



MARCH 2025

# Global Dairy UPDATE



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

- On 20 March, Fonterra announced its 2025 Interim Results.

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



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



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

- Fonterra's cream rises to the top during the Prime Minister's Vietnam trip.



- Fonterra New Zealand's collections for February were 133.7 million kgMS, 2.3% below February last season. Season-to-date collections are 1,181.9 million kgMS, 2.9% above last season.
- Fonterra Australia's collections in February were 8.2 million kgMS, 1.9% below February last season. Season-to-date collections are 75.8 million kgMS, 1.3% above last season.

## Key Dates



May 2025  
FY25 Q3 Business Update

1 June 2025  
Start of the 2025/26 Season

31 July 2025  
End of FY25 Financial Year



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

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

### NEW ZEALAND

**2.6%** ↓

Change for February 2025 compared to February 2024

**1.3%** ↑

Change for the 12 months to February 2025

**New Zealand milk production** decreased 2.6% in February compared to the same period the year prior.

Adjusting for the leap year, February 2025 production was up 0.9% on last year.

Drier weather conditions across most regions affected milk production in February.

New Zealand milk production for the 12 months to February was up 1.3% on the previous comparable period.

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

### AUSTRALIA

**4.8%** ↓

Change for February 2025 compared to February 2024

**0.8%** ↑

Change for the 12 months to February 2025

**Australia milk production** decreased 4.8% in February compared to the same period the year prior.

Adjusting for the leap year, February 2025 production was down 1.4% on last year.

Hot and dry conditions throughout Victoria affected milk production in February.

Australia milk production for the 12 months to February was up 0.8% on the previous comparable period.

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

### EUROPEAN UNION

**0.1%** ↓

Change for December 2024 compared to December 2023

**0.6%** ↑

Change for the 12 months to December 2024

**EU milk production<sup>1</sup>** decreased 0.1% in December compared to the same period the year prior.

The December decrease was mainly driven by lower production in France and Germany as they recover from the impact of Bluetongue Disease.

EU milk production for the 12 months to December were up 0.6% on the previous comparable period.

### USA

**0.1%** ↑

Change for January 2025 compared January 2024

**0.1%** ↓

Change for the 12 months to January 2025

**US milk production** increased 0.1% in January compared to the same period the year prior.

The production increase was mainly due to increasing herd sizes, and supported by expanded processing capacity in Texas, Kansas, and South Dakota.

US milk production for the 12 months to January was down 0.1% on the previous comparable period.

The production decrease was mainly due to reduced efficiency, milk per cow falling for the third month in a row compared to the same period the year prior.

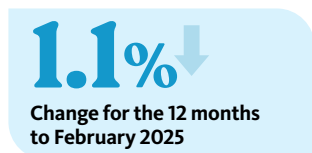
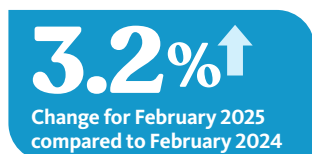
<sup>1</sup> Excludes UK.



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

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

## NEW ZEALAND



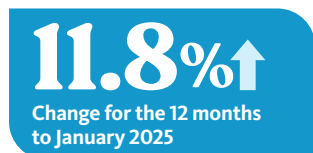
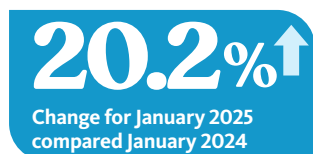
**New Zealand dairy exports** increased 3.2%, or 10,568 MT, in February compared to the same period the year prior.

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

Exports for the 12 months to February were down 1.1%, or 40,567 MT, on the previous comparable period.

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

## AUSTRALIA



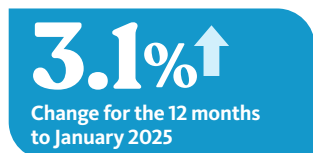
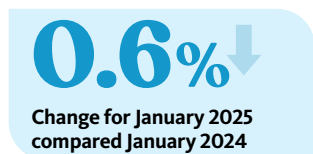
**Australia dairy exports** increased 20.2%, or 9,266 MT, in January compared to the same period the year prior.

The increase was mainly due to lower domestic demand, which has resulted in higher volumes available for exports.

