



MLA co-product market report

December 2016

Table 1: Co-products Prices

Product	Average	Range	Responses	Monthly Change	Annual Change
Beef					
BEEF LIPS	\$2.71	\$0.65	4	11.5%	3.7%
BEEF LIPS - HALAL	\$3.23	\$0.60	4	6.9%	-4.2%
CHEEKMEAT	\$7.38	\$2.75	6	-5.9%	16.6%
CHEEKMEAT - HALAL	\$8.10		2	3.8%	30.5%
DIAP. MEMBRANE	\$4.96	\$4.70	5	22.0%	29.7%
HC TRIPE	\$6.17	\$1.05	6	-3.5%	-15.9%
HC TRIPE - HALAL	\$7.10		2	4.7%	-2.3%
HEADMEAT	\$4.53	\$2.40	5	-1.2%	3.0%
HEADMEAT - HALAL	\$5.55		2	20.0%	24.7%
HEART	\$1.68	\$0.40	4	-5.0%	-8.6%
HEART - HALAL	\$1.65	\$0.10	3	-10.0%	-18.2%
HEART -AORTA	\$5.65	\$3.65	3	5.3%	-33.1%
HEART -AORTA - HALAL	\$6.20	\$2.40	3	-2.6%	-23.9%
KIDNEYS	\$0.98	\$0.55	4	4.0%	
KIDNEYS - HALAL	\$1.00	\$0.40	4	0.0%	-16.7%
LIGAMENTUM	\$3.59	\$3.65	6	0.3%	45.6%
LIVER	\$1.03	\$0.30	4	-0.5%	23.9%
LIVER - HALAL	\$1.10	\$0.20	5	-1.5%	-21.4%
LUNGS	\$1.30		2	-6.0%	
LUNGS - HALAL	\$1.75	\$0.55	3	4.5%	29.6%
OMASUM	\$3.58	\$1.15	3	-3.2%	-41.3%
RUM.PILL < 500	\$5.25	\$1.40	4	-5.1%	69.2%
RUM.PILL > 500 < 700	\$9.73	\$2.50	4	-0.2%	41.1%
RUM.PILL > 700	\$12.59	\$3.85	4	2.8%	15.0%
SPLEEN	\$1.03	\$0.05	3	-1.6%	
TAIL	\$8.20	\$1.15	4	2.5%	2.7%
TAIL - HALAL	\$7.95	\$1.10	3	-2.5%	-2.7%
TENDONS	\$6.60	\$2.80	3	14.8%	
TENDONS - HALAL	\$7.10		2	-0.9%	18.3%
THICKSKIRT	\$8.67	\$3.00	6	-8.3%	-20.5%
THICKSKIRT - HALAL	\$9.20		2	3.0%	-5.6%
THINSKIRT	\$8.54	\$2.70	6	-9.1%	-22.8%
THINSKIRT - HALAL	\$9.10		2	-4.0%	-15.0%
TONGUE RT FILLET	\$4.67	\$0.90	3	-9.8%	-15.9%
TONGUE RT MEAT - HALAL	\$2.10	\$0.30	3	7.7%	
TONGUE SW	\$16.69	\$6.15	7	-4.2%	18.8%
TONGUE SW - HALAL	\$17.25		2	-2.7%	60.5%
TRIPLE PCS	\$3.13	\$0.60	5	1.0%	-10.1%
TRIPLE PCS - HALAL	\$3.22	\$0.05	3	-8.5%	6.3%

Product	Average	Range	Responses	Monthly Change	Annual Change
Sheep					
HEART SHEEP - HALAL	\$1.99	\$0.65	4	1.9%	29.6%
KIDNEYS SHEEP - HALAL	\$1.91	\$0.85	4	-12.1%	-1.9%
LIVER SHEEP - HALAL	\$1.04	\$0.10	4	-2.7%	-19.2%
RUNNERS LAMB	\$3.60		2	-4.6%	-17.7%
RUNNERS SHEEP	\$2.43		2	3.2%	-15.7%
TONGUE LC SHEEP HALAL	\$3.40	\$0.70	4	-1.0%	-7.3%
TRIPE SHEEP - HALAL	\$5.24	\$0.65	4	-0.5%	-2.1%
Pharmecuetical					
FOETAL BLOOD	\$403.33	\$150.00	3	6.1%	
GALL CONCENTRATED	\$24.25		2	0.0%	
Rendered Products					
BLOODMEAL 85	\$1,018.33	\$200.00	3	1.1%	2.5%
MBM 50	\$620.00	\$40.00	5	0.2%	0.5%
TALLOW INED.<1FFA	\$1,072.00	\$100.00	5	11.1%	53.7%
TALLOW INED.<2FFA	\$1,065.00		2	12.1%	57.8%
TALLOW INED.<4FFA	\$1,020.00	\$20.00	3	13.3%	63.2%
Hides					
HIDES NSW 141- 180	\$23.50		2	0.0%	-16.1%
HIDES NSW 181 - 220	\$32.50		2	0.0%	-7.1%
HIDES NSW 221 - 280	\$39.75		2	0.0%	-11.7%
HIDES NSW 281 - 350	\$51.75		2	0.0%	-6.3%
HIDES NSW 351 UP	\$65.50		2	0.0%	-2.6%
HIDES QLD TFA 141 - 220	\$27.13		2	0.0%	10.7%
HIDES QLD TFA 221 - 280	\$36.63		2	0.0%	12.7%
HIDES QLD TFA 281 - 350	\$46.75	\$12.00	3	1.4%	6.7%
HIDES QLD TFA 351 UP	\$56.33	\$16.50	3	1.2%	6.3%
HIDES QLD TICKY 281 - 350	\$40.00		2	1.3%	1.9%
HIDES QLD TICKY 350 UP	\$49.50		2	1.0%	1.5%
HIDES VIC 141-180	\$30.50		2	1.7%	-11.6%
HIDES VIC 181-220	\$37.50		2	1.4%	-16.7%
HIDES VIC 221 - 280	\$46.50		2	1.1%	-16.6%
HIDES VIC 281-350	\$58.00		2	0.9%	-11.1%
HIDES VIC 351 UP	\$72.25		2	0.0%	-4.9%

Table 1 shows the average price, reported as \$/kg FOB Australian port for offal; ex. works \$/tonne for rendered co-products and ex. works \$/each or \$/head for hides, skins and sheep runners.

