



PERSPECTIVE

FEBRUARY 2018

The latest insights in global dairy markets

Your regular global overview
of the dairy industry
along with trends in milk
production, commodity
prices and dairy trade.

Welcome back to Perspective!

NZMP seeks to bring you information about the global dairy trading environment.

We believe that you would appreciate the observations that Michael Dykes, the President and CEO of the US International Dairy Foods Association, makes in his article, so we have made it available to you in this month's Perspective.

Michael provides an insider perspective from the USA dairy industry on the continued speculation around the future of the NAFTA (the North American Free Trade Agreement, involving the USA, Mexico and Canada) and the broader role of the USA in the international trade environment.

Production, exports, imports and pricing













- Demand for dairy remains strong in China, however imports declined in Asia, and Latin America.
- Dairy exports from New Zealand, Australia and the USA were up for the month, further growth in dairy exports is expected from the EU.
- The New Zealand milk production was impacted by difficult weather conditions. Production increased in Australia and the EU.
- GDT Price Index dropped -1.1% in the most recent trade event, driven by AMF down -3.3% to USD 6,245 per MT.
- WMP, SMP, butter and cheese price changes were all positive with the biggest increase seen in butter prices.

If you have any suggestions for topics you would like to read about in Perspective, or any other general feedback, we would love to hear from you. You can contact us at nzmpbrand@fonterra.com or through your account manager.

Kind regards,

The Perspective Team

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PROACTIVE TRADE POLICY IMPERATIVE FOR US DAIRY



MICHAEL DYKES D.V.M.

President and CEO, International
Dairy Foods Association

Michael has spent his professional career leading and executing agricultural government affairs policies and strategies. He has successfully navigated the complex challenges of the food industry and recognises the importance of helping to shape public, political and regulatory opinion on a global platform.

He joined IDFA in October 2016 and has been a vocal advocate for increasing US dairy exports and expanding market access.

Before that, he spent 26 years at Monsanto, most recently as vice president of government affairs. He led the company's office in Washington, D.C., and was the primary point of contact for elected officials, regulatory authorities, trade associations, international organisations and embassies.

NZMP seeks to bring you information about the global dairy trading environment. We partner with global dairy industry commentators and experts to get the latest perspectives and observations from across the globe.

This month's guest feature, Michael Dykes, the President and CEO of the US International Dairy Foods Association, provides an insider perspective from the US dairy industry on the continued speculation around the future of the NAFTA (the North American Free Trade Agreement, involving the US, Mexico and Canada) and the implications of the US trade policy.

The topics of global markets and free trade agreements have received unprecedented attention in the United States during the past few years, especially during the 2016 presidential campaign and election of President Donald Trump. Unfortunately, much of the conversation and coverage surrounding free trade agreements failed to highlight the growth in food and agriculture production that our trade pacts and partners have enabled and the contribution this sector is making to the US economy. This is particularly true for the US dairy industry.

New Markets are Critical

Opening new markets via free trade agreements has been a critical component for providing opportunities to expand US dairy exports.

After being a net importer of dairy products roughly a decade ago, the United States now benefits from a dairy trade surplus of more than \$2 billion and sends American dairy products to more than 140 countries around the world. In fact, approximately one day's milk production each week is exported.

Dairy Delivers Strong Economic Impact

US dairy companies employ nearly one million skilled individuals and generate more than \$39 billion in direct wages. They have an overall economic impact of more than \$206 billion with enormous potential for further expansion. To see more details from IDFA's economic impact tool, Dairy Delivers, visit www.idfa.org/dairydelivers.



Customers are Global

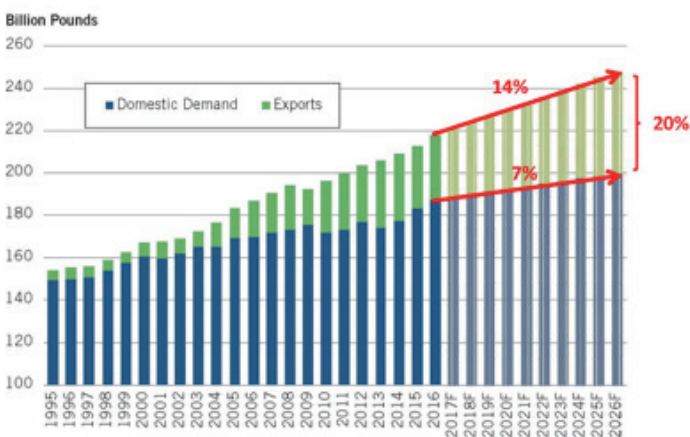
Today, more than 95 percent of our potential customers are living outside our borders, and the United States is well positioned to meet that demand. According to the most recent projection by the US Department of Agriculture, US milk production will grow by 23 percent over the next 10 years.

It is imperative for the US dairy industry to proactively advocate for new trade agreements and pursue global trade policies that provide a level playing field for our industry.

While we support a modernised North American Free Trade Agreement (NAFTA) and the US Korea Free Trade Agreement (KORUS), we are also encouraging US officials to pursue new free trade agreements with countries that provide new export opportunities.

Trade Policy

US DAIRY NEEDS EXPORT GROWTH



Source: USDA OCE, The McCully Group, CoBank

Competitors Expanding Trade Agreements

Other countries continue to initiate, conclude and update trade deals in other major markets.