Exports for the 12 months to January were up 11.8%, or 75,595 MT, on the previous comparable period.

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

## EUROPEAN UNION



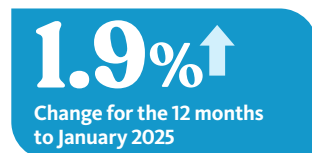
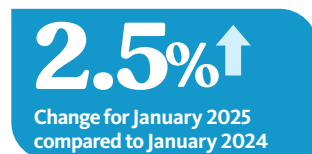
**EU dairy exports<sup>1</sup>** decreased 0.6%, or 3,118 MT, in January compared to the same period the year prior.

The January decrease was mainly due to lower export volumes of fluid milk products from Germany following issues caused by foot and mouth disease.

Exports for the 12 months to January were up 3.1%, or 258,993 MT, on the previous comparable period.

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

## USA



**US dairy exports** increased 2.5%, or 5,280 MT, in January compared to the same period the year prior.

The increase was mainly due to higher prices reducing domestic demand and a year-on-year rise in January's production.

Exports for the 12 months to January were up 1.9%, or 52,239 MT, on the previous comparable period.

The increase was mainly due to volume growth for cheese exports for 11 consecutive months, partially offset by lower export volumes of SMP.

<sup>1</sup> Excludes UK.



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

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

## LATIN AMERICA

1.4%↓

Change for January 2025 compared January 2024

3.8%↑

Change for the 12 months to January 2025

### Latin America dairy import volumes<sup>1</sup>

decreased 1.4%, or 2,850 MT, in January compared to the same period the year prior.

The decrease was mainly due to lower import volumes of fluid milk products by Guatemala and Chile, partially offset by higher import volumes of cheese by Brazil.

Imports for the 12 months to January were up 3.8%, or 98,076 MT, on the previous comparable period.

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

## ASIA

10.2%↑

Change for January 2025 compared January 2024

4.8%↑

Change for the 12 months to January 2025

### Asia (excluding China) dairy import volumes<sup>1</sup>

increased 10.2%, or 41,718 MT, in January compared to the same period the year prior.

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

Imports for the 12 months to January were up 4.8%, or 240,317 MT, on the previous comparable period.

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

## MIDDLE EAST & AFRICA

17.7%↓

Change for January 2025 compared January 2024

0.5%↓

Change for the 12 months to January 2025

### Middle East and Africa dairy import volumes<sup>1</sup>

decreased 17.7%, or 91,102 MT, in January compared to the same period the year prior.

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

Imports for the 12 months to January were down 0.5%, or 30,117 MT, on the previous comparable period.

The decrease was mainly due to lower import volumes of fluid milk products by Libya, partially offset by higher import volumes of SMP by Egypt and Algeria.

## CHINA

16.6%↑

Change for February 2025 compared to February 2024

5.9%↓

Change for the 12 months to February 2025

### China dairy import volumes

increased by 16.6%, or 36,282 MT, in February 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 February were down 5.9%, or 197,244 MT, on the previous comparable period.

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

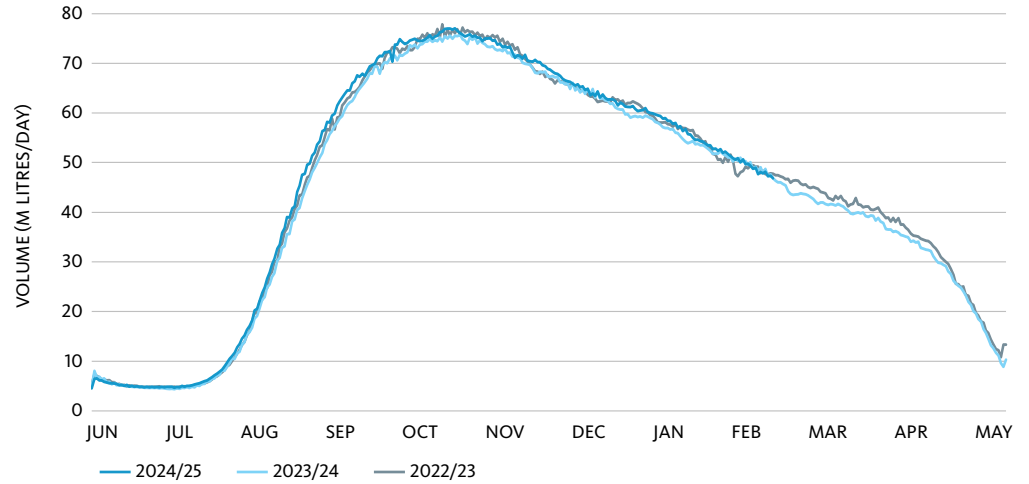
<sup>1</sup> Estimates are included for those countries that have not reported data.