The A\$ eased against US\$ during December, starting at 74.08US¢, and traded within a range of 72.02 –74.97US¢ before finishing the month at 72.36US¢ and averaging 73.61US¢.

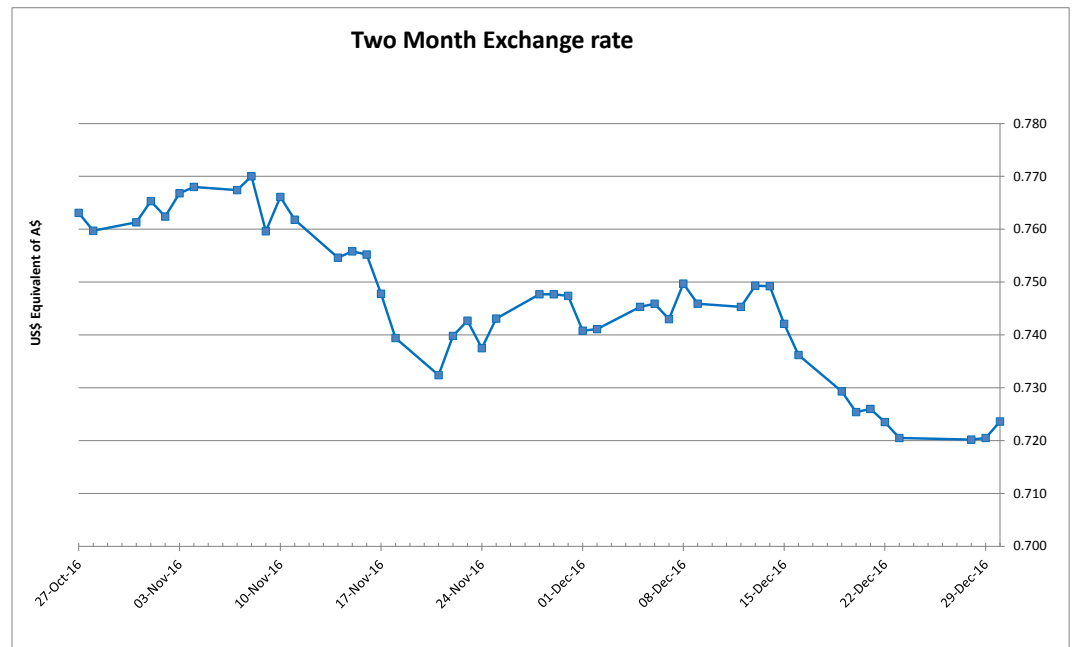
Beef offal prices generally were relatively stable, with skirts easing whilst lips, diaphragm membrane and halal hearts lifted and tendons were again regularly reported.

Sheep offal prices remained steady across the board. Runner prices appear to be dearer and were well reported this month.

Foetal blood prices continue to increase on the back of reduced supply.

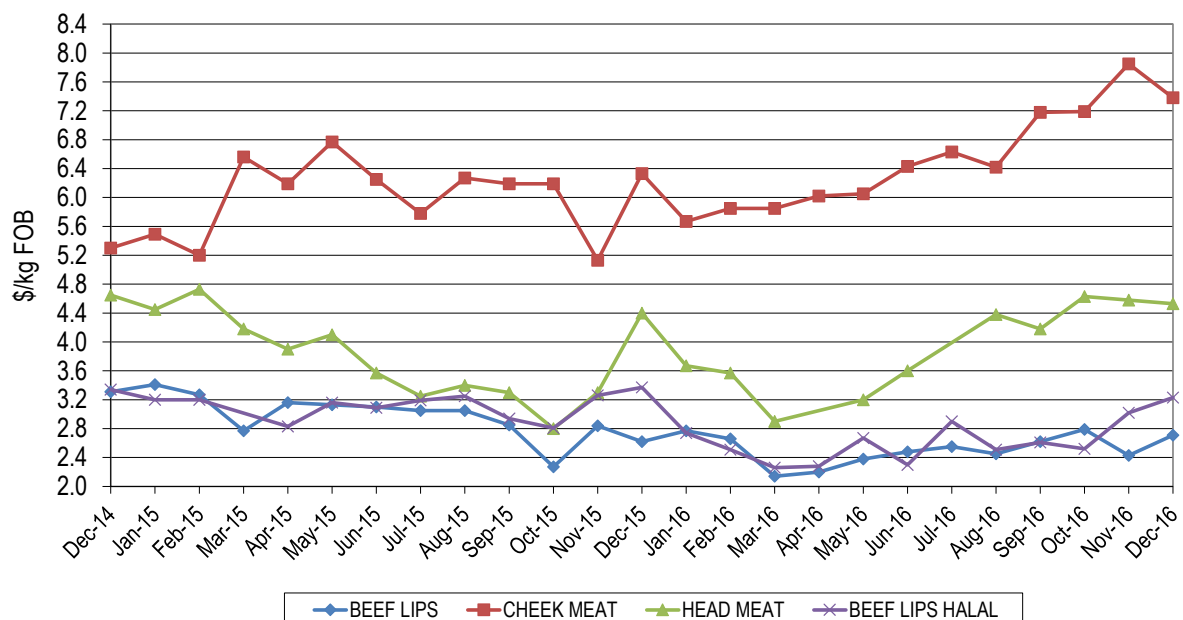
Blood meal and MBM prices were steady. Tallow prices firmed markedly, assisted by lower production, strong demand from Singapore and palm prices remaining firm.

Hide prices remained steady to slightly easier, and should remain steady with most processors having locked up sales till after Chinese New Year. Similarly sheep skins sales have slowed as the holiday season approaches.



