



Paul Campbell – General Manager Strategy, Fonterra Co-operative Group Ltd.

Fonterra is New Zealand's largest farmer owned co-operative dairy company established in 2001 through the amalgamation of two of New Zealand's largest dairy co-operatives with the then regulated export board. Paul held a number of roles within Fonterra's legacy companies including management, marketing, technical and financial roles in New Zealand, Japan, North Africa and UK. Since the formation of Fonterra, Paul has been closely involved in the design and evolution of Fonterra's strategy and changes in the supporting capital structure.

Fonterra is a fully private, farmer-owned cooperative and operates as a normal commercial multinational company, carrying out business in the same way as other companies that collect, process, and export milk. Like all New Zealand dairy companies, Fonterra operates in a totally deregulated environment, without any government subsidy or protection for its farmers. While Fonterra is the world's largest dairy exporter, by United States standards its size is unexceptional, roughly comparable to several of its US counterparts. Fonterra is just one of the top 10 dairy companies in the world, four of which are US based, and competes with these companies on even footing.

Fonterra has a significant presence in the US with annual US sales of over \$2 billion, and, with its partners, employing between 600 and 700 people. Its commitment to the US dairy industry is not as a trader but as a participant, having made and continuing to make substantial capital investments and technological innovations within the industry. Through its investments in the United States, Fonterra is able to source milk for the export of dairy products to markets such as Mexico, Asia, and the Middle East, which New Zealand will not be able to supply as world demand for dairy products grows.

Fonterra (USA), Inc. is headquartered in Rosemont, Illinois, where its employees oversee all import, export, and domestic US operations. Through its partnership with Dairy Farmers of America, Fonterra operates 11 US manufacturing plants to produce cheese, infant formula, and other dairy products from both domestic and imported ingredients. Through its partnership with Dairy America, Fonterra is the largest exporter of US dairy products, with annual U.S. export sales of \$250 to 750 million.

Fonterra has also invested \$2 million in a dairy technical center in Chicago, Illinois, and has partnered with Dairy Farmers of America to establish the Global Dairy Platform, a multi-company organization seeking to increase the demand for milk and dairy products globally.