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Chinaâ??s new 5-year livestock plan puts dairy sector on efficiency, quality and smart farming track

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New five-year plan targets 43 million tonnes of milk by 2030 as China doubles down on efficiency, smart farming and quality

China’s dairy sector is set for a policy shift from production expansion to efficiency, quality and tighter integration across the milk supply chain, following the Ministry of Agriculture and Rural Affairs’ release of the 15th Five-Year Plan for National Animal Husbandry and Veterinary Industry Development on September 7, 2026. The plan sets a target of 43 million tonnes of milk production by 2030, up from 41.69 million tonnes in 2025. While the increase is relatively modest, the policy emphasis is significant: improving dairy competitiveness through cost reduction, efficiency gains and technology adoption rather than relying primarily on higher production volumes.

That shift could intensify competition among milk producers around cost per unit of output, herd productivity, feed efficiency and farm-level technology adoption.

Raw Milk Pricing Moves Towards Greater Coordination

The plan proposes a government-led, primarily provincial-level raw milk price coordination mechanism aimed at improving coordination between dairy farms and processors. The move comes alongside a push for closer integration between farming and processing. By encouraging coordinated development across the two ends of the supply chain, policymakers are seeking to improve the stability of milk sourcing while creating a more predictable operating environment for producers and processors.

The plan also calls for exploring a system that links dairy farm scale with land available for manure absorption, tying the expansion of livestock production more closely to environmental carrying capacity.

Dairy Processing Gets Scope for Deeper Integration

The policy framework encourages integrated development of farming and processing, while supporting new processing formats focused on nutrition and health. For dairy companies, this creates room to pursue a broader value-chain strategy—from securing milk supplies through farm integration to developing higher-value processed products. The emphasis on nutrition and health also points to a gradual expansion beyond conventional dairy categories into products positioned around specific consumer and nutritional needs.

The plan gives additional policy recognition to specialty dairy, including buffalo, goat and camel milk. It also calls for the development of local specialty industries covering pigs, poultry, cattle and sheep.

Farm Upgrades and Forage Security Become Central to Competitiveness

The plan's focus on improving quality and efficiency extends directly to the production base. It proposes upgrading dairy farming infrastructure in major production areas, including livestock sheds, environmental control systems, manure treatment facilities and forage processing and storage infrastructure.

At the same time, China plans to strengthen high-quality alfalfa cultivation in the Northeast, Northwest and North China, recognising that dairy competitiveness depends not only on herd management but also on the availability and quality of feed. This creates a more integrated approach to milk-source development, connecting farm productivity with forage supply, storage and feed quality.

The plan also calls for exploring the construction of smart pastures, with industry-specific models and intelligent robots among the technologies being encouraged. Automation and digitalisation are therefore emerging as important tools for improving labour efficiency, farm management and per-animal productivity.

Disease Control Moves Closer to the Farm Gate

Disease prevention and quality traceability form another major pillar of the plan. For cattle and sheep, the policy prioritises the purification of zoonotic diseases including brucellosis and bovine tuberculosis. More than 70 per cent of national core breeding farms and bull studs are required to pass evaluations as disease-purified farms or disease-free zones.

The objective is to strengthen disease control at the breeding source, reducing risks before animals and milk enter the broader production chain. The plan also calls for regular action to address veterinary drug residues, reduce the use of veterinary antimicrobials and establish a livestock and poultry product quality and safety traceability system.

From More Milk to Better Milk

The 2030 milk target of 43 million tonnes is only part of the significance of China's new livestock strategy. The broader policy architecture suggests that the next phase of dairy development will be defined less by aggressive volume expansion and more by stable production, higher productivity, stronger disease control, improved feed systems, smarter farms and closer integration between producers and processors.