



SEPTEMBER 2025

Global Dairy UPDATE



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



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



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



- Fonterra's New Zealand collections for August were 99.9 million kgMS, 2.0% above August last season. Season-to-date collections are 137.3 million kgMS, 3.2% above last season
- Fonterra's Australia collections in August were 7.3 million kgMS, 3.5% above August last season. Season-to-date collections are 12.8 million kgMS, 2.4% above last season



- Fonterra reports continued strong performance in FY25

For further details,
visit our website –



- New UHT cream plant takes shape in Southland

Key Dates



30 October 2025
Fonterra Co-operative Group
Special Meeting

11 December 2025
Fonterra Co-operative Group
Annual Meeting

15 December 2025
Fonterra Shareholders' Fund Annual
Meeting



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

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

NEW ZEALAND

1.8%↑

Change for August 2025 compared to August 2024

2.0%↑

Change for the 12 months to August 2025

New Zealand milk production increased 1.8% in August compared to the prior year.

The increase was mainly due to favourable on-farm conditions, with soil moisture at capacity for most of the country. Some regions had drier and cooler weather that reduced pasture damage and supported grazing conditions.

New Zealand milk production for the 12 months to August was up 2.0% on the previous comparable period.

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

AUSTRALIA

4.0%↓

Change for July 2025 compared to July 2024

1.1%↓

Change for the 12 months to July 2025

Australia milk production decreased 4.0% in July compared to July the year prior.

The decrease was mainly due to constrained feed availability and input costs circa 20% above July last year. Meanwhile, the price for cull cows have reached its highest level since 2022.

Australia milk production for the 12 months to July was 1.1% down on the previous comparable period.

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

EUROPEAN UNION

0.5%↑

Change for July 2025 compared to July 2024

0.2%↓

Change for the 12 months to July 2025

EU milk production¹ increased 0.5% in July compared to the same period the year prior.

The increase was mainly due to higher production in Ireland and Poland, along with a notable increase from Hungary, recording 15.9% higher year-on-year collections.

The increase was partially offset by lower volumes in Belgium and Germany as key European dairy producing regions continue to manage bluetongue virus outbreaks.

EU milk production for the 12 months to July was down 0.2% 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.



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

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

NEW ZEALAND

17.7%↑

Change for August 2025 compared to August 2024

1.1%↑

Change for the 12 months to August 2025

New Zealand dairy exports increased 17.7%, or 263,555 MT, in August compared to the same period the year prior.

The increase was mainly due to higher export volumes of WMP, with Indonesia increasing their market share by 157% to 5,442 MT, second to China, who imported 6,072 MT of WMP.

Exports for the 12 months to August were up 1.1%, or 39,706 MT, on the previous comparable period.

The increase was mainly due to higher exports of MPC, MPI, and cheese, partially offset by lower export volumes of whey and other powders.

AUSTRALIA

2.8%↓

Change for July 2025 compared to July 2024

1.8%↓

Change for the 12 months to July 2025

Australia dairy exports decreased 2.8%, or 1,598 MT, in July compared to the same period the year prior.

The decrease was mainly due to lower SMP exports, with Malaysia, Vietnam and Kuwait each reducing their volumes by more than 50%. The decrease was partially offset by higher export volumes of fluid milk products.

Exports for the 12 months to July were down 1.8 %, or 12,598 MT, on the previous comparable period.

The decrease was mainly due to lower volumes of fluid milk products and 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 exports¹ 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 20,960MT, 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 67,447MT, 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 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

0.6%↑

Change for July 2025 compared to July 2024

5.3%↑

Change for the 12 months to July 2025

Latin America dairy import volumes increased 0.6%, or 1,390 MT, in July compared to the same period the year prior.

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

Imports for the 12 months to July were up 5.3%, or 137,975 MT, on the previous comparable period.

The increase was mainly due to higher import volumes of SMP and cheese by Mexico and the Dominican Republic, partially offset by lower import volumes of WMP and AMF by Brazil and Mexico, respectively.

ASIA

4.8%↑

Change for July 2025 compared to July 2024

4.4%↑

Change for the 12 months to July 2025

Asia (excluding China) dairy import volumes increased 4.8%, or 22,907 MT, in July compared to the same period the year prior.