# 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

**2.3%** ↓

Change for February 2025 compared to February 2024

**2.9%** ↑

Season-to-date 1 June to 28 February compared to prior season

**Fonterra's New Zealand collections** for February were 133.7 million kgMS, 2.3% below February last season.

For the first time since June 2024, monthly collections fell below the previous season. Adjusting for the leap year, February 2025 collections were up 1.1% on last year.

Season-to-date collections are 1,181.9 million kgMS, 2.9% above last season.

### NORTH ISLAND

**3.9%** ↓

Change for February 2025 compared to February 2024

**4.0%** ↑

Season-to-date 1 June to 28 February compared to prior season

**North Island** milk collections in February were 69.2 million kgMS, 3.9% lower than February last season.

Adjusting for the leap year, February 2025 collections were 0.4% down on last year. Hotter temperatures and below average rainfall in most regions affected collections in February.

Season-to-date collections are 693.3 million kgMS, 4.0% above last season.

### SOUTH ISLAND

**0.7%** ↓

Change for February 2025 compared to February 2024

**1.2%** ↑

Season-to-date 1 June to 28 February compared to prior season

**South Island** milk collections in February were 64.6 million kgMS, 0.7% lower than February last season.

Adjusting for the leap year, February 2025 collections were up 2.9% on last year despite drier weather conditions this year.

Season-to-date collections are 488.6 million kgMS, 1.2% above last season.

### AUSTRALIA

**1.9%** ↓

Change for February 2025 compared to February 2024

**1.3%** ↑

Season-to-date 1 July to 28 February compared to prior season

**Fonterra's Australia collections** in February were 8.2 million kgMS, 1.9% below February last season.

Adjusting for the leap year, collections were up 1.6% on last year.

Hot weather and increasing water costs are putting pressure on volumes, and feed availability is tightening.

Season-to-date collections are 75.8 million kgMS, 1.3% above last season.

For the period 1 June 2024 to 31 January 2025, off-GDT sales have contributed approximately six cents per kgMS to the Farmgate Milk Price for the 2024/25 season.

## Outlook for Fonterra in New Zealand

**1,510M** kgMS

Forecast milk collections for the 2024/25 season

**9.70-10.30** NZD per kgMS

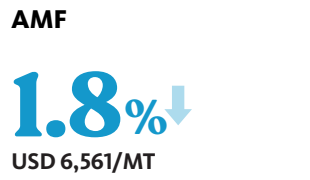
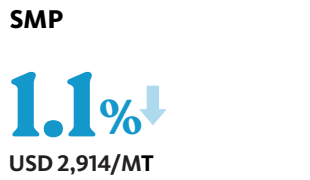
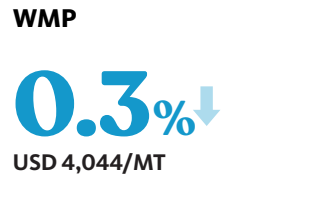
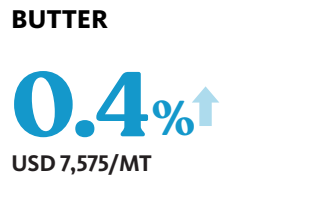
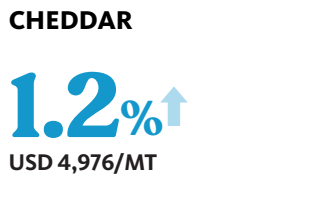
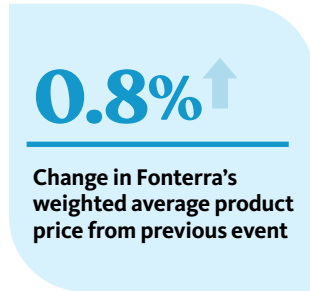
Forecast Farmgate Milk Price for the 2024/25 season

