

# The goodness of dairy – dairy solutions to consumer needs in Europe and around the world

Francis Reid, Sales Manager

October 2018

Confidential to Fonterra Co-operative Group



# Fonterra – Who are we?



We're a **co-operative** owned by **10,000 NZ farming families**, supported by **20,000 Fonterra employees** around the world.



The **world's largest dairy exporter** – leading the industry in **quality and innovation**

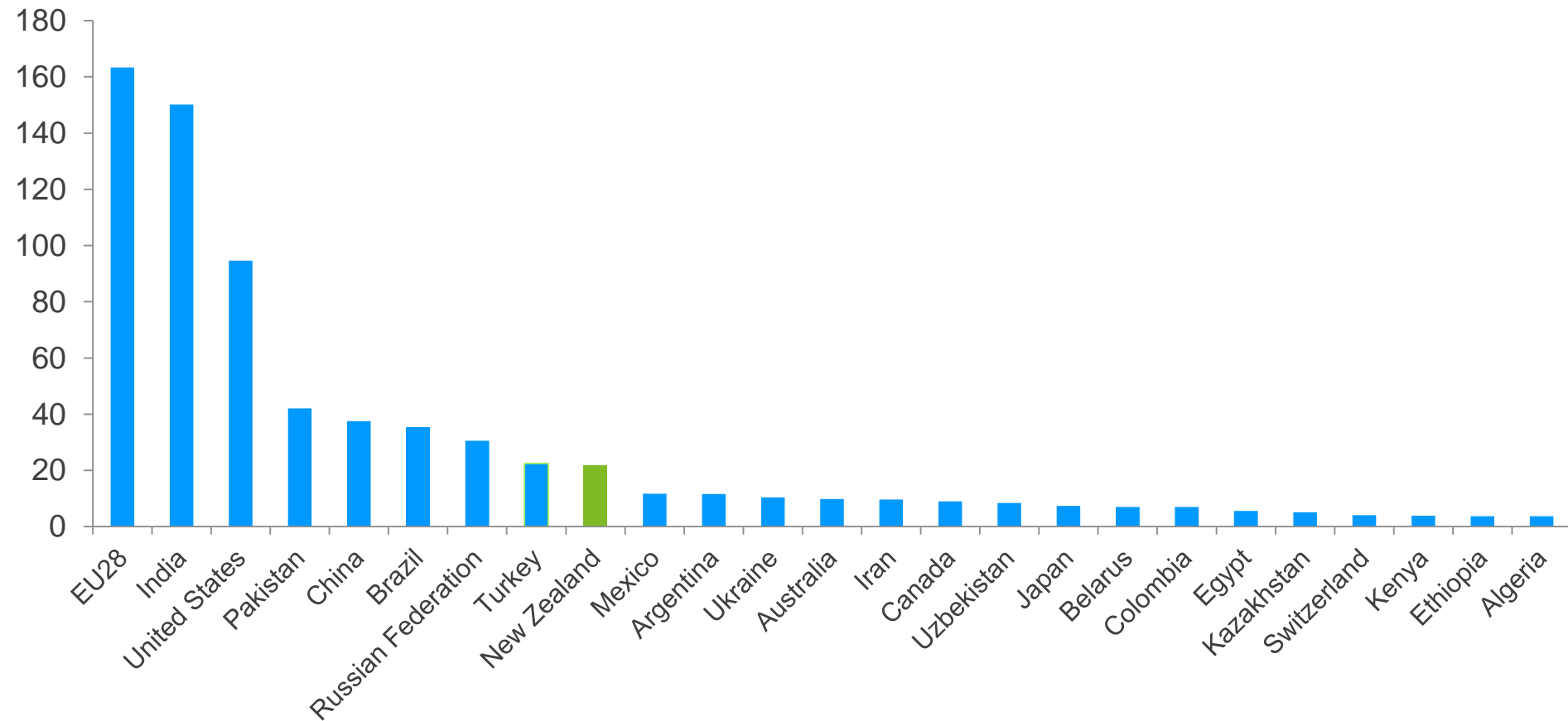


At the **forefront of NZ's global exports for over 50 years** – we make up **25% of NZ's total exports**.

