



# Fonterra

Paul Campbell.

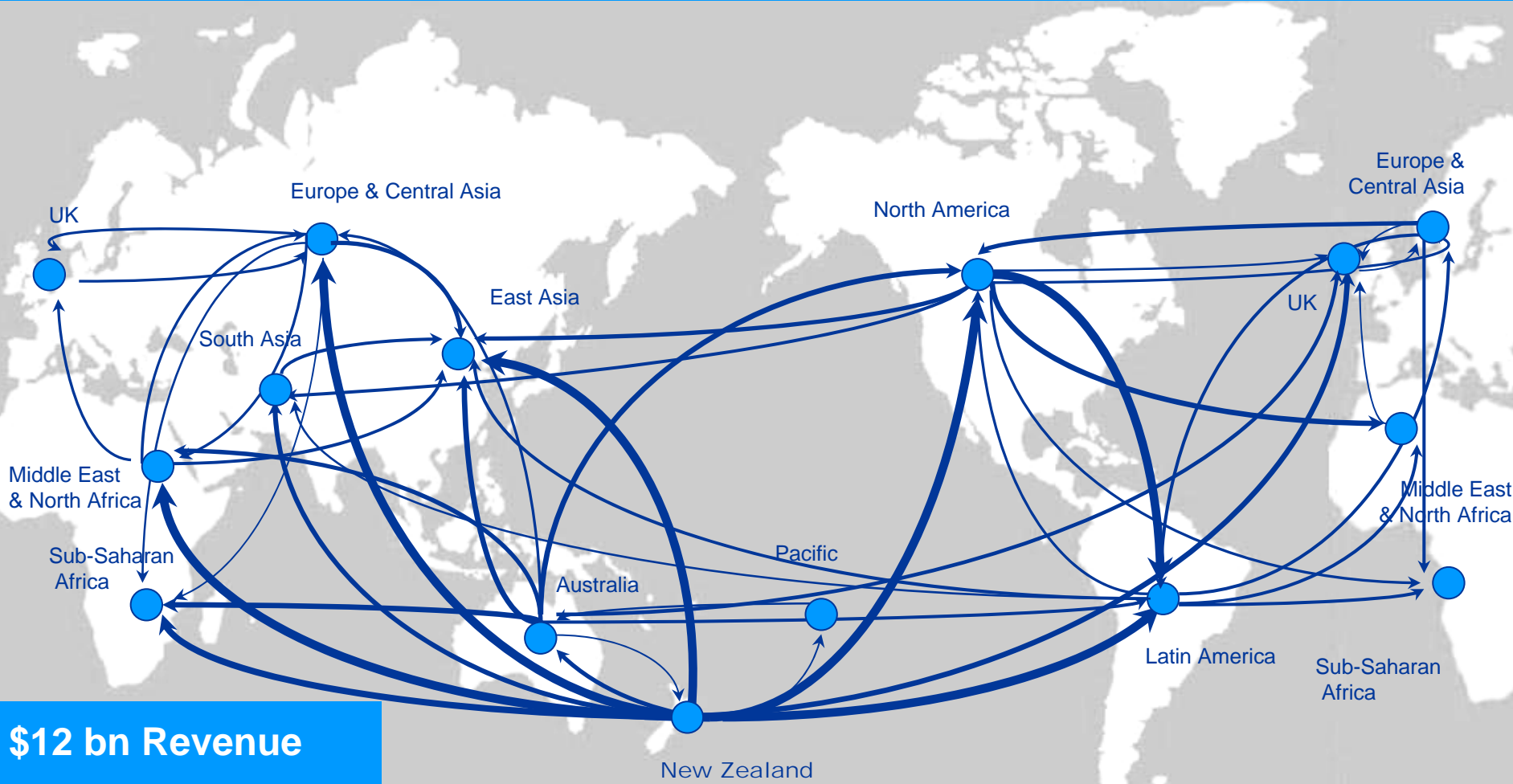
22 June 2010

IAMA 20<sup>th</sup> Annual World Forum and Symposium



**Dairy for life**

# Welcome to Fonterra....



