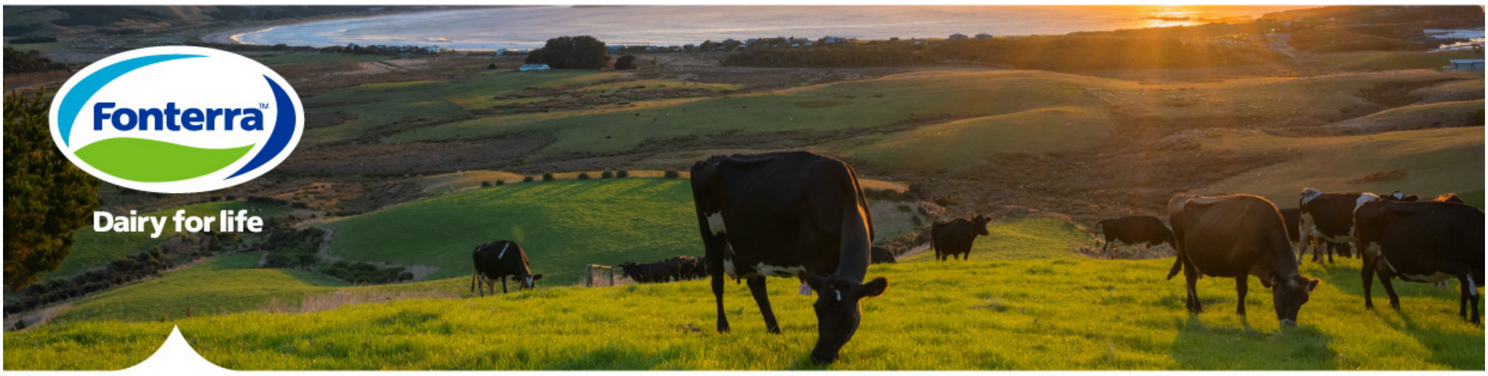



May 2026

# Global Dairy
# UPDATE

## Our Markets

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

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

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

- Fonterra's New Zealand milk collections for April were 123.6 million kgMS, 7.3% above April last season
- Season-to-date collections are 1,489.4 million kgMS, 4.0% above last season

## Our Performance

- Fonterra releases FY26 Q3 Business Update
- Fonterra announces opening 2026/27 Farmgate Milk Price

For further details, visit our website –

CLICK HERE ▸

## Our Co-op

- Dawn blessing marks start of Fonterra's new butter sheet build at Edgecumbe

## Key Dates

| | | |
|---|---|---|
| 1 June 2026<br>Start of the 2026/27 Season | 31 July 2026<br>End of FY26 Financial Year | September 2026<br>FY26 Annual Results Announcement |

# Global Production

## New Zealand, Australia, EU and US monthly production increased

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

Click here

### New Zealand

**6.9%** ↑ Change for April 2026 compared to April 2025

**4.6%** ↑ Change for the 12 months to April 2026

**New Zealand milk production** increased 6.9% in April compared to the same period the year prior.

The increase was mainly due to higher collections in the North Island from favourable weather conditions and continuing momentum in the South Island.

New Zealand milk production for the 12 months to April was up 4.6% on the previous comparable period.

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

### Australia

**6.1%** ↑ Change for April 2026 compared to April 2025

**0.2%** ↓ Change for the 12 months to April 2026

**Australia milk production** increased 6.1% in April compared to the same period the year prior.

The increase was mainly due to higher collections in Victoria, up 5.1% on April last year, despite rising input costs and tightening feed availability.

Australia milk production for the 12 months to April was down 0.2% on the previous comparable period.

### European Union

**4.5%** ↑ Change for March 2026 compared to March 2025

**4.0%** ↑ Change for the 12 months to March 2026

**EU milk production**[1] increased 4.5% in March compared to the same period the year prior.

The increase was mainly due to higher production in Germany, up 6.8% year-on-year and France, up 6.1%.

