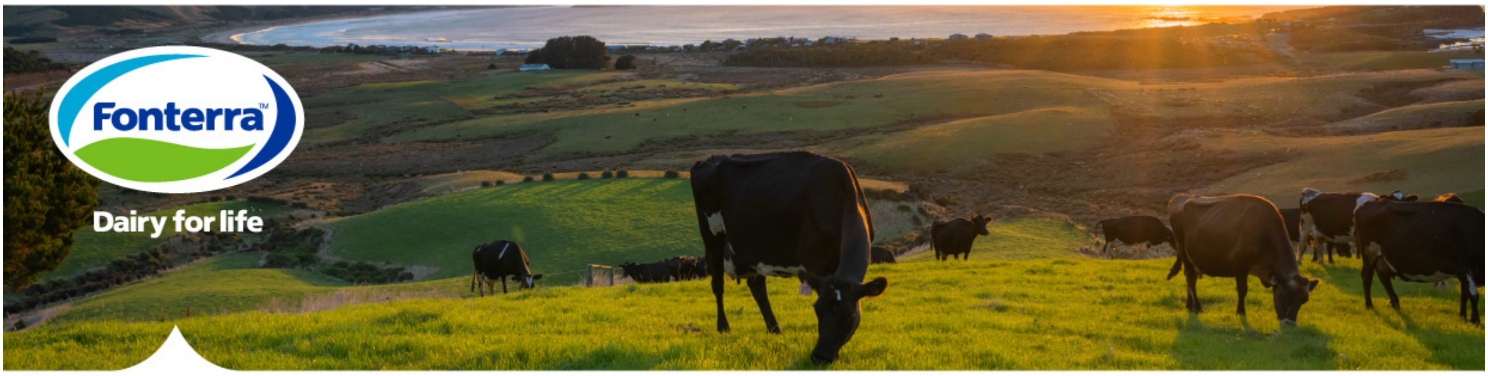


OCTOBER 2025

Global Dairy
UPDATE

Our Markets

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

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

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

- Fonterra's New Zealand collections for September were 179.0 million kgMS, 2.8% above September last season. Season-to-date collections are 316.3 million kgMS, 3.0% above last season
- Fonterra's Australia collections for September were 10.6 million kgMS, 3.8% above September last season. Season-to-date collections are 23.4 million kgMS, 3.0% above last season

Our Performance

- Fonterra invests $75 million to expand butter production

Our Co-op

- Fonterra farmers approve Consumer sale with strong support

Key Dates

4 December 2025
FY26 Q1 Business Update

11 December 2025
Fonterra Co-operative Group Annual Meeting

15 December 2025
Fonterra Shareholders' Fund Annual Meeting

Global Production

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

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

CLICK HERE

NEW ZEALAND

2.5% ↑
Change for September 2025 compared to September 2024

1.8% ↑
Change for the 12 months to September 2025

New Zealand milk production increased 2.5% in September compared to the same period the year prior.

The increase was mainly due to favourable weather conditions and a strong milk price incentivising farmers to maximise production.

New Zealand milk production for the 12 months to September was up 1.8% on the previous comparable period.

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

AUSTRALIA

0.5% ↓
Change for September 2025 compared to September 2024

1.8% ↓
Change for the 12 months to September 2025

Australia milk production decreased 0.5% in September compared to the same period the year prior.

The decrease was mainly due to lower collections in Victoria, down 3.2% year-on-year for September. The decrease was partially offset by higher collections in Queensland and New South Wales.

Australia milk production for the 12 months to September was 1.8% down on the previous comparable period.

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

EUROPEAN UNION

2.7% ↑
Change for August 2025 compared to August 2024

0.1% ↑
Change for the 12 months to August 2025

EU milk production[1] increased 2.7 % in August compared to the same period the year prior.

The increase was mainly due to higher production in France, Ireland, Germany and the Netherlands, partially offset by lower collections in Portugal, which was 36.7 million kgMS, or 25.6%, lower than last year.

The increase, in part, is likely due to the impacts of Bluetongue disease, particularly in Western Europe on the comparable period's collections.

EU milk production for the 12 months to August was up 0.1% on the previous comparable period.