**\$12 bn Revenue**

**3,000 Customers across 140 countries**

**10,500 NZ Farmer Owners**

**~ 20bn litres milk per year (14bn NZ)**

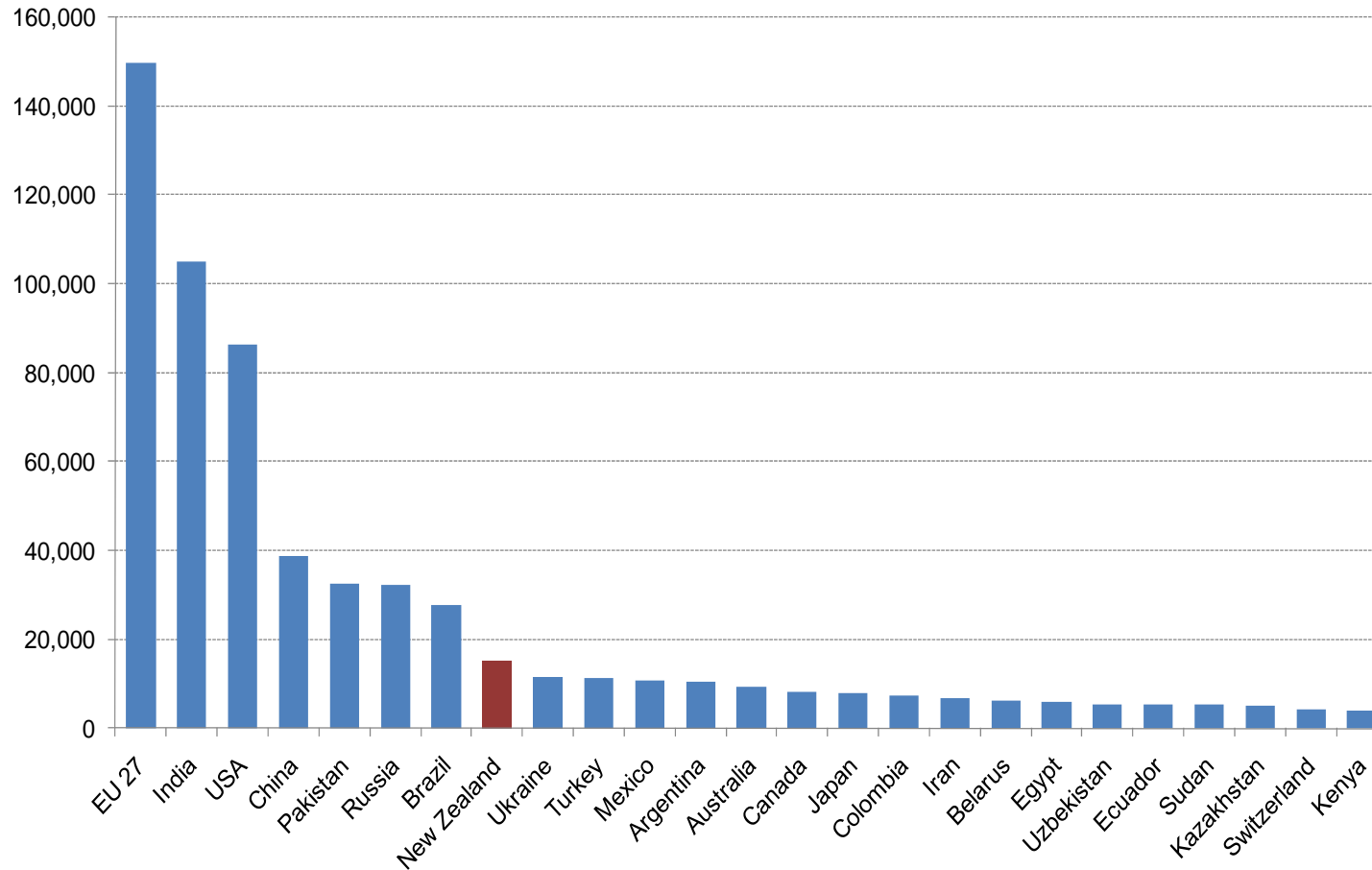


