

Fonterra lifted its forecast Farmgate Milk Price range

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Fonterra CEO Miles Hurrell says the lift in the forecast reflects the increase in global dairy prices since the Co-op's last milk price update in January, and good levels of ongoing global demand for dairy.

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This increases the midpoint of the range, which farmers are paid off, by 40 cents to NZ\$9.60 per kgMS.

Fonterra CEO Miles Hurrell says the lift in the forecast reflects the increase in global dairy prices since the Co-op's last milk price update in January, and good levels of ongoing global demand for dairy.

"Since we last revised our forecast, average Whole Milk Powder prices on GDT have increased 10.3%, while Skim Milk Powder has increased 8.4%. Both products are key drivers of our milk price.

"Global demand for dairy remains firm, while global milk supply growth continues to track below average levels. These demand and supply dynamics are supporting the increase in prices.

"Milk production in the EU and US continues to be impacted by the high cost of feed and this is not expected to change in the coming months.