



# Trends in the International Dairy Market

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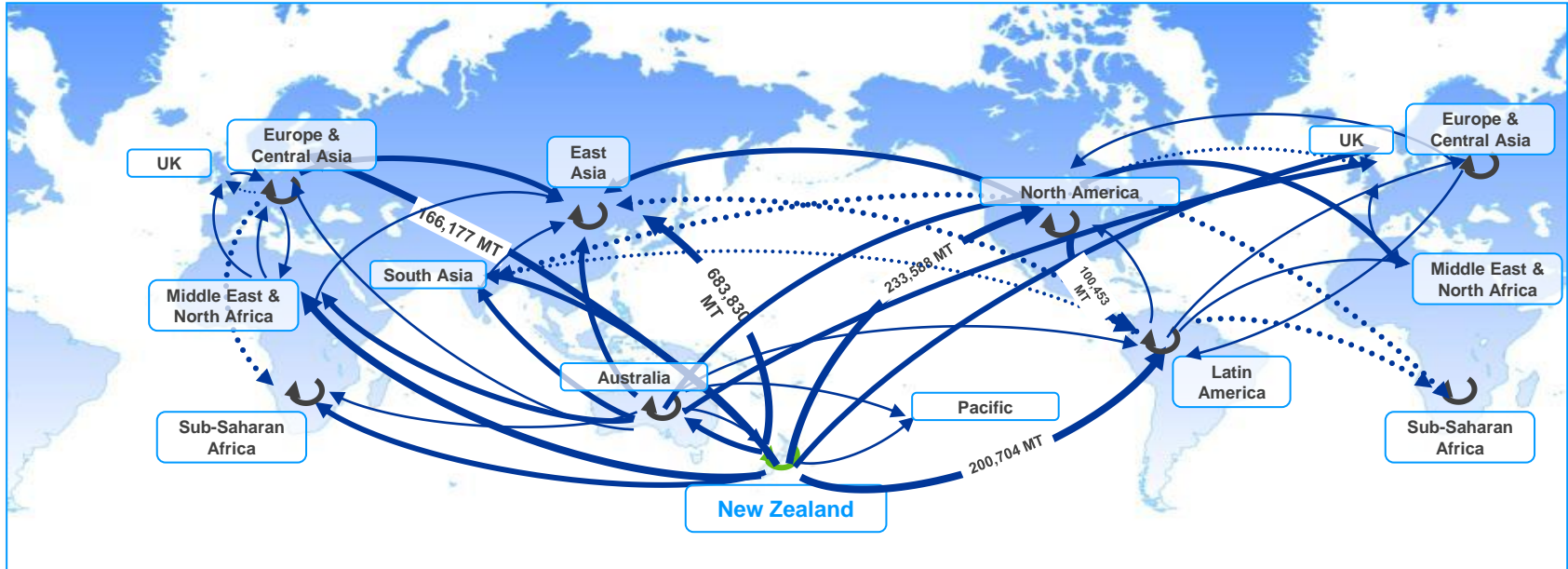
Dairy for life

