



August 2026

Global Dairy UPDATE



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

- Fonterra cream cheese just the right mix for Japanese bakers



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



- Fonterra expands customer innovation capability in Chengdu



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



- Fonterra's New Zealand milk collections for July were 22.4 million kgMS, 8.0% above July last season
- Season-to-date collections are 40.2 million kgMS, 7.4% above last season. Collections at this time of the season typically represent less than 3% of the full season forecast



- We're reviewing the GDU and want your feedback. Complete this short survey to tell us what you find most valuable and what you would like to see more of

[Have your say –](#)

Key Dates



24 September 2026
FY26 Annual Results Announcement

12 November 2026
Fonterra Co-operative Group Annual Meeting



New Zealand, Australia, EU and US monthly production increased

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

New Zealand

7.9%↑

Change for July 2026 compared to July 2025

4.5%↑

Change for the 12 months to July 2026

New Zealand milk production increased by 7.9% in July compared to the same period the year prior.

The increase was mainly due to higher collections in the North Island from favourable pasture conditions, and abundant supplement feed.

New Zealand milk production for the 12 months to July increased 4.5% on the prior comparable period.

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

Australia

6.0%↑

Change for May 2026 compared to May 2025

0.5%↑

Change for the 12 months to May 2026

Australia milk production increased 6.0% in May compared to the same period the year prior.

The increase was mainly due to higher production in Victoria, up 6.7% year on year, with all regions except South Australia recording higher collections.

Rainfall was above average for most of eastern Australia, but drier conditions in northern regions kept demand for feed elevated.

Australia milk production for the 12 months to May increased 0.5% on the previous comparable period.

European Union

1.4%↑

Change for June 2026 compared to June 2025

4.5%↑

Change for the 12 months to June 2026

EU milk production¹ increased 1.4% in June compared to the same period the year prior.

The increase was mainly due to higher production in Germany and the Netherlands, up 5.2% and 11.4%, respectively.

EU milk production for the 12 months to June was up 4.5% on the previous comparable period.

The increase was mainly due to higher production in Germany, up 151.6m kgMS or 6.3%, with France and the Netherlands up 4.5% and 7.0%, respectively.

USA

2.2%↑

Change for July 2026 compared to July 2025

3.2%↑

Change for the 12 months to July 2026

US milk production increased 2.2% in July compared to the same period the year prior.

The increase was due to herd growth, with the US herd up 185,000 head, or 2.0%, on July last year. Yields are also higher, with milk volumes per cow up 0.2% on July 2025.

US milk production for the 12 months to July increased 3.2% on the previous comparable period.

The increase was mainly due to higher production in California, Kansas and Texas with average year-on-year production increases of 3.5%, 23.0% and 5.1%, respectively, for the last 12 months.

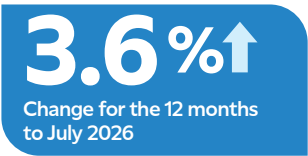
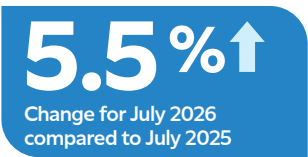
¹ Excludes UK.



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

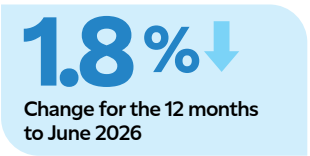
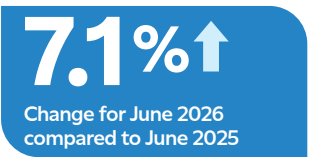
To view a chart that illustrates year-on-year changes in exports –

New Zealand



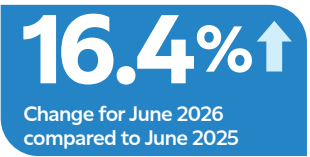
New Zealand dairy exports increased 5.5%, or 14,782 MT, in July compared to the same period the year prior. The increase was mainly due to higher export volumes of cheese and WMP, supported by casein and whey powder. Exports for the 12 months to July were up 3.6%, or 128,470 MT, on the prior comparable period. The increase was mainly due to higher export volumes of WMP, supported by butter, MPC and MPI.