USA

3.3% ↑
Change for August 2025 compared to August 2024

1.2% ↑
Change for the 12 months to August 2025

US milk production increased 3.3% in August compared to the same period the year prior.

The increase was mainly due to larger herd sizes and higher yields. Production increased year-on-year for 19 of the 24 major milk-producing states, with Kansas up 20% on August last year.

The higher collections were partially offset by lower production in Washington, which decreased 7.4%, as the state's herd size decreased 21,000 compared to last year.

US milk production for the 12 months to August was 1.2% up on the previous comparable period.

1 Excludes UK.

Global Exports

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

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

NEW ZEALAND

10.9% ↑ Change for September 2025 compared to September 2024

1.6% ↑ Change for the 12 months to September 2025

New Zealand dairy exports increased 10.9%, or 19,977 MT, in September compared to the same period the year prior.

The increase was mainly due to higher export volumes of WMP and fluid milk products, which increased 14.4% and 21.7%, or, 8,470 MT and 7,649 MT, respectively, partially offset by lower export volumes of AMF.

Exports for the 12 months to September were up 1.6%, or 56,304 MT, on the previous comparable period.

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

AUSTRALIA

5.8% ↑ Change for August 2025 compared to August 2024

0.9% ↓ Change for the 12 months to August 2025

Australia dairy exports increased 5.8%, or 2,700 MT, in August compared to the same period the year prior.

The increase was mainly due to higher volumes of fluid milk products, with exports to China increasing 80% compared to last August. The increase was partially offset by lower export volumes of butter.

Exports for the 12 months to August were down 0.9%, or 6,070 MT, on the previous comparable period.

The decrease was mainly due to lower exports of whey powder, partially offset by higher export volumes of cheese.

EUROPEAN UNION

0.8% ↓ Change for July 2025 compared to July 2024

0.2% ↑ Change for the 12 months to July 2025

EU dairy exports[1] decreased 0.8%, or 5,050MT, in July compared to the same period the year prior.

The decrease was mainly due to lower export volumes of whey powder from France and fluid milk products from the Netherlands and Germany, partially offset by higher export volumes of SMP.

Exports for the 12 months to July were up 0.2%, or 9,884 MT, on the previous comparable period.

The increase was mainly due to higher export volumes WPC and WPI from Ireland.

USA

8.6% ↑ Change for July 2025 compared to July 2024

2.4% ↑ Change for the 12 months to July 2025

US dairy exports increased 8.6%, or 20,960 MT, in July 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 SMP.

Exports for the 12 months to July were up 2.4%, or 67,447 MT, on the previous comparable period.

The increase was mainly due to strong growth of cheese exports, and butter, which is up 94%, or 26,147 MT, for the 12 months year-on-year. The increase is partially offset by lower export volumes of SMP.

1 Excludes UK.

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

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

CLICK HERE

LATIN AMERICA

2.9%↓ Change for August 2025 compared to August 2024

4.2%↑ Change for the 12 months to August 2025

Latin America dairy import volumes decreased 2.9%, or 6,545 MT, in August compared to the same period the year prior.

The decrease was mainly due to lower imports of WMP by Peru, Brazil and Venezuela and of SMP by Mexico, partially offset by higher import volumes of whey powder.

Imports for the 12 months to August were up 4.2%, or 107,376 MT, on the previous comparable period.

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

ASIA

8.0%↓ Change for August 2025 compared to August 2024

1.5%↑ Change for the 12 months to August 2025

Asia (excluding China) dairy import volumes decreased 8.0%, or 39,950 MT, in August compared to the same period the year prior.

The decrease was mainly due to lower import WMP and whey powder by Indonesia and the Philippines.

Imports for the 12 months to August were up 1.5%, or 83,093 MT, on the previous comparable period.

The increase was mainly due to higher import volumes of cheese by the Philippines and Indonesia, and MPC and MPI by the Philippines, Japan and Thailand.

MIDDLE EAST & AFRICA

4.0%↓ Change for August 2025 compared to August 2024

4.8%↓ Change for the 12 months to August 2025

Middle East and Africa dairy import volumes[1] decreased 4.0%, or 17,604 MT, in August 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, partially offset by higher import volumes of SMP.

Imports for the 12 months to August were down 4.8%, or 261,023 MT, on the previous comparable period.

