

Market Announcement

30 August 2017

Fonterra Offer Quantities on Global Dairy Trade

Fonterra Co-operative Group has made an adjustment to its Global Dairy Trade (GDT) forecast offer quantity over the next 12 months.

The primary change is to the Co-operative's forecast offer volumes for anhydrous milk fat (AMF), which has decreased by 5,050 MT, or 6.5%, of the forecast 12 month AMF offer volume. The majority of this reduction relates to the peak September through February period this season. The changes reflect strong demand for butter that has driven a product mix change from AMF to butter.

A minor increase of 400 MT, or 3.5%, in forecast offer volumes for rennet casein was also made across the 12 month offer volume. Good returns for rennet casein have led to an increase in supply of this product.

These changes are within GDT's guidance ranges.

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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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