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

Imports for the 12 months to July were up 4.4%, or 229,212 MT, on the previous comparable period.

The increase was mainly due to higher import volumes of fluid milk products by the Philippines and Vietnam, and SMP by the Philippines and Japan.

MIDDLE EAST & AFRICA

3.7%↓

Change for July 2025 compared to July 2024

3.6%↓

Change for the 12 months to July 2025

Middle East and Africa dairy import volumes¹ decreased 3.7%, or 18,557 MT, in July 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 July were down 3.6%, or 216,129 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.

CHINA

6.8%↑

Change for August 2025 compared to August 2024

3.2%↑

Change for the 12 months to August 2025

China dairy import volumes increased by 6.8%, or 16,802 MT, in August compared to the same period the year prior.

The increase was mainly due to higher import volumes of whey powder from the US, and fluid milk products, with more than 85% originating from New Zealand and Europe.

Imports for the 12 months to August were up 3.2%, or 91,107 MT, on the previous comparable period.

The increase was mainly due to higher import volumes of whey powder.

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

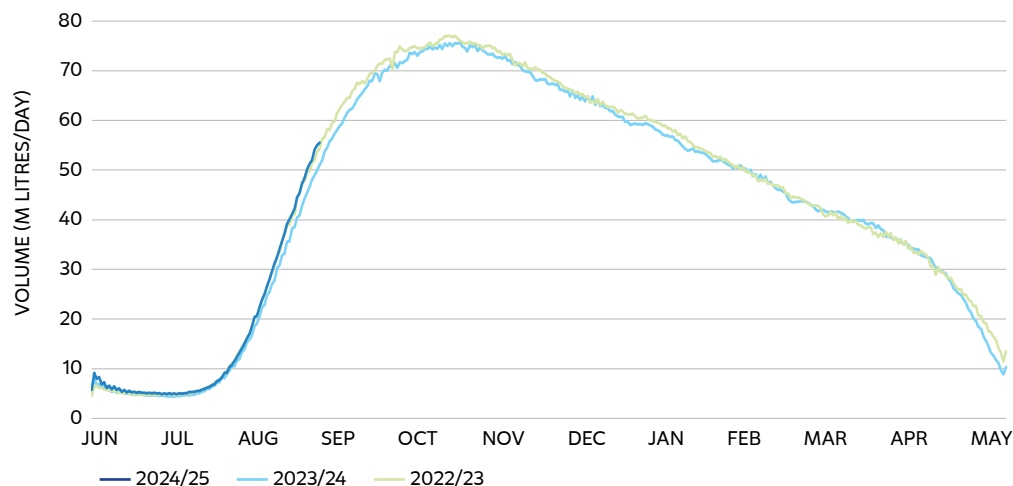
OUR MARKETS

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

2.0%↑

Increase for August 2025 compared to August 2024

3.2%↑

Season-to-date 1 June–31 August compared to prior season

Fonterra's New Zealand collections for August were 99.9 million kgMS, 2.0% above August last season.

The increase was mainly due to favourable weather conditions in the North Island, with collections comfortably above August last year, partially offset by lower collections in the South Island.

Season-to-date collections are 137.3 million kgMS, 3.2% above last season.

NORTH ISLAND

3.4%↑

Increase for August 2025 compared to August 2024

3.5%↑

Season-to-date 1 June–31 August compared to prior season

North Island milk collections in August were 72.3 million kgMS, 3.4% higher than August last season.

The increase was mainly due to favourable weather conditions across most regions, with cooler temperatures and longer periods of sunlight compared to historical averages.

Soil moisture was at field capacity for all parts of the North Island except for some drier areas in Hawkes Bay.

Season-to-date collections are 104.2 million kgMS, 3.5% above last season.

SOUTH ISLAND

1.6%↓

Increase for August 2025 compared to August 2024

2.4%↑

Season-to-date 1 June–31 August compared to prior season

South Island milk collections in August were 27.6 million kgMS, 1.6% lower than August last season.

The decrease was mainly due to variable weather conditions across the region, with some parts experiencing soil moisture levels above capacity. This was partially offset by longer periods of sunlight compared to historical averages.

Season-to-date collections are 33.1 million kgMS, 2.4% above last season.