Australia



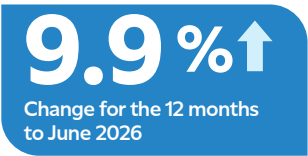
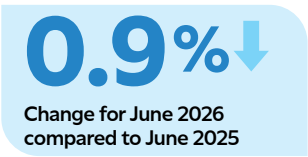
Australia dairy exports increased 7.1%, or 3,664 MT, in June compared to the same period the year prior. The increase was mainly due to higher export volumes of cheese, fluid milk products and SMP, partially offset by lower export volumes of WMP, dairy spreads and butter. Exports for the 12 months to June were down 1.8%, or 12,167 MT, on the previous comparable period. The decrease was mainly due to lower export volumes of SMP, butter, and other powder, partially offset by higher export volumes of fluid milk products.

European Union



EU dairy exports¹ increased 16.4%, or 93,139 MT, in June compared to the same period the year prior. The increase was mainly due to higher export volumes of SMP from Ireland, and fluid milk products Poland. Exports for the 12 months to June were up 4.5%, or 296,466 MT, on the prior comparable period. The increase was mainly due to higher export volumes of SMP from Germany and Ireland partially offset by higher export volumes of lactose from the Netherlands and infant formula from Ireland.

USA



US dairy exports decreased 0.9%, or 2,416 MT in June, compared to the same period the year prior. The increase was mainly due to lower export volumes of SMP and lactose, down 11,301 MT and 8,171 MT, or 19.1% and 18.6%, respectively. Exports for the 12 months to June were up 9.9%, or 279,883 MT, on the previous comparable period. The increase was mainly due to higher export volumes of cheese, whey powder and butter, partially offset by lower export volumes 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

11.5%↓

Change for June 2026 compared to June 2025

4.2%↓

Change for the 12 months to June 2026

Latin America dairy import volumes

decreased 11.5%, or 27,153 MT, in June compared to the same period the year prior. The decrease was mainly due to lower import volumes of SMP by Mexico and fluid milk products by the Dominican Republic. Imports for the 12 months to June were down 4.2%, or 112,268 MT, on the prior comparable period. The decrease was mainly due to lower import volumes of fluid milk products by the Dominican Republic, infant formula and SMP by Mexico and WMP by Brazil and Venezuela.

Asia

11.6%↓

Change for May 2026 compared to May 2025

2.2%↑

Change for the 12 months to May 2026

Asia (excluding China) dairy import volumes

decreased 11.6%, or 63,743 MT in May on the prior comparable period. The decrease was mainly due to lower import volumes of phosphoamino lipids, down 62,505 MT, or 80.2%, partially offset by higher imports of SMP and fluid milk products. Imports for the 12 months to May were up 2.2%, or 123,569 MT, on the prior comparable period. The increase was mainly due to higher import volumes of phosphoaminolipids by Vietnam, partially offset by lower import volumes of whey powder by Indonesia and WMP from Thailand.

Middle East & Africa

51.1%↓

Change for June 2026 compared to June 2025

19.7%↓

Change for the 12 months to June 2026

Middle East and Africa dairy import volumes¹

decreased 51.1%, or 244,744 MT, in June on the prior comparable period. The decrease was mainly due to lower import volumes of SMP by Egypt, and the United Arab Emirates, and cheese and fluid milk products by Saudi Arabia. Imports for the 12 months to June were down 19.7%, or 1,024,191 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, partially offset by higher imports by Turkey.

China

30.8%↓

Change for July 2026 compared to July 2025

4.1%↓

Change for the 12 months to July 2026

China dairy import volumes

decreased 30.8%, or 82,245 MT, in July compared to the same period the year prior. The decrease was mainly due to lower import volumes of whey powder from the US and WMP from New Zealand and the EU. Imports for the 12 months to July were down 4.1%, or 120,392 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 WMP and cheese.

