



Co-product market report

August 2021

Beef Co-products

Beef offal prices were generally firmer on the back of reduced supply with slaughter numbers depressed in Australia, Argentina and Brazil and a softer Australian dollar. Beef tongue prices continued to perform well.

Table 1: Beef co-product prices

	Average (July Data)	Range	Responses	Monthly Change	Annual Change
Beef Lips	\$4.43	\$1.00	6	-2.5%	52.1%
Beef Lips - Halal	\$4.67	\$1.30	6	-4.8%	61.6%
Cheekmeat	\$7.99	\$3.00	4	0.2%	10.0%
Cheekmeat - Halal	\$7.78	\$2.80	6	-7.6%	-9.1%
Diap. Membrane	\$6.04	\$8.80	7	5.5%	-9.1%
Hc Tripe	\$6.89	\$3.25	6	4.9%	-9.8%
Hc Tripe - Halal	\$7.15	\$1.30	4	-3.4%	-13.3%
Headmeat	\$5.41	\$1.05	5	4.2%	12.1%
Headmeat - Halal	\$5.87	\$1.70	3	6.7%	24.8%
Heart	\$3.46	\$2.00	5	-2.0%	43.0%
Heart - Halal	\$3.82	\$0.50	6	-6.2%	49.7%
Heart - Aorta	\$9.22	\$5.30	5	3.8%	19.7%
Heart - Aorta - Halal	\$8.53	\$2.10	3	-7.7%	6.0%
Kidneys	\$1.50	\$0.20	2	-16.2%	63.6%
Kidneys- Halal	\$1.48	\$0.35	2	13.5%	-41.0%
Ligamentum	\$3.80	\$3.20	7	0.9%	142.0%
Liver	\$1.63	\$1.00	6	3.7%	27.0%
Liver - Halal	\$1.89	\$0.95	6	10.0%	40.1%
Lungs	\$3.10	\$3.80	3	31.4%	97.9%
Lungs - Halal	\$4.15	\$1.75	4	15.3%	104.9%
Omasum	\$7.22	\$3.30	6	0.2%	34.3%
Omasum - Halal	\$7.30	\$1.50	4	2.3%	27.0%
Rum.Pill - Halal < 500	\$5.07	\$5.50	6	-39.3%	-15.6%
Rum.Pill - Halal > 500 < 700	\$8.58	\$5.50	6		-14.6%
Rum.Pill - Halal > 700	\$13.45	\$8.10	6		20.1%
Rum.Pill < 500	\$6.44	\$8.60	5	49.1%	-1.2%
Rum.Pill > 500 < 700	\$9.57	\$5.60	5	16.8%	-2.9%
Rum.Pill > 700	\$13.98	\$8.10	5	10.2%	13.1%
Tail	\$15.48	\$9.50	6	-1.4%	48.2%
Tail - Halal	\$15.29	\$8.70	5	5.8%	54.4%
Tendons	\$8.07	\$0.20	3	-5.8%	9.0%
Thickskirt	\$9.58	\$4.10	5	5.8%	5.9%
Thickskirt - Halal	\$9.17	\$2.85	5	2.8%	-1.7%
Thinskirt	\$10.14	\$3.90	5	6.6%	10.2%
Thinskirt - Halal	\$9.59	\$2.15	5	3.3%	-5.4%
Tongue Root Fillet	\$6.65	\$0.70	2	3.9%	60.2%
Tongue Root Meat	\$3.06	\$2.20	5	-8.7%	53.0%
Tongue Root Meat - Halal	\$3.87	\$2.25	6	-1.5%	127.5%
Tongue SW	\$26.23	\$11.10	6	17.8%	176.6%
Tongue SW - Halal	\$22.25	\$8.00	4		131.0%
Tripe Pieces	\$2.67	\$1.60	6	-10.4%	19.9%
Tripe Pieces - Halal	\$2.75	\$1.70	4	-6.2%	10.0%
Tripe Pieces - Halal	\$2.98	\$0.45	3	-4.8%	-12.3%

