



JUNE 2025

Global Dairy UPDATE



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

- Fonterra's growing UK momentum two years into market return.



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



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

- Darfield team's helping hand and a whole lot of heart.



- Fonterra's New Zealand milk collections for the season ended 31 May were 1,509.0 million kgMS, 2.6% above last season.
- Fonterra's Australia collections for May were 8.6 million kgMS, 0.6% above May last season. Season-to-date collections are 101.6 million kgMS, 1.4% above last season.

Key Dates



31 July 2025
End of FY25 Financial Year

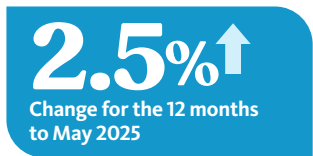
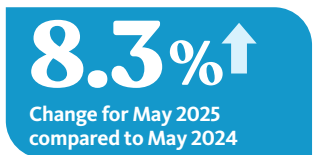
September 2025
FY25 Annual Results Announcement



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

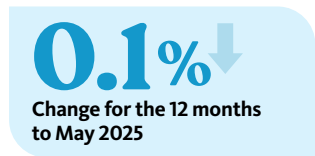
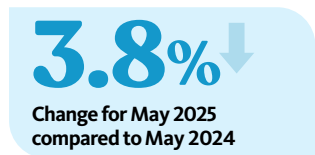
New Zealand, US and EU monthly production increased. Australia monthly production decreased

NEW ZEALAND



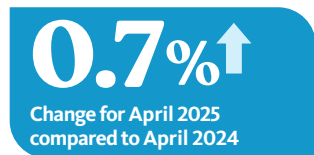
New Zealand milk production increased 8.3% in May compared to the same period the year prior. The increase was mainly due to favourable weather conditions supporting higher pasture growth across the South Island as well as North Island central regions and the Bay of Plenty. New Zealand milk production for the 12 months to May was up 2.5% on the previous comparable period. Fonterra New Zealand collections are reported for May, see page 5 for details.

AUSTRALIA



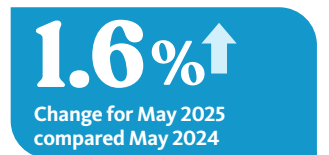
Australia milk production decreased 3.8% in May compared to the same period the year prior. The decrease was mainly due to reduced volumes in Western Victoria and Tasmania due to dry weather and unfavourable pasture conditions, partially offset by higher volumes in Northern and Eastern Victoria. Australia milk production for the 12 months to May was down 0.1% on the previous comparable period. Fonterra collections in Australia are reported for May, see page 5 for details.

EUROPEAN UNION



EU milk production¹ increased 0.7% in April compared to the same period the year prior. The increase was mainly due to higher production in Ireland, which recorded a 12.6% year-on-year (or 120.3 million litre) increase for April, driven by above average pasture growth and strong milk prices, encouraging farmers to maximise production. The increase was partially offset by lower production in Germany, Belgium and Romania. EU milk production for the 12 months to April was down 0.2% on the previous comparable period.

USA



US milk production increased 1.6% in May compared to the same period the year prior. The increase was mainly due to higher production in Idaho, Texas and Kansas as a result of larger herd sizes and improved yields. The increase was partially offset by lower production in California. Despite increased herd sizes, the state's production decreased 1.6% on May last year, due to lingering impacts of avian flu. US milk production for the 12 months to May increased 1.4% on the previous comparable period.

¹ Excludes UK.



Australia, New Zealand, US and EU monthly exports decreased

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

NEW ZEALAND

3.9% ↓

Change for May 2025 compared to May 2024

0.3% ↑

Change for the 12 months to May 2025

New Zealand dairy exports decreased 3.9%, or 12,767 MT, in May compared to the same period the year prior.

The decrease was mainly due to lower volumes of WMP exports to China and Bangladesh, partially offset by higher export volumes of AMF, with the Netherlands increasing their market share of New Zealand AMF to become the second largest importer behind China.

Exports for the 12 months to May were up 0.3%, or 11,435 MT, on the previous comparable period.

The increase was mainly due to higher export volumes of cheese, partially offset by lower export volumes of WMP.