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

CHINA

1.1%↓ Change for September 2025 compared to September 2024

4.0%↑ Change for the 12 months to September 2025

China dairy import volumes decreased by 1.1%, or 2,159 MT, in September compared to the same period the year prior.

The decrease was mainly due to lower import volumes of fluid milk products, partially offset by higher volumes of WMP and butter.

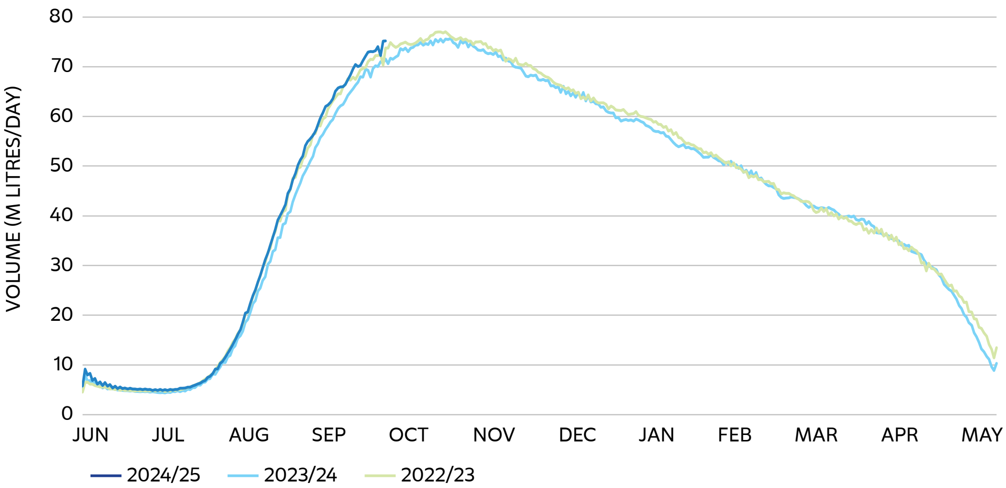
Imports for the 12 months to September were up 4.0%, or 113,617 MT, on the previous comparable period.

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

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

Fonterra Milk Collections

New Zealand Milk Collections



To view a table that shows detailed milk collections in New Zealand and Australia compared to the previous season-

CLICK HERE

NEW ZEALAND

2.8% ↑ Increase for September 2025 compared to September 2024

3.0% ↑ Season-to-date 1 Jun–30 Sept compared to prior season

Fonterra's New Zealand collections for September were 179.0 million kgMS, 2.8% above September last season.

The increase was mainly due to favourable weather conditions across the country.

In addition to favourable weather, a strong milk price and high margins are incentivising farmers to maintain higher production levels.

Season-to-date collections are 316.3 million kgMS, 3.0% above last season.

NORTH ISLAND

3.1% ↑ Increase for September 2025 compared to September 2024

3.3% ↑ Season-to-date 1 Jun–30 Sept compared to prior season

North Island milk collections in September were 107.9 million kgMS, 3.1% higher than September last season.

The increase was mainly due to favourable weather conditions across the North Island.

Soil moisture was high across most regions, being at or near field capacity for all areas except for some drier areas in Hawkes Bay.

Temperatures throughout the North Island were slightly cooler than historical averages, which supported higher milk yields.

Season-to-date collections are 212.1 million kgMS, 3.3% above last season.

SOUTH ISLAND

2.2% ↑ Increase for September 2025 compared to September 2024

2.3% ↑ Season-to-date 1 Jun–30 Sept compared to prior season

South Island milk collections in September were 71.1 million kgMS, 2.2% lower than September last season.

The increase was mainly due to favourable pasture conditions, with lower soil moisture across most regions due to below average rainfall limiting pasture damage from livestock.

Sunlight levels were well above average for most of the South Island, with temperatures at or slightly above the historical average in milk producing regions.

Season-to-date collections are 104.2 million kgMS, 2.3% above last season.

AUSTRALIA

3.8% ↑ Increase for September 2025 compared to September 2024

3.0% ↑ Season-to-date 1 Jul–30 Sept compared to prior season

Fonterra's Australia collections in September were 10.6 million kgMS, 3.8% higher than September last season.

The increase was mainly due to favourable weather conditions. Consistent rainfall across major producing regions is helping to replenish fodder reserves, with some areas of Tasmania receiving the highest September rainfall in over 20 years.