Head Offal Prices

Figure 1: Trends in beef head offal prices

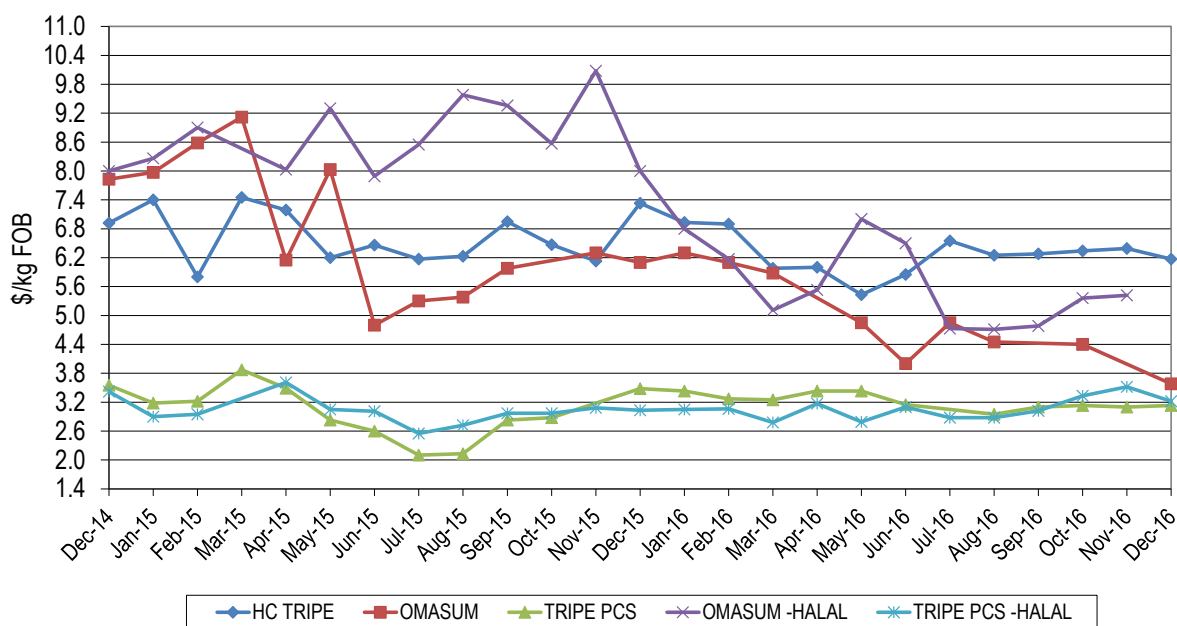


Head offal products averaged slightly lower month-on-month. Head meat averaged \$4.53/kg, up 13¢/kg on year-ago levels but 5¢/kg lower than a month ago. Cheek meat was \$1.05/kg dearer compared to the corresponding period last year, averaging \$7.38/kg but was down 47¢/kg from last month.

Lip export prices to the US and Mexico rallied this month, averaging \$2.71/kg which was 28¢/kg above last month and 9¢/kg firmer than December 2015. Halal lips returned \$3.23/kg, up 21¢/kg month-on-month but were 14¢/kg below year-ago levels.

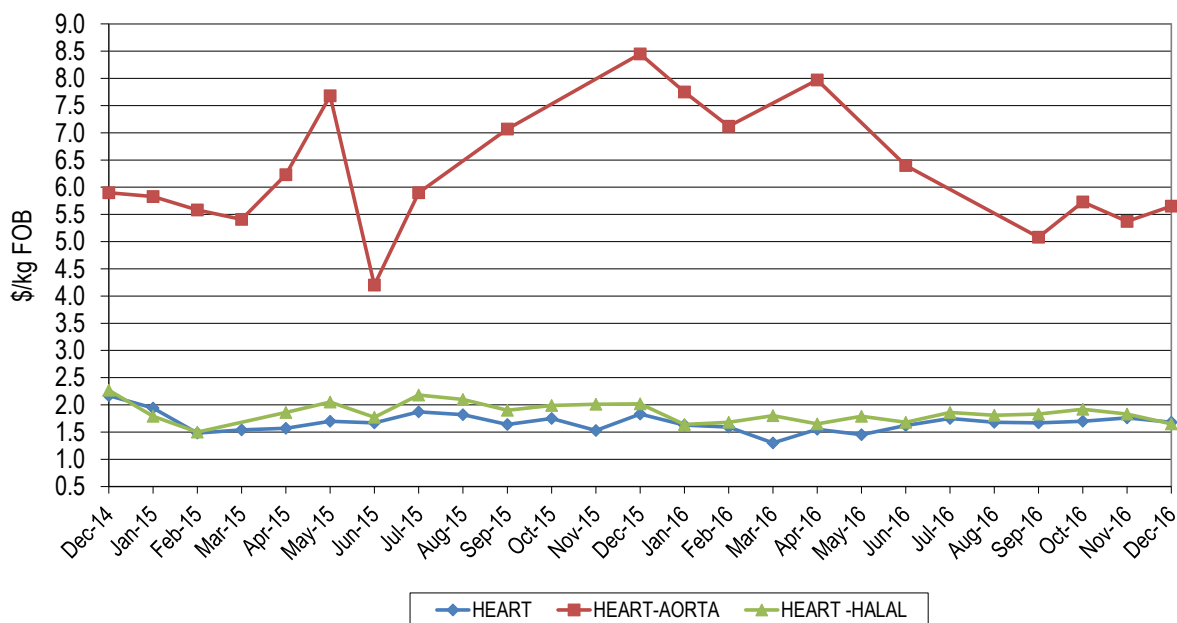
Beef Offal Trends

Figure 2: Trends in beef tripe prices



Omasum averaged \$3.58/kg for December which is \$2.52/kg lower year-on-year, whilst halal omasum prices were not reported. Non-halal tripe pieces averaged \$3.13/kg to be 3¢/kg up month-on-month but 35¢/kg down year-on-year. Honeycomb tripe eased slightly during December, averaging \$6.17/kg, down 22¢/kg month-on-month but \$1.16/kg below the corresponding period last year. Halal tripe pieces returned \$3.22/kg, down 30¢/kg on last month but 19¢/kg higher year-on-year.

