



MLA co-product market report

March 2017

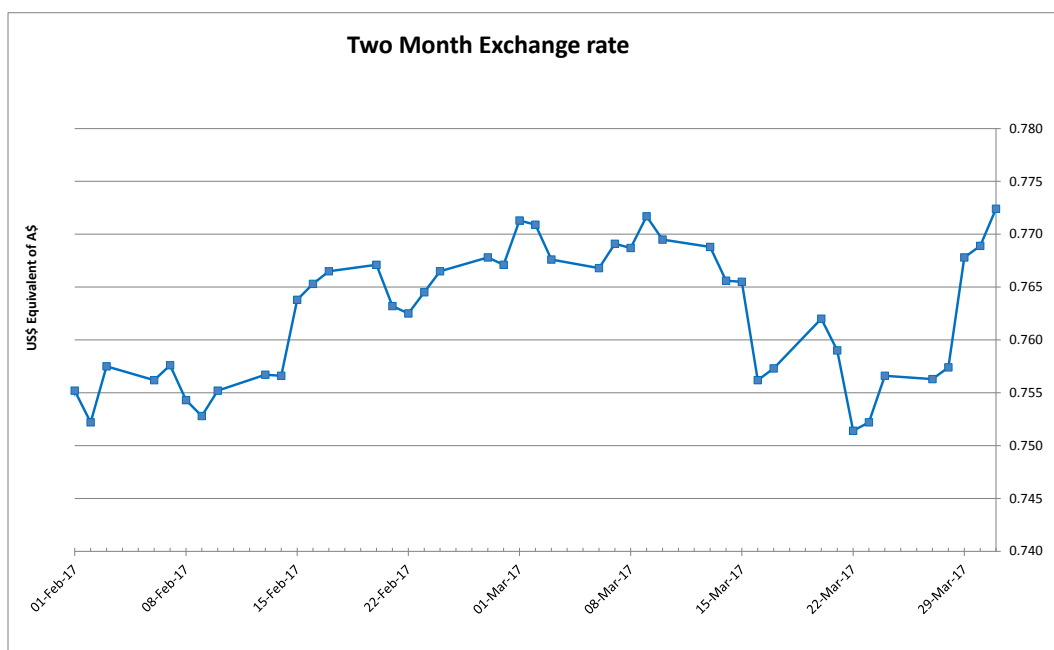
Table 1: Co-products Prices

Product	Average	Range	Responses	Monthly Change	Annual Change
Beef					
BEEF LIPS	\$3.14	\$0.45	4	14.1%	46.6%
BEEF LIPS - HALAL	\$3.35	\$0.50	3	4.8%	48.4%
CHEEKMEAT	\$6.98	\$2.50	5	4.6%	19.3%
CHEEKMEAT - HALAL	\$7.55	\$2.05	3	9.4%	51.6%
DIAP. MEMBRANE	\$4.17	\$1.60	3	4.8%	19.5%
HC TRIPE	\$6.11	\$0.95	4	1.7%	2.3%
HC TRIPE - HALAL	\$7.26	\$1.10	3	10.3%	23.5%
HEADMEAT	\$4.57	\$1.02	4	-3.8%	57.5%
HEADMEAT - HALAL	\$4.99		2	-2.3%	24.6%
HEART	\$1.91	\$0.95	5	12.4%	46.9%
HEART - HALAL	\$1.93	\$0.88	4	15.0%	7.4%
HEART -AORTA	\$6.02	\$3.55	4	-5.2%	-15.2%
HEART -AORTA - HALAL	\$6.57	\$1.56	3	0.1%	-4.3%
KIDNEYS	\$0.99	\$0.70	6	-3.4%	-0.8%
KIDNEYS - HALAL	\$1.23	\$0.99	3	38.6%	-14.0%
LIGAMENTUM	\$3.40	\$2.85	6	-15.5%	-24.2%
LIVER	\$1.08	\$0.20	4	-6.5%	53.6%
LIVER - HALAL	\$1.25	\$0.29	4	0.2%	0.0%
LUNGS	\$1.97	\$1.65	5	21.9%	
LUNGS - HALAL	\$2.07	\$0.64	3	4.4%	99.0%
OMASUM	\$3.08	\$1.95	3	-26.6%	-47.5%
OMASUM - HALAL	\$6.08	\$2.50	3	12.3%	19.0%
RUM.PILL < 500	\$5.32	\$1.75	3	5.3%	80.2%
RUM.PILL > 500 < 700	\$9.35	\$2.85	3	-3.3%	64.8%
RUM.PILL > 700	\$12.70	\$4.80	3	1.6%	53.0%
RUM.PILL< 500 - HALAL	\$5.55		2	-8.6%	70.8%
SMALL INTESTINE	\$3.75		2		-50.7%
SPLEEN - HALAL	\$1.37		2	1.5%	31.7%
TAIL	\$8.09	\$1.23	5	2.9%	3.8%
TAIL - HALAL	\$8.19	\$1.30	4	3.2%	6.8%
TENDONS	\$6.57	\$2.50	3	9.4%	
TENDONS - HALAL	\$7.30	\$3.00	3	-7.6%	2.5%
THICKSKIRT	\$7.71	\$3.85	4	7.1%	-10.5%
THICKSKIRT - HALAL	\$8.00		2	40.4%	-11.3%
THINSKIRT	\$7.41	\$5.50	5	13.4%	-18.9%
THINSKIRT - HALAL	\$6.17		2	-9.3%	-35.1%
TONGUE LC SHEEP HALAL	\$3.65		2	2.8%	
TONGUE RT FILLET	\$5.28	\$1.05	3	1.3%	11.8%
TONGUE RT MEAT - HALAL	\$2.55		2	9.7%	10.9%
TONGUE SW	\$14.07	\$1.40	3	-14.4%	7.2%

