



Market Announcement

24 February 2023

Fonterra revises FY23 Farmgate Milk Price and Collections

Fonterra Co-operative Group Ltd today reduced and narrowed its 2022/23 season forecast Farmgate Milk Price range from \$8.50 - \$9.50 per kgMS, with a midpoint of \$9.00, to NZ\$8.20 - \$8.80 per kgMS, with a midpoint of \$8.50.

At the same time, Fonterra updated its forecast milk collections for the 2022/23 season to 1,465 million kgMS, down from its previous forecast of 1,480 million kgMS.

Fonterra CEO Miles Hurrell says the revised forecast Farmgate Milk Price range reflects softened demand at a time of balanced supply.

“Demand for Whole Milk Powder, particularly from Greater China, has been soft with prices down around 5% since the beginning of December.

“While we are encouraged by recent increased buying behaviour from China, it is too soon to determine the extent of the impact this may have on the rest of the season. We also remain cautious given a soft economic growth outlook in many regions globally.

“Looking at milk production, while Fonterra’s collections for the season are up on this time last year, cyclone Gabrielle and dry conditions in the South Island have impacted the Co-op’s full season expectations.

“Globally, milk supply from key exporting regions is balanced. Production from Europe and the US is up on last year, but this is partly offset by lower collections in New Zealand, Australia and Latin America.

“The medium to long term outlook for dairy, in particular New Zealand dairy, looks positive. We are assessing our position for next season and will provide our opening forecast in May,” says Mr Hurrell.

ENDS

For further information contact:

Fonterra Communications
24-hour media line
Phone: +64 21 507 072
