



Dairy for life



June 2026

Global Dairy UPDATE



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

• Fonterra is strengthening its Foodservice presence in China with the launch of a new cream for professional bakeries at Bakery China 2026 in Shanghai



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



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



• Fonterra's New Zealand milk collections for the season ended 31 May were 1,570.8 million kgMS, 4.1% above last season

• New management structure confirmed

Key Dates



31 July 2026
End of FY26 Financial Year

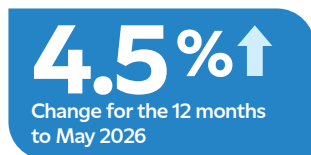
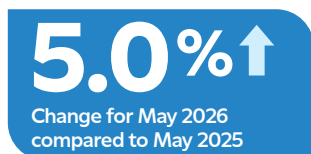
September 2026
FY26 Annual Results Announcement



New Zealand, Australia, EU and US monthly production increased

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

New Zealand



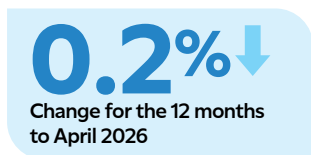
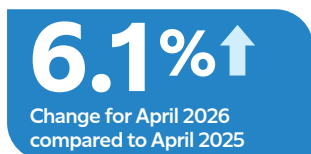
New Zealand milk production increased by 5.0% in May compared to the same month the year prior.

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

On a 12-month rolling basis, New Zealand milk production continued its growth, up 4.5% on the prior comparable period.

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

Australia

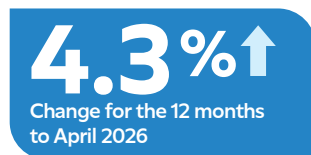


Australia milk production increased 6.1% in April compared to the same period the year prior.

Rainfall was lower in April across many dairy regions impacting water storage. Water and feed prices increased.

Australia milk production for the 12 months to April was largely flat, down 0.2% on the previous comparable period.

European Union



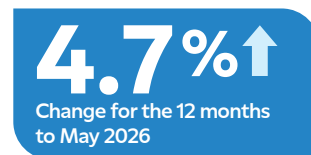
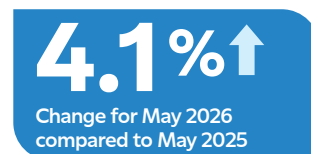
EU milk production¹ was 4.2% higher in April compared to the same period the year prior.

The increase was driven by higher production in northwestern Europe, with Germany, Belgium and the Netherlands reporting significant increases.

High levels of production may abate through the Northern hemisphere summer due to hot dry conditions.

EU milk production for the 12 months to April was up 4.3% on the previous comparable period.

USA



US milk production increased 4.1% in May compared to the same period the year prior.

Production continues to grow, with the milking herd nearing its highest level in 35 years, driven by strong gains in California and Wisconsin.

US milk production for the 12 months to May increased 4.7% 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

16.3%↑

Change for May 2026 compared to May 2025

2.3%↑

Change for the 12 months to May 2026

New Zealand dairy exports continued to grow up 16.3%, or 49,477 MT, in May compared to the same period the year prior. Higher exports of WMP, SMP and butter drove the increase, with WMP up 43%, or 43,150 MT. Fluid milk products declined 14.8%, or 6,626 MT. Exports for the 12 months to May were up 2.3%, or 82,250 MT, on the prior comparable period. The increase was mainly due to higher export volumes of WMP and supported by butter, MPC and MPI.

Australia

4.6%↓

Change for April 2026 compared to April 2025

3.3%↓

Change for the 12 months to April 2026

Australia dairy exports declined 4.6%, or 2,301 MT, in April compared to the same period the year prior. Lower volumes of WMP, SMP and other powders drove the decline, with total export volumes across the three categories down 3,520 MT. Exports for the 12 months to April were down 3.3%, or 23,177 MT, on the previous comparable period. The decrease was driven by lower volumes of SMP, whey powder, butter, and other powder. Fluid milk products and infant formula export volumes increased.

