

# GLOBAL DAIRY UPDATE



- In December the significant decrease in Fonterra New Zealand milk collections continued, down 5% on the same month last year.

[To view the latest on Fonterra milk collection –](#)



- Milk production followed the same trend as last month with continued decreases in New Zealand, Australia and Europe while United States maintained growth.

[To view the latest Fonterra GlobalDairyTrade results –](#)

[To view charts that illustrate year-on-year changes in production, exports and imports –](#)

## KEY DATES



Late March 2017  
Interim Results  
Announcement

1 June 2017  
Measurement Date for Share  
Standard 2017/18 Season

Late September 2017  
Annual Results  
Announcement

1 December 2017  
Compliance Date for Share  
Standard 2017/18 Season

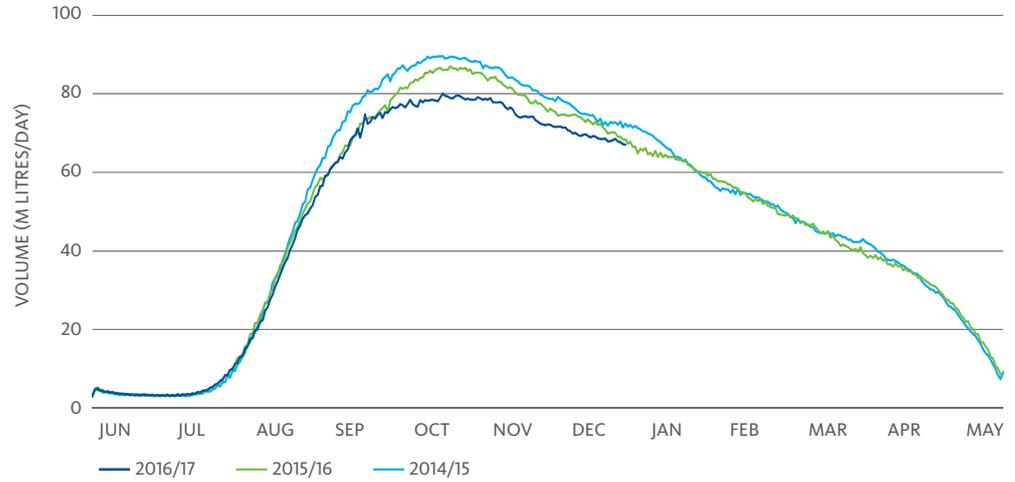
# OUR MARKETS

# FONTERRA MILK COLLECTION 2016/17 SEASON



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

## NEW ZEALAND MILK COLLECTION



### NEW ZEALAND

6% ↓

Decrease for the season from 1 June to 31 December

Fonterra's milk collection across New Zealand for the seven months to 31 December reached 881 million kgMS, 5.5% lower than the same period last season.

This resulted in December collections of 186 million kgMS, 5% behind the same month last season.

### NORTH ISLAND

7% ↓

Decrease for the season from 1 June to 31 December

**North Island milk collection** in December was 111 million kgMS, 6% behind December last season.

### SOUTH ISLAND

2% ↓

Decrease for the season from 1 June to 31 December

**South Island milk collection** in December was 75 million kgMS, 3% behind December last season.

### AUSTRALIA

8% ↓

Decrease for the season from 1 July to 31 December

Fonterra's milk collection across Australia for the six months to 31 December reached 65 million kgMS, 7.6% lower than December last season.

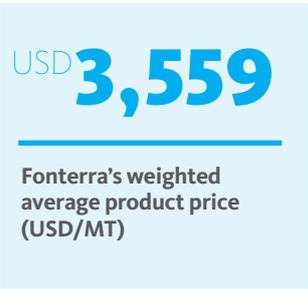
In December milk collection was 12 million kgMS, 1% ahead of the same month last season.

# OUR MARKETS

## FONTERRA GLOBAL DAIRY TRADE RESULTS



Fonterra GDT results at last trading event  
**3 January 2017:**



**BMP**

**7.7% ↑**

USD 3,096/MT

**CHEDDAR**

**1.8% ↑**

USD 3,894/MT

**SMP**

**1.6% ↑**

USD 2,705/MT

**BUTTER**

**0.4% ↑**

USD 4,308/MT

**AMF**

**0.3% ↓**

USD 5,352/MT

**RENNET CASEIN**

**3.7% ↓**

USD 6,234/MT

**WMP**

**7.7% ↓**

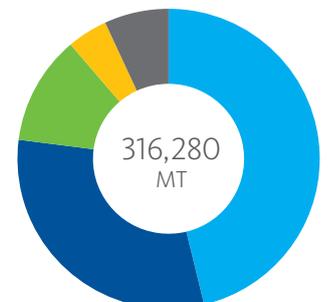
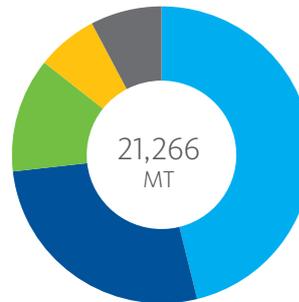
USD 3,294/MT

