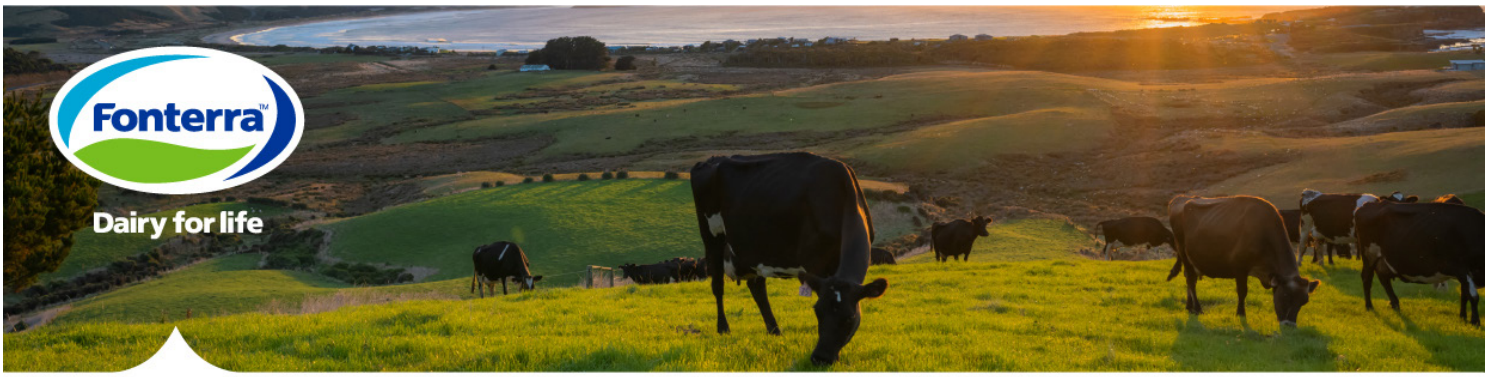


July 2026

Global Dairy UPDATE

Our Markets

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

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

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

- Fonterra's New Zealand milk collections for the first month of the 2026/27 season were 17.7 million kgMS, 6.5% above June last season, and historically represent less than 1.5% of the full season collections

Our Performance

- Fonterra revises its 2026/27 forecast Farmgate Milk Price

Our Co-op

- Growing Future Farmers Fonterra dairy programme expands with second intake

Key Dates

31 July 2026
End of FY26 Financial Year

24 September 2026
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

5.6%↑
Change for June 2026 compared to June 2025

4.4%↑
Change for the 12 months to June 2026

New Zealand milk production increased by 5.6% in June compared to the same period the year prior.

The increase was mainly due to higher collections in the North Island from favourable pasture conditions, and abundant supplement feed.

New Zealand milk production for the 12 months to June increased 4.4% on the prior comparable period.

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

Australia

6.0%↑
Change for May 2026 compared to May 2025

0.5%↑
Change for the 12 months to May 2026

Australia milk production increased 6.0% in May compared to the same period the year prior.

The increase was mainly due to higher production in Victoria, up 6.7% year on year, with all regions except South Australia recording higher collections.

Rainfall was above average for most of eastern Australia, but drier conditions in northern regions kept demand for feed elevated.

Australia milk production for the 12 months to May increased 0.5% on the previous comparable period.

European Union

3.1%↑
Change for May 2026 compared to May 2025

4.4%↑
Change for the 12 months to May 2026

EU milk production[1] was 3.1% higher in May compared to the same period the year prior.

The increase was mainly due to higher production in Germany, up 13.9 million kgMS, or 6.5% on May 2025. The increase was partially offset by lower collections in Romania, down 9.2% year on year.

EU milk production for the 12 months to May was up 4.4% on the previous comparable period.

The increase was mainly due to higher production in Germany, up 6.5%, or 138.0 million kgMS, followed by France and the Netherlands.

USA

4.4%↑
Change for June 2026 compared to June 2025

4.7%↑
Change for the 12 months to June 2026

US milk production increased 4.4% in June compared to the same period the year prior.

The increase was due to continued higher yields and herd growth, with the US reaching its largest herd size since 1992.

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

May marks 23 months of higher production year on year, and 16 months of 2.0% growth or more, supported by additional processing capacity coming online.

1 Excludes UK.

Global Exports

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

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

Click here ▶

New Zealand

14.8%↑
Change for June 2026 compared to June 2025

3.3%↑
Change for the 12 months to June 2026

New Zealand dairy exports increased 14.8%, or 39,360 MT, in June compared to the same period the year prior.