European Union

2.0%↑

Change for April 2026 compared to April 2025

2.6%↑

Change for the 12 months to April 2026

EU dairy exports¹ were 2.0% up, or 11,887 MT, in April relative to the same month the year prior. Higher export volumes of cheese and butter drove the increase, up 6.5% and 34.4%, respectively. The increase was mainly driven by Germany, France and the Netherlands. Exports for the 12 months to April were up 2.6%, or 170,960 MT, on the previous comparable period. The increase was mainly due to higher export volumes of SMP, cultured products, cheese and butter. Export volumes of infant formula, WMP and lactose decreased year-on-year.

USA

16.6%↑

Change for April 2026 compared to April 2025

10.0%↑

Change for the 12 months to April 2026

US dairy exports continued to expand strongly up 39,000 MT, or 16.6%, in April relative to the same month the year prior. The increase was mainly due to higher export volumes of cheese, whey powder and butter, with butter exports up 104.1% on April 2025. Export volumes of lactose, MPC and MPI, WPC and WPI were lower. Exports for the 12 months to April were up 10.0%, or 279,462 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 export volumes of SMP, WPC and WPI.

¹ Excludes UK.



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

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

Latin America

2.3%↑

Change for March 2026 compared to March 2025

1.4%↓

Change for the 12 months to March 2026

Latin America dairy import volumes

increased 2.3%, or 4,956 MT, in March compared to the same period the year prior.

The increase was driven by higher volumes of WMP and cheese offset by lower volumes of SMP and fluid milk.

Imports for the 12 months to March were down 1.4%, or 36,074 MT, on the prior comparable period.

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

Asia

0.8%↓

Change for March 2026 compared to March 2025

3.9%↑

Change for the 12 months to March 2026

Asia (excluding China) dairy import volumes

declined 0.8%, or 3,898 MT, in March compared to the same period the year prior.

SMP, whey powder and lactose volumes increased, while fluid and fresh milk, WMP and butter declined.

Imports for the 12 months to March were up 3.9%, or 22,737 MT, on the prior comparable period.

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

Middle East & Africa

27.3%↓

Change for March 2026 compared to March 2025

10.8%↓

Change for the 12 months to March 2026

Middle East and Africa dairy import volumes¹

decreased 27.3%, or 115,692 MT, in March relative to the prior comparable period.

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

Imports for the 12 months to March were down 10.8%, or 566,527 MT, on the previous comparable period.

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

China

1.2%↓

Change for May 2026 compared to May 2025

1.7%↓

Change for the 12 months to May 2026

China dairy import volumes

declined moderately by 1.2%, or 2,937 MT, in May compared to the same period the year prior.

The decrease was driven by lower import volumes of infant formula and fluid milk products.

Imports for the 12 months to May were down 1.7%, or 51,457 MT, on the previous comparable period.

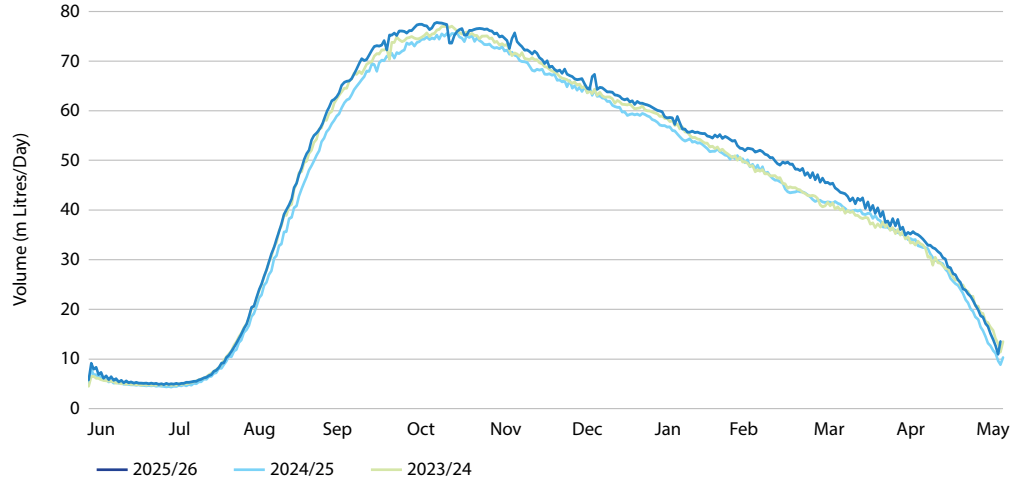
The decrease was mainly due to lower import volumes of fluid milk products and SMP.