AUSTRALIA

4.5% ↓

Change for April 2025 compared to April 2024

5.1% ↑

Change for the 12 months to April 2025

Australia dairy exports decreased 4.5 %, or 2,481 MT, in April compared to the same period the year prior.

The decrease was mainly due to lower export volumes of fluid milk products, partially offset by higher export volumes of cheese.

The reduction reflects lower milk production for six of the past seven months, which has reduced volumes available for exports.

Exports for the 12 months to April were up 5.1%, or 33,790 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 and whey powder.

EUROPEAN UNION

1.6% ↓

Change for April 2025 compared to April 2024

3.1% ↑

Change for the 12 months to April 2025

EU dairy exports¹ decreased 1.6%, or 9,649 MT, in April compared to the same period the year prior.

The decrease was mainly due to lower export volumes of fluid milk products from the Netherlands, Germany and Hungary, partially offset by higher export volumes of WPC and WPI.

Exports for the 12 months to April were up 3.1%, or 205,936 MT, on the previous comparable period.

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

USA

2.5% ↓

Change for April 2025 compared to April 2024

1.2% ↑

Change for the 12 months to April 2025

US dairy exports decreased 2.5%, or 6,040 MT, in April compared to the same period the year prior.

The decrease was mainly due to lower export volumes of SMP, with shipments to Latin America and Asia down 14% and 32%, respectively.

April shipments to China were 27% below April 2024, possibly reflecting the tariff impacts.

Exports for the 12 months to April were up 1.2%, or 34,133 MT, on the previous comparable period.

The increase was mainly due to year-on-year cheese export growth for 15 of the 16 months until April, partially offset by reduced export volumes of SMP.

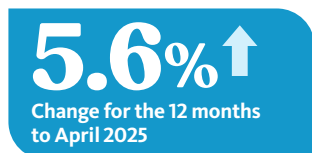
¹ Excludes UK.



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



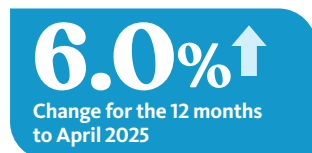
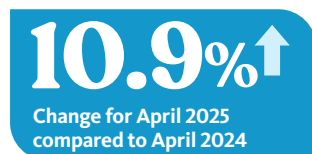
Latin America dairy import volumes¹ increased 10.2%, or 23,954 MT, in April compared to the same period the year prior.

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

Imports for the 12 months to April were up 5.6%, or 143,162 MT, on the previous comparable period.

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

ASIA



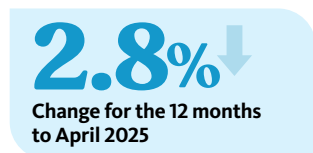
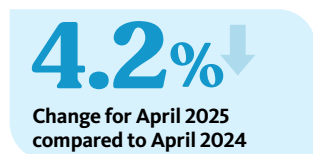
Asia (excluding China) dairy import volumes¹ increased 10.9%, or 52,718 MT, in April compared to the same period the year prior.

The increase was mainly due to higher import volumes of SMP and whey by the Philippines and Vietnam.

Imports for the 12 months to April were up 6.0%, or 307,872 MT, on the previous comparable period.

The increase was mainly due to higher import volumes of fluid milk products by the Philippines.

MIDDLE EAST & AFRICA



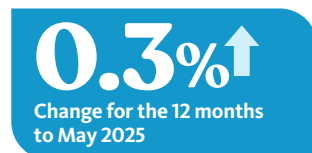
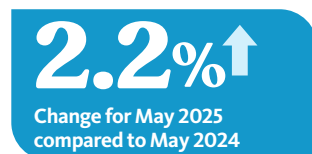
Middle East and Africa dairy import volumes¹ decreased 4.2%, or 21,745 MT, in April compared to the same period the year prior.

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

Imports for the 12 months to April were down 2.8%, or 167,476 MT, on the previous comparable period.

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

CHINA



China dairy import volumes increased by 2.2%, or 5,277 MT, in May compared to the same period the year prior.

The increase was mainly due to higher import volumes of SMP and cheese from New Zealand, partially offset by lower import volumes of WMP.

Imports for the 12 months to May were up 0.3%, or 9,199 MT, on the previous comparable period.

