



APRIL 2024

Global Dairy UPDATE



- Australia monthly production increased. New Zealand, US and EU monthly production decreased.

- New Sharesies platform to offer farmers mobile-first share trading.



- New Zealand, Australia and US monthly exports increased. EU monthly exports decreased.



- Latin America, Asia and Middle East & Africa monthly imports increased. China monthly imports decreased.



- Fonterra's New Zealand collections for March were 134.4 million kgMS, 2.4% lower than last March. Season-to-date collections are 1,283.4 million kgMS, remaining flat compared to last season.

- Building a brighter future in STEM.

- Fonterra's Australia collections for March were 8.5 million kgMS, 0.7% ahead of March last season. Season-to-date collections were 83.3 million kgMS, 1.2% ahead of last season.

Key Dates



29 May 2024
FY24 Q3 Business Update

1 June 2024
Start of the 2024/25 Season

31 July 2024
End of FY24 Financial Year



Australia monthly production increased. New Zealand, US and EU monthly production decreased

To view a chart that illustrates year-on-year changes in production –

NEW ZEALAND

3.5% ↓

Change for March 2024 compared to March 2023

0.6% ↑

Change for the 12 months to March 2024

New Zealand milk production was down 3.5% on a litres basis (down 1.2% on milk solids basis) for March compared to the same period the year prior. The production decrease was due to the impacts of El Niño, leading to dry weather conditions in South Taranaki, Manawatu, and the East Coast. New Zealand milk production for the 12 months to March was up 0.6% on the previous comparable period. Fonterra New Zealand collections are reported for March, see page 5 for details.

AUSTRALIA

8.7% ↑

Change for February 2024 compared to February 2023

2.0% ↑

Change for the 12 months to February 2024

Australia milk production increased 8.7% in February compared to the same period the year prior. The production increase was due to favourable weather conditions and lower cost of irrigation. Australia milk production for the 12 months to February was up 2.0% on the previous comparable period. Fonterra collections in Australia are reported for March, see page 5 for details.

EUROPEAN UNION

0.7% ↓

Change for January 2024 compared to January 2023

0.2% ↓

Change for the 12 months to January 2024

EU milk production¹ decreased 0.7% in January compared to the same period the year prior. Production decreased in Germany, Ireland and the Netherlands, partially offset by an increase in Poland. EU milk production for the 12 months to January was down 0.2% on the previous comparable period. Production decreased in France, Ireland and Italy, partially offset by increases in Germany and Poland.

USA

1.1% ↓

Change for March 2024 compared March 2023

0.3% ↓

Change for the 12 months to March 2024

US milk production decreased 1.1% in March compared to the same period the year prior. The production decrease was mainly driven by smaller herd sizes resulting in fewer cows producing milk, alongside recent reports of highly pathogenic avian influenza (HPAI) in Texas impacting milk yields. Milk production for the 12 months to March was down by 0.3% on the previous comparable period. This is mainly due to smaller herd numbers and continued lower milk yield.

¹ Excludes UK.



New Zealand, Australia and US monthly exports increased. EU monthly exports decreased

To view a chart that illustrates year-on-year changes in exports –

NEW ZEALAND



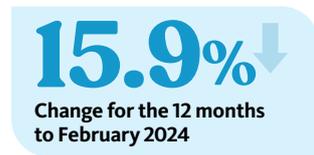
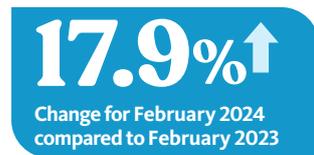
Total New Zealand dairy exports increased 7.3%, or 21,462 MT, in March compared to the same period the year prior.

The increase was mainly due to significant shipping disruptions from Cyclone Gabrielle last year.

Exports for the 12 months to March were up 9.3%, or 305,608 MT, on the previous comparable period.

The increase was mainly due to higher export volumes of WMP, SMP and AMF to China.

AUSTRALIA



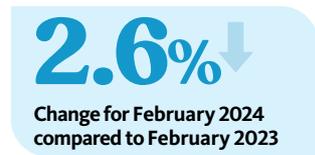
Australia dairy exports increased 17.9%, or 9,177 MT, in February compared to the same period the year prior.

The increase in exports was mainly due to higher export volumes of SMP, cheese and WMP.

