



September 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



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



- Fonterra's New Zealand milk collections for August were 102.8 million kgMS, 2.9% above August last season
- Season-to-date collections are 142.9 million kgMS, 4.1% above last season

Our Performance



- Fonterra delivers strong FY26 performance

For further details, visit our website –

[CLICK HERE ▶](#)

Have Your Say



- We're reviewing the GDU and want your feedback. Complete this short survey to tell us what you find most valuable and what you would like to see more of

Have your say –

[CLICK HERE ▶](#)

The survey will close on Wednesday 14 October

Key Dates



12 November 2026
Fonterra Co-operative Group Annual Meeting

16 November 2026
Fonterra Shareholders' Fund Annual Meeting



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



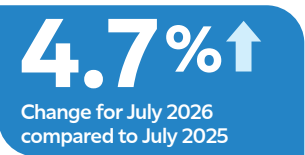
New Zealand milk production increased by 3.3% in August compared to the same month the year prior.

The increase was mainly due to mild winter conditions across both islands, supporting pasture growth and animal condition.

New Zealand milk production for the 12 months to August increased 4.5% on the prior comparable period.

See page 5 for details of Fonterra's New Zealand collections for August.

Australia



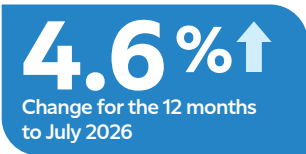
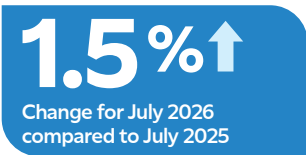
Australia milk production increased 4.7% in July compared to the same period the year prior.

Production increased across all states except for Tasmania, down 2.0% year on year. New South Wales and Western Australia were up 6.7% and 5.9%, respectively.

Pasture conditions were favourable, supporting higher collections, despite below average rainfall in most regions.

Australia milk production for the 12 months to July increased 1.8% on the prior comparable period.

European Union



EU milk production¹

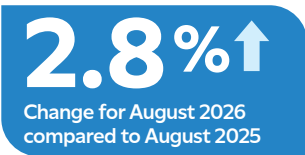
was 1.5% higher in July compared to the same period the year prior.

The increase was mainly due to higher production in Germany, up 9.5 million kgMS, or 4.7% year on year. This was partially offset by lower collections in Latvia and Ireland, down 4.9 million and 2.2 million kgMS, respectively.

EU milk production for the 12 months to July was up 4.6% on the previous comparable period.

This was mainly due to higher production in Germany, up 161.5 kgMS, or 6.7%.

USA



US milk production

increased 2.8% in August compared to the same period the year prior.

The increase was mainly due to herd growth, with the US herd up 1.7% on August last year. Yields were marginally higher, up 0.2% on August 2025.

US milk production for the 12 months to August increased 4.3% on the previous comparable period.

The increase was mainly due to higher production in California, Kansas and Texas with year-on-year increases of 3.3%, 22.5% and 5.0%, respectively.

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 –

[Click here](#) ▶

New Zealand

8.3%↑

Change for August 2026 compared to August 2025

3.2%↑

Change for the 12 months to August 2026

New Zealand dairy exports increased 8.3%, or 14,371 MT, in August compared to the same period the year prior.

The increase was mainly due to higher export volumes of WMP to China and Sri Lanka, up 77.8%, and SMP to Indonesia, up 175.1%.

Exports for the 12 months to August were up 3.2%, or 112,954 MT, on the prior comparable period.

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

Australia

6.1%↓

Change for July 2026 compared to July 2025

2.0%↓

Change for the 12 months to July 2026

Australia dairy exports decreased 6.1%, or 3,260 MT, in July compared to the same period the year prior.

The increase was mainly due to lower export volumes of fluid milk products, down 1,855 MT, or 9.3%, year on year partially offset by higher export volumes of whey powder.

Exports for the 12 months to July were down 2.0%, or 13,869 MT, on the previous comparable period.