EU milk production for the 12 months to March was up 4.0% on the previous comparable period.

The increase was mainly due to higher production from Germany, France and the Netherlands, up 4.4%, 4.2% and 5.6%, or 107.4m, 74.3m and 61.1m kgMS, respectively, on the prior comparable period.

### USA

**3.4%** ↑ Change for April 2026 compared to April 2025

**4.7%** ↑ Change for the 12 months to April 2026

**US milk production** increased 3.4% in April compared to the same period the year prior.

The increase was mainly due to herd expansion, with cow numbers up 2.1% year on year (+193,000 head), supported by a 0.6% year-on-year increase in milk per cow.

The increase marks 12 consecutive months of 2.0% or higher year-on-year increases.

US milk production for the 12 months to April increased 4.7% on the previous comparable period.

1 Excludes UK.

OUR MARKETS

# 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

**16.3%** ↑
Change for April 2026 compared to April 2025

**0.9%** ↑
Change for the 12 months to April 2026

**New Zealand dairy exports** increased 16.3%, or 49,624 MT, in April compared to the same period the year prior.

The increase was mainly due to higher export volumes of WMP and SMP, up 34.0% and 33.9%, respectively.

Total exports to China increased 19,444 MT, or 18.8% year-on-year, with WMP exports to China lifting 58.3%, or 15,638 MT.

Exports for the 12 months to April were up 0.9%, or 30,456 MT, on the previous comparable period.

The increase was mainly due to higher export volumes of WMP and supported by butter, AMF, MPC and MPI.

### Australia

**1.5%** ↑
Change for March 2026 compared to March 2025

**3.5%** ↓
Change for the 12 months to March 2026

**Australia dairy exports** increased 1.5%, or 922 MT, in March compared to the same period the year prior.

The increase was mainly due to higher export volumes of fluid milk products, up 14.3% year-on-year, partially offset by lower export volumes of WMP.

Exports for the 12 months to March were down 3.5%, or 24,463 MT, on the previous comparable period.

The decrease was driven by lower volumes of SMP, whey powder, butter, and other powder. Fluid milk products and infant formula export volumes increased.

### European Union

**10.5%** ↓
Change for March 2026 compared to March 2025

**1.2%** ↑
Change for the 12 months to March 2026

**EU dairy exports**[1] decreased 10.5%, or 60,275 MT, in March compared to the same period the year prior.

The decrease was mainly due to lower export volumes of whey power and lactose products, with German lactose exports down 36.7%. EU27 butter exports were up 36.8%.

Exports for the 12 months to March were up 1.2%, or 77,380 MT, on the previous comparable period.

The increase was mainly due to higher export volumes of SMP, cultured products, cheese and butter. Export volumes of infant formula, WMP and lactose decreased year-on-year.

### USA

**9.8%** ↑
Change for March 2026 compared to March 2025

**8.4%** ↑
Change for the 12 months to March 2026

**US dairy exports** continued to grow, up 9.8%, or 25,197MT, in March compared to the same period the year prior.

The increase was mainly due to higher export volumes of cheese, whey powder and butter, with butter exports up 86.6% on March 2025. Export volumes of infant formula, SMP, WPC and WPI were lower.

Exports for the 12 months to March were up 8.4%, or 234,422, on the previous comparable period.

The increase was mainly due to higher export volumes of cheese, butter and whey powder partially offset by lower export volumes of SMP, WPC and WPI.

1 Excludes UK.

# Global Imports

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

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

Click here

### Latin America

**1.9%** ↑
Change for March 2026 compared to March 2025

**1.5%** ↓
Change for the 12 months to March 2026

**Latin America dairy import volumes** increased 1.9%, or 4,245 MT, in March compared to the same period the year prior.

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

Imports for the 12 months to March were down 1.5%, or 38,188 MT, on the previous comparable period.

