



NOVEMBER 2024

Global Dairy UPDATE



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

- Decision to proceed with sale process for Fonterra's Consumer businesses, as well as integrated businesses Fonterra Oceania and Fonterra Sri Lanka.



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



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

- Launched new UHT cream to unlock more markets in China.



- Fonterra New Zealand collections for October were 205 million kgMS, 2.5% above October last season. Season-to-date collections are 512.2 million kgMS, 4.7% above last season.



- Fonterra Australia collections in October were 12.2 million kgMS, 1.3% above October last season. Season-to-date collections are 34.9 million kgMS, 2.1% above last season..

- The next issue of the Global Dairy Update will be published on 31 January 2025.

Key Dates



5 December 2024
FY25 Q1 Business Update

March 2025
FY25 Interim Results Announcement



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

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

NEW ZEALAND



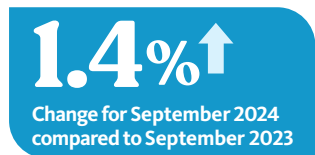
New Zealand milk production increased 2.1% in October compared to the same period the year prior.

The increase was mainly due to warmer weather, adequate rainfall and greater sunlight levels in the North Island. Production in lower South Island was impacted by heavy rainfall.

New Zealand milk production for the 12 months to October was up 1.1% on the previous comparable period.

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

AUSTRALIA



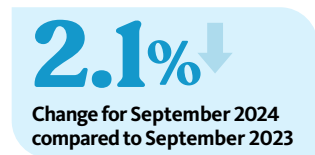
Australia milk production increased 1.4% in September compared to the same period the year prior.

The increase was mainly due to continued favourable weather conditions in Northern and Eastern Victoria, with Western Victoria volumes recovering after a dry start to the season.

Australia milk production for the 12 months to September was up 3.4% on the previous comparable period.

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

EUROPEAN UNION



EU milk production¹ decreased 2.1% in September compared to the same period the year prior.

The decrease was mainly driven by the continued impact of Bluetongue disease in Germany.

EU milk production for the 12 months to September was up 0.1% on the previous comparable period.

USA



US milk production increased 0.2% in October compared to the same period the year prior.

The increase was mainly driven by an increase in herd sizes along with an increase in yield per cow.

Texas and Kansas production increased due to larger herd sizes as producer margins held steady. California was adversely impacted by the spread of avian flu through the state.

US milk production for the 12 months to October was down 0.3% on the previous comparable period.

¹ Excludes UK.



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

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

NEW ZEALAND

6.3%↑

Change for October 2024 compared to October 2023

2.3%↑

Change for the 12 months to October 2024

New Zealand dairy exports increased 6.3%, or 19,066 MT, in October compared to the same period last year.

The increase was mainly due to higher export volumes of WMP, milk proteins, fluid milk products and butter. This was partially offset by lower export volumes of AMF.

Exports for the 12 months to October were up 2.3%, or 80,982 MT, on the previous comparable period.

This was mainly due to higher export volumes of WMP to China.

AUSTRALIA

10.3%↑

Change for September 2024 compared to September 2023

6.3%↑

Change for the 12 months to September 2024

Australia dairy exports increased 10.3%, or 5,471 MT, in September compared to the same period the year prior.

The increase was mainly due to lower domestic demand for dairy which has resulted in higher volumes available for exports.

Exports for the 12 months to September were up 6.3%, or 41,048 MT, on the previous comparable period.

This was mainly due to higher export volumes of SMP and cheese. An increase in production has led to more exportable surplus.

EUROPEAN UNION

0.3%↓

Change for September 2024 compared to September 2023

1.5%↓

Change for the 12 months to September 2024

EU dairy exports¹ decreased 0.3%, or 1,485 MT, in September compared to the same period the year prior.

The decrease was mainly due to a sharp decline in export volumes to Saudi Arabia and Iraq.

Exports for the 12 months to September were down 1.5%, or 104,061 MT, on the previous comparable period.

