



APRIL 2025

Global Dairy UPDATE



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

- Update on the Consumer divestment.



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



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

- Fonterra and Agribusiness in Schools partner to inspire future leaders in dairy.



- Fonterra's New Zealand milk collections for March were 134.9 million kgMS, 0.4% above March last season. Season-to-date collections are 1,316.8 million kgMS, 2.6% above last season.

- Fonterra's Australia collections for March were 8.7 million kgMS, 2.0% above March last season. Season-to-date collections are 84.5 million kgMS, 1.4% above last season.

Key Dates



29 May 2025
FY25 Q3 Business Update

1 June 2025
Start of the 2025/26 Season

31 July 2025
End of FY25 Financial Year



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

New Zealand and US monthly production increased. Australia monthly production was flat. EU monthly production decreased

NEW ZEALAND



New Zealand milk production increased 0.6% in March compared to the same period the year prior. The increase was mainly due to favourable weather conditions, with increased rainfall in the South Island leading to higher soil moisture and improved pasture growth. New Zealand milk production for the 12 months to March was up 1.6% on the previous comparable period. Fonterra New Zealand collections are reported for March, see page 5 for details.

AUSTRALIA



Australia milk production was flat in March compared to the same period the year prior. Favourable weather conditions and water availability supported milk production in Northern Victoria. This was offset by drier conditions across Tasmania and Western Victoria. Australia milk production for the 12 months to March was up 0.6% on the previous comparable period. Fonterra collections in Australia are reported for March, see page 5 for details.

EUROPEAN UNION



EU milk production¹ decreased 6.0% in February compared to the same period the year prior. Adjusting for the leap year, February 2025 production was down 2.6% on last year. The decrease was mainly due to lower production in Germany, France and Italy as Europe continues to be impacted by bluetongue disease, forcing farmers to reduce herd sizes. EU milk production for the 12 months to February was down 0.2% on the previous comparable period.

USA



US milk production increased 0.8% in March compared to the same period the year prior. The increase was mainly due to increased herd sizes and yields, with strong production growth in Idaho and Texas. The increase was partially offset by California's challenges with avian flu, with the state's production falling 2.1% compared to the same period last season. US milk production for the 12 months to March was down 0.4% on the previous comparable period.

¹ Excludes UK.



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

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

NEW ZEALAND

6.2%↑

Change for March 2025 compared to March 2024

1.3%↓

Change for the 12 months to March 2025

New Zealand dairy exports increased 6.2%, or 11,528 MT, in March compared to the same period the year prior.

The increase was mainly due to higher export volumes of cheese and fluid milk products.

Exports to Indonesia and China increased 78% and 22%, respectively.

Exports for the 12 months to March were down 1.3%, or 41,307 MT, on the previous comparable period.

The decrease was mainly due to lower exports of WMP, AMF, and SMP, partially offset by higher export volumes of cheese.

AUSTRALIA

3.3%↓

Change for February 2025 compared to February 2024

9.9%↑

Change for the 12 months to February 2025

Australia dairy exports decreased 3.3%, or 1,916 MT, in February compared to the same period the year prior (up 0.2% adjusting for the leap year).

The decrease was mainly due to lower February production, which resulted in lower volumes available for exports.

Exports for the 12 months to February were up 9.9%, or 64,386 MT, on the previous comparable period.

The increase was mainly due to higher exports of SMP and cheese, partially offset by lower export volumes of fluid milk products.

EUROPEAN UNION

5.1%↓

Change for February 2025 compared to February 2024

2.8%↑

Change for the 12 months to February 2025

EU dairy exports¹ decreased 5.1%, or 26,827 MT, in February compared to the same period the year prior (down 1.7% adjusting for the leap year).

The decrease was mainly due to lower exports of lactose from Germany and fluid milk products from Germany and France, caused by the impacts of bluetongue disease and foot and mouth disease.

Exports for the 12 months to February were up 2.8%, or 188,005 MT, on the previous comparable period.

The increase was mainly due to higher export volumes of fluid milk products from Ireland.