## In summary, Fonterra sees:

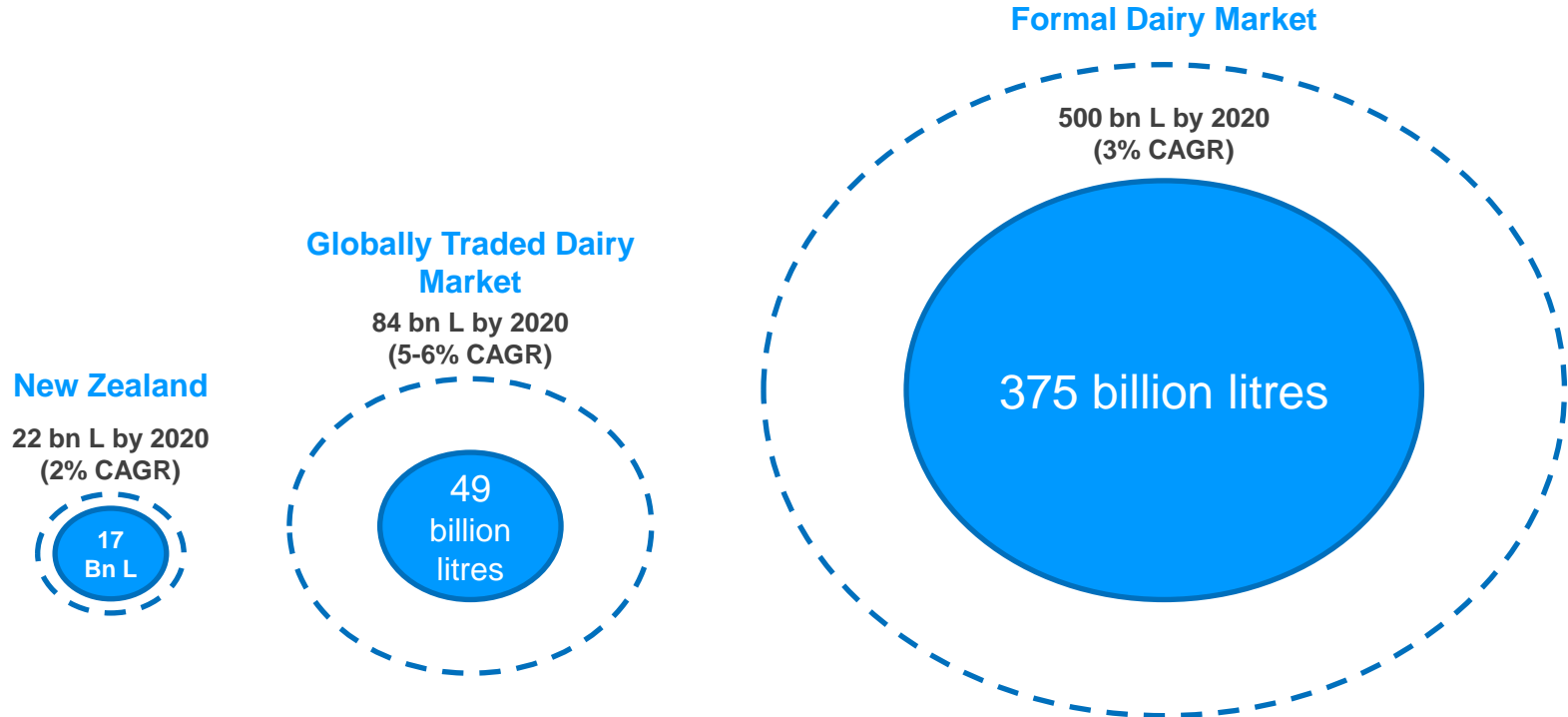


# Fonterra's perspective is that of a global exporter with a New Zealand home base

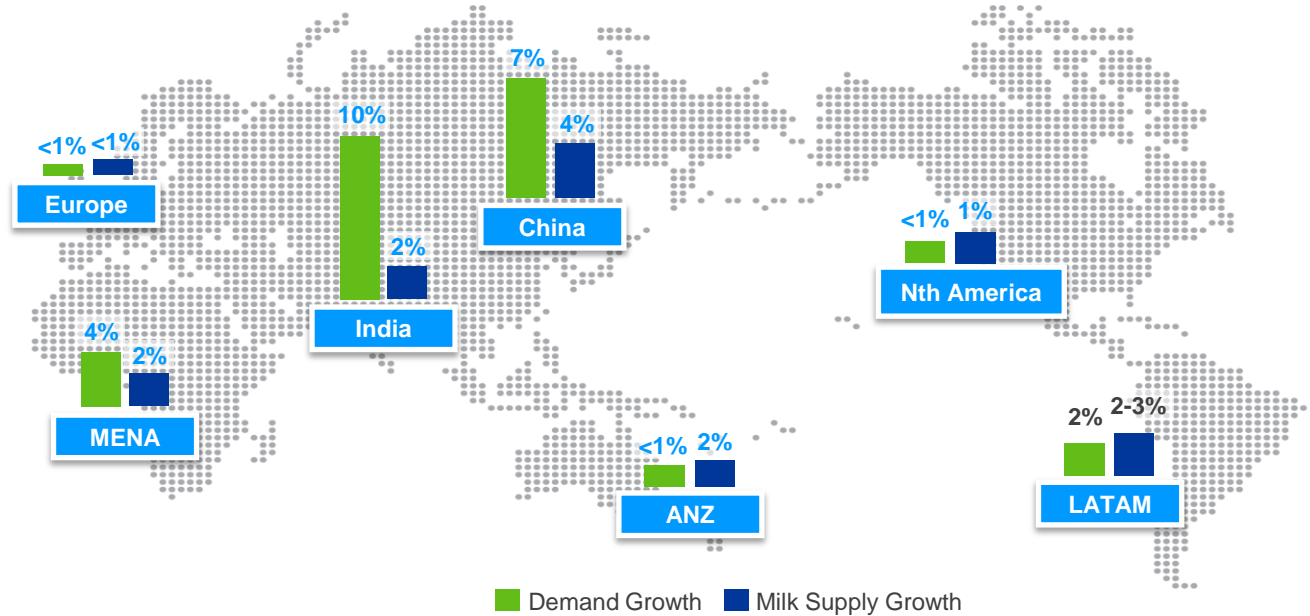
## Fonterra's Trade Flows



# The growth forecasts are exciting



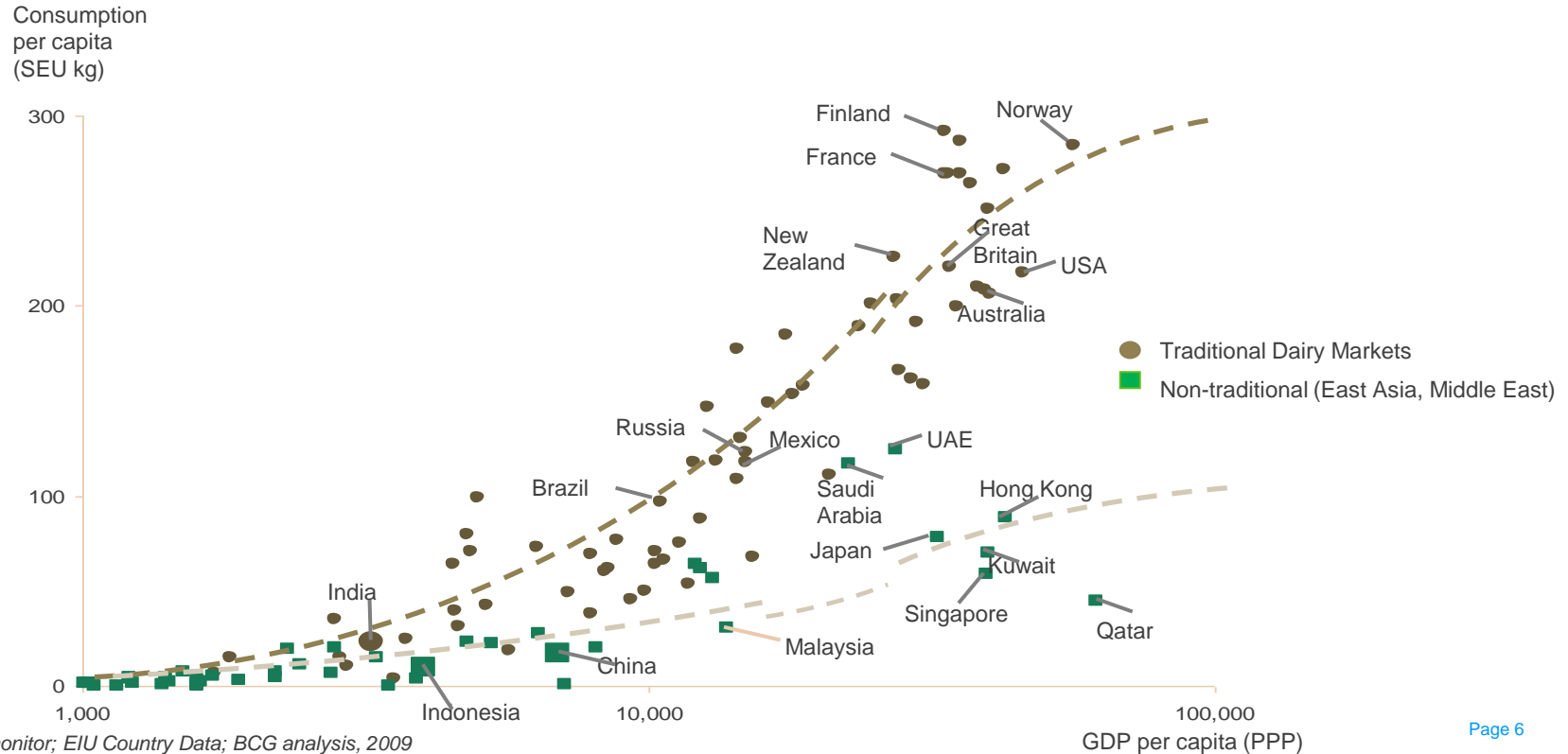
# Emerging markets are key to the 2020 outlook



# This highlights the development – consumption link

Formal dairy consumption increases with prosperity

Different 'S-curves' observed for traditional and non-traditional dairy markets



Source: Euromonitor; EIU Country Data; BCG analysis, 2009

## Other demographic changes are also shaping the outlook

Rising demand for dairy nutritional benefits



Social demographics (e.g. Aging in OECD & China)