This was mainly due to lower export volumes of SMP, infant formula and cultured products to key markets along with the constrained milk production and commodity price pressures in European dairy markets.

USA

8.7%↑

Change for September 2024 compared to September 2023

0.9%↑

Change for the 12 months to September 2024

US dairy exports increased 8.7%, or 19,046 MT, in September compared to the same period the year prior.

The increase was mainly due to a jump in export volumes of SMP to Mexico along with an increase in export volumes of dry whey to Canada.

Exports for the 12 months to September were up 0.9%, or 25,193 MT, on the previous comparable period.

This was mainly due to the volume growth for four consecutive months supported by higher exports to Mexico, Indonesia and the Philippines.

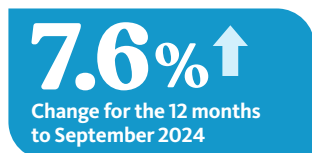
¹ Excludes UK.



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

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

LATIN AMERICA



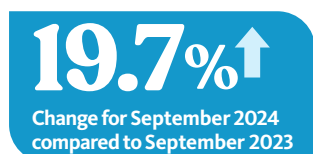
Latin America dairy import volumes¹ increased 10.1%, or 19,723 MT, in September compared to the same period the year prior.

The increase was mainly due to higher import volumes of SMP by Mexico and cheese by Brazil and Mexico.

Imports for the 12 months to September were up 7.6%, or 184,741 MT, on the previous comparable period.

This was mainly due to continuous high import volumes of cheese and fluid milk products by Mexico.

ASIA



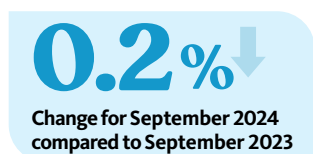
Asia (excluding China) dairy import volumes¹ increased 19.7%, or 73,972 MT, in September compared to the same period the year prior.

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

Imports for the 12 months to September were up 13.1%, or 629,981 MT, on the previous comparable period.

This was mainly due to higher import volumes of WMP by Vietnam and fluid milk products by the Philippines and Vietnam.

MIDDLE EAST & AFRICA



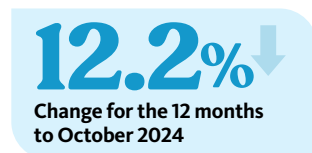
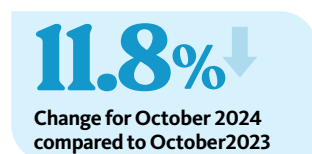
Middle East and Africa dairy import volumes¹ decreased 0.2%, or 966 MT, in September compared to the same period the year prior.

The decrease was driven by lower import volumes of WMP by the UAE and Algeria. This was partially offset by slightly higher import volumes of SMP by Egypt and Nigeria.

Imports for the 12 months to September were up 2.4%, or 139,286 MT, on the previous comparable period.

This was mainly due to higher import volumes of cheese by Iraq and UAE, SMP and whey by Egypt and fluid milk products by the UAE.

CHINA



China dairy import volumes decreased by 11.8%, or 27,361 MT, in October compared to the same period the year prior.

The decrease was driven by lower import volumes of fluid milk products and SMP slightly offset by higher whey imports.

Imports for the 12 months to October were down 12.2%, or 581,928 MT, on the previous comparable period.

This was mainly due to an ongoing decline in import volumes of SMP, WMP, fluid milk products and infant formula.