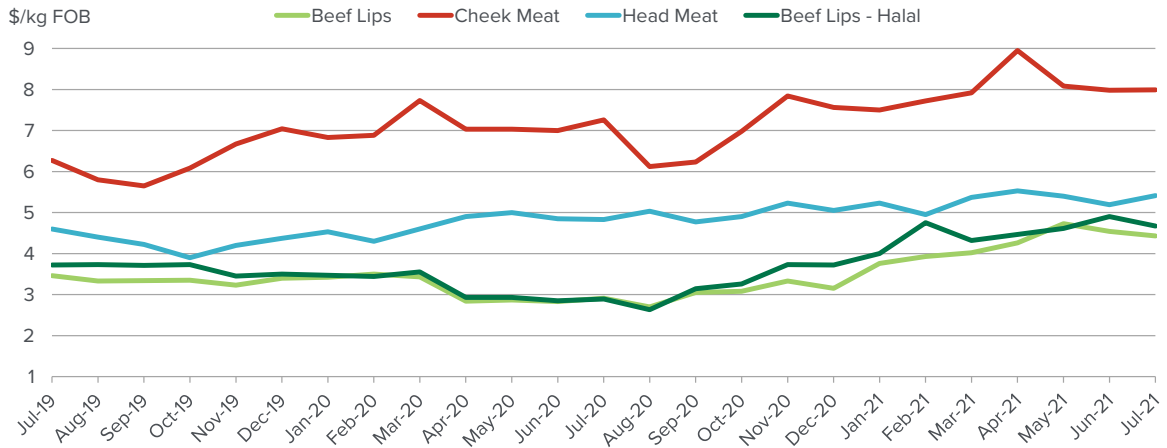
Price quoted is average price reported in \$/kg FOB Australian port.

Head offal

Head meat averaged \$5.41/kg which was 58¢/kg higher year-on-year and 22¢/kg above last month. Cheek meat was 73¢/kg dearer than year-ago levels, averaging \$7.99/kg, 1¢/kg firmer month-on-month.

Lip export prices to the US and Mexico eased 11¢/kg month-on-month, to average \$4.43/kg to be \$1.52/kg up on last year. Halal lips averaged \$4.67/kg to be \$1.78 firmer than July last year but 23¢/kg lower than last month.

Figure 1: Trends in beef head offal prices

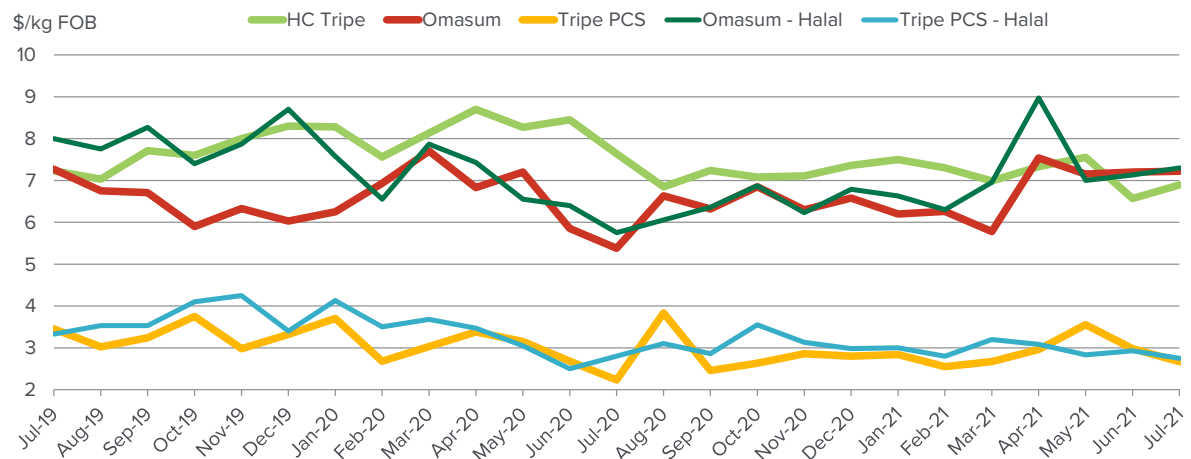


Beef offal trends

Omasum firmed 2¢/kg from last month, to average \$7.22/kg, up \$1.84/kg from year-ago prices. Halal omasum averaged \$7.30/kg, up \$1.55/kg year-on-year and 17¢/kg stronger month-on month.

Halal tripe pieces averaged \$2.75/kg up 3¢/kg year-on-year but 17¢/kg softer than last month. Non-halal tripe pieces were 44¢/kg up year-on-year but 31¢/kg lower than June to average \$2.67/kg. Honeycomb tripe averaged \$6.89/kg to be 75¢/kg below year ago prices but 32¢/kg up on last month.

