

FONTERRA'S FORECASTS FOR SEASON ENDING 31 MAY 2016
Clauses 24(1) to (3) Dairy Industry Restructuring (Raw Milk) Regulations 2012

As at 15 December 2015, Fonterra forecasts the following figures in respect of the 2015/2016 season ending 31 May 2016:

<i>Supply by Shareholding farmers:</i> (Cl. 24(1)(a))	The total quantity of raw milk to be supplied by shareholding farmers in the 2015/2016 season is forecast to be 17.0 billion litres
<i>Total Cost of Milk:</i> (Cl. 24(1)(b))	Fonterra's total cost of milk for the 2015/2016 season is forecast to be \$6,976 million
<i>Farmgate Milk Price:</i> (Cl. 24(1)(c))	Fonterra's farmgate Milk Price for the 2015/2016 season is forecast to be \$4.60/kgMS*
<i>Milksolids:</i> (Cl. 24(1)(d))	The milksolids supplied by shareholding farmers in the 2015/2016 season are forecast to be 1,516 million kgMS.
<i>Winter Milk:</i> (Cl. 24(1)(e))	The additional cost of winter milk (being raw milk supplied in June and July 2015) is forecast to be: <i>North Island</i> \$0.64/kgMS <i>South Island</i> \$1.79/kgMS
<i>Organic Milk:</i> (Cl. 24(1)(f))	The additional cost of organic milk for the 2015/2016 season is forecast to be: \$1.64/kgMS
<i>Raw Milk:</i> (Cl. 24(2))	The aggregate of the volume limits of raw milk that Fonterra is contracted to supply to independent processors is 250 million litres and Fonterra estimates that it is actually likely to supply above this amount for the 2015/2016 season. The total volume of raw milk that Fonterra is contracted to supply to independent processors for the following 5 seasons is: <ul style="list-style-type: none">- 2016/2017 season – 250 million litres- 2017/2018 season – 250 million litres- 2018/2019 season – 250 million litres- 2019/2020 season – 250 million litres- 2020/2021 season – 250 million litres

Fonterra will publish revised forecasts and actual information for this season in accordance with the Dairy Industry Restructuring (Raw Milk) Regulations 2012.

*as announced 10 December 2015