USA

6.6%↓

Change for February 2025 compared to February 2024

0.6%↑

Change for the 12 months to February 2025

US dairy exports decreased 6.6%, or 15,473 MT, in February compared to the same period the year prior (down 3.2% adjusting for the leap year).

The decrease was mainly due to reduced export volumes of SMP and whey powder to Southeast Asia.

Exports for the 12 months to February were up 0.6%, or 15,605 MT, on the previous comparable period.

The increase was mainly due to year-on-year volume growth for cheese exports for 12 consecutive months, partially offset by the impact of US dairy prices diverging from global market prices in recent months.

¹ Excludes UK.



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

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

LATIN AMERICA

0.9%↓

Change for February 2025 compared to February 2024

2.8%↑

Change for the 12 months to February 2025

Latin America dairy import volumes¹

decreased 0.9%, or 1,891 MT, in February compared to the same period the year prior.

Adjusting for the leap year, February imports were up 2.6% on last year.

The increase was mainly due to higher import volumes of SMP by the Dominican Republic, partially offset by lower import volumes of fluid milk products and AMF.

Imports for the 12 months to February were up 2.8%, or 71,734 MT, on the previous comparable period.

The increase was mainly due to higher import volumes of cheese by Brazil and Mexico.

ASIA

23.9%↑

Change for February 2025 compared to February 2024

6.0%↑

Change for the 12 months to February 2025

Asia (excluding China) dairy import volumes¹

increased 23.9%, or 91,707 MT, in February compared to the same period the year prior.

Adjusting for the leap year, February imports were up 28.3% on last year.

The increase was mainly due to higher import volumes by Southeast Asia, as shipments were front-loaded ahead of the March tariff rollout.

Imports for the 12 months to February were up 6.0%, or 303,847 MT, on the previous comparable period.

This was mainly due to higher import volumes of fluid milk products and whey.

MIDDLE EAST & AFRICA

15.8%↓

Change for February 2025 compared to February 2024

2.2%↓

Change for the 12 months to February 2025

Middle East and Africa dairy import volumes¹

decreased 15.8%, or 76,917 MT, in February compared to the same period the year prior.

Adjusting for the leap year, February imports were down 12.8% on last year.

The decrease was mainly due to lower import volumes of fluid milk products by the United Arab Emirates.

Imports for the 12 months to February were down 2.2%, or 128,850 MT, on the previous comparable period.

The decrease was mainly due to lower import volumes of fluid milk products and WMP by Oman and Libya.

CHINA

15.5%↑

Change for March 2025 compared to March 2024

2.9%↓

Change for the 12 months to March 2025

China dairy import volumes

increased by 15.5%, or 36,282 MT, in March compared to the same period the year prior.

The increase was mainly due to higher import volumes of whey powder from Germany and fat-based products from New Zealand, following reduced local production and a sharp increase in butter demand.

Imports for the 12 months to March were down 2.9%, or 86,735 MT, on the previous comparable period.

The decrease was mainly due to lower import volumes of SMP, WMP and fluid milk products.