The decrease was mainly due to lower import volumes of WMP, cheese and lactose, partially offset by phosphoaminolipids.

### Asia

**6.1%** ↓
Change for February 2026 compared to February 2025

**4.6%** ↑
Change for the 12 months to February 2026

**Asia (excluding China) dairy import volumes** decreased 6.1%, or 27,905 MT, in February compared to the same period the year prior

The decrease was mainly due to lower volumes of whey powder, WMP, lactose and cheese.

Imports for the 12 months to February were up 4.6%, or 261,207 MT, on the previous comparable period.

The increase was mainly due to higher import volumes of phosphoaminolipids, partially offset by lower import volumes of whey powder and lactose.

### Middle East & Africa

**32.2%** ↓
Change for February 2026 compared to February 2025

**10.1%** ↓
Change for the 12 months to February 2026

**Middle East and Africa dairy import volumes**[1] decreased 32.2%, or 137,788 MT, in February relative to the prior comparable period.

The decrease was mainly due to lower import volumes of SMP and WMP.

Import volumes into Algeria were down 47.8% on the prior comparable period.

Imports for the 12 months to February were down 10.1%, or 537,546 MT, on the previous comparable period.

The decrease was mainly due to lower import volumes of fluid milk products and WMP.

### China

**10.2%** ↑
Change for April 2026 compared to April 2025

**1.5%** ↓
Change for the 12 months to April 2026

**China dairy import volumes** increased by 10.2%, or 26,015 MT, in April compared to the same period the year prior.

The increase was mainly due to higher import volumes of WMP from New Zealand, partially offset by lower import volumes of infant formula and lactose.

Imports for the 12 months to April were down 1.5%, or 42,781 MT, on the previous comparable period.

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

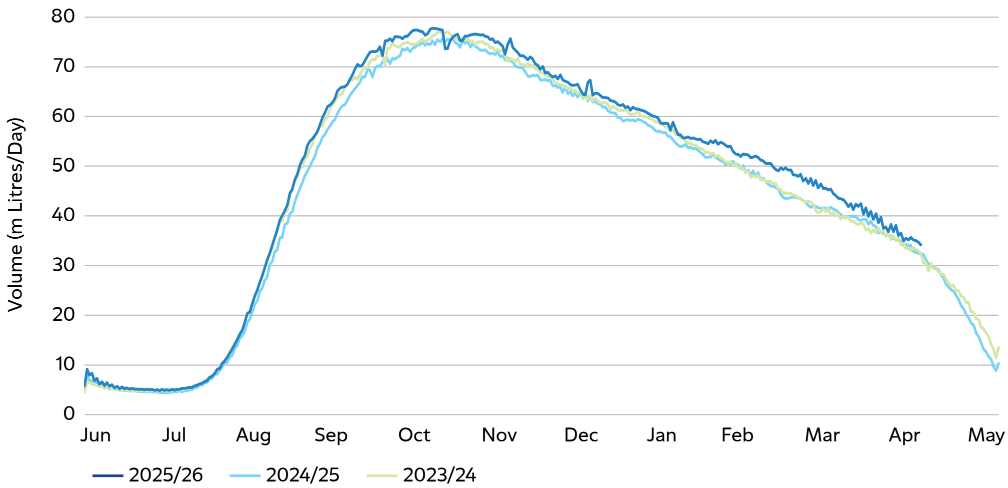
1 Estimates are included for those countries that have not reported data.

# Fonterra Milk Collections

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

Click here

## New Zealand Milk Collections




### New Zealand

**7.3%↑** Increase for April 2026 compared to April 2025

**4.0%↑** Season-to-date 1 Jun–30 Apr compared to prior season

**Fonterra's New Zealand collections** for April were 123.6 million kgMS, 7.3% higher than April last season.

The increase is mainly due to favourable weather conditions, improved pasture conditions in the North Island, and a weak comparable period.

Season-to-date collections are 1,489.4 million kgMS, 4.0% above last season.