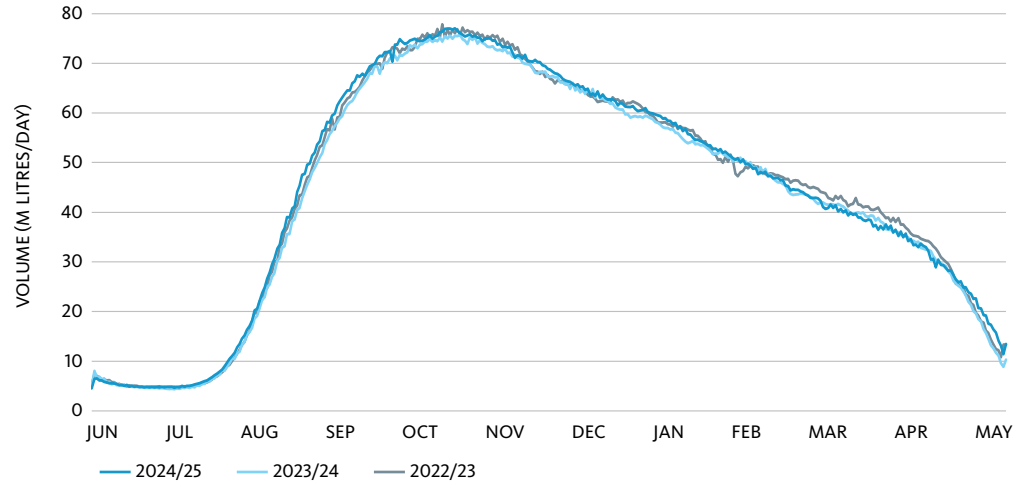
The increase was mainly due to higher import volumes of whey powder, partially offset by lower import volumes of fluid milk products.

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

7.5%↑

Change for May 2025 compared to May 2024

2.6%↑

For the 2024/25 Season compared to prior season

Fonterra's New Zealand collections for May were 77.0 million kgMS, 7.5% above May last season.

The increase was mainly due to favourable weather conditions across the country, leading to improved pasture conditions and above average growth compared to recent years.

The 2024/25 season milk collections were finalised at 1,509.0 million kgMS, 2.6% above last season.

NORTH ISLAND

2.6%↑

Change for May 2025 compared to May 2024

2.8%↑

For the 2024/25 Season compared to prior season

North Island milk collections in May were 36.4 million kgMS, 2.6% higher than May last season.

The increase was mainly due to pasture conditions improving throughout the month, supported by higher rainfall in central regions and the Bay of Plenty, and above average temperatures across the North Island. Waikato and Northland remained dry, limiting pasture growth.

The 2024/25 season milk collections were finalised at 855.7 million kgMS, 2.8% above last season.

SOUTH ISLAND

12.3%↑

Change for May 2025 compared to May 2024

2.3%↑

For the 2024/25 Season compared to prior season

South Island milk collections in May were 40.6 million kgMS, 12.3% higher than May last season.

The increase was mainly due favourable pasture conditions, with growth tracking well ahead of previous seasons for this time of the year. The favourable conditions were caused by warm temperatures and above average rainfall across most of the South Island.

The 2024/25 season milk collections were finalised at 653.4 million kgMS, 2.3% above last season.

AUSTRALIA

0.6%↑

Change for May 2025 compared to May 2024

1.4%↑

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

Fonterra's Australia collections in May were 8.6 million kgMS, 0.6% higher than May last season.

Northern and Eastern Victoria collections increased year-on-year, due to good pasture growth and stable herd numbers. Western Victoria and Tasmania collections decreased due to drier weather conditions for most of the month.