Figure 2: Trends in beef tripe prices

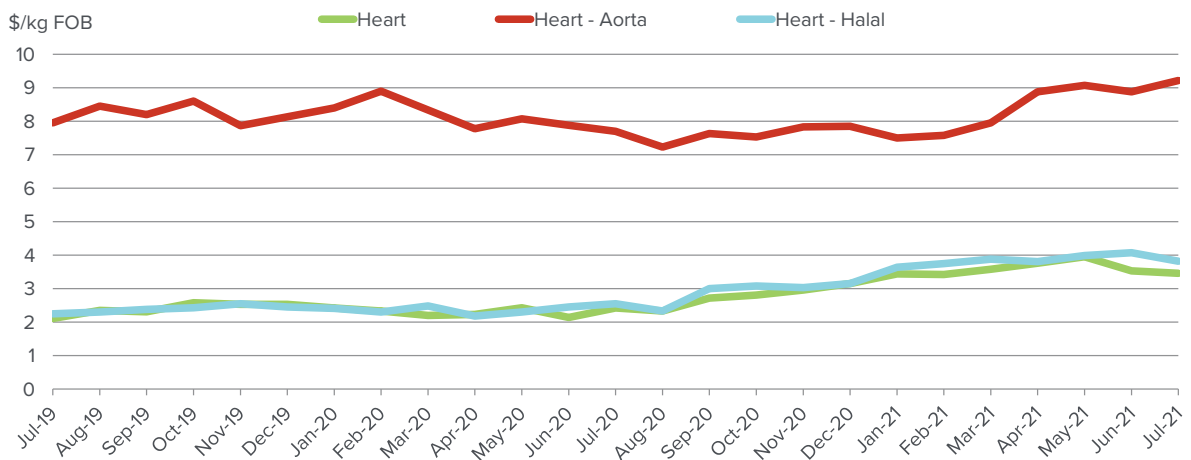


Beef offal trends continued...

Aorta rallied to average \$9.22/kg up 34¢/kg month-on-month and \$1.52 above the July 2020 price.

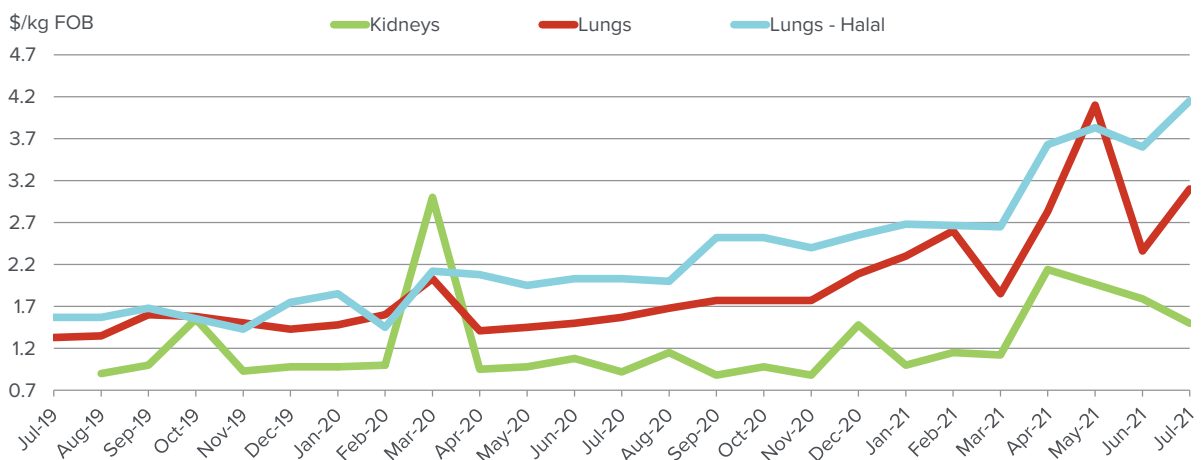
Heart prices were down from last month, averaging \$3.46/kg, to be \$1.04/kg above year-ago levels but 7¢/kg below June price. Halal hearts averaged \$3.82/kg, easing 25¢/kg month-on-month but up \$1.27/kg from July 2020.

Figure 3: Trends in beef offal prices



Kidneys averaged \$1.50/kg to be 58¢/kg down year-on-year and 29¢/kg below June price. Non-halal lungs were reported at \$3.10/kg up \$1.53/kg from year ago levels but 29¢/kg down month-on-month, while halal lungs averaged \$4.15/kg, up \$2.12/kg year-on-year and 55¢/kg dearer than last month.