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

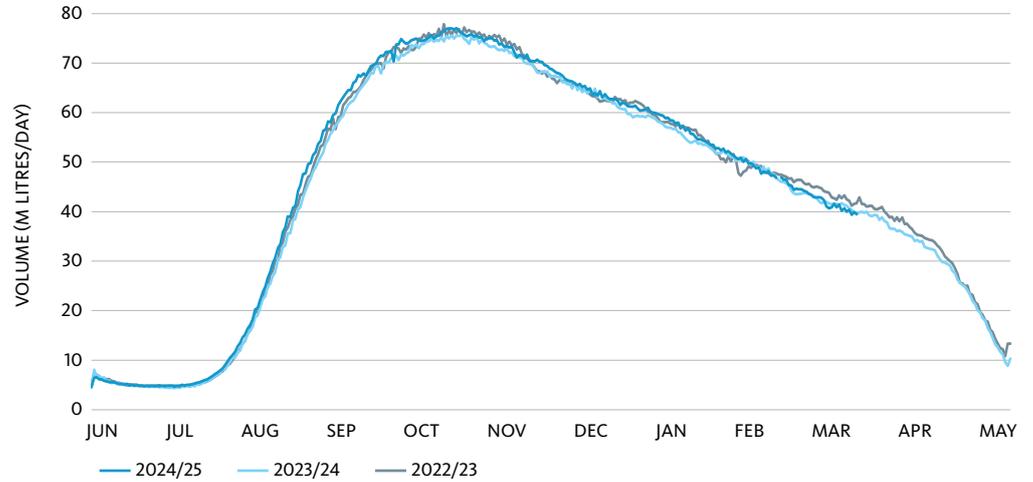
OUR MARKETS

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

0.4%↑

Change for March 2025 compared to March 2024

2.6%↑

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

Fonterra's New Zealand collections for March were 134.9 million kgMS, 0.4% above March last season.

The increase was mainly due to improved pasture conditions in the South Island from favourable weather, partially offset by lower collections in the North Island from drier weather.

Season-to-date collections are 1,316.8million kgMS, 2.6% above last season.

NORTH ISLAND

1.2%↓

Change for March 2025 compared to March 2024

3.5%↑

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

North Island milk collections in March were 68.2 million kgMS, 1.2% lower than March last season.

The decrease was mainly due to unfavourable pasture conditions from dry weather across Northland, Waikato, Manawatu-Whanganui and Taranaki.

Season-to-date collections are 761.5 million kgMS, 3.5% above last season.

SOUTH ISLAND

2.0%↑

Change for March 2025 compared to March 2024

1.3%↑

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

South Island milk collections in March were 66.6 million kgMS, 2.0% higher than March last season.

The increase was mainly due to warm weather with increased rainfall throughout the month, which led to higher soil moisture and improved pasture conditions.

Season-to-date collections are 555.3 million kgMS, 1.3% above last season.

AUSTRALIA

2.0%↑

Change for March 2025 compared to March 2024

1.4%↑

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

Fonterra's Australia collections in March were 8.7 million kgMS, 2.0% higher than March last season.

The increase was mainly due to favourable weather conditions in Northern Victoria, partially offset by drier conditions in Western Victoria and Tasmania. Fodder reserves are helping buffer impacts in Tasmania.

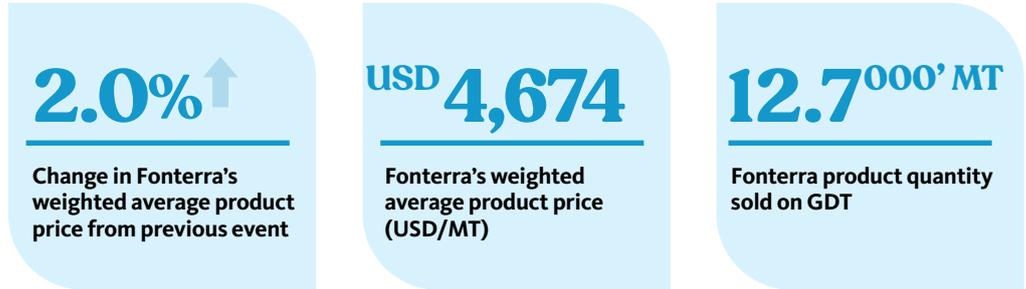
Season-to-date collections are 84.5 million kgMS, 1.4% above last season.

OUR MARKETS

Fonterra Global Dairy Trade Results



Fonterra GDT results at trading event 378
15 April 2025:



WMP



AMF



BUTTER



CHEDDAR



SMP

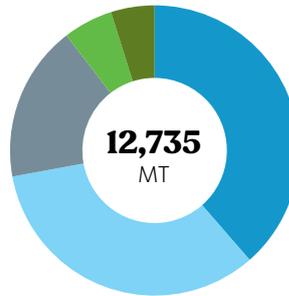


Fonterra GDT sales by destination:

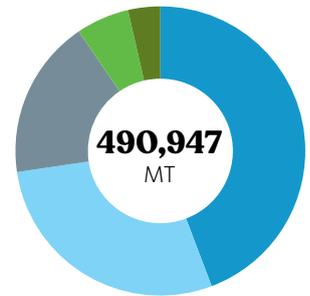


To view more information, including a snapshot of the rolling year-to-date results –

LATEST AUCTION



FINANCIAL YEAR-TO-DATE



▶ The next trading event will be held on 6 May 2025. Visit www.globaldairytrade.info for more information.