Some areas in Western Victoria are still recovering from drought conditions, however increased rainfall compared to last year is reducing the impact.

Season-to-date collections for Fonterra Australia are 23.4 million kgMS, 3.0% above last season.

OUR MARKETS

Fonterra Global Dairy Trade Results

Fonterra GDT results at trading event 391
21 October 2025:

1.6% ↓	USD 3,914	38.9 000' MT
Change in Fonterra's weighted average product price from previous event	**Fonterra's weighted average product price (USD/MT)**	**Fonterra product quantity sold on GDT**

AMF
1.8% ↑
USD 7,038/MT

BUTTER
0.3% ↓
USD 6,711/MT

SMP
1.8% ↓
USD 2,568/MT

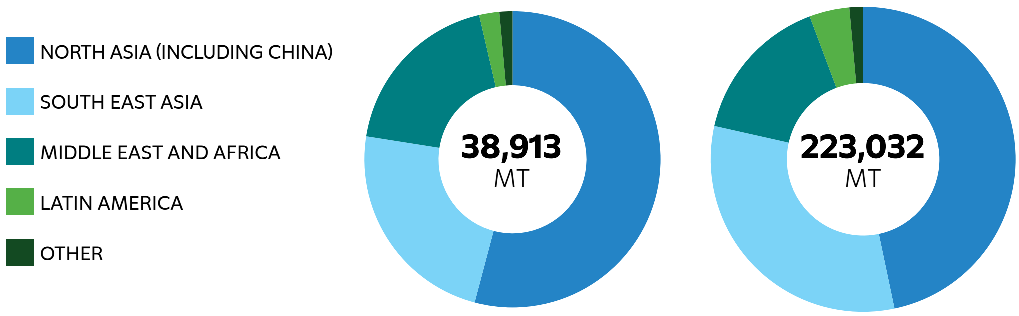
CHEDDAR
2.1% ↓
USD 4,758/MT

WMP
2.3% ↓
USD 3,609/MT

Fonterra GDT sales
by destination:

LATEST AUCTION

FINANCIAL YEAR-TO-DATE

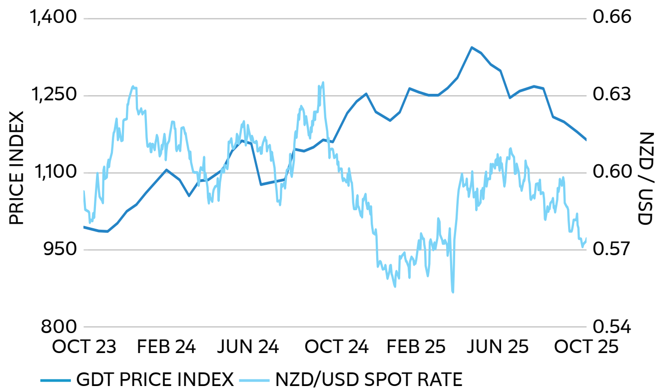


To view more information, including a snapshot of the rolling year-to-date results –
CLICK HERE ▸

- The next trading event will be held on 4 November 2025. Visit www.globaldairytrade.info for more information.

Dairy commodity prices and New Zealand dollar trend

NZ Dollar weakness extended to below 57 US cents following the Reserve Bank of New Zealand's (RBNZ) 'super-sized' reduction in the Official Cash Rate in October, to 2.50% – a response to the weak growth numbers for the second quarter of 2025. Investors anticipate further monetary policy accommodation from the RBNZ will be forthcoming in November to support economic recovery, however, proportionate easing is expected from the US Federal Reserve and so support for the NZD/USD exchange rate has emerged at these lower levels.



Our Performance

Fonterra invests $75 million to expand butter production

Fonterra has announced a $75 million investment to expand butter production at its Clandeboye site in South Canterbury, as part of the Co-op's next phase of strategic investments signalled in its FY25 Annual Results.

CEO Miles Hurrell says Fonterra plans to invest up to $1 billion over the next three to four years in projects that will generate further value for farmers and drive operational cost efficiencies.

"This investment increases our production of a high-value product and improves our product mix by adding value to milkfat," Hurrell says.

