

MAY 2025

Global Dairy UPDATE



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

- Fonterra announces opening 2025/26 Farmgate Milk Price, continued strong FY25 earnings.

[For further details, visit our website –](#)



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



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

- Fonterra milk tanker steals the show at Bakery China.



- Fonterra's New Zealand milk collections for April were 115.2 million kgMS, 0.6% below April last season. Season-to-date collections are 1,432 million kgMS, 2.3% above last season.
- Fonterra's Australia collections for April were 8.5 million kgMS, 2.2% above April last season. Season-to-date collections are 93.0 million kgMS, 1.4% above last season.

Key Dates



1 June 2025
Start of the 2025/26 Season

31 July 2025
End of FY25 Financial Year

September 2025
FY25 Annual Results Announcement



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

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

NEW ZEALAND

0.5%↓

Change for April 2025 compared to April 2024

1.9%↑

Change for the 12 months to April 2025

New Zealand milk production decreased 0.5% in April compared to the same period the year prior.

The South Island has experienced higher pasture growth due to favourable weather conditions. This has been offset by the North Island, where weather conditions have adversely affected pasture growth.

New Zealand milk production for the 12 months to April was up 1.9% on the previous comparable period..

Fonterra New Zealand collections are reported for April, see page 5 for details.

AUSTRALIA

0.4%↑

Change for April 2025 compared to April 2024

0.4%↑

Change for the 12 months to April 2025

Australia milk production increased 0.4% in April compared to the same period the year prior.

The increase was mainly due to higher production in Tasmania and Northern and Eastern Victoria, supported by irrigation and strong fodder reserves. This was partially offset by reduced production in Western Victoria due to dry conditions and limited pasture growth.

Australia milk production for the 12 months to April was up 0.4% on the previous comparable period.

Fonterra collections in Australia are reported for April, see page 5 for details.

EUROPEAN UNION

0.8%↓

Change for March 2025 compared to March 2024

0.2%↓

Change for the 12 months to March 2025

EU milk production¹ decreased 0.8% in March compared to the same period the year prior.

The decrease was mainly due to lower production in Northern Europe due to drought conditions, with the Dutch spring being the driest on record. Ongoing challenges with bluetongue disease have also constrained production, however, vaccinations and mitigation efforts are in place.

The decrease was partially offset by a 9.1% increase in Ireland's year-on-year milk production due to favourable weather and a smooth calving season.

EU milk production for the 12 months to March was down 0.2% on the previous comparable period.

USA

1.5%↑

Change for April 2025 compared to April 2024

0.2%↓

Change for the 12 months to April 2025

US milk production increased 1.5% in April compared to the same period the year prior.

The increase was mainly due to increased herd sizes and yields, with continued strong production in the Great Plains region and Idaho.

The increase was partially offset by California's ongoing challenges with avian flu, with the state's production down 1.4% compared to the same period last season.

US milk production for the 12 months to April decreased 0.2% on the previous comparable period.

¹ Excludes UK.



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

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

NEW ZEALAND

11.2%↑

Change for April 2025 compared to April 2024

0.5%↑

Change for the 12 months to April 2025

New Zealand dairy exports increased 11.2%, or 31,802 MT, in April compared to the same period the year prior.

The increase was mainly due to higher volumes of cheese, with China and Japan accounting for 47% of total cheese volume. In addition, there was a notable demand increase from Germany and the Netherlands, supported by the NZ-EU free trade agreement.

Exports for the 12 months to April were up 0.5%, or 16,934 MT, on the previous comparable period.

The increase was mainly due to higher exports of cheese, MPC and MPI, and butter, partially offset by lower volumes of WMP.

AUSTRALIA

11.4%↓

Change for March 2025 compared to March 2024

7.2%↑

Change for the 12 months to March 2025

Australia dairy exports decreased 11.4%, or 61,967 MT, in March compared to the same period the year prior.

The decrease was mainly due to lower export volumes of SMP and whey powder.

The lower export volumes reflect four consecutive months of reduced milk production.

Exports for the 12 months to March were up 7.2%, or 472,185MT, on the previous comparable period.

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

EUROPEAN UNION

1.9%↑

Change for March 2025 compared to March 2024

3.9%↑

Change for the 12 months to March 2025

EU dairy exports¹ increased 1.9%, or 10,901 MT, in March compared to the same period the year prior.

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

March cheese shipments to the US increased by 18% year-on-year, as buyers front-loaded shipments ahead of the April tariff rollout.