### North Island

**10.7%↑** Increase for April 2026 compared to April 2025

**3.4%↑** Season-to-date 1 Jun–30 Apr compared to prior season

**North Island** milk collections in April were 63.9 million kgMS, 10.7% higher than April last season.

The increase is mainly due to favourable pasture conditions and a low comparable month, following drier soil conditions in April 2025.

Season-to-date collections are 846.7 million kgMS, 3.4% above last season.

### South Island

**3.8%↑** Increase for April 2026 compared to April 2025

**4.9%↑** Season-to-date 1 Jun–30 Apr compared to prior season

**South Island** milk collections in April were 59.7 million kgMS, 3.8% higher than April last season.

The increase was mainly due to favourable weather conditions as pasture growth has begun to slow towards the end of the season.

Season-to-date collections are 642.8 million kgMS, 4.9% above last season.

**NZD per kgMS 9.60–9.80**

**Forecast Farmgate Milk Price for the 2025/26 season**

**1,565M kgMS**

**Forecast milk collections for the 2025/26 season**

The inclusion of off-GDT sales is forecast to contribute approximately two cents per kgMS to the Milk Price for the entire 2025/2026 season.

**NZD per kgMS 8.00–11.00**

**Forecast Farmgate Milk Price for the 2026/27 season**

## OUR MARKETS

# Fonterra Global Dairy Trade Results

Fonterra GDT results at trading event 404
**19 May 2026:**

| | | |
|---|---|---|
| **1.1%** ↑ | USD **4,351** | **10.6**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** |

**BUTTER**
**2.5%** ↑
**USD 5,830/MT**

**WMP**
**0.8%** ↑
**USD 3,770/MT**

**SMP**
**0.1%** ↑
**USD 3,637/MT**

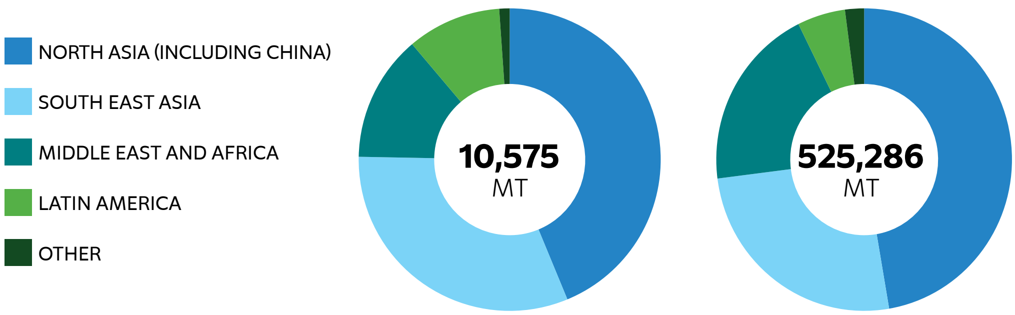
**CHEDDAR**
**1.1%** ↓
**USD 4,560/MT**

**AMF**
**1.8%** ↓
**USD 6,344/MT**

Fonterra GDT sales
**by destination:**

**Latest Auction**

**Financial Year-to-Date**



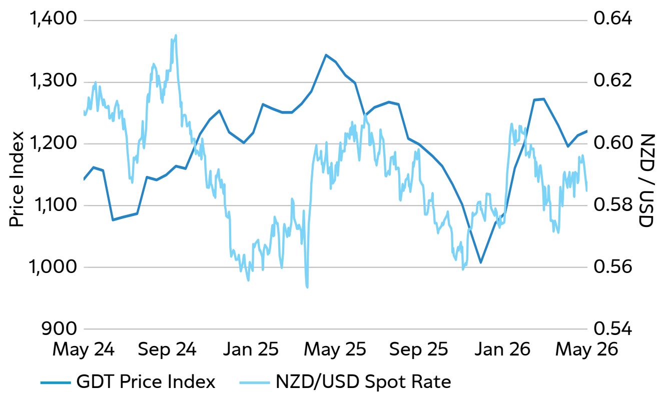

To view more information, including a snapshot of the rolling year-to-date results –

Click here ▸

- The next trading event will be held on 2 June 2026. Visit www.globaldairytrade.info for more information.