Like the United States, the European Union is searching for new markets for the large milk supply it cannot consume

domestically; it's one of our biggest dairy competitors in the global market. The EU has remained agile and prolific in brokering recently completed free trade agreements with Canada, Japan, Singapore and Vietnam.

The EU is updating its trade pact with Mexico, which is by far our biggest export market. Mexico receives 25% of total US dairy exports and the US has a 73% market share of Mexico's dairy imports. Perhaps just as important, the EU is capturing or planning to capture valuable market access with most of the nations covered by the Trans-Pacific Partnership (TPP) – a promising pact that the U.S. Administration walked away from last year.

New Zealand, the largest dairy exporter, recently concluded negotiations with the TPP countries. This will expand their market access even further with our largest trading partners including Canada, Mexico and Japan. New Zealand is also updating its trade pact with China, the largest dairy importer.

US Leadership Needed in WTO

We're urging the United States to resume its leadership role at the World Trade Organization (WTO), advocating for further trade liberalisation in agriculture, and recognising the important role of the WTO in enforcing current trade rules. We would like to see the WTO's negotiating mandate restored, to improve market access globally, and we share the Administration's goals of increasing transparency throughout the WTO system, and ensuring that standards are based on sound science.

Proactive Policies are Imperative

Updating and modernising appropriate elements of NAFTA and KORUS are important, but we must do so without undermining their current benefits. But we cannot be satisfied with updating our current relationships. The United States must take aggressive and simultaneous steps to pursue new trade agreements. We must cultivate global trade policies that provide a level playing field for US dairy.

Gaining new market access is an important goal for the US dairy industry, and a proactive US trade policy is essential to help lead us into the future.

Disclaimer: The views expressed above are the opinion of the author, not those of Fonterra, and Fonterra is not responsible for any decisions taken in reliance on the same.



NEW ZEALAND PRODUCTION IMPACTED BY DIFFICULT WEATHER CONDITIONS. PRODUCTION INCREASES FOR AUSTRALIA AND THE EU

To view a summary of year-on-year changes in production [click here](#)

New Zealand

+1%

Production change
for the 12 months
to January 2018

Total New Zealand milk production in January was down -5% compared to the same month last year. Although rain in late December and early January helped in some regions, other regions were heavily impacted by soil moisture and pasture growth challenges caused by difficult weather conditions. This has impacted overall collection volumes throughout New Zealand.

Australia

0%

Production change
for the 12 months
to January 2018

Production for the 12 months to January was flat compared to the same period the previous year due to better conditions.

Australia milk production in January increased +4% compared to the same month last year due to favourable seasonal conditions across milk collection regions.

European Union

-1%

Production change
for the 12 months
to December 2017

Production for the 12 months to December declined -1%, on the back of a decrease across four of the top five EU producers, down -3%. This was partially offset by Ireland increasing production by +10%.

EU milk production increased +1% in December compared to the same month last year, driven by strong global dairy prices.

Germany, the UK and Austria had the largest increases in production, up +3%, +5% and +28% respectively in December.

United States

+1%

Production change
for the 12 months
to December 2017

Milk production for the 12 months to December increased +1% compared to the same period the previous year.

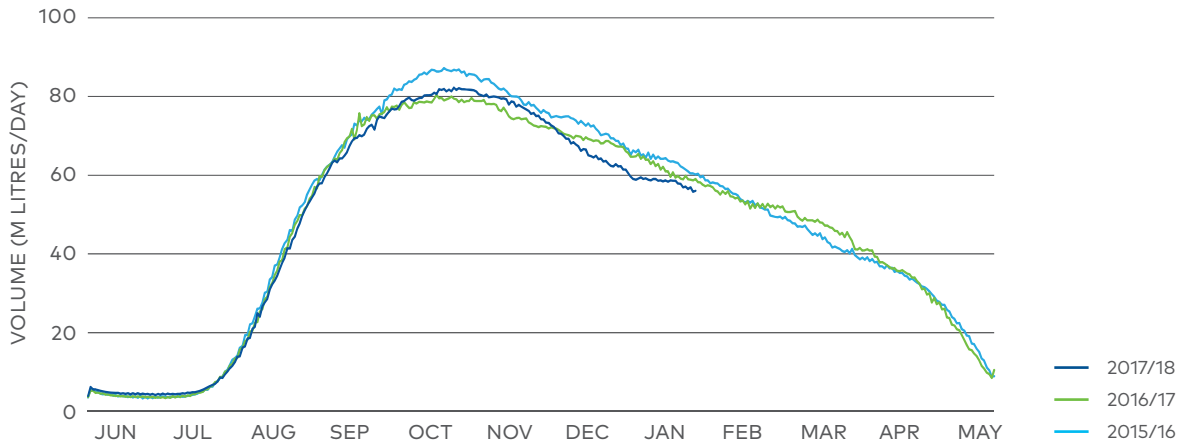
US milk production in December increased +1% compared to the same month last year largely due to increased productivity. Milk production per cow across all 23 major states was the highest recorded for the month of December since 2003¹.

