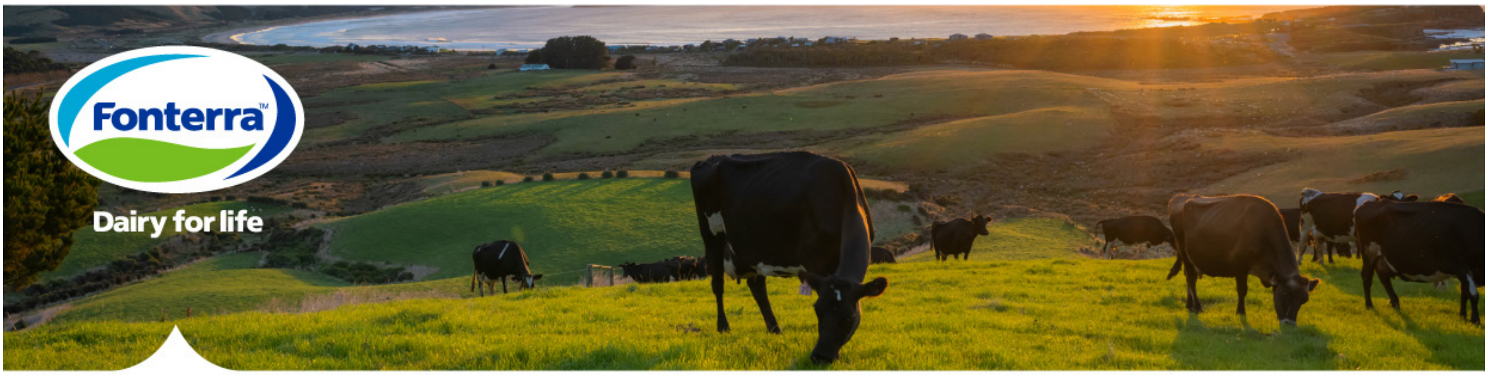


February 2026

Global Dairy UPDATE

Our Markets

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

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

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

- Fonterra's New Zealand milk collections for January were 169.6 million kgMS, 2.3% above January last season. Season-to-date collections are 1,074.9 million kgMS, 2.5% above last season
- Fonterra's Australia collections for January were 10.3 million kgMS, 4.5% above January last season. Season-to-date collections are 70.0 million kgMS, 3.4% above last season

Our Performance

- Fonterra farmers approve divestment capital return scheme

Our Co-op

- Cheese, cream and butter demand soars for Lunar New Year

Key Dates

23 March 2026
FY26 Interim Results Announcement

May 2026
FY26 Q3 Business Update

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

2.0% ↑
Change for January 2026 compared to January 2025

1.8% ↑
Change for the 12 months to January 2026

New Zealand milk production increased 2.0% in January compared to the same period the year prior.

The increase was mainly due to higher collections in the South Island from on farm productivity gains and continuing momentum later into the season.

New Zealand milk production for the 12 months to January was up 1.8% on the previous comparable period.

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

Australia

1.5% ↑
Change for January 2026 compared to January 2025

1.7% ↓
Change for the 12 months to January 2026

Australia milk production increased 1.5% in January compared to the same period the year prior.

Higher year-on-year collections were observed in all regions except South Australia, with good on farm conditions and fodder availability supporting higher collections.

Australia milk production for the 12 months to January was down 1.7% on the previous comparable period.

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

European Union

6.1% ↑
Change for December 2025 compared to December 2024

1.2% ↑
Change for the 12 months to December 2025

EU milk production[1] increased 6.1% in December compared to the same period the year prior.

The increase was mainly due to higher production in Western Europe, the top three producing nations, Germany, France and the Netherlands, increasing 10.8%, 7.4% and 7.0%, respectively. Production was negatively affected this time last year by the impacts of Bluetongue Disease.

EU milk production for the 12 months to December was up 1.2% on the previous comparable period.