Dairy commodity prices and New Zealand dollar trend

Financial market volatility, including in foreign exchange, spiked sharply in early April as governments, investors, and consumers began assessing the potential global economic impact of the US trade tariff announcements on 2 April. While the broader consensus is still forming, the prevailing expectation is for global growth to be softer than previously anticipated. This outlook has contributed to declines in equity market valuations, rising US Treasury yields, and a weakening US dollar as confidence in US economic outperformance fades. In response, the NZD/USD exchange rate rebounded swiftly from levels near 55 US cents to around 60 US cents.





Update on the Consumer divestment

During April, Fonterra provided an update in relation to the divestment process for its global Consumer business and integrated businesses Fonterra Oceania and Sri Lanka.

Fonterra is actively undertaking a dual-track process, pursuing both a trade sale and initial public offering (IPO) as potential divestment options.

As part of preparing for a potential IPO, the Co-op has named Anne Templeman-Jones as Chair-elect of the Audit and Risk Committee for the Mainland Group Board.

Fonterra Chair Peter McBride says Anne's extensive experience in both executive and Board roles across a range of sectors will be valuable to the Mainland Group Board.

"Anne's career spans the banking and financial services, consumer goods and energy sectors. She has spent 25 years as a banking executive in global roles, and her governance roles include nine years with the CBA Group, including six as Chair of the Group Audit Committee, two years as Chair of Blackmores Group, and seven years on the Board of Worley Limited, including five years as Chair of the

Audit and Risk Committee," says Mr McBride.

This appointment follows the Co-op's announcement in March that Elizabeth (Liz) Coutts ONZM has been appointed as Chair-elect for the Mainland Group Board.

Fonterra also continues to progress the trade sale process, including engaging with potential purchasers of the Consumer and associated business.

The Co-op advises that it is now at the stage where some potential purchasers may pre-emptively seek regulatory approvals, which is a standard step ahead of any deal being agreed.



Fonterra and Agribusiness in Schools partner to inspire future leaders in dairy

In New Zealand, the future of our primary industries depends on the bright, innovative minds of tomorrow.

At Fonterra, we are committed to inspiring the next generation by showcasing the vast career opportunities available in dairy from agribusiness and food production to supply chain management and innovation, the opportunities in dairy are as diverse as they are exciting.

That's why we're proud to announce our partnership with Agribusiness in Schools, a programme developed in collaboration with the Ministry of Education, NZQA, and industry leaders to prepare the best students for careers in the primary sector.

The programme offers NCEA Levels 2 and 3 courses integrating agri-science and agri-business. Designed for students with a passion for science and commerce, it develops essential skills for the primary sector. It's a crucial step in nurturing the future leaders who will drive the innovation and sustainability of our industries.

Through our partnership, Fonterra will collaborate with Agribusiness in Schools to offer industry expertise, mentorship, and practical insights into the dairy sector. Additionally, we are offering a teacher scholarship to support the development of Agribusiness educators.

Together, we'll enrich educational resources to highlight dairy's importance in the curriculum, strengthen agricultural education, and develop a future talent pipeline for the primary sector.

Fonterra's Managing Director of People & Culture, Kate Daly, speaks to the importance of supporting the next generation of leaders in the primary industries.

"At Fonterra, we're committed to investing in equipping young New Zealanders with the skills they need to thrive in the primary sector. Partnering with Agribusiness in Schools allows us to reach more students, including those in schools without traditional agriculture programs, ensuring they have the knowledge and opportunities to succeed.

The primary sector is vital to New Zealand's economy, and by engaging early, we're helping develop the next generation of innovators and leaders. This collaboration ensures more young people gain the skills needed for a sustainable future in dairy and beyond."

Kerry Allen from Agribusiness in Schools also shares the excitement of this partnership and its potential to benefit students, educators, and the dairy sector.

