



Dairy for life



March 2026

Global Dairy UPDATE



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

• Fonterra completes sale of Mainland Group to Lactalis

• On 23 March, Fonterra announced its 2026 Interim Results

[For further details, visit our website –](#)



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



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



• Fonterra's New Zealand milk collections for February were 143.2 million kgMS, 7.1% above February last season. Season-to-date collections are 1,218.3 million kgMS, 3.1% above last season

• Fonterra CEO Miles Hurrall to step down

• Fonterra's Australia collections for February were 8.4 million kgMS, 3.4% above February last season. Season-to-date collections are 78.4 million kgMS, 3.4% above last season

Key Dates



May 2026
FY26 Q3 Business Update

1 June 2026
Start of the 2026/27 Season

31 July 2026
End of FY26 Financial Year



New Zealand, Australia, EU and US monthly production increased

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

New Zealand



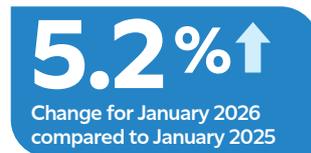
New Zealand milk production increased 6.0% in February compared to the same period the year prior. The increase was mainly due to higher collections in the North Island from favourable weather conditions, and continuing momentum in the South Island. New Zealand milk production for the 12 months to February was up 2.5% on the previous comparable period. Fonterra New Zealand collections are reported for February, see page 5 for details.

Australia



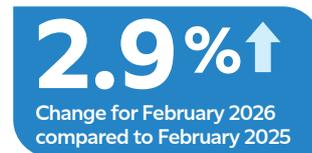
Australia milk production increased 1.5% in January compared to the same period the year prior. The increase was mainly due to higher collections in Victoria and Tasmania, with strong fodder reserves and steady feed prices supporting the increase. Australia milk production for the 12 months to January was down 1.7% on the previous comparable period. Fonterra collections in Australia are reported for February, see page 5 for details.

European Union



EU milk production¹ increased 5.2% in January compared to the same period the year prior. The increase was mainly due to higher production in Germany, up 7.0%, and France, up 6.5%, year-on-year. Five of the top six producing nations increased production by more than 6.0% compared to January last year, with Belgium up 10.1%, supported by mild weather conditions and lower input costs. EU milk production for the 12 months to January was up 1.7% on the previous comparable period.

USA



US milk production increased 2.9% in February compared to the same period the year prior. The increase was mainly due to larger herds, up 2.5%, or 217,000 head on February last year. Production for the Great Plains states increased 4.1% year-on-year, driven by higher volumes in Texas, South Dakota and Kansas, up 5.2%, 10.6% and 28.7%, respectively. US milk production for the 12 months to February increased 3.2% on the previous comparable period.

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 –

New Zealand

0.3%↑

Change for February 2026 compared to February 2025

0.5%↓

Change for the 12 months to February 2026

New Zealand dairy exports increased 0.3%, or 1,043 MT, in February compared to the same period the year prior.

The increase was mainly due to higher export volumes of WMP and MPC & MPI, up 10.1% and 113.3%.

WMP exports to China increased 16,369 MT, or 44.0%, on February last year, and accounted for 38.5% of New Zealand WMP exports for the month.

Exports for the 12 months to February were down 0.5%, or 16,824 MT, on the previous comparable period.

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

Australia

2.0%↓

Change for January 2026 compared to January 2025

5.3%↓

Change for the 12 months to January 2026

Australia dairy exports decreased 2.0%, or 1,059 MT, in January compared to the same period the year prior.

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

Exports for the 12 months to January were down 5.3%, or 37,908 MT, on the previous comparable period.

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

European Union

3.2%↑

Change for January 2026 compared to January 2025

3.5%↑

Change for the 12 months to January 2026

EU dairy exports¹ increased 3.2%, or 16,436 MT, in January compared to the same period the year prior.

The increase was mainly due to higher export volumes of fluid milk products from Germany and Poland, partially offset by lower export volumes of whey powder.

Exports for the 12 months to January were up 3.5%, or 234,244 MT, on the previous comparable period.

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

USA

12.6%↑

Change for January 2026 compared to January 2025

6.0%↑

Change for the 12 months to January 2026

US dairy exports increased 12.6%, or 27,355 MT, in January compared to the same period the year prior.