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

European Union

7.4%↑

Change for July 2026 compared to July 2025

5.1%↑

Change for the 12 months to July 2026

EU dairy exports¹ increased 7.4%, or 44,510 MT, in July compared to the same period the year prior.

The increase was mainly due to higher export volumes of SMP from France and fluid milk products from Greece and Spain.

Exports for the 12 months to July were up 5.1%, or 340,165 MT, on the prior comparable period.

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

USA

1.1%↑

Change for July 2026 compared to July 2025

9.1%↑

Change for the 12 months to July 2026

US dairy exports increased 1.1%, or 3,036 MT in July, compared to the same period the year prior.

The increase was mainly due to higher export volumes of cheese and whey powder, up 13,192 MT, or 25.2% and 11,842 MT, or 37.1%, respectively.

Exports for the 12 months to July were up 9.1%, or 261,103 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.



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

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

[Click here](#) ▶

Latin America

6.5%↓

Change for June 2026 compared to June 2025

3.4%↓

Change for the 12 months to June 2026

Latin America dairy import volumes

decreased 6.5%, or 15,385 MT, in June compared to the same period the year prior.

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

Imports for the 12 months to June were down 3.4%, or 90,813 MT, on the prior comparable period.

The decrease was mainly due to lower import volumes of cheese and fluid milk products by the Dominican Republic, and lower SMP and infant formula imports by Mexico.

Asia

4.0%↑

Change for June 2026 compared to June 2025

2.4%↑

Change for the 12 months to June 2026

Asia (excluding China) dairy import volumes

increased 4.0%, or 19,957 MT June on the prior comparable period.

The increase was mainly due to higher import volumes of WMP, fluid milk products and SMP. Indonesia, the Philippines and Malaysia all increased import volumes.

Imports for the 12 months to June were up 2.4%, or 140,075 MT, on the prior comparable period.

The increase was mainly due to higher import volumes of phosphoaminolipids by Vietnam and higher SMP imports by Indonesia.

Middle East & Africa

26.9%↓

Change for June 2026 compared to June 2025

16.2%↓

Change for the 12 months to June 2026

Middle East and Africa dairy import volumes¹

decreased 26.9%, or 118,277 MT, in June on the prior comparable period.

The decrease was mainly due to lower import volumes of SMP, fluid milk products and cheese. Import volumes declined in Iraq, the UAE and Algeria.

Imports for the 12 months to June were down 16.2%, or 843,667 MT, on the previous comparable period.

The decrease was driven by lower import volumes of fluid milk, WMP, SMP and cheese. The UAE, Algeria and Libya drove the decrease in imports.

China

15.4%↓

Change for August 2026 compared to August 2025

4.6%↓

Change for the 12 months to August 2026

China dairy import volumes

decreased 15.4%, or 33,942 MT, in August compared to the same period the year prior.

The decline primarily reflected lower imports of whey powder, WMP and fluid milk products.

Imports for the 12 months to August were down 4.6%, or 135,421 MT, on the previous comparable period.

The decrease was mainly due to lower import volumes of fluid milk products, SMP, lactose and whey. Cheese, butter and casein import volumes increased over the period.

