

AUGUST 2025

Global Dairy UPDATE



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

- Fonterra lifts FY25 Forecast Farmgate Milk Price and narrows FY26 range.



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



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

- Fonterra agrees sale of Consumer business to Lactalis.



- Fonterra's New Zealand milk collections for July were 20.8 million kgMS, 1.0% above July last season. Season-to-date collections are 37.5 million kgMS, 7.0% above last season.
- Fonterra's Australia collections in July were 5.5 million kgMS, 0.9% above July last season.

Key Dates



25 September 2025
FY25 Annual Results Announcement

11 December 2025
Fonterra Co-operative Group
Annual Meeting

15 December 2025
Fonterra Shareholders' Fund
Annual Meeting



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

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

NEW ZEALAND

0.9%↑

Change for July 2025 compared to July 2024

2.6%↑

Change for the 12 months to July 2025

New Zealand milk production increased 0.9% in July compared to the same period the year prior.

The increase was mainly due to favourable on farm conditions, as limited rainfall allowed for better grazing conditions. Despite soil moisture being near capacity, the drier weather slowed pasture growth in some North Island regions, prompting increased use of supplement feed.

New Zealand milk production for the 12 months to July was up 2.6% on the previous comparable period.

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

AUSTRALIA

5.2%↓

Change for June 2025 compared to June 2024

0.7%↓

Change for the 12 months to June 2025

Australia milk production decreased 5.2% in June compared to the same period the year prior.

The decrease was mainly due to lower volumes in Western and Eastern Victoria and Tasmania, with poor pasture conditions from dry weather, and higher feed costs limiting production.

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

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

EUROPEAN UNION

0.3%↓

Change for June 2025 compared to June 2024

0.4%↓

Change for the 12 months to June 2025

EU milk production¹ decreased 0.3% in June compared to the same period the year prior.

The decrease was mainly due to lower production in Germany, Italy and Belgium, partially offset by higher production in Ireland and Denmark.

Irish milk collections for June were the highest for the month in the last 50 years of data, as pasture growth tracked well above the 10-year average.

EU milk production for the 12 months to June was down 0.4% on the previous comparable period.

USA

3.5%↑

Change for July 2025 compared July 2024

0.9%↑

Change for the 12 months to July 2025

US milk production increased 3.5% in July compared to the same period the year prior.

The increase was mainly due to higher production in Idaho, Texas and Kansas due to larger herd sizes and improved yields. The three states combined accounted for a 119,000 head increase on the previous comparable period, accounting for 75% of the total herd size increase.

California milk production increased 3.8% in July compared to 2024, with yields 3.6% higher than the same period last year.

US milk production for the 12 months to July increased 0.9% on the previous comparable period.

¹ Excludes UK.



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

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

NEW ZEALAND

0.4%↓

Change for July 2025 compared to July 2024

0.1%↓

Change for the 12 months to July 2025

New Zealand dairy exports decreased 0.4%, or 1,151 MT, in July compared to the same period the year prior.

The decrease was mainly due to lower export volumes of SMP and cheese to China, with volumes down 15% and 29%, respectively, compared to July last year.

Exports for the 12 months to July were down 0.1%, or 4,792 MT, on the previous comparable period.

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

AUSTRALIA

13.3%↓

Change for June 2025 compared to June 2024

0.6%↓

Change for the 12 months to June 2025

Australia dairy exports decreased 13.3%, or 8,270 MT, in June compared to the same period the year prior.

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

Exports for the 12 months to June were down 0.6%, or 4,034 MT, on the previous comparable period.

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

EUROPEAN UNION

2.7%↓

Change for June 2025 compared to June 2024

0.8%↑

Change for the 12 months to June 2025

EU dairy exports¹ decreased 2.7%, or 15,854 MT, in June compared to the same period the year prior.

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

Exports for the 12 months to June were up 0.8%, or 50,796 MT, on the previous comparable period.

The increase was mainly due to higher export volumes of whey powder from the Netherlands.

USA

16.0%↑

Change for June 2025 compared to June 2024

2.4%↑

Change for the 12 months to June 2025

US dairy exports increased 16.0%, or 37,532 MT, in June compared to the same period the year prior.

The increase was mainly due to higher export volumes of cheese and whey products, with shipments to key markets including China, Japan, Korea and Mexico receiving more than 10% higher volume than June last year, possibly in part due to the weaker US dollar.

Exports for the 12 months to June were up 2.4%, or 66,745 MT, on the previous comparable period.

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

¹ Excludes UK.