AUSTRALIA

3.5%↑

Increase for August 2025 compared to August 2024

2.4%↑

Season-to-date 1 July–31 August compared to prior season

Fonterra's Australia collections in August were 7.3 million kgMS, 3.5% higher than August last season.

The increase was mainly due to favourable pasture conditions, supported by rainfall across most regions. Despite the rainfall, milk supply continues to be constrained by the ongoing drought recovery and lower herd sizes, however farm gate margins are favourable for farmers not still reliant on brought-in fodder.

Season-to-date collections for Fonterra Australia are 12.8 million kgMS, 2.4% above last season.

OUR MARKETS

Fonterra Global Dairy Trade Results



Fonterra GDT results
at trading event 388
16 September 2025:

0.1%↓

Change in Fonterra's
weighted average
product price from
previous event

USD 4,081

Fonterra's weighted
average product price
(USD/MT)

37.8⁰⁰⁰ MT

Fonterra product
quantity sold on GDT

CHEDDAR

2.2%↑

USD 4,814/MT

SMP

0.0%

USD 2,613/MT

WMP

0.5%↓

USD 3,787/MT

BUTTER

0.7%↓

USD 6,892/MT

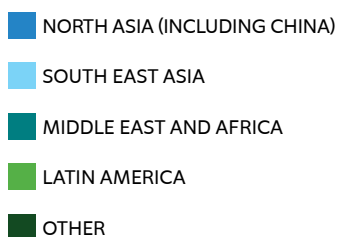
AMF

1.7%↓

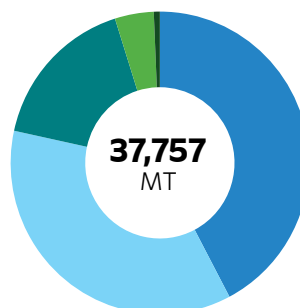
USD 6,802/MT

Fonterra GDT sales
by destination:

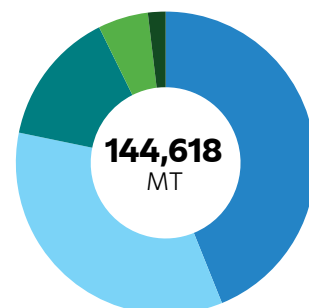
To view more
information, including
a snapshot of the rolling
year-to-date results –



LATEST AUCTION



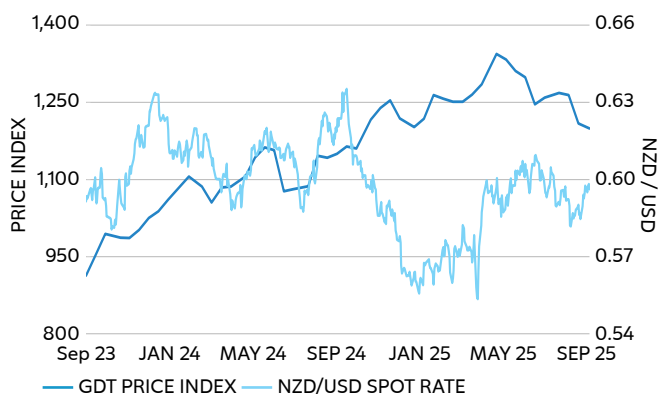
**FINANCIAL
YEAR-TO-DATE**



► The next trading event will be held on 7 October 2025. Visit www.globaldairytrade.info for more information.

Dairy commodity prices and New Zealand dollar trend

The NZD weakened following GDP figures that showed a sharper-than-expected contraction in New Zealand's economy during Q2 2025, leaving output down 0.6% over the past year. Markets swiftly priced in further RBNZ easing of at least 50bps by year-end, with a small chance of 75bps. Meanwhile, although the US Federal Reserve cut rates at its September meeting, its accompanying commentary was more cautious than anticipated, emphasising a data-dependent stance on future moves. The NZD/USD exchange rate subsequently fell to a five-month low.



Our Performance



Fonterra reports continued strong performance in FY25

Fonterra released its FY25 annual results this month, showing the Co-op generated \$26 billion in revenue and delivered \$16.2 billion in total cash returns to shareholders.

The final Farmgate Milk Price for the 2024/25 season was \$10.16 per kgMS, equating to \$15.3 billion in milk payments to New Zealand farmers, up \$3.8 billion on last year.

