

JULY 2025

# Global Dairy UPDATE



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



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



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



- Fonterra's New Zealand milk collections for the first month of the 2025/2026 season were 16.6 million kgMS, 15.1% above June last season, and less than 1.5% of the full season forecast.
- Fonterra's Australia collections for the season ended 30 June were 108.3 million kgMS, 1.2% above last season.



- Fonterra Eltham boosts cheese production for rising demand



- Behind the scenes of Fonterra's winter shut

## Key Dates

31 July 2025  
End of FY25 Financial Year

25 September 2025  
FY25 Annual Results Announcement





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

## New Zealand and US monthly production increased. Australia and EU monthly production decreased

### NEW ZEALAND

**14.6%↑**

Change for June 2025 compared to June 2024

**2.7%↑**

Change for the 12 months to June 2025

**New Zealand milk production** increased 14.6% in June compared to the same period the year prior.

The increase was mainly due to favourable weather conditions and higher soil moisture across the country, which supported strong pasture growth and was complemented by a slight increase in herd numbers.

New Zealand milk production for the 12 months to June was up 2.7% on the previous comparable period.

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

### AUSTRALIA

**3.8%↓**

Change for May 2025 compared to May 2024

**0.1%↓**

Change for the 12 months to May 2025

**Australia milk production** decreased 3.8% in May compared to the same period the year prior.

The decrease was mainly due to Tasmania, Eastern and Western Victoria experiencing lower herd numbers and drier weather, which limited pasture growth and increased reliance on additional feed.

The decrease was partially offset by higher volumes in Northern Victoria.

Australia milk production for the 12 months to May was down 0.1% on the previous comparable period.

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

### EUROPEAN UNION

**1.4%↓**

Change for May 2025 compared to May 2024

**0.7%↓**

Change for the 12 months to May 2025

**EU milk production<sup>1</sup>** decreased 1.4% in May compared to the same period the year prior.

The decrease was mainly due to lower production in Germany and Ireland, as drier weather conditions impacted pasture growth and increased reliance on additional feed. The decrease was partially offset by higher production in Denmark and France.

Lumpy Skin Disease has been confirmed in Eastern France, prompting the United Kingdom to issue an import suspension on raw milk and raw dairy products from France.

EU milk production for the 12 months to May was down 0.7% on the previous comparable period.

### USA

**3.3%↑**

Change for June 2025 compared to June 2024

**0.6%↑**

Change for the 12 months to June 2025

**US milk production** increased 3.3% in June compared to the same period the year prior.

The increase was mainly due to higher production in Idaho, Texas and Kansas, up 9.7%, 9.5% and 19.0%, respectively, due to larger herd sizes and record yields for June.

California's production increased by 2.7% compared to the same period last year, marking the first year-on-year yield growth since September 2024.

US milk production for the 12 months to June increased 0.6% on the previous comparable period.

<sup>1</sup> Excludes UK.



## New Zealand, EU, US and Australia monthly exports decreased

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

### NEW ZEALAND

**0.5%↓**

Change for June 2025 compared to June 2024

**0.7%↑**

Change for the 12 months to June 2025

**New Zealand dairy exports** decreased 0.5%, or 1,381 MT, in June compared to the same period the year prior.

The decrease was mainly due to lower export volumes of SMP to China and Southeast Asia, with shipments to China 42.5% lower year-on-year for June. The decrease was partially offset by higher export volumes of fluid milk products.

Exports for the 12 months to June were up 0.7%, or 25,878 MT, on the previous comparable period.

The increase was mainly due to higher export volumes of cheese, partially offset by lower export volumes of WMP.

### AUSTRALIA

**6.1%↓**

Change for May 2025 compared to May 2024

**2.9%↑**

Change for the 12 months to May 2025

**Australia dairy exports** decreased 6.1%, or 3,661 MT, in May compared to the same period the year prior.

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

The reduction was mainly due to lower export volumes to Southeast Asia, with importers shifting their demand to European suppliers.

Exports for the 12 months to May were up 2.9%, or 19,854 MT, on the previous comparable period.

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

### EUROPEAN UNION

**4.0%↓**

Change for May 2025 compared to May 2024

**1.4%↑**

Change for the 12 months to May 2025

**EU dairy exports<sup>1</sup>** decreased 4.0%, or 24,058 MT, in May compared to the same period the year prior.

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

Exports for the 12 months to May were up 1.4%, or 94,390 MT, on the previous comparable period.