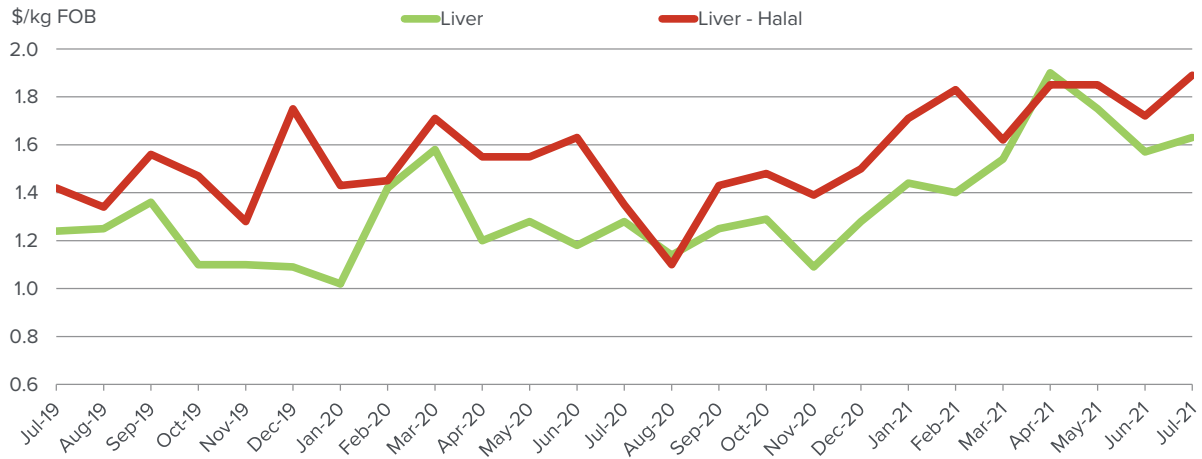
Figure 4: Trends in beef offal prices



Beef offal trends continued...

Liver prices averaged \$1.63/kg, up 6¢/kg month-on-month and 35¢/kg firmer than year-ago levels. Halal livers were stronger by 17¢/kg over last month's price to average \$1.89/kg, up 54¢/kg on last year prices.

Figure 5: Trends in beef offal prices



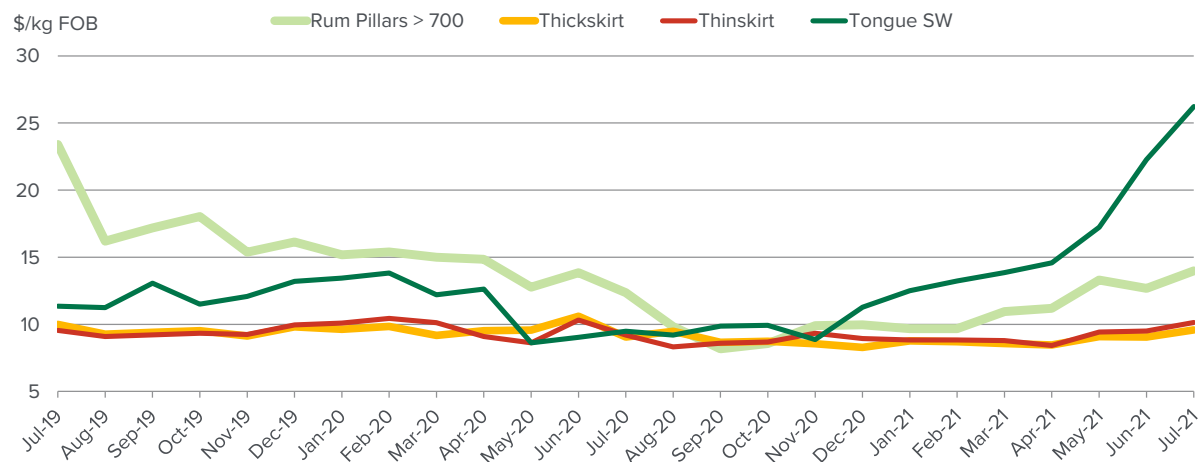
Japanese and Korean Offals

Tongue prices were \$3.96/kg up from June to average \$26.23/kg, and \$16.75/kg above year-ago levels.

Thick skirt was 53¢/kg higher year-on-year and 52¢/kg firmer than last month, averaging \$9.58/kg. Thin skirt averaged \$10.14/kg, up 63¢/kg from June and 94¢/kg above year-ago prices.

Rumen pillars rallied with heavy weight product averaging \$13.98/kg, up \$1.30/kg month-on-month and \$1.62/kg higher than July 2020 levels.