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

OUR MARKETS

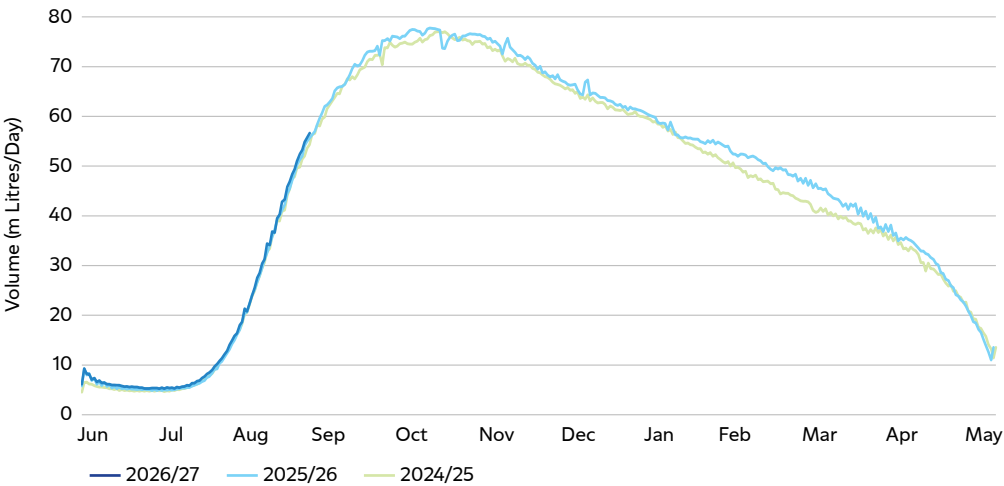
Fonterra Milk Collections



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

2.9%↑
Increase for August 2026 compared to August 2025

4.1%↑
Change for the 2026/27 season compared to previous season

Fonterra's New Zealand collections for August were 102.8 million kgMS, up 2.9% on August 2025, and a new August record for Fonterra.

The increase was mainly due to strong early season production in the South Island, supported by mild winter conditions and new farms in Canterbury supplying the Co-op.

Season-to-date collections are 142.9 million kgMS, 4.1% above last season.

North Island

0.4%↑
Increase for August 2026 compared to August 2025

2.7%↑
Change for the 2026/27 season compared to previous season

North Island milk collections in August were 72.7 million kgMS, 0.4% higher than August last season.

Season-to-date collections are 107.0 million kgMS, 2.7% above last season.

Favourable growing conditions have supported production in the North Island, however El Niño presents a risk to production in the second half of the 2026/27 season.

South Island

9.4%↑
Increase for August 2026 compared to August 2025

8.3%↑
Change for the 2026/27 season compared to previous season

South Island milk collections in August were 30.2 million kgMS, 9.4% higher than August last season.

The increase was mainly due to favourable weather conditions, with above average temperatures for most of the South Island supporting pasture growth.

Season-to-date collections are 35.8 million kgMS, 8.3% above last season.

El Niño presents less risk to South Island milk production but is expected to bring wetter conditions to the lower South Island.

OUR MARKETS

Fonterra Global Dairy Trade Results



Fonterra GDT results
at trading event 412
15 September 2026:

1.0%↓

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

USD 3,880

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

40.0⁰⁰⁰ MT

Fonterra product
quantity sold on GDT

CHEDDAR

16.3%↑

USD 4,075/MT

SMP

0.5%↑

USD 3,688/MT

WMP

0.6%↓

USD 3,563/MT

BMP

0.6%↓

USD 4,549/MT

AMF

3.0%↓

USD 5,739/MT

BUTTER

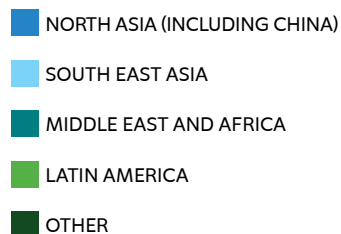
5.7%↓

USD 4,761/MT

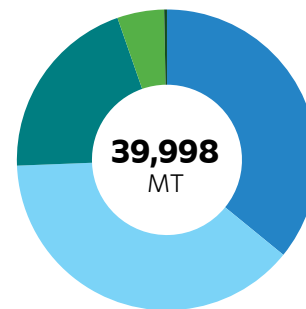
Fonterra GDT sales
by destination:

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

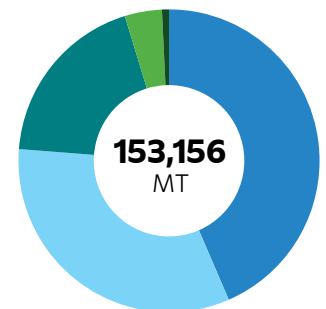
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Latest Auction