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

### USA

**0.5%↓**

Change for May 2025 compared to May 2024

**1.2%↑**

Change for the 12 months to May 2025

**US dairy exports** decreased 0.5%, or 1,095 MT, in May compared to the same period the year prior.

The decrease was mainly due to lower export volumes of whey products, with shipments to Asia and Latin America down 23.0% and 12.5%, respectively.

May shipments to China were 67% below May 2024, likely reflecting the front loading of shipments in recent months following trade tensions.

Exports for the 12 months to May were up 1.2%, or 322,936 MT, on the previous comparable period.

The increase was mainly due to strong growth of cheese exports, partially offset by lower export volumes of SMP.

<sup>1</sup> Excludes UK.



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

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

### LATIN AMERICA

**3.7%↑**

Change for May 2025 compared to May 2024

**5.5%↑**

Change for the 12 months to May 2025

**Latin America dairy import volumes<sup>1</sup>** increased 3.7%, or 9,576 MT, in May compared to the same period the year prior.

The increase was mainly due to higher import volumes of SMP by Colombia and Brazil, and fluid milk products by the Dominican Republic, partially offset by lower import volumes of WMP.

Imports for the 12 months to May were up 5.5%, or 141,280 MT, on the previous comparable period.

The increase was mainly due to higher imports of cheese by Mexico and Brazil partially offset by lower import volumes of AMF by Mexico.

### ASIA

**9.4%↑**

Change for May 2025 compared to May 2024

**5.3%↑**

Change for the 12 months to May 2025

**Asia (excluding China) dairy import volumes<sup>1</sup>** increased 9.4%, or 43,474 MT, in May compared to the same period the year prior.

The increase was mainly due to higher import volumes of SMP and whey by Malaysia and Vietnam.

Imports for the 12 months to May were up 5.3%, or 269,153 MT, on the previous comparable period.

The increase was mainly due to higher import volumes of fluid milk products by the Philippines and Vietnam, and WMP by Vietnam and Indonesia.

### MIDDLE EAST & AFRICA

**12.8%↓**

Change for May 2025 compared to May 2024

**4.4%↓**

Change for the 12 months to May 2025

**Middle East and Africa dairy import volumes<sup>1</sup>** decreased 12.8%, or 68,435 MT, in May compared to the same period the year prior.

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

Imports for the 12 months to May were down 4.4%, or 264,148 MT, on the previous comparable period.

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

### CHINA

**2.3%↓**

Change for June 2025 compared to June 2024

**2.2%↑**

Change for the 12 months to June 2025

**China dairy import volumes** decreased 2.3%, or 5,247 MT, in June compared to the same period the year prior.

The decrease was mainly due to lower import volumes of whey powder from the US, with import volumes from the US 23,100 MT, or 58.8%, lower than June last year.

Imports for the 12 months to June were up 2.2%, or 61,574 MT, on the previous comparable period.

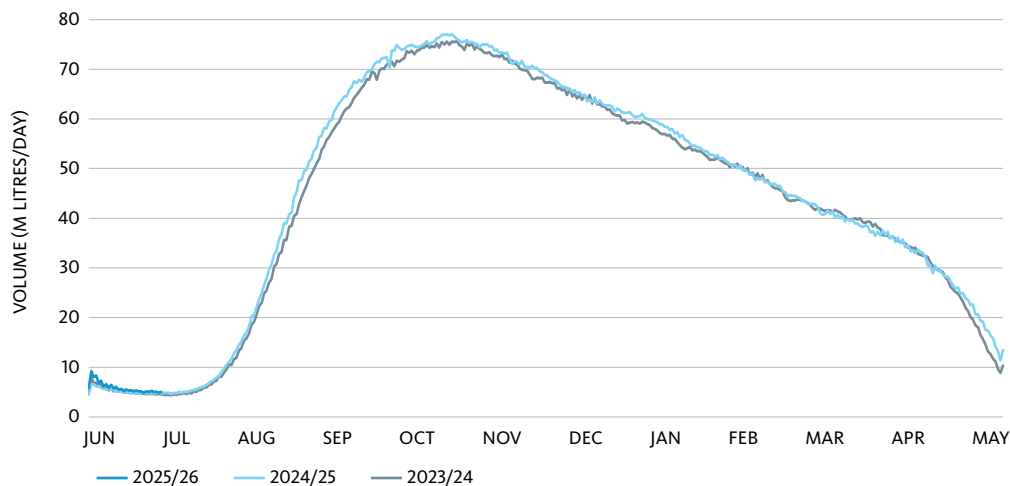
The increase was mainly due to higher import volumes of whey powder.