OUR MARKETS

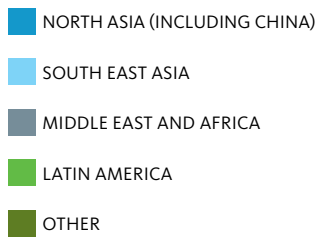
# Fonterra Global Dairy Trade Results



Fonterra GDT results at trading event 376  
18 March 2025:

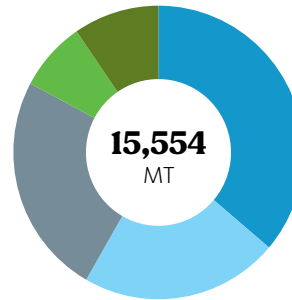


Fonterra GDT sales by destination:

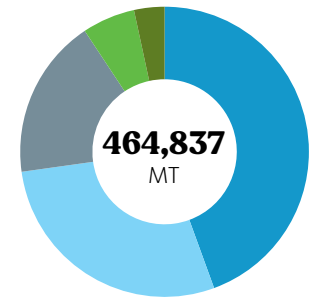


To view more information, including a snapshot of the rolling year-to-date results –

LATEST AUCTION



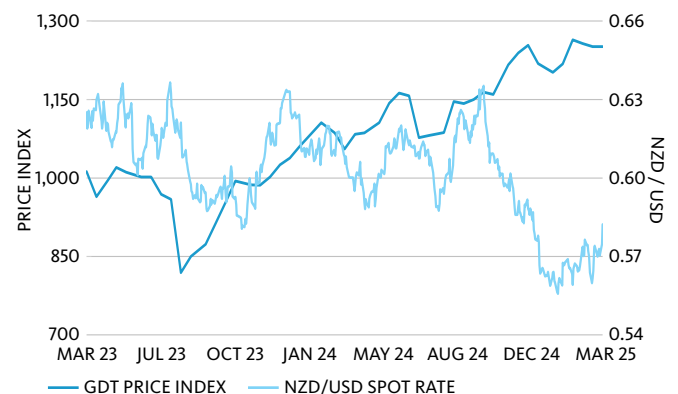
FINANCIAL YEAR-TO-DATE



▶ The next trading event will be held on 1 April 2025. Visit [www.globaldairytrade.info](http://www.globaldairytrade.info) for more information.

## Dairy commodity prices and New Zealand dollar trend

The US Federal Reserve held interest rates steady on 19 March, while the Reserve Bank of New Zealand cut the OCR in February with more cuts priced in this calendar year. In the US, 'stagflation' fears are upsetting investor risk sentiment, depressing equity values and has halted appreciation of the USD, which is currently at 57 US cents to the NZD.



# Our Performance



## Fonterra's momentum delivers strong FY25 interim earnings and dividend

On 20 March 2025, Fonterra announced a positive FY25 interim result as the Co-op continues to make good progress on implementing its strategy.

Fonterra has reported a half year Profit after Tax of \$729 million, earnings of 44 cents per share and a decision to pay an interim dividend of 22 cents per share, alongside a 2024/25 season forecast Farmgate Milk Price midpoint of \$10.00 per kgMS.

Fonterra CEO Miles Hurrell says it's pleasing to be able to deliver these results for farmer shareholders and unit holders.

"We're focusing on driving value which includes delivering strong financial performance while achieving the highest sustainable Farmgate Milk Price," says Mr Hurrell.

"At the same time, we're looking ahead as we implement our strategy and continue to invest for the future. We have commenced projects to unlock manufacturing production capacity for our Ingredients and Foodservice channels, with site works now underway at Studholme for high-value protein capacity and at Edendale for a new UHT cream plant.

"We're also continuing to invest to future proof our

operations and supply chain network, with work underway on a new Whareroa coolstore and plans for decarbonisation projects at Clandeboye, Edendale, Edgecumbe and Whareroa to secure energy supply and reduce the Co-op's emissions.

"As we focus on delivering the strongest farmer offering, we have announced new funding for farmers with lower emissions milk and expanded the Fixed Milk Price programme that farmers can use to get more certainty around the Farmgate Milk Price, says Mr Hurrell."