Exports for the 12 months to February were down 15.9%, or 121,761 MT, on the previous comparable period.

This was mainly due to the disconnect between Australia's domestic milk price and global commodity price, making Australian exports less competitive.

EUROPEAN UNION



EU dairy exports decreased 2.6%, or 12,960 MT, in February compared to the same period the year prior.

The decrease was mainly due to lower export volumes of infant formula to China. This was partially offset by higher export volumes of lactose to New Zealand, and cheese to the US.

Exports for the 12 months to February were down 0.4%, or 27,344 MT, on the previous comparable period.

This was due to lower export volumes to China, alongside shifts in processing decisions towards other dairy products amidst changing market demands.

USA



US dairy exports increased 11.4%, or 23,862 MT, in February compared to the same period the year prior.

The increase was mainly due to the higher export volumes of cheese, the highest recorded since June 2022, with increased shipments to Mexico, Japan, and South Korea.

Exports for the 12 months to February were down 6.8%, or 197,791 MT, on the previous comparable period.

This was mainly due to lower export volumes of whey protein to China amidst stricter regulations in the hog industry, resulting in lower demand for feed-grade products.



Latin America, Asia and Middle East & Africa monthly imports increased. China monthly imports decreased

To view a chart that illustrates year-on-year changes in imports –

LATIN AMERICA



Latin America dairy import volumes¹ increased 13.1%, or 24,056 MT, in February compared to the same period the year prior.

The increase was mainly due to higher import volumes of cheese by Mexico and South America, driven by stronger buying power of the Peso and tourism growth.

Imports for the 12 months to February were up 9.3%, or 214,933 MT, on the previous comparable period.

This was mainly due to ongoing higher import volumes of WMP by Brazil.

ASIA



Asia (excluding China) dairy import volumes¹ increased 17.0%, or 63,646 MT, in February compared to the same period the year prior.

The increase was mainly due to higher import volumes of SMP by the Philippines and whey powder by Malaysia.

Imports for the 12 months to February were up 2.0%, or 99,356 MT, on the previous comparable period.

This was mainly due to higher import volumes of whey powder to Vietnam, and fluid milk to the Philippines.

MIDDLE EAST & AFRICA



Middle East and Africa dairy import volumes¹ increased 7.3%, or 32,323 MT, in February compared to the same period the year prior.

The increase was driven by higher import volumes of SMP to Saudi Arabia, and WMP to Algeria and UAE.

Imports for the 12 months to February were up 3.7%, or 202,669 MT, on the previous comparable period.

This was mainly due to higher volumes of SMP to Algeria and Saudi Arabia, and WMP to UAE. This was partially offset by lower volume of fluid milk product to Libya.

CHINA



China dairy import volumes decreased by 20.5%, or 58,432 MT, in March compared to the same period the year prior.

The decrease was driven by lower import volumes of infant formula and SMP.

Imports for the 12 months to March were down 6.8%, or 218,530 MT, on the previous comparable period.

This was mainly due to a decline in import demand of infant formula and fluid milk. This was partially offset by higher import volumes of lactose and cheese.

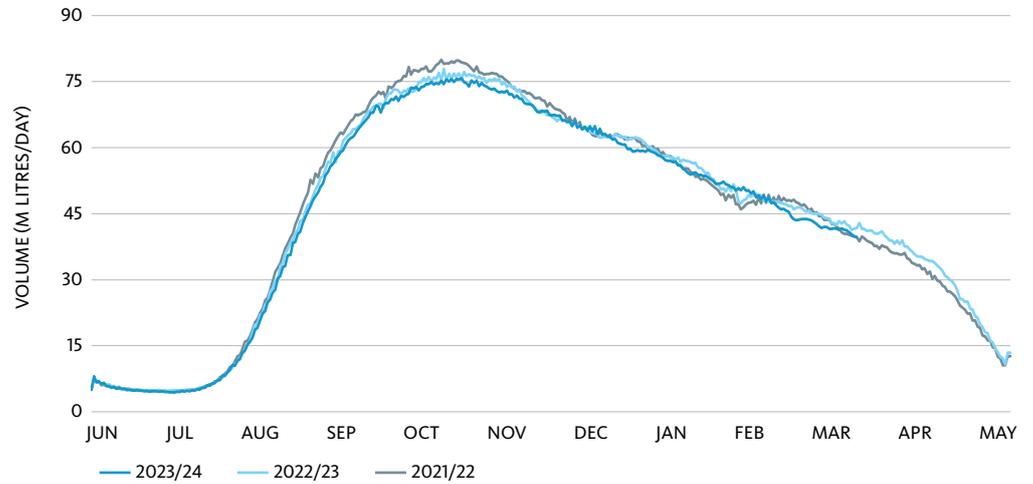
¹ Estimates are included for those countries that have not reported data.