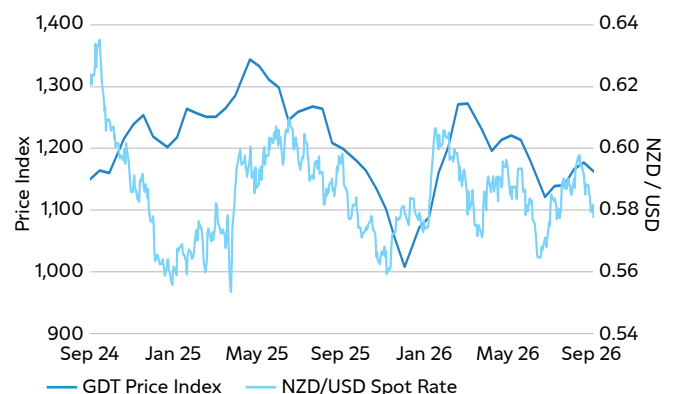
Financial Year-to-Date



▶ The next trading event will be held on 6 October 2026. Visit www.globaldairytrade.info for more information.

Dairy commodity prices and New Zealand dollar trend

The USD recovery accelerated during September as the US Federal Reserve showed its 'teeth' in response to persistently-high core inflation, delivering a 25bp interest rate increase and signaling that further increases are likely. In New Zealand, the Reserve Bank also increased its benchmark interest rate by 25bps. However, its commentary suggested a potentially slower trajectory for future monetary policy tightening than financial markets had anticipated. This weighed on the currency, with the NZD/USD exchange rate falling below 57 US cents.



Our Performance



Fonterra delivers strong FY26 performance

Fonterra Co-operative Group Ltd reported its FY26 annual results on 24 September, delivering \$27 billion in revenue and nearly \$20 billion in cash returns to New Zealand farmer owners and unit holders.

The final Farmgate Milk Price for the 2025/26 season was \$9.69 per kgMS. The Co-op also declared a final fully imputed dividend of 33 cents per share, bringing fully imputed total dividends for the year to 73 cents per share. This includes the 24 cent interim dividend and 16 cent special Mainland dividend paid in April.

Fonterra Chairman Peter McBride says the Co-operative has continued building momentum and delivered at the top end of its performance expectations.

"Consistency is important to farmers and our shareholders. We're proud of the collective effort that's delivered another strong result, at the top end of our earnings guidance. The team hasn't missed a beat despite the Mainland divestment process and the significant change that followed.

Richard's transition into the CEO role has been seamless and it's exciting to see the energy his team is putting into building off this strong position."

Fonterra CEO Richard Allen says the Co-operative's disciplined approach to strategic execution has once again generated strong results.

"FY26 was a year of delivery. Our teams collected, processed and shipped near record volumes of milk, allocated products for the highest possible returns, and reliably delivered them to our customers right around the world. "Despite some challenging conditions, including weather events and geopolitical volatility, we leveraged our full supply chain network and logistics partnerships to keep milk moving, achieving record shipping volumes and materially improving our delivery performance," says Mr Allen.

Performance

Total Group reported operating profit was \$3.4 billion, up from \$1.7 billion last year, including the Mainland divestment benefit of \$1.2 billion. Reported profit after tax was \$2.6 billion.

"One year ago, we set a target for earnings to return to FY25 levels within three years if the Consumer and associated businesses were divested," says Mr Allen.

"I'm pleased to share that our team's focused execution of strategy in FY26 has got us to that target already, with

underlying operating profit for our continuing business of \$1.8 billion and profit after tax of \$1.2 billion, equivalent to 71 cents per share."

The Co-operative's return on capital was 14.2%, above our target range of 10-12% and showing the value of our focused business-to-business (B2B) strategy.

"Our Ingredients business delivered \$1,293 million in operating profit, supported by strong global protein demand, favourable pricing and product mix decisions. In Foodservice, we achieved \$547 million in operating profit, which was driven largely by volume and pricing growth across all product categories and markets," says Mr Allen.

Strategy

Mr Allen says Fonterra's strategy to create value for farmers through disciplined capital choices, operational efficiencies, innovation and a customer focus is delivering results, and will continue to guide its new era as a B2B Co-op. "Our foundations are in our New Zealand milk supply, and as we move forward as a B2B Co-op, we'll stay focused on making our farmer offering as competitive as possible. This includes helping farmers with practical tools and services to make compliance easier and targeted support for the next generation of Co-op farm owners.