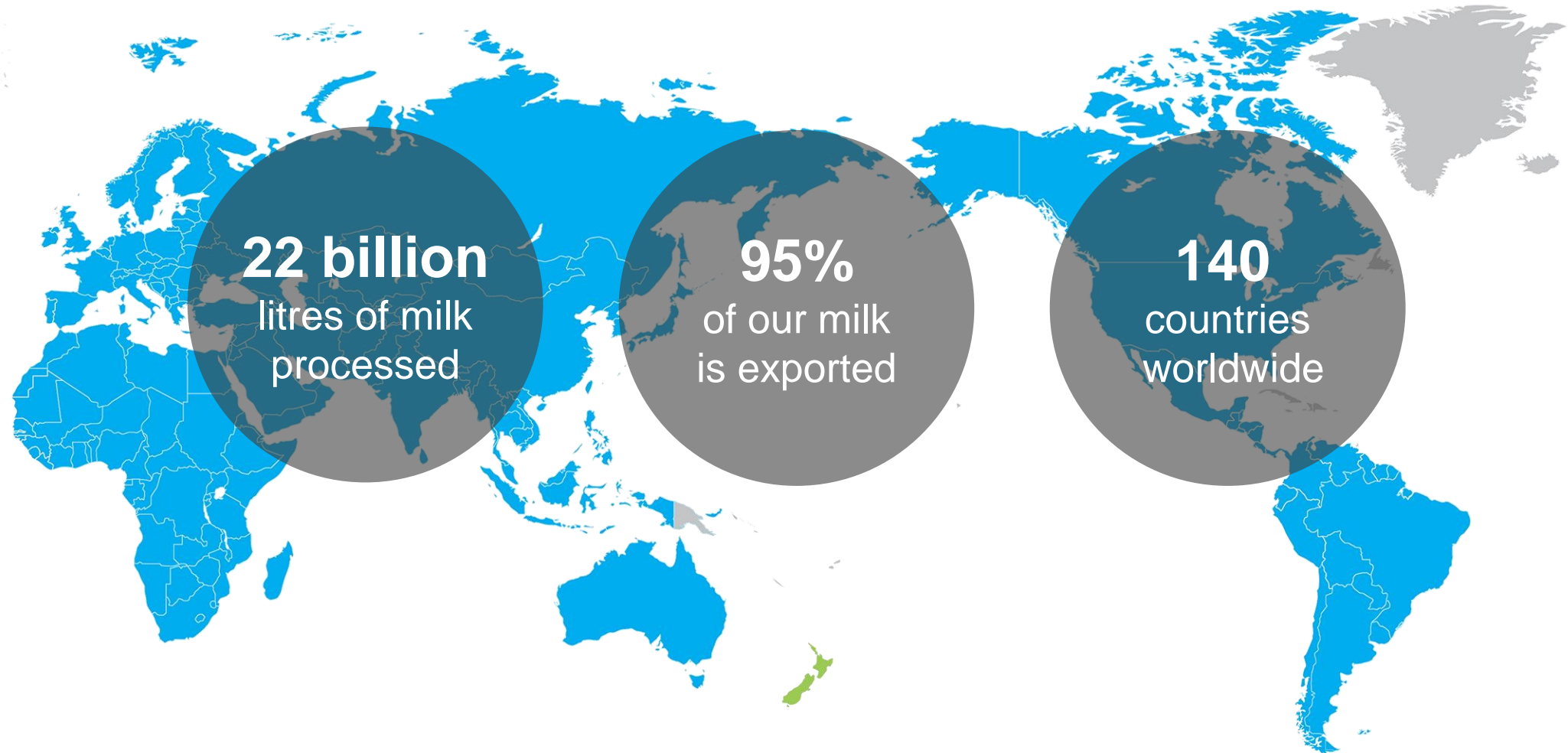


# Global milk production (2017)

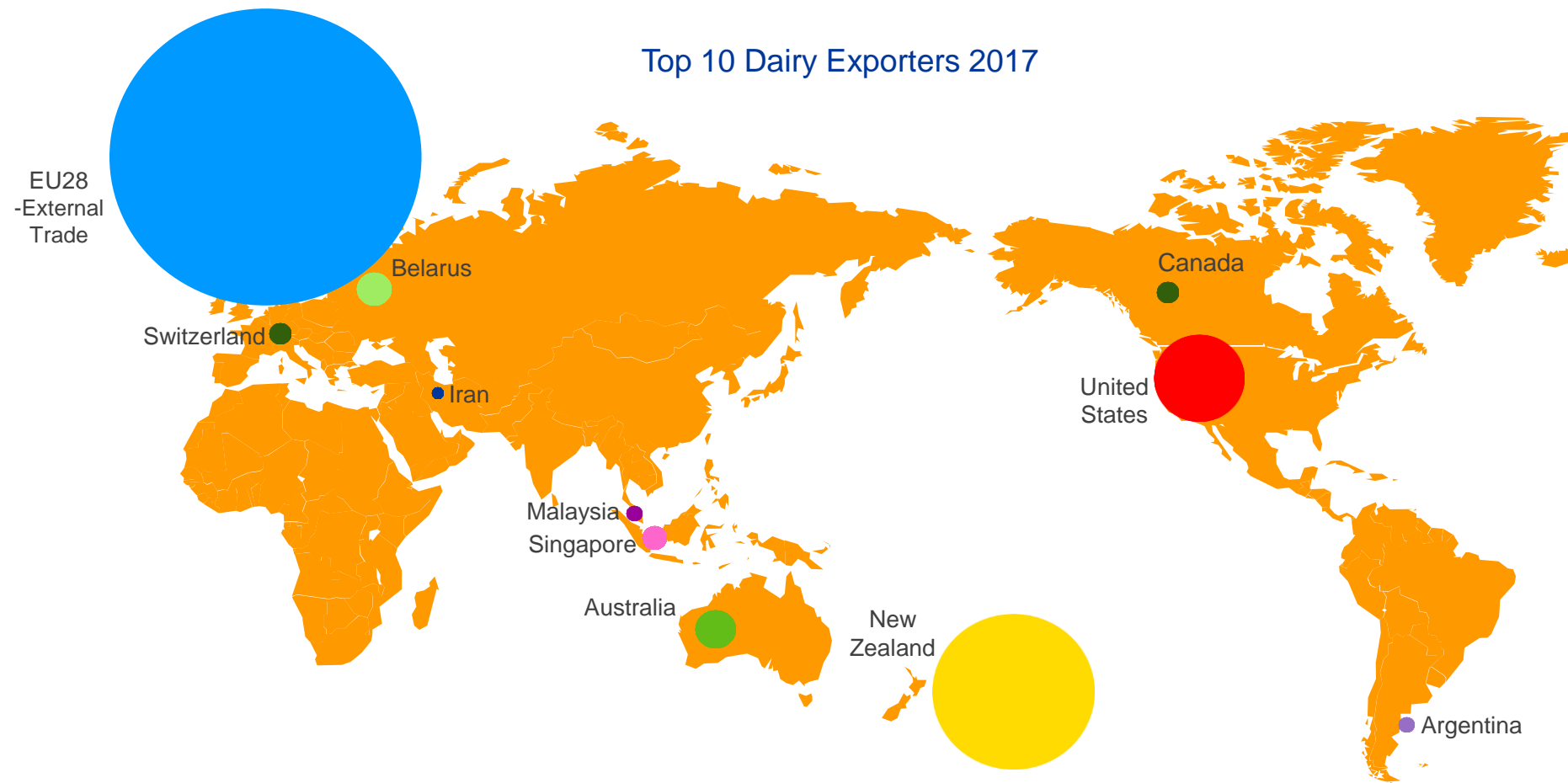
Total World Production Kg Milk