The Co-op also announced a FY25 full year dividend of 57 cents fully imputed, and at the upper end of its dividend policy, equating to \$916 million of cash to shareholders and unit holders. This is comprised of a 22 cent interim dividend and 35 cent final dividend.

CEO Miles Hurrell says FY25 was one of the Co-op's strongest years yet in terms of shareholder returns.

"We continue to see good demand from global customers for our high-quality products made from New Zealand farmers' milk and this is driving returns through both the Farmgate Milk Price and dividends," he says.

"Our vision is to be the source of the world's most valued dairy. Our strategy is designed to grow end-to-end value for farmers by focusing on being a B2B dairy nutrition provider, working closely with customers through our high-performing Ingredients and Foodservice channels.

"During the year, we've taken important steps towards this goal, including running a robust divestment process for global Consumer and associated businesses. This resulted in an agreement to sell the businesses to Lactalis for \$4.22 billion, subject to approvals.

"We're also positioning the Co-op to deliver further value through our Foodservice and Ingredients businesses, including continuing to invest in new manufacturing capability to meet growing customer demand for our high-value products.

"We have a pipeline of potential growth investments we're assessing, with plans to invest up to \$1 billion over the next three to four years in projects to

generate further value and drive operational cost efficiencies."

The Co-op delivered a Return on Capital of 10.9%, in line with the target range of 10-12%.

Looking ahead, the Co-op has revised its forecast milk collections for the 2025/26 season from 1,490 million kgMS to 1,525 million kgMS.

The 2025/26 forecast Farmgate Milk Price is \$10.00 per kgMS with a range of \$9.00-\$11.00 per kgMS.

While there are always risks that may impact future performance, Fonterra continues to target dividend payments within its policy range of 60%-80% of earnings in the medium term.

"Our ongoing balance sheet strength, combined with our focused strategic direction, means the Co-op is well prepared for the future and positioned to continue delivering positive returns to shareholders," Hurrell says.



New UHT cream plant takes shape in Southland

Construction of Fonterra's new UHT cream plant at Edendale is on track, with just one year to go until the first product rolls off the line.

Established in 1881, Edendale is New Zealand's oldest dairy processing site and was the first to export refrigerated cheese.

Come next August, it will celebrate another milestone as Fonterra's first South Island site producing and exporting UHT cream.

Around \$150 million is being invested in the expansion, which is part of the Co-op's strategy to grow capacity for high-value products.

The new plant will initially produce more than 50 million litres of UHT cream each year to meet growing demand across Asia, with plans to more than double that capacity by 2030.

Visible from State Highway 1, the site is taking shape almost nine months after construction began in January.

The walls and concrete slabs for processing and packing are up,

and the roof is mostly on. The product store is well underway, and construction of the distribution warehouse has begun. External excavation is nearly complete and foundations for the container yard are progressing well.

Andrew Johns, Fonterra's General Manager of Lower South Island Operations, says the project is on track.

"We're making sure we deliver a safe plant that can then produce high-quality product that exceeds customer expectations."

Currently, more than 50 people are working on the build, with that number expected to grow to 150 over the coming months.

"We're really excited about this opportunity to build a new plant here in Southland and supply UHT cream for growing markets," Johns says.

"There's good energy on site and I hope that's filtering through to the community too."

Demand for Fonterra's UHT products continues to grow, with a projected

4% compound annual growth rate over the next seven years.

The UHT cream produced at Edendale will be sold through the Co-op's Foodservice business, Anchor Food Professionals™, as Anchor Whipping Cream.

Anchor Whipping Cream's formulation was developed by Fonterra's Research and Development Centre in Palmerston North and is an example of how the Co-op uses innovation to add value to its farmers' milk.

The cream is a favourite in China, where it's used in about 400 million beverages and 260 million cakes each year.