Our Performance



"This year, we also confirmed the planned expansion of our organic milk business into the South Island and are continuing with our recruitment drive for more organic farmers across the country to meet growing demand, off the back of a record organic milk price of \$14.13 per kgMS.

"Our New Zealand milk is complemented by our high value, off-shore whey protein sourcing, which in FY26 continued to deliver outstanding returns to the portfolio.

"Our priorities in FY26 were to complete the Mainland Group sale, unlock new manufacturing capacity, and continue with our Enterprise Resource Planning (ERP) software roll-out. I'm pleased to report that we have executed on all of these this year.

"Following approval from our farmer shareholders, we completed the sale of Mainland Group in March and have been working to ensure a smooth separation of the two businesses.

"We progressed our capital investment programme and invested \$1 billion in essential sustainability and growth projects.

"And finally, our ERP system replacement is on track and on budget, with five sites now live and two more planned for later this year.

"These priorities will continue into 2027

as we maintain our focus on investing for growth, operational efficiency and digital transformation.

"This year, we also continued with our sustainability efforts and made progress on a programme of long-term energy resilience projects across multiple sites to improve energy security, reduce gas usage and support our emissions targets and future processing growth.

"Today, we are announcing the Co-op will invest an incremental \$1 billion over the next three years in the South Island to accelerate and expand our protein manufacturing network and improve our environmental performance, including our impact on water and emissions.

"These projects position the Co-op to respond to changes in how people want to consume dairy, with a growing focus on sustainably produced, protein-rich and nutrient-dense foods. They are critical to our future value growth and improve our optionality, increase our capacity and, as a result, strengthen returns for farmers and shareholders over the long term.

"Using the capital retained from the Mainland Group divestment, alongside our strong cashflow, this additional investment will help us move more milk from whole milk powder and commodities into high-value products,

strengthen partnerships with existing customers, and pursue new opportunities as demand for advanced proteins continues to grow.

"Once operational in 2029, the investment is expected to create around 50-60 permanent roles, as well as supporting local businesses involved across the construction projects."

Over the next three years, Fonterra expects total capital investment to be approximately \$1.3-1.6 billion per annum.

Outlook

"Looking ahead, we're planning for another season of strong milk supply. However, we are also well prepared for an El Niño weather pattern should this eventuate," says Mr Allen.

The Co-operative is forecasting milk collections for the 2026/27 season to be just above 1.6 billion kgMS, and a Farmgate Milk Price of \$9.50 per kgMS with a range of \$8.50-\$10.50 per kgMS. The 2026/27 Organic Milk Price forecast is \$14.30 per kgMS within a range of \$13.30-\$15.30 per kgMS.

Having reached the target for earnings to return to FY25 levels, Fonterra will no longer report on that target and will revert to its prior practice of forecasting earnings for the relevant financial year.

Accordingly, the Co-operative's forecast earnings range for FY27 is 65-85 cents per share. This improving outlook reflects continued delivery from our B2B businesses, as they continue to grow high-value demand across our markets. Geopolitical volatility remains and with only two months complete, previous seasons tell us that things can always change.

"This year, we've delivered a strong set of results, executed on our priorities and positioned the Co-op for a new phase of value growth as a global B2B dairy ingredients provider," says Mr Allen.

"The sale of Mainland Group was a significant step forward. Now, as we head into an increasingly changing world, our farmers' quality, grass-fed milk, combined with our flexible assets, reliable supply chain and deep customer and market presence will help us deliver growth into the long term.