<sup>1</sup> 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

**15.1%↑**

Change for June 2025 compared to June 2024

**15.1%↑**

Season-to-date 1 June to 30 June compared to prior season

**Fonterra's New Zealand collections** for June were 16.6 million kgMS, 15.1% above June last season.

As is normal for this time of the season, collections for June represent less than 1.5% of the full season forecast.

The increase was mainly due to favourable weather conditions across the country, and higher than average soil moisture levels, leading to improved pasture conditions, which supported higher collections.

#### NORTH ISLAND

**9.3%↑**

Change for June 2025 compared to June 2024

**9.3%↑**

Season-to-date 1 June to 30 June compared to prior season

**North Island** milk collections in June were 13.0 million kgMS, 9.3% higher than June last season.

The increase was mainly due to favourable weather conditions across the North Island. Sunlight hours were above average for Waikato and the Bay of Plenty, and temperatures were slightly above average across all regions.

Soil moisture was at capacity for all parts of the North Island except for some drier areas in Hawkes Bay.

#### SOUTH ISLAND

**42.1%↑**

Change for June 2025 compared to June 2024

**42.1%↑**

Season-to-date 1 June to 30 June compared to prior season

**South Island** milk collections in June were 3.6 million kgMS, 42.1% higher than June last season.

The increase was mainly due to higher pasture growth, which was near the top of the historical range due to favourable soil conditions and warmer weather. Soil moisture was at capacity for most regions, and in surplus for parts of North Canterbury.

#### AUSTRALIA

**1.5%↓**

Change for June 2025 compared to June 2024

**1.2%↑**

For the 2024/25 Season compared to prior season

**Fonterra's Australia collections** in June were 6.7 million kgMS, 1.5% lower than June last season.

The decrease was mainly due to reduced herd numbers in Eastern and Western Victoria to manage feed requirements. Production was down in these regions 9.2% and 6.7%, respectively. Tasmania remained seasonally dry with production down 6.8% year-on-year for June.

Northern Victoria had strong production, supported by timely rainfall, and higher herd numbers.

The 2024/25 season milk collections for Australia were finalised at 108.3 million kgMS, 1.2% above last season.

## OUR MARKETS

# Fonterra Global Dairy Trade Results



Fonterra GDT results at  
trading event 384  
**15 July 2025:**

**2.0%**↑

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

**USD 4,476**

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

**21.8<sup>000</sup>' MT**

Fonterra product quantity  
sold on GDT

### SMP

**3.5%**↑

USD 2,816/MT

### WMP

**1.8%**↑

USD 3,920/MT

### BUTTER

**0.2%**↑

USD 7,428/MT

### AMF

**0.6%**↑

USD 6,973/MT

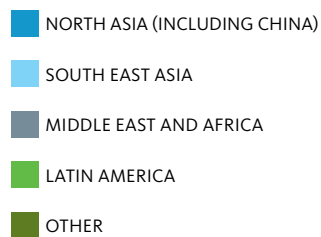
### CHEDDAR

**5.6%**↓

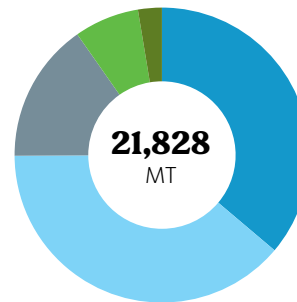
USD 4,589/MT

Fonterra GDT sales  
**by destination:**

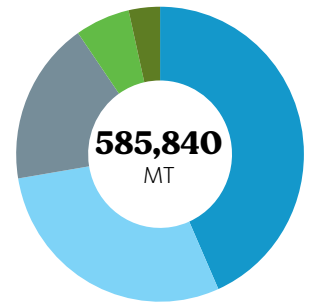
To view more information,  
including a snapshot of the  
rolling year-to-date results –