The increase was mainly due to higher export volumes of SMP to Mexico, butter which increased 185.2% year-on-year, and whey powder, partially offset by lower export volumes of WPC and WPI.

Exports for the 12 months to January were up 6.0%, or 169,978 MT, on the previous comparable period.

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

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 –

Latin America

14.7%↓

Change for January 2026 compared to January 2025

1.1%↓

Change for the 12 months to January 2026

Latin America dairy import volumes

decreased 14.7%, or 29,980 MT, in January compared to the same period the year prior.

The decrease was mainly due to lower import volumes of SMP by Colombia and Peru, and cheese by the Dominican Republic.

Imports for the 12 months to January were down 1.1%, or 27,413 MT, on the previous comparable period.

The decrease was mainly due to lower import volumes of WMP by Brazil and cheese to Brazil and the Dominican Republic, partially offset by higher import volumes of SMP and whey powder.

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 5,580 MT, 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.

Imports for the 12 months to November were up 1.8%, or 102,979 MT, on the previous comparable period.

The increase was mainly due to higher import volumes of cheese by Korea and WMP by Sri Lanka and Bangladesh, partially offset by lower import volumes of SMP and lactose.

Middle East & Africa

36.1%↓

Change for January 2026 compared to January 2025

10.2%↓

Change for the 12 months to January 2026

Middle East and Africa dairy import volumes¹

decreased 36.1%, or 157,419 MT, in January compared to the same period the year prior.

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

Imports for the 12 months to January were down 10.2%, or 585,835 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

14.0%↓

Change for February 2026 compared to February 2025

1.0%↓

Change for the 12 months to February 2026

China dairy import volumes

decreased 14.0%, or 39,913 MT, in February compared to the same period the year prior.

The decrease was mainly due to lower import volumes of SMP, down 11,749 MT on the prior comparable period, partially offset by higher import volumes of cheese.

Imports for the 12 months to February were down 1.0%, or 29,990 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 cheese and whey powder.

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

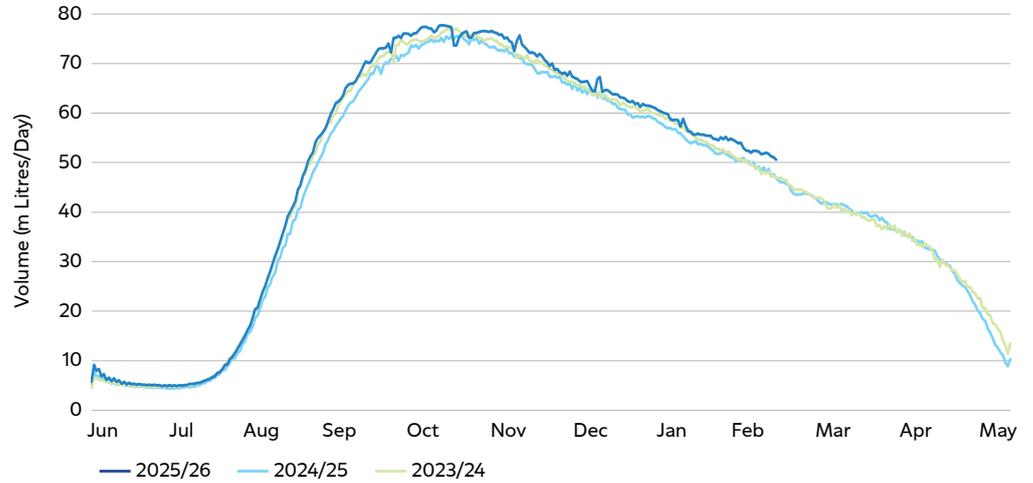
OUR MARKETS

Fonterra Milk Collections



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

New Zealand Milk Collections



New Zealand

7.1%↑

Increase for February 2026 compared to February 2025

3.1%↑

Season-to-date 1 Jun–28 Feb compared to prior season

Fonterra's New Zealand collections for February were 143.2 million kgMS, 7.1% above February last season.

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

Season-to-date collections are 1,218.3 million kgMS, 3.1% above last season.

North Island

9.2%↑

Increase for February 2026 compared to February 2025

1.8%↑

Season-to-date 1 Jun–28 Feb compared to prior season

North Island milk collections in February were 75.5 million kgMS, 9.2% higher than February last season.

The increase was mainly due to favourable weather conditions, supporting higher soil moisture and pasture growth above the historical average, following drought conditions in February 2025.

