



Market Announcement

4 August 2023

FONTERRA REVISES FY24 FORECAST FARMGATE MILK PRICE

Fonterra Co-operative Group Ltd today reduced its 2023/24 season forecast Farmgate Milk Price range from \$7.25 - \$8.75 per kgMS, with a midpoint of \$8.00 per kgMS, to \$6.25 - \$7.75 per kgMS, with a midpoint of \$7.00 per kgMS.

Fonterra CEO Miles Hurrell says the revised forecast Farmgate Milk Price range reflects ongoing reduced import demand for whole milk powder from Greater China.

“When we announced our opening 2023/24 season forecast Farmgate Milk Price in May, we noted it reflected an expectation that China’s import demand for whole milk powder would lift over the medium-term.

“Since then, overall Global Dairy Trade (GDT) whole milk powder prices have fallen by 12%, and China’s share of whole milk powder volumes on GDT events has tracked below average levels.

“This reflects a current surplus of fresh milk in China, resulting in elevated levels of local production of whole milk powder, and reducing near-term whole milk powder import requirements.

“The medium to long term outlook for dairy, in particular New Zealand dairy, looks positive with milk production from key exporting regions flat compared to last year,” says Mr Hurrell.

ENDS

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