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



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

5.8%↑

Increase for May 2026 compared to May 2025

4.1%↑

For the 2025/26 Season compared to prior season

Fonterra's New Zealand collections for May were 81.5 million kgMS, an increase of 5.8% on May 2025.

Favourable pasture growing conditions meant that collections were the highest on record for the month of May.

The 2025/26 season milk collections were finalised at 1,570.8 million kgMS, 4.1% above prior season.

North Island

7.7%↑

Increase for May 2026 compared to May 2025

3.5%↑

For the 2025/26 Season compared to prior season

North Island milk collections in May were 39.3 million kgMS, 7.7% higher than May last season.

The increase is mainly due to favourable pasture conditions and a low comparable month, following drought conditions in the lower North Island in 2025.

The 2025/26 season milk collections were finalised at 885.9 million kgMS, 3.5% above prior season.

South Island

4.1%↑

Increase for May 2026 compared to May 2025

4.8%↑

For the 2025/26 Season compared to prior season

South Island milk collections in May were 42.2 million kgMS, 4.1% higher than May last season.

The increase was mainly due to favourable weather conditions although pasture growth has begun to slow towards the end of the season.

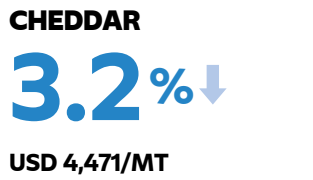
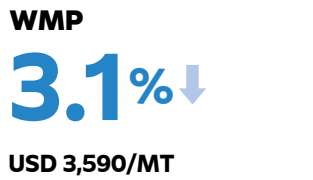
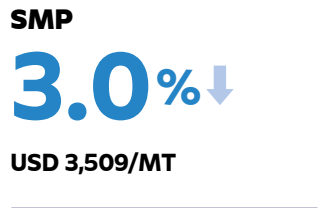
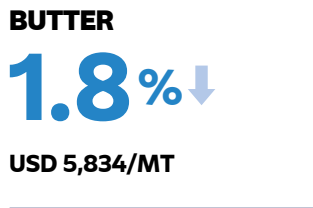
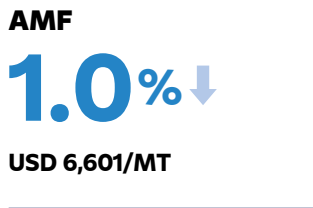
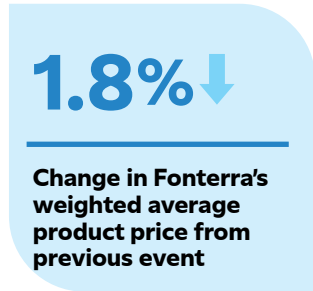
The 2025/26 season milk collections were finalised at 684.9 million kgMS, 4.8% above prior season.

OUR MARKETS

Fonterra Global Dairy Trade Results

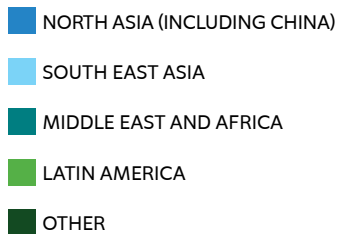


Fonterra GDT results at trading event 406
16 June 2026:

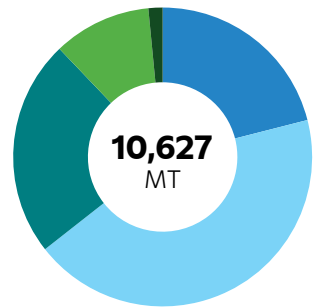


Fonterra GDT sales by destination:

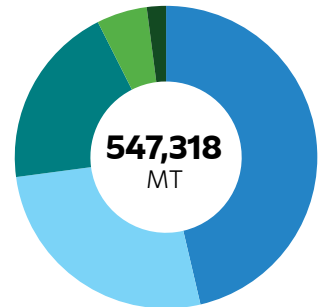
To view more information, including a snapshot of the rolling year-to-date results –



Latest Auction



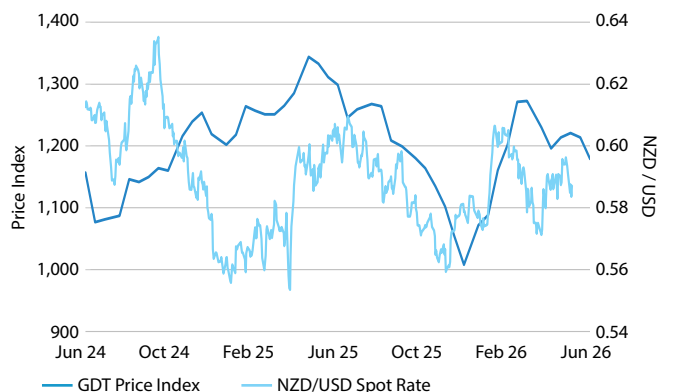
Financial Year-to-Date



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

Dairy commodity prices and New Zealand dollar trend

Despite an Memorandum of Understanding being signed between Iran and the US initiating a fresh 60-day cease fire, investor sentiment and risk appetite remained mixed as investors assessed the situation as still being fragile and this resulted in renewed safe-haven demand for the USD. Furthermore, Kevin Warsh presided over his first meeting of the Federal Open Market Committee as its Chairman, delivering a no-nonsense approach to monetary policy and reiterating the importance of the 2% inflation target – financial markets moved quickly to price increased risks of US interest rate hikes in 2026 further supporting the USD. The NZD/USD exchange rate declined to 57 US cents.



Our Performance



Fonterra is strengthening its Foodservice presence in China with the launch of a new cream for professional bakeries at Bakery China 2026 in Shanghai

The launch supports the Co-operative's strategy to deliver end-to-end value for farmer owners and builds on Fonterra's broader portfolio of high-quality dairy solutions, giving customers flexibility to choose what works best for their specific applications.

Anchor™ Essence Cream has been developed to meet fast growing demand in the China market region and expands Fonterra's offering with another new option for professional bakers.

Designed specifically for professional use, the cream delivers a light, smooth texture and reliable performance, perfect for cake fillings and soft bakery products, while responding to growing demand for simple and affordable ingredients.

Fonterra President of Global Foodservice, Teh han Chow, says it's particularly meaningful to return to Bakery China with a new innovation tailored to customer needs.

"It's great to be back at Bakery China, connecting with our customers and partners in person and showcasing what's next," he says. "The launch of Anchor™ Essence Cream is a strong example of how we're innovating with purpose – bringing high performing solutions to meet the evolving needs of China's bakery market."

The new cream builds on the success of Anchor™ Easy Bakery Cream, launched in China nearly two years ago.

Anchor™ Easy Bakery Cream is another example of targeted product innovation. Developed specifically for China's rapidly expanding mid-tier bakery segment, Anchor™ Easy Bakery Cream delivers reliable performance at a competitive price for mass market customers. In its first full year, the cream exceeded volume, revenue and margin targets in the 1L format, with continued strong performance following expansion into a 10L format.

Running from 20–23 May, Bakery China is Asia Pacific's largest and most influential bakery and patisserie expo, bringing together more than 2,000 exhibitors and hundreds of thousands of professional visitors from across the industry.

Fonterra is once again took centre stage at the event, showcasing the scale and capability of its Foodservice business in Greater China, alongside its full range of bakery solutions, including cream, cream cheese, butter and cheese.

Chow says China remains an important market for the Co-op and a key driver of high value demand for New Zealand dairy.

"Foodservice is a high-value channel for Fonterra, and Greater China is one of our most strategic growth markets," says Chow. "The continued momentum we're seeing reflects the long term confidence customers place in our business, our products and our ability to perform at scale."