USA

4.4% ↑
Change for December 2025 compared to December 2024

2.5% ↑
Change for the 12 months to December 2025

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

The increase was mainly due to larger herds and higher yields, which have outperformed 2024 for 10 consecutive months.

California production increased 9.6% year-on-year, accounting for 36.9% of the 24-state increase for the month. Kansas accounted for 11.4% of the increase, with production lifting 26.2% year-on-year.

US milk production for the 12 months to December increased 2.5% on the previous comparable period.

1 Excludes UK.

Global Exports

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

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

Click here

New Zealand

4.5%↓
Change for January 2026 compared to January 2025

0.2%↓
Change for the 12 months to January 2026

New Zealand dairy exports decreased 4.5%, or 16,177 MT, in January compared to the same period the year prior.

The decrease was mainly due to lower export volumes of WMP to Indonesia, partially offset by higher export volumes of fluid milk products.

Exports for the 12 months to January were down 0.2%, or 8,712 MT, on the previous comparable period.

The decrease was mainly due to lower export volumes of WMP to Algeria and China.

Australia

4.0%↓
Change for December 2025 compared to December 2024

4.1%↓
Change for the 12 months to December 2025

Australia dairy exports decreased 4.0%, or 2,960 MT, in December compared to the same period the year prior.

The decrease was mainly due to lower export volumes of SMP, with Indonesia doubling their SMP imports from Australia compared to December the year prior.

Exports for the 12 months to December were down 4.1%, or 28,808 MT, on the previous comparable period.

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

European Union

15.6%↑
Change for December 2025 compared to December 2024

3.3%↑
Change for the 12 months to December 2025

EU dairy exports[1] increased 15.6%, or 78,116 MT in December compared to the same period the year prior.

The increase was mainly due to higher export volumes of cheese, fluid milk products and SMP.

Ireland saw the largest increase, up 42.5%, or 24,463 MT, followed by Germany and Poland.

Exports for the 12 months to December were up 3.3%, or 219,833 MT, on the previous comparable period.

The increase was mainly due to higher export volumes of SMP from Germany and fluid milk products from Ireland.

USA

13.7%↑
Change for December 2025 compared to December 2024

5.3%↑
Change for the 12 months to December 2025

US dairy exports increased 13.7%, or 30,547 MT, in December compared to the same period the year prior.

The increase was mainly due to higher export volumes of cheese to Mexico, Korea and Australia. The increase was partially offset by lower export volumes of WPC and WPI.

Exports for the 12 months to December were up 5.3%, or 147,747 MT, on the previous comparable period.

The increase was mainly due to higher export volumes of cheese to Korea, Japan and Mexico, butter to Canada and whey powder to China.

1 Excludes UK.

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

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

Click here

Latin America

13.5% ↓
Change for November 2025 compared to November 2024

0.8% ↑
Change for the 12 months to November 2025

Latin America dairy import volumes decreased 13.5%, or 27,952 MT, in November compared to the same period the year prior.

The decrease was mainly due to lower import volumes of cheese by Brazil and SMP by Mexico.

Imports for the 12 months to November were up 0.8%, or 21,716 MT, on the previous comparable period.

The increase was mainly due to higher import volumes of SMP by Brazil, Colombia and Mexico, partially offset by lower import volumes of WMP by Brazil.

Asia

1.3% ↓
Change for November 2025 compared to November 2024

1.8% ↑
Change for the 12 months to November 2025

Asia (excluding China) dairy import volumes decreased 1.3%, or 5,736MT, in November compared to the same period the year prior.

The decrease was mainly due to lower volumes of whey powder by Vietnam, Indonesia and the Philippines, partially offset by higher import volumes of fluid milk products.

Imports for the 12 months to October were up 1.8%, or 103,116 MT, on the previous comparable period.

The increase was mainly due to higher import volumes of cheese by Korea, partially offset by lower import volumes of SMP and whey powder.