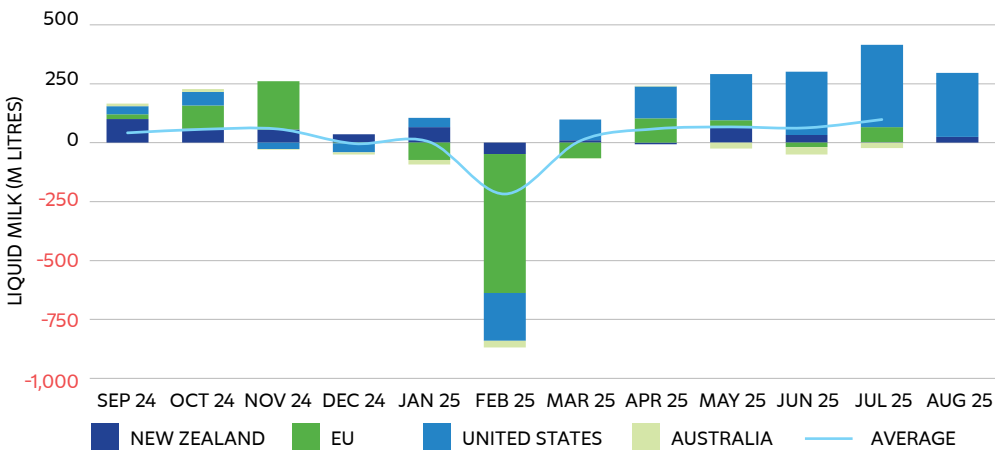
It's also popular in Malaysia and Vietnam. About 5,000 egg tarts made with Anchor Whipping Cream are sold every day by one of Fonterra's customers in Malaysia, while sales of the cream in Vietnam almost doubled in value between 2022 and 2024.

Supplementary Information

Global Dairy Market

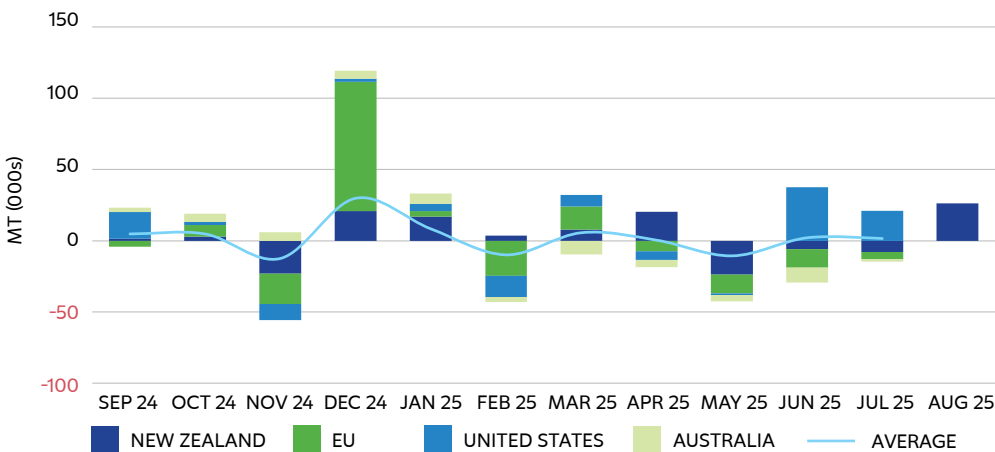
The charts on the right illustrate the year-on-year changes in imports, exports and production for a range of countries that are important players in global dairy trade.

PRODUCTION



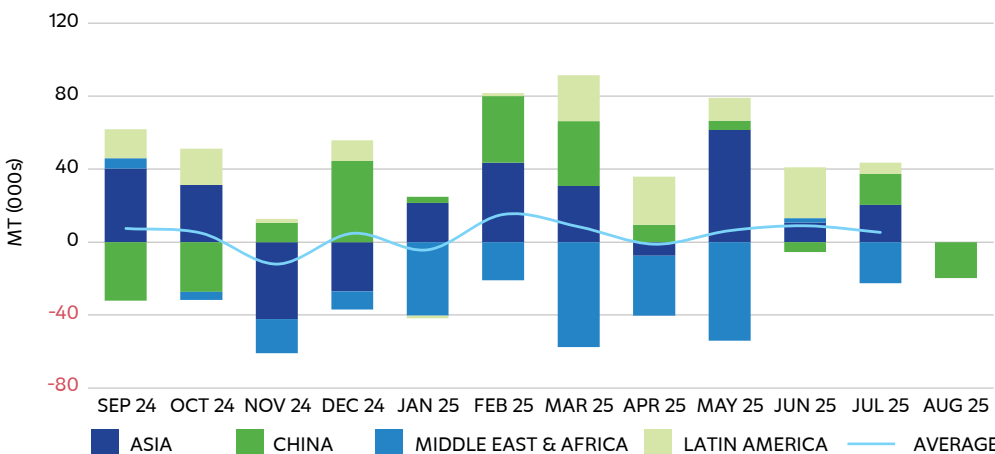
NOTE: Data for EU and Australia to July; New Zealand and US to August.