"Chinese consumers are increasingly prioritising health, transparency and natural ingredients, particularly in bakery and dessert occasions with many consumers willing to pay a premium for natural dairy products."

In a first for the China market, the new Anchor™ Essence cream carries the FernMark Grass-Fed logo – making it the first dairy product in market to do so. The logo helps consumers and customers to identify products containing dairy from a New Zealand grass-fed source that meets the New Zealand Grass-Fed standard, helping bakeries strengthen consumer confidence, while helping them stand out in the market.

"New Zealand provenance and grass fed production really matters in this market," says Chow.

"Trusted New Zealand origin and consistent product performance help our customers create higher quality products that meet changing consumer expectations."

Bakery China is a key platform for Fonterra to connect with customers, build and strengthen partnerships and showcase our existing and new products to the industry.



New management structure confirmed

Fonterra Co-operative Group Ltd announced permanent changes to its leadership structure, following the interim appointments announced in April 2026.

CEO Richard Allen says the Co-op is evolving from a channel-led to a market-led leadership structure to accelerate progress on strategic delivery and value growth.

“Our channel-led approach has served us well in establishing momentum in our B2B focused strategy, and the time is right to now make this market-led shift.

“With the divestment of Mainland Group complete, this structure will deliver our next era of customer-led growth and innovation across our global Ingredients and Foodservice channels.

“Through our new leadership structure, we’ll have a single point of sales accountability in each market for both Ingredients and Foodservice performance, supported by a global growth and strategy team tasked with ensuring our farmers’ milk accesses the highest value demand globally, both now and into the future,” says Mr Allen.

The new appointments are:

- **Teh-han Chow, CEO Greater China** – accountable for leading Fonterra’s Ingredients and Foodservice businesses across Greater China.
- **Gaby Amade, President Global Markets** – accountable for leading our Ingredients and

Foodservice businesses in Oceania, Americas, Southeast Asia, Japan, Middle East and Europe.

- **Elisa Giusti, Chief Growth and Strategy Officer** – accountable for developing integrated market, product and group strategies, portfolio optimisation, innovation, and global new business development.

“Our strategy is unchanged and builds on the Co-op’s strong foundations. This reorganisation enhances our pace of delivery, focus and accountability,” says Mr Allen.

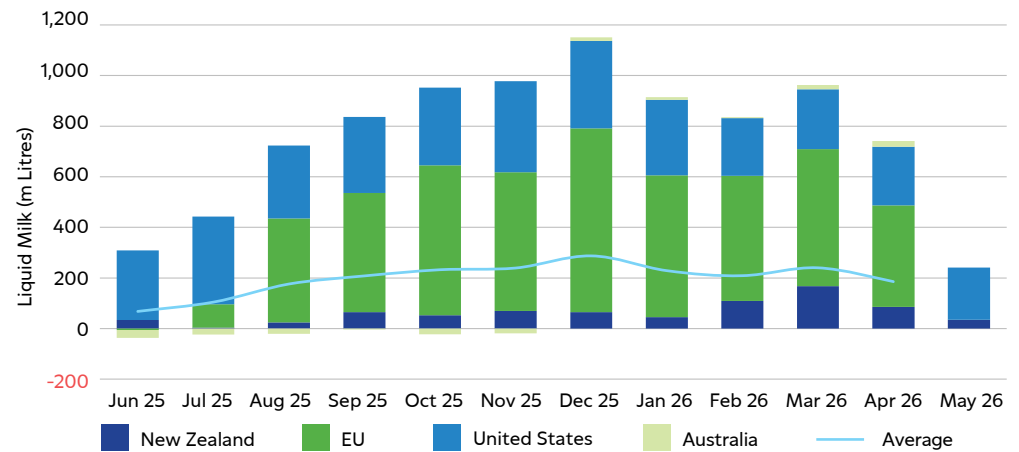
Elisa Giusti’s appointment was effective from 15 June, the remainder of the structure will take effect from 3 August 2026.