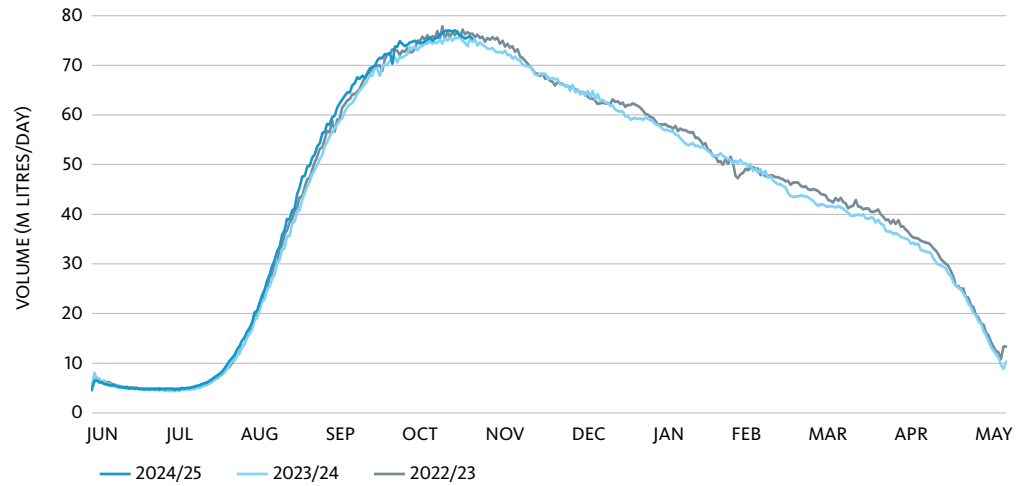
¹ Estimates are included for those countries that have not reported data.

Fonterra Milk Collections



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

New Zealand Milk Collections



NEW ZEALAND

2.5%↑

Change for October 2024 compared to October 2023

4.7%↑

Season-to-date 1 June to 31 October compared to prior season

Fonterra's New Zealand collections for October were 205 million kgMS, 2.5% above October last season.

The increase was mainly due to favourable weather and soil conditions in the North Island partially offset by wet weather conditions in the lower South Island.

Season-to-date collections are 512.2 million kgMS, 4.7% above last season.

NORTH ISLAND

4.6%↑

Change for October 2024 compared to October 2023

5.9%↑

Season-to-date 1 June to 31 October compared to prior season

North Island milk collections in October were 119 million kgMS, 4.6% above October last season.

The increase was mainly due to ongoing favourable weather conditions across the region contributing to strong pasture growth.

Season-to-date collections are 324.4 million kgMS, 5.9% above last season.

SOUTH ISLAND

0.2%↓

Change for October 2024 compared to October 2023

2.6%↑

Season-to-date 1 June to 31 October compared to prior season

South Island milk collections in October were 86.0 million kgMS, 0.2% lower than October last season.

The decrease was mainly due to heavy rainfall in the lower South Island with some areas showing a large water table surplus for this time of year.

Season-to-date collections are 187.9 million kgMS, 2.6% above last season.

AUSTRALIA

1.3%↑

Change for October 2024 compared to October 2023

2.1%↑

Season-to-date 1 July to 31 October compared to prior season

Fonterra's Australia collections in October were 12.2 million kgMS, 1.3% above October last season.

The increase was mainly due to continued favourable weather conditions in Northern and Eastern Victoria, with Western Victoria volumes recovering after a dry start to the season.

Season-to-date collections are 34.9 million kgMS, 2.1% above last season.

For the period 1 June 2024 to 31 October 2024, off-GDT sales have contributed approximately 3 cents per kgMS to the Farmgate Milk Price for the 2024/25 season.

Outlook for Fonterra in New Zealand

1,498M
kgMS

Forecast milk collections for the 2024/25 season

9.00–10.00
NZD per kgMS

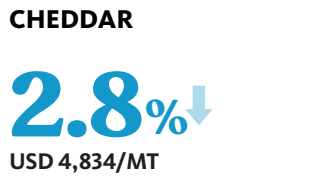
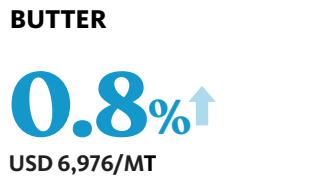
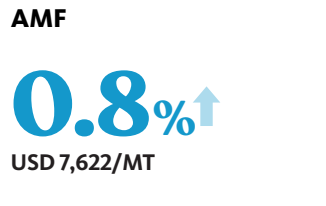
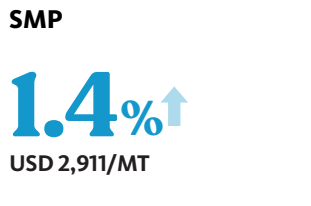
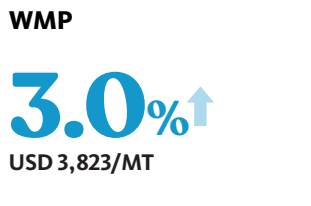
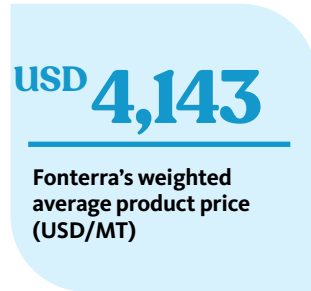
Forecast Farmgate Milk Price for the 2024/25 season