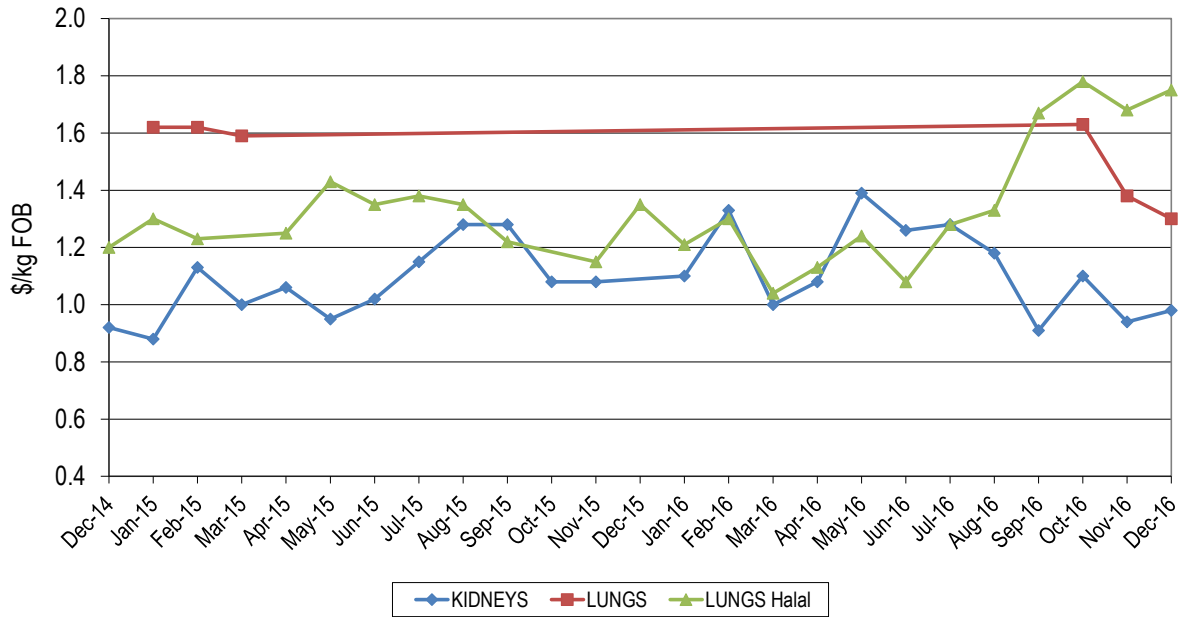
Figure 3a: Trends in beef offal prices



Aorta averaged \$5.65/kg to be 28¢/kg higher than the November average but \$2.80/kg down year-on-year, whilst halal product returned \$6.20/kg, down 17¢/kg month-on-month.

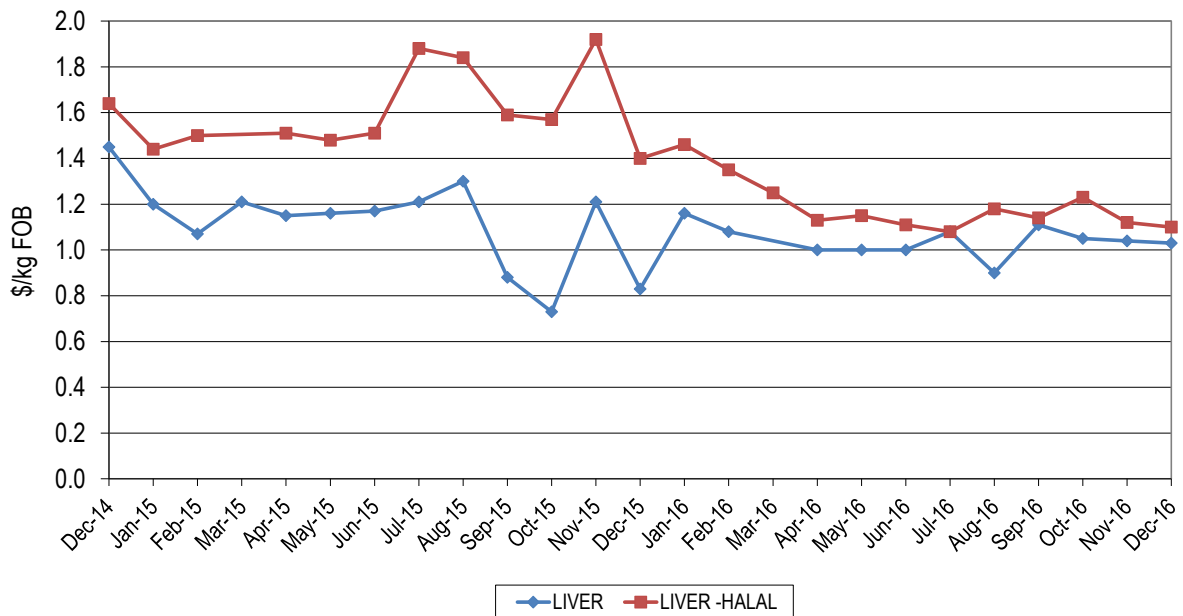
Heart prices eased, averaging \$1.68/kg, down 8¢/kg for the month and 15¢/kg lower than December 2015. Halal hearts averaged \$1.65/kg, down 18¢/kg month-on-month and were 37¢/kg lower than year-ago levels.

Figure 3b: Trends in beef offal prices



Kidneys were reported at an average of 98¢/kg, up 4¢/kg on last month. Non-halal lungs were reported at an average of \$1.30/kg down 8¢/kg on last month. Halal lungs averaged \$1.75/kg, up 7¢/kg on last month which was 40¢/kg firmer year-on-year.