Supplementary Information

Global Dairy Market

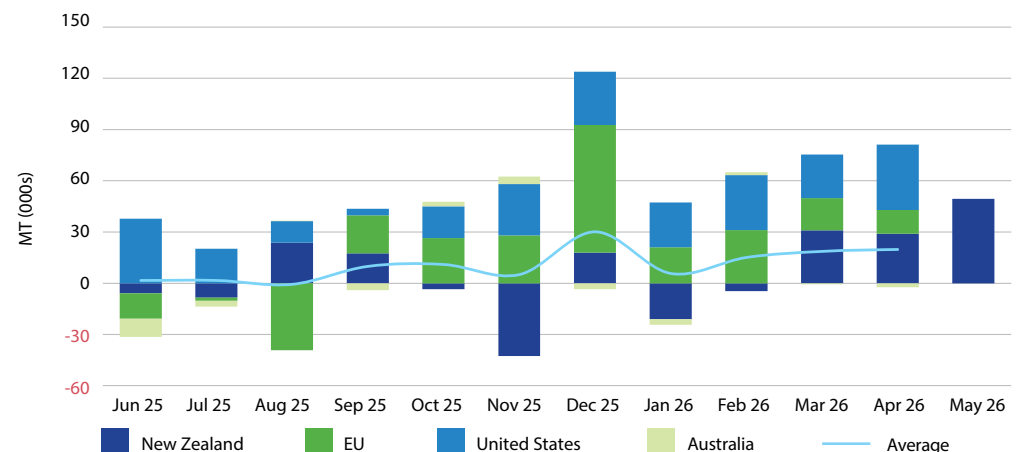
The charts on the right illustrate the year-on-year changes in imports, exports and production for a range of countries that are important players in global dairy trade.

Production



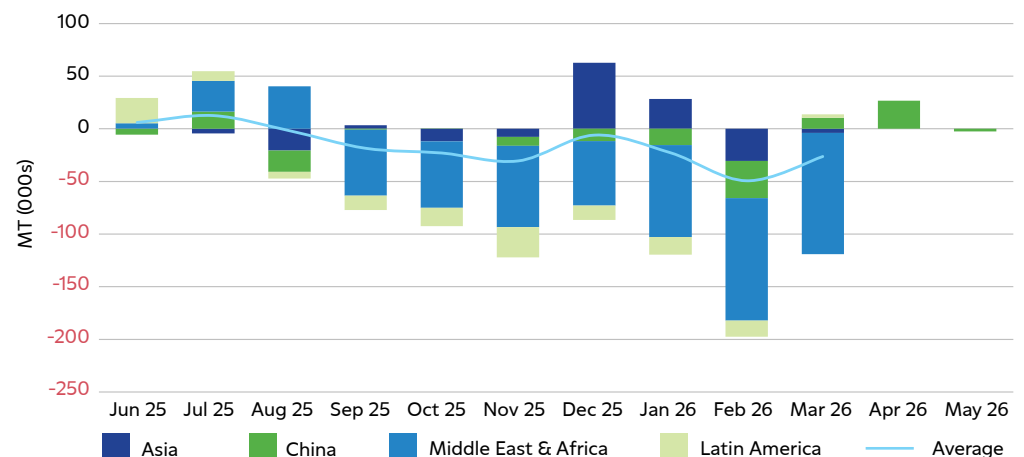
NOTE: Data for EU and Australia to April; New Zealand and US to May.

Exports



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

Imports



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

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 ¹ (million kgMS)	May 2026	May 2025	Monthly Change	2025/26 Season	2024.25 Season	Season Change
Total Fonterra New Zealand	81.5	77.0	5.8%	1,570.8	1,509.0	4.1%
North Island	39.3	36.4	7.7%	885.9	855.7	3.5%
South Island	42.2	40.6	4.1%	684.9	653.4	4.8%

2025/26 season Forecast Farmgate Milk Price (FGMP) update

Announcement Date	Forecast FGMP / Range (NZD)	NZD/USD Rate at Announcement Date	Forecast Average Conversion Rate for 2025/26 Season	Forecast Foreign Exchange Exposure for 2025/26 Season Hedged ² (%)	Foreign Exchange Option Cover Remaining in Hedged Amount ² (%)
28 May 2026	\$9.70 / \$9.60-\$9.80	0.5901	0.5905	95%	12%
23 March 2026	\$9.70 / \$9.40-\$10.00	0.5821	0.5894	95%	16%