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

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

LATIN AMERICA

12.0%↑

Change for June 2025 compared to June 2024

6.5%↑

Change for the 12 months to June 2025

Latin America dairy import volumes¹ increased 12.0%, or 25,984 MT, in June compared to the same period the year prior.

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

Imports for the 12 months to June were up 6.5%, or 166,962 MT, on the previous comparable period.

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

ASIA

5.5%↑

Change for June 2025 compared to June 2024

5.6%↑

Change for the 12 months to June 2025

Asia (excluding China) dairy import volumes¹ increased 5.5%, or 25,552 MT, in June compared to the same period the year prior.

The increase was mainly due to higher import volumes of SMP by Malaysia, cheese by Japan and South Korea, and fluid milk products by Vietnam.

Imports for the 12 months to June were up 5.6%, or 288,103 MT, on the previous comparable period.

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

MIDDLE EAST & AFRICA

1.8%↑

Change for June 2025 compared to June 2024

4.0%↓

Change for the 12 months to June 2025

Middle East and Africa dairy import volumes¹ increased 1.8%, or 8,744 MT, in June compared to the same period the year prior.

The increase was mainly due to higher import volumes of SMP by the United Arab Emirates and Saudi Arabia.

Imports for the 12 months to June were down 4.0%, or 242,278 MT, on the previous comparable period.

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

CHINA

6.8%↑

Change for July 2025 compared to July 2024

3.2%↑

Change for the 12 months to July 2025

China dairy import volumes increased by 6.8%, or 16,802 MT, in July compared to the same period the year prior.

The increase was mainly due to higher import volumes of whey powder from the US, and fluid milk products, with more than 85% originating from New Zealand and Europe.

Imports for the 12 months to July were up 3.2%, or 91,107 MT, on the previous comparable period.

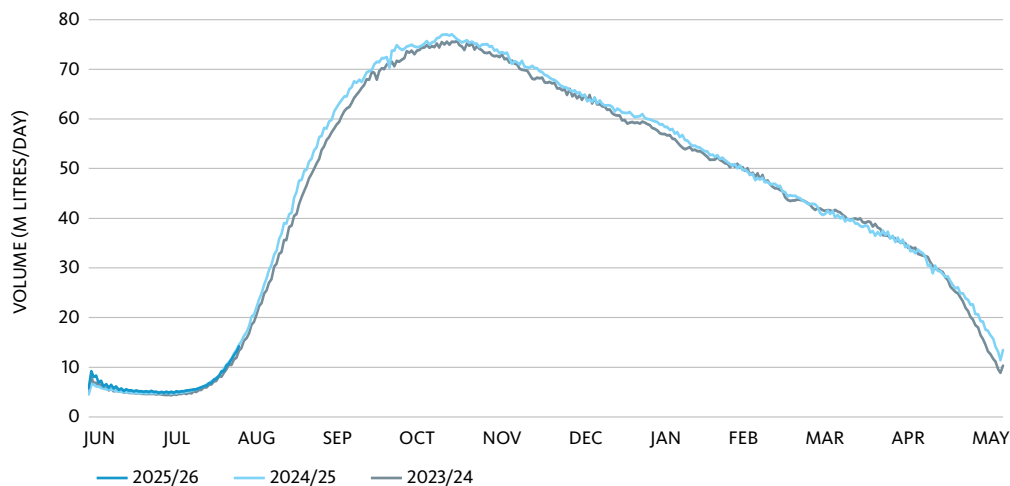
The increase was mainly due to higher import volumes of whey powder.

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

1.0%↑

Change for July 2025 compared to July 2024

7.0%↑

Season-to-date 1 June to 31 July compared to prior season

Fonterra's New Zealand collections for July were 20.8 million kgMS, 1.0% above July last season.

The increase was mainly due to favourable weather conditions across the country, with above average sunlight and soil moisture near capacity across most regions.

As is normal for this time of the season, collections for July represent less than 3% of the full season forecast.

Season-to-date collections are 37.5 million kgMS, 7.0% above last season.

NORTH ISLAND

0.3%↑

Change for July 2025 compared to July 2024

3.9%↑

Season-to-date 1 June to 31 July compared to prior season

North Island milk collections in July were 18.9 million kgMS, 0.3% higher than last July.

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

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

Season-to-date collections are 31.9 million kgMS, 3.9% above last season.

SOUTH ISLAND

8.9%↑

Change for July 2025 compared to July 2024

29.2%↑

Season-to-date 1 June to 31 July compared to prior season

South Island milk collections in July were 1.9 million kgMS, 8.9% higher than last July.

