



OCTOBER 2024

Global Dairy UPDATE



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

- Changes to Fonterra Management Team to support the next phase of its strategic delivery.



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



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



- Fonterra New Zealand's collections for September were 174.2 million kgMS, 4.9% above September last season. Season-to-date collections are 307.2 million kgMS, 6.1% above last season.

- Farmers' care for cows wins big.

- Fonterra's Australia collections in September were 10.2 million kgMS, 4.7% above September last season. Season-to-date collections are 22.7 million kgMS, 2.6% above last season.

Key Dates



14 November 2024
Fonterra Co-operative Group
Annual Meeting

18 November 2024
Fonterra Shareholders' Fund
Annual Meeting

5 December 2024
FY25 Q1 Business Update



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

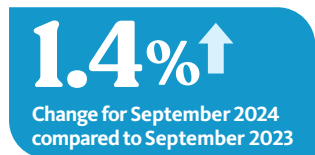
To view a chart that illustrates year-on-year changes in production –

NEW ZEALAND



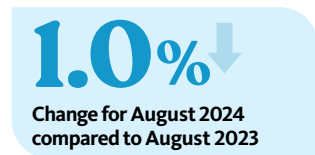
New Zealand milk production increased 4.1% on a litres basis (up 5.2% on milk solids basis) for September compared to the same period the year prior. The production increase was mainly due to favourable weather and pasture conditions compared to this time last year with soil moisture at capacity or in surplus. New Zealand milk production for the 12 months to September was up 0.8% on the previous comparable period. Fonterra New Zealand collections are reported for September, see page 5 for details.

AUSTRALIA



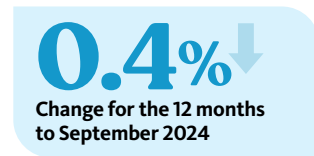
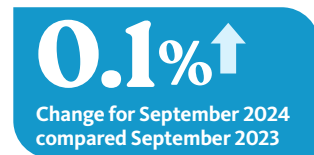
Australia milk production increased 1.4% in September compared to the same period the year prior. The production increase was mainly due to favourable weather conditions in Northern and Eastern Victoria, with improved rainfall supporting pasture growth in Western Victoria partially offset by flooding in Tasmania. Australia milk production for the 12 months to September was up 3.4% on the previous comparable period. Fonterra collections in Australia are reported for September, see page 5 for details.

EUROPEAN UNION



EU milk production¹ decreased 1.0% in August compared to the same period the year prior. The production decrease was mainly driven by the continued impact of Bluetongue disease, which continues to lower milk production output from Germany, France, Belgium, Ireland, Spain, and the Netherlands. Additionally, European raw milk prices also continued to increase due to higher seasonal demand for dairy products. EU milk production for the 12 months to August was up 0.1% on the previous comparable period.

USA



US milk production increased 0.1% in September compared to the same period the year prior. The production increase was mainly due to increased cow numbers in Texas and Kansas, Idaho recovering from Avian flu cases and South Dakota having greater access to feed and water. US milk production for the 12 months to September was down 0.5% on the previous comparable period.

¹ Excludes UK.



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

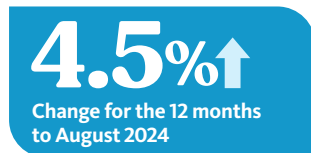
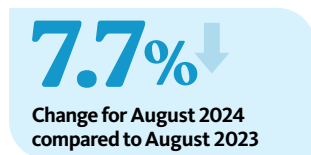
To view a chart that illustrates year-on-year changes in exports –

NEW ZEALAND



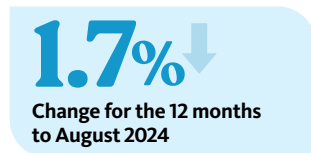
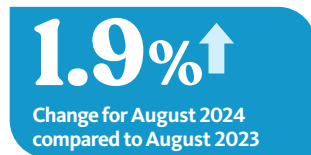
New Zealand dairy exports increased 4.4%, or 7,951 MT, in September compared to the same period last year. The increase was mainly due to higher export volumes of proteins, cheese and infant formula to China, fluid milk products to the Philippines and butter and AMF to Saudi Arabia. This was partially offset by lower export volumes of WMP and SMP to China. Exports for the 12 months to September were up 2.8%, or 95,971 MT, on the previous comparable period. This was mainly due to higher export volumes of WMP and fluid milk products to Southeast Asia and the Middle East.