Fonterra Milk Collections



To view a table that shows detailed milk collections in New Zealand and Australia compared to the previous season –

New Zealand Milk Collections



NEW ZEALAND

2.4% ↓

Change for March 2024 compared to March 2023

0.0%

Season-to-date 1 June to 31 March compared to prior season

Fonterra's New Zealand collections in March were 134.4 million kgMS, 2.4% lower than last March.

The decrease was due to unfavourable weather conditions impacting production in the North Island. This was partially offset by favourable weather conditions in the South Island despite recent colder weather.

Season-to-date collections are 1,283.4 million kgMS, remaining flat compared to last season.

NORTH ISLAND

9.0% ↓

Change for March 2024 compared to March 2023

3.0% ↓

Season-to-date 1 June to 31 March compared to prior season

North Island milk collections in March was 69.1 million kgMS, 9% below March last season.

The decrease was due to unfavourable conditions across regions and farmers becoming more reliant on supplementary feed in areas with low pasture covers.

Season-to-date collections are 735.5 million kgMS, 3% behind last season.

SOUTH ISLAND

5.6% ↑

Change for March 2024 compared to March 2023

4.3% ↑

Season-to-date 1 June to 31 March compared to prior season

South Island milk collections in March was 65.3 million kgMS, 5.6% ahead of last March.

The increase was due to favourable weather conditions easing the pressure on irrigation, resulting in pasture growth despite declining temperatures.

Season-to-date collections are 547.9 million kgMS, 4.3% ahead of last season.

AUSTRALIA

0.7% ↑

Change for March 2024 compared to March 2023

1.2% ↑

Season-to-date 1 July to 31 March compared to prior season

Fonterra's Australia collections in March were 8.5 million kgMS, 0.7% ahead of March last season.

Collections increased in March due to favourable weather conditions boosting soil moisture levels and pasture establishment, alongside ongoing access to low price irrigation water.

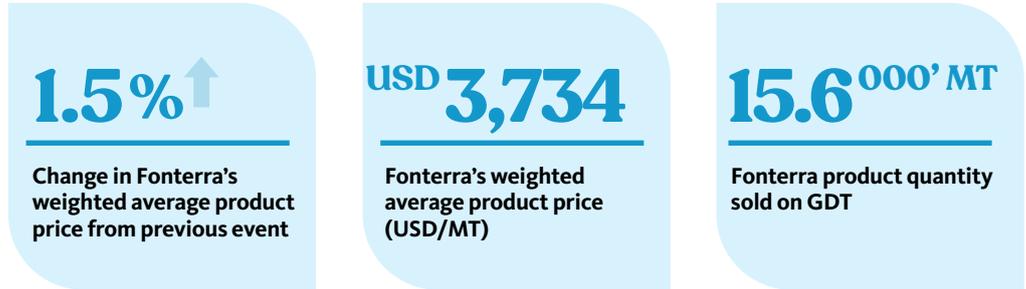
Season-to-date collections were 83.3 million kgMS, 1.2% ahead of last season.

OUR MARKETS

Fonterra Global Dairy Trade Results



Fonterra GDT results at trading event 354
16 April 2024:



AMF



WMP



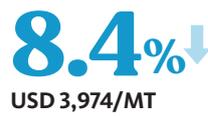
SMP



BUTTER



CHEDDAR

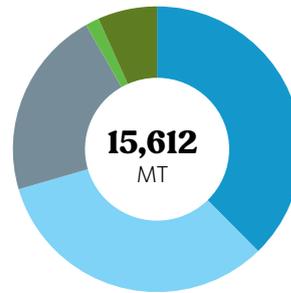


Fonterra GDT sales by destination:

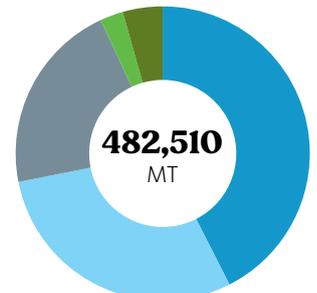


To view more information, including a snapshot of the rolling year-to-date results –

LATEST AUCTION



FINANCIAL YEAR-TO-DATE



▶ The next trading event will be held on 7 May 2024. Visit www.globaldairytrade.info for more information.