The increase was mainly due to favourable weather conditions. Sunlight levels were well above average for most of the East Coast, including Canterbury and Otago, with temperatures consistent with the historical average. Soil moisture was at capacity for most of the South Island.

Season-to-date collections are 5.5 million kgMS, 29.2% above last season.

AUSTRALIA

0.9%↑

Change for July 2025 compared to July 2024

0.9%↑

Season-to-date 1 July to 31 July compared to prior season

Fonterra's Australia collections in July were 5.5 million kgMS, 0.9% above July last season.

The increase was mainly due to favourable weather conditions, as rainfall across the country improved pasture conditions and supported growth.

Northern Victoria continued strong production due to the weather conditions. Pasture conditions in Eastern Victoria and Tasmania improved, supported by seasonal rainfall, although some lingering drought areas remain in Western Victoria.

Outlook for Fonterra in New Zealand

NZD per kgMS

Forecast Farmgate Milk Price range for the 2024/25 season

10.10-10.20

NZD per kgMS

Forecast Farmgate Milk Price range for the 2025/26 season

9.00-11.00

OUR MARKETS

Fonterra Global Dairy Trade Results



Fonterra GDT results at trading event 386
19 August 2025:

0.0%

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

USD 4,332

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

33.7⁰⁰⁰' MT

Fonterra product quantity sold on GDT

WMP

0.5%↑

USD 4,031/MT

AMF

0.0%

USD 7,078/MT

CHEDDAR

0.6%↓

USD 4,548/MT

BUTTER

0.9%↓

USD 7,100/MT

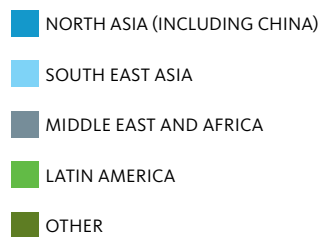
SMP

2.3%↓

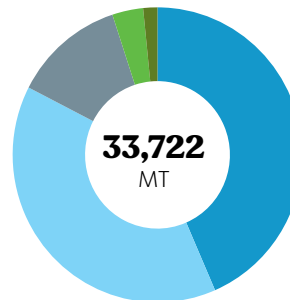
USD 2,764/MT

Fonterra GDT sales by destination:

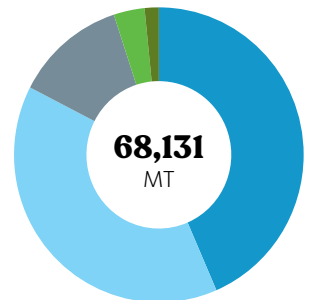
To view more information, including a snapshot of the rolling year-to-date results –



LATEST AUCTION



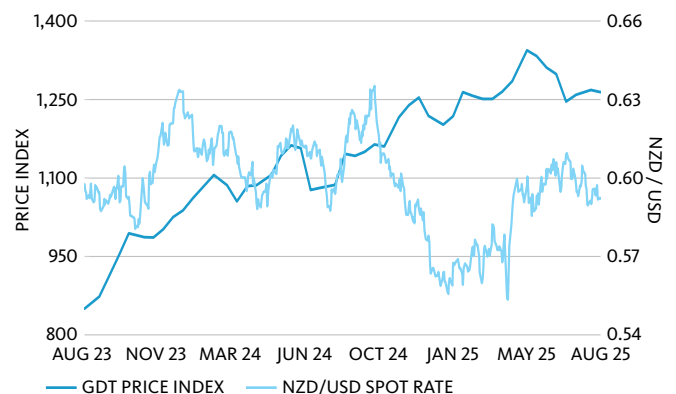
FINANCIAL YEAR-TO-DATE



► The next trading event will be held on 2 September 2025. Visit www.globaldairytrade.info for more information.

Dairy commodity prices and New Zealand dollar trend

The USD consolidated its position against most other major currencies as a relative calm developed following de-escalation of the US Administration's trade and tariff policy agenda, even as expectations that the US Federal Reserve will reduce interest rates in September gathered pace, supported by stable consumer inflation and a weakening labour market. However, the NZD side of the NZD/USD exchange rate equation provided for depreciation as the Reserve Bank of New Zealand lowered interest rates and signalled further monetary policy accommodation is likely – the NZD/USD exchange rate declined to near 58 US cents.