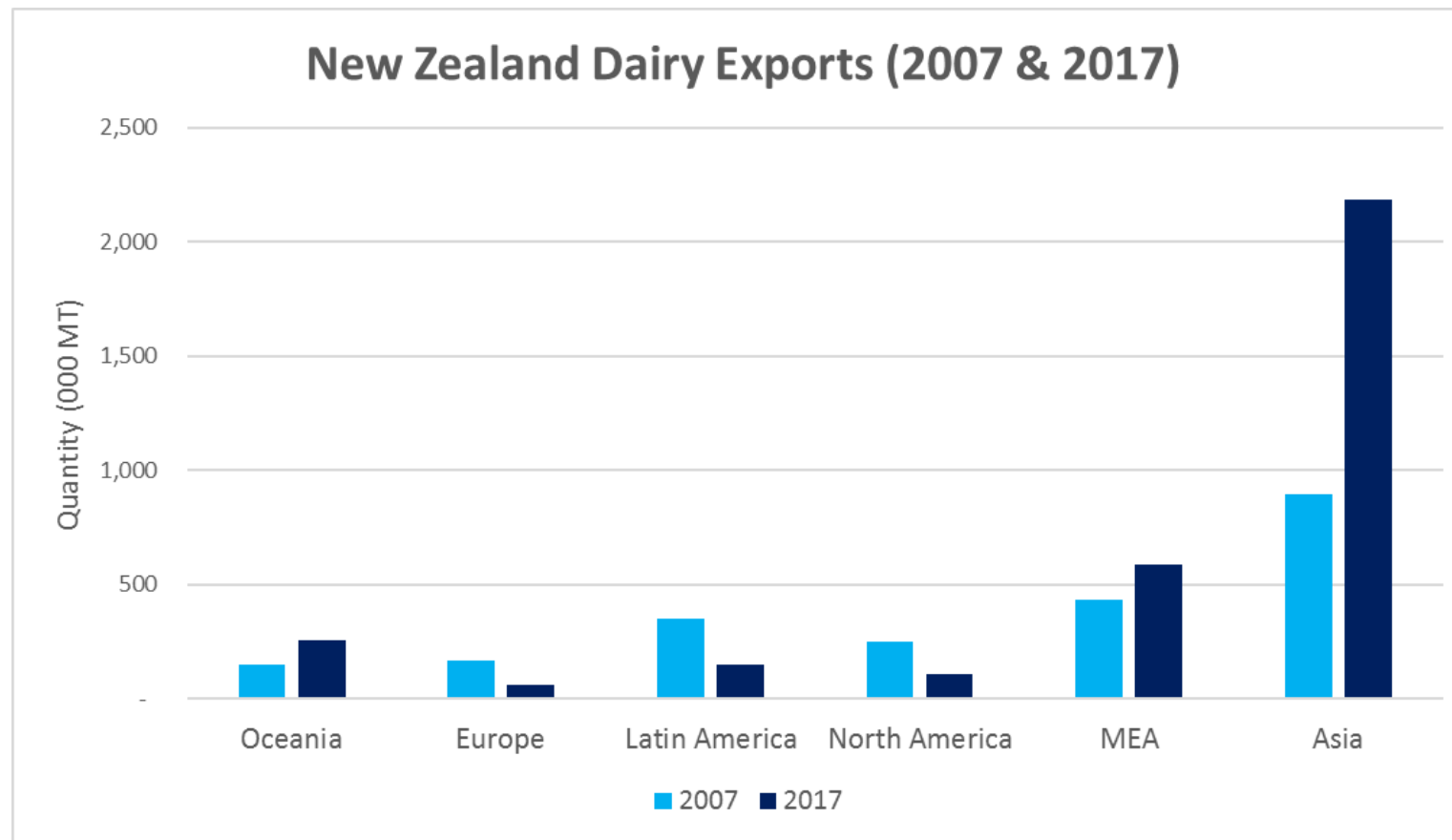
# Fonterra at a glance



# New Zealand is a major dairy exporter

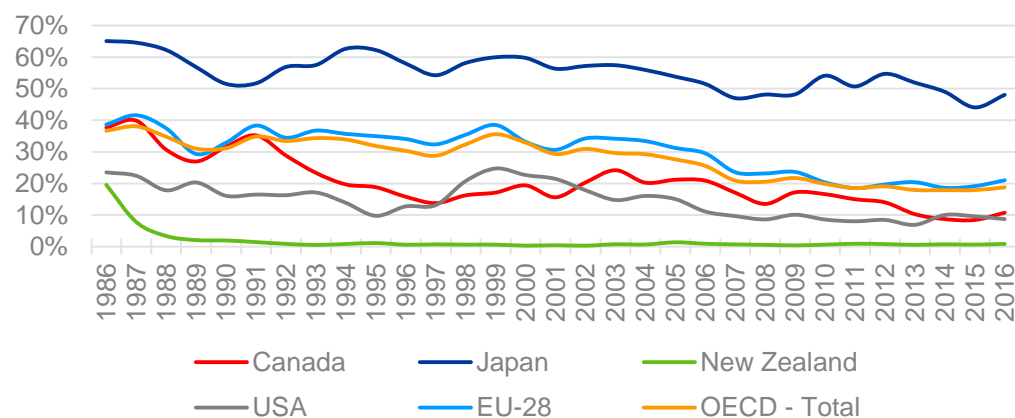