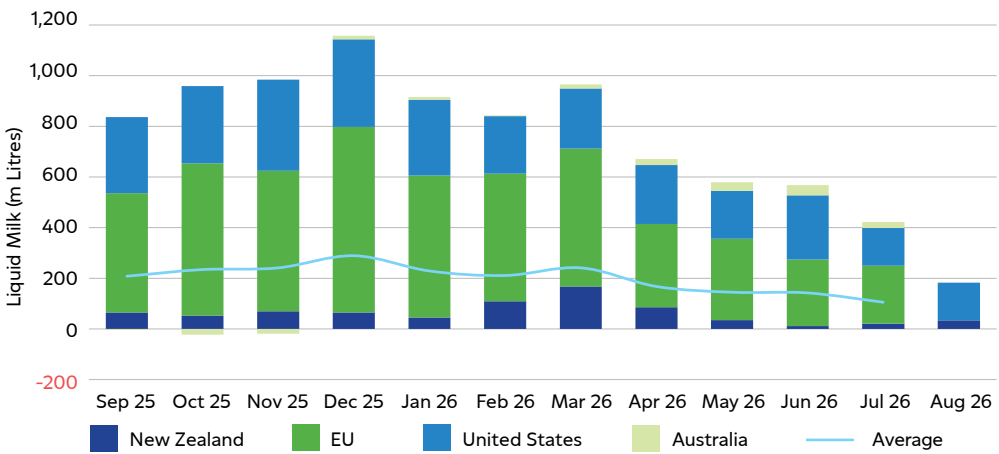
"We're building on our strong foundations, focused on making Fonterra's products the world's most sought-after source of nutrition and fostering an enduring Co-op for generations."

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.

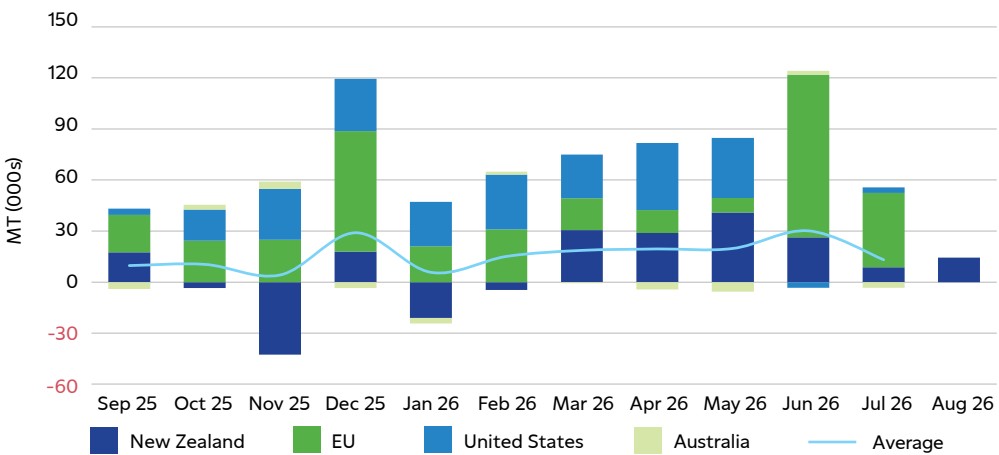
Production



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

[Back to Summary](#)

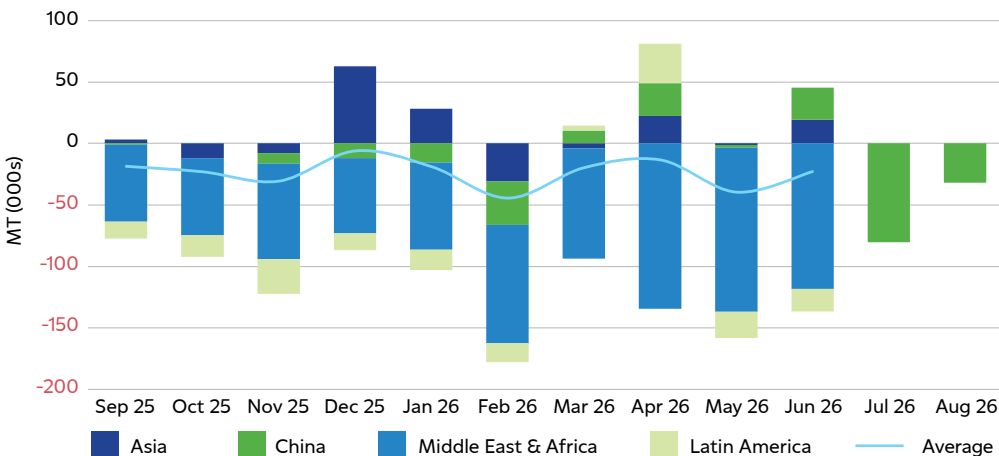
Exports



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

[Back to Summary](#)

Imports



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

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 compared to the previous season.