Middle East & Africa

29.7% ↓
Change for November 2025 compared to November 2024

7.5% ↓
Change for the 12 months to November 2025

Middle East and Africa dairy import volumes[1] decreased 29.7%, or 129,536 MT, in November compared to the same period the year prior.

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

Imports for the 12 months to November were down 7.5%, or 402,854 MT, on the previous comparable period.

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

China

4.4% ↓
Change for December 2025 compared to December 2024

2.4% ↑
Change for the 12 months to December 2025

China dairy import volumes decreased by 4.4 %, or 12,584 MT, in December compared to the same period the year prior.

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

Imports for the 12 months to December were up 2.4%, or 68,894 MT, on the previous comparable period.

The increase was mainly due to higher import volumes of whey powder partially offset by lower volumes of fluid milk products.

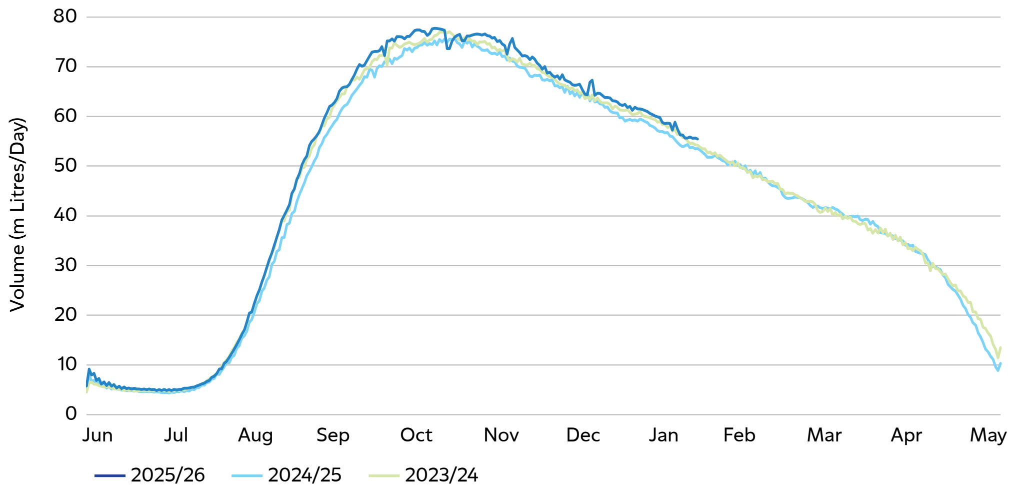
1 Estimates are included for those countries that have not reported data.

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

2.3% ↑
Increase for January 2026 compared to January 2025

2.5% ↑
Season-to-date 1 Jun–31 Jan compared to prior season

Fonterra's New Zealand collections for January were 169.6 million kgMS, 2.3% above January last season.

The increase was mainly due to higher collections in the South Island from favourable on-farm conditions supporting farmers to extend milking later in the season.

Season-to-date collections are 1,074.9 million kgMS, 2.5% above last season.

North Island

0.6% ↑
Increase for January 2026 compared to January 2025

1.0% ↑
Season-to-date 1 Jun–31 Jan compared to prior season

North Island milk collections in January were 90.9 million kgMS, 0.6% higher than January last season.

The increase was mainly due to improved on farm efficiencies, offset by challenging weather conditions. Above average temperatures and substantial rainfall drove soil moisture levels well above historical averages across most regions.

Season-to-date collections are 630.0 million kgMS, 1.0% above last season.

South Island

4.4% ↑
Increase for January 2026 compared to January 2025

4.9% ↑
Season-to-date 1 Jun–31 Jan compared to prior season

South Island milk collections in January were 78.7 million kgMS, 4.4% higher than January last season.

The increase was mainly due to continued momentum late into the season with favourable on-farm conditions and feed availability supporting milk volumes later in the season.

Pasture conditions were mixed, with higher-than-normal soil moisture in upper South Island, with near or below normal soil moisture across the lower South Island.

Season-to-date collections are 444.9 million kgMS, 4.9% above last season.

