



1 September 2021

The Commissioners
Commerce Commission
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FONTERRA'S RESPONSE TO THE COMMISSION'S DRAFT REPORT ON THE 2020/21 BASE MILK PRICE

Thank you for the opportunity to submit on the Commission's draft report on the 2020/21 base milk price, dated 16 August 2021.

We welcome the Commission's "draft conclusion that the assumptions adopted, and the inputs and processes used by Fonterra to calculate the 2020/21 base milk price are consistent with the contestability and the efficiency dimensions of the s 150A purpose."

We have separately submitted on the CEPA asset beta and specific risk premium analysis, and on the Commission's interpretation of that analysis in its draft report, and advise that we do not wish to make any further submissions on any other aspects of the Commission's draft report.

Yours sincerely

A handwritten signature in blue ink, appearing to be "AC", written over a light blue horizontal line.

Andrew Cordner
Director of Legal