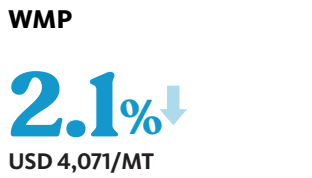
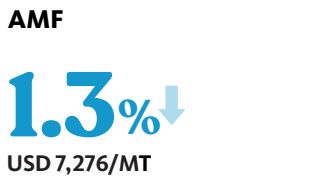
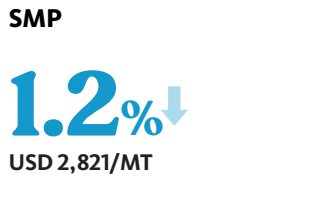
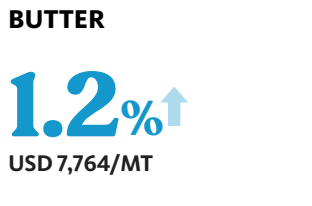
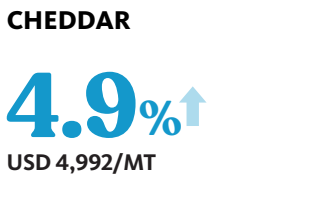
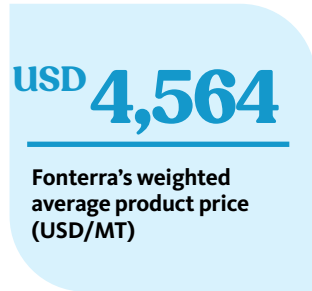
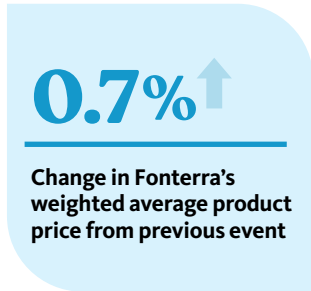
Season-to-date collections are 101.6 million kgMS, 1.4% above last season.

OUR MARKETS

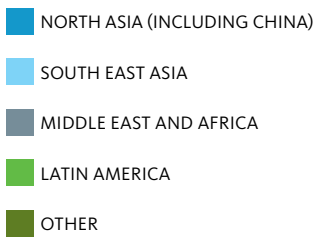
Fonterra Global Dairy Trade Results



Fonterra GDT results at trading event 382
17 June 2025:

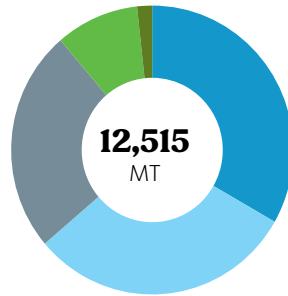


Fonterra GDT sales by destination:

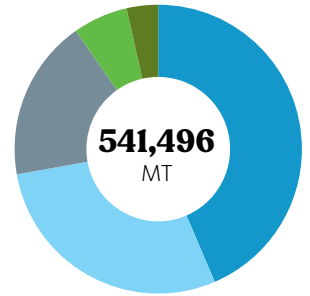


To view more information, including a snapshot of the rolling year-to-date results –

LATEST AUCTION



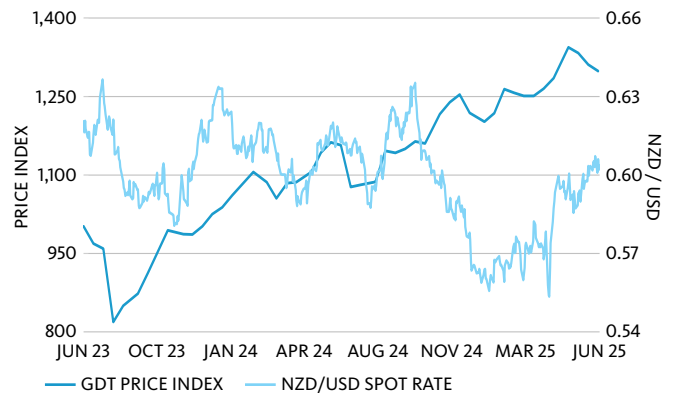
FINANCIAL YEAR-TO-DATE



▶ The next trading event will be held on 1 July 2025. Visit www.globaldairytrade.info for more information.

Dairy commodity prices and New Zealand dollar trend

Investor sentiment improved further over the past month despite rising geopolitical tensions stemming from the widening conflict in the Middle East. Financial market participants took the rather sanguine view that such developments, in conjunction with softening US inflation data, may allow the US Federal Reserve an opportunity to provide monetary policy accommodation sooner rather than later. Aside from a degree of short-term volatility across FX markets, exchange rates, including the NZD/USD, displayed a relative degree of stability – the NZD did not deviate far from 60 US cents for most of the past month.





Fonterra's growing UK momentum two years into market return

Two years after the NZ-UK Free Trade Agreement (FTA) reopened the door, Fonterra is steadily growing in a high-value market that once defined our global footprint.