Exports for the 12 months to March were up 3.9%, or 257,599 MT, on the previous comparable period.

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

USA

3.5%↑

Change for March 2025 compared to March 2024

1.4%↑

Change for the 12 months to March 2025

US dairy exports increased 3.5%, or 8,634 MT, in March compared to the same period the year prior.

The increase was mainly due to higher export volumes of butter, whey and fluid milk products. March butter exports were the strongest since April 2014, as China and Canada appeared to front-load whey powder shipments.

Exports for the 12 months to March were up 1.4%, or 37,569MT, on the previous comparable period.

The increase was mainly due to year-on-year cheese export growth for 14 consecutive months until March. Exports have been partially impacted by the recent divergence in US and global prices.

¹ Excludes UK.



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

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

LATIN AMERICA

11.5%↑

Change for March 2025 compared to March 2024

4.4%↑

Change for the 12 months to March 2025

Latin America dairy import volumes¹ increased 11.5%, or 23,230 MT, in March compared to the same period the year prior.

The increase was mainly due to higher import volumes of SMP by Mexico, partially offset by lower import volumes of whey powder and AMF.

Imports for the 12 months to March were up 4.4%, or 113,452 MT, on the previous comparable period.

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

ASIA

9.5%↑

Change for March 2025 compared to March 2024

6.9%↑

Change for the 12 months to March 2025

Asia (excluding China) dairy import volumes¹ increased 9.5%, or 41,526 MT, in March compared to the same period the year prior.

The increase was mainly due to higher import volumes of WMP and SMP by Southeast Asia countries.

Indonesia led imports by volume in Asia, despite the Rupiah weakening to the lowest level in over 25 years.

Imports for the 12 months to March were up 6.9%, or 342,976 MT, on the previous comparable period.

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

MIDDLE EAST & AFRICA

9.2%↓

Change for March 2025 compared to March 2024

1.2%↓

Change for the 12 months to March 2025

Middle East and Africa dairy import volumes¹ decreased 9.2%, or 48,151 MT, in March compared to the same period the year prior.

The decrease was mainly due to lower import volumes of WMP and fluid milk products by Algeria and the United Arab Emirates, respectively.

Imports for the 12 months to March were down 1.2%, or 72,470 MT, on the previous comparable period.

The decrease was mainly due to lower import volumes of WMP by Algeria and the United Arab Emirates, and fluid milk products by Oman.

CHINA

3.8%↑

Change for April 2025 compared to April 2024

1.6%↓

Change for the 12 months to April 2025

China dairy import volumes increased by 3.8%, or 9,294 MT, in April compared to the same period the year prior.

The increase was mainly due to higher import volumes of whey powder and SMP, partially offset by lower import volumes of fluid milk products.

Imports for the 12 months to March were down 1.6%, or 48,834 MT, on the previous comparable period.

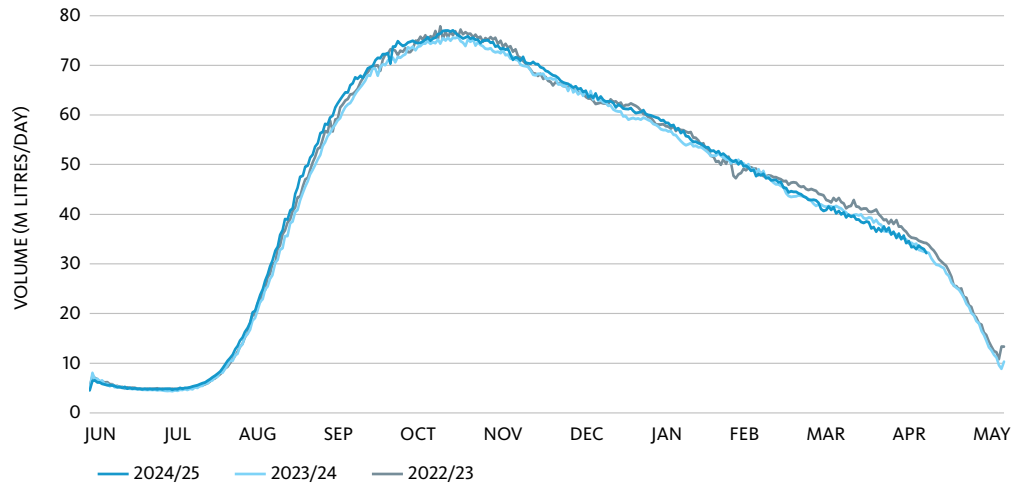
The decrease was mainly due to lower import volumes of SMP and fluid milk products.