Fonterra lifts FY25 Forecast Farmgate Milk Price and narrows FY26 range

Fonterra has increased the 2024/25 season forecast Farmgate Milk Price from \$10.00 per kgMS to \$10.15 per kgMS, with the range narrowing from \$9.70 - \$10.30 per kgMS to \$10.10 - \$10.20 per kgMS.

CEO Miles Hurrell says Fonterra began the season with a wide forecast range to account for potential volatility in commodity prices and exchange rates resulting from geopolitical dynamics.

“However, Global Dairy Trade prices have remained stable, and when coupled with our well contracted sales book, we have been able to increase our forecast Farmgate Milk Price across the season,” he says.

Fonterra will confirm the final Farmgate Milk Price for the 2024/25 season alongside its FY25 annual results released in September.

Fonterra has also retained the \$10.00 per kgMS forecast for the current 2025/26 season and narrowed the range from \$8.00 - \$11.00 per kgMS to \$9.00 - \$11.00 per kgMS.

“Global Dairy Trade prices continue to be strong, supporting the \$10.00 per kgMS forecast midpoint for the current season,” Hurrell says.

“However, it’s still early in the season and the risk of volatility remains, which is reflected in the wide forecast range.”

Meanwhile, Fonterra has lifted its 2024/25 forecast range for certified organic milk from \$11.70 – \$12.30 per kgMS to \$12.30 – \$12.40 per kgMS.

The final organic milk price for FY25 is expected to be a record high of \$12.35 per kgMS, however Fonterra

will also confirm that as part of its annual results next month.

Fonterra’s General Manager for Organics, Andrew Henderson, says the Co-operative is on track for a fifth consecutive year of organic milk price increases.

“This lift for the 2024/25 season has largely been driven by significant demand increases in recent months, with American consumers in particular prepared to pay a premium price for grass-fed, organic dairy from New Zealand,” Henderson says.

Fonterra has also increased the forecast range for its 2025/26 organic milk price to \$12.00 – \$14.00 per kgMS. The new midpoint is a record \$13.00 per kgMS, up from the \$12.30 per kgMS announced in May this year.



Fonterra agrees sale of Consumer business to Lactalis

Fonterra has agreed to sell its Consumer and associated businesses to Lactalis for \$4.22 billion, subject to certain conditions, including Fonterra farmer shareholder approval.

The sale comprises Fonterra's global Consumer business (excluding Greater China) and Consumer brands; the integrated Foodservice and Ingredients businesses in Oceania and Sri Lanka; and the Middle East and Africa Foodservice business.

The sale also includes the Bega licences held by Fonterra's Australian business, following the resolution of a dispute with Bega Cheese Ltd.

Lactalis will pay Fonterra \$375 million for the Bega licences in addition to the \$3.845 billion base enterprise value, bringing the total proceeds for the sale to \$4.22 billion.

Fonterra is targeting a tax-free capital return of \$2.00 per share following completion of the sale.

As part of the agreement, Fonterra will continue to supply milk and other products to the divested businesses, meaning New Zealand farmers' milk will still be found in iconic dairy brands, including Anchor™ and Mainland™.

Fonterra Chairman Peter McBride says over the last 15 months, the Board has thoroughly tested the terms and value of both a trade sale and initial public offering (IPO) as divestment options.

"Following a highly competitive sale process with multiple interested bidders, the Fonterra Board is confident a sale to Lactalis is the highest value option for the Co-op, including over the long-term," he says.

Fonterra will now seek farmer shareholder approval to divest the businesses at a Special Meeting to be held in late October or early November.

Alongside shareholder approval, the divestment is conditional on final regulatory approvals being received from the Overseas Investment Office in New Zealand, the Foreign Investment Review Board in Australia, as well as relevant competition regulators and foreign direct investment regulators in certain countries including Kuwait, New Caledonia and Saudi Arabia.

The divestment is also conditional on separation of the businesses from Fonterra and no material adverse change arising before completion.

Subject to the satisfaction of all conditions, the sale is expected to be complete in the first half of the 2026 calendar year.

Fonterra CEO Miles Hurrell says the agreement represents a great outcome for the Co-op.

"As the world's largest dairy company, Lactalis has the scale required to take these brands and businesses to the next level. Fonterra farmers will continue to benefit from their success, with Lactalis to become one of our most significant Ingredients customers.

"At the same time, a divestment of these businesses will allow Fonterra to deliver further value for farmer shareholders and New Zealand by focusing on our world-leading Ingredients and Foodservice businesses, through which we sell innovative products to more than 100 countries around the world, from our home base here in New Zealand."