Milk Collection ¹ (million kgMS)	August 2026	August 2025	Monthly Change	2026/27 Season	2025/26 Season	Season Change
Total Fonterra New Zealand	102.8	99.9	2.9%	143.0	137.3	4.1%
North Island	72.7	72.3	0.4%	107.1	104.3	2.8%
South Island	30.2	27.6	9.4%	35.9	33.1	8.4%

[Back to Summary](#)

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 (%)
21 September 2026	\$9.50 / \$8.50-\$10.50	0.5722	0.5839	73%	16%
13 July 2026	\$9.25 / \$8.00-\$10.50	0.5762	0.5846	58%	13%

As at the most recent update to the 2026/27 season forecast Farmgate Milk Price on 21 September 2026:

- Fonterra had hedged approximately 73% of the full year forecast USD cash flows related to the 2026/27 season Farmgate Milk Price.
- Of that 73%, approximately 16% was hedged with foreign exchange options which had not yet expired or been exercised.
- If the remaining 27% of the forecast USD cash flows were to be hedged at the 21 September 2026 spot rate of 0.5722, the average NZD/USD conversion rate for the 2026/27 season would be 0.5839.
- Also shown for information are the equivalent measures at the date of the previous forecast update of the 2026/27 season Farmgate Milk Price on 13 July 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

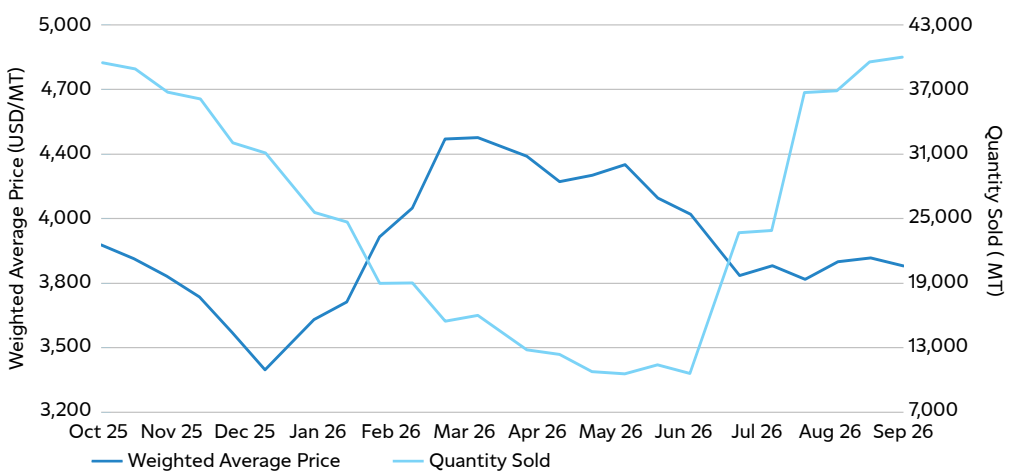
This table provides more information on the latest results, including a snapshot of the rolling year-to-date results.

	Last Trading Event (15 September 2026)	Year-to-Date (From 1 August 2026)
Quantity Sold on GDT (Winning MT)	39,998	153,146
Change in Quantity Sold on GDT over same period last year	5.9%	5.9%
Weighted Average Product Price (USD/MT)	3,880	3,879
Change in Weighted Average Product Price over same period last year	(4.9%)	(7.6%)
Change in Weighted Average Product Price from previous event	(1.0%)	-

Fonterra GDT results

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

[Back to Summary](#)



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.