After 50 years of limited access, New Zealand dairy products are back in the United Kingdom following the FTA that came into effect on 1 June 2023.

A return to a historic market

For New Zealand dairy farmers, this agreement carries historical significance. Up until the 1970s, the UK was New Zealand's largest export market and a key revenue driver for the dairy industry. For many in the Co-op, the UK feels like a return home. The new 'gold standard' agreement removes all UK tariffs on New Zealand dairy over a five-year period, creating opportunities for growth across the Co-op's entire product range, particularly our grass-fed butter and cheese.

This FTA is one of New Zealand's most comprehensive trade agreements, enabling open market access to what was once our largest export destination before the UK joined the European Union.

Early success

Despite only recently re-establishing its presence, the agreement is already showing benefits with growth across several products including butter, cheese, AMF, protein and skim milk powder.

The UK market opportunity

The UK represents a substantial opportunity as the world's second-largest importer of dairy with strong local demand. The "Kiwi brand" carries nostalgic value among certain UK consumers who remember New Zealand dairy products from decades ago.

The market values qualities that align perfectly with Fonterra's strengths, with consumers appreciating quality and innovation, as demonstrated by multiple wins at the International Cheese and Dairy Awards in Cheshire, England in recent years.

Both customers and consumers also place high importance on sustainability credentials, appealing to their environmentally conscious mindset and high regard is also given to animal welfare standards with Fonterra's farming practices matching these expectations.

Sustainability as a competitive advantage

Fonterra's grass-fed farming credentials and sustainability practices are proving to be valuable selling points in the UK market. Despite the distance between the UK and NZ, emissions from transportation makes up only 1% of the Co-op's total emissions, with the real carbon footprint benefits coming from behind-the-farm-gate practices and our production sites.

The hard work the Co-op's farmers are doing in the

sustainability space has a direct impact on Fonterra's ability to succeed in the UK market and partner with customers who value the goodness of New Zealand dairy.

Our strategic approach

Re-entering the UK market after 50 years hasn't been without challenges. Building customer relationships takes time and cannot be scaled up overnight, with every decision made with the goal of generating value that flows back to the Co-op and its farmer owners.

Fonterra is taking a measured, strategic approach to the UK market focusing on efficiency and simplicity while selecting the right partners and sales channels. We're positioning New Zealand dairy not as a commodity export, but as a premium, high value offering that complements the UK market ensuring we're developing sustainable relationships with partners who value our world-class products for their quality, sustainability credentials, and innovation.

Looking forward

As the Co-op continues to re-establish its presence in the UK, the path forward is marked by promising opportunities.

Access to high value markets through comprehensive FTAs provide important market optionality and resilience for Fonterra, while continuing to maximise returns for Fonterra's shareholders and unit holders.



In times of hardship, communities come together – and that’s exactly what recently happened as the Darfield and Canterbury & Upper South Island Hapori Team stepped up to support the Hoon Hay Food Bank in Christchurch.

The food bank suffered a devastating theft, with all its chilled and frozen food stolen, leaving hundreds of families in need without essential supplies.

The stolen stock represented around four to five months’ worth of food, a heartbreaking loss for an organisation dedicated to helping families put food on the table.

With 145 families depending on the food bank’s support that week alone, our team at Darfield stepped into action donating:

- 300kg of frozen vegetables
- 42kg of Mainland™ edam cheese blocks
- 60kg of Anchor™ salted butter blocks

To further support the food bank, the team topped up the donation with additional Anchor products, including Blue Top UHT Milk and the ever-popular Primo flavoured milk.

A legacy of giving back

Giving back is part of what the Darfield team does, and time and again, they step up to help those in need.

In May, they joined forces with the Canterbury & Upper South Island Hapori team

and Motueka High School to restock the Motueka Food Network.

Motueka High School students rallied together to collect as many cans of tinned food as possible, and the team matched their total, resulting in an incredible donation of over 1,700 cans to the food bank.

The team also partnered with Darfield High School setting a friendly challenge to collect canned food for the Darfield Food Bank. The students rallied together, knowing that for every can they collected, the Darfield team would match their efforts with an equal donation.

At the end of the challenge a total of 2,039 tins of canned food were donated to the food bank ensuring families in need continue to receive the vital support they deserve.