¹ https://www.nass.usda.gov/Publications/Todays_Reports/reports/mkpr0118.pdf

Sources: Data from Global Trade Information Services and from government and industry websites, including USDA, Eurostat, High Ground Dairy, Dairy Australia and Dairy Companies Association of New Zealand



FONTERRA NEW ZEALAND MILK COLLECTION 2017/2018 SEASON



New Zealand Collection

-2%

Decrease for the season from 1 June to 31 January

Fonterra's milk collection across New Zealand for the eight months to 31 January reached 1,036 million kgMS, -2% below the same period last season.

January collections reached 158 million kgMS, down -8% compared to the same period last year. This is largely due to the difficult weather conditions which impacted soil moisture and pasture quality.

Australian Collection

+27%

Increase for the season from 1 July to 31 January

Fonterra's milk collection across Australia for the seven months to 31 January reached 100 million kgMS, 21 million kgMS higher than last season.

Collections in January totalled 14 million kgMS, a +32% increase on the same month last year. This has been driven by increased market share and favourable seasonal conditions across milk collection regions.





EXPORTS FROM NEW ZEALAND, THE US AND AUSTRALIA UP FOR THE MONTH. FURTHER GROWTH IN DAIRY EXPORTS FROM THE EU

To view a summary of year-on-year changes in exports [click here](#)

New Zealand

-3%

Export change for
the 12 months to
December 2017

Exports for the 12 months to December were down -3%, or -83,000 MT, on the previous comparable period. Exports declined across the majority of categories except fluid and fresh dairy and infant formula, which were up a combined +81,000 MT. SMP and AMF showed the largest decline, down a combined -103,000 MT on the previous comparable period.

Total New Zealand dairy exports in December increased +8%, or +31,000 MT, compared to the same month last year. This growth was driven by WMP, SMP and butter, up a combined +33,000 MT.

Australia

-1%

Export change for
the 12 months to
December 2017

Exports for the 12 months to December were down -1%, or -6,000 MT, on the previous comparable period. Momentum in fluid and fresh dairy, infant formula and cheese exports remained strong, up +44,000 MT. This was partially offset by declines in WMP, whey powder and butter down a combined -35,000 MT.

Australia's dairy exports increased +10%, or +7,000 MT, in December compared to the same month last year. Predominantly driven by fluid and fresh dairy and cheese which were up a combined +11,000 MT. These gains were partially offset by SMP and whey powder down a combined -4,000 MT.

European Union

+5%

Export change for
the 12 months to
November 2017

Exports for the 12 months to November were up +5%, or +242,000 MT, on the previous comparable period.

EU dairy exports in November were up +11%, or +44,000 MT, relative to the same month the previous year. This was due to double-digit growth in most export categories, especially SMP and fluid and fresh dairy, which increased by a combined +20%, or +33,000 MT.

Cheese, SMP and infant formula made up +292,000 MT of the increase, offset by a combined decline of -61,000 MT in butter and fluid and fresh dairy.

United States

+5%

Export change for
the 12 months to
December 2017

Exports for the 12 months to December were up +5%, or +110,000 MT, on the previous comparable period.

The increase in exports continues to be driven by cheese and whey powder up a combined +97,000 MT. The largest export category in the US, SMP, grew +15,000 MT or +3%, compared to the previous comparable period.

US dairy exports increased +11% in December, or +21,000 MT, compared to the same month the previous year. This was driven by SMP, lactose and whey powder up a combined +20% or +22,000 MT.



CONTINUED STRONG IMPORT DEMAND FOR DAIRY IN CHINA. LATIN AMERICA, AND ASIA IMPORTS DECREASE

To view a summary of year-on-year changes in imports [click here](#)

Latin America

+5%

Import change for the 12 months to October 2017

For the 12 months to October, imports were up +5%, or +90,000 MT, compared to the same period the previous year. This was driven by growth in all major categories except from WMP and infant formula which were down a combined -55,000 MT.

Latin America's dairy import volumes¹ decreased -7%, or -12,000 MT, in October compared to the same month last year. This decline was due to WMP, cheese and AMF, down a combined -40%, or -22,000 MT, this month. This was offset by SMP and whey powder, up a combined +23%, or +9,000 MT.

Asia

+4%

Import change for the 12 months to October 2017

For the 12 months to October, imports were up +4%, or +177,000 MT, compared to the same period last year.

Cheese, SMP and ice cream grew by +130,000 MT, accounting for around 70% of the growth compared to the same period last year.

Asia (excluding China) dairy import volumes¹ decreased -6%, or -22,000 MT, in October compared to the same month the previous year. This was driven by imports of SMP and fluid and fresh dairy down a combined -15%, slightly offset by WMP, up +7,000 MT.

Middle East & Africa

-1%

Import change for the 12 months to October 2017

Imports for the 12 months to October were down -1%, or -47,000 MT. Combined declines in butter and WMP of -10%, or -106,000 MT, dampened large gains in fluid and fresh dairy and SMP of +80,000 MT and +36,000 MT respectively.

Middle East and Africa dairy imports¹ in October decreased -3%, or -11,000 MT, compared to the same month the previous year. This was mainly due to a decline across the top three import categories, WMP, SMP and fluid and fresh dairy, down a combined -13,000 MT, partially offset by a +7% increase in cheese imports.

China

+13%

Import change for the 12 months to December 2017

Imports for the 12 months to December were up +299,000 MT, compared to the same period last year. China continues their strong imports, with all key categories up for the period. Infant formula, SMP and fluid and fresh dairy imports all grew significantly, up +77,000 MT, +63,000 MT and +52,000 MT respectively.