OUR MARKETS

Fonterra Global Dairy Trade Results

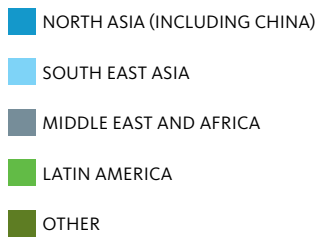


Fonterra GDT results at trading event 368
19 November 2024:

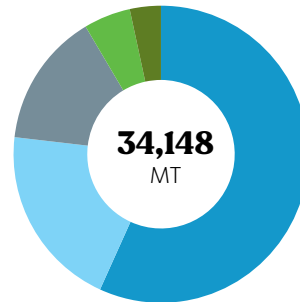


Fonterra GDT sales by destination:

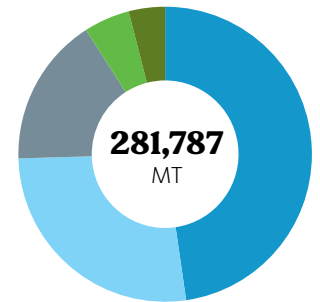
To view more information, including a snapshot of the rolling year-to-date results –



LATEST AUCTION



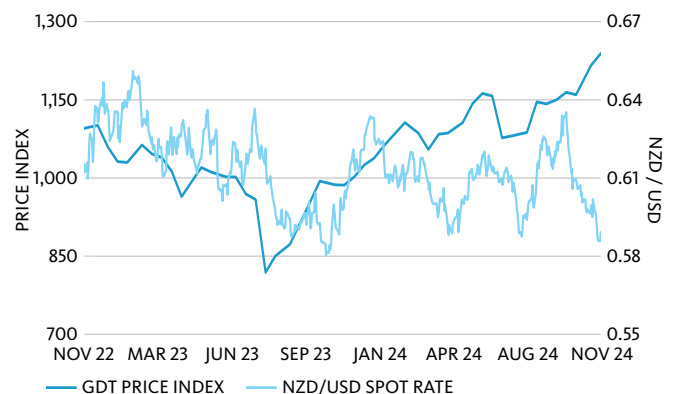
FINANCIAL YEAR-TO-DATE



▶ The next trading event will be held on 3 December 2024. Visit www.globaldairytrade.info for more information.

Dairy commodity prices and New Zealand dollar trend

The US Presidential election took centre stage over the past month with the re-election of former President Trump driving both general investor risk appetite and the USD higher. Furthermore, increasing tension between Russia and NATO provided additional support to the USD in the form of a safe-haven bid. The NZD/USD exchange rate declined to 58.5 US cents.



Our Performance



Decision to proceed with sale process for Fonterra's Consumer businesses, as well as integrated businesses Fonterra Oceania and Fonterra Sri Lanka

CEO Miles Hurrell says, following a detailed scoping phase, the Co-op has decided to proceed with a sale process for these businesses.

"Since our announcement in May 2024, we have been working with our team of advisors to assess potential divestment options, the assets and businesses in scope, and the best pathway to maximise value for our Co-op.

"This work, coupled with the confidence we have in our revised strategic direction, has confirmed a divestment of our global Consumer and associated businesses is in the best interests of the Co-op.