The increase was mainly due to higher export volumes of SMP and butter, up 53.0% and 60.9% year on year, respectively. The increase was partially offset by lower export volumes of fluid milk products.

Exports for the 12 months to June were up 3.3%, or 118,430 MT, on the prior comparable period.

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

Australia

6.8%↓
Change for May 2026 compared to May 2025

3.5%↓
Change for the 12 months to May 2026

Australia dairy exports decreased 6.8%, or 3,781 MT, in May compared to the same period the year prior.

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

Exports for the 12 months to May were down 3.5%, or 24,332 MT, on the previous comparable period.

The decrease was mainly due to lower export volumes of cheese, SMP, butter, and other powders. The decrease was partially offset by higher export volumes of fluid milk products.

European Union

1.4%↑
Change for May 2026 compared to May 2025

2.9%↑
Change for the 12 months to May 2026

EU dairy exports[1] increased 1.4%, or 8,427 MT, in May compared to the same period the year prior.

The increase was mainly due to higher export volumes of SMP from Ireland and France, and butter from Ireland and Poland.

Exports for the 12 months to May were up 2.9%, or 192,230 MT, on the prior comparable period.

The increase was mainly due to higher export volumes of SMP from Germany, Ireland and Belgium, partially offset by lower export volumes of lactose from the Netherlands and infant formula from Ireland.

USA

15.2%↑
Change for May 2026 compared to May 2025

11.4%↑
Change for the 12 months to May 2026

US dairy exports increased 15.2%, or 37,020 MT, in May compared to the same period the year prior.

The increase was mainly due to higher export volumes of whey powder, up 17,726 MT, or 64.0%, on May 2025. Export volumes of SMP decreased 12,453 MT, or 20.0%, on the prior comparable period.

Exports for the 12 months to May were up 11.4%, or 318,864 MT, on the previous comparable period.

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

1 Excludes UK.

Global Imports

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

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

Click here ▶

Latin America

10.6%↑
Change for April 2026 compared to April 2025

1.2%↓
Change for the 12 months to April 2026

Latin America dairy import volumes increased 10.6%, or 26,415 MT, in April compared to the same period the year prior.

The increase was mainly due to higher import volumes of butter and cheese, partially offset by lower import volumes of infant formula.

Imports for the 12 months to April were down 1.2%, or 32,604 MT, on the prior comparable period.

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

Asia

4.9%↑
Change for April 2026 compared to April 2025

4.3%↑
Change for the 12 months to April 2026

Asia (excluding China) dairy import volumes increased 4.9%, or 23,168 MT, in April on the prior comparable period.

The increase was mainly due to higher import volumes of fluid milk products and butter from Europe.

Imports for the 12 months to April were up 4.3%, or 242,622 MT, on the prior comparable period.

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

Middle East & Africa

37.7%↓
Change for April 2026 compared to April 2025

12.6%↓
Change for the 12 months to April 2026

Middle East and Africa dairy import volumes[1] decreased 37.7%, or 167,044 MT, in April on the prior comparable period.

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

Imports for the 12 months to April were down 12.6%, or 659,552 MT, on the previous comparable period.

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

China

11.6%↑
Change for June 2026 compared to June 2025

0.7%↓
Change for the 12 months to June 2026

China dairy import volumes increased 11.6%, or 26,344 MT, in June compared to the same period the year prior.

The increase was mainly due to higher import volumes of whey powder from the US and WMP from New Zealand, partially offset by lower import volumes of fluid milk products.

Imports for the 12 months to June were down 0.7%, or 19,820 MT, on the previous comparable period.