# Welcome to Fonterra... different perspective



# World Milk Production (2009) – 680 Million Tonnes....

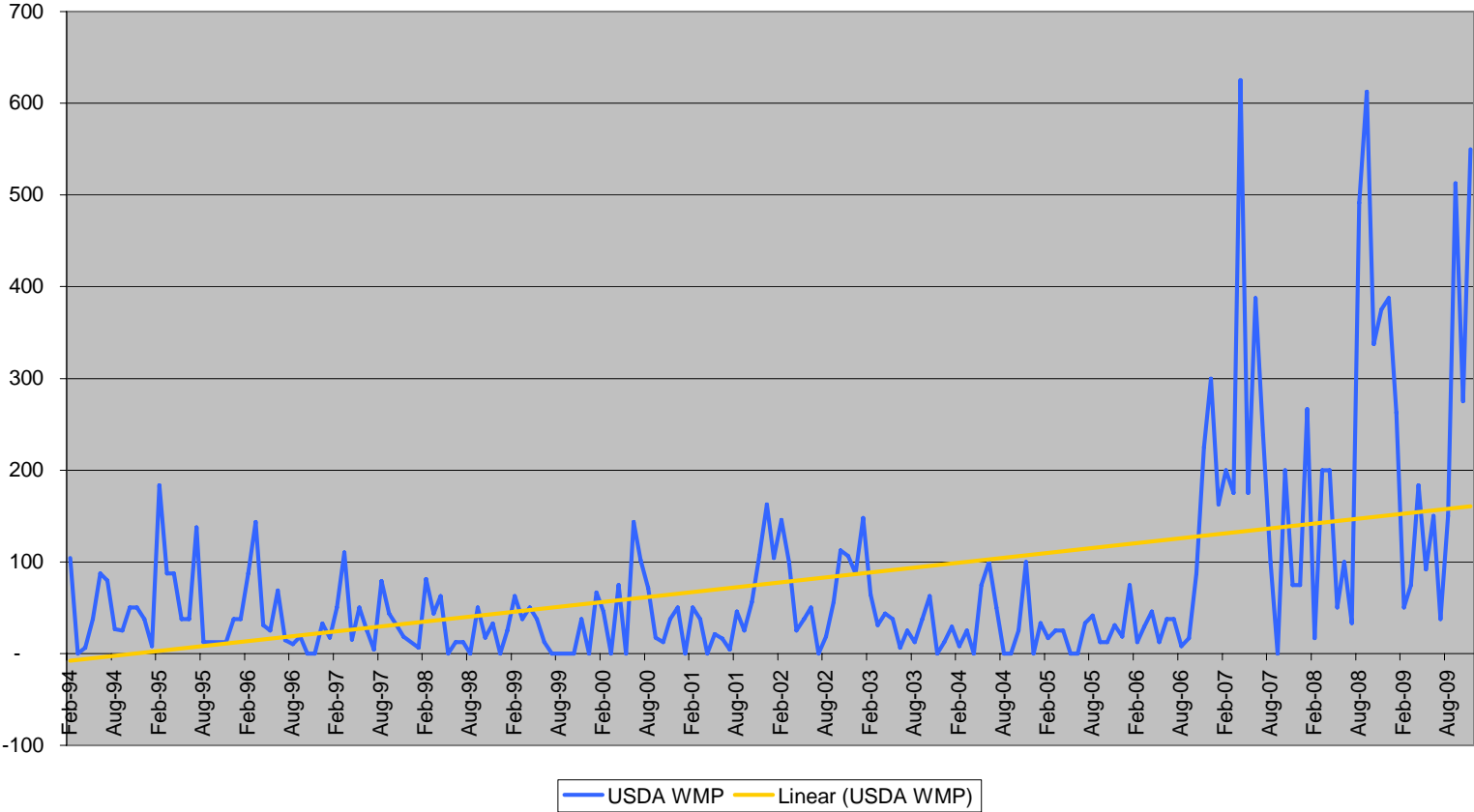
Global Milk Production (,000 t)