### LATEST AUCTION



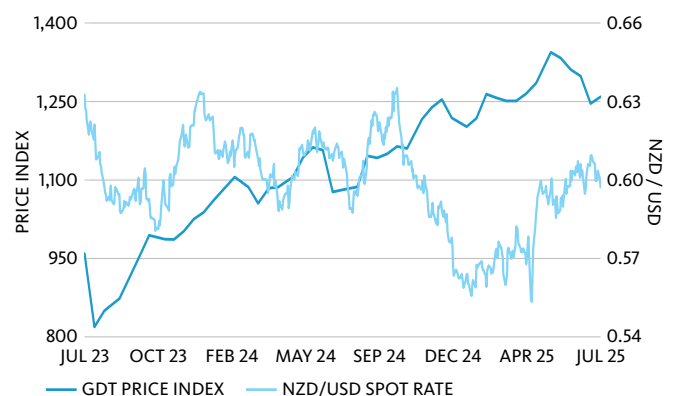
### FINANCIAL YEAR-TO-DATE



► The next trading event will be held on 5 July 2025. Visit [www.globaldairytrade.info](http://www.globaldairytrade.info) for more information.

## Dairy commodity prices and New Zealand dollar trend

The USD strengthened against most major currencies, underpinned by data pointing to ongoing economic resilience despite uncertainty surrounding the US Administration's policy agenda. Inflation figures showed early signs of tariff-related price pressures filtering through, lending support to the Federal Reserve's recent decisions to keep interest rates on hold. However, market expectations remain tilted toward a rate cut later in 2025. The NZD/USD exchange rate remained confined to a relatively narrow range, trading between 0.5900 and 0.6100.



# Our Performance



Fonterra Eltham boosts cheese production for rising demand



Fonterra's specialty cheese site in Eltham is ramping up its cheese production to keep up with rising demand ahead of the upcoming season.

The site is upgrading its production lines for processed cheese and adding a new shift for its Individually Quick Frozen (IQF) Mozzarella. These are some of Fonterra's key Foodservice products, topping billions of burgers and pizzas each year.

Eltham Site Operations Manager Kelvin Gray says the additional capacity will allow the Co-op to allocate more milk to its growing Foodservice channel.

"We're adding about 6000 metric tonnes of IQF Mozzarella to our annual volume with this new shift – that's enough mozzarella to top over 40 million pizzas.

"We're also investing in upgrades for our Slice-on-Slice and Individually Wrapped Slice lines, so we'll be able produce cheese for

an extra 200 million more burgers each year," he says.

Fonterra Eltham specialises in producing cheese products for the Co-op's Foodservice business. Cheese products from Eltham are exported to more than 50 countries worldwide and are trusted by some of the world's largest restaurant brands such as McDonalds or Pizza Hut.

Gray says the demand is surging across Asia, predominantly in markets like China, Southeast Asia and North Asia.

"Our customers are expecting strong demand on the back of growing population and urbanisations.

"There is a rising appetite for convenient meal options from young consumers with busy lifestyles, driving more people to visit fast-food store and quick-service restaurant more frequently."

The number of quick-service restaurants across Asia

Pacific is projected to reach 5.3 million by 2027, as global restaurant chains rapidly expand their footprint in key markets across the region.

It has been a standout season for Fonterra Eltham, which recently took home two awards including Best Specialty Site and Customer Award at the Co-op's annual Best Site Cup.

The site was celebrated for their commitment to product quality and compliance, driving great customer satisfaction for the Co-op.

"We've had some great achievements this year, including being named as McDonald's supplier of the year and winning a gold medal at the International Cheese and Dairy Award for one of our Slice-on-Slice cheese products.

These awards are a huge recognition for the effort the team has put in and a nice way to wrap up the season," Gray says.

## Behind the scenes of Fonterra's winter shut

As the chill of winter hits, Fonterra's manufacturing sites across New Zealand switch gears for a different kind of season.

The annual 'winter shut' is one of Fonterra's largest and most complex operations – this year more than \$64 million will be invested in critical maintenance and upgrades across the Co-op's 22 New Zealand-based manufacturing sites.

It allows teams to carry out deep cleaning, servicing, and thorough equipment inspections – ensuring every asset is in peak condition to process the more than 16 billion litres of milk that flows through the Co-op's network each year.