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

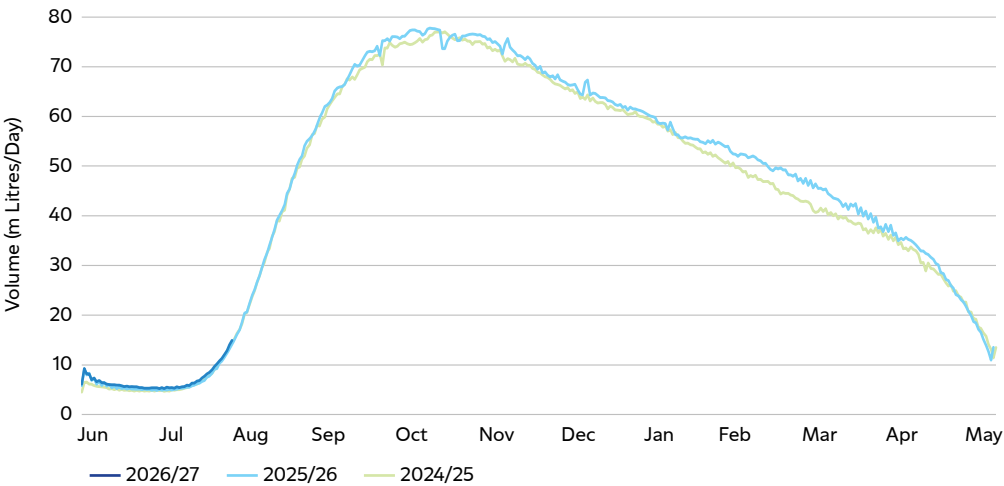
OUR MARKETS

Fonterra Milk Collections

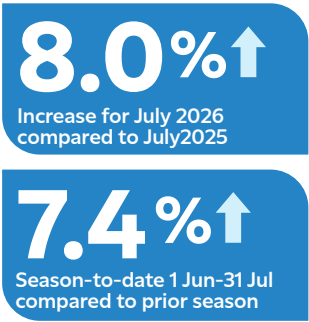


To view a table that shows detailed milk collections in New Zealand compared to the previous season –

New Zealand Milk Collections



New Zealand

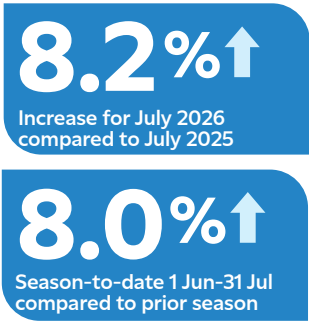


Fonterra's New Zealand collections for July were 22.4 million kgMS, up 8.0% on July 2025, and a new July record for Fonterra.

The increase was mainly due to favourable pasture conditions and feed availability in recent months, supporting farmers milking deeper into winter.

Season-to-date collections are 40.2 million kgMS, 7.4% above last season. Collections at this time of the season typically represent less than 3% of the full season forecast.

North Island



North Island milk collections in July were 20.5 million kgMS, 8.2% higher than July last season.

The increase is mainly due to favourable weather and pasture conditions.

Temperatures, and soil moisture were in line with historical averages for July, with below average rainfall, meaning reduced pasture damage from pugging.

Season-to-date collections are 34.5 million kgMS, 8.0% above last season.

South Island



South Island milk collections in July were 2.0 million kgMS, 6.6% higher than July last season.

The increase was mainly due favourable weather conditions, with above average temperatures for most of the South Island supporting pasture growth, despite excessively wet conditions in many regions.

Soil moisture was above average for parts of Otago following rainfall 4.5 times the historical average and below average for parts of Canterbury.

Season-to-date collections are 5.7 million kgMS, 3.5% above last season.