"Our revised strategy will see us prioritise our Ingredients and Foodservice businesses,

creating a more focused and higher performing Co-op.

We have received meaningful buyer interest in the businesses in scope for divestment, which is testament to their strength and potential.

"Through the scoping phase, we have assessed both a trade sale and IPO as attractive divestment options and will now prepare for a sale process which will pursue both options," says Mr Hurrell.

Advisors have been selected to assist in managing this process.

"We will thoroughly test the terms and value of both a trade sale and IPO with the market before seeking support from

farmer shareholders for a divestment option through a vote.

"A final decision on which divestment pathway to pursue will be based on several factors, including which option will result in optimal long-term value for the Co-op," says Mr Hurrell.

Fonterra will provide updates over the coming months as this programme of work progresses and continues to target a significant capital return to be made to farmer shareholders and unit holders following the divestment.



Launched new UHT cream to unlock more markets in China

Fonterra is expanding its Foodservice offerings in China with the launch of a mid-tier UHT cream for bakeries.

The new Anchor™ Easy Bakery cream was revealed at the China International Import Expo (CIIE) in Shanghai which ran from 5-10 November.

Foodservice is a high-value channel for Fonterra, including top selling products such as cream cheese, UHT cream and mozzarella, and is a key part of the Co-op's strategy.

Teh-han Chow, Fonterra Greater China CEO, says innovative products like the Anchor™ Easy Bakery cream is key to maintaining and growing the Co-op's market share in China.

"We have a strong Foodservice business in China and tapping into new markets with products like this is key to maintaining our leadership position in this competitive market and expanding our footprint into new cities," says Chow.

Made with 100% New Zealand dairy, the Anchor™ Easy Bakery cream is designed for the mid-tier market in China, which is the fastest growing segment of the UHT cream market.



Demand for UHT cream continues to increase in China, driven largely by a growing middle class, urbanisation and increased awareness of the nutritional value of dairy.

"The Anchor™ Easy Bakery cream aims to attract new customers who want a full dairy bakery cream with good functionality at a competitive price. Together with our Anchor™ Whipping Cream, this new product will consolidate our leadership position in the UHT market," says Chow.

Aside from the new UHT cream, Fonterra showcased a number of other innovative and sustainably produced dairy products at its booth at CIIE this year.

"CIIE is a great platform for Fonterra to showcase our high-quality dairy products and demonstrate our strategic focuses on sustainability, nutrition health and locally driven innovation," adds Chow.

Fonterra has six application centres in China, allowing it to work closely with customers and technical experts to co-create new product applications using the Co-op's dairy products.

Fonterra's booth this year also showcased the Co-op's progress in sustainability with innovations such as the Carbon Footprinter, a tool created to help customers calculate the emissions profile of products which in turn helps them manage their carbon footprint.

Supplementary Information

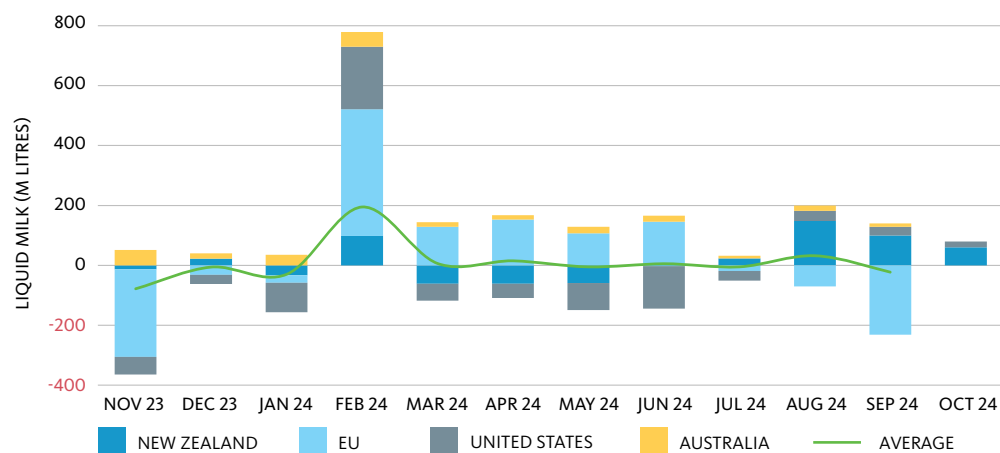
Global Dairy Market

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.