To sustain and grow these production levels, equipment must be maintained to the highest standards. Winter maintenance is all about getting off to a good start for the next season. It's an opportunity to set up the Co-op's assets so they can run at maximum efficiency without unforeseen downtime – which can otherwise result in costly production losses.

Aaron Goldsbury, Fonterra's Global Engineering Chief Engineer, knows just how much goes into making this all run smoothly.

"It's a substantial volume of work," says Aaron. "This season we're aiming to complete more than 23,000 maintenance tasks and general servicing across over 165,000 site assets. It's a massive effort involving careful coordination between our engineering, operations



and contractor teams. Planning for this begins months in advance so we can hit the ground running."

To deliver on this effort, over 1,600 Fonterra employees and more than 640 vendors – ranging from large firms to local specialists – will join forces to carry out the work.

Before any maintenance begins, safety reviews ensure all equipment is properly shut down and safe to work on. This year, the Co-op's rollout of a new ePermit System is enhancing on-site security with the new digital tool streamlining permit and safety checks, adding another layer of protection for both people and equipment.

"Every step we take – from pre-start reviews to rolling out digital permits – is focused on creating the safest, most productive environment possible," says Aaron. "We owe that to our teams, our Co-op, and ultimately, to our farmer owners. Doing the job safely,

and doing it right, sets us up for a strong, successful new season."

Fonterra's Takaka site has seen a significant uplift in activity during this year's winter shut, with a key focus around maintenance and capital investment. This includes upgrades to safety systems and site security, while sustainability also remains a priority, with actions underway to reduce energy consumption and improve water uptake reliability. A key project this period has been initiatives around enhancing cream quality which aims to improve on-site cream processing and storage.

In response to recent weather disruptions and road closures in the Tasman region, the Takaka site is installing two new cream silos to enhance storage conditions and provide greater flexibility in managing transport challenges the weather brings, meaning the site

is better equipped to maintain product quality and continuity, even in the face of logistical disruptions.

Down country, at Fonterra's Edendale site, the team are preparing to replace two coal-fired boilers with electrode boilers – a major step toward reducing emissions across both the site and wider Co-op. With demolition of the old boilers set to begin in early October, and to run in parallel with the new boiler builds, the team is making use of the winter shut period to relocate staff from the old cheese lab building to new temporary spaces.

Alongside removing outdated infrastructure, existing areas will be cleared and repurposed for the new boiler water treatment equipment. Planning and site activity will continue through the coming season and into the next winter shut.

# Supplementary Information

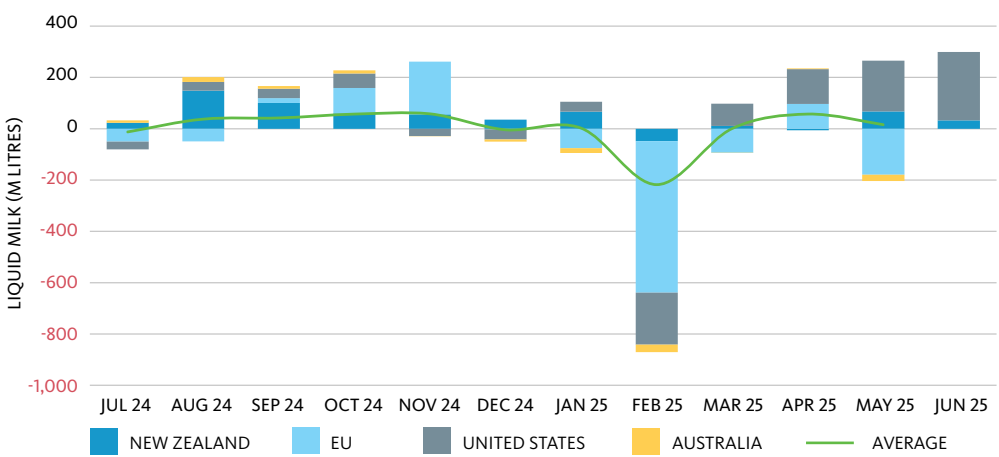
## Global Dairy Market

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.

The absolute size of the bars represents the change in imports, exports or production, relative to the same period the previous year.