AUSTRALIA



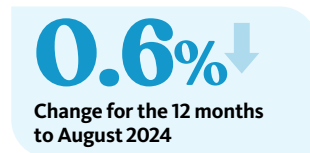
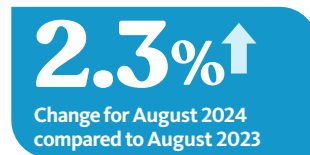
Australia dairy exports decreased 7.7%, or 4,073 MT, in August compared to the same period the year prior. The decrease was mainly due to higher than usual shipments in June and July and reduced export demand from China. Exports for the 12 months to August were up 4.5%, or 29,492 MT, on the previous comparable period. This was mainly due to higher production in Australia leading to more exportable surplus.

EUROPEAN UNION



EU dairy exports increased 1.9%, or 11,013 MT, in August compared to the same period the year prior. The increase was mainly due to higher export volumes of cheese to Vietnam and whey to China and Southeast Asia. Exports for the 12 months to August were down 1.7%, or 115,118 MT, on the previous comparable period. This was mainly due to lower export volumes of SMP, infant formula and proteins to key markets and an increase in domestic dairy consumption.

USA



US dairy exports increased 2.3%, or 5,300 MT, in August compared to the same period the year prior. The increase was mainly due to continuing higher export volumes of cheddar to Mexico and South Korea, alongside higher export volumes of whey to Southeast Asia. Exports for the 12 months to August were down 0.6%, or 17,628 MT, on the previous comparable period. This was mainly due to ongoing lower export volumes of American powder products as demand from key markets remains low.



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

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

LATIN AMERICA

3.8%↑

Change for August 2024 compared to August 2023

6.2%↑

Change for the 12 months to August 2024

Latin America dairy import volumes¹ increased 3.8%, or 8,464 MT, in August compared to the same period the year prior.

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

Imports for the 12 months to August were up 6.2%, or 151,906 MT, on the previous comparable period.

This was mainly due to ongoing increased import volumes of cheese by Mexico and Brazil and fluid milk products by Mexico and the Dominican Republic.

ASIA

16.9%↑

Change for August 2024 compared to August 2023

11.4%↑

Change for the 12 months to August 2024

Asia (excluding China) dairy import volumes¹ increased 16.9%, or 73,017 MT, in August compared to the same period the year prior.

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

Imports for the 12 months to August were up 11.4%, or 551,595 MT, on the previous comparable period.

This was mainly due to higher import volumes of WMP by Vietnam, Malaysia and Bangladesh, and fluid milk products by the Philippines and Vietnam.

MIDDLE EAST & AFRICA

4.2%↓

Change for August 2024 compared to August 2023

1.8%↑

Change for the 12 months to August 2024

Middle East and Africa dairy import volumes¹ decreased 4.2%, or 20,502 MT, in August compared to the same period the year prior.

The decrease was mainly due to lower import volumes of WMP, cheese and cultured products by Iraq. This was partially offset by slightly higher import volumes of SMP by Egypt.

Imports for the 12 months to August were up 1.8%, or 107,151 MT, on the previous comparable period.

This was mainly due to higher import volumes of fluid milk products by UAE, cheese by Lebanon and UAE and whey by Nigeria and Egypt.

CHINA

13.9%↓

Change for September 2024 compared to September 2023

11.6%↓

Change for the 12 months to September 2024

China dairy import volumes decreased by 13.9%, or 32,102 MT, in September compared to the same period the year prior.

The decrease was mainly due to lower import volumes of fluid milk products, WMP and SMP as domestic milk supply levels remain high.

Imports for the 12 months to September were down 11.6%, or 366,341 MT, on the previous comparable period.

This was mainly due to an ongoing decline in import volumes of SMP, WMP, fluid milk products and infant formula.