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

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

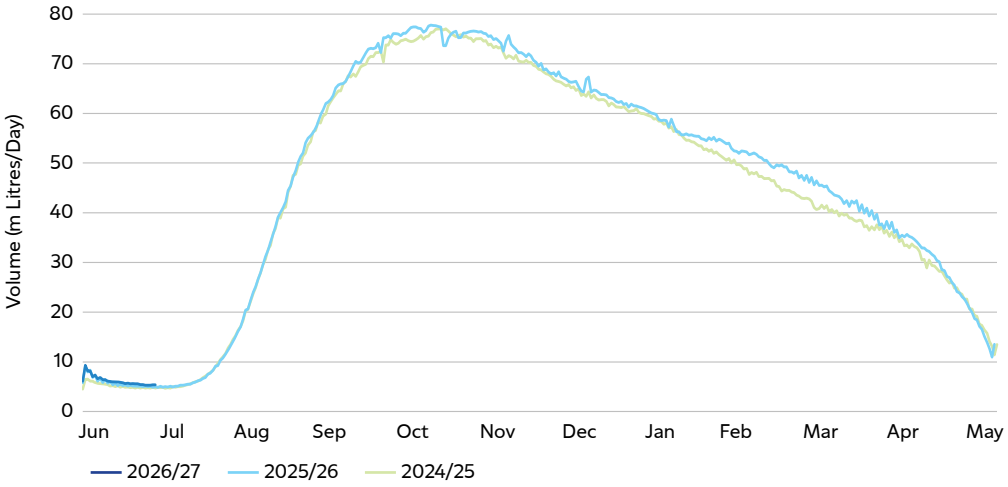
OUR MARKETS

Fonterra Milk Collections

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

Click here

New Zealand Milk Collections



New Zealand

6.5%↑
Increase for June 2026 compared to June 2025

6.5%↑
Season-to-date 1 Jun-30 Jun compared to prior season

Fonterra's New Zealand collections for June were 17.7 million kgMS, up 6.5% on June 2025.

The increase was mainly due to continued momentum from favourable pasture growing conditions and feed availability in recent months.

Collections for June historically represent less than 1.5% of the full season collections.

North Island

7.8%↑
Increase for June 2026 compared to June 2025

7.8%↑
Season-to-date 1 Jun-30 Jun compared to prior season

North Island milk collections in June were 14.0 million kgMS, 7.8% higher than June last season.

The increase was mainly due to favourable weather and pasture conditions.

Rainfall was below average for parts of Northland, Auckland and Hawke's Bay with soil moisture near average levels for most of the North Island. Temperatures were above average for most regions.

South Island

1.9%↑
Increase for June 2026 compared to June 2025

1.9%↑
Season-to-date 1 Jun-30 Jun compared to prior season

South Island milk collections in June were 3.7 million kgMS, 1.9% higher than June last season.

The increase was mainly due to mild weather conditions, with record warm temperatures for June and above average soil moisture for Marlborough and parts of the Mackenzie Country. Rainfall and soil moisture were below average for parts of Canterbury.

OUR MARKETS

Fonterra Global Dairy Trade Results

Fonterra GDT results at trading event 408
21 July 2026:

1.2% ↑
Change in Fonterra's weighted average product price from previous event

USD 3,881
Fonterra's weighted average product price (USD/MT)

23.9 000' MT
Fonterra product quantity sold on GDT

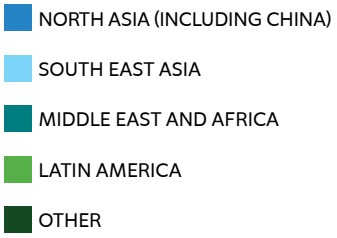
BMP	SMP	WMP
10.6% ↓	3.4% ↑	1.8% ↑
USD 4,737/MT	USD 3,263/MT	USD 3,484/MT

AMF	BUTTER	CHEDDAR
1.0% ↑	1.0 % ↓	8.4% ↓
USD 6,405/MT	USD 5,372/MT	USD 3,586/MT

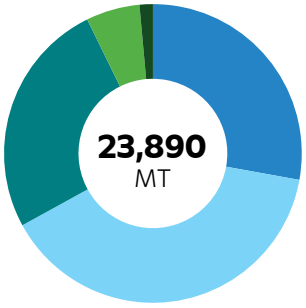
Fonterra GDT sales
by destination:

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

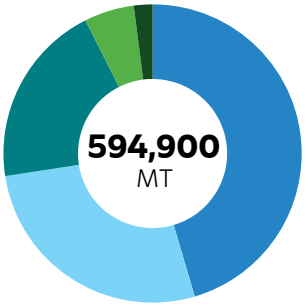
Click here ▶



Latest Auction



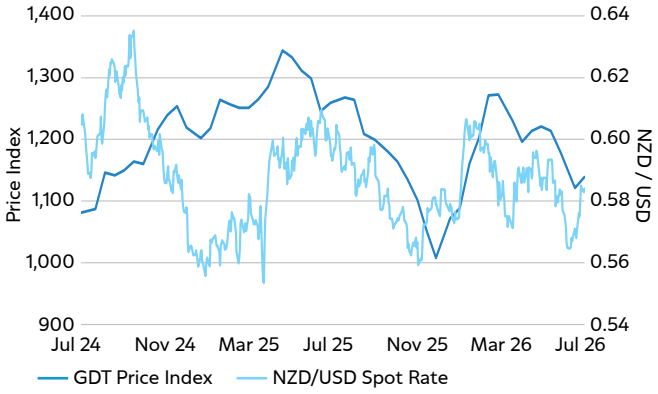
Financial Year-to-Date



▶ The next trading event will be held on 4 August 2026. Visit www.globaldairytrade.info for more information.

