

Market Announcement

14th March 2019

Fonterra Offer Quantities on Global Dairy Trade and Milk Collection Update

Fonterra Co-operative Group has reduced its forecast milk collection to 1,510 million kgMS for the 2018/19 season due to the influence of ongoing dry weather in New Zealand, particularly in the North Island, which is impacting production in the second half of the season. This forecast is slightly above last season's collections of 1,505 million kgMS, a season also impacted by poor on-farm conditions.

As well, Fonterra Co-operative Group has made reductions to its offer quantities for its product range on Global Dairy Trade over the next four months. There is no change to Fonterra Co-operative Group's forecast offer quantities on Global Dairy Trade over the 12 month period for all products.

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While Fonterra's Global Dairy Trade (GDT) offer quantities and forecasts are genuine estimates of product availability at the time of publication, they can change as our view of future events or view of supply and demand factors change.

As our supply and demand balance develops over the coming months it may be necessary to revise our forecasts in the future due to a range of factors, including those detailed below:

Seasonal changes or weather events impacting our milk supply; production, storage or supply chain constraints; anticipated customer demand from GDT and non-GDT sales channels; and differences in relative returns of products.

For more information on the global dairy market and trends in New Zealand milk production please refer to the Fonterra Global Dairy Update or contact your Fonterra sales representative.

For further information contact your Sales Representative.

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