Australia

4.5% ↑
Increase for January 2026 compared to January 2025

3.4% ↑
Season-to-date 1 Jul–31 Jan compared to prior season

Fonterra's Australia collections in January were 10.3 million kgMS, 4.5% higher than January last season.

The increase was mainly due to favourable on farm conditions despite higher temperatures and lower than average rainfall in Victoria and Tasmania.

Input costs remain in line with medium term averages, and good conditions in spring, with effective fodder conservation have supported production resilience since the season peak.

Season-to-date collections for Fonterra Australia are 70.0 million kgMS, 3.4% above last season.

Fonterra Global Dairy Trade Results

Fonterra GDT results at trading event 398
17 February 2026:

3.3% ↑
Change in Fonterra's weighted average product price from previous event

USD 4,149
Fonterra's weighted average product price (USD/MT)

19.0 000' MT
Fonterra product quantity sold on GDT

BUTTER
11.2% ↑
USD 6,499/MT

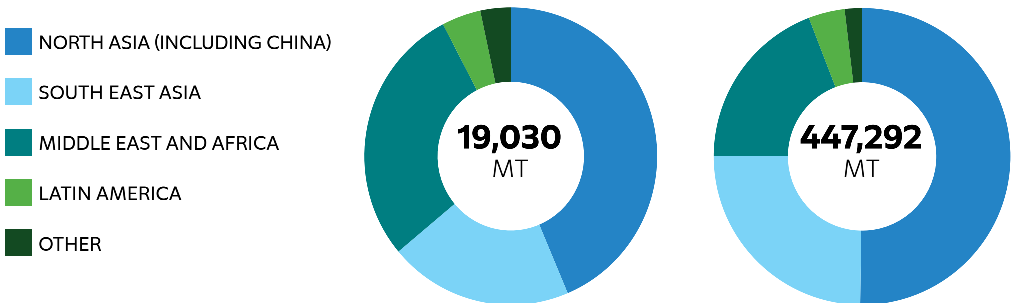
AMF
3.5% ↑
USD 6,751/MT

WMP
2.5% ↑
USD 3,704/MT

SMP
2.0% ↑
USD 2,997/MT

CHEDDAR
0.8% ↓
USD 4,736/MT

Fonterra GDT sales
by destination:

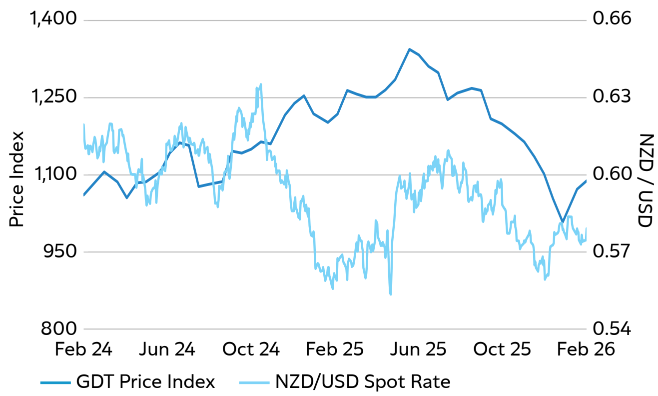


To view more information, including a snapshot of the rolling year-to-date results –
Click here

- The next trading event will be held on 3 March 2026. Visit www.globaldairytrade.info for more information.

Dairy commodity prices and New Zealand dollar trend

Following a period of consolidation between 57 and 58 US cents the NZD/USD exchange rate appreciated swiftly over the later part of January to above 60 US cents. Resurgence in the exchange rate has predominantly been driven by broad based USD weakness stemming from increased political uncertainty in the United States. However, some independent NZD strength also played a factor as financial markets assess, and re-price, the developing expectations for recovery of the New Zealand economy.



Our Performance

Fonterra farmers approve divestment capital return scheme

Following the virtual Special Meeting on 19 February 2026, Fonterra confirmed that its farmer shareholders have approved the scheme of arrangement for the capital return that's expected from the sale of its global Consumer and associated businesses.