China dairy imports increased +7%, or +13,000 MT, in December compared to the same month last year. Large gains were seen in fluid and fresh dairy, whey powder and infant formula up +28%, +19% and +21% respectively.

Russia

+8%

Import change for 12 months to October 2017

Imports for the 12 months to October were up +8%, or +87,839 MT compared to the same period the previous year. The increase was due to increases in Fluid and Fresh Dairy and cultured products +23%, and +42% respectively.

Russia import volumes were up +13% or +10,885 MT for October compared to the same month last year.

¹ Estimates are included for those countries that have not reported import data.

Sources: Data from Global Trade Information Services; EU Milk Market Observatory; FAO; Highground Trading Group



TRACKING THE GLOBAL DAIRY MARKET

Global Dairy Market

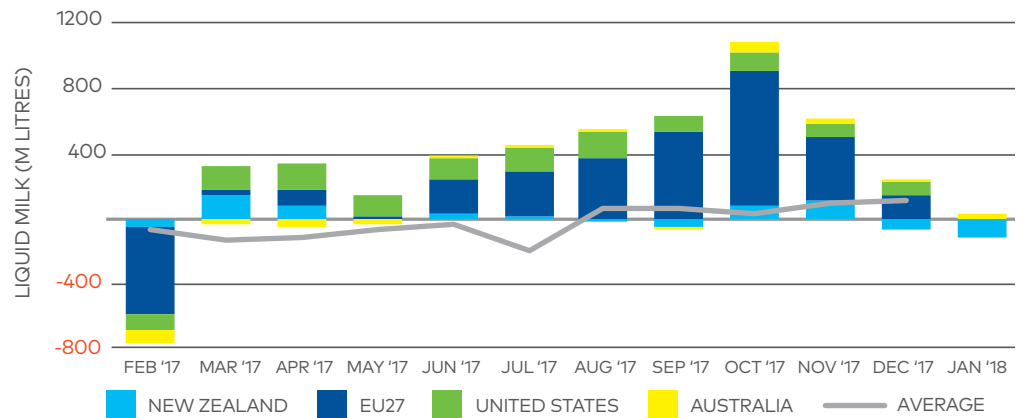
The charts on the right illustrate the year-on-year changes in imports, exports and production for a range of countries that are important players in global dairy trade.

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

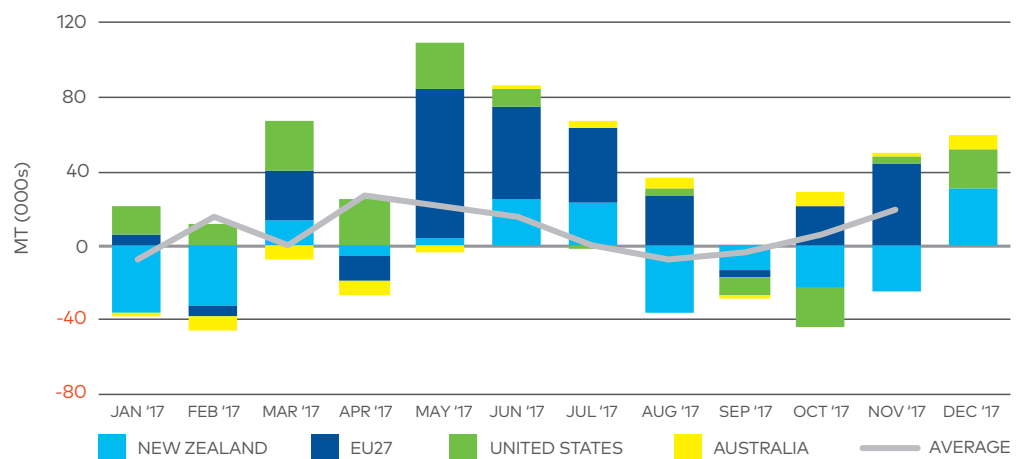
Averages are shown where data is complete for the regions presented.

For further information [click here](#)