The absolute size of the bars represents the change in imports, exports or production, relative to the same period the previous year.

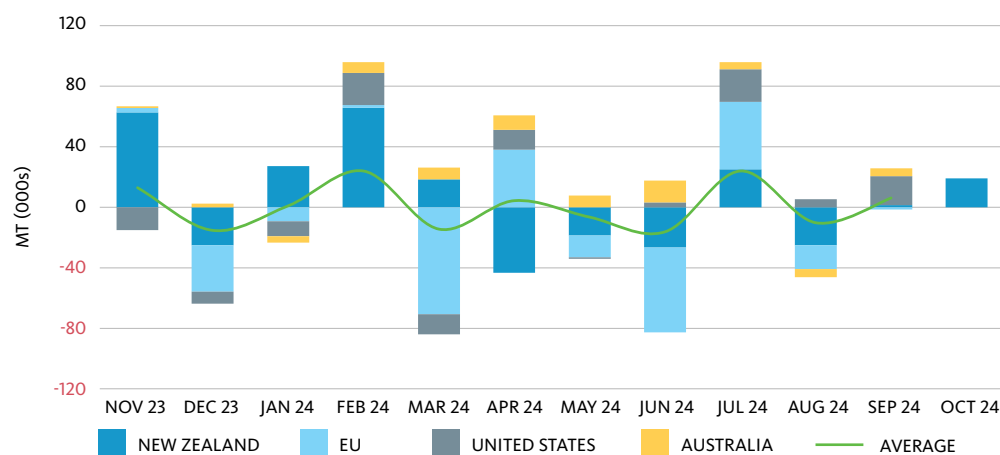
Averages are shown where data is complete for the regions presented.

PRODUCTION



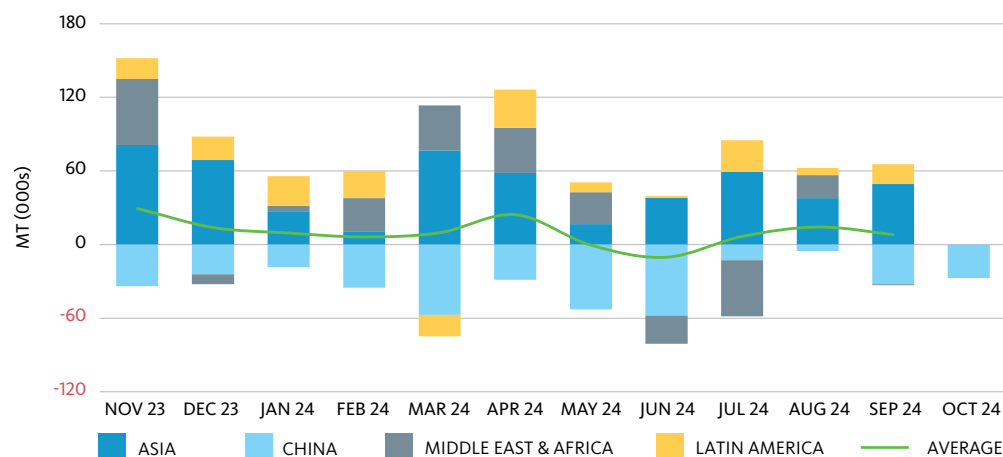
NOTE: Data for EU and Australia to September; New Zealand and US to October.

EXPORTS



NOTE: Data for EU, US and Australia to September; New Zealand to October.

IMPORTS



NOTE: Data for Asia, Middle East & Africa, Latin America to September; China to October.