## Dairy commodity prices and New Zealand dollar trend

Risk sentiment oscillates as investors await further progress to the US-Iran impasse which has developed following the initial cease fire agreement of early April, whereas central bankers weigh the evolving risks of slowing growth and rising inflation outcomes, and future expectations. While equity markets have recovered their losses, and more, and bond yields continue to rise, foreign exchange markets remain largely sidelined. The NZD/USD exchange rate was contained in a comparatively tight range between 58 and 60 US cents.



# Our Performance

Fonterra releases FY26 Q3 BusinessUpdate

**Total Group YTD Operating Profit**

**NZD 1.8 billion**

**$103 million relative to prior year**

**Underlying YTD Earnings per Share**

**57 cents**

**from 53 cents**

**FY26 Full Year Forecast Earnings Range per Share**

**60-70 cents**

**from 50-65 cents**

Fonterra has released its FY26 Q3 business update, demonstrating sustained performance and progress on the Co-op's strategy, with year to date Total Group operating profit of $1.8 billion, up $103 million on this time last year.

The Co-operative has lifted and narrowed its full year forecast earnings range to 60-70 cents per share, due to confidence in the Co-op's contracted sales position for FY26 and our ability to navigate ongoing supply chain disruption.

The forecast Farmgate Milk Price midpoint for the current season is unchanged at $9.70 per kgMS, with the range narrowing to $9.60-$9.80 per kgMS.

The Co-operative has also announced an opening forecast Farmgate Milk Price for the 2026/27 season of $9.75 with a range of $8.00-$11.00 per kgMS to reflect potential impacts across the season from ongoing geopolitical risks and inflationary pressures.

CEO Richard Allen says, "We've delivered another strong result. Milk production is up considerably this season, and despite disruption in global supply chains, our sales book is well contracted and our shipping volumes are strong, with the highest third quarter shipment volumes in a decade.

"As we look ahead to next season, we expect milk collections to remain high, in line with this season. Our in-market sales teams are anticipating solid demand from across the regions despite potential volatility, and this is reflected in our opening forecast range."

## Business performance

A disciplined focus on strategy has driven a Total Group year to date operating profit of $1.8 billion, up from $1.7 billion the prior year, and profit after tax of $1.1 billion, equivalent to 65 cents per share.

Adjusting for Mainland's result to reflect the Co-operative's underlying business, the Co-op delivered $946 million profit after tax, equivalent to earnings per share of 57 cents, up from 53 cents this time last year.

The Ingredients business benefited from ongoing protein demand in the US and Europe, while Foodservice continued to achieve both volume and margin growth.

## Strategy execution

Mr Allen says the Co-op is committed to delivering on its strategy and growing value for farmer owners as a global B2B dairy provider.

"During the quarter, we completed the sale of Mainland Group and returned $3.2 billion to shareholders and unit holders. This marked a significant step in the delivery of our strategy, with the Co-operative firmly focused on growing our high-value Ingredients and Foodservice businesses.

"We advanced work on our new $35 million pastry butter sheet capacity at Edgecumbe, reached product validation stage on our $75 million Studholme protein hub, and made good progress on

# Our Performance

our $75 million butter expansion at Clandeboye and $150 million UHT cream build at Edendale.

"I'm also pleased to announce that we'll be progressing with the planned expansion of our organic business into the South Island, following strong interest from farmers wanting to join our successful organic programme.

"Our forecast Organic Milk Price range for the current season is $13.90-$14.10 per kgMS, with a record midpoint of $14.00 per kgMS. Our opening forecast for the 2026/27 season is $13.00-$15.00 per kgMS, also with a $14.00 per kgMS midpoint, reflecting the value customers see in our organic farmers' milk.