OUR MARKETS

Fonterra Global Dairy Trade Results



Fonterra GDT results
at trading event 410
18 August 2026:

2.1%↑

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

USD 3,899

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

36.9⁰⁰⁰ MT

Fonterra product
quantity sold on GDT

SMP

7.0%↑

USD 3,484/MT

WMP

3.1%↑

USD 3,589/MT

CHEDDAR

0.6%↑

USD 3,744/MT

BUTTER

2.2%↓

USD 5,129/MT

BMP

3.4%↓

USD 4,552/MT

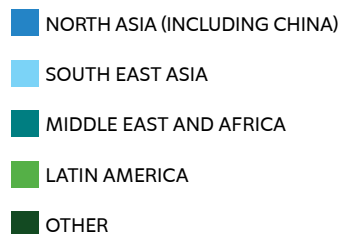
AMF

5.9%↓

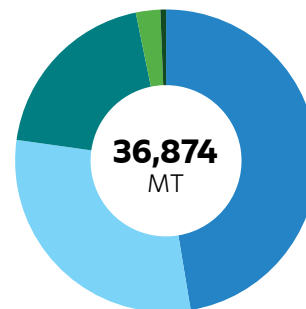
USD 5,993/MT

Fonterra GDT sales
by destination:

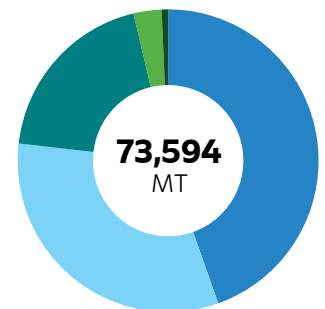
To view more
information, including
a snapshot of the rolling
year-to-date results –



Latest Auction



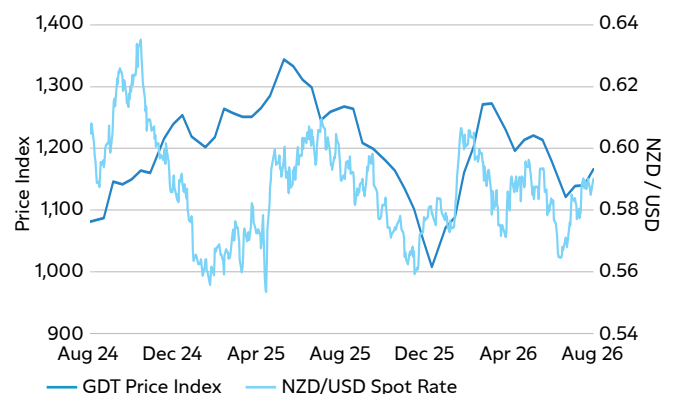
Financial Year-to-Date



► The next trading event will be held on 1 September 2026. Visit www.globaldairytrade.info for more information.

Dairy commodity prices and New Zealand dollar trend

Recent gains for the USD were partially reversed during August as relatively benign inflation data together with policy action from the US Treasury, designed to dampen long-term bond yields, undermined the relative attraction of the US currency and overshadowed any underlying safe-haven demand stemming from persistent geopolitical uncertainties. Independently, the NZD has been bolstered by more positive economic forecasts and expectations the Reserve Bank of New Zealand will further increase interest rates in coming months - the NZD appreciated to above 59 US cents.



Our Performance



Fonterra cream cheese just the right mix for Japanese bakers

Cream cheese made from Fonterra farmers' milk is transforming Japan's bakery and dessert landscape as local chefs look for ingredients that bring taste, texture and versatility to familiar products as well as more premium formats.

Japan is one of New Zealand's largest dairy export markets, accounting for about 15% of cheese exports, second only to China. Fresh and cream cheese products have doubled over the last three years and now make up a fifth of new product development in Japan, signalling a clear shift in how cream cheese is being used to create new exciting options.

Bakers are using cream cheese instead of milk powder to make traditional shokupan or Japanese milk bread. In this format, cream cheese is kneaded directly into the dough rather than used as a filling. The result is a loaf with a soft, airy crumb, subtle sweetness and enhanced visual appeal. The gentle flavour profile allows the natural tang of cream cheese to come through without overpowering the bread.

In baking, cream cheese maintains its structure during heating, contributing to both texture and a premium finish. This approach aligns with Japanese consumers' preference for everyday foods that offer a sense of indulgence and craftsmanship.