EXPORTS



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

IMPORTS



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

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

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)	AUGUST 2025	AUGUST 2024	MONTHLY CHANGE	SEASON- TO-DATE 2025/26	SEASON- TO-DATE 2024/25	SEASON- TO-DATE CHANGE
Total Fonterra New Zealand	99.9	98.0	2.0%	137.3	133.0	3.2%
North Island	72.3	70.0	3.4%	104.2	100.7	3.5%
South Island	27.6	28.0	(1.6%)	33.1	32.3	2.4%
Australia	7.3	7.0	3.5%	12.8	12.5	2.4%

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 (%)	FOREIGN EXCHANGE OPTION COVER REMAINING IN HEDGED AMOUNT (%)
21 August 2025	\$10.00 / \$9.00-\$11.00	0.5821	0.5888	65%	17%
29 May 2025	\$10.00 / \$8.00-\$11.00	0.5968	0.5951	48%	10%

As at the most recent update to the 2025/26 season forecast Farmgate Milk Price on 21 August 2025:

- Fonterra had hedged approximately 65% of the full year forecast USD cash flows related to the 2025/26 season Farmgate Milk Price.
- Of that 65%, approximately 17% was hedged with foreign exchange options which had not yet expired or been exercised.
- If the remaining 35% of the forecast USD cash flows were to be hedged at the 21 August 2025 spot rate of 0.5821, the average NZD/USD conversion rate for the 2025 season would be 0.5888.
- Also shown for information are the equivalent measures at the date of the previous forecast of the 2025/26 season Farmgate Milk Price on 29 May 2025.

Supplementary Information

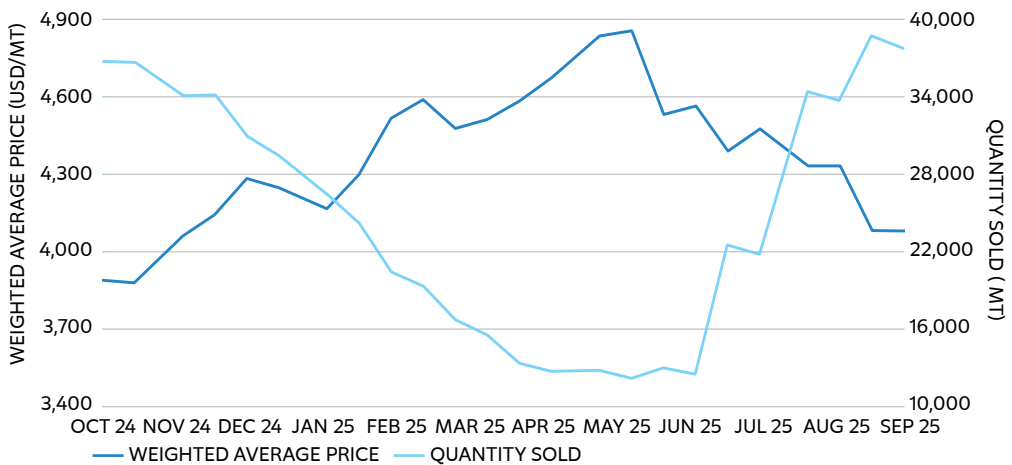
Fonterra GDT results

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

	LAST TRADING EVENT (16 SEPTEMBER 2025)	YEAR-TO-DATE (FROM 1 AUGUST 2025)
Quantity Sold on GDT (Winning MT)	37,757	144,618
Change in Quantity Sold on GDT over same period last year	3.3%	3.2%
Weighted Average Product Price (USD/MT)	4,081	4,200
Change in Weighted Average Product Price over same period last year	4.9%	9.0%
Change in Weighted Average Product Price from previous event	(0.1%)	-

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, and 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.