"These initiatives all reflect real momentum in the Co-op's performance as we head into the final quarter of the financial year."

**Outlook**

"Looking ahead, Fonterra has strong foundations and a clear strategy to deliver value through our global Ingredients and Foodservice businesses," says Mr Allen.

"Our full year earnings guidance reflects the strong shipment volumes expected in the final quarter of the year.

"However, we acknowledge the uncertainty caused by the ongoing conflict in the Middle East. Like our farmers, and others around the world, we are experiencing cost inflation and shipping disruptions.

"We are confident that our deep relationships with customers and logistics partners will continue to help us navigate these challenges."

## Dawn blessing marks start of Fonterra's new butter sheet build at Edgecumbe

Local iwi Ngāti Awa Ki Rangitaiki joined employees for a dawn blessing on 14 April to mark the start of construction on Fonterra's new $35 million pastry butter sheet expansion at Edgecumbe.

Edgecumbe Site Operations Manager, Lydia King, says it means a lot to have the local iwi carry out the ceremony.

"We are all excited about the activities and investment happening here at Edgecumbe. Our iwi representatives have whānau members who work at the site, so it's meaningful to see the strong connections we have with the local community."

Once complete, Edgecumbe's pastry butter sheet capacity will double, helping the Co-op meet growing demand from China, Mexico and Southeast Asia for laminated bakery products, such as croissants and puff pastry.

The expansion supports regional employment, with the new line expected to create four new roles on site, alongside opportunities for local contractors during the build phase.

"This is a positive step forward for Edgecumbe, and it's rewarding to see the benefits of the investment flowing through to our people and the local community," says King.

This expansion is part of the Co-op's strategy to use its farmers' milk in high value products that support growth and deliver strong returns for farmer shareholders.

This is the Co-op's fourth major investment to increase manufacturing capacity announced in the past 18 months, following the Clandeboye butter plant expansion, the Edendale UHT cream plant build and the Studholme advanced proteins hub build.

"These projects show our progress in building a more resilient and flexible manufacturing network that allows us to allocate more milk to foodservice and non reference ingredients products and strengthen the Co-op's product mix," says King.

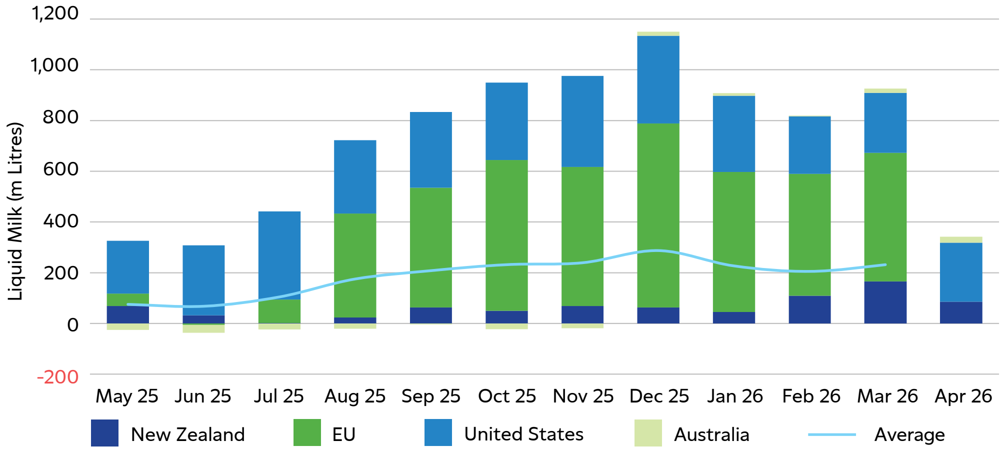
Construction is expected to take around 12 months, with the first product expected to come off the line in 2027.