### Farmgate Milk Price

Fonterra is committed to delivering the highest sustainable Farmgate Milk Price to farmers. For the current season, the forecast Farmgate Milk Price range is narrowing from \$9.50-\$10.50 per kgMS to \$9.70-\$10.30, with the midpoint holding at \$10.00 per kgMS.

"We're seeing good demand for our quality products, and our teams have worked hard to optimise our product portfolio to capture value from the market conditions, leaving us well contracted for the season.

"We have also optimised the current season's Advance Rate Schedule to get cash to farmers sooner, underpinned by our balance sheet strength.

"In terms of milk flows, our forecast milk collections for

the year are up 2.7% on this time last year to 1,510 million kgMS. This follows favourable pasture growth across most of New Zealand earlier in the season, noting many parts of the country are currently experiencing very dry conditions," says Mr Hurrell.

### Business performance

Fonterra's strong half year performance was underpinned by an optimised product mix, designed to capture value across the Co-op's sales channels.

"Our robust first half performance saw earnings growing alongside the strong Farmgate Milk Price, reflecting the strength of our core business.

"Ingredients channel performance has been a highlight this half, with sales volume down 3.9% and operating profit up \$229 million to \$696 million, reflecting better margins and improved product mix.

"Our Foodservice channel has seen sales volume growth of 8.3% this half, with Q2 gross margins significantly up on Q1 as pricing adjusted to the higher milk price. Foodservice operating profit for the half was a healthy \$230 million, compared to the record high of \$342 million in FY24 when input costs were much lower.

"The Consumer channel saw good sales volumes, up 8.5%, and margin growth, despite the higher Farmgate Milk

Price, with operating profit largely flat on prior period at \$173 million.

"Meanwhile, our IT & Digital transformation project, a once in a generation replacement of the Co-op's Enterprise Resource Planning software, is progressing well and remains on budget. The project is expected to cost \$450-500 million across six years and annual expenditure reaches its peak in FY25 at \$130 million. This spend is included in our previously announced earnings forecast and despite this spend, our FY25 results remain strong" says Mr Hurrell.

### Outlook

We have increased Fonterra's FY25 full year forecast earnings range to 55-75 cents per share<sup>1</sup>, which reflects the underlying strength of our core business as well as the resilience in our Consumer channel.

"The Co-op is in a great shape, with milk collections, the forecast Farmgate Milk Price and earnings performance all up on this time last year.

"As we look to the balance of the year ahead, we're focused on maintaining this momentum in performance, while progressing delivery of our strategy, including the dual-track Consumer divestment process which is on track as planned," says Mr Hurrell.

<sup>1</sup> This forecast earnings range reflects Fonterra's underlying earnings before any deduction for forecast costs associated with the Consumer divestment. When the Fonterra Board considers the full year dividend for FY25, it will consider, amongst other factors, the nature of the underlying earnings and whether it is appropriate to include any costs associated with asset sales in the financial year.



## Fonterra's cream rises to the top during the Prime Minister's Vietnam trip

Prime Minister Christopher Luxon's cooking skills were put to the test when visiting Fonterra's office in Ho Chi Minh City during his recent trip to Vietnam.

Relishing the opportunity to promote New Zealand's food and beverage products, the Prime Minister donned an apron and whipped up a local treat with a taste of Kiwi – snails covered with New Zealand cream.

Representing Fonterra on the official visit, Simon Tucker, Group Director of Global External Affairs, says there's plenty of opportunities in Vietnam for the Co-operative.

"Vietnam is a fast-growing market for our Foodservice creams, with sales almost doubling in value between 2022 and 2024," says Tucker who accompanied the Prime Minister as part of the

business delegation.

Plant-based oils have traditionally been used in Vietnamese cuisine, but nowadays cream and other dairy products are being used more often in local dishes.

"Besides Western-style dishes, Vietnamese bakeries and restaurants are using our cream, butter and cheese in a lot of the local favourites including sauté sweet snail with salted egg cream sauce," Tucker says.

As Vietnam's foodservice industry continues to evolve, demand is increasing for ingredients such as dairy that enhance the taste, texture and quality.