## Shift in New Zealand dairy export footprint



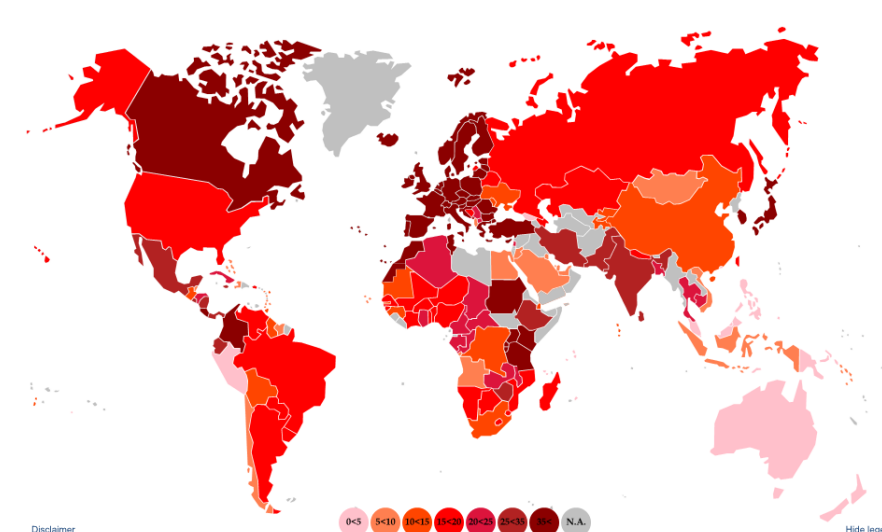
# New Zealand: Market oriented with low levels of farmer support and few tariffs

OECD Producer Support Estimate  
(% of gross farm receipts)



Source: OECD (July, 2018)