When it comes to desserts, smooth, rich single-serve cheesecakes remain a popular format, particularly in convenience-led channels. These products focus on delivering a creamy, satisfying cheese flavour with a clean, light mouthfeel that avoids heaviness. Cream cheese plays a central role in achieving this balance, providing richness, smooth texture and consistent flavour delivery even in high-volumes. Such cheesecakes demonstrate how reliable performance and clean taste allow chefs to meet consumer expectations for indulgence in smaller, accessible portions.

At the more premium end, layered or hybrid cheesecakes continue to showcase dessert-led innovation. These formats typically combine a dense baked



cheesecake base with a lighter, creamier top layer, often using a mix of baked and no-bake techniques. Cream cheese provides the foundation for both layers, enabling contrasting textures within a single product while maintaining a cohesive flavour profile. These desserts also offer flexibility for seasonal flavours, fruit inclusions or decorative finishes.

Fonterra's Darfield site plays an important role in supplying cream cheese to Asia, including Japan, where customer demand continues to build.

Site Manager Blake Aston said the team had focused on lifting capacity through smarter operations and new technology.

"We've worked hard to unlock more capacity at Darfield, which puts us in a stronger position to support customers as demand

for cream cheese grows across Asia."

"What's exciting is seeing how customers in Japan are using cream cheese in new ways, from familiar bakery favourites through to more premium dessert formats."

These examples highlight some of the ways Fonterra's cream cheese is adding value in Japan's fast-growing bakery and dessert scene. Backed by consistent quality, clean dairy flavour and functional reliability, it's playing a versatile role across many applications - elevating traditional favourites while enabling new ideas and future trends.



Fonterra expands customer innovation capability in Chengdu



Fonterra has opened its upgraded Chengdu Application Centre, bringing New Zealand dairy expertise closer to customers in one of China's fastest-growing regions.

First opened in 2015, the Chengdu Application Centre has moved to a more central location in the city's Jinjiang District. With the upgraded facilities, Fonterra's technical experts, chefs and customers are now better empowered to develop, test and showcase food and beverage products.

Teh-han Chow, CEO Greater China, Fonterra, says the investment builds on Fonterra's nearly half-century presence in China and reflects the Co-op's focus on staying close to customers in a fast-moving market.

"China's foodservice sector is evolving quickly, and our customers are looking for dairy solutions that help them respond to changing

consumer tastes with speed, quality and confidence.

"Through our upgraded Chengdu Application Centre, we can co-create more closely with customers, develop more relevant applications, and bring the benefits of premium New Zealand grass-fed dairy to more Chinese consumers across Southwest China and beyond.

"By bringing our technical expertise closer to customers in Chengdu, we can better understand local needs, move faster on new ideas and help turn those insights into practical foodservice solutions."

New modern kitchens will allow customers to see how Fonterra products perform in applications such as cakes and beverages, supported by seminars, demonstrations and virtual learning sessions led by AnchorTM Food Professionals advisory chefs.

Chengdu, the megacity capital of Sichuan province, is known for its spicy food and teahouse culture. In 2010, it became the first city in Asia to be named a UNESCO City of Gastronomy, making it a natural place for Fonterra to expand its local investment.

