



May 09 co-products monitor – summary

Twenty-five respondents were surveyed in May. Sixteen responses were received and were added to the price database.

Offal Prices

Beef offal prices were generally higher in May, with improved demand from a number of overseas markets reflected in strengthening prices. Prices for abomasum (\$6.10/kg), cheekmeat (\$3.32/kg), tripe pieces (\$2.43/kg), hearts (\$1.57/kg) and kidneys (\$0.95) all rose against the previous year while prices for beef lips (\$1.45/kg), liver (\$1.04/kg) and rumen pillars fell. Price gains were countered to a degree by the rising \$A.

Demand for offal in the Japanese market continued to recover with prices generally higher than in April but still below their year ago averages. This was the case for tongues, rumen pillars, and both thick and thin skirts. Demand for skirts from Korea also reportedly strengthened, helping to firm Australian prices.

Prices for halal products in Indonesia were higher, reportedly driven mainly by importers seeking to build stocks of product before the festival of Ramadam, which begins in August this year. Prices for halal liver (\$1.22/kg), hearts (\$1.90/kg), tongues, kidneys (\$1.12/kg), spleen (\$0.90/kg) and tripe pieces (\$2.86/kg) all rose against the previous month and year.

Liver prices were fairly flat over the month and down against the same time a year earlier, with Russian demand subdued by a combination of the warmer weather and higher A\$. Although the price of tripe continued to rise, buyers in Hong Kong are reportedly operating in limited numbers only.

Sheep offal prices were very strong thanks to continued rising demand from the Middle East. The prices for sheep hearts (\$1.73/kg), kidneys (\$2.23/kg), liver (\$1.70/kg), tongues and tripe (\$3.38/kg) all rose both against their April average and year-on-year.

Sheepmeat runners averaged significantly higher year-on-year at \$2.88/head, while lamb runners rose to \$4.28/head.

Co-product values were \$15 to \$31 per head higher in May. Offal values were mostly higher by up to \$5 per head, although values fell for grain fed steers. Tallow and meat meal values were both higher, with tallow values increasing by \$8 to \$22 per head, and meat meal values increasing up to \$7 per head. Hide prices were also higher, mainly due to lessened supply.

Co-products values from a Japanese grain-fed steer averaged A\$237.42/head, while a Japanese steer's co-products were worth A\$199.04. A prime steer's co-products values were worth \$161.84/head and a US cow's were worth A\$112.21/head.