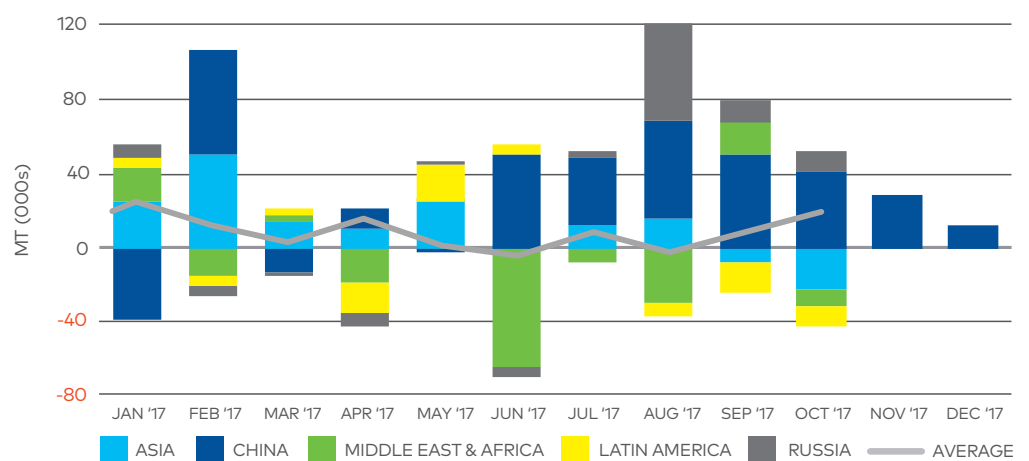
PRODUCTION



EXPORTS



IMPORTS



Source: Government milk production statistics/GTIS trade data/Fonterra analysis



Food Price

FAO Food Price Index averaged nearly 169.5 points in January 2018, nearly unchanged from December 2017 but -3% below its year ago level. The Dairy Price Index averaged 179.9 points for January 2018, down -4.2% from the previous month. International price quotations for butter and cheese declined, while those of milk powders increased. Ample milk supply in the northern hemisphere and Australia heavily influenced global dairy prices, including the declines in butter and cheese prices. However, the possibility for seasonal milk production in New Zealand to be lower than expected lent support to WMP prices. SMP values also increased, mostly because of strong import demand.

Source: FAO



Economic

Composite leading indicators (CLIs) continue to anticipate stable growth momentum in the OECD area as a whole. Stable growth momentum remains the outlook in the United States, Japan, Canada and the euro area, including France and now also Germany and Italy. In the United Kingdom, the CLI continues to point to easing growth. Growth forecasts for emerging economies show growth gaining momentum in India. The CLI for Brazil continues to signal growth, which is now also the assessment for Russia.

Source: OECD



Consumer

The Economist Intelligence Unit (EIU) raised its global growth forecast to +3% for 2018. This includes an increase in US GDP growth forecast from +2.3% to +2.5% to reflect buoyant business confidence. EIU brought forward its forecasts for monetary policy tightening in a number of countries, including developed markets (the UK, the euro zone) and emerging economies (Malaysia, Vietnam, Indonesia). These decisions reflect how the global economy is now growing sufficiently quickly for central banks to reduce the amount of support that they are providing to their individual markets.

Source: Economist Intelligence Unit Consumer



Weather

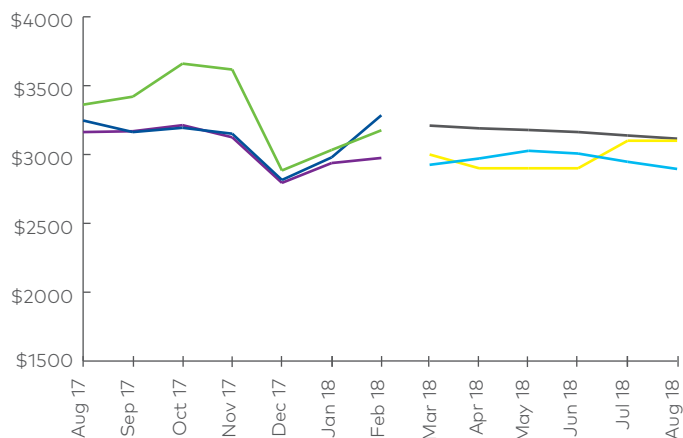
During January, wet weather conditions eliminated drought concerns in most regions in New Zealand, which will help improve production later in the dairy season. Conditions in Australia were a combination of above-normal temperatures and below-normal rainfall. In Europe, warmer and wetter-than-normal weather prevailed across much of the continent during January. ENSO-neutral conditions are present and are expected to persist for the first half of 2018.

Sources: Climate Prediction Centre, World Agricultural Weather Highlights USDA oCOE; Dairy Australia Production Inputs Monitor; Otago Daily Times