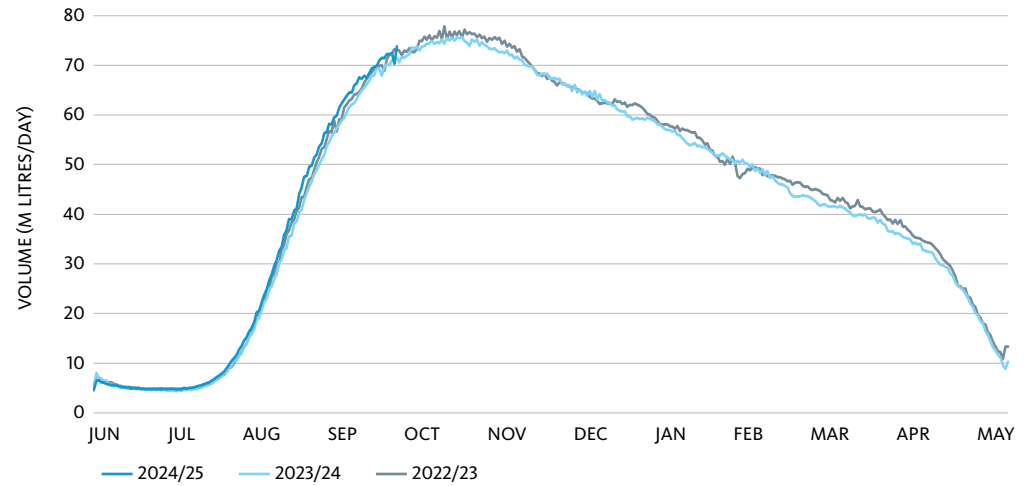
¹ Estimates are included for those countries that have not reported data.

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

4.9%↑

Change for September 2024 compared to September 2023

6.1%↑

Season-to-date 1 June to 30 September compared to prior season

Fonterra's New Zealand collections for September were 174.2 million kgMS, 4.9% above September last season.

The increase was mainly due to improved weather and soil conditions, although a wetter start to spring is impacting some regions.

Season-to-date collections are 307.2 million kgMS, 6.1% above last season.

NORTH ISLAND

4.8%↑

Change for September 2024 compared to September 2023

6.7%↑

Season-to-date 1 June to 30 September compared to prior season

North Island milk collections in September were 104.6 million kgMS, 4.8% above September last season.

The increase was mainly due to ongoing favourable weather conditions across the region contributing to strong pasture growth.

Season-to-date collections are 205.4 million kgMS, 6.7% above last season.

SOUTH ISLAND

5.0%↑

Change for September 2024 compared to September 2023

5.1%↑

Season-to-date 1 June to 30 September compared to prior season

South Island milk collections in September were 69.6 million kgMS, 5.0% above September last season.

The increase was mainly due to favourable weather conditions supporting pasture growth in most parts of the region with some areas having surplus moisture levels. This was partially offset by unfavourable weather conditions impacting production in the Lower South Island.

Season-to-date collections are 101.9 million kgMS, 5.1% above last season.

AUSTRALIA

4.7%↑

Change for September 2024 compared to September 2023

2.6%↑

Season-to-date 1 July to 30 September compared to prior season

Fonterra's Australia collections in September were 10.2 million kgMS, 4.7% above September last season.

The increase was mainly due to continued favourable weather conditions in Northern and Eastern Victoria, with Western Victoria recovering following late winter rainfall. Seasonal conditions remain supportive of strong pasture growth and this has reduced reliance on conserved fodder.

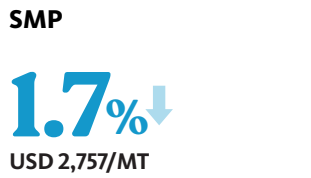
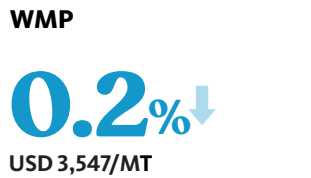
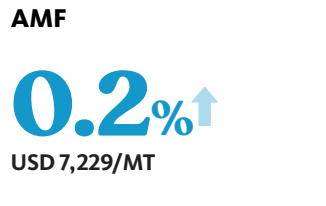
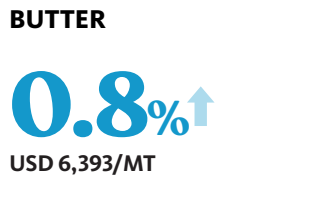
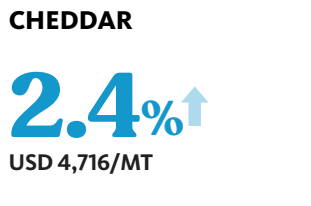
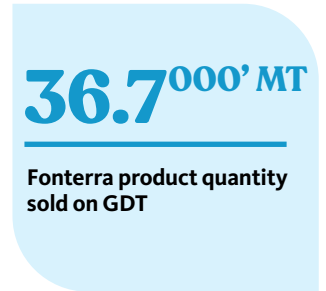
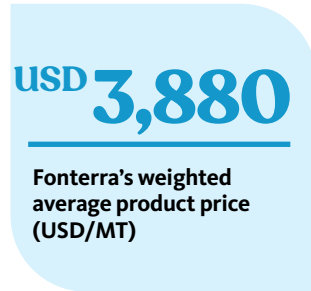
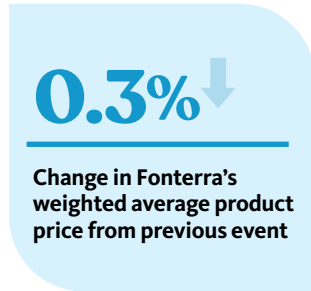
Season-to-date collections are 22.7 million kgMS, 2.6% above last season.