The investment will enable construction of a new butter line at Clandeboye, expanding the site's current butter production capacity by up to 50,000 MT per annum.

The new butter line at Clandeboye will expand the Co-op's capacity to produce a range of butter formats, tailored for both global ingredients customers and professional kitchens.

The plant will be capable of making products that meet diverse market requirements, including Halal and Kosher certifications, supporting Fonterra's growth in key international markets.

Hurrell says global demand for butter continues to grow,

and this investment positions the Co-op to better serve customers worldwide.

Fonterra Chief Operating Officer Anna Palairet says the expansion of the Clandeboye site also strengthens Fonterra's network in the South Island by improving flexibility and resilience.

"This investment is part of Fonterra's broader strategic asset roadmap supporting long-term growth in high-value dairy categories. The expansion will create 16 new jobs at the site, supporting the local economy," Palairet says.

Construction at the Clandeboye site begins in December 2025, with commissioning scheduled for early 2027 and first product expected off the line in April 2027.

This is Fonterra's third investment in the South Island in the past year, following:

- A $75 million investment in an advanced protein hub at Studholme to be sold through the Co-op's Ingredients business, catering to the fast-growing high protein market for medical and sports nutrition. Construction is expected to be complete in early 2026.
- The $150 million investment in a new UHT cream plant at Edendale to unlock additional capacity for high value product sold through Fonterra's Foodservice business. Construction is expected to be complete in the second half of 2026.

Fonterra also recently invested $64 million at Clandeboye for the conversion of two coal boilers to wood pellets, a crucial step in the Co-op's commitment to exit coal by 2037. The conversion was completed in August 2025.

Our Co-op

Fonterra farmers approve Consumer sale with strong support

Fonterra's farmer shareholders have given the go-ahead for the Co-operative to sell its global Consumer and associated businesses, Mainland Group, to Lactalis for $4.22 billion, with 88.47% of the total farmer votes cast in support of the divestment.

The final votes on the divestment were cast at a virtual Special Meeting held on 30 October.

Chairman Peter McBride says the Board and management team were encouraged by the level of engagement from farmer shareholders in the lead-up to the vote.

"We've been pleased to see so many farmers joining in the discussions since the start of this process in May last year when we first announced the decision to explore divestment options, and especially over the past month or so when the full details have been available," McBride says.

"It helps to demonstrate one of the key things that sets us apart from most other processors – our farmers have a direct say in the future of their Co-operative, and they've made the most of that opportunity.

"We're pleased to have received a strong mandate, with 88.47% of the total farmer votes cast in support of the recommendation and

80.59% participation based on milk solids voted. We want to thank all farmer shareholders who voted."

McBride says the decision to divest the Mainland Group businesses is significant and one the Board did not take lightly.

"We have examined the strategic context we operate in, our strengths and how as a Co-op we create value for our farmer owners," he says.

"The divestment will usher in an exciting new phase for the Co-op. We will be able to focus Fonterra's energy and efforts on where we do our best work. We will have a simplified and more focused business, the value of which cannot be overstated."

Completion of the divestment remains subject to securing certain regulatory approvals and the separation of Mainland Group business from Fonterra, both of which are well underway.

Subject to these steps being completed, Fonterra expects the transaction to complete in the first half of the 2026 calendar year.

Fonterra is targeting a tax-free capital return of $2 per share to shareholders and unit holders, equivalent to $3.2 billion, once the sale is complete.

Another shareholder vote will be required for the payment of the capital return. The process for that capital return is expected to be by way of a scheme of arrangement under Part 15 of the Companies Act 1993.