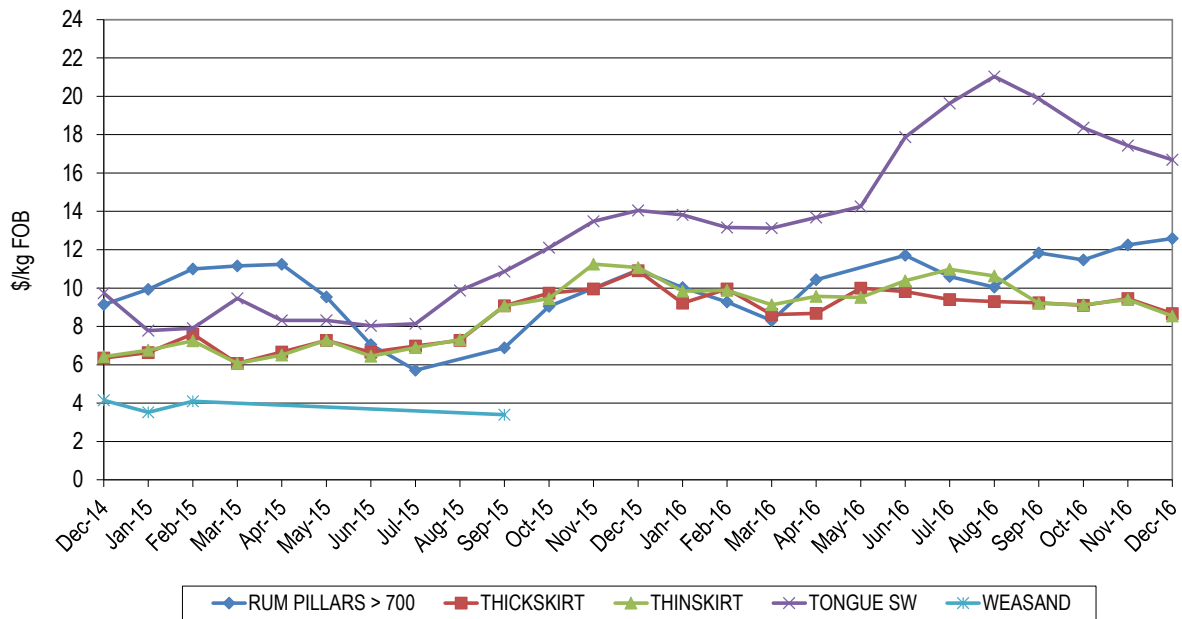
Figure 3c: Trends in beef offal prices



Non-halal liver prices averaged \$1.03/kg, easing 1¢/kg month-on-month and were 20¢/kg cheaper than this time last year. Halal livers eased 2¢/kg month-on-month, with sales averaging \$1.10/kg and were 40¢/kg down on year ago prices.

Japanese and Korean Offals

Figure 4: Trends in Japanese offal prices



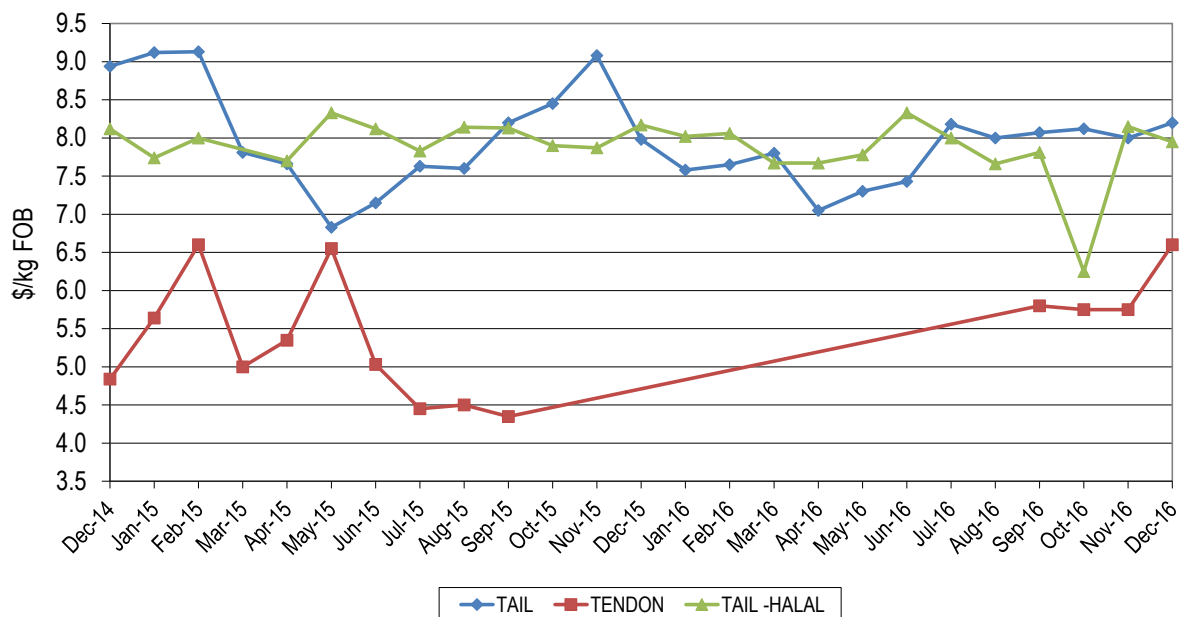
Tongue prices continued to ease, averaging \$16.69/kg, which was \$2.64/kg dearer from year-ago levels however 74¢/kg lower month-on-month.

Thick skirt was \$2.23/kg easier than last year's price and 78¢/kg down month-on-month, averaging \$8.67/kg, while thin skirt prices were \$2.53/kg lower than year-ago levels however and 86¢/kg lower month-on-month, realizing \$9.40/kg.

Rumen pillars remained firm this month, with heavy weight product making \$12.59/kg which was 34¢/kg up month-on-month and \$1.64 firmer than last year prices. Halal 700gm rumen pillars returned \$13.50/kg, up 2¢/kg month-on-month.

Tails and Tendons

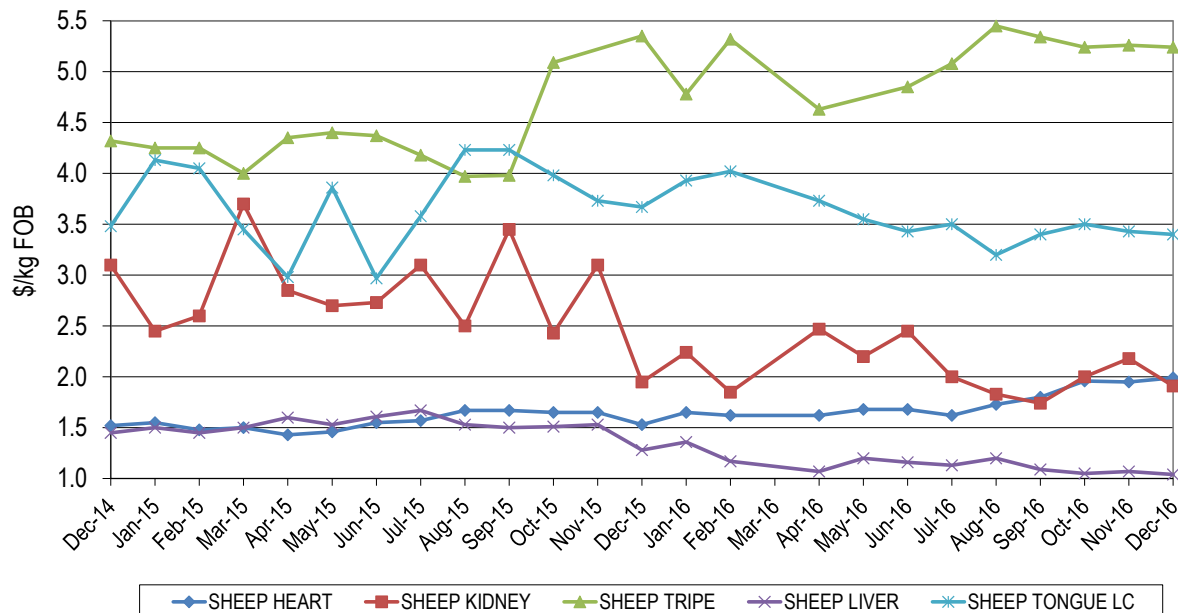
Figure 5: Trends in tail and tendon prices



Tail prices into Japan averaged \$8.20/kg, up 20¢/kg from November and 22¢/kg firmer than same period last year. Halal tails eased slightly this month, down 20¢/kg month-on-month and 22¢/kg weaker year-on-year, at \$7.95/kg. Non-halal tendons averaged \$6.60/kg, up 85¢/kg compared with last month however halal tendons returned an average of \$7.10/kg, which was 7¢/kg below last month.