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



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

0.6%↓

Change for April 2025 compared to April 2024

2.3%↑

Season-to-date 1 June to 30 April compared to prior season

Fonterra's New Zealand collections for April were 115.2 million kgMS, 0.6% lower than April last season.

The decrease was mainly due to poor pasture conditions across much of the North Island, partially offset by favourable pasture conditions in the South Island.

Season-to-date collections are 1,432 million kgMS.

Nearing the end of the season, Fonterra collections are on track to be just under the forecast of 1,510 million kgMS.

NORTH ISLAND

5.5%↓

Change for April 2025 compared to April 2024

2.9%↑

Season-to-date 1 June to 30 April compared to prior season

North Island milk collections in April 57.7 million kgMS, 5.5% lower than April last season.

The decrease was mainly due to poor pasture growth, which remained near historic lows. Soil moisture was below average in central North Island from low rainfall, while Northland and eastern regions had excess moisture due to heavy rain.

Season-to-date collections are 819.2 million kgMS, 2.9% above last season.

SOUTH ISLAND

4.8%↑

Change for April 2025 compared to April 2024

1.7%↑

Season-to-date 1 June to 30 April compared to prior season

South Island milk collections in April were 57.5 million kgMS, 4.8% higher than April last season.

The increase was mainly due to higher pasture growth, tracking at the upper end of the historical range for April. The increase was caused by above average soil moisture across the upper South Island and much of the East Coast.

Season-to-date collections are 612.8 million kgMS, 1.7% above last season.

AUSTRALIA

2.2%↑

Change for April 2025 compared to April 2024

1.4%↑

Season-to-date 1 July to 30 April compared to prior season April

Fonterra's Australia collections in April were 8.5 million kgMS, 2.2% higher than April last season.

Northern and Eastern Victoria collections increased year-on-year due to irrigation-supported pasture growth. Western Victoria collections decreased due to dry conditions. Tasmania remained dry, but production increased year-on-year, supported by strong fodder reserves.

Season-to-date collections are 93.0 million kgMS.

Outlook for Fonterra in New Zealand

For the period 1 June 2024 to 30 April 2025, off-GDT sales have contributed approximately eight cents per kgMS to the Farmgate Milk Price for the 2024/25 season.

1,510_M
kgMS

Forecast milk collections for the 2024/25 season

1,490_M
kgMS

Forecast milk collections for the 2025/26 season

NZD 8.00–11.00
per kgMS

Forecast Farmgate Milk Price range for the 2025/26 season

OUR MARKETS

Fonterra Global Dairy Trade Results



Fonterra GDT results at trading event 380
20 May 2025:

0.4%↑

Change in Fonterra's weighted average product price from previous event

USD 4,855

Fonterra's weighted average product price (USD/MT)

12.2⁰⁰⁰ MT

Fonterra product quantity sold on GDT

AMF

0.8%↑

USD 7,273/MT

WMP

0.9%↓

USD 4,325/MT

BUTTER

2.4%↓

USD 7,768/MT

SMP

2.9%↓

USD 2,918/MT

CHEDDAR

9.3%↓

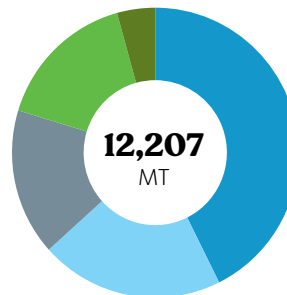
USD 5,007/MT

Fonterra GDT sales by destination:

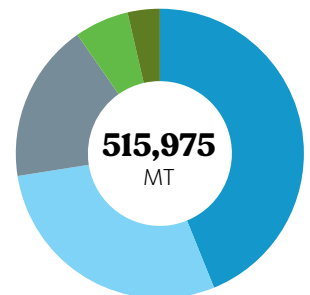
To view more information, including a snapshot of the rolling year-to-date results –