# 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 to March; New Zealand, US and Australia to April.

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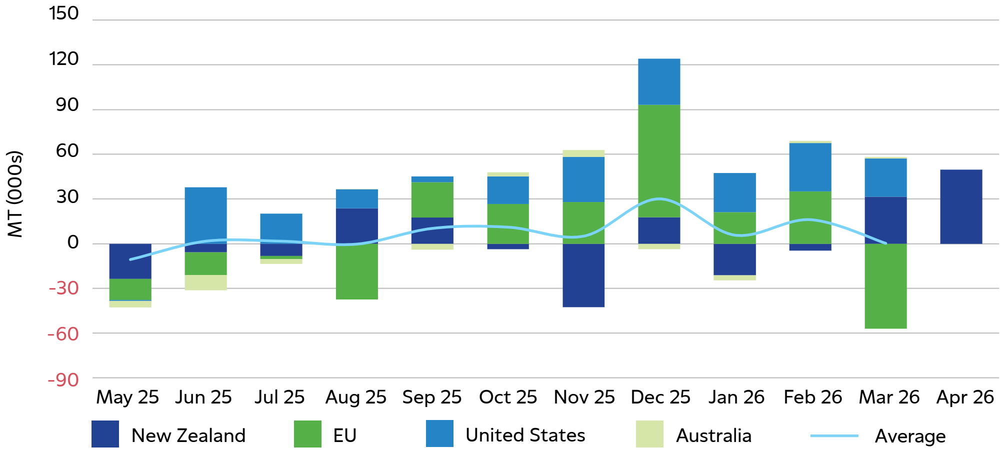
### Exports




NOTE: Data for EU, US and Australia to March; New Zealand to April.

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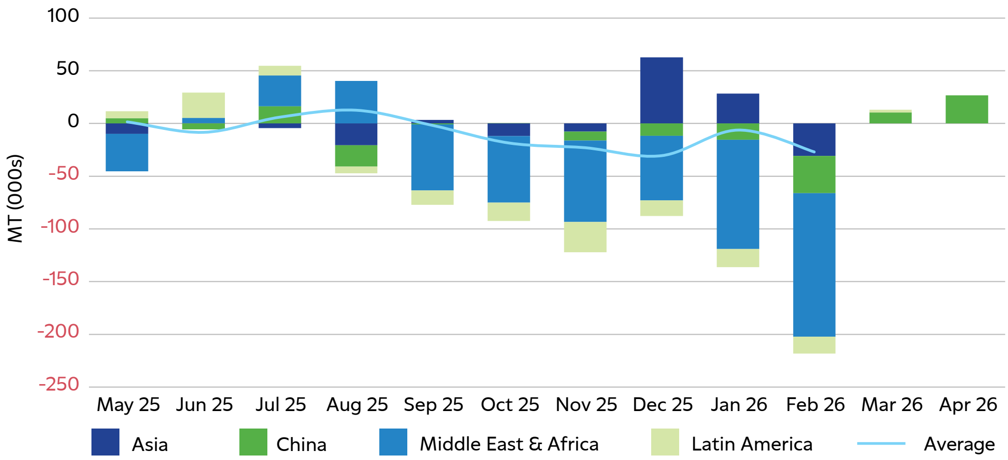
### Imports




NOTE: Data for Asia and Middle East & Africa to February; and Latin America to March; China to April.

