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## FONTERRA CO-OPERATIVE GROUP SWOT & PESTLE ANALYSIS

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**Company Name:** Fonterra Co-operative Group

Company Sector: Food Processing, Dairy

Operating Geography: New Zealand, Australia, Global

### About the Company:

Fonterra Cooperative is the world's largest dairy exporter owned by over 10,500 farmers. It is a global nutrition company. It is headquartered in Auckland, New Zealand but operates in more than 140 countries worldwide. This New Zealand based multinational dairy co-operative's exports account for more than 25% of New Zealand's global exports and has been the same for over 50 years. China is its largest market with around 11% of China's dairy consumption coming from Fonterra. It was founded in 2001 with the merger of New Zealand Dairy Group and Kiwi Cooperative Dairies with the New Zealand Dairy Board. It employs around 21,500 people worldwide as of 2022. In March 2022, Fonterra announced that it would stop doing business in Russia. This comes after the Co-op decided to stop product shipments to Russia at the end of February.

Fonterra's USP or unique selling point lies in being the world's leading dairy exporter – responsible for approximately 30% of the world's dairy exports and New Zealand's largest company. Fonterra highly believes in the power of dairy and want to be the industry leader in quality and innovation. It believes that by being Good Together it can bring more success to their customers and farmers as well. Its values are "doing what is right, challenging boundaries, cooperative spirit and making it happen."

#### Revenue:

NZ \$ 20,565 million – FY ending 31st July, 2021

NZ \$ 20,282 million – FY ending 31st July, 2020



## SWOT Analysis:

The SWOT Analysis for Fonterra Co-operative Group is given below:

Strengths	Weaknesses
1.Large scale operation with global presence	1.Heavy asset model with slow financial
across many countries.	growth
2.Partnerships with multiple organizations	2.Fall of soaring aspirations and ill-fated
across globe	investments over the last decade
3.Strong innovation capability with growing	3.Divestments and a changing capital structure
R&D investments.	of the company can affect business.
Opportunities	Threats
1.Increase product portfolio in both diary and	1.Slowdown in the global economy can affect
non-diary nutrients.	the demand and prices of milk.
2.Streamlining of operations through	2.Supply chain disruptions can affect both
implementation of digital solutions.	supply and operations.
3.Expand operations in developing economies	3.Global climatic change deterioration would
that will drive the majority of global dairy	affect the milk production capacity worldwide
growth.	
4.Position the business as sustainable and	
transparent as per changing consumer	
demands.	



### PESTLE Analysis:

The PESTLE Analysis for Fonterra Co-operative Group is given below:

Political	Economical
1.Global businesses are exiting Russia due to	1.Inflation is becoming a major concern for
its invasion on Ukraine.	many countries.
2.Possibility of nationalist sentiment	2.The world economy is likely to slowdown
hampering liberalization and globalization in	impacting demand.
general	
Social	Technological
1.Changing attitude towards high quality food	1.Adoption of new technology to increase farm
production and consumption	productivity and efficiency
2.Increasing concern towards animal welfare	2.R&D in dairy driving innovation in sports
and impacts of dairy in environment	nutrition and probiotics
Legal	Environmental
1.Increasing environmental regulations to be	1.
followed	11 II 5
2.Government of New Zealand is planning to	
amend the Diary Industry Restructuring Act	
200	

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