LATEST AUCTION



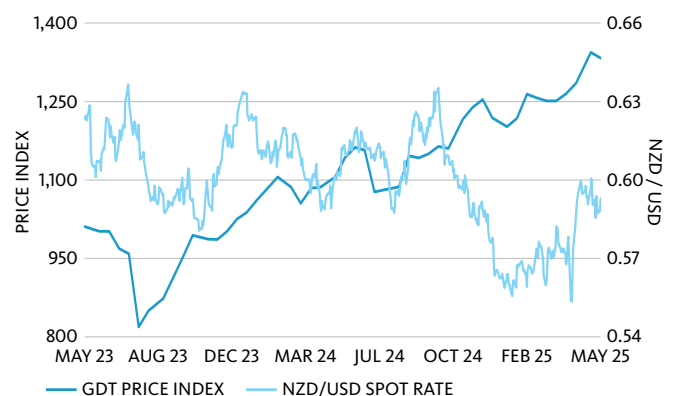
FINANCIAL YEAR-TO-DATE



► The next trading event will be held on 3 June 2025. Visit www.globaldairytrade.info for more information.

Dairy commodity prices and New Zealand dollar trend

Investor sentiment and risk appetite improved over the past month, driven by a reduction in global trade tensions with the United States. This included exemptions for various goods categories, a deal with the United Kingdom, and a temporary agreement with China, all of which brought broad relief to financial markets. However, ongoing uncertainty around proposed US tax policies—particularly their potential fiscal implications—continued to exert upward pressure on US Treasury yields and limited the extent of the US dollar's recovery. Consequently, the NZD/USD exchange rate correction was modest, limited to 58.5 US cents.



Our Performance



Fonterra announces opening 2025/26 Farmgate Milk Price, continued strong FY25 earnings

On 29 May 2025, Fonterra provided its Q3 business update, announcing strong profit after tax of \$1,158 million, up \$119 million on this time last year.

As a result of these strong earnings, the Co-op narrowed its year-end earnings range to 65-75 cents per share, at the upper end of the guidance provided in March of 55-75 cents per share.

At the same time, Fonterra announced an opening forecast Farmgate Milk Price for the 2025/26 season of \$10.00 per kgMS, driven by stable near-term market demand.

CEO Miles Hurrell says Fonterra is committed to delivering strong shareholder returns through both earnings and the Farmgate Milk Price.

"We've delivered strong shareholder returns through FY25, including a 22-cent interim dividend, and as we get closer to the end of the year, we are focused on maintaining this momentum.

"Our forecast Farmgate Milk Price for the current season is driven by strong demand for our milk price reference products and our range is unchanged at \$9.70-\$10.30 with a midpoint of \$10.00 per kgMS. We're also pleased to tighten our year-end forecast earnings within the existing range, given the strength of our third quarter performance," says Mr Hurrell.

2025/26 season opening Farmgate Milk Price

"Looking at the season ahead, we expect this demand to continue for now, but we acknowledge the ongoing geopolitical uncertainty and the potential for a wider series of outcomes across the season.

Therefore, our opening forecast Farmgate Milk Price for the 2025/26 season of \$10.00 per kgMS sits within a wide forecast range of \$8.00-\$11.00 per kgMS.

For the current season, the milk price of \$10.00 per kgMS equates to around \$15 billion into the New Zealand economy. The majority of this flows into regional New Zealand where it plays a strong role helping to sustain local communities.

Business performance

Fonterra's focus on optimising its product mix has driven a Q3 normalised profit after tax of \$1,158 million¹, equivalent to 70 cents per share, with operating profit of \$1,740 million, up \$267 million on last year.

"This result reflects the scale and ongoing strength of our Ingredients channel, and volume growth in our Foodservice and Consumer channels with each channel increasing its third quarter performance compared to the same period last year.

"Our rolling 12-months Return on Capital is 11%,

which is above our previous target for FY25 and within our long-term target range of 10-12%," says Mr Hurrell.

"Our full year forecast earnings range of 65-75 cents per share assumes flat earnings in Q4 of FY25 due to the seasonality of our milk collections, the higher input prices for our Consumer and Foodservice businesses, ongoing investment in our ERP system and an increase in costs associated with shaping the Co-op post divestment to execute our strategy.

"We are heading into year end with a strong balance sheet and full year debt metrics on track to be below the Co-op's target range," says Mr Hurrell.

Strategic delivery

Miles Hurrell says a priority for Fonterra this year has been the implementation of its strategy, which deepens the Co-op's focus on its high-performing Ingredients and Foodservice businesses.

"Last year, we announced a step-change in our strategic direction, including a decision to divest our global Consumer and associated businesses.

"This step was grounded in an understanding of how we best create value for farmer shareholders and ultimately for New Zealand.