Dairy commodity prices and New Zealand dollar trend

The USD continued to find safe-haven support as the US-Iran cease fire broke down and hostilities escalated across the gulf region. Furthermore, the US Federal Reserve's narrative on inflation and monetary policy has developed to be more hawkish than investors may have initially expected, with market participants now pricing expectations for at least one 25bp rate hike by the end of 2026, and the chance of two – this also helped to underpin the USD across the board. However, the Reserve Bank of New Zealand increased interest rates by 25bps in early July and signalled that additional increases maybe required in the near term. This lent support to the NZD lifting it to above 58 US cents.



Our Performance

Fonterra revises its 2026/27 forecast Farmgate Milk Price

On 13 July, Fonterra Co-operative Group Ltd updated its forecast 2026/27 Farmgate Milk Price off the back of declining prices at recent Global Dairy Trade (GDT) auctions.

The revised forecast is $9.25 per kgMS, with a new range of $8.00 - $10.50 per kgMS.

This is down from the opening forecast of $9.75 per kgMS announced in May, when the Co-operative started with a wide range of $8.00 - $11.00 per kgMS to reflect the potential for volatility and varied outcomes throughout the season.

At the time of the announcement, Fonterra CEO Richard Allen said the change to the 2026/27 forecast reflected softer-than-expected demand at a time of strong global supply.

"GDT prices have fallen 11% across the reference products that inform the Farmgate Milk Price since we announced the opening forecast in late May, while milk production from key exporting regions is up on last year. We're expecting a strong start to the season in New Zealand, noting the potential for the El Niño weather pattern to impact global supply as the season progresses".

"It's very early days in terms of the proportion of our FY27 sales book that has been contracted, so we face significant exposure to changes in commodity prices."

Mr Allen said the Co-operative continues to focus on maximising returns for its farmer shareholders.

"As the seasonal supply picks up, our plan will ensure we utilise our flexible operations footprint, strong customer relationships and robust supply chain to shift milk into the products and markets where we can get the best returns for our farmers' milk."

The 2025/26 forecast Farmgate Milk Price of $9.60 - $9.80 per kgMS, with a mid-point of $9.70, remains unchanged.

Our Co-op

Growing Future Farmers Fonterra dairy programme expands with second intake

Following positive feedback and interest from both farmers and students, the Growing Future Farmers Fonterra dairy programme is expanding, with expressions of interest now open for a second intake in 2027.

Launched earlier this year, the first intake of the programme is already underway, involving seven farmers and seven students across Waikato and the Bay of Plenty.

Fonterra farmer Annalyse Huxford, a sharemilker from Galatea in the Bay of Plenty, is participating as a farm trainer and hosting 17-year-old student Tilly Rotherham. Annalyse said she was motivated to join the programme because of concerns about the number of young people entering the dairy industry and progressing through the farming ranks.

The two-year programme combines practical on-farm experience with formal NZQA learning, creating a structured pathway for young people to enter the dairy industry and develop into work-ready graduates.

Since becoming a farm trainer, Annalyse said it has been rewarding to watch students gain confidence and develop new skills. "Programmes like Growing Future Farmers are fantastic as they help bring through the next generation and set them up for long-term success. It's given us hope that we can attract more young farmers and keep them engaged."

Annalyse also noted that mentoring students has given her a greater appreciation for the skills farmers develop over time, as many tasks that feel routine to experienced farmers are entirely new to those entering the industry.

Student Tilly Rotherham said the programme offers a supportive introduction to dairy farming. "It eases you in gradually rather than throwing you straight into the deep end. It feels like a supportive way to learn the ropes and build confidence from the start."

A particular highlight for Tilly has been learning to drive a tractor, which helped reinforce her interest in pursuing a long-term career in dairy farming. She also values the opportunity to meet new people, build relationships, and develop a broad range of practical skills.