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

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)	OCTOBER 2024	OCTOBER 2023	MONTHLY CHANGE	SEASON-TO-DATE 2024/25	SEASON-TO-DATE 2023/24	SEASON-TO-DATE CHANGE
Total Fonterra New Zealand	205.0	200.0	2.5%	512.2	489.4	4.7%
North Island	119.0	113.8	4.6%	324.4	306.3	5.9%
South Island	86.0	86.2	(0.2%)	187.9	183.1	2.6%
Australia	12.2	12.1	1.3%	34.9	34.2	2.1%

2024/25 season forecast Farmgate Milk Price (FGMP) update

ANNOUNCEMENT DATE	FORECAST FGMP (NZD)		FORECAST NZD/USD RATE AT ANNOUNCEMENT DATE	FORECAST AVERAGE CONVERSION RATE FOR 2024/25 SEASON	PERCENTAGE OF FOREIGN EXCHANGE EXPOSURE FOR 2024/25 SEASON HEDGED	PERCENTAGE OF FOREIGN EXCHANGE OPTION COVER REMAINING IN HEDGED AMOUNT
	RANGE	MID-POINT				
11 Nov 2024	\$9.00-\$10.0	\$9.50	0.5967	0.6052	81%	18%
25 Sep 2024	\$8.25-\$9.75	\$9.00	0.6338	0.6190	72%	18%

As at the most recent update to the 2024/25 season forecast Farmgate Milk Price on 11 November 2024:

- Fonterra had hedged approximately 81% of the full year forecast USD cash flows related to the 2024/25 season Farmgate Milk Price.
- Of that 81%, approximately 18% was hedged with foreign exchange options which had not yet expired or been exercised.
- If the remaining 19% of the forecast USD cash flows were to be hedged at the 11 November 2024 spot rate of 0.5967, the average NZD/USD conversion rate for the 2025 season would be 0.6052.
- Also shown for information are the equivalent measures at the date of the previous forecast of the 2024/25 season Farmgate Milk Price on 25 September.

Supplementary Information

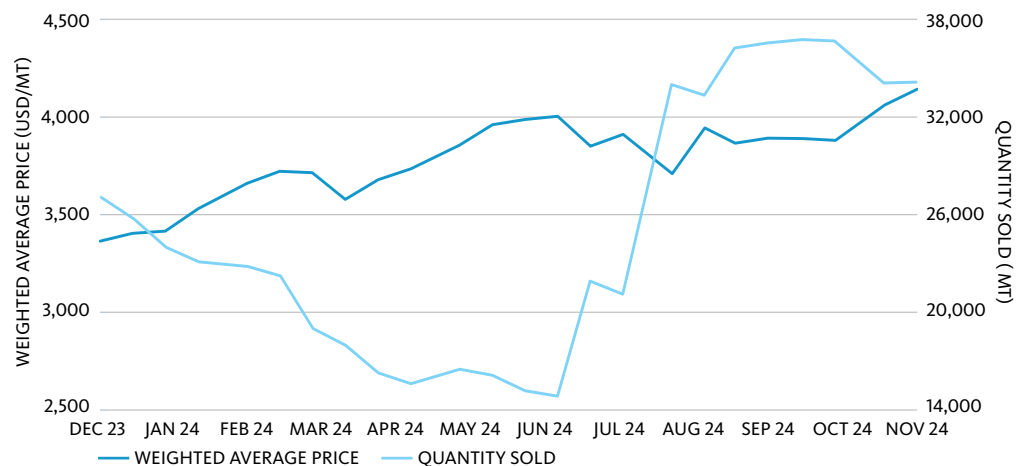
Fonterra GDT results

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

	LAST TRADING EVENT (19 NOVEMBER 2024)	YEAR-TO-DATE (FROM 1 AUGUST 2024)
Quantity Sold on GDT (Winning MT)	34,148	281,787
Change in Quantity Sold on GDT over same period last year	4.2%	4.9%
Weighted Average Product Price (USD/MT)	4,143	3,921
Change in Weighted Average Product Price over same period last year	25.7%	26.0%
Change in Weighted Average Product Price from previous event	2.0%	-

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, 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.