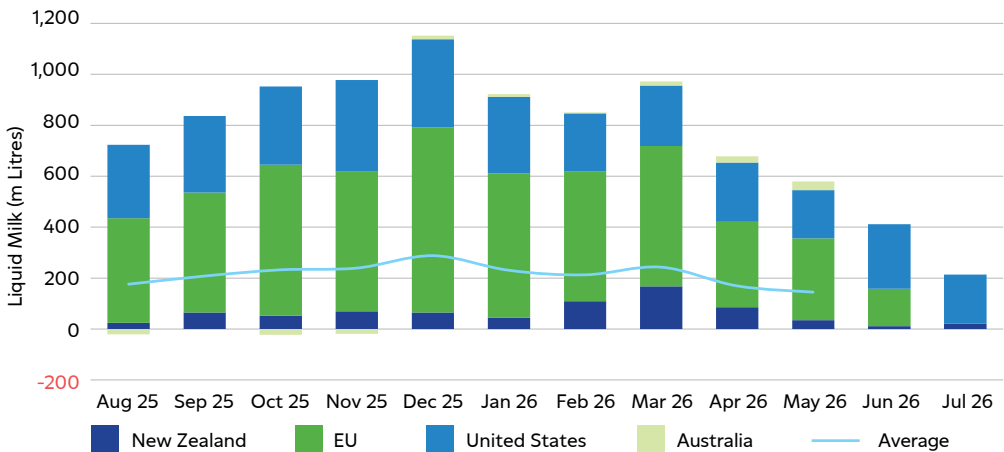
Alongside sites in Beijing, Shanghai, Guangzhou, Shenzhen and Wuhan, Chengdu is one of six Fonterra application centres in China. This network helps Fonterra work closely with customers to understand changing food trends, support innovation, grow demand for New Zealand milk and deliver more value for farmer shareholders.

Supplementary Information

Global Dairy Market

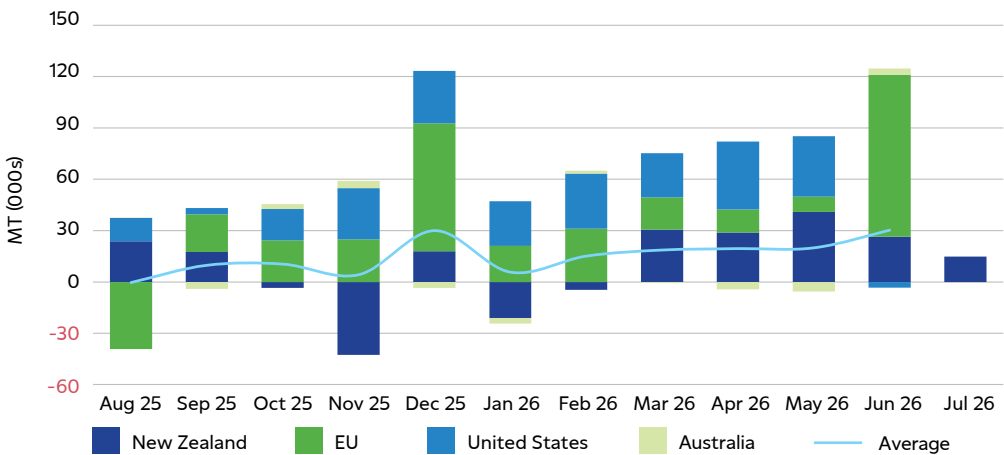
The charts on the right illustrate the year-on-year changes in imports, exports and production for a range of countries that are important players in global dairy trade.

Production



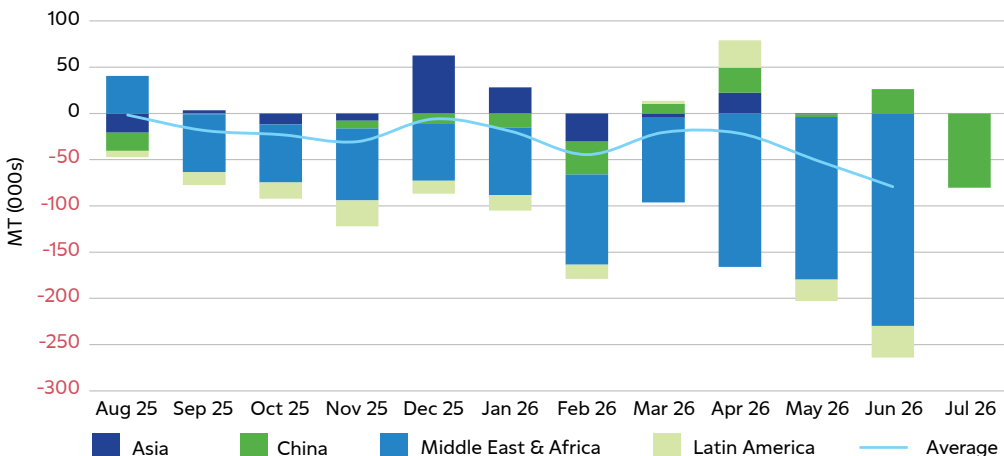
NOTE: Data for Australia to May; EU to June; New Zealand and US to July.