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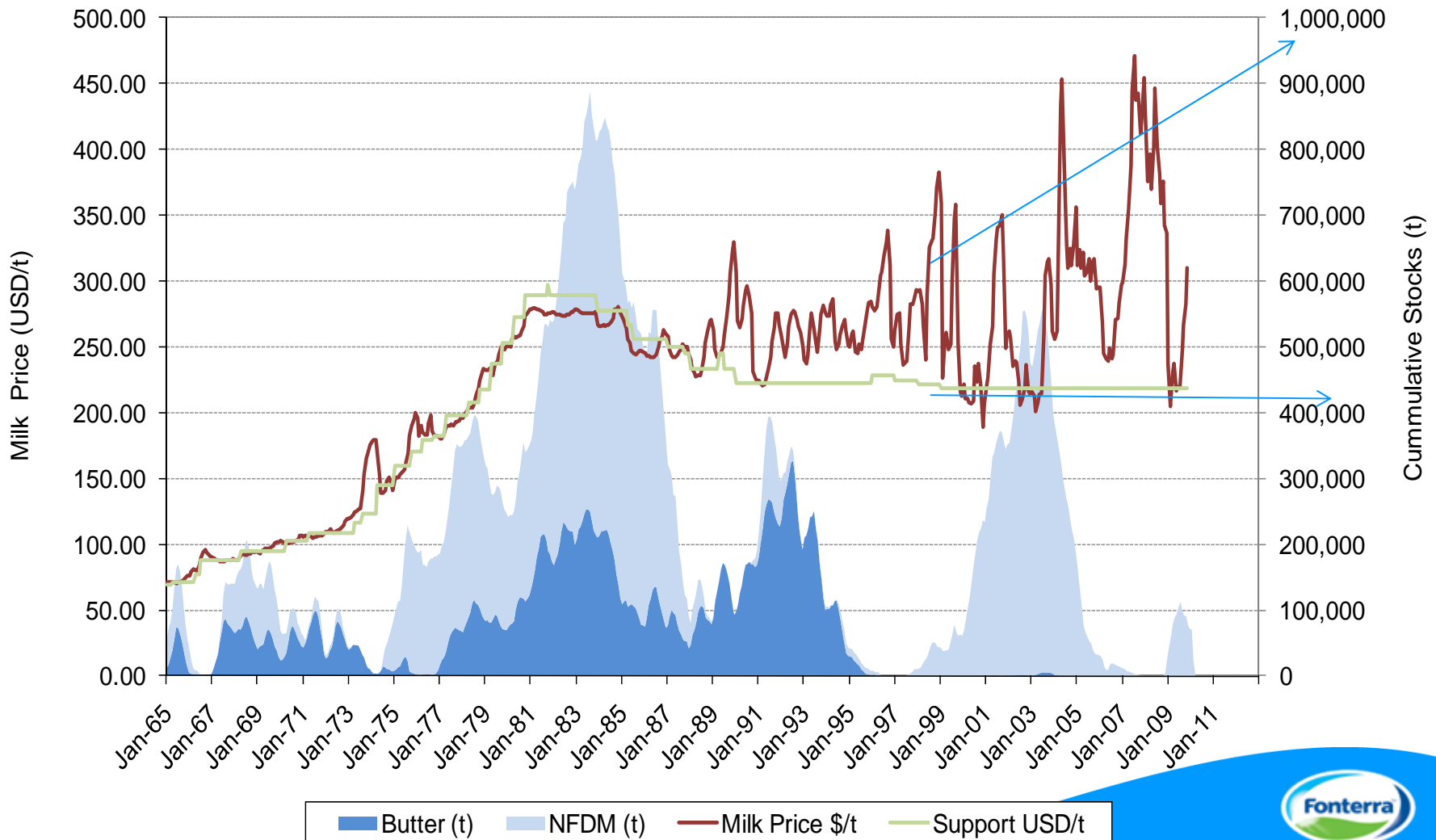
# Increased price volatility in the dairy supply chain...