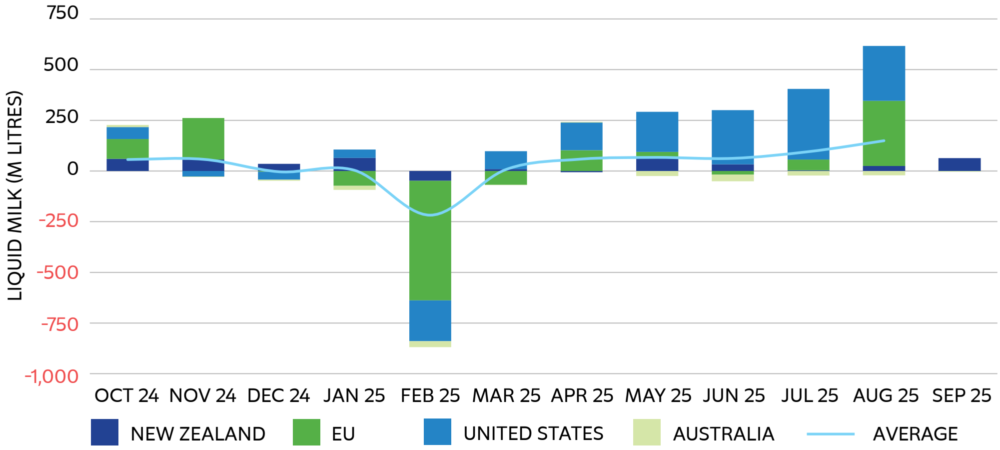
The Co-op plans to provide more detail on the timing and process for the capital return in early December.

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.

PRODUCTION



NOTE: Data for EU and US to August; New Zealand and Australia to September.

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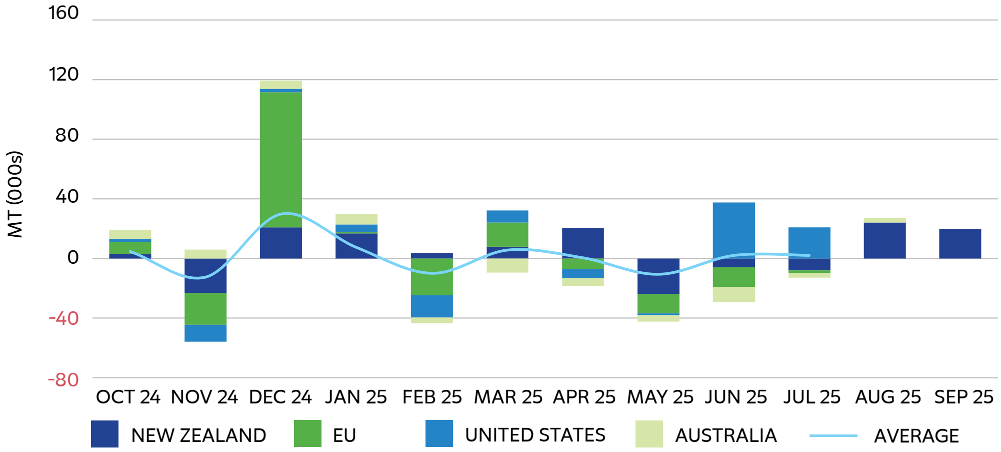
EXPORTS



NOTE: Data for EU and US to July; Australia to August; New Zealand to September.

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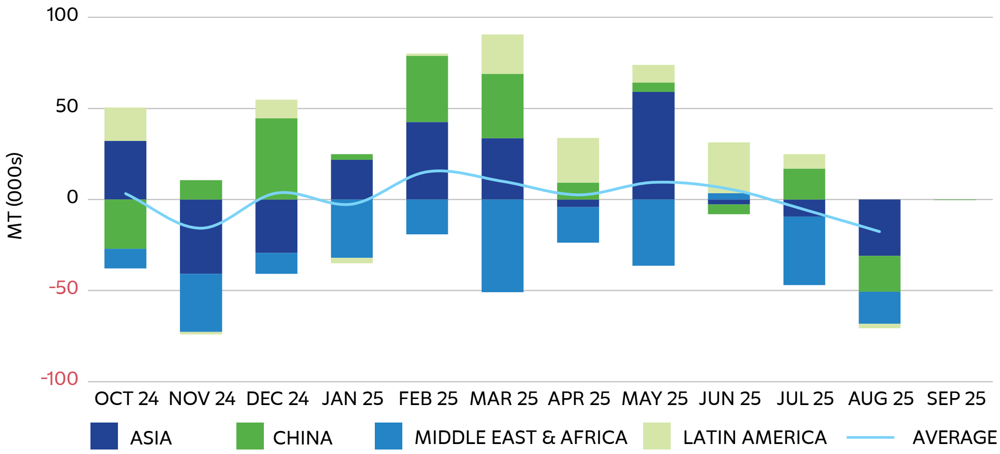
IMPORTS



NOTE: Data for Asia, Middle East & Africa and Latin America to August; China to September.