Exports



NOTE: Data for EU, US and Australia to June; New Zealand to July.

Imports



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

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)	July 2026	July 2025	Monthly Change	2026/27 Season	2025/26 Season	Season Change
Total Fonterra New Zealand	22.4	20.8	8.0%	40.2	37.4	7.4%
North Island	20.5	18.9	8.2%	34.5	31.9	8.0%
South Island	2.0	1.9	6.6%	5.7	5.5	3.5%

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 2026/27 Season	Forecast Foreign Exchange Exposure for 2026/27 Season Hedged ² (%)	Foreign Exchange Option Cover Remaining in Hedged Amount ² (%)
13 July 2026	\$9.25 / \$8.00-\$10.50	0.5762	0.5846	58%	13%
28 May 2026	\$9.75 / \$8.00-\$11.00	0.5901	0.5923	46%	8%

As at the most recent update to the 2026/27 season forecast Farmgate Milk Price on 13 July 2026:

- Fonterra had hedged approximately 58% of the full year forecast USD cash flows related to the 2026/27 season Farmgate Milk Price.
- Of that 58%, approximately 13% was hedged with foreign exchange options which had not yet expired or been exercised.
- If the remaining 42% of the forecast USD cash flows were to be hedged at the 13 July 2026 spot rate of 0.5762, the average NZD/USD conversion rate for the 2026/27 season would be 0.5846.
- Also shown for information are the equivalent measures at the date of the opening forecast of the 2026/27 season Farmgate Milk Price on 28 May 2026.

¹ Numbers have been rounded so may not appear to add, multiply or reflect percentage changes.

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

Supplementary Information

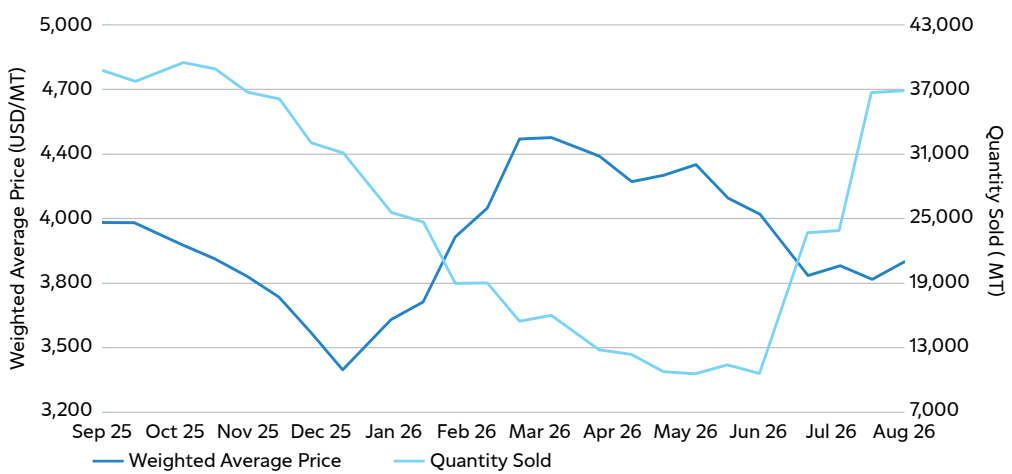
Fonterra GDT results

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

	Last Trading Event (18 August 2026)	Year-to-Date (From 1 August 2026)
Quantity Sold on GDT (Winning MT)	36,874	73,594
Change in Quantity Sold on GDT over same period last year	9.3%	8.0%
Weighted Average Product Price (USD/MT)	3,899	3,858
Change in Weighted Average Product Price over same period last year	(10.0%)	(10.9%)
Change in Weighted Average Product Price from previous event	2.1%	-

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.