Sheep Offals

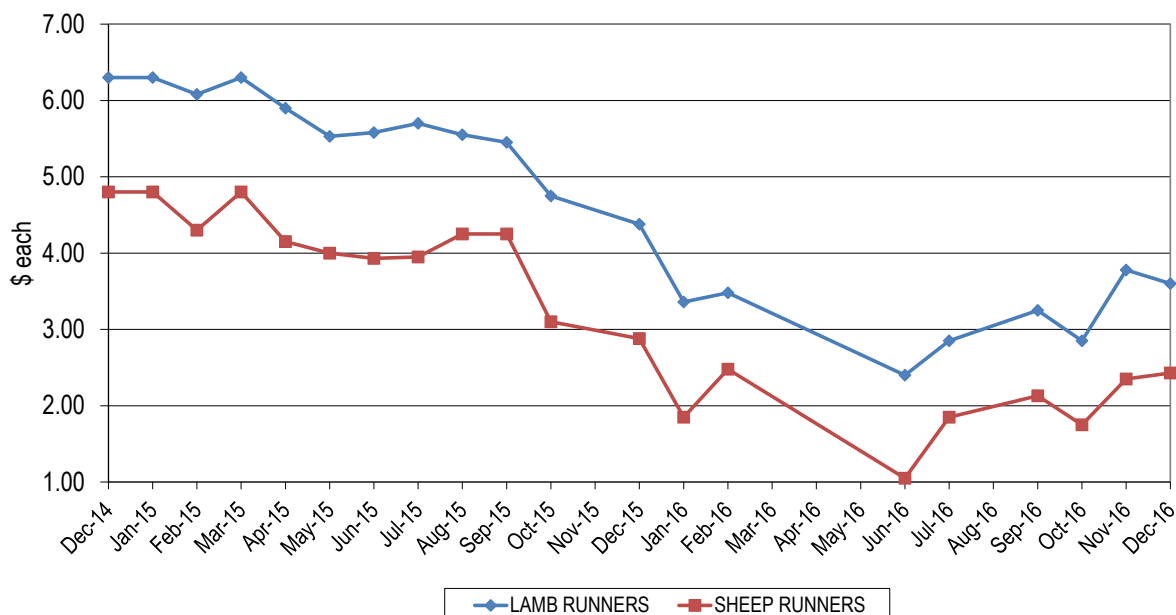
Figure 6a: Trends in sheep offal prices



Sheep offal prices remain relatively steady.

Hearts averaged \$1.99/kg, up 4¢/kg from November and were 46¢/kg dearer than last year. Livers averaged \$1.04/kg, which was 3¢/kg down month-on-month and 24¢/kg lower than year-ago levels. Kidney prices saw returns of \$1.91/kg, down 27¢/kg on November prices and 4¢/kg lower year-on-year. Sheep tripe averaged \$5.24/kg, down 2¢/kg month-on-month and 11¢/kg below year-ago levels. Sheep long cut tongue averaged \$3.40/kg, down 3¢/kg month-on-month and was 24¢/kg lower than same time last year.

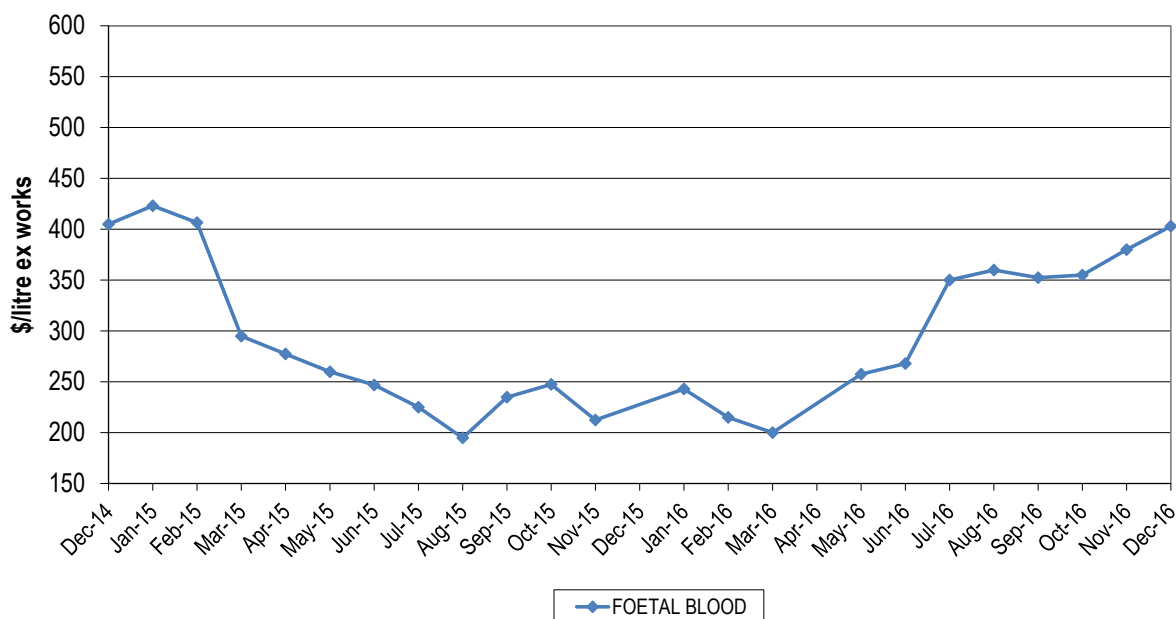
Figure 6b: Trends in runner prices



Lamb runners averaged \$3.60/piece which was 18¢/piece under the price last month and 78¢/piece lower year-on-year. Sheep runners returned an average of \$2.43/piece, up 8¢/piece month-on-month but 45¢/piece under December 2015 prices.

