

Market Announcement

13 July 2017

Fonterra Offer Quantities on Global Dairy Trade

Fonterra Co-operative Group forecast offer volume on Global Dairy Trade (GDT) Events remains stable at 645,668 metric tonnes over the next 12 months.

Fonterra Australia SMP to be removed from GDT events

Commencing GDT TE193 (1 August 2017 12:00 UTC), Fonterra Australia GDT SMP will not be available for sale on GDT Events.

The removal of Fonterra Australia SMP will lead to an overall reduction across the 12 month rolling offer forecast of 7,200 metric tonnes (1.1% change). This change will be reflected in Fonterra's 12 month forecast offer volume for GDT TE193.

The removal of AU SMP from GDT Events is a result of the new state-of-the-art cheese plant recently opened at the Stanhope factory.

The new facility significantly reduces SMP availability as milk is moved to higher returning cheese products, including parmesan, gouda and mozzarella, for Australian consumer, foodservice and export markets.

-ENDS-

While Fonterra's Global Dairy Trade (GDT) offer quantities and forecasts are genuine estimates of product availability at the time of publication, they can change as our view of future events or trends in supply and demand factors change.

As our supply and demand balance develops over the coming months it may be necessary to revise our forecasts in the future due to a range of factors, including those detailed above.

General factors that can influence our GDT forecasts are: seasonal changes or weather events impacting our milk supply; production, storage or supply chain constraints; anticipated customer demand from GDT and non-GDT sales channels; and differences in relative returns of products.

For more information on the global dairy market and trends in New Zealand milk production see the Fonterra Global Dairy Update or contact your Fonterra sales representative.

For further information contact your Sales Representative.

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