OUR MARKETS

Fonterra Global Dairy Trade Results

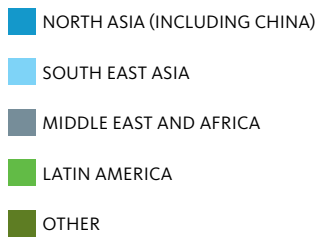


Fonterra GDT results at trading event 366
15 October 2024:

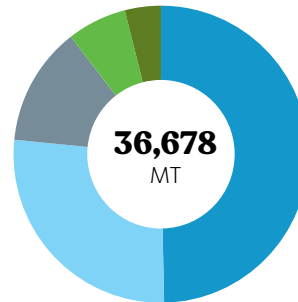


Fonterra GDT sales by destination:

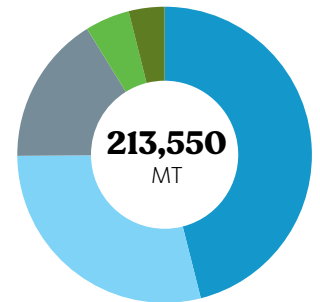
To view more information, including a snapshot of the rolling year-to-date results –



LATEST AUCTION



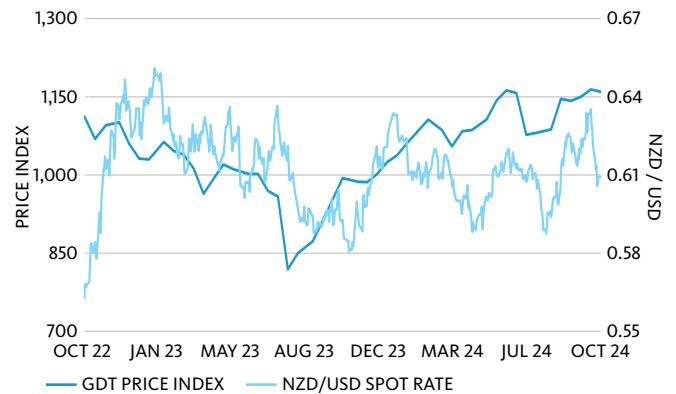
FINANCIAL YEAR-TO-DATE



▶ The next trading event will be held on 5 November 2024. Visit www.globaldairytrade.info for more information.

Dairy commodity prices and New Zealand dollar trend

Rising geopolitical tensions in the Middle East, and ongoing uncertainty in the Russia-Ukraine conflict, together with stronger than expected US economic data saw the USD strengthen over the past month. Furthermore, the Reserve Bank of New Zealand increased their pace of monetary policy accommodation lowering the Official Cash Rate by 50bps in October. The combination of these forces resulted in a swift decline in the NZD/USD exchange rate from above 63.5 US cents to 60.5 US cents in October.



Our Performance



Changes to Fonterra Management Team to support the next phase of its strategic delivery

Managing Director Co-operative Affairs Mike-Cronin has been leading the potential Consumer divestment process and will dedicate his focus to this critical project full time.

Former Fonterra alumni Matt Bolger will return to the Co-op and step into the Managing Director Co-operative Affairs position from March 2025.