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

Back to Summary

# 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.

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| Milk Collection (million kgMS) | April 2026 | April 2025 | Monthly Change | Season-to-Date 2025/26 | Season-to-Date 2024/25 | Season-to-Date Change |
|---|---|---|---|---|---|---|
| Total Fonterra New Zealand | 123.6 | 115.2 | 7.3% | 1,489.4 | 1,432.0 | 4.0% |
| North Island | 63.9 | 57.7 | 10.7% | 846.7 | 819.2 | 3.4% |
| South Island | 59.7 | 57.5 | 3.8% | 642.8 | 612.8 | 4.9% |

## 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] (%) |
|---|---|---|---|---|---|
| 28 May 2026 | $9.70 / $9.60-$9.80 | 0.5901 | 0.5905 | 95% | 12% |
| 23 March 2026 | $9.70 / $9.40-$10.00 | 0.5821 | 0.5894 | 95% | 16% |

As at the most recent update to the 2025/26 season forecast Farmgate Milk Price on 28 May 2026:

- Fonterra had hedged approximately 95% of the full year forecast USD cash flows related to the 2025/26 season Farmgate Milk Price.
- Of that 95%, approximately 12% was hedged with foreign exchange options which had not yet expired or been exercised.
- If the remaining 5% of the forecast USD cash flows were to be hedged at the 28 May 2026 spot rate of 0.5901, the average NZD/USD conversion rate for the 2025/26 season would be 0.5905.
- Also shown for information are the equivalent measures at the date of the previous forecast of the 2025/26 season Farmgate Milk Price on 23 March 2026.

## 2026/27 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] (%) |
|---|---|---|---|---|---|
| 28 May 2026 | $9.75 / $8.00-$11.00 | 0.5901 | 0.5923 | 46% | 8% |

For the opening forecast Farmgate Milk Price for the 2026/27 season announced on 28 May 2026:

- Fonterra had hedged approximately 46% of the full year forecast USD cash flows related to the 2026/27 season Farmgate Milk Price.
- Of that 46%, approximately 8% was hedged with foreign exchange options which had not yet expired or been exercised.
- If the remaining 54% of the forecast USD cash flows were to be hedged at the 28 May 2026 spot rate of 0.5901, the average NZD/USD conversion rate for the 2026/27 season would be 0.5923.

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 (19 May 2026) | Year-to-Date (From 1 August 2025) |
|---|---|---|
| Quantity Sold on GDT (Winning MT) | 10,575 | 525,286 |
| Change in Quantity Sold on GDT over same period last year | (13.4%) | 0.4% |
| Weighted Average Product Price (USD/MT) | 4,351 | 3,987 |
| Change in Weighted Average Product Price over same period last year | (10.4%) | (4.1%) |
| Change in Weighted Average Product Price from previous event | 1.1% | - |

## Fonterra GDT results

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

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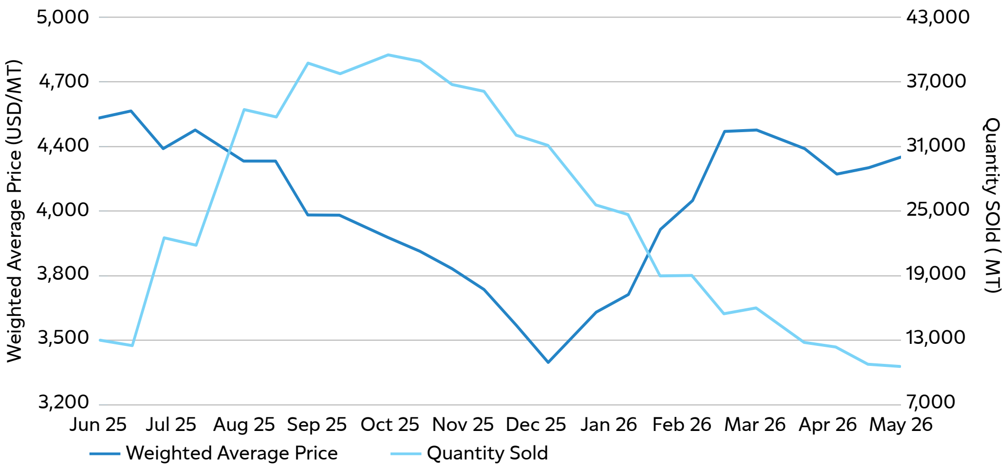

# Glossary

## 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.