Market Announcement

12 July 2026

Fonterra revises its 2026/27 forecast Farmgate Milk Price

Fonterra Co-operative Group Ltd has today updated its forecast 2026/27 Farmgate Milk Price off the back of declining prices at recent Global Dairy Trade (GDT) auctions.

The revised forecast is $9.25 per kgMS, with a new range of $8.00 - $10.50 per kgMS.

This is down from the opening forecast of $9.75 per kgMS announced in May, when the Co-operative started with a wide range of $8.00 - $11.00 per kgMS to reflect the potential for volatility and varied outcomes throughout the season.

Fonterra CEO Richard Allen says the change to the 2026/27 forecast reflects softer-than-expected demand at a time of strong global supply.

“GDT prices have fallen 11% across the reference products that inform the Farmgate Milk Price since we announced the opening forecast in late May, while milk production from key exporting regions is up on last year. We’re expecting a strong start to the season in New Zealand, noting the potential for the El Niño weather pattern to impact global supply as the season progresses,” says Mr Allen.

“It’s very early days in terms of the proportion of our FY27 sales book that has been contracted, so we face significant exposure to changes in commodity prices.”

Mr Allen says the Co-operative continues to focus on maximising returns for its farmer shareholders.

“As the seasonal supply picks up, our plan will ensure we utilise our flexible operations footprint, strong customer relationships and robust supply chain to shift milk into the products and markets where we can get the best returns for our farmers’ milk.”

The 2025/26 forecast Farmgate Milk Price of $9.60 - $9.80 per kgMS, with a mid-point of $9.70, remains unchanged.

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