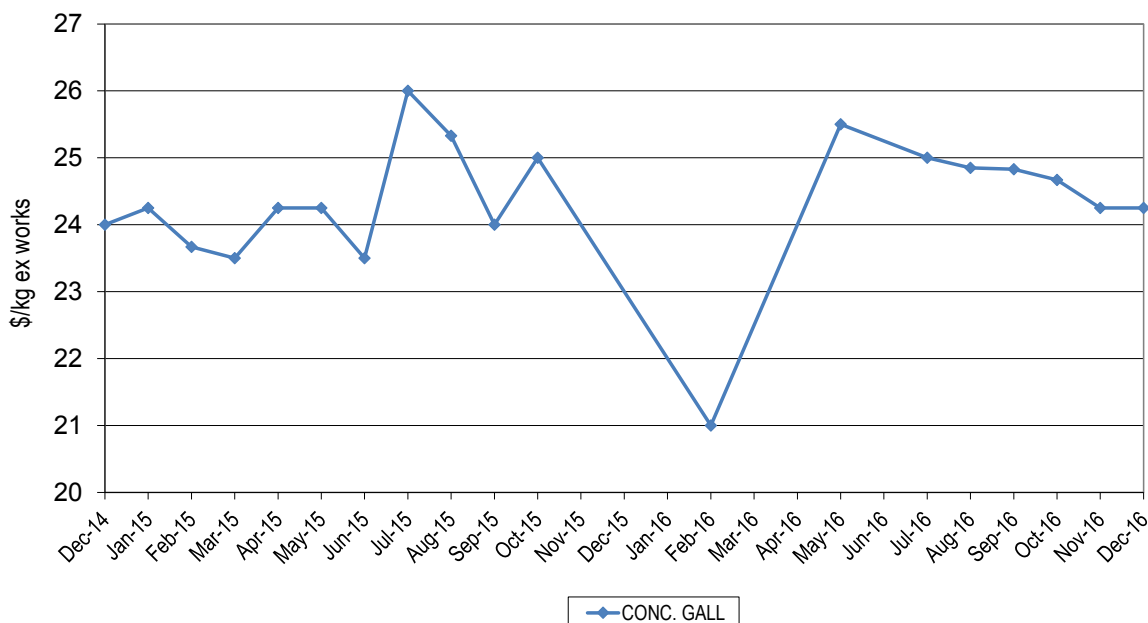
Pharmaceutical products

Figure 7a: Trends for foetal blood prices



Foetal blood averaged \$403/litre, up \$23.00/litre month-on-month and continues an upward trend. The combination of strong demand from Europe and on-going lower female slaughter numbers, maintaining reduced supply, is continuing to push prices up.

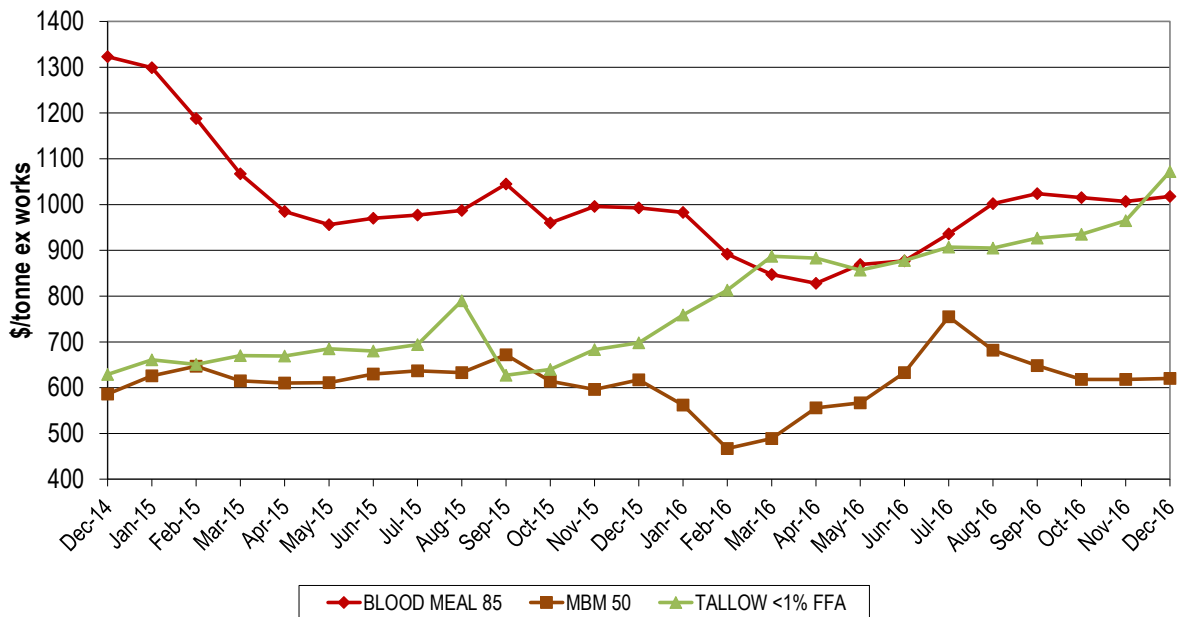
Figure 7b: Trends for concentrated gall prices



Concentrated gall averaged \$24.25/kg in November, on par with last month, however it was lightly reported.