Dairy commodity prices and New Zealand dollar trend

US economic outperformance versus forecast, and to peers, led to a further paring back of expectations for interest rate cuts during 2024. This, together with safe-haven demand for US dollars stemming from heightened geopolitical risk in the Middle East, saw the NZD/USD exchange rate decline to below 59 US cents.



Our Performance



New Sharesies platform to offer farmers mobile-first share trading

We're teaming up with Sharesies to offer Fonterra's farmer owners a new way to trade the farmer-only Fonterra Co-op Group (FCG) shares among themselves.

Sharesies is a New Zealand-owned wealth app that helps people easily manage their shares, savings and Kiwisaver all in one place.

The current trading platform technology for Fonterra shares has been in place since 2012 and the existing vendor agreement is due to expire shortly. This presented an opportunity for us to review and enhance the trading experience for farmers.

In partnering with Sharesies, from mid-2024, the following new features will be on offer:

- Share trading on mobile devices, as well as via a web browser.
- Notifications to alert when the share price moves to a level that farmers are interested in.
- Ability to order shares without having funds in trading accounts. To date, farmers had to have money in their account to place an order.



- View holdings for multiple farms under one login.
- Ability to switch between Fonterra shares and personal investments held through Sharesies such as shares, savings or Kiwisaver under one login.

Fonterra's Acting CFO Simon Till says the collaboration with Sharesies will deliver a number of benefits to make trading shares easier.

"Sharesies is in the final stages of completing a tailored and exclusive space for our shareholders that's more intuitive and accessible for managing their investment in the Co-operative.

"We believe it will offer Fonterra farmers an improved trading experience and new features that will support liquidity under

our Flexible Shareholding capital structure that was introduced last year," said Simon.

To date, only the Fonterra Shareholders' Fund (FSF) units traded on the NZX have been available on the Sharesies platform. The units in the Fund represent 6.7% of the Fonterra shares on issue.

Under Fonterra's Flexible Shareholding capital structure, units in the Fund (FSF) are held by a mix of farmers, retail investors, private wealth and institutions. Fonterra shares (FCG) can only be held by current or former supplying farmers, sharemilkers, contract milkers or farm lessors. Former suppliers can also transfer Fonterra shares to their relatives or related parties.



Building a brighter future in STEM

In a significant move towards fostering diversity and inclusivity in STEM (Science, Technology, Engineering, and Mathematics) fields, Fonterra and Pūhoro, a national Charitable Trust dedicated to increasing Māori participation in STEMM (Science, Technology, Engineering, Mathematics, and Mātauranga Māori), have joined forces in a new partnership.

This collaboration aims to significantly enhance Māori representation in STEM careers within the Co-op, building upon the successful groundwork laid by the existing collaboration between Pūhoro and Palmerston North based, Fonterra Research and Development Centre (FRDC).

Since its establishment in 2016, Pūhoro has tirelessly worked with various partners to amplify Māori presence in STEM fields. This partnership with Fonterra perfectly aligns with its ongoing commitment to strengthening relationships with tangata whenua (people of the land) and honouring the unique contribution of Te Ao Māori (the Māori worldview) to Aotearoa. It underpins the Co-op's dedication to fostering diversity, equity, and inclusion while nurturing a robust talent pipeline for the future.

"Fonterra is privileged to

be partnering with Pūhoro to strengthen rangatahi Māori pathways into STEM careers and ensure we are growing more inclusive working environments" says Amy Young, Talent Manager at Fonterra.

Young emphasised Fonterra's aspiration for a workforce that mirrors the communities it serves and the invaluable enrichment that Māori perspectives bring to the Co-op. Through collaborative efforts, the aim is to significantly augment Māori representation across Fonterra's Early Careers pathways, including graduate programmes and apprenticeships.