Fonterra GDT sales by destination:

LATEST AUCTION

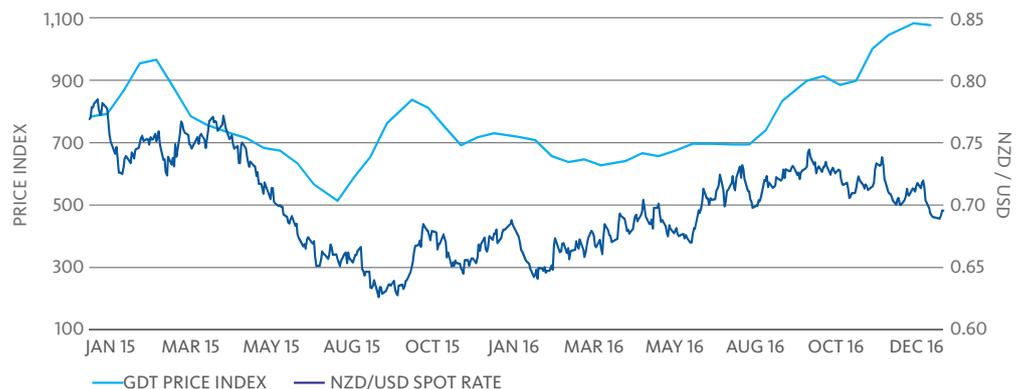
FINANCIAL YEAR-TO-DATE

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



▶ The next trading event will be held on 17 January 2017. Visit [www.globaldairytrade.info](http://www.globaldairytrade.info) for more information.

Dairy commodity prices and New Zealand dollar trend



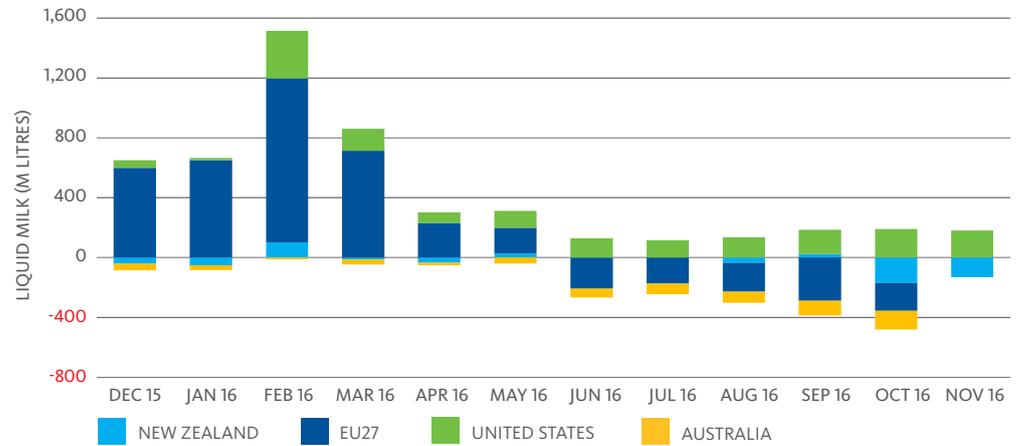
# SUPPLEMENTARY INFORMATION

## Global Dairy Market

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

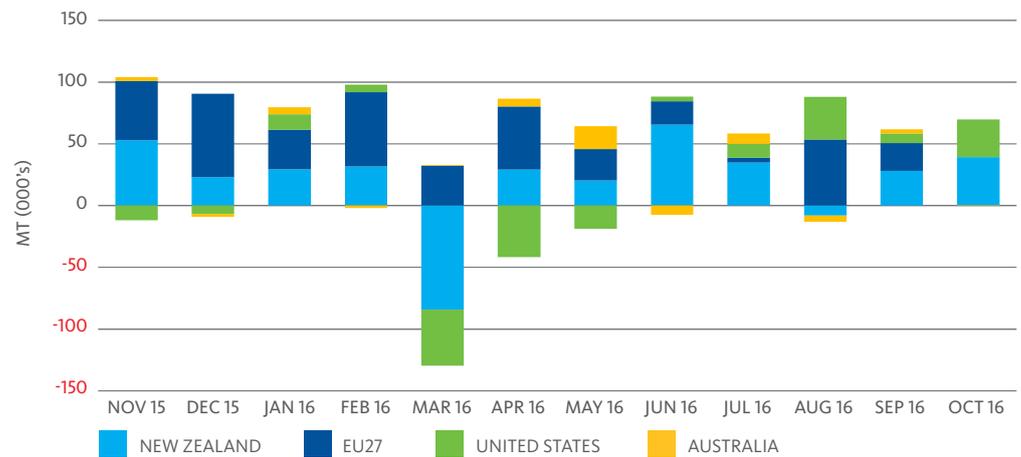
The absolute size of the bars represents the change in production, exports or imports, relative to the same period the previous year.