Season-to-date collections are 705.8 million kgMS, 1.8% above last season.

South Island

4.9%↑

Increase for February 2026 compared to February 2025

4.9%↑

Season-to-date 1 Jun–28 Feb compared to prior season

South Island milk collections in February were 67.7 million kgMS, 4.9% higher than February last season.

The increase was mainly due to favourable pasture conditions, with favourable weather across consecutive months, leading to soil moisture in line with historical averages, supporting consistent pasture growth.

Season-to-date collections are 512.6 million kgMS, 4.9% above last season.

Australia

3.4%↑

Increase for February 2026 compared to February 2025

3.4%↑

Season-to-date 1 Jul–28 Feb compared to prior season

Fonterra's Australia collections in February were 8.4 million kgMS, 3.4% higher than February last season.

The increase was mainly due to favourable weather conditions, with high rainfall in Northern Victoria, and moderate rainfall in Eastern Victoria and Northwestern Tasmania, supporting pasture growth.

Season-to-date collections for Fonterra Australia are 78.4 million kgMS, 3.4% above last season.

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

Outlook for Fonterra in New Zealand

NZD per kgMS 9.40–10.00

Forecast Farmgate Milk Price for the 2025/26 season

1,565M kgMS

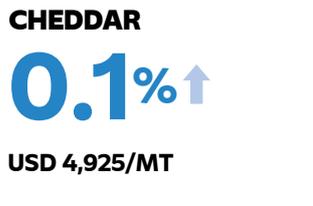
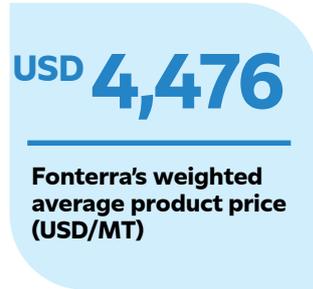
Forecast milk collections for the 2025/26 season

OUR MARKETS

Fonterra Global Dairy Trade Results



Fonterra GDT results at trading event 400
17 March 2026:

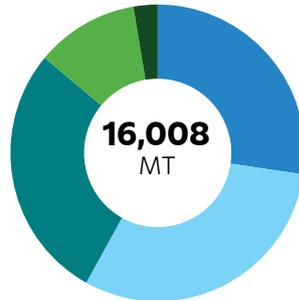


Fonterra GDT sales by destination:

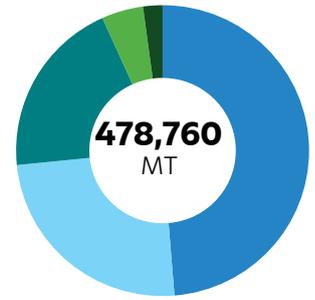
To view more information, including a snapshot of the rolling year-to-date results –

- NORTH ASIA (INCLUDING CHINA)
- SOUTH EAST ASIA
- MIDDLE EAST AND AFRICA
- LATIN AMERICA
- OTHER

Latest Auction



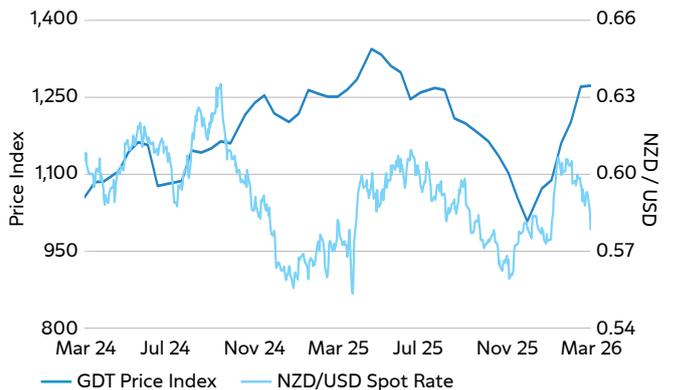
Financial Year-to-Date



▶ The next trading event will be held on 7 April 2026. Visit www.globaldairytrade.info for more information.

Dairy commodity prices and New Zealand dollar trend

Escalating Middle East tensions disrupted financial markets after joint US and Israeli airstrikes on Iranian military sites prompted Iran to retaliate across the Gulf and via regional proxies. Crude oil prices spiked amid Strait of Hormuz supply risks, lifting inflation concerns, strengthening the US dollar, and pressuring global equities and bonds as investors demanded higher yields. The NZD/USD exchange rate fell from 60 US cents to a low of 57.8 US cents, before steadying to recover half of those losses. The NZD remains vulnerable while geopolitical risk stays elevated, threatening global growth, and the US–NZ interest rate differential continues to favour the USD.