CEO Miles Hurrell says “exploring options for the potential divestment of our Consumer businesses is one of the most important projects Fonterra has undertaken and has the potential to unlock significant value for our farmer shareholders and unit holders.

“As we progress this work, Mike will step away from the Managing Director Co-operative Affairs role to dedicate his time to the potential divestment. He will remain a key member of the Fonterra Management Team.

“Mike has been with Fonterra since 2002 and has been involved in a number of key strategic projects for the Co-op, including Trading Amongst Farmers, the Governance and Representation Review, the Co-operative Difference and Flexible Shareholding.

“Mike is a highly respected leader and industry figure, holding the Managing



Mike Cronin (left), Matt Bolger (right)

Director Co-operative Affairs role since 2014. I personally value his trusted advice and strategic leadership. He will remain with the Co-op until the potential divestment process is concluded.

“I’m also pleased to announce Matt Bolger’s appointment to the Managing Director Co-operative Affairs role and look forward to welcoming him back to the Co-op on the 5th of March,” says Mr Hurrell.

Matt spent more than 18 years with Fonterra in a variety of roles, including General Manager Capital Strategy and Director of Farmer Services, as well as time leading global sales teams offshore.

He stepped into his current position as Pro Vice-Chancellor of The University of Waikato Management School in 2020 and is the current Chairman of the Dairy Companies

Association of New Zealand (DCANZ).

“As Managing Director Co-operative Affairs, Matt will be responsible for functions including Farm Source, Global Stakeholder Affairs and Trade, Governance, Risk and Audit, Corporate Communications, Legal and Māori Strategy.

“As we implement our revised strategy, Matt’s knowledge of the Co-op’s farmers, stakeholder relations experience and commercial acumen will serve him well,” says Mr Hurrell.

Matt completed his Bachelor of Science in Business Administration at Georgetown University in Washington DC, majoring in International Business with Minors in English and Japanese.



Farmers' care for cows wins big

The hard work Fonterra farmers dedicate to their animals' wellbeing has been recognised with a major international award.

Fonterra has received a Good Dairy Commendation from Compassion in World Farming (CIWF), a leading global animal welfare and environmental organisation. CIWF's annual Good Farm Animal Welfare Awards recognise food companies who work collaboratively to create more sustainable food supply chains and have policies and commitments that support animal wellbeing and the environment.

This year's awards were held in Paris, recognising 49 winners from around the world.

Animal Wellbeing Manager Stephanie Bullen represented Fonterra at the awards ceremony.

Our Co-op is the first pasture-based dairy company to receive a Good Dairy Commendation. This acknowledges companies committed to implementing higher wellbeing standards ensuring cows have access to pasture, are not tethered and their welfare is monitored through key animal-based indicators.

Fonterra's Director of Sustainability Charlotte Rutherford says the Co-op is honoured to receive the award.

"This accolade reflects the work our farmer owners do every day to uphold high standards of animal wellbeing and produce some of the world's finest milk", says Rutherford.

"Dairy cows are at the heart of our Co-op and we are proud to help provide an environment they thrive in. Our On-Farm Excellence team works closely with farmers to illustrate our high standards to customers and consumers.

"We look forward to continuing our focus and efforts in this area, collaborating strongly with our industry partners to ensure the right tools and support are accessible for our farmers, and ultimately keeping the importance of animal wellbeing in a sustainable dairy system front and centre."

CWIF Global Director of Food Business, Dr Tracey Jones says the Co-op is a worthy winner.

"Compassion is proud to have partnered with Fonterra for over a decade, and we are delighted to see their farmers' care and commitment recognised with this award for their New Zealand operations. On a global scale, Fonterra is leading the dairy sector by ensuring pasture access, achieving zero tethering, and actively monitoring welfare. Their dedication

to improving cow welfare shines through in their continued leadership across their supply chain."

How we care for cows

Care for animals' wellbeing has been handed down through generations of Fonterra farmers.

The Co-op's Cared for Cows Standard formalises the process for assessing and managing animal wellbeing on Fonterra's farms. It sets out requirements, including processes for managing risk, capturing and submitting animal health data, and conducting internal audits.

Fonterra's approach to animal wellbeing is based on the Five Domains:

- Freedom from hunger and thirst – Nutrition
- Freedom from discomfort – Environment
- Freedom from pain, injury and disease – Health
- Freedom to express natural behaviour – Behaviour
- Freedom from fear and distress – Mental state

Also, to meet the animal achievement under The Co-operative Difference programme, farmers need to have an Animal Welfare Plan (AWP) prepared alongside their vet, and we're on track to have AWP's for every Fonterra New Zealand farm by 2025.