### PRODUCTION



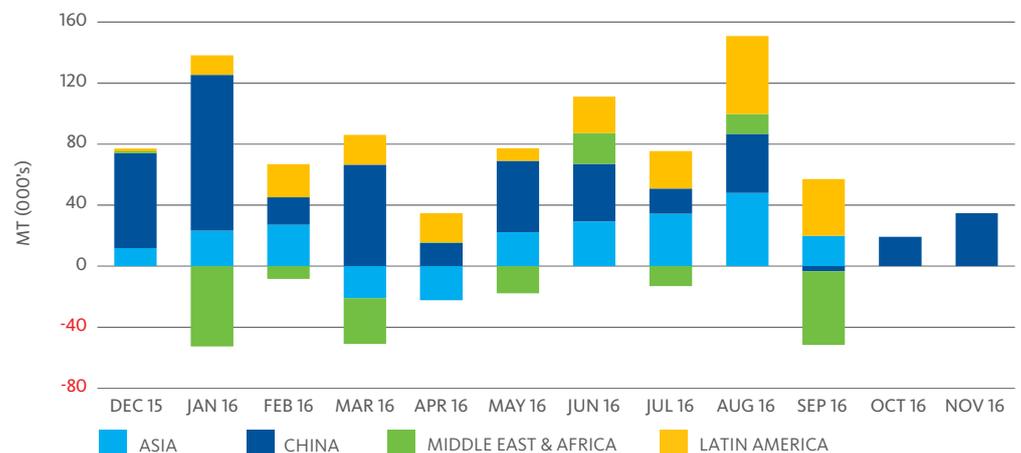
NOTE: Data for EU and Australia to October and New Zealand and US to November.

### EXPORTS



NOTE: Data for EU to September; New Zealand, US and Australia to October.

### IMPORTS



NOTE: Data for Asia, Middle East and Africa and Latin America to September, China to November.

SOURCE: Government milk production statistics/GTIS 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)	DECEMBER 2016	DECEMBER 2015	MONTHLY CHANGE	SEASON-TO-DATE 2016/17	SEASON-TO-DATE 2015/16	SEASON-TO-DATE CHANGE
Total Fonterra New Zealand	186.2	195.6	(4.8%)	881.0	932.4	(5.5%)
North Island	111.1	118.2	(6.0%)	553.1	597.6	(7.5%)
South Island	75.2	77.4	(2.9%)	327.8	334.8	(2.1%)
Fonterra Australia	12.3	12.2	0.8%	65.3	70.7	(7.6%)

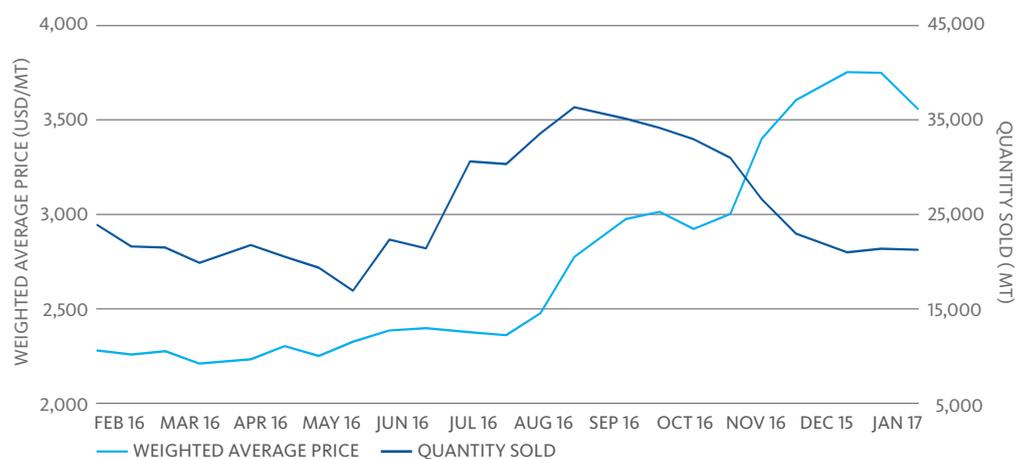
## Fonterra GDT results

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

	LAST TRADING EVENT (3 JANUARY 2017)	YEAR-TO-DATE (FROM 1 AUGUST 2016)
Quantity Sold on GDT (Winning MT)	21,266	316,280
Change in Quantity Sold on GDT over same period last year	(12.7%)	(11.0%)
Weighted Average Product Price (USD/MT)	3,559	3,125
Change in Weighted Average Product Price over same period last year	43.3%	31.7%
Change in Weighted Average Product Price from previous event	(5.1%)	-

## Fonterra GDT Results

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



# GLOSSARY

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## AMF

Anhydrous Milk Fat.

## BMP

Butter Milk Powder.

## 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 and Fresh Dairy

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.

## 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.