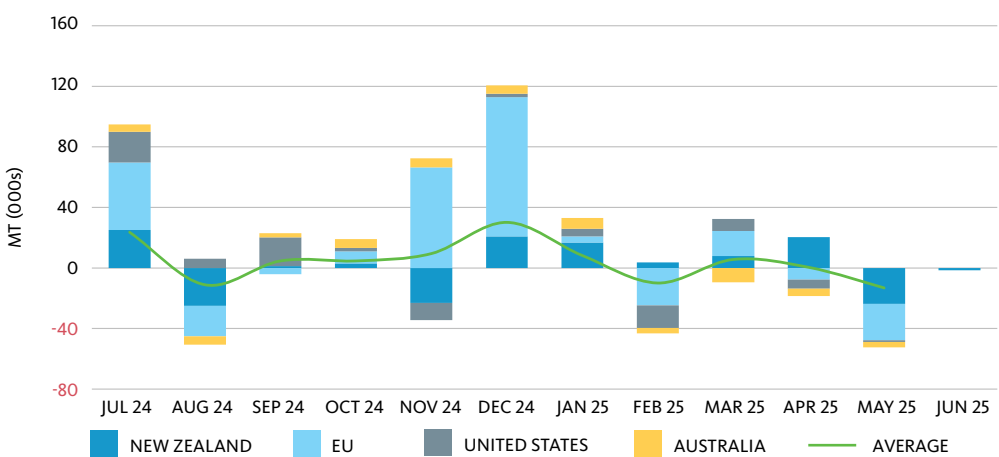
Averages are shown where data is complete for the regions presented.

## PRODUCTION



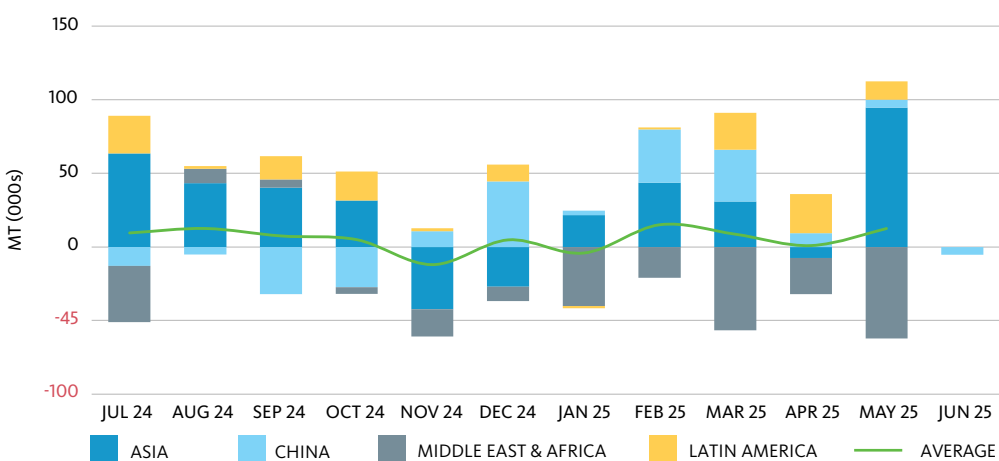
NOTE: Data for EU and Australia to May; New Zealand and US to June.

## EXPORTS



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

## IMPORTS



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

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

# 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)	JUNE 2025	JUNE 2024	MONTHLY CHANGE	SEASON- TO-DATE 2025/26	SEASON- TO-DATE 2024/25	SEASON- TO-DATE CHANGE
Total Fonterra New Zealand	16.6	14.5	15.1%	16.6	14.5	15.1%
North Island	13.0	11.9	9.3%	13.0	11.9	9.3%
South Island	3.6	2.6	42.1%	3.6	2.6	42.1%
MILK COLLECTION (MILLION KGMS)	JUNE 2025	JUNE 2024	MONTHLY CHANGE	SEASON 2024/25	SEASON 2023/24	SEASON CHANGE
Australia	6.7	6.8	(1.5%)	108.3	107.0	1.2%

## 2024/25 season forecast Farmgate Milk Price (FGMP) update

ANNOUNCEMENT DATE	FORECAST NZD/USD RATE AT FGMP / ANNOUNCEMENT RANGE (NZD)	FORECAST AVERAGE CONVERSION RATE FOR 2024/25 SEASON	PERCENTAGE OF FORECAST FOREIGN EXCHANGE EXPOSURE FOR 2024/25 SEASON HEDGED	PERCENTAGE OF FOREIGN EXCHANGE OPTION COVER REMAINING IN HEDGED AMOUNT	
29 May 2025	\$10.00 / \$9.70-\$10.30	0.5968	0.5988	97%	15%
20 Mar 2025	\$10.00 / \$9.70-\$10.30	0.5809	0.5981	93%	11%