For young Māori individuals like Paris Cutler, this partnership opens doors to personal and professional growth within the dairy industry. Cutler shared her internship experience, highlighting exposure to cutting-edge research, mentorship from industry experts, and the integration of Māori knowledge into the workforce. Such opportunities not only bolster confidence but also lay a sturdy foundation for future career endeavours, instilling a sense of direction and purpose.

"These opportunities are fundamental in setting a strong foundation for my future career and personal aspirations, as they are a

chance to learn, develop my skills and make connections that will shape my career path. This kaupapa has given me more confidence and direction and has shown me that by embracing my Māoritanga I can thrive in the STEM workforce." Cutler says.

Kemp Reweti, Manahautū Chief Executive of Pūhoro, expressed excitement about the partnership's potential to broaden STEM opportunities for Māori youth and pave the way into a fulfilling career.

"The partnership will enable Pūhoro to connect rangatahi to new pathways in STEM within one of the largest companies in Aotearoa."

"Rangatahi will have the opportunity to gain exposure into these diverse pathways from as early as Year 11, where Fonterra will deliver bespoke workshops as part of our termly wānanga series in high schools."

"It's important for us to work with organisations who value the unique world view, skills, and knowledge our rangatahi bring to STEM and we look forward to the development of this partnership in the years to come."

The partnership signifies a shared commitment to recognising and valuing the unique skills and perspectives that Māori youth bring to STEM disciplines.

Supplementary Information

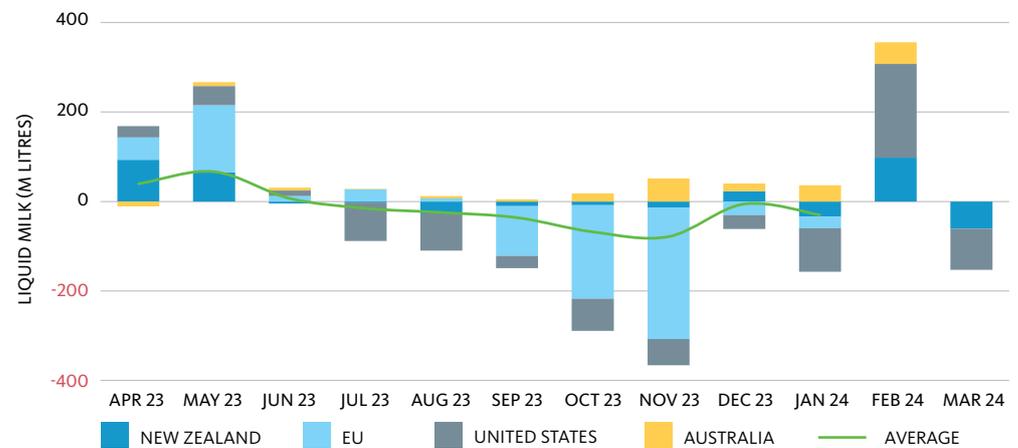
Global Dairy Market

The charts on the right illustrate the year-on-year changes in imports, exports and production for a range of countries that are important players in global dairy trade.

The absolute size of the bars represents the change in imports, exports or production, relative to the same period the previous year.

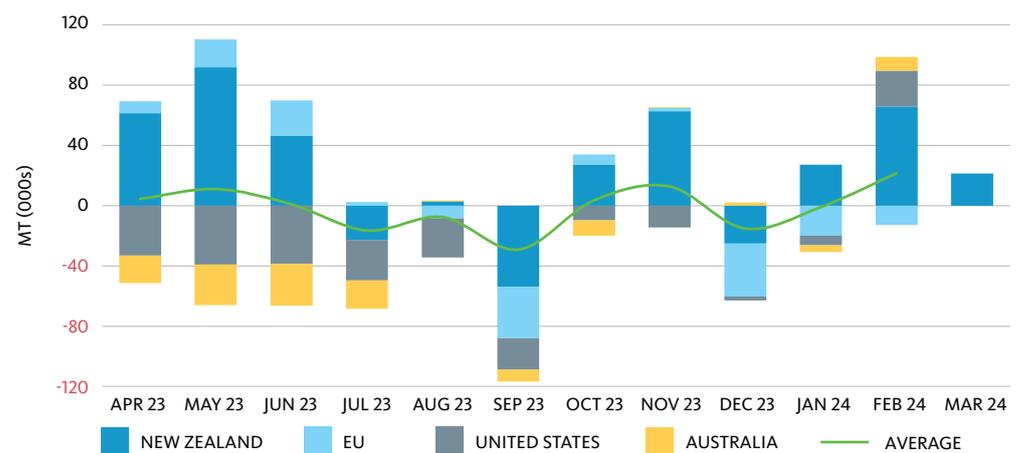
Averages are shown where data is complete for the regions presented.