Supplementary Information

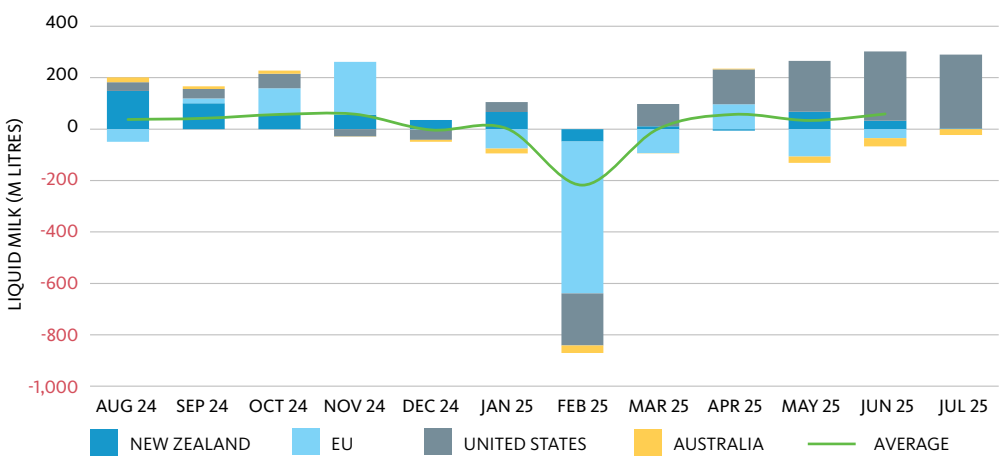
Global Dairy Market

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.

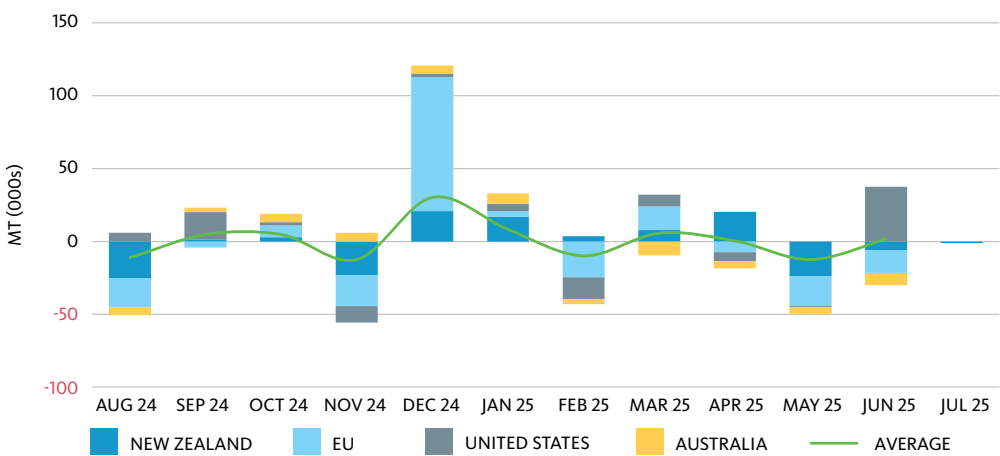
Averages are shown where data is complete for the regions presented.

PRODUCTION



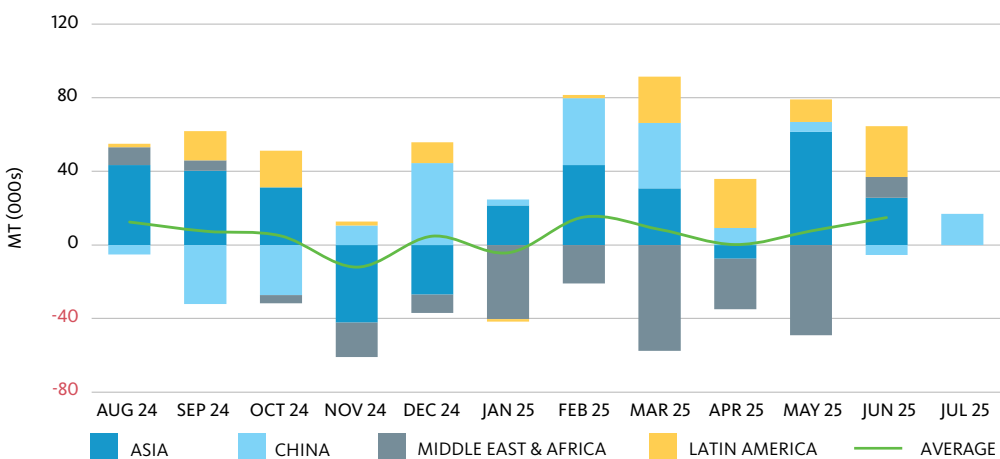
NOTE: Data for EU and Australia to June; New Zealand and US to July.