Supplementary Information

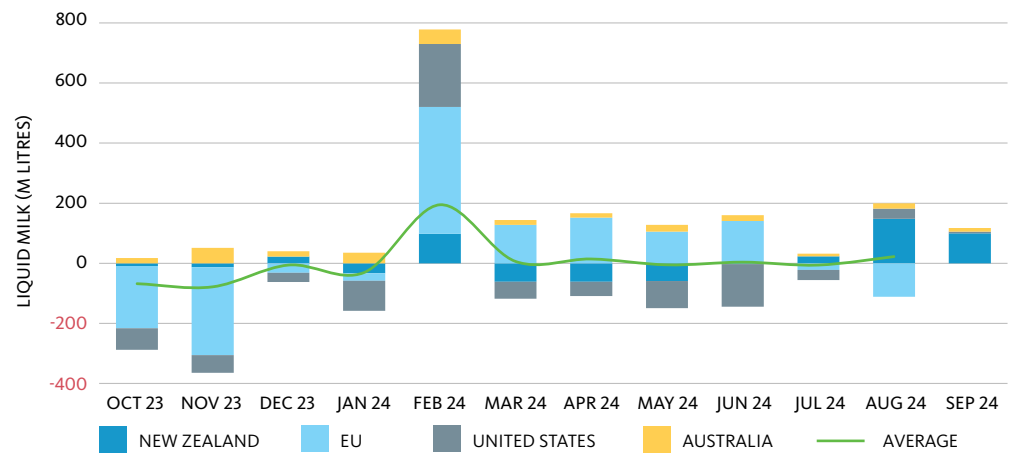
Global Dairy Market

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.

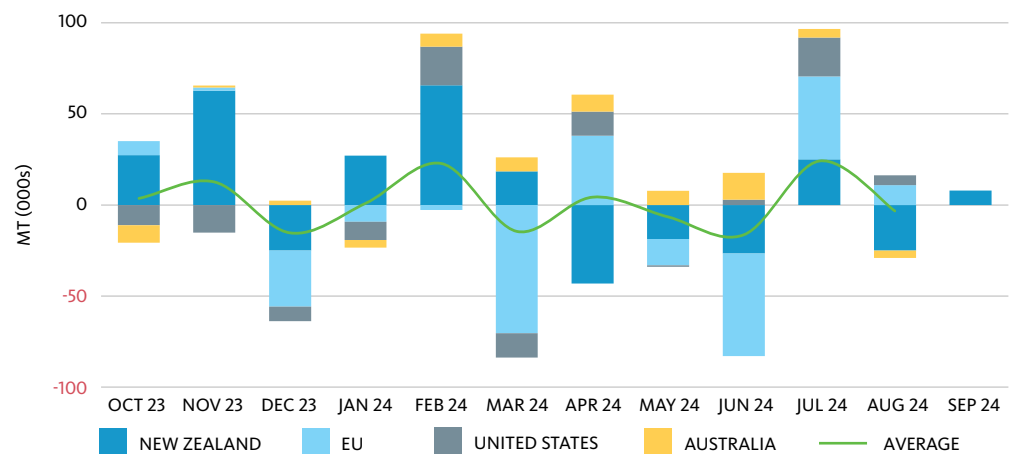
Averages are shown where data is complete for the regions presented.