"The rapid growth in demand for our cream reflects the growing appetite for dairy in this market. Our UHT cream plant currently being

constructed at our Edendale site in Southland will help meet this rising demand in Vietnam and across the region."

Fonterra also signed a strategic memorandum of understanding with MM Mega Market during the Prime Minister's visit.

Tucker says the MOU with the large food distributor will expand Fonterra's presence in the market.

"Our Foodservice business is already a trusted partner to over 3,500 foodservice operators in Vietnam, delivering 10,000 metric ton of dairy products every year.

"The partnership with MM Mega Market will expand access for Fonterra's high-quality products and dairy solutions to more than 10,000 professional kitchens across the country," he adds.



# Supplementary Information

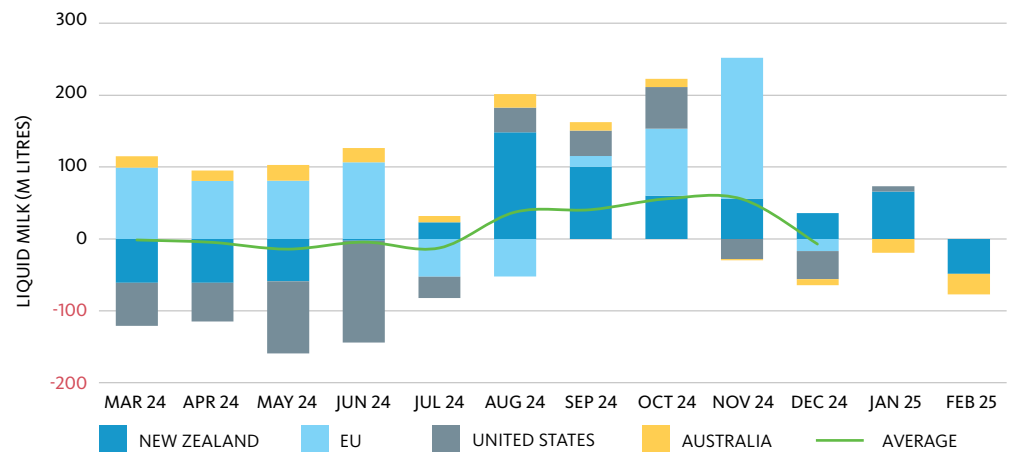
## Global Dairy Market

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.

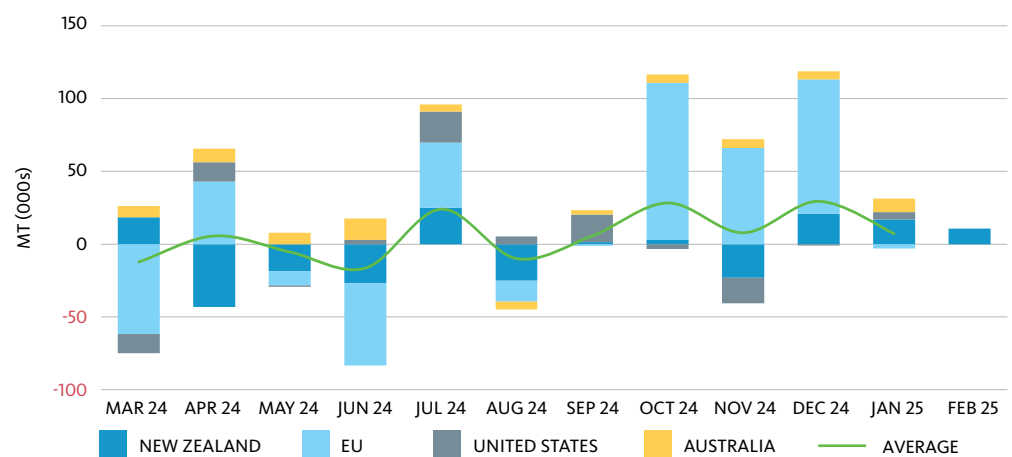
Averages are shown where data is complete for the regions presented.