PRODUCTION



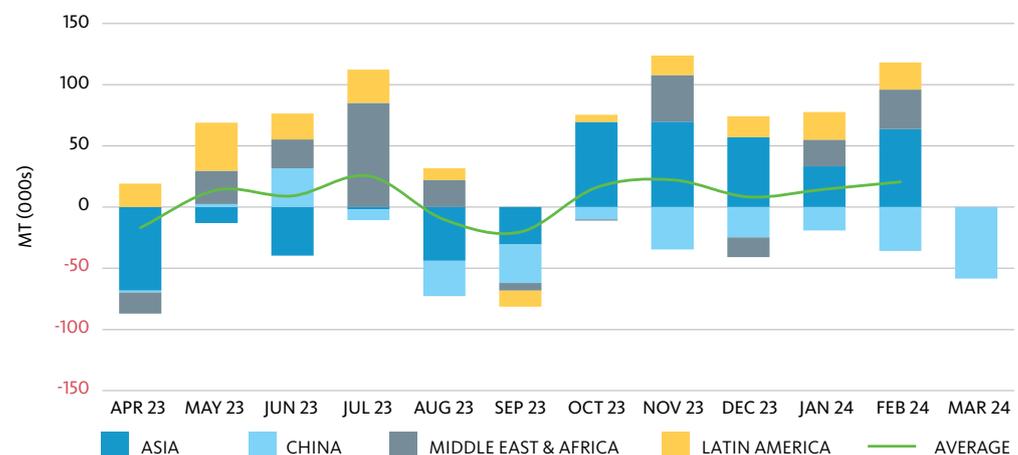
NOTE: Data for EU to January; Australia to February; New Zealand and US to March.

EXPORTS



NOTE: Data for EU, US and Australia to February; New Zealand to March.

IMPORTS



NOTE: Data for Asia, Middle East & Africa, Latin America to February; China to March.

SOURCES: Government milk production statistics (DCANZ, Dairy Australia, Eurostat, USDA)/GTA trade data/Fonterra analysis.

Supplementary Information

Fonterra milk production

The table on the right shows Fonterra milk solids collected in New Zealand and Australia compared to the previous season.

MILK COLLECTION (MILLION KGMS)	MARCH 2024	MARCH 2023	MONTHLY CHANGE	SEASON-TO-DATE 2023/24	SEASON-TO-DATE 2022/23	SEASON-TO-DATE CHANGE
Total Fonterra New Zealand	134.4	137.7	(2.4%)	1,283.4	1,283.9	0.0%
North Island	69.1	75.9	(9.0%)	735.5	758.6	(3.0%)
South Island	65.3	61.8	5.6%	547.9	525.3	4.3%
Australia	8.5	8.5	0.7%	83.3	82.4	1.1%

2023/24 season forecast Farmgate Milk Price (FGMP) update

ANNOUNCEMENT DATE	FORECAST NZD/USD RATE AT FGMP (NZD) ANNOUNCEMENT		FORECAST AVERAGE CONVERSION RATE FOR 2023/24 SEASON	PERCENTAGE OF FORECAST FOREIGN EXPOSURE FOR 2023/24 SEASON HEDGED	PERCENTAGE OF FOREIGN EXCHANGE OPTION COVER REMAINING IN HEDGED AMOUNT	
	RANGE	MID-POINT				
21 March 2024	\$7.50-\$8.10	\$7.80	0.6082	0.6125	92%	17%
12 February 2024	\$7.30-\$8.30	\$7.80	0.6150	0.6136	90%	19%

As at the most recent update to the 2023/24 season forecast Farmgate Milk Price dated 21 March 2024:

- Fonterra had hedged approximately 92% of the full year forecast USD cash flows related to the 2023/24 season forecast Farmgate Milk Price.
- Of that 92%, approximately 17% was hedged with foreign exchange options which had not yet expired or been exercised.
- If the remaining 8% of the forecast USD cash flows were to be hedged at the 21 March 2024 spot rate of 0.6082, the average NZD/USD conversion rate for the 2024 season would be 0.6125.
- Also shown for information are the equivalent measures at the date of the previous update to the 2023/24 season Forecast Farmgate Milk Price on 12 February 2024.