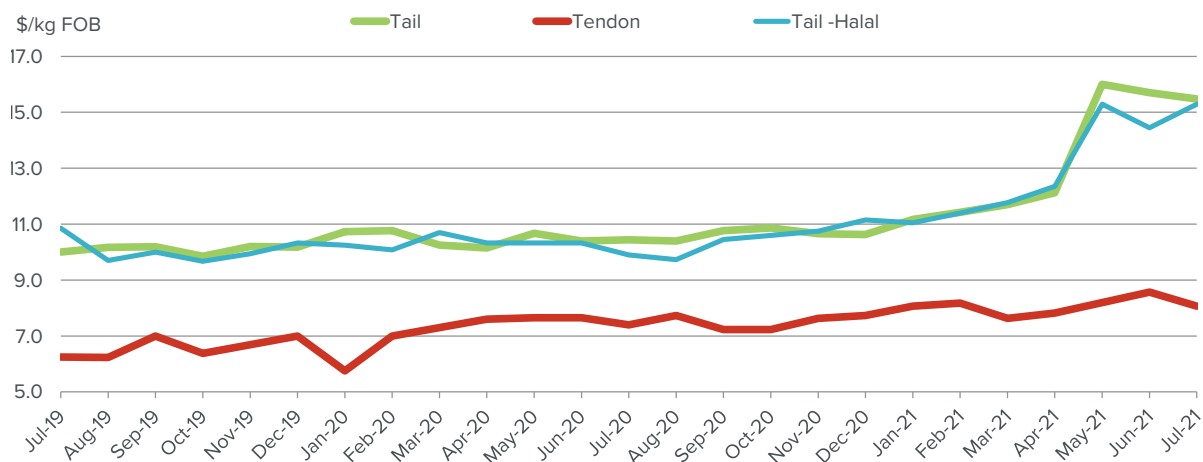
Figure 6: Trends in Japanese offal prices



Tails and Tendons

Tail prices to Korea softened 22¢/kg from last month, averaging \$15.48/kg, to be \$5.04/kg above year-ago levels. Halal tails averaged \$15.29/kg, up 84¢/kg from last month and \$5.39/kg above year-ago prices. Tendons averaged \$8.07/kg to be 67¢/kg above June 2020 price but 50¢/kg down from last month.

Figure 7: Trends in tail and tendon prices



Sheep Co-products

Sheep offal prices were firmer with the exception of runners which fell slightly.

Table 2: Sheep co-product prices

	Average (July Data)	Range	Responses	Monthly Change	Annual Change
Heart Sheep - Halal	\$4.04	\$1.40	4	1.3%	28.2%
Kidneys Sheep - Halal	\$6.51	\$3.25	4	6.5%	160.5%
Liver Sheep - Halal	\$2.07	\$0.20	3	5.3%	14.8%
Runners Lamb	\$6.41	\$0.90	4	-2.6%	68.8%
Runners Sheep	\$5.40	\$0.90	4	-3.0%	145.5%
Tripe Sheep - Halal	\$5.87	\$2.10	3	6.7%	13.5%

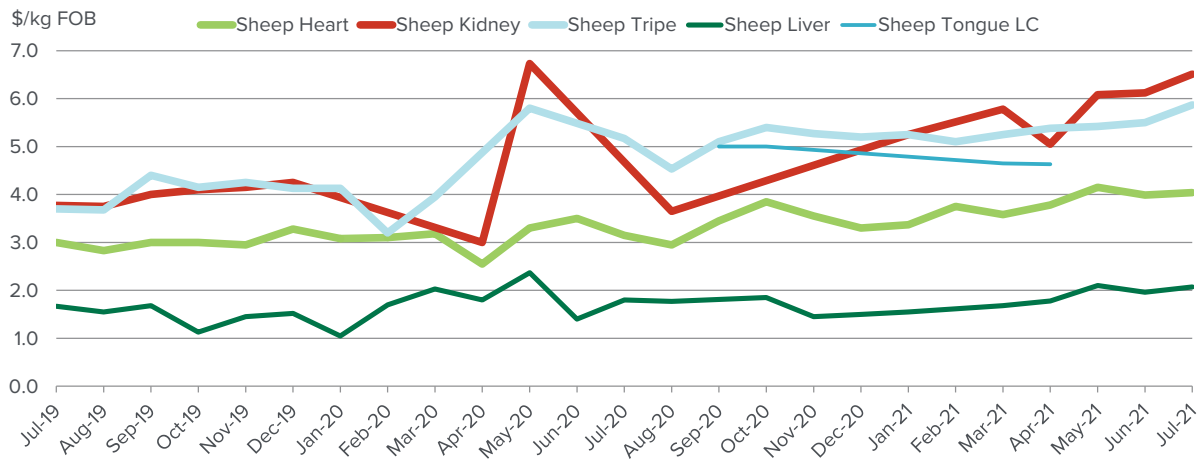
Price quoted is average price reported in \$/kg FOB Australian port and runners as \$/piece.

Sheep offal

Sheep hearts averaged \$4.04/kg, up 5¢/kg month-on-month but 89¢/kg dearer than year-ago levels. Sheep kidneys were reported at \$6.51/kg which was 39¢/kg above June price. Sheep liver averaged \$2.07/kg to be 27¢/kg up year-on-year and 11¢/kg higher month-on-month.