Fonterra completes sale of Mainland Group to Lactalis

On 31 March, Fonterra Co-operative Group Ltd completed the sale of its global consumer and associated businesses, Mainland Group, to Lactalis.

Chairman Peter McBride says the completion of the sale is a significant milestone which sets the Co-op up for the future.

“With the divestment complete, Fonterra can return capital to its owners and focus on growing further through its core business as a New Zealand farmer-owned global B2B dairy provider,” says Mr McBride.

CEO Miles Hurrell says “through our high performing Ingredients and Foodservice businesses, we sell innovative dairy products to customers globally under our NZMP™ and Anchor™ Food Professionals brands.

“We can now focus our resources, R&D spend, and farmers’ capital on continuing to grow these businesses, which generate the greatest return for farmers’ milk.

“The completion of the sale also signals the start of our long-term partnership with Lactalis. Lactalis becomes one of our most significant Ingredients customers, as we continue to supply milk and other products to the divested businesses,” says Mr Hurrell.

Capital return payment

As previously advised, Fonterra will return \$3.2 billion of divestment proceeds to farmer shareholders and unit holders via a \$2.00 per share capital return. Fonterra can now confirm the record date for being eligible for the capital return is 5.00 pm on 9 April 2026 and the payment date is 14 April 2026.

As is standard practice, the NZX has approved a three-day administrative trading halt in respect of Fonterra’s shares and Fonterra Shareholders’ Fund units listed on the NZX Main Board.

The trading halt will apply from market open on 8 April 2026 through until the close of trading on 10 April 2026. This is to ensure all trades have settled before the record date and to allow time to update Fonterra’s share register.

Financial outlook

Fonterra’s FY26 earnings guidance for continuing operations remains unchanged at 50-65 cents per share.

Fonterra continues to target earnings to return to FY25 levels by FY28, offsetting the Mainland Group divestment, through focused execution of its strategy.

The sale comprises:

- Fonterra’s global Consumer business and Consumer brands, excluding the consumer business in Greater China where Fonterra will continue to own the Anchor brand;
- The integrated Foodservice and Ingredients business in Oceania;
- The integrated Foodservice business in Sri Lanka;
- The Middle East and Africa Foodservice business.

The product supply agreements between Fonterra and Lactalis are:

- Raw Milk Supply Agreement – Fonterra to supply raw milk to Lactalis for a minimum term of 10 years, with automatic renewal until terminated.
- Global Supply Agreement – Fonterra to supply ingredients and other products (e.g. bulk cheese) to Lactalis for a minimum period of 6 years, with automatic renewal until terminated.



Fonterra CEO Miles Hurrell to step down

On 16 March, Fonterra Co-operative Group Ltd announced that Chief Executive Officer Miles Hurrell has resigned.

Chair Peter McBride says that after a 25-year career with Fonterra, including eight years as CEO, Miles has decided that the time is right for him to leave the Co-op.

“When he was appointed CEO in 2018, Miles was tasked with leading a reset of the business to turn around Fonterra’s financial performance and rebuild farmers’ trust.

“Under Miles’ leadership the team has done that and more. From day one, Miles was able to unite the team under a single purpose and drive performance right across the business, setting the Co-op up for the future.

“On behalf of the Board, I thank Miles for his courageous leadership. He has overseen a significant strategic

reset, focused on getting the Co-op back to its core strengths. In doing so he has helped lift Fonterra’s financial discipline and built the strong foundations the Co-op has today.

“I know I echo the sentiment of farmers when saying that Miles will leave with sincere thanks for his 25 years of loyalty and best wishes for the future,” says Mr McBride.

Miles Hurrell says it has been an incredible privilege to have a long career with Fonterra which he has enjoyed immensely.

“When I took the role of CEO, I understood our financial results are not just numbers but the livelihood of thousands of New Zealand farming families. I have always felt a great sense of responsibility to do what’s right for farmers, and I believe the Co-op is now in a really good place.