### PRODUCTION



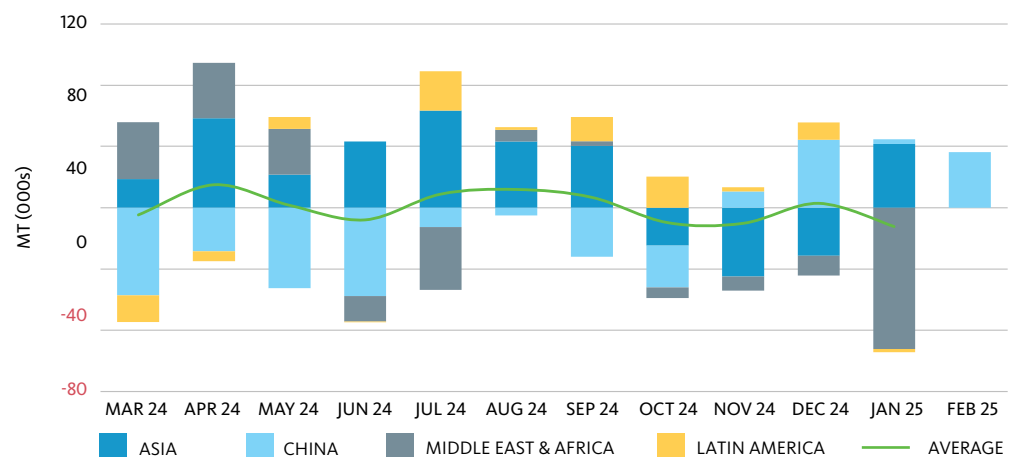
NOTE: Data for EU to December; US to January; New Zealand and Australia to February.

### EXPORTS



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

### IMPORTS



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

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)	FEBRUARY 2025	FEBRUARY 2024	MONTHLY CHANGE	SEASON-TO-DATE 2024/25	SEASON-TO-DATE 2023/24	SEASON-TO-DATE CHANGE
Total Fonterra New Zealand	133.7	136.9	(2.3%)	1,181.9	1,149.0	2.9%
North Island	69.2	71.9	(3.9%)	693.3	666.4	4.0%
South Island	64.6	65.0	(0.7%)	488.6	482.6	1.2%
Australia	8.2	8.3	(1.9%)	75.8	74.8	1.3%

## 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

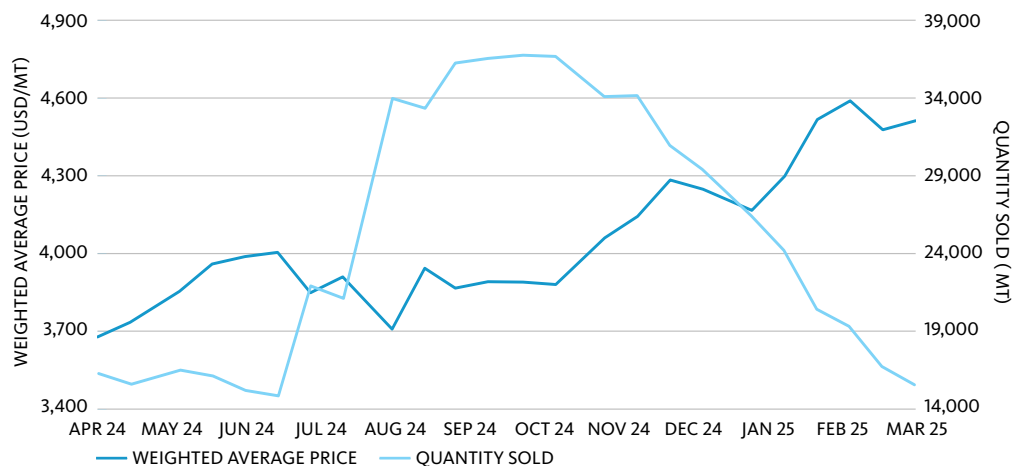
## Fonterra GDT results

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

	LAST TRADING EVENT (18 MARCH 2025)	YEAR-TO-DATE (FROM 1 AUGUST 2024)
Quantity Sold on GDT (Winning MT)	15,554	464,837
Change in Quantity Sold on GDT over same period last year	(13.5%)	3.2%
Weighted Average Product Price (USD/MT)	4,512	4,094
Change in Weighted Average Product Price over same period last year	26.1%	24.7%
Change in Weighted Average Product Price from previous event	0.8%	-

## Fonterra GDT results

This chart shows Fonterra GDT prices and volumes over the past 12 months.



# Glossary

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## 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.