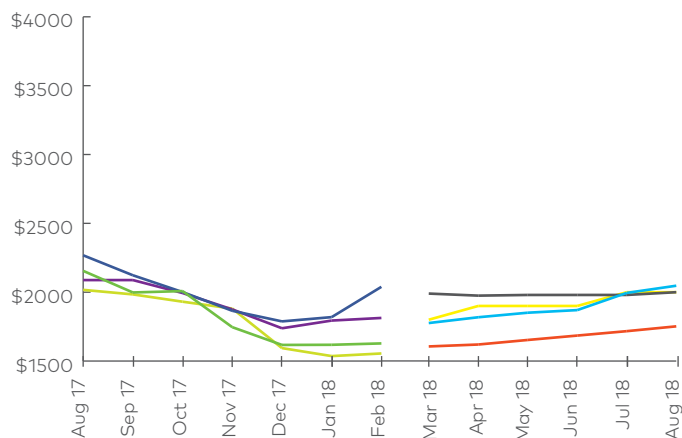
COMMODITY PRICES

WMP



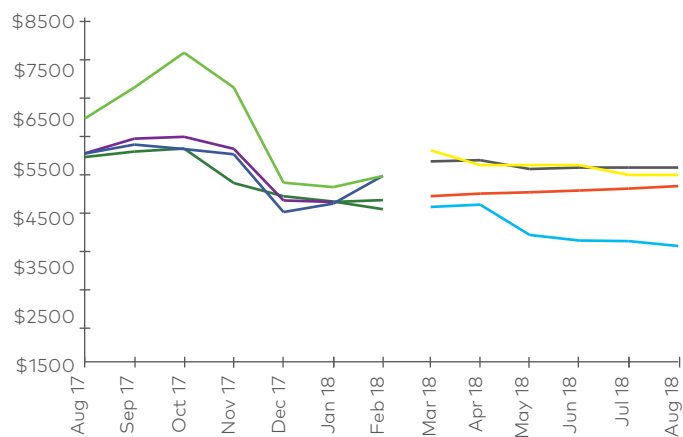
- The price for WMP increased month-on-month, with the Dutch Dairy Board (DDB) up +4.7% to USD 3,176/MT, GDT up +10.3% to USD 3,285/MT and USDA Oceania up +1.3% to USD 2,975/MT.
- Average futures and forecasts for March to August 2018 are stable, with Informa and Rabobank Oceania average prices over the six months at USD 2,962/MT and USD 2,983/MT respectively. NZX Futures forecasts are higher at an average of USD 3,166/MT for the six months, much higher than Informa and Rabobank Oceania forecasts showing some uncertainty in the market.

SMP



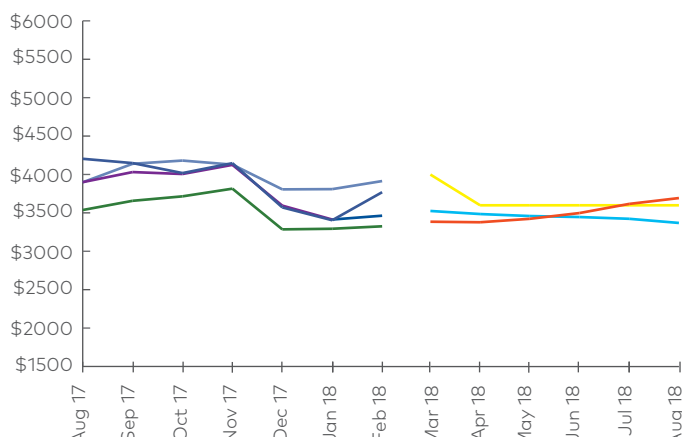
- SMP prices all increased in February, with GDT up +12.1% to USD 2,039/MT, USDA Oceania +1.1% to 1,813/MT and USDA NASS up +1.2% to USD 1,555/MT. DDB stayed flat at 1,628/MT.
- Futures and forecasts all increased their six-month average prices and are forecasting/pricing between USD 1,606/MT and USD 2,2047/MT over the next six months.

BUTTER



- Butter price increased in February except for CME Spot -3.3% to USD 4,603/MT. DDB was up +4.5% to USD 5,279/MT, GDT up +12.0% to USD 5,282/MT, and USDA Oceania stayed flat at USD 4,788/MT.
- Futures and forecasts are mixed. NZX Futures up +19.1% to USD 5,491/MT and CME Futures also up +2.1% to USD 4,969/MT. Informa Oceania and Rabobank Oceania averages USD 4,200/MT and 5,483/MT respectively.

CHEESE



- Cheddar cheese prices all increased in February. GDT increased +10.7% to USD 3,769/MT, USDA Oceania increased +1.5% to USD 3,463/MT, CME Spot price increased +1.0% to USD 3,325/MT and EU Commission increased +2.8% to USD 3,914/MT.
- Cheese futures and forecasts pricing are mixed. CME Futures prices increased for the six months from March to August 2018, up +4.1% to an average price of USD 3,500/MT. Informa Oceania averages USD 3,452/MT and Rabobank averages USD 3,667/MT.

Actuals

- GDT Fonterra
- Dutch Dairy Board
- USDA Oceania
- USDA NASS
- CME Spot
- EU Commission

Forecasts

- NZX Futures
- CME Futures
- Rabobank Oceania
- Informa Oceania



Trading Event 207

-1.1% ↓

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

USD **3,704**

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

18.0 000/MT

Fonterra product quantity sold on GDT

WMP

-0.4%

\$3,232

SMP

+12.8%

\$2,181

AMF

-3.3%

\$6,245

BUTTER

-1.0%

\$5,280

CHEDDAR

+2.0%

\$3,759

RENNET CASEIN

+3.0%

\$5,128

BMP

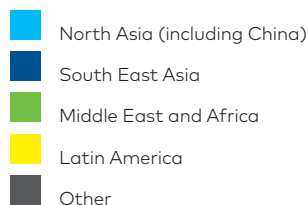
Not offered at this event

LACTOSE

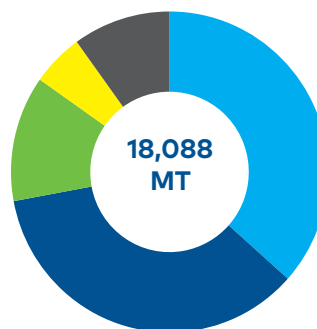
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GDT Sales by Destination

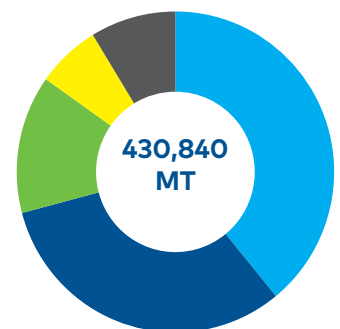
TRADING EVENT 207



Latest Auction



Financial Year to Date



GDT Price Index

Dairy commodity prices and New Zealand dollar trend:

The New Zealand dollar appreciated through January on the back of broad-based weakness in the US dollar.