"We have been thoroughly testing the terms and value of both a trade sale and

initial public offering (IPO) as divestment options. This work is on track as planned and we will seek farmer shareholder approval to divest through a vote in due course.

"Given the confidence we have in our strategy, we have strong conviction that a divestment is the right choice for the Co-op and its owners.

"Our financial results show we have an impressive business as a global B2B dairy player, powered by our home-base of New Zealand milk and operations.

"If we divest our Consumer business, we will still be a Co-op with global reach and scale, and a diverse product mix sold to customers in more than 100 countries.

"By focusing on our core strengths and the sales channels that deliver the highest returns, we have the confidence to target an average Return on Capital of 10-12%, which is above our 5-year average. This is alongside paying farmers the highest sustainable Farmgate Milk Price, which we are always committed to," says Mr Hurrell.

Fonterra continues to target a significant capital return to shareholders and unit holders following divestment.

¹ Normalised profit after tax excludes \$77 million of costs associated with the divestment of the Consumer channel integrated businesses in Australia and Sri Lanka.

Fonterra milk tanker steals the show at Bakery China



The unique feature at this year's Bakery China was a Fonterra milk tanker parked up at the Co-op's booth.

While cakes full of cream and other delights line the displays of all but a few of the thousands of booths, none, aside from Fonterra, had a tanker.

"Everybody has cakes right, everybody has desserts, but who has a tanker truck? No one. But that's an integral part of our business. It's collecting milk from more than 8,000 farms," says Teh-han Chow, Fonterra's President Global Foodservice and CEO for Greater China.

In a competitive market like China, this is Fonterra's winning proposition – the fact that the milk collected comes from cows grazing outside on grass.

Across the four days, Bakery China sees as many people through its doors as the entire population of Christchurch, about 400,000 people. It's clear that consumers and businesses in China

increasingly appreciate how dairy makes food better.

Chinese consumers are paying more attention to health and are willing to pay for dairy products with sustainability and provenance credentials.

Teh-han Chow, President Global Foodservice and CEO for Greater China says, "Our customers see the value of our dairy that is produced in New Zealand, from our pasture-based farming system.

"New Zealand's reputation as a great place to source dairy, and our grass-fed proposition is what sets Fonterra's products in China apart," Chow says.

Apart from the tanker truck, Fonterra showcased more than 50 Foodservice products and 200 applications for the bakery market.

"Bakery China is a valuable platform to bring our high-quality dairy products closer to potential customers and strengthen

our leading position in the Foodservice market."

Demand for Fonterra's dairy products continue to increase in China, as bakeries are looking for ways to use more dairy in their products, combining it with local ingredients and tastes.

"Innovating to meet the market's changing taste and preference is key to driving growth for our Foodservice business," Chow says.

Fonterra's six application centres and 50 chefs in China play an important role in developing recipes, ideas and applications in response to market trends, which helps drive demand for Fonterra's Foodservice products.

"We work closely with our customers to explore dairy solutions that satisfy Chinese consumers' preferences and empower our customers' businesses, while making dairy nutrition more accessible in consumers' everyday life," Chow says.

Supplementary Information

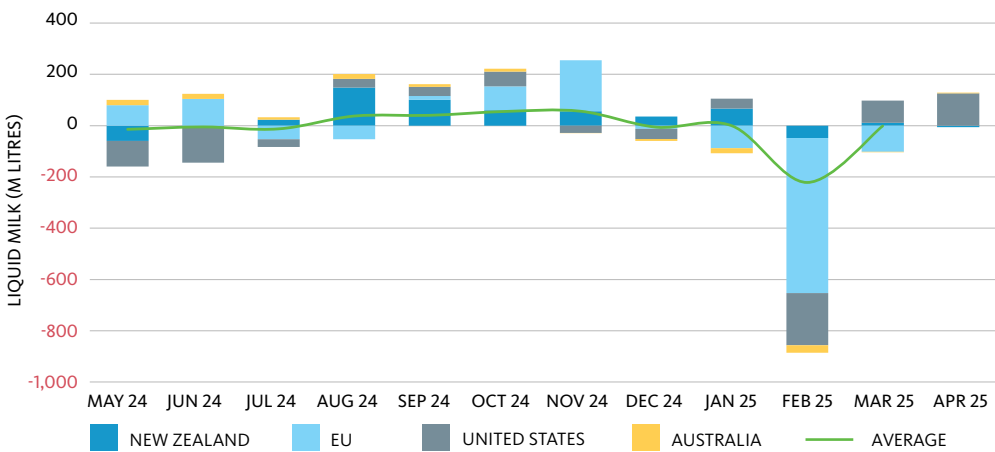
Global Dairy Market

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.