98.85% of the total shareholder votes cast were in support of the capital return proposal, which was set out in the Notice of Meeting for the Special Meeting.

The result means Fonterra can seek final Court approval to undertake the capital return of $2.00 per share to shareholders and unit holders, subject to the divestment of Mainland Group to Lactalis being completed.

Fonterra expects the transaction to be complete in the first quarter of the 2026 calendar year, subject to separation of the businesses from Fonterra and provided the remaining regulatory approvals are received within the expected time-frames.

Once these steps have been completed, the Co-operative will confirm the record date for the capital return, which will be within the five business days prior to the capital return payment being made to shareholders and unit holders.

Cheese, cream and butter demand soars for Lunar New Year

New Zealand dairy is showing up in restaurants, cafés and bakeries across Asia in creative ways during the Lunar New Year.

Lunar New Year is one of the biggest and most important festivals for countries like China, Vietnam, Malaysia and Indonesia. This year marks the Year of the Horse, symbolising freedom and growth.

Fonterra's President Global Foodservice and Greater China CEO, Teh-han Chow, says the festival's traditions of gathering, gifting and sharing food is driving a surge in demand for dairy.

"Consumers dine out more frequently during the festive period, exchanging gifts of food to celebrate, which is driving demand for dairy as it's being used more often to create delicious treats and dishes," he says.

Developing festive menus with flavours symbolising good fortune and prosperity is a big part of the foodservice industry in East and Southeast Asia

Fonterra's dairy products, sold through the Anchor Food Professionals™ (AFP) brand, feature widely in pastries, dishes and desserts enjoyed during this period. This growing seasonal demand is something the Co-op is well placed to serve, thanks to its focus on innovation, strong customer partnerships and accelerating growth across key markets like Southeast Asia.

"Food is an important element in the celebration of Lunar New Year. The season provides a platform to launch new dishes, giving us the opportunity to co-create recipes and explore new applications of our products with customers."

Supporting this work is AFP's network of chefs, who work closely with restaurants, bakeries and cafés to co-create these festive menu solutions. Based in-market AFP chefs can respond quickly to emerging trends, helping the Co-op's foodservice partners develop high-quality dishes that resonate with consumers.

A stand-out item this year is the Fortune Coin Cake with a cheese pull – made using Fonterra's mozzarella cheese. This snack is associated with wishes for wealth and abundance which aligns with the general spirit of the festival as well.

Red-themed treats are also a favourite during the new year celebrations, as the colour is associated with prosperity and good luck. Desserts like strawberry cakes made with Fonterra butter are becoming a popular choice for consumers.

Across Southeast Asia, Lunar New Year is tied to gift-giving, with cookies being a staple of festive hampers.

"Our teams in Vietnam and Indonesia have captured this opportunity with the launch of a new range of sweet and savoury cookie concepts to share with customers, helping them develop seasonal cookie collections and driving increased butter sales."

This hands-on collaboration – combining chef expertise, customer insight and fast, flexible product development – enables the Co-op to both support its customers while capturing the growing demand from the region.

Dairy is not traditionally used in Southeast Asian cuisines, but it is being used more frequently in fusion dishes that are in demand during the festival.

"Rising interest in fusion and Western-style dishes is supporting demand for our dairy ingredients like UHT cream, cheese and butter. A lot of our customers have developed dishes that blend local ingredients with a modern dairy twist like Salmon Lotus Seed Pizza.