USDA, DAIRY OUTLOOK

Published 14 February 2018

Recent developments

USDA reported December 2017 milk production of 18.0 billion pounds, +1.1% above December 2016. Milk cow numbers increased to 9.401 million head, 3,000 more compared to the previous month. Milk per cow was 22,937 pounds in 2017, up +1.0% pounds compared to 2016.

Wholesale prices reported from week ending December 30th to week ending February 3rd in USDA National Dairy Products Sales Report fell. The largest decline was a 23-cent per pound fall in the price of cheddar cheese 500-pound barrels. The only price that rose was for cheddar cheese 40-pound blocks, an increase of 0.8 cents per pound. US domestic prices appear to be competitive with foreign export prices.

Dairy forecasts for 2018

Milk cow forecast numbers are unchanged at 9.415 million head. Due to lower-than-expected yields in the fourth quarter of 2017, lower projected milk prices, and higher expected feed prices, the milk per cow forecast has been lowered slightly for the first half of the year and is now expected to total 23,230 pounds in 2018. As a result, the milk production forecast for the year is -0.1 billion pounds lower than last month's forecast, at 218.7 billion pounds.

Domestic use forecast for 2018 on a skim-solids basis has been lowered by -0.8 billion pounds to 181.6 billion. On a milk-fat basis it has been lowered -0.2 billion pounds to 214.9 billion.

Domestic use remained soft during the fourth quarter of 2017. On a milk-fat basis, fourth-quarter domestic use was 54.7 billion pounds. On a skim-solids basis, fourth-quarter domestic use was 43.5 billion pounds, only +0.5% percent higher than the fourth quarter of 2016.

US exports in December 2017 on a milk-fat basis were 761 million pounds, 96 million less than the previous month and 62 million less than December 2016. However, December exports on a skim-solids basis went up to 3.909 billion pounds, an increase of 297 million from November 2017 and 550 million from December 2016. Exports of NDM/SMP, whey products, and lactose rose from November to December, but exports of butterfat products and cheese declined.

Export forecast for 2018 on a skim-solids basis has been raised to 42.5 billion as recent strength in exports of NDM/SMP, whey products, and lactose is expected to carry into the first half of 2018. On a milk-fat basis export forecast is unchanged at 9.5 billion pounds.

Import forecast for 2018 on a skim-solids basis has been increased to 6.0 billion pounds for the year. On a milk-fat basis imports are unchanged at 6.0 billion pounds.



BLIMLING, FORECAST UPDATE

Published 6 February 2018

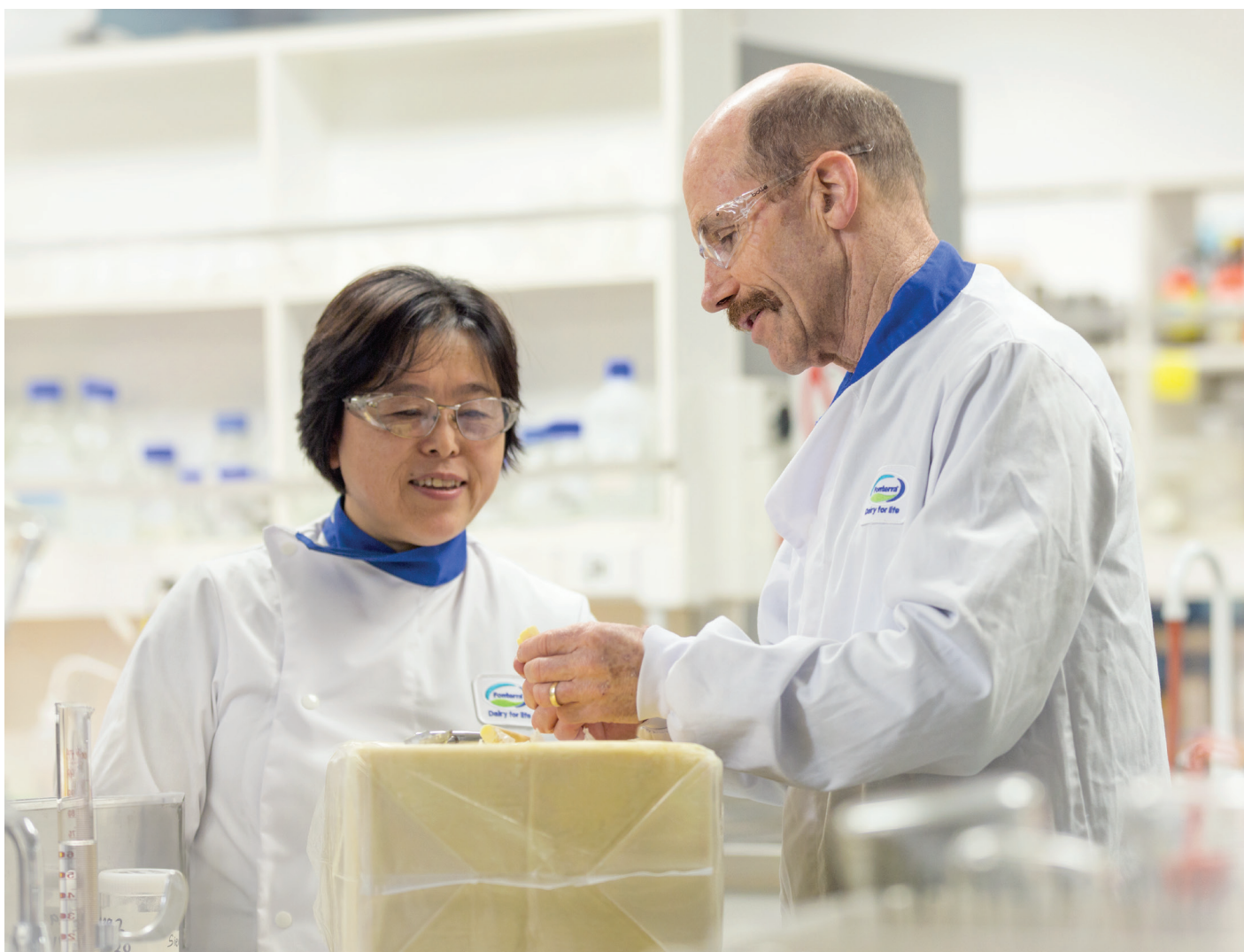
Blimling's February Forecast Update focuses on the lower than expected milk revenue forecast for 2018 based on the USDA's Margin Protection Program (MPP). MPP shows futures pointing to a 2018 MMP average around \$7.80, which is almost two dollars below 2017 average and a dollar below the early December 2017 forecast.