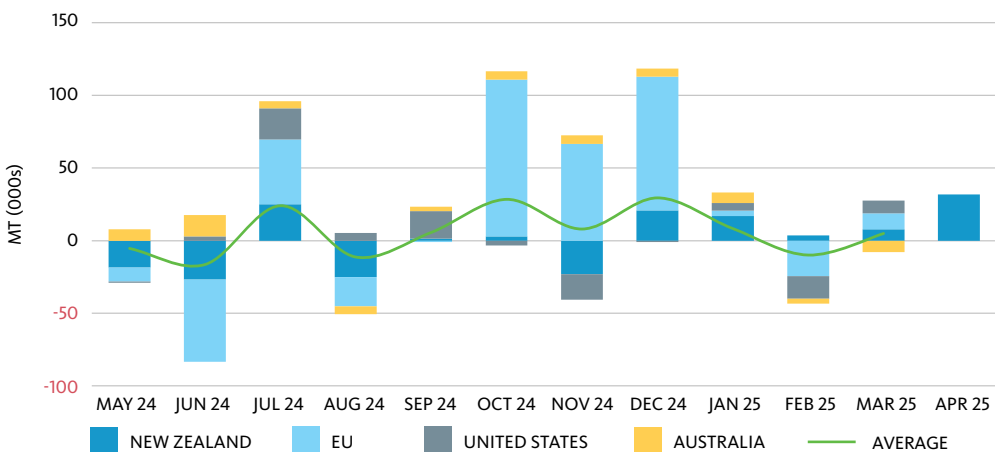
Averages are shown where data is complete for the regions presented.

PRODUCTION



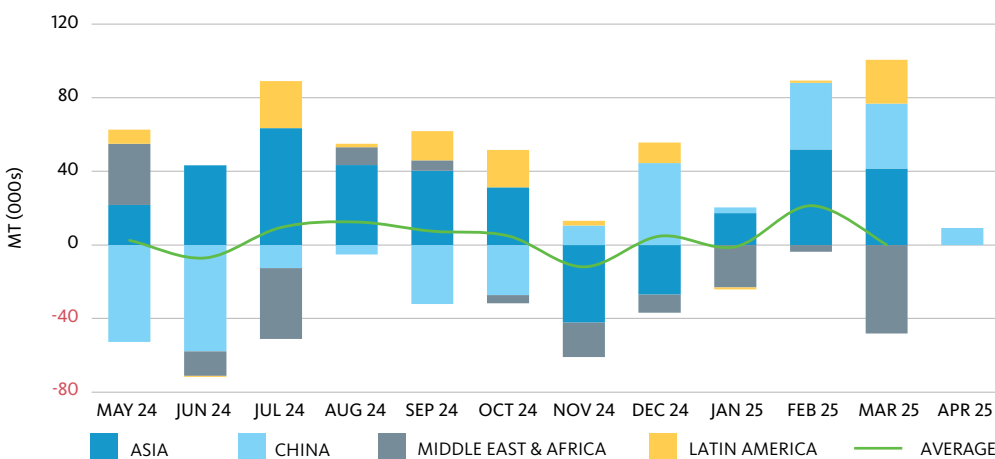
NOTE: Data for EU to March; New Zealand, US and Australia to April. .

EXPORTS



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

IMPORTS



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

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)	APRIL 2025	APRIL 2024	MONTHLY CHANGE	SEASON- TO-DATE 2024/25	SEASON- TO-DATE 2023/24	SEASON- TO-DATE CHANGE
Total Fonterra New Zealand	115.2	115.9	(0.6%)	1,432.0	1,399.3	2.3%
North Island	57.7	61.0	(5.5%)	819.2	796.5	2.9%
South Island	57.5	54.8	4.8%	612.8	602.8	1.7%
Australia	8.5	8.3	2.2%	93.0	91.7	1.4%