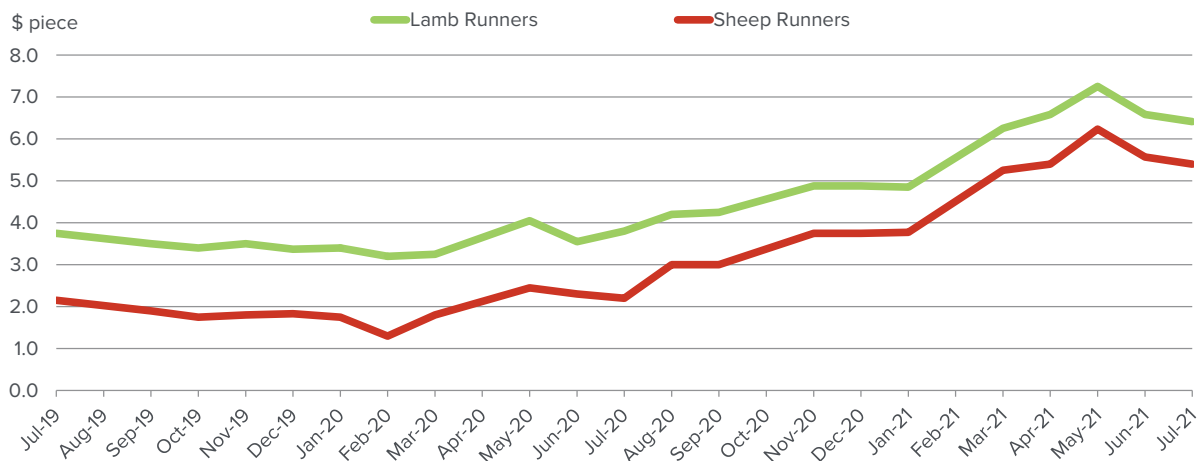
Sheep tripe averaged \$5.87/kg, which is 70¢/kg stronger compared to year ago prices and up 37¢/kg month-on-month, Long cut tongues were not reported.

Figure 8: Trends in sheep offal prices



Lamb runners averaged \$6.41/piece firming \$2.61/piece year-on-year but 17¢/piece down from June while sheep runners were reported at \$5.40/piece, down 17¢/piece month-on-month but up \$3.20/piece from July 2020.

Figure 9: Trends in runner prices



Pharmaceutical products

Pharmaceutical products remained firm.

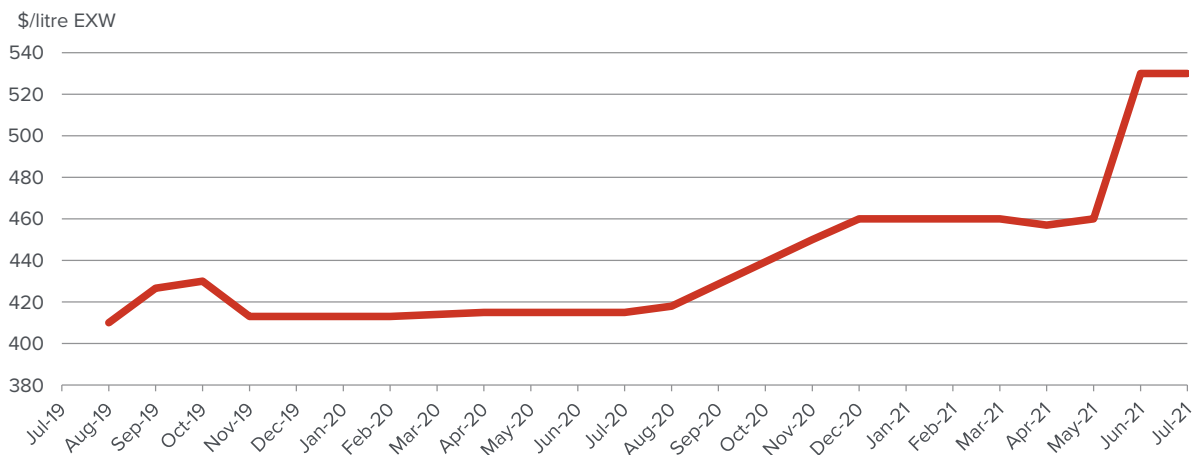
Table 3: Pharmaceutical prices

	Average (July Data)	Range	Responses	Monthly Change	Annual Change
Foetal Blood	\$530.00	\$0.00	3	0.0%	27.7%
Gall Concentrated	\$24.67	\$6.00	3	8.4%	2.8%