Fonterra says the programme is designed to continue evolving to meet the needs of farmers, the Co-op and the wider dairy sector, while providing young people with a clear view of the career opportunities available in dairy farming.

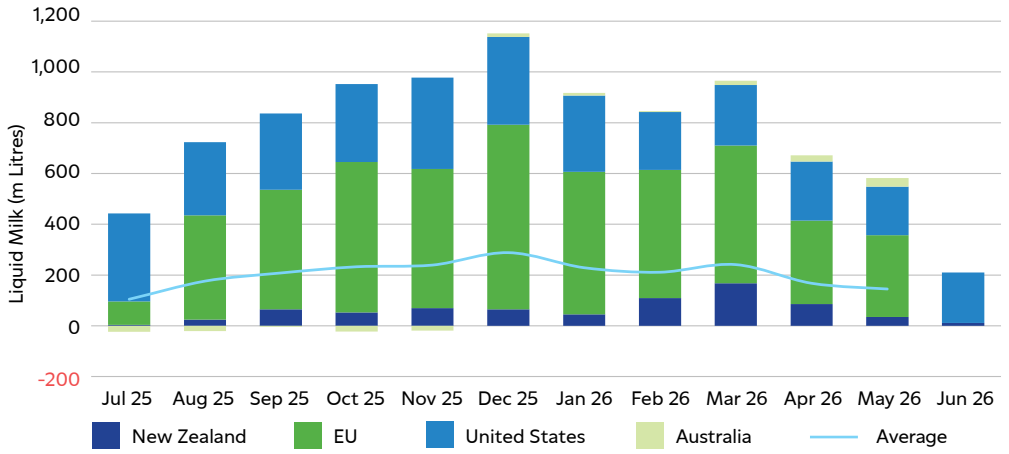
Expressions of interest for the 2027 intake are now open for Fonterra farmers in Waikato and the Bay of Plenty, while young people aged 16-20 can also apply to participate in the programme.

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 May; New Zealand and US to June.

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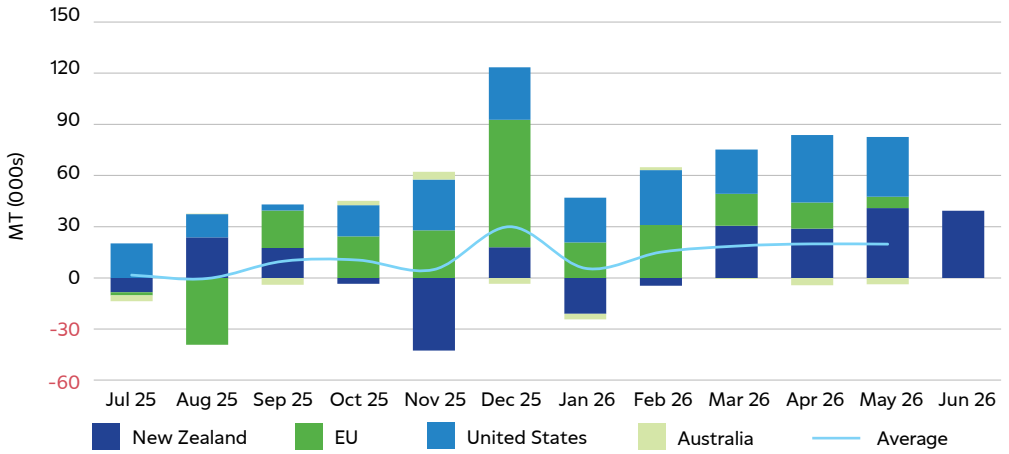
Exports



NOTE: Data for EU, US and Australia to May; New Zealand to June.

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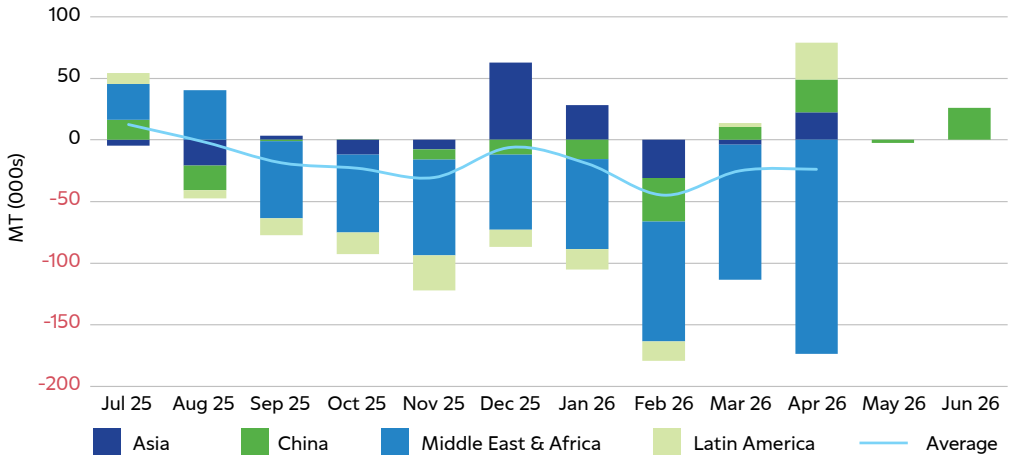
Imports