USDA WMP month on month changes



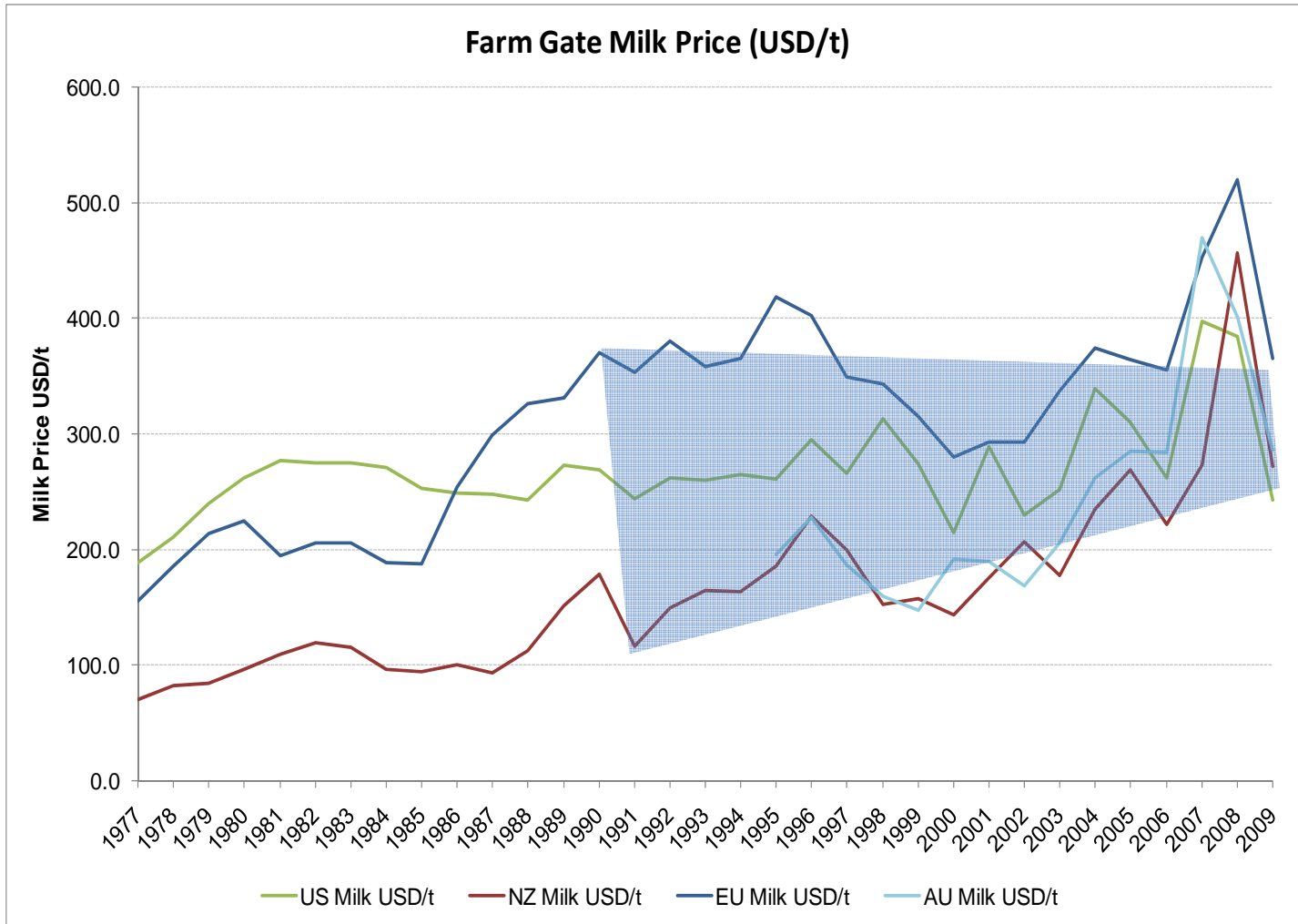
# The USA market ...

## USA Milk Price and Government Stocks



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# Milk Price –convergence ...?



## Vision

The natural source of dairy nutrition for everybody,  
everywhere, every day

## Strategy

Deliver Sustainable Co-operative Performance

Grow Lasting Customer Partnerships

Build Trusted Brands in Chosen Markets



# Fonterra...capital structure of a co-operative

## Capital Structure – supporting the strategy

1871 Historically NZ Dairy co-operatives had a nominal share value - with capital contributions and control linked to supply

2001 Fonterra moved to a “Fair Market Value” – with capital and control linked to supply

2010 ? Evolution to Trading Among Farmers – with capital and control linked to supply

# Fonterra...opportunities

**Nutrition**

**Sustainability**

**Security**

**Vertical Integration**



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