PRODUCTION



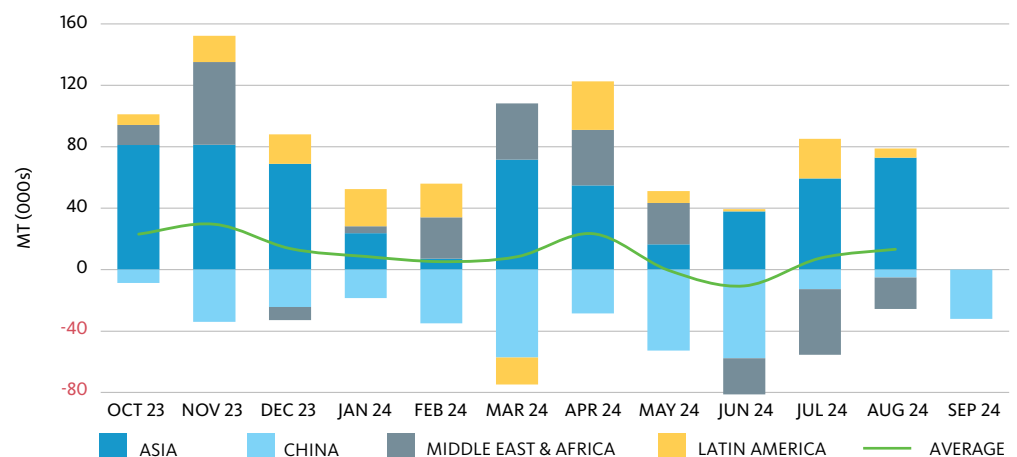
NOTE: Data for EU to August; New Zealand, US and Australia to September.

EXPORTS



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

IMPORTS



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

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)	SEPTEMBER 2024	SEPTEMBER 2023	MONTHLY CHANGE	SEASON-TO-DATE 2024/25	SEASON-TO-DATE 2023/24	SEASON-TO-DATE CHANGE
Total Fonterra New Zealand	174.2	166.1	4.9%	307.2	289.4	6.1%
North Island	104.6	99.9	4.8%	205.4	192.5	6.7%
South Island	69.6	66.3	5.0%	101.9	96.9	5.1%
Australia	10.2	9.7	4.7%	22.7	22.1	2.6%

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				
25 Sep 2024	\$8.25-\$9.75	\$9.00	0.6338	0.6190	72%	18%
23 Aug 2024	\$7.75-\$9.25	\$8.50	0.6137	0.6110	67%	16%

As at the most recent update to the 2024/25 season forecast Farmgate Milk Price on 25 September 2024:

- Fonterra had hedged approximately 72% of the full year forecast USD cash flows related to the 2024/25 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 2024 spot rate of 0.6338, the average NZD/USD conversion rate for the 2024 season would be 0.6190.
- Also shown for information are the equivalent measures at the date of the previous forecast of the 2024/25 season Farmgate Milk Price on 23 August 2024.

Supplementary Information

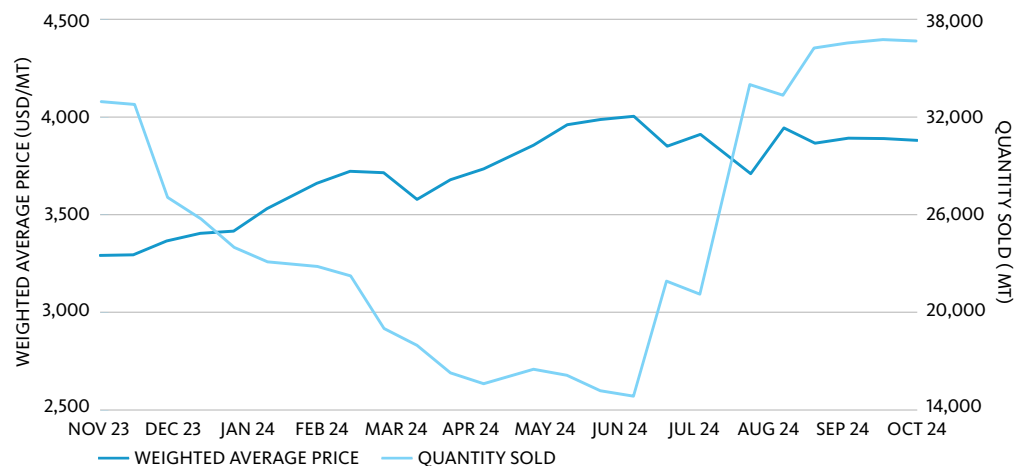
Fonterra GDT results

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

	LAST TRADING EVENT (15 OCTOBER 2024)	YEAR-TO-DATE (FROM 1 AUGUST 2024)
Quantity Sold on GDT (Winning MT)	36,678	213,550
Change in Quantity Sold on GDT over same period last year	8.3%	5.2%
Weighted Average Product Price (USD/MT)	3,880	3,864
Change in Weighted Average Product Price over same period last year	19.6%	26.5%
Change in Weighted Average Product Price from previous event	(0.3%)	-

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.