



Market Announcement

12 February 2024

FY24 forecast Farmgate Milk Price lifts

Fonterra Co-operative Group Limited has today increased its 2023/24 season forecast Farmgate Milk Price, with the midpoint lifting by 30 cents to \$7.80 per kgMS, up from \$7.50 per kgMS.

The forecast range for the season increases to \$7.30-\$8.30 per kgMS, up from \$7.00 - \$8.00 per kgMS.

Fonterra CEO Miles Hurrell says the lift in the Farmgate Milk Price comes off the back of five strong Global Dairy Trade events.

“Recently, we’ve seen a lift in demand, primarily from the Middle East and South East Asia, for our reference commodity products and this has been reflected in GDT prices.

“Overall GDT prices are up 10% since our last Farmgate Milk Price update in December, with whole milk powder prices up 11.5% over the same period.

“Looking ahead, the potential impact of geopolitical instability and supply chain disruption on demand from key importing regions remains uncertain.

“We can navigate these dynamics thanks to our scale and our diversification across markets, which provides us with optionality. We are also well placed to continue to get the Co-op’s product to customers through our partnership with Kotahi,” says Mr Hurrell.

Fonterra’s forecast earnings guidance for FY24 of 50-65 cents per share remains unchanged.

ENDS

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