"We're excited to have Fonterra as a partner and sponsor of Agribusiness in Schools. Their support will raise awareness of dairy sector opportunities and highlight the programme's benefits to farmers and the broader primary sector.

Fonterra's expertise will help shape curriculum content, ensuring students gain the skills needed to thrive. Together, we're building a strong talent pipeline, connecting classroom learning with real-world applications, and inspiring students to pursue dynamic careers in dairy.

Supplementary Information

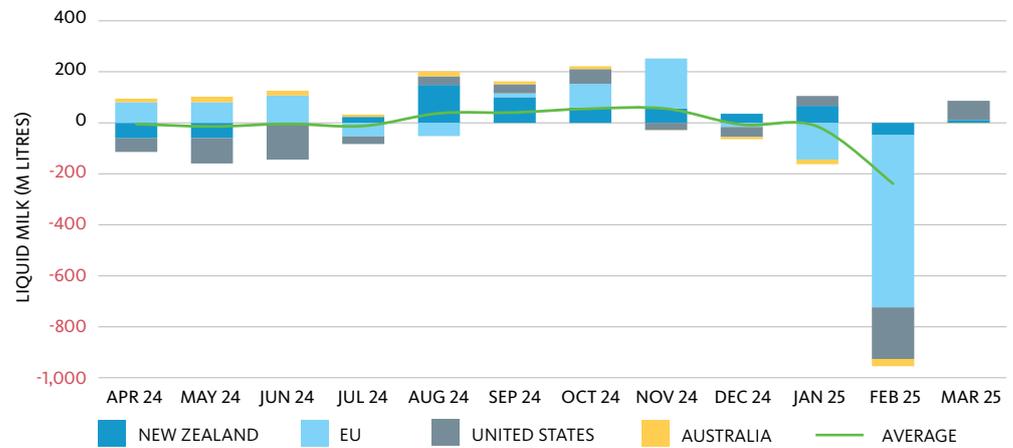
Global Dairy Market

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.

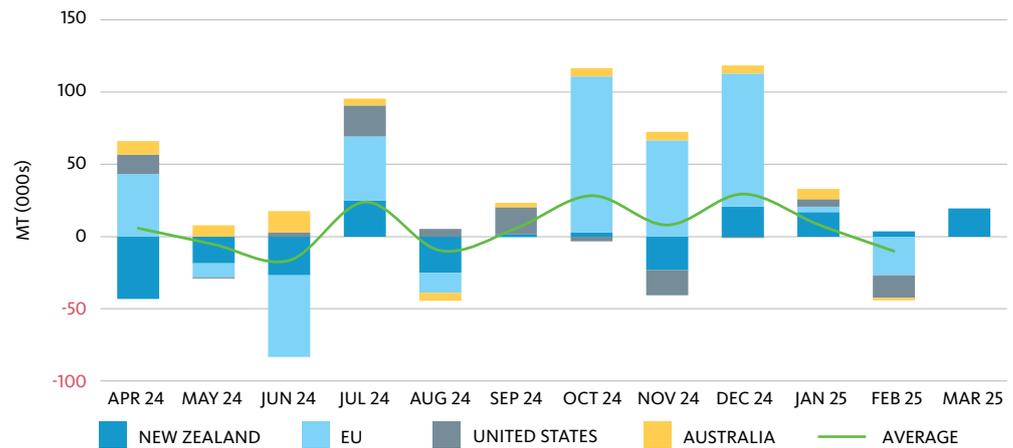
Averages are shown where data is complete for the regions presented.