Recognising Darfield’s impact

The Darfield team’s unwavering commitment to giving back was recently recognised at the Te Mātāpuna Awards – celebrating excellence within the Co-op, recognising individuals and teams who embody Fonterra’s values

and contribute to its success – where they proudly took home the Reputation Award, an honour well-earned, with the Darfield Hapori group having delivered over 630 food parcels to elderly members of their community (alongside all the amazing other good deeds they do throughout the year).

After speaking with the local council about the challenges faced by elderly people living alone, the team took the initiative to provide additional support alongside food parcels, including fence repairs and garden maintenance, showing their commitment to helping those in need goes beyond food – it’s about creating a sense of security, care, and connection for the most vulnerable members of their community.

Supplementary Information

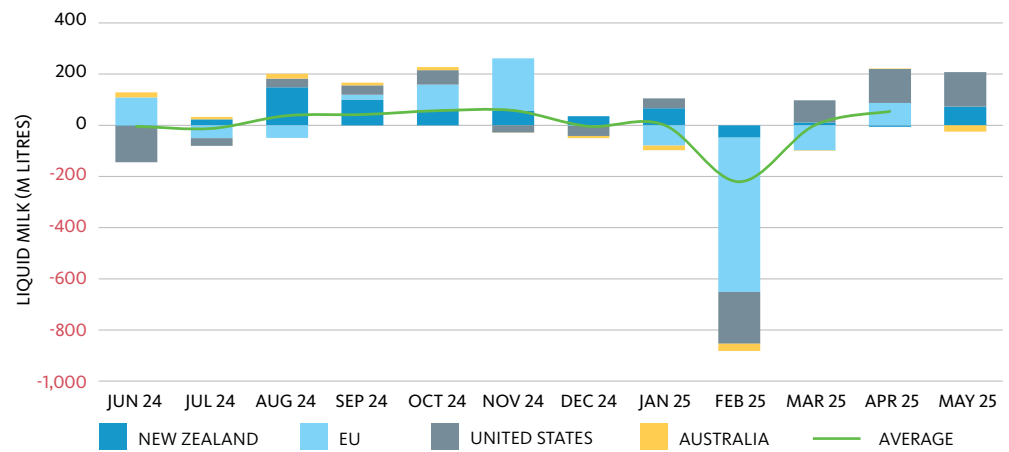
Global Dairy Market

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.

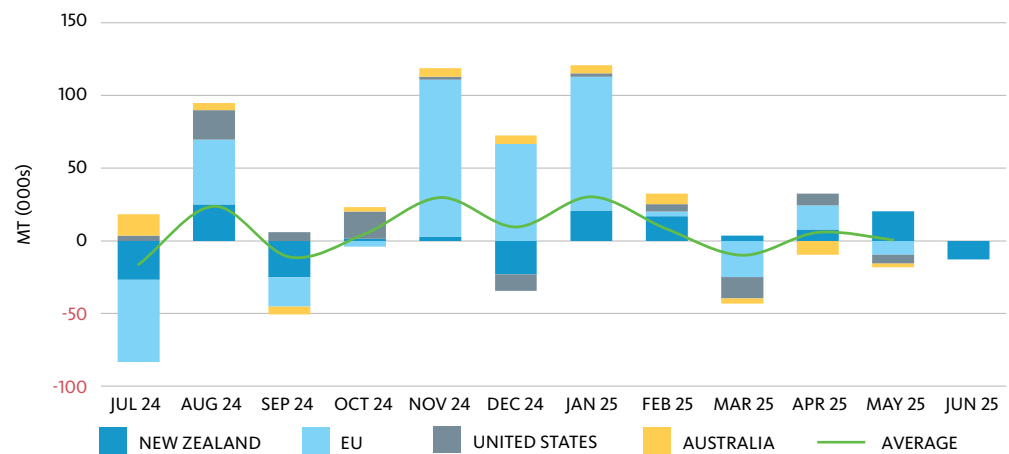
Averages are shown where data is complete for the regions presented.