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

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.

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Milk Collection[1] (million kgMS)	June 2026	June 2025	Monthly Change	2026/27 Season	2025/26 Season	Season Change
Total Fonterra New Zealand	17.7	16.7	6.5%	17.7	16.7	6.5%
North Island	14.0	13.0	7.8%	14.0	13.0	7.8%
South Island	3.7	3.7	1.9%	3.7	3.7	1.9%

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[2] (%)	Foreign Exchange Option Cover Remaining in Hedged Amount[2] (%)
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 2026/27 Season	Forecast Foreign Exchange Exposure for 2026/27 Season Hedged[2] (%)	Foreign Exchange Option Cover Remaining in Hedged Amount[2] (%)
13 July 2026	$9.25 / $8.00-$10.50	0.5762	0.5846	58%	13%
28 May 2026	$9.75 / $8.00-$11.00	0.5901	0.5923	46%	8%

As at the most recent update to the 2026/27 season forecast Farmgate Milk Price on 13 July 2026:

- Fonterra had hedged approximately 58% of the full year forecast USD cash flows related to the 2026/27 season Farmgate Milk Price.
- Of that 58%, approximately 13% was hedged with foreign exchange options which had not yet expired or been exercised.
- If the remaining 42% of the forecast USD cash flows were to be hedged at the 13 July 2026 spot rate of 0.5762, the average NZD/USD conversion rate for the 2026/27 season would be 0.5846.
- Also shown for information are the equivalent measures at the date of the opening forecast of the 2026/27 season Farmgate Milk Price on 28 May 2026.

1 Numbers have been rounded so may not appear to add, multiply or reflect percentage changes.

2 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 July 2026)	Year-to-Date (From 1 August 2025)
Quantity Sold on GDT (Winning MT)	23,890	594,900
Change in Quantity Sold on GDT over same period last year	9.4%	1.5%
Weighted Average Product Price (USD/MT)	3,881	3,983
Change in Weighted Average Product Price over same period last year	(13.3%)	(5.0%)
Change in Weighted Average Product Price from previous event	1.2%	-

Fonterra GDT results

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

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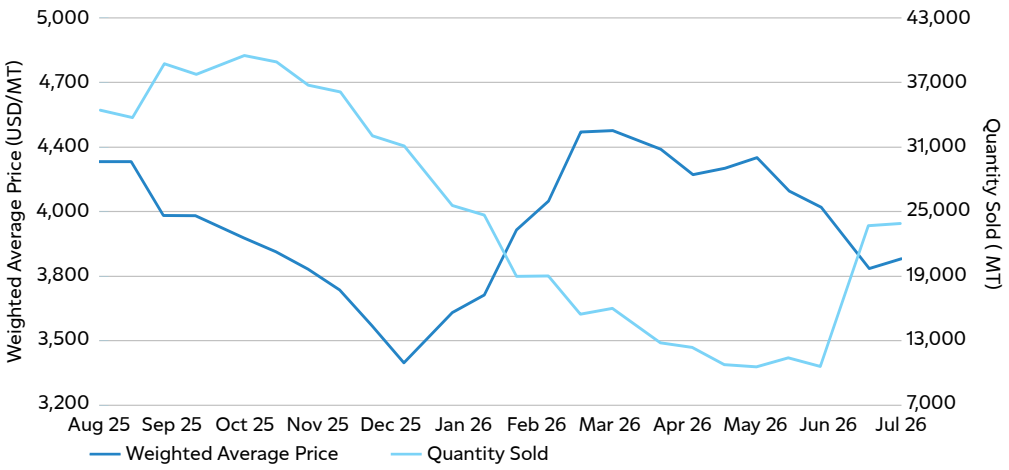

Glossary

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.