PRODUCTION



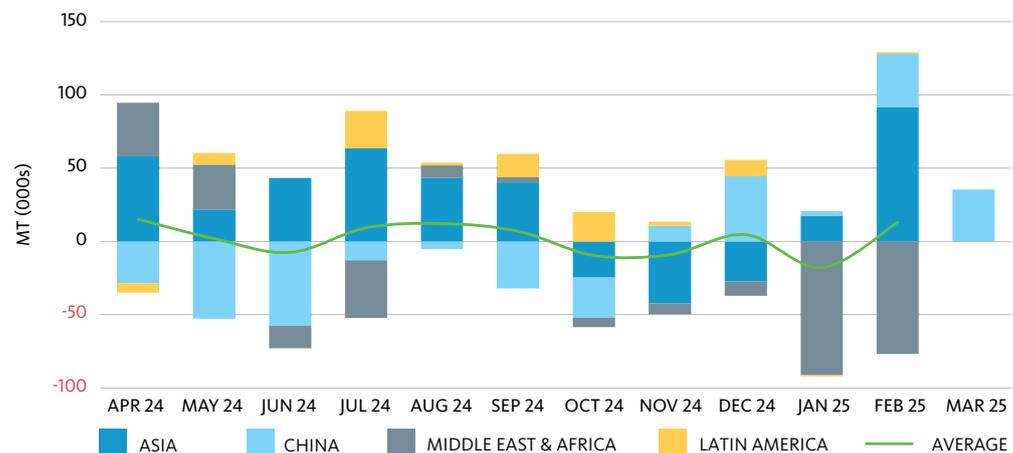
NOTE: Data for EU to February; New Zealand, US and Australia to March.

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 2025 | MARCH 2024 | MONTHLY CHANGE | SEASON-TO-DATE 2024/25 | SEASON-TO-DATE 2023/24 | SEASON-TO-DATE CHANGE |
|--------------------------------|------------|------------|----------------|------------------------|------------------------|-----------------------|
| Total Fonterra New Zealand | 134.9 | 134.4 | 0.4% | 1,316.8 | 1,283.4 | 2.6% |
| North Island | 68.2 | 69.1 | (1.2%) | 761.5 | 735.5 | 3.5% |
| South Island | 66.6 | 65.3 | 2.0% | 555.3 | 547.9 | 1.3% |
| Australia | 8.7 | 8.5 | 2.0% | 84.5 | 83.3 | 1.4% |

2024/25 season forecast Farmgate Milk Price (FGMP) update

| ANNOUNCEMENT DATE | FORECAST FGMP (NZD) | | FORECAST NZD/USD RATE AT ANNOUNCEMENT DATE | FORECAST AVERAGE CONVERSION RATE FOR 2024/25 SEASON | PERCENTAGE OF FOREIGN EXCHANGE EXPOSURE FOR 2024/25 SEASON HEDGED | PERCENTAGE OF FOREIGN EXCHANGE OPTION COVER REMAINING IN HEDGED AMOUNT |
|-------------------|---------------------|-----------|--|---|---|--|
| | RANGE | MID-POINT | | | | |
| 20 Mar 2025 | \$9.70- \$10.30 | \$10.00 | 0.5809 | 0.5981 | 93% | 11% |
| 05 Dec 2024 | \$9.50- \$10.50 | \$10.00 | 0.5860 | 0.6018 | 86% | 16% |

As at the most recent update to the 2024/25 season forecast Farmgate Milk Price on 20 March 2025:

- Fonterra had hedged approximately 93% of the full year forecast USD cash flows related to the 2024/25 season Farmgate Milk Price.
- Of that 93%, approximately 11% was hedged with foreign exchange options which had not yet expired or been exercised.
- If the remaining 7% of the forecast USD cash flows were to be hedged at the 20 March 2025 spot rate of 0.5809, the average NZD/USD conversion rate for the 2025 season would be 0.5981.
- Also shown for information are the equivalent measures at the date of the previous forecast of the 2024/25 season Farmgate Milk Price on 5 December 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 (15 APRIL 2025) | YEAR-TO-DATE (FROM 1 AUGUST 2024) |
|---|---------------------------------------|--------------------------------------|
| Quantity Sold on GDT (Winning MT) | 12,735 | 490,947 |
| Change in Quantity Sold on GDT over same period last year | (18.4%) | 1.7% |
| Weighted Average Product Price (USD/MT) | 4,674 | 4,122 |
| Change in Weighted Average Product Price over same period last year | 25.2% | 24.5% |
| Change in Weighted Average Product Price from previous event | 2.0% | - |

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.