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

ANNOUNCEMENT DATE	FORECAST FGMP / RANGE (NZD)	NZD/USD RATE AT ANNOUNCEMENT DATE	FORECAST AVERAGE CONVERSION RATE FOR 2024/25 SEASON	PERCENTAGE OF FORECAST FOREIGN EXCHANGE EXPOSURE FOR 2024/25 SEASON HEDGED	PERCENTAGE OF FOREIGN EXCHANGE OPTION COVER REMAINING IN HEDGED AMOUNT
29 May 2025	\$10.00 / \$9.70-\$10.30	0.5968	0.5988	97%	15%
20 Mar 2025	\$10.00 / \$9.70-\$10.30	0.5809	0.5981	93%	11%

As at the most recent update to the 2024/25 season forecast Farmgate Milk Price on 29 May 2025:

- Fonterra had hedged approximately 97% of the full year forecast USD cash flows related to the 2024/25 season Farmgate Milk Price.
- Of that 97%, approximately 15% was hedged with foreign exchange options which had not yet expired or been exercised.
- If the remaining 3% of the forecast USD cash flows were to be hedged at the 29 May 2025 spot rate of 0.5968, the average NZD/USD conversion rate for the 2025 season would be 0.5988.
- Also shown for information are the equivalent measures at the date of the previous forecast of the 2024/25 season Farmgate Milk Price on 20 March 2025

2025/26 season forecast Farmgate Milk Price (FGMP) update

ANNOUNCEMENT DATE	FORECAST FGMP / RANGE (NZD)	NZD/USD RATE AT ANNOUNCEMENT DATE	FORECAST AVERAGE CONVERSION RATE FOR 2024/25 SEASON	PERCENTAGE OF FORECAST FOREIGN EXCHANGE EXPOSURE FOR 2024/25 SEASON HEDGED	PERCENTAGE OF FOREIGN EXCHANGE OPTION COVER REMAINING IN HEDGED AMOUNT
29 May 2025	\$10.00 / \$8.00-\$11.00	0.5968	0.5951	48%	10%

For the opening forecast Farmgate Milk Price for the 2025/26 season announced on 29 May 2025:

- Fonterra had hedged approximately 48% of the full year forecast USD cash flows related to the 2025/26 season Farmgate Milk Price.
- Of that 48%, approximately 10% was hedged with foreign exchange options which had not yet expired or been exercised.
- If the remaining 52% of the forecast USD cash flows were to be hedged at the 29 May 2025 spot rate of 0.5968, the average NZD/USD conversion rate for the 2025/26 season would be 0.5951.

Supplementary Information

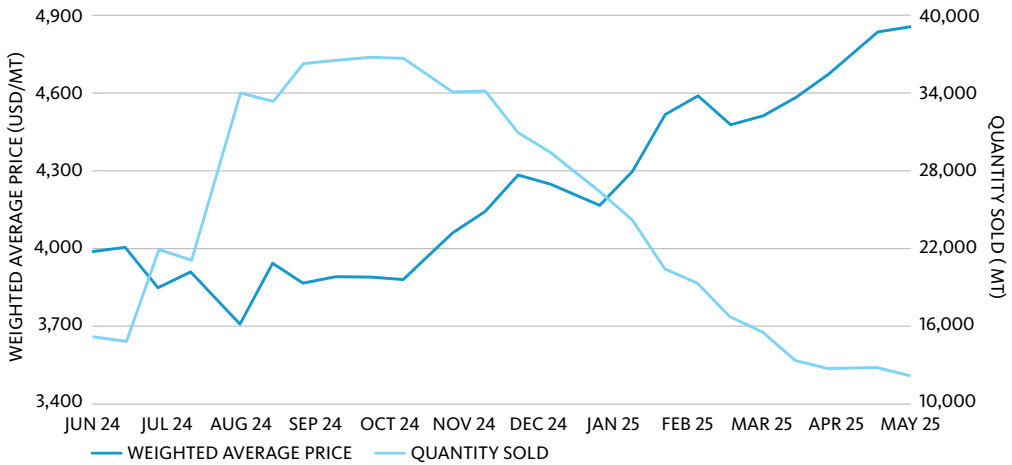
Fonterra GDT results

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

	LAST TRADING EVENT (20 MAY 2025)	YEAR-TO-DATE (FROM 1 AUGUST 2024)
Quantity Sold on GDT (Winning MT)	12,207	515,975
Change in Quantity Sold on GDT over same period last year	(24.3%)	0.2%
Weighted Average Product Price (USD/MT)	4,855	4,157
Change in Weighted Average Product Price over same period last year	22.6%	24.1%
Change in Weighted Average Product Price from previous event	0.4%	–

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.