Price quoted is average price reported in \$/kg FOB Australian port and foetal blood \$/litre EXW

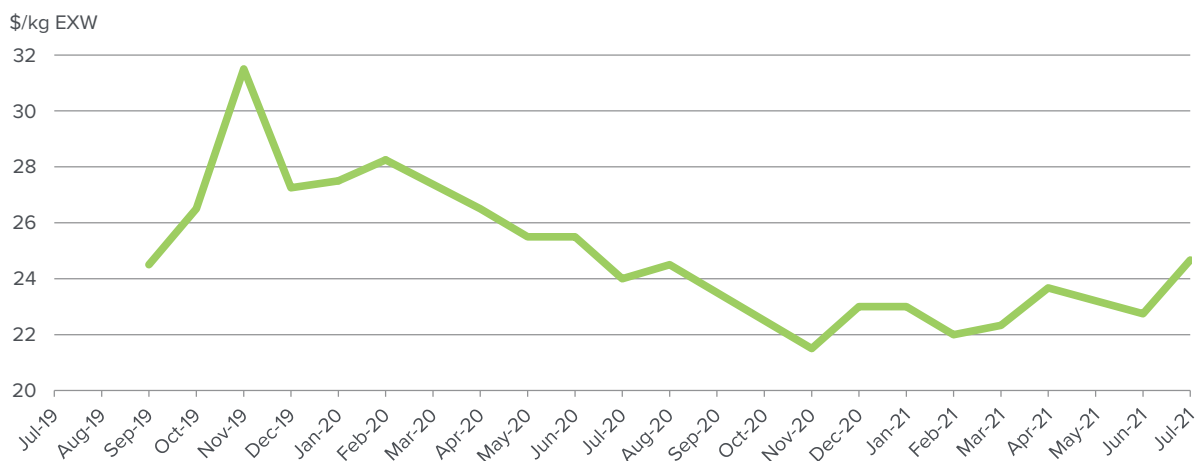
Foetal calf blood has firmed \$115/litre year-on-year to average \$530/litre which is even month-on-month with short supply and strong demand driving the market.

Figure 10: Trends for foetal blood prices



Concentrated gall averaged \$24.67 to be 67¢/kg down on July 2020 price.

Figure 11: Trends for concentrated gall prices



Rendered products

Rendered meals were slightly softer this month but tallow prices firmed again on strong demand on the back of reduced production.

Table 4: Rendered product prices

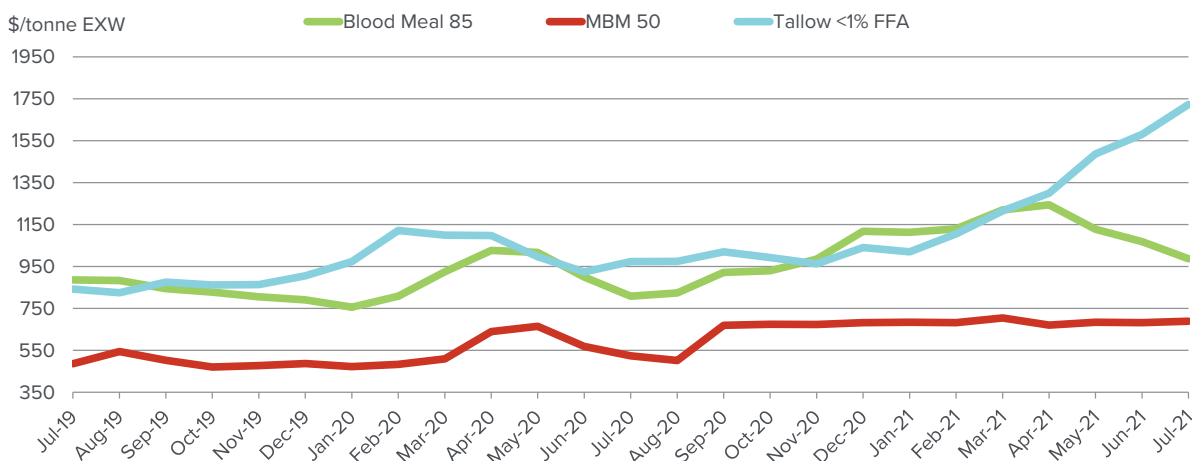
	Average (July Data)	Range	Responses	Monthly Change	Annual Change
Bloodmeal 85	\$986.67	\$250.00	6	-7.7%	22.1%
MBM 50	\$689.29	\$120.00	7	1.0%	31.5%
MBM 50 Sheep	\$1,070.00	\$420.00	2	4.6%	16.9%
Tallow Ined.<1FFA	\$1,723.33	\$200.00	3	9.1%	77.1%
Tallow Ined.<2FFA	\$1,647.50	\$35.00	2	4.1%	71.6%

Price quoted is average price reported ex works\$/tonne.