As at the most recent update to the 2024/25 season forecast Farmgate Milk Price on 29 May 2025:

- Fonterra had hedged approximately 97% of the full year forecast USD cash flows related to the 2024/25 season Farmgate Milk Price.
- Of that 97%, approximately 15% was hedged with foreign exchange options which had not yet expired or been exercised.
- If the remaining 3% of the forecast USD cash flows were to be hedged at the 29 May 2025 spot rate of 0.5968, the average NZD/USD conversion rate for the 2025 season would be 0.5988.
- Also shown for information are the equivalent measures at the date of the previous forecast of the 2024/25 season Farmgate Milk Price on 20 March 2025

## 2025/26 season forecast Farmgate Milk Price (FGMP) update

ANNOUNCEMENT DATE	FORECAST NZD/USD RATE AT FGMP / ANNOUNCEMENT RANGE (NZD)	FORECAST AVERAGE CONVERSION RATE FOR 2025/26 SEASON	PERCENTAGE OF FORECAST FOREIGN EXCHANGE EXPOSURE FOR 2025/26 SEASON HEDGED	PERCENTAGE OF FOREIGN EXCHANGE OPTION COVER REMAINING IN HEDGED AMOUNT	
29 May 2025	\$10.00 / \$8.00-\$11.00	0.5968	0.5951	48%	10%

For the opening forecast Farmgate Milk Price for the 2025/26 season announced on 29 May 2025:

- Fonterra had hedged approximately 48% of the full year forecast USD cash flows related to the 2025/26 season Farmgate Milk Price.
- Of that 48%, approximately 10% was hedged with foreign exchange options which had not yet expired or been exercised.
- If the remaining 52% of the forecast USD cash flows were to be hedged at the 29 May 2025 spot rate of 0.5968, the average NZD/USD conversion rate for the 2025/26 season would be 0.5951.

# Supplementary Information

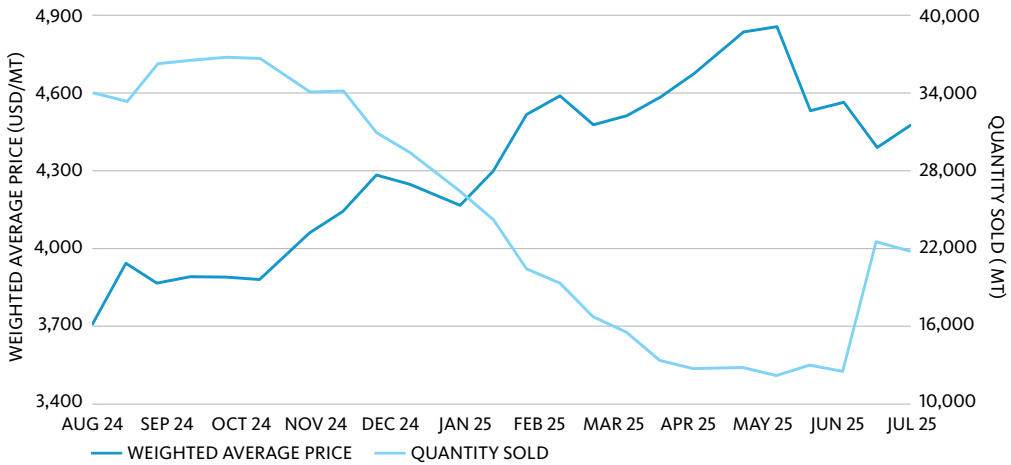
## Fonterra GDT results

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

	LAST TRADING EVENT (15 JULY 2025)	YEAR-TO-DATE (FROM 1 AUGUST 2024)
Quantity Sold on GDT (Winning MT)	21,828	585,840
Change in Quantity Sold on GDT over same period last year	3.4%	(0.4%)
Weighted Average Product Price (USD/MT)	4,476	4,195
Change in Weighted Average Product Price over same period last year	14.5%	22.6%
Change in Weighted Average Product Price from previous event	2.0%	–

## Fonterra GDT results

This chart shows Fonterra GDT prices and volumes over the past 12 months.



# Glossary

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## 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, 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.