Rendered Products

Figure 8: Trends in rendered co-product prices

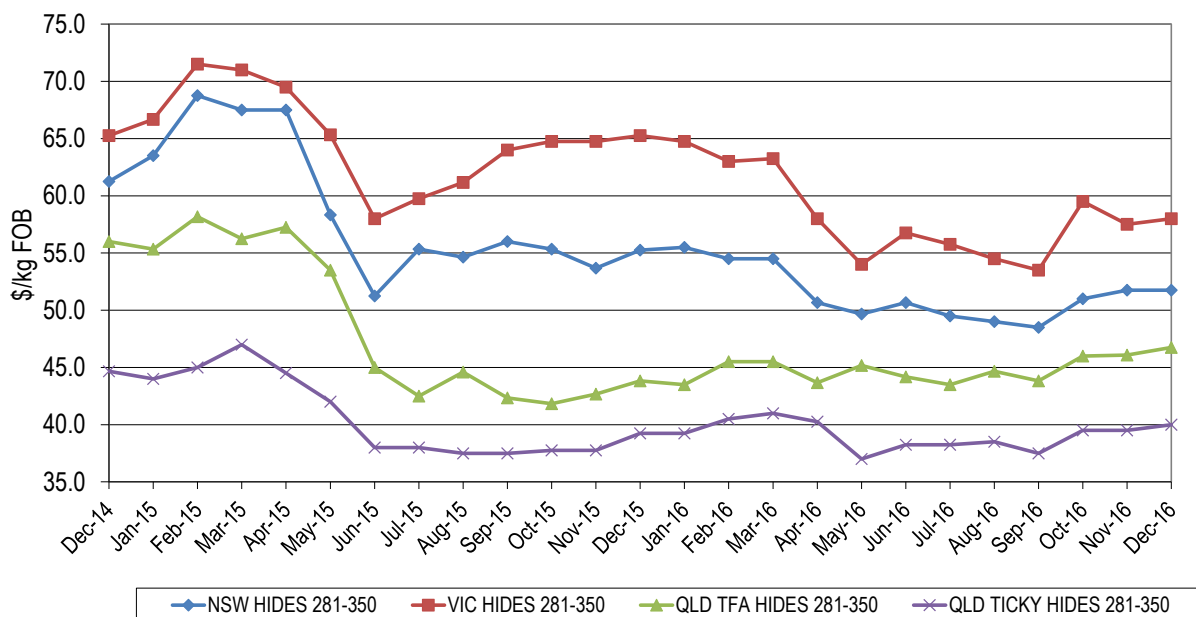


Meat and bone meal (MBM) prices were steady this month, with the price for 50% protein averaging \$620/tonne, \$2/tonne above the price last month and \$3/tonne dearer than the same time last year. Blood meal prices remained firm on the back of improved aqua demand and short supply, averaging \$1,018/tonne ex-works, which was up \$11/tonne on last month's price and \$25/tonne higher than last year. The reduced production of rendered product continues to assist rendered protein meal price.

Tallow prices strengthened again, with Singapore keeping up steady demand for bio-diesel production. The price of palm stearin continued its strong performance, also assisting the tallow market. December prices for 1% FFA tallow averaged \$1072/tonne, up \$107/tonne on last month and \$374/tonne higher year-on-year.

Hides

Figure 9: Trends in hide prices (East Coast Ex Works)



Local prices for hides remained steady during the month, helped by the weaker Aussie dollar offsetting the lower export prices. There has been an increase in interest for better quality heavy hides from furniture and automotive upholstery manufacturers. Prices should remain steady over the next month or so.

Beef and veal offal exports (tonnes swt)

Destination	Dec-15	Nov-16	Dec-16	Monthly change	Annual change
KOREA	1,870	2,519	2,604	3%	39%
JAPAN	3,383	1,968	1,743	-11%	-48%
INDONESIA	60	2,316	1,720	-26%	2781%
HONG KONG	1,833	1,844	1,590	-14%	-13%
SOUTH AFRICA	1,090	1,053	1,265	20%	16%
MIDDLE EAST	1,605	956	637	-33%	-60%
MALAYSIA	348	556	569	2%	63%
US	303	296	351	19%	16%
TAIWAN	306	254	338	33%	10%
OTHER	2,806	1,814	1,287	-29%	-54%
TOTAL	13,604	13,577	12,103	-11%	-11%
Offal cut	Dec-15	Nov-16	Dec-16	Monthly change	Annual change
TRIPE	2,908	2,935	2,658	-9%	-9%
LIVER	2,282	2,277	1,667	-27%	-27%
SKIRT	1,395	1,177	1,088	-8%	-22%
MANUFACTURING	809	1,153	973	-16%	20%
TONGUES	1,162	960	882	-8%	-24%
HEART	1,291	1,098	843	-23%	-35%
INTESTINES	558	676	683	1%	22%
TAIL	764	694	665	-4%	-13%
CHEEK MEAT	637	519	634	22%	0%
TENDON	526	440	531	21%	1%
LIPS	298	409	379	-7%	27%
LUNGS	290	376	368	-2%	27%
KIDNEY	377	284	289	2%	-23%
HEAD	189	291	274	-6%	45%
SPLEEN	114	278	163	-42%	42%
OTHER	3	10	6	-38%	72%
TOTAL	13,604	13,577	12,103	-11%	-11%

Destination	Offal cut	Dec-15	Dec-16	Annual change
Korea	SKIRT	241	601	150%
	CHEEK MEAT	420	538	28%
	INTESTINES	148	412	179%
	OTHER	1061	1052	-1%
Japan	TONGUES	985	604	-39%
	SKIRT	1019	414	-59%
	INTESTINES	379	232	-39%
	OTHER	1001	493	-51%

Source: DAWR

Destination	Offal cut	Dec-15	Dec-16	Annual change
Indonesia	MANUFACTURING	12	702	5746%
	LIPS		268	-
	TONGUES	30	260	-
	OTHER	18	490	2615%
Hong Kong	TRIPE	1,752	1,511	-14%
	OTHER	81	79	-2%

Mutton, lamb and goat offal exports (tonnes swt)

Destination	Nov-15	Oct-16	Nov-16	Monthly change	Annual change
HONG KONG	971	898	889	-1%	-8%
SAUDI ARABIA	778	656	621	-5%	-20%
PAPUA NEW GUINEA	147	341	268	-21%	83%
SOUTH AFRICA	139	177	240	36%	73%
UAE	99	235	174	-26%	76%
CHINA	108	113	148	31%	37%
JORDAN	118	73	69	-6%	-42%
OTHER	786	484	499	3%	-37%
TOTAL	3,146	2,977	2,908	-2%	-8%

Offal cut	Nov-15	Oct-16	Nov-16	Monthly change	Annual change
TRIPE	1,149	1,070	1,112	4%	-3%
LIVER	1,083	1,081	985	-9%	-9%
HEART	348	324	344	6%	-1%
KIDNEY	155	155	166	7%	7%
TONGUES	104	156	114	-26%	10%
HEAD	147	101	70	-30%	-52%
OTHER	159	91	115	27%	-28%
TOTAL	3,146	2,977	2,908	-2%	-8%

Destination	Offal cut	Nov-15	Nov-16	Annual change
HONG KONG	TRIPE	959	885	-8%
	OTHER	11.4	4	-64%
SAUDI ARABIA	LIVER	743	536	-28%
	OTHER	35	85	147%

Source: DAWR

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For further information please call Jennifer Peart 02 9463 9240 or <jpeart@mla.com.au>

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