PRODUCTION



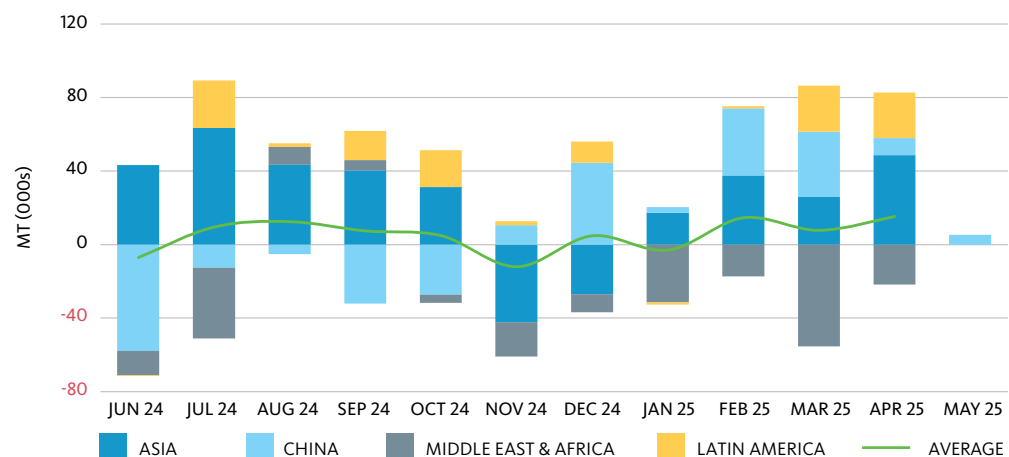
NOTE: Data for EU to April; New Zealand, US and Australia to May.

EXPORTS



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

IMPORTS



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

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)	MAY 2025	MAY 2024	MONTHLY CHANGE	SEASON-TO-DATE 2024/25	SEASON-TO-DATE 2023/24	SEASON-TO-DATE CHANGE
Total Fonterra New Zealand	77.0	71.6	7.5%	1,509.0	1,470.9	2.6%
North Island	36.4	35.5	2.6%	855.7	832.0	2.8%
South Island	40.6	36.1	12.3%	653.4	638.9	2.3%
Australia	8.6	8.6	0.6%	101.6	100.2	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 2025/26 SEASON	PERCENTAGE OF FORECAST FOREIGN EXCHANGE EXPOSURE FOR 2025/26 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

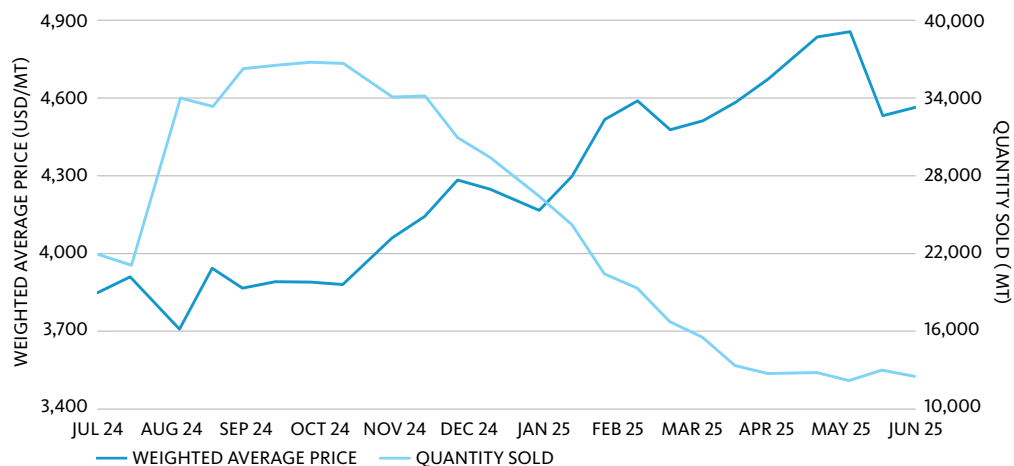
Fonterra GDT results

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

	LAST TRADING EVENT (17 JUNE 2025)	YEAR-TO-DATE (FROM 1 AUGUST 2024)
Quantity Sold on GDT (Winning MT)	12,515	541,496
Change in Quantity Sold on GDT over same period last year	(15.7%)	(2.0%)
Weighted Average Product Price (USD/MT)	4,564	4,176
Change in Weighted Average Product Price over same period last year	14.0%	23.4%
Change in Weighted Average Product Price from previous event	0.7%	-

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.