The price for 50% protein MBM firmed \$7/tonne from last month, averaging \$689/tonne which was \$165/tonne above July 2020 levels. Blood meal averaged \$987/tonne, up \$179/tonne compared with last year’s price, but \$82/tonne softer month-on-month.

Tallow prices were again much firmer, with the price for 1% FFA tallow averaging \$1723/tonne, up \$750/tonne from July 2020 and \$143/tonne above last month prices.

Figure 12: Trends in rendered co-product prices



Hides

The hide market remained steady with the upholstery and automotive sector trying to pull back on prices with enough inventory to carry them through to the summer holidays however sellers are resisting the downward push based on short supply.

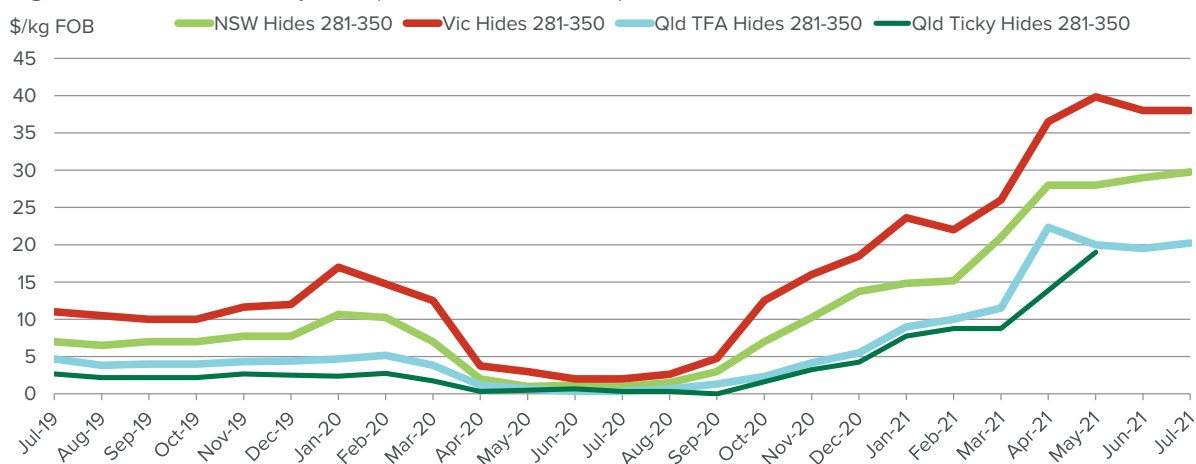
Table 5: Hide prices

	Average (July Data)	Range	Responses	Monthly Change	Annual Change
Hides NSW 141- 180	\$5.50	\$1.00	2	-8.3%	
Hides NSW 181 - 220	\$12.50	\$1.00	2	0.0%	
Hides NSW 221 - 280	\$21.00	\$4.00	2	2.4%	16700.0%
Hides NSW 281 - 350	\$29.75	\$4.50	2	2.6%	2875.0%
Hides NSW 351 Up	\$40.25	\$5.50	2	1.9%	1688.9%
Hides QLD TFA 281 - 350	\$20.25	\$3.50	2	3.8%	5975.6%
Hides QLD TFA 351 Up	\$27.88	\$6.25	2	4.2%	1990.7%
Hides VIC 141-180	\$8.25	\$1.50	2	-5.7%	
Hides VIC 181-220	\$19.00	\$2.00	2	-2.6%	
Hides VIC 221 - 280	\$30.00	\$4.00	2	0.0%	2900.0%
Hides VIC 281-350	\$38.00	\$2.00	2	0.0%	1800.0%
Hides VIC 351 Up	\$48.00	\$6.00	2	2.1%	1180.0%

Price quoted is average price reported for ex works \$/each.

Local prices for hides were steady with prices for better quality product up \$20 to \$40 per piece above year ago levels.

Figure 13: Trends in hide prices (East Coast Ex Works)



Currency exchange

The Australian dollar eased against the US dollar during June. It opened the month at 74.83US¢ to trade up to 75.78US¢ before easing to finish the month at 73.81US¢ to average 74.25US¢, down 2.20US¢ month-on-month, but up 3.97US¢ from July 2020.

Figure 14: AUD /USD Foreign Exchange



Source: Reserve Bank Australia

Export statistics



To access the latest co-products statistics please click here:



For more information:

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This report is produced from a monthly MLA survey of approximately 25 processors across Australia, collating average prices and analysing trends on a range of co-products items



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