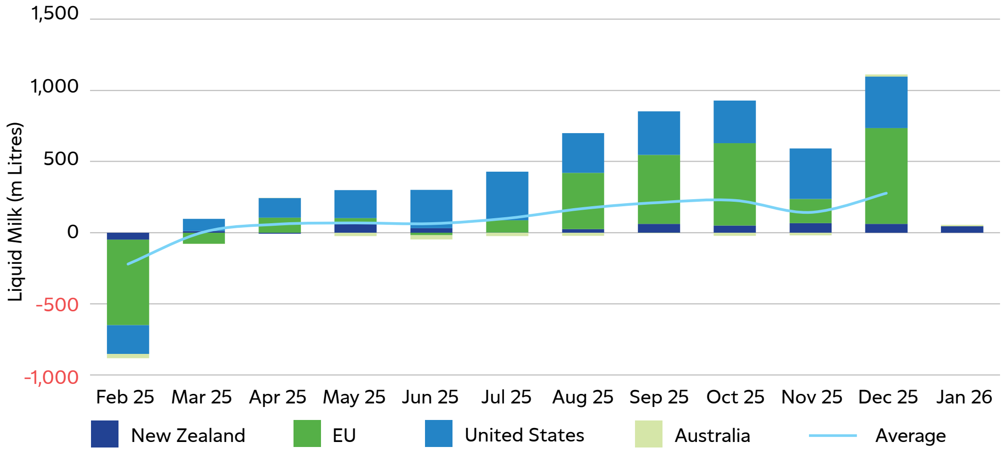
"By staying close to market trends and collaborating with customers, we're able to quickly see what's going on and turn ideas into practical solutions to meet our customers' evolving needs."

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.

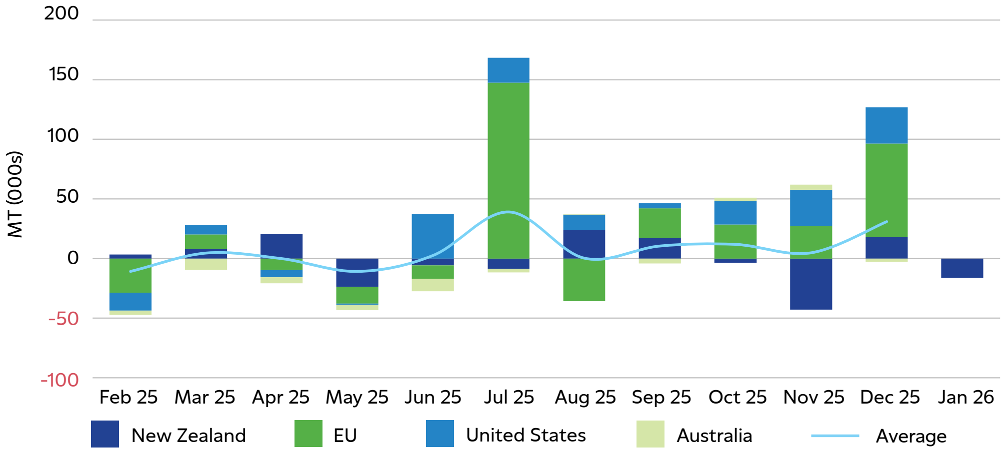
Production



NOTE: Data for EU and US to December; New Zealand and Australia to January.

Back to Summary

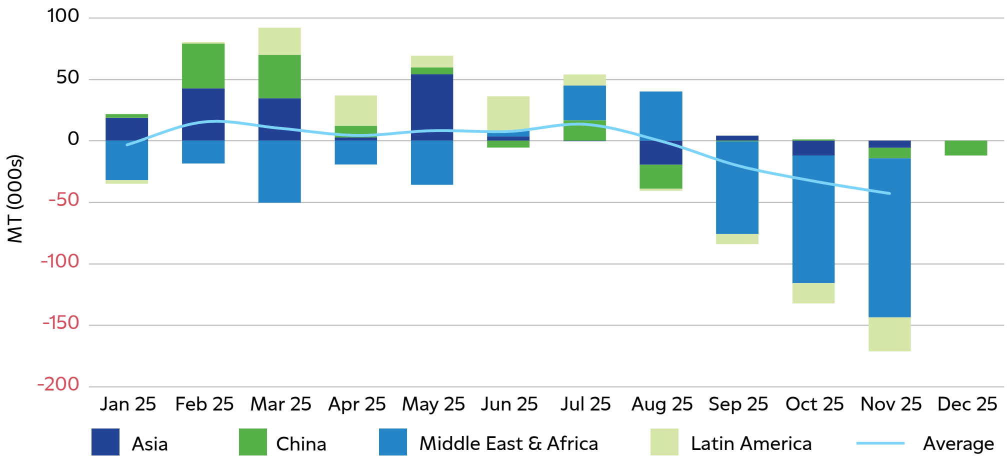
Exports



NOTE: Data for EU, US and Australia to December; New Zealand to January.

