each amount of levy and the date on which it was received; and
- c. how levy money was spent or invested.

Collection agents will also be responsible for keeping records of:

- a. the name, address, contact details and unique supplier/party number of each dairy farmer who supplied milksolids to it; and
- b. the quantity of milksolids supplied by each dairy farmer to it and the period during which the milksolids were supplied; and
- c. the amount of levy paid to DairyNZ and the date of that payment; and
- d. the amount of collection fee (if any) deducted by the collection agent.

Both DairyNZ and collection agents will be required to retain these records for at least three years after the end of the levy year to which they relate.

Conscientious objectors

Any person who objects on conscientious or religious grounds to the manner of recovery of the levy by DairyNZ as provided in this voting paper will be able to pay the amount concerned to the Director General of the Ministry for Primary Industries. The Director-General will then forward the amount to DairyNZ.

The levy can be spent by DairyNZ and its subsidiaries and branches. ***This is the same as the 2020 Levy Order and no change is proposed.***

Other matters related to payment

It is proposed that:

- The levy can be spent by DairyNZ and its subsidiaries and branches. This is the same as the 2020 Levy Order and no change is proposed.
- Any disputes about who is liable to pay the levy will be resolved by mediation between DairyNZ and the proposed levy payer, and if either party is dissatisfied with the mediator's decision then they can appeal to the District Court. This is the same as the 2020 Levy Order and no change is proposed.



Summary of proposed changes to Milksolids Levy Order

The table below summarises the proposed differences between the 2026 Milksolids Levy Order and the 2020 Milksolids Levy Order:

Proposed Changes

DairyNZ would be able to spend the levy for the following two additional purposes:

1. Economic research, analysis, and insights
 2. Communication to dairy farmers and industry
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DairyNZ will consult with levy payers on how the levy money is to be spent in accordance with the Rules of DairyNZ Inc. This is compared to the approach in the 2020 Milksolids Levy Order which prescribes that DairyNZ must consult with levy payers every year on how the levy will be spent.

DairyNZ will be able to require collection agents and milk processors to provide DairyNZ with the physical farm location of levy payers. In addition, it is proposed that there will be a time limit of two months from the request to provide the information.

DairyNZ would also be able to use and disclose any information collected under the proposed 2026 Milksolids Levy Order to enable DairyNZ to spend the levy on any of the purposes for which it can be spent, provided that the Levy Information is anonymised.

The above changes are not the only clauses and provisions which are provided to be implemented in the 2026 Milksolids Levy Order. They are the *differences* between the 2020 Levy Order and the proposed 2026 Milksolids Levy Order.



Information on voting

The Milksolids Levy Vote 2026

You're voting to continue the value of doing together what none of us can achieve on our own. You're voting on whether the levy you currently pay to fund DairyNZ's industry good activities continues. This vote is about continuing collective investment in industry good activities, including:

- research and development to create practical on-farm tools and future-focused solutions
- science-based advocacy for farmers with central and regional government
- helping farmers respond to change and seize opportunities.

DairyNZ is the industry good organisation representing all New Zealand dairy farmers that carries out this work on behalf of dairy farmers.

Who is entitled to vote

All dairy farmers who produce milk from bovine animals and had a supply contract with a dairy processor in December 2025 are entitled to vote. This includes dairy farm owners, sharemilkers and dairy farm leaseholders also in the business of supplying milksolids to a dairy processor.

How to vote

You can vote on the physical voting paper or online. If both an online and postal vote are made, the online vote will be processed and count towards the vote result. You are asked to vote on whether you support or do not support a continued levy on milksolids supplied to a dairy processor. You can vote by:

- voting online; or
- returning the physical voting paper in your posted voting pack by post.

For a levy to continue:

- the YES votes must be more than half of all votes cast; and
- the total milksolids supplied by the dairy farmers that voted YES must be more than half of the total milksolids supplied by all dairy farmers that cast a vote.

Your total milksolids supplied between 1 January – 31 December 2025 has been provided by DairyNZ to the Returning Officer for counting.

The Returning Officer will attempt to contact any levy payer returning an incomplete or invalid postal vote.

Any voting papers remaining incomplete or invalid at the end of voting will be treated as a vote that does not support the levy. Voters are reminded to read and follow the instructions on the voting paper.

The Returning Officer will identify each voting paper using the levy paying business name and supply number(s). If the supply number(s) is not as appears on your dairy processor statement please contact The Returning Officer.

Only one vote may be cast per Levy paying business irrespective of whether the supplier is an individual, partnership, company, trust, or incorporation. Please ensure the person casting the vote is the appropriate person to do this for your business/organisation.



Can I provide views on the Proposed 2026 Milksolids Levy directly to the Minister

Levy payers are welcome to submit their views on the imposition of the levy and any aspect of the proposed Milksolids Levy 2026 directly to the Minister of Agriculture, **MinisterialOffice@parliament.govt.nz**.

Returning Officer

Electionz.com are an independent agency and have been commissioned to conduct this vote. The Returning Officer is Anthony Morton of electionz.com. Mr Morton can be contacted as follows:

The Returning Officer
PO Box 3138
Christchurch 8140
Toll free 0800 666 042
Email info@electionz.com

Voting methods

Voters must use only ONE of the two voting methods available (online or post) to cast a vote.

ONLINE VOTE: To vote online, visit dairynz.co.nz/levy-vote or scan the QR code below. From the DairyNZ webpage you will be directed to the secure online voting site provided by electionz.com where you login using your unique PIN and Password that is provided on your physical voting paper, and on your personalised email from [Electionz.com](https://electionz.com).

POSTAL VOTE: To vote via post, post the completed voting paper to The Returning Officer, PO Box 3138, Christchurch 8140 in the enclosed pre-paid, self-addressed envelope.

All voting information, including online and postal votes, are securely retained and processed by the independent Returning Officer and will not be provided to DairyNZ.

If you damage, complete incorrectly or lose your voting paper or information documents, replacement voting documents may be obtained from the Returning Officer by calling the Election Hotline on 0800 666 042.

Results of the vote will be notified as soon as practicable after the close of voting on the DairyNZ website and through major dairy industry publications.

The deadline for the close of voting

Your vote must be received by the Returning Officer no later than 5pm, Friday 13 March 2026.

A vote received after 5pm, Friday 13 March 2026 will not be used to calculate the final result.

Information from the voting paper or online vote

The information contained on your vote received by the Returning Officer by 5pm, Friday 13 March 2026 will be used by the Returning Officer to calculate the level of support from dairy farmers for a levy on milksolids as supplied to a dairy processor.

The information will be held by the Returning Officer for six months after the Levy Order is confirmed by enactment of Parliament or for six months after this referendum failing to obtain the support of voters. For further information contact the Returning Officer at the contact details above.



dairynz.co.nz/levy-vote

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