As at the most recent update to the 2025/26 season forecast Farmgate Milk Price on 28 May 2026:

- Fonterra had hedged approximately 95% of the full year forecast USD cash flows related to the 2025/26 season Farmgate Milk Price.
- Of that 95%, approximately 12% was hedged with foreign exchange options which had not yet expired or been exercised.
- If the remaining 5% of the forecast USD cash flows were to be hedged at the 28 May 2026 spot rate of 0.5901, the average NZD/USD conversion rate for the 2025/26 season would be 0.5905.
- Also shown for information are the equivalent measures at the date of the previous forecast of the 2025/26 season Farmgate Milk Price on 23 March 2026.

2026/27 season Forecast Farmgate Milk Price (FGMP) update

Announcement Date	Forecast FGMP / Range (NZD)	NZD/USD Rate at Announcement Date	Forecast Average Conversion Rate for 2025/26 Season	Forecast Foreign Exchange Exposure for 2025/26 Season Hedged ² (%)	Foreign Exchange Option Cover Remaining in Hedged Amount ² (%)
28 May 2026	\$9.75 / \$8.00-\$11.00	0.5901	0.5923	46%	8%

For the opening forecast Farmgate Milk Price for the 2026/27 season announced on 28 May 2026:

- Fonterra had hedged approximately 46% of the full year forecast USD cash flows related to the 2026/27 season Farmgate Milk Price.
- Of that 46%, approximately 8% was hedged with foreign exchange options which had not yet expired or been exercised.
- If the remaining 54% of the forecast USD cash flows were to be hedged at the 28 May 2026 spot rate of 0.5901, the average NZD/USD conversion rate for the 2026/27 season would be 0.5923.

¹ Numbers have been rounded so may not appear to add or multiply.

² Hedged percentages shown are as at the most recent month end prior to announcement date.

Supplementary Information

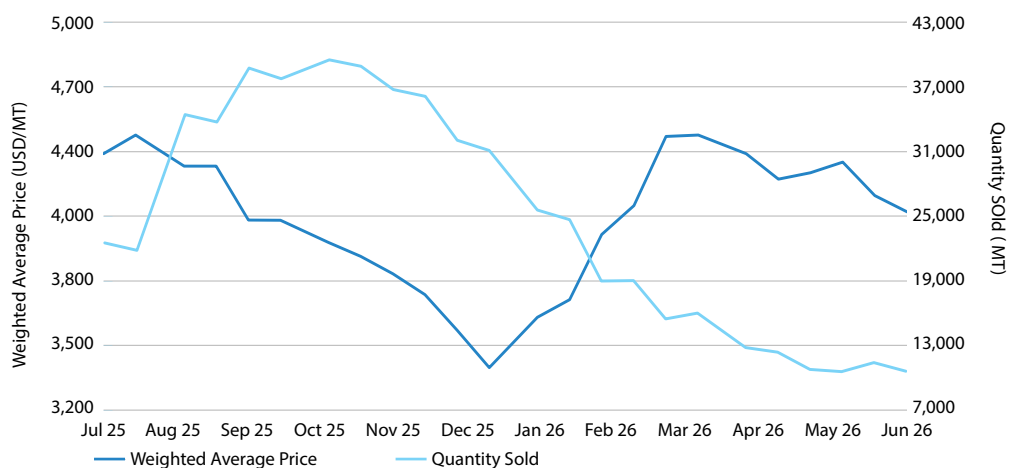
Fonterra GDT results

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

	Last Trading Event (16 June 2026)	Year-to-Date (From 1 August 2025)
Quantity Sold on GDT (Winning MT)	10,627	547,318
Change in Quantity Sold on GDT over same period last year	(15.1%)	0.8%
Weighted Average Product Price (USD/MT)	4,120	3,994
Change in Weighted Average Product Price over same period last year	(9.7%)	(4.3%)
Change in Weighted Average Product Price from previous event	(1.8%)	-

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.