“While it’s not an easy decision to step away, the time is right for both the Co-op and me personally. Fonterra’s entering the next phase in its strategic implementation, which marks a natural turning point for a new leader to step in while I consider what’s next for me.

“I know that the business will be in good hands. There’s an exceptional team of people who will carry the Co-op forward and continue to drive value for farmers,” says Mr Hurrell.

Peter McBride says Miles has a six month notice period, which enables an organised leadership transition.

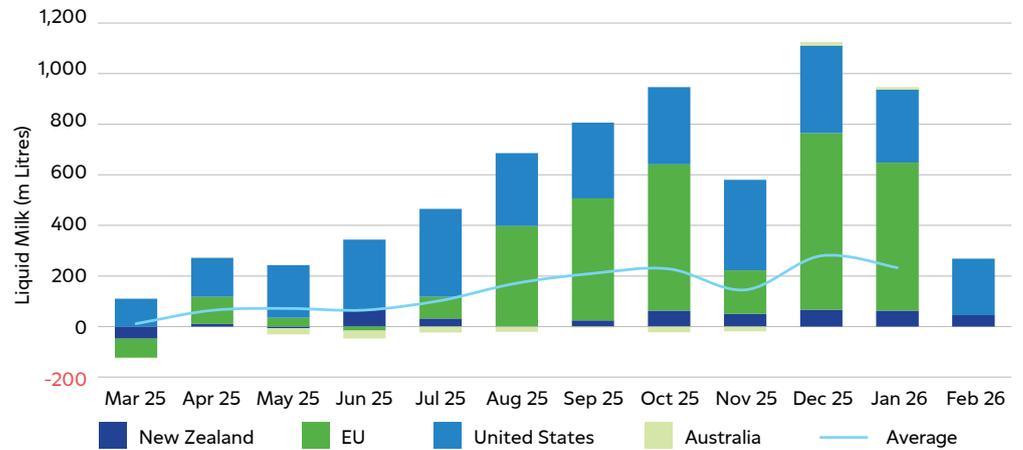
“Board and management regularly discuss succession as part of good governance practices. We are confident we can run a robust selection process and appoint a new CEO in the coming months,” says Mr McBride.

Supplementary Information

Global Dairy Market

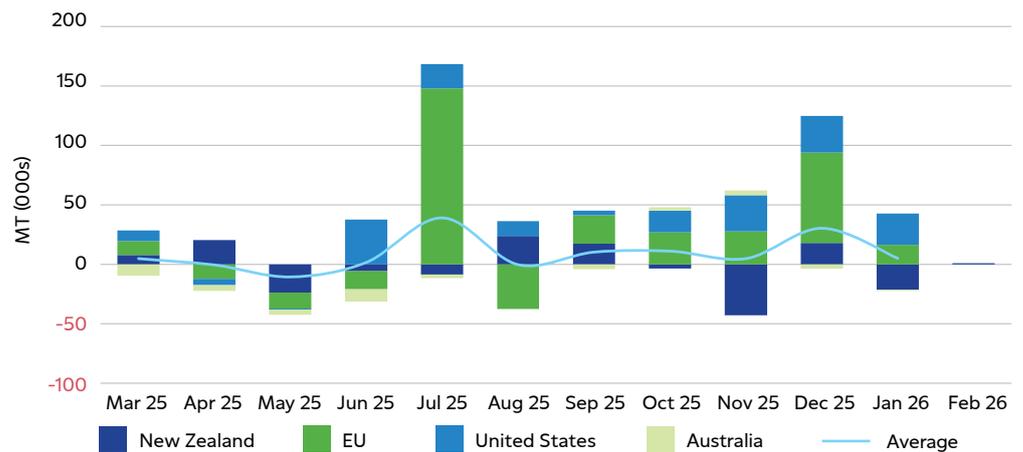
The charts on the right illustrate the year-on-year changes in imports, exports and production for a range of countries that are important players in global dairy trade.