In the cheese market, strong output growth combined with sluggish demand is likely to weigh down prices through the first half of 2018. However, reduction in milk production may help to improve prices by the latter part of 2018.

Butter prices will likely strengthen before Easter. However, sustained sell-side pressure may limit the momentum.

Global oversupply of NDM/SMP will continue to weigh down prices. However, values may start improving by year end as sustained low prices crimp global milk output.

Dry whey prices are forecast to stay under pressure due to oversupply. Prices can be expected to recover by year end as the supply pipeline slows.



Sources: Blimling



Fonterra draws the information in this update from a variety of principally external sources listed below. Also included are defined acronyms for better understanding.

AMF Anhydrous Milk Fat

BMP Butter Milk Powder

CME Chicago Mercantile Exchange

DDB Dutch Dairy Board

EIU Economist Intelligence Unit

FAO United Nations Food and Agriculture Organisation

Farmgate Milk Price The price for milk supplied in New Zealand to Fonterra by farmer shareholders

Fluid and Fresh Dairy 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

FTA Free Trade Agreement

GDI Global Dairy Intelligence group, Fonterra Cooperative Group Limited. GDI provides insights to Fonterra management based on a model of the global dairy market developed by GDI and populated with publicly available data. The model outputs referenced in this report do not reflect Fonterra's non-public production or sales data

GDP Gross Domestic Product

GDT Global Dairy Trade auction platform

GDT Price Index is an index that provides a measure of the weighted average percentage change in the movement in price of all products sold on GDT. This provides a simple measure of changes in dairy price between trading events

IMF International Monetary Fund

Informa Informa Economics Inc., Dairy Group, Global Dairy Market Report

LME Liquid Milk Equivalent

MAT Moving Annual Total (this is data averaged across the 12 month period)

MEA Middle East and Africa

NDM Non-fat Dry Milk

NZX NZ Stock Exchange

OECD Organisation for Economic Co-operation and Development

Q[1] [First] Quarter

Reference Products The dairy products used in the calculation of the Farmgate Milk Price, which are currently WMP, SMP, BMP, butter and AMF

SEA South East Asia

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

TE GDT Trading Event

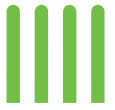
USDA NASS US Department of Agriculture National Agricultural Statistics Service

USDA Oceania US Department of Agriculture Agricultural marketing service price series for specific products in the Oceania region

WMP Whole Milk Powder

YOY Year-on-year

YTD Year to date



Tracking the global dairy market Production, Export and Import charts

The production, export and import charts illustrate year-on-year changes in production, exports and imports for a range of countries that are important players in global dairy trade.

The absolute size of the bars represents the change in production, exports or imports compared to the same month the previous year. The portion of the bar below zero represents a year-on-year decrease and the portion above the line shows the year increase for that country. Where countries are not shown this is likely due to the data not yet being available.

Weather Source (Page reference – 11)

Comments on weather are obtained from various government weather sites as well as independent reports including Martell Crop Projections. Global milk production data is sourced from government and industry websites including US Department of Agriculture (USDA), EuroStat, Dairy Australia, Dairy Companies Association of New Zealand (DCANZ) and others.



Important note: The information and commentary contained in this 'Perspective from NZMP' is based on publicly available official government statistics; industry association reports; other published industry reports together with data and insights developed by Fonterra's Global Dairy Intelligence group ('GDI'). These sources are identified as appropriate in this 'Perspective from NZMP'. GDI insights and data are derived from a global dairy market model populated by publicly available data. The model inputs and outputs do not reflect Fonterra's non-public production, pricing or sales data. Fonterra Co-operative Group Limited and its group members involved in the manufacture or sale of NZMP branded products ('Fonterra') has provided this 'Perspective from NZMP' for informational purposes only. It does not constitute recommendations or advice for the purposes of making financial decisions regarding trading in dairy products or commodities, or dealing in financial instruments relating to dairy commodities. Although every effort is made to ensure the accuracy of reproducing and interpreting such information, no warranty or representation of such is made and Fonterra shall have no liability in respect of any reliance placed on such information in the formulation of any business decision.