WTO Simple Average of Applied MFN  
Tariffs for All Dairy Products





# Fonterra business platforms



Milk Supply



Ingredients



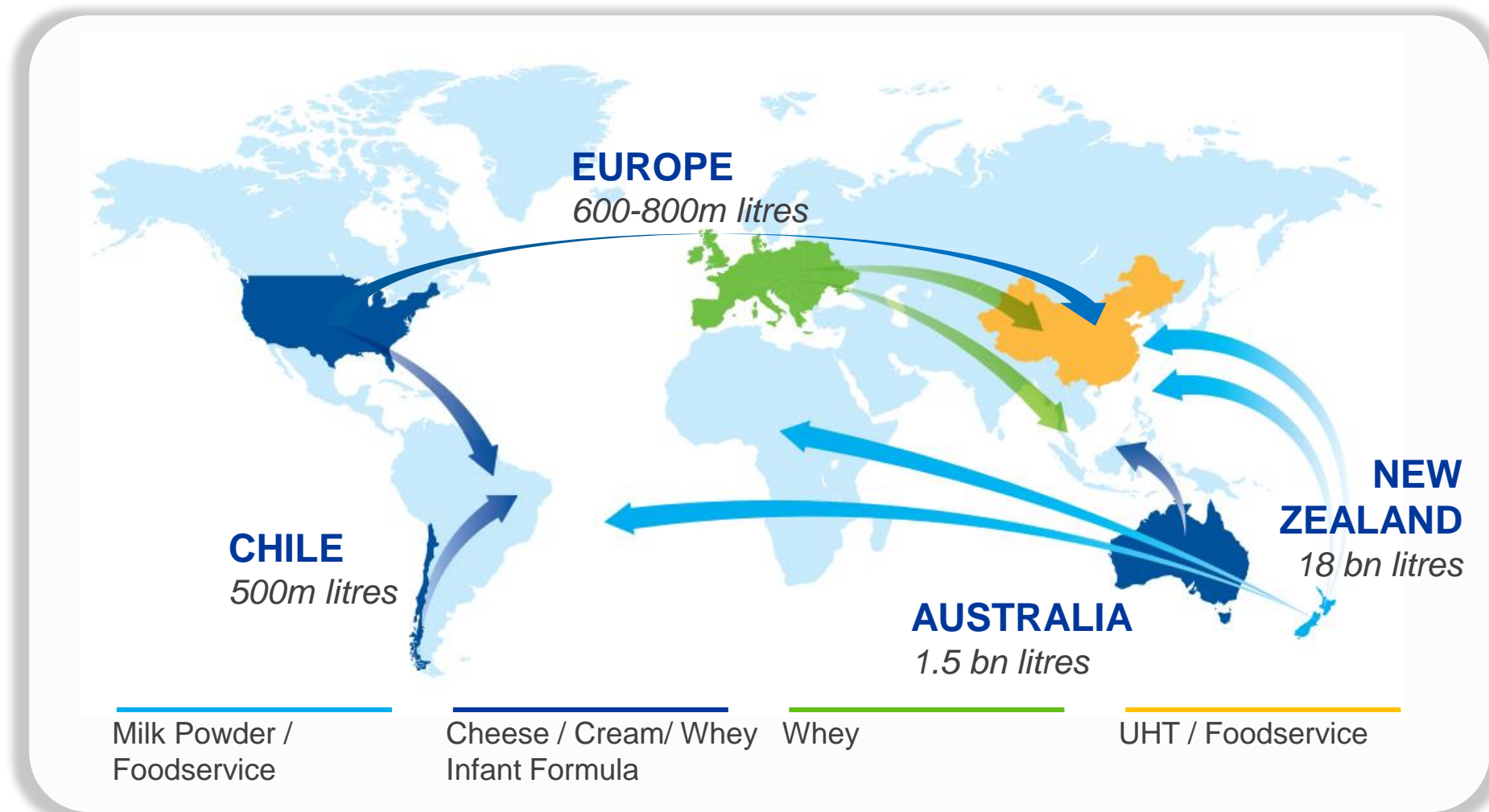
Consumer Brands



Foodservice



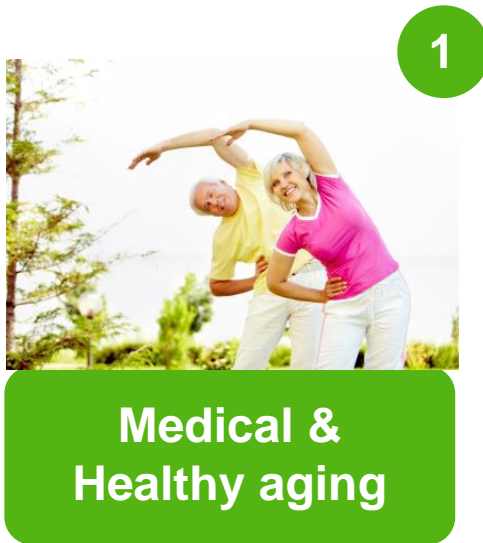
# Multi-hub milk pool strategy



# Fonterra Europe – Whey/Lactose manufacturing locations



# We have three focus categories for Advanced Nutrition within the EU Ingredients Business





# Fonterra's international competitiveness as a global dairy co-operative

## Key factors:





## Summary

Key factors underpinning Fonterra's competitiveness:

- Being **market oriented**, agile, and able to respond quickly to market signals through open value chains
- Ensuring **sustainability** is at the core of our long-term strategy
- **Providing our farmers** with the necessary enabling tools and services to improve productivity
- **Innovating** across our farms, operations and products
- An unwavering commitment to **food safety and quality**

**Working together with our farmers, customers, and partners around the world to create value for all**