Back to Summary

Imports



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

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.

Back to Summary

Milk Collection (million kgMS)	January 2026	January 2025	Monthly Change	Season-to-Date 2025/26	Season-to-Date 2024/25	Season-to-Date Change
Total Fonterra New Zealand	169.6	165.7	2.3%	1,074.9	1,048.2	2.5%
North Island	90.9	90.3	0.6%	630.0	624.1	1.0%
South Island	78.7	75.4	4.4%	444.9	424.1	4.9%
Australia	10.3	9.8	4.5%	70.0	67.6	3.4%

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] (%)
20 February 2026	\$9.50 / \$9.20-\$9.80	0.5967	0.5911	95%	15%
18 December 2025	\$9.00 / \$8.50-\$9.50	0.5776	0.5882	89%	14%

As at the most recent update to the 2025/26 season forecast Farmgate Milk Price on 20 February 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 15% 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 20 February 2026 spot rate of 0.5967, the average NZD/USD conversion rate for the 2025 season would be 0.5911
- Also shown for information are the equivalent measures at the date of the previous forecast of the 2025/26 season Farmgate Milk Price on 18 December 2025

1 Hedged percentages shown are as at the most recent month end prior to announcement date.

Supplementary Information

Fonterra GDT results

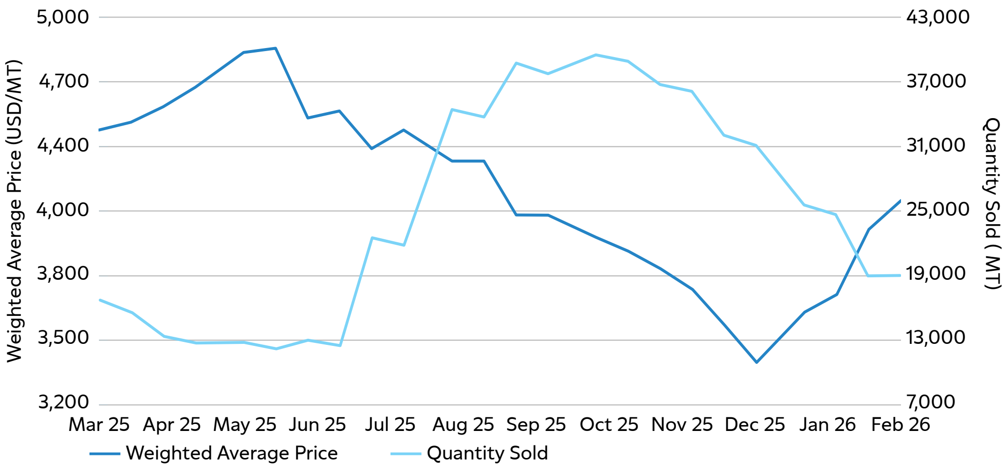
This table provides more information on the latest results, including a snapshot of the rolling year-to-date results.

	Last Trading Event (17 February 2026)	Year-to-Date (From 1 August 2025)
Quantity Sold on GDT (Winning MT)	19,030	447,292
Change in Quantity Sold on GDT over same period last year	(1.6%)	3.4%
Weighted Average Product Price (USD/MT)	4,149	3,917
Change in Weighted Average Product Price over same period last year	(9.6%)	(3.6%)
Change in Weighted Average Product Price from previous event	3.3%	-

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 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.