Fonterra's Jacqueline Chow comments on global consumer trends driving international dairy consumption. The consumer and food service industries in 80 countries generate \$6.5 billion turnover for the co-op.

Jacqueline Chow, Fonterra.

old food in modern forms. manufacturing, supply chains and dairy AT FONTERRA we're constantly nanufacture to offer consumers an ageexpertise in milk collection, at the latest food want, trends using

has grown by \$1.5b from 2012 to 2016.
Dairy food is totally on trend with Our consumer and foodservice business at least \$1 billion in the past 10 years. In dairy innovation we have invested

rmers' high quality milk is nature's ovision for consumer food wants. 1. Natural authentic whole foods. want today. Our

- 2. 'Good for you' foods. Health and expect to see more people wanting full fat and reduced fat rather than want to eat real butter, real cream and real milk with the taste that comes from natural products. We no-fat dairy products additives and less interventi as close as possible to their natural Increasingly people want to eat foods as nature intended them to be. They want foods to be naturally authentic - less processing, fewer ion. They
- or provide other vitamins and perform a function in their diet.
 They are looking for ingredients to improve gut health and digestion, their health and wellbeing and want to eat foods that will enhance are key drivers of brand and product choice globally. Increasingly people nutrition matters. Health credentials

socially responsible behaviour. have a record of moral, ethical and from renewable resources; they want to know that food manufacturers that produce them; they want food to environment and the communities nutrition, and healthy aging.
3. Sustainable diets. People want be ethically sourced, sustainable and to choose foods less harmful to the life -- pregnancy, infant and child

is coming from and to bring more trust, confidence and transparency, people are becoming interested in 4 Grass-fed grazing. As part of a push to understand where natural food

provision for consumer food high quality milk is nature's want today. Our farmers' trend with what consumers Dairy food is totally on

are demanding transparency through the supply chain right back to what the animal was eating. ever, and exactly how the food was produced and what inputs were used are becoming important. Consumers fed. Provenance is as important as eggs, dairy and meat that are grass-

People are looking for sources of high quality protein in food and beverages and we can expect to see more scientific research showing the benefits of increased protein intake for adults, moving protein 5. Protein craze not just for athletes

supplements away from the preserve of the gym set and more into the

and to managing or preventing many in fact a key to weight mar 6. Less sugar. Less is more. People are widely understood that less sugar is more benefit. It is becoming more reduce their intake of sugar and bring looking for foods that will help them

that are healthy and conveniently packaged. This is true of working adults, single person households and for children's 7. Healthy snacking. People are looking for grab-and-go nutrition. Whether it'

are looking for easy ways to incorporate more tasty something to throw in a child's lunch box, people way home from work or a quick dinner on

foods packed in convenient singleand healthy options into their diet. We expect that consumers will be looking for more healthy

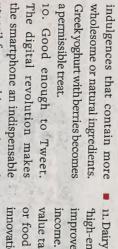
to be a master chef. outcomes without actually having home with high quality ingredients, but people want a few shortcuts to help them achieve 8. Gourmet convenience. There is a big push to cook like a 'ma

enjoy some pleasure so to help justify an indulgence they are for looking 9. Permissible indulgences. Health conscious consumers still want to

> value tasty and healthy beverages or food launched with packaging channels like e-commerce. 11. Dairy as premium food. Desire for 'high-end' dairy is happening with improvement of life standards and innovation for gifting or for specific income. Milk is at the core of added

old industry ready to meet consumer food needs. to meet the packaging innovation to make sure we are creating high value dairy products science, sustainability, nutrition nsumer demands. Dairy is an Fonterra will keep investing in dairy most contemporary

Jacqueline Chow is Fonterra's chief operating officer global consumer and



about them; they will be influenced of food and what their food says increasingly interested in the look than ever before. People will become social, interactive and authentic utensil for searching, eating and dining, e.g. sharing images of their food creations or taking a quick snap of a restaurant meal. Eating is more

foodservice.

new food trends will be borne out of

by what their peers are