Email to farmers from Group Director Farm Source

Subject: UPDATE to Fixed Milk Price for 2022/2023 season

Dear [name]

I'm getting in touch to let you know about an update to the Fixed Milk Price (FMP) Programme.

On the back of continuing favourable margins and interest from customers, Fonterra has increased the total volume available on the FMP Programme for the 2022/2023 season.

Fonterra will now offer up to a total of 100m kgMS across the 10 FMP events for milk supplied during the 2022/23 season. This is up from 75m kgMS.

We've seen a good level of participation in FMP and also, more broadly, in the SGX-NZX Dairy Futures Market over the last few years. The popularity of these tools is a reflection of increasing industry demand for price risk management tools.

If you need more information about how the Fixed Milk Price tool works, or want to read the full version of our Fixed Milk Price Rules and Terms, you can find them here. Alternatively, you can contact your Area Manager or phone 0800 65 65 68.

Before participating in Fixed Milk Price, you should discuss with your rural professional or financial advisor if the Fixed Milk Price tool is right for you. If you have a sharemilker or contract milker on your farm you will need to consider how Fixed Milk Price would affect their payment, and discuss this with them in advance.

Remember, the Fixed Milk Price may be higher or lower than the final Farmgate Milk Price for the season and all other fees and adjustments still apply (such as fat and protein ratio adjustment, volume adjustment, demerits and premiums etc).

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Richard Allen

Group Director Farm Source