EXPORTS



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

IMPORTS



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

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) | JULY 2025 | JULY 2024 | MONTHLY CHANGE | SEASON- TO-DATE 2025/26 | SEASON- TO-DATE 2024/25 | SEASON- TO-DATE CHANGE |
|-----------------------------------|--------------|--------------|-------------------|-------------------------------|-------------------------------|------------------------------|
| Total Fonterra New Zealand | 20.8 | 2.6 | 1.0% | 37.5 | 35.0 | 7.0% |
| North Island | 18.9 | 18.9 | 0.3% | 31.9 | 30.8 | 3.9% |
| South Island | 1.9 | 1.7 | 8.9% | 5.5 | 4.3 | 29.2% |
| Australia | 5.5 | 5.5 | 0.9% | 5.5 | 5.5 | 0.9% |

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 | FORECAST FOREIGN EXCHANGE EXPOSURE FOR 2025/26 SEASON HEDGED (%) | FOREIGN EXCHANGE OPTION COVER REMAINING IN HEDGED AMOUNT (%) | |
|----------------------|--|---|---|--|-----|
| 21 August 2025 | \$10.00 / \$9.00-\$11.00 | 0.5821 | 0.5888 | 65% | 17% |
| 29 May 2025 | \$10.00 / \$8.00-\$11.00 | 0.5968 | 0.5951 | 48% | 10% |

As at the most recent update to the 2025/26 season forecast Farmgate Milk Price on 21 August 2025:

- Fonterra had hedged approximately 65% of the full year forecast USD cash flows related to the 2025/26 season Farmgate Milk Price.
- Of that 65%, approximately 17% was hedged with foreign exchange options which had not yet expired or been exercised.
- If the remaining 35% of the forecast USD cash flows were to be hedged at the 21 August 2025 spot rate of 0.5821, the average NZD/USD conversion rate for the 2025 season would be 0.5888.
- Also shown for information are the equivalent measures at the date of the previous forecast of the 2025/26 season Farmgate Milk Price on 29 May 2025.

Supplementary Information

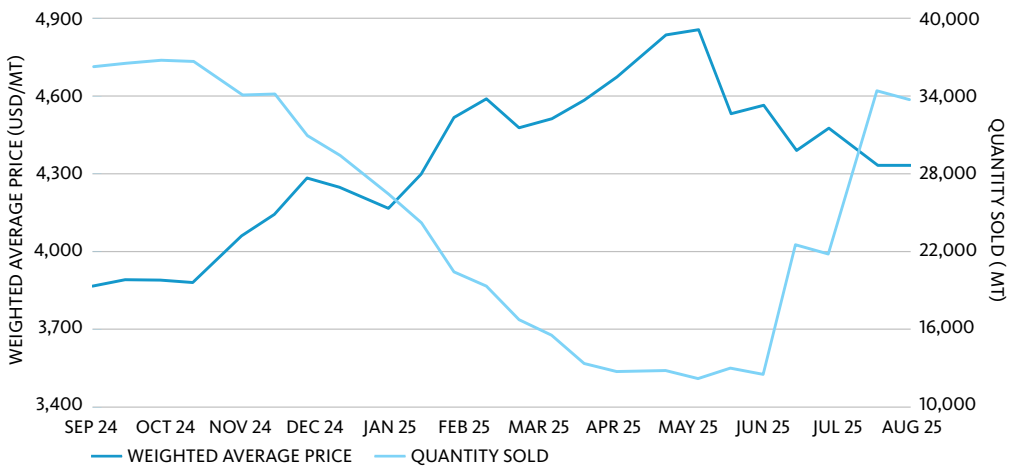
Fonterra GDT results

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

| | LAST TRADING EVENT (19 AUGUST 2025) | YEAR-TO-DATE (FROM 1 AUGUST 2025) |
|---|--|--------------------------------------|
| Quantity Sold on GDT (Winning MT) | 33,722 | 68,131 |
| Change in Quantity Sold on GDT over same period last year | 1.1% | 1.2% |
| Weighted Average Product Price (USD/MT) | 4,332 | 4,332 |
| Change in Weighted Average Product Price over same period last year | 9.9% | 13.3% |
| Change in Weighted Average Product Price from previous event | 0.0% | – |

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, 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.