SOURCES: Government milk production statistics (DCANZ, Dairy Australia, Eurostat, USDA)/GTA trade data/Fonterra

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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.

BACK TO SUMMARY

MILK COLLECTION (MILLION KGMS)	SEPTEMBER 2025	SEPTEMBER 2024	MONTHLY CHANGE	SEASON-TO-DATE 2025/26	SEASON-TO-DATE 2024/25	SEASON-TO-DATE CHANGE
Total Fonterra New Zealand	179.0	174.2	2.8%	316.3	307.2	3.0%
North Island	107.9	104.6	3.1%	212.1	205.4	3.3%
South Island	71.1	69.6	2.2%	104.2	101.9	2.3%
Australia	10.6	10.2	3.8%	23.4	22.7	3.0%

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	FORECAST FOREIGN EXCHANGE EXPOSURE FOR 2025/26 SEASON HEDGED[1] (%)	FOREIGN EXCHANGE OPTION COVER REMAINING IN HEDGED AMOUNT[1] (%)
25 September 2025	$10.00 / $9.00-$11.00	0.5815	0.5892	72%	18%
21 August 2025	$10.00 / $9.00-$11.00	0.5821	0.5888	65%	17%

As at the most recent update to the 2025/26 season forecast Farmgate Milk Price on 25 September 2025:

- Fonterra had hedged approximately 72% of the full year forecast USD cash flows related to the 2025/26 season Farmgate Milk Price.
- Of that 72%, approximately 18% was hedged with foreign exchange options which had not yet expired or been exercised.
- If the remaining 28% of the forecast USD cash flows were to be hedged at the 25 September 2025 spot rate of 0.5815, the average NZD/USD conversion rate for the 2025 season would be 0.5892.
- Also shown for information are the equivalent measures at the date of the previous forecast of the 2025/26 season Farmgate Milk Price on 21 August 2025.

1 Hedged percentages shown are as at the most recent month end prior to announcement date.

Supplementary Information

Fonterra GDT results

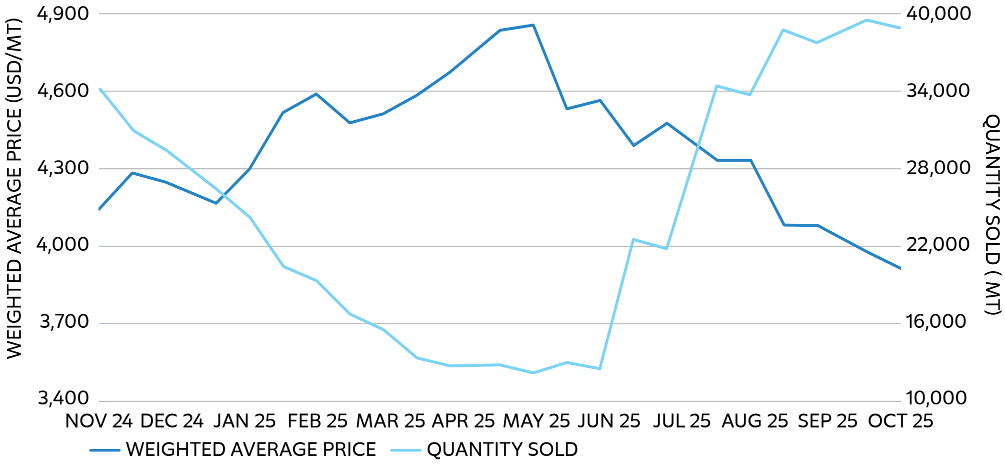
This table provides more information on the latest results, including a snapshot of the rolling year-to-date results.

	LAST TRADING EVENT (21 OCTOBER 2025)	YEAR-TO-DATE (FROM 1 AUGUST 2025)
Quantity Sold on GDT (Winning MT)	38,913	223,036
Change in Quantity Sold on GDT over same period last year	6.1%	4.4%
Weighted Average Product Price (USD/MT)	3,914	4,110
Change in Weighted Average Product Price over same period last year	0.9%	6.4%
Change in Weighted Average Product Price from previous event	(1.6%)	-

Fonterra GDT results

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

BACK TO SUMMARY



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, and crème fraiche.

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.