

Market Announcement

11 January 2018

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 Co-operative's forecast offer volumes over the next 12 months have decreased from 632,004 MT to 615,004 MT. This change reflects a decrease of 2,000 MT for Butter, 5,000 MT for Skim Milk Powder, and 10,000 MT for Whole Milk Powder,

The reduction in volumes is driven by the impact of dry weather on milk flows. Fonterra will continue to keep a close eye on the impact that this is having on milk collections.

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 view of 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 below:

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 please refer to the Fonterra Global Dairy Update or contact your Fonterra sales representative.

For further information contact your Sales Representative.

Media queries should be directed to Fonterra Communications:

Philippa Clayton

Mobile: +64 27 405 3526

Email: Philippa.Clayton@fonterra.com