Supplementary Information

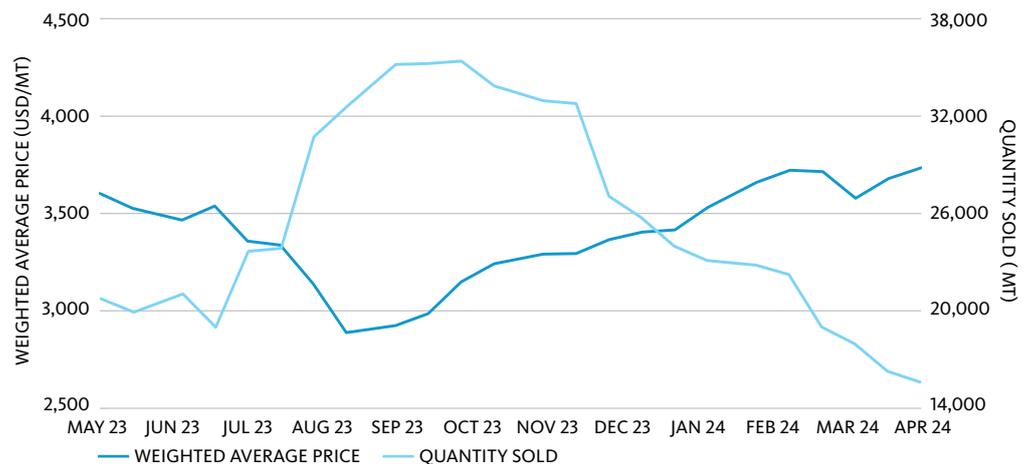
Fonterra GDT results

This table provides more information on the latest results, including a snapshot of the year-to-date results.

	LAST TRADING EVENT (16 APRIL 2024)	YEAR-TO-DATE (FROM 1 AUGUST 2023)
Quantity Sold on GDT (Winning MT)	15,612	482,510
Change in Quantity Sold on GDT over same period last year	(27.0%)	(0.8%)
Weighted Average Product Price (USD/MT)	3,734	3,312
Change in Weighted Average Product Price over same period last year	9.4%	(8.9%)
Change in Weighted Average Product Price from previous event	1.5%	-

Fonterra GDT results

This chart shows Fonterra GDT prices and volumes over the past 12 months.



Glossary

AMF

Anhydrous Milk Fat.

BMP

Butter Milk Powder.

Cultured Products

Fermented milks that are prepared by using starter cultures and controlled fermentation including yoghurt, yoghurt drinks, sour cream, crème fraîche.

DIRA

Dairy Industry Restructuring Act 2001 (New Zealand).

Farmgate Milk Price

The price for milk supplied in New Zealand to Fonterra by farmer shareholders.

Fluid Products

The Fonterra grouping of fluid milk products (skim milk, whole milk and cream – pasteurised or UHT processed), concentrated milk products (evaporated milk and sweetened condensed milk) and yoghurt.

GDT

Global Dairy Trade, the online provider of the twice monthly global auctions of dairy ingredients.

kgMS

Kilogram of milk solids, the measure of the amount of fat and protein in the milk supplied to Fonterra.

MPC

Milk Protein Concentrate.

Non-Reference Products

All dairy products, except for Reference Products, produced by the New Zealand Ingredients business.

Reference Products

The dairy products used in the calculation of the Farmgate Milk Price, which are currently WMP, SMP, BMP, butter and AMF.

Season

New Zealand: A period of 12 months to 31 May in each year.

Australia: A period of 12 months to 30 June in each year.

SMP

Skim Milk Powder.

WMP

Whole Milk Powder.

WPC

Whey Protein Concentrate.

WPI

Whey Protein Isolate.