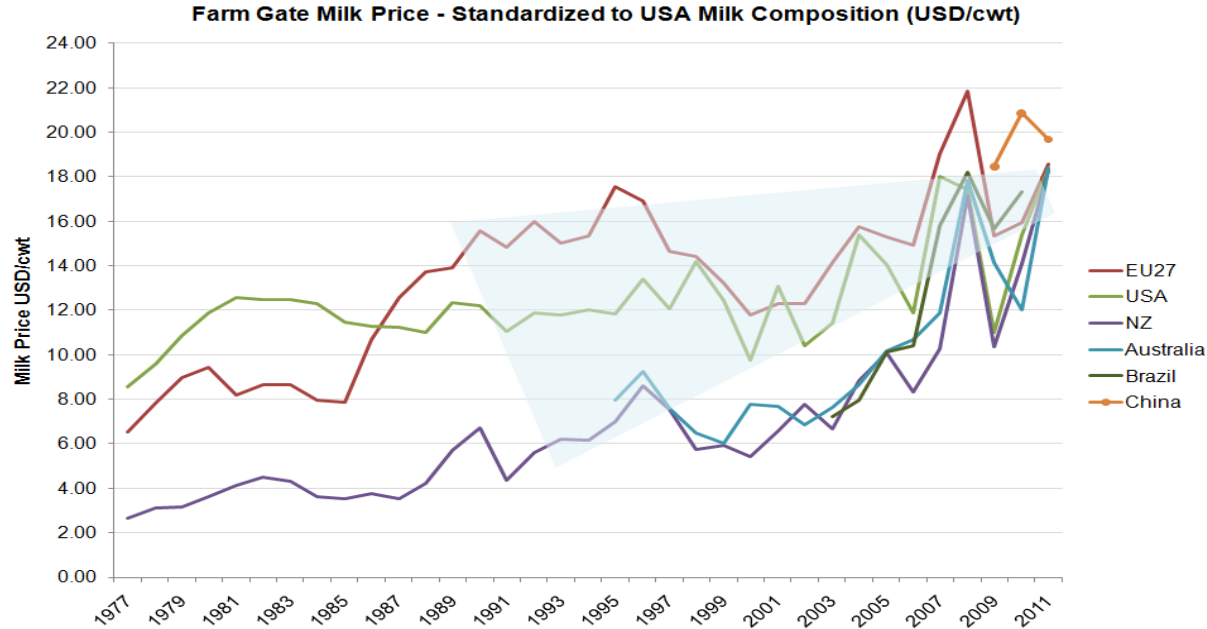


Nutrition for Healthy Ageing



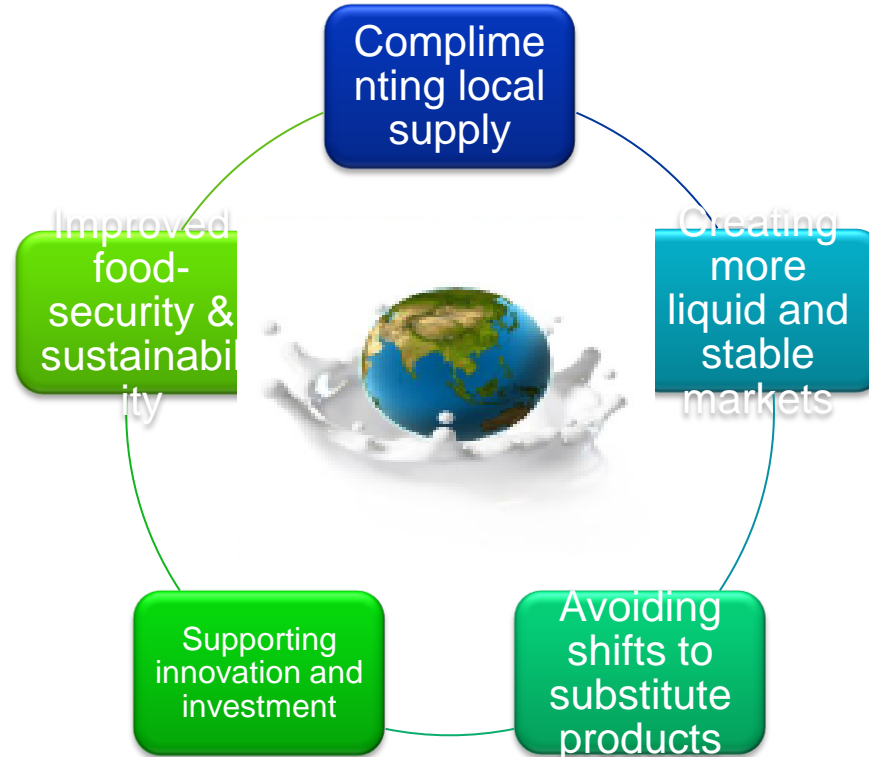
Increased demand for functional dairy products

# Price volatility is here to stay ... ... price risk management tools are maturing





# There are opportunities from greater global integration



Thank you