Production



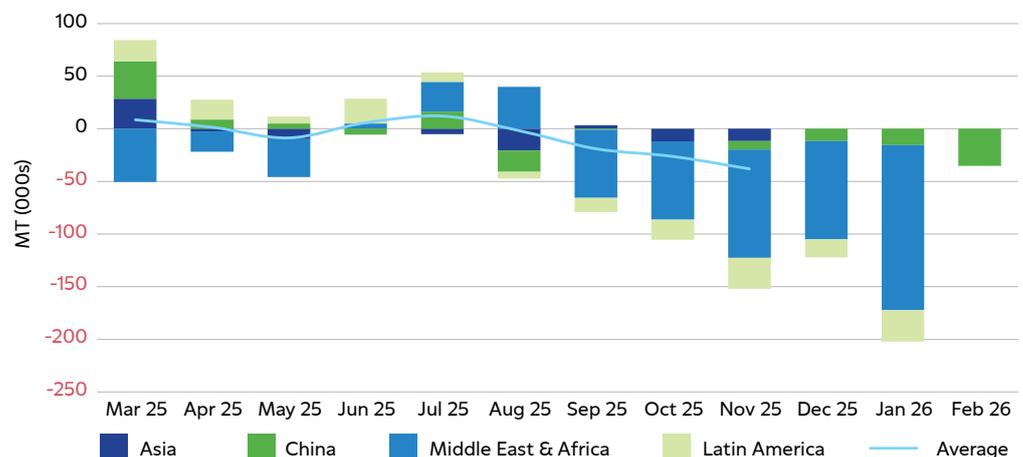
NOTE: Data for EU and US to January; New Zealand and Australia to February.

Exports



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

Imports



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

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

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)	February 2026	February 2025	Monthly Change	Season-to-Date 2025/26	Season-to-Date 2024/25	Season-to-Date Change
Total Fonterra New Zealand	143.2	133.7	7.1%	1,218.3	1,181.9	3.1%
North Island	75.5	69.2	9.2%	705.8	693.3	1.8%
South Island	67.7	64.6	4.9%	512.6	488.6	4.9%
Australia	8.4	8.2	3.4%	78.4	75.8	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 (%)
23 March 2026	\$9.70 / \$9.40-\$10.00	0.5821	0.5894	95%	16%
20 February 2026	\$9.50 / \$9.20-\$9.80	0.5967	0.5911	95%	15%

As at the most recent update to the 2025/26 season forecast Farmgate Milk Price on 23 March 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 16% 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 23 March 2026 spot rate of 0.5821, the average NZD/USD conversion rate for the 2025 season would be 0.5894.
- Also shown for information are the equivalent measures at the date of the previous forecast of the 2025/26 season Farmgate Milk Price on 20 February 2026

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

Supplementary Information

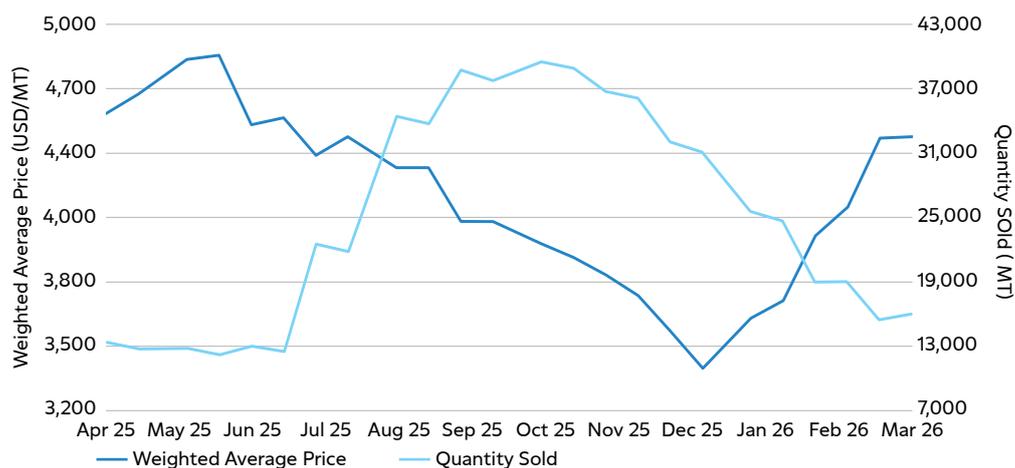
Fonterra GDT results

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

	Last Trading Event (17 March 2026)	Year-to-Date (From 1 August 2025)
Quantity Sold on GDT (Winning MT)	16,008	478,760
Change in Quantity Sold on GDT over same period last year	2.9%	3.0%
Weighted Average Product Price (USD/MT)	4,476	3,954
Change in Weighted Average Product Price over same period last year	(0.8%)	(3.4%)
Change in Weighted Average Product Price from previous event	0.2%	-

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, 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.