Product	Average	Range	Responses	Monthly Change	Annual Change
TONGUE SW - HALAL	\$13.85		2	-12.6%	8.0%
TRIPLE PCS	\$3.17	\$0.35	3	3.3%	-2.6%
TRIPLE PCS - HALAL	\$2.92	\$0.63	3	-9.7%	5.2%
WEASAND	\$3.65		2		-8.1%
Sheep					
HEART SHEEP - HALAL	\$1.83	\$0.50	3	-1.8%	
KIDNEYS SHEEP - HALAL	\$2.60	\$1.80	3	13.7%	
LIVER SHEEP - HALAL	\$1.10	\$0.20	3	-10.8%	
RUNNERS LAMB	\$4.00		2	2.6%	
RUNNERS SHEEP	\$2.55		2	21.4%	
TRIPLE SHEEP - HALAL	\$4.65	\$0.15	3	-3.1%	
Pharmaceutical					
FOETAL BLOOD	\$375.00	\$50.00	4	0.0%	87.5%
GALL CONCENTRATED	\$24.75		2	-1.0%	15.1%
Rendered Products					
BLOODMEAL 85	\$1,034.17	\$170.00	6	2.4%	22.1%
MBM 50	\$602.14	\$130.00	7	-1.3%	23.1%
TALLOW INED.<1FFA	\$1,040.00	\$140.00	4	-5.5%	17.3%
TALLOW INED.<2FFA	\$1,029.20	\$140.00	5	-6.4%	18.8%
TALLOW INED.<4FFA	\$1,007.50	\$150.00	4	-1.7%	22.1%
Hides					
HIDES NSW 141- 180	\$26.00		2	8.3%	-4.6%
HIDES NSW 181 - 220	\$34.50		2	5.3%	0.7%
HIDES NSW 221 - 280	\$42.00		2	5.0%	-8.4%
HIDES NSW 281 - 350	\$55.00		2	4.3%	0.9%
HIDES NSW 351 UP	\$68.00		2	3.0%	9.7%
HIDES QLD TFA 141 - 220	\$28.00		2	3.2%	9.8%
HIDES QLD TFA 221 - 280	\$37.50		2	2.4%	10.3%
HIDES QLD TFA 281 - 350	\$50.25	\$7.50	4	3.1%	10.4%
HIDES QLD TFA 351 UP	\$60.33	\$13.00	3	3.1%	10.0%
HIDES QLD TICKY 281 - 350	\$44.67	\$1.00	3	3.9%	8.9%
HIDES QLD TICKY 350 UP	\$53.50		2	2.9%	4.9%
HIDES VIC 141-180	\$31.50		2	5.0%	-3.8%
HIDES VIC 181-220	\$40.50		2	8.0%	-4.7%
HIDES VIC 221 - 280	\$49.50		2	6.5%	-8.6%
HIDES VIC 281-350	\$61.00		2	4.7%	-3.6%
HIDES VIC 351 UP	\$73.00		2	3.2%	-2.7%

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\$ finished the month of March similar to where it started against the US\$, opening at 76.56 US¢, and trading within a range of 75.14 – 77.24US¢ before finishing the month at 76.44 US¢ - averaging 76.24US¢.



Beef offal prices generally were relatively stable, however tongues and omasum were much easier, whilst lungs, hearts and lips continued to improve in price and rumen pillars remained firm.

Sheep offal prices were slightly softer across the board except kidneys, which rallied. Runners were lightly reported but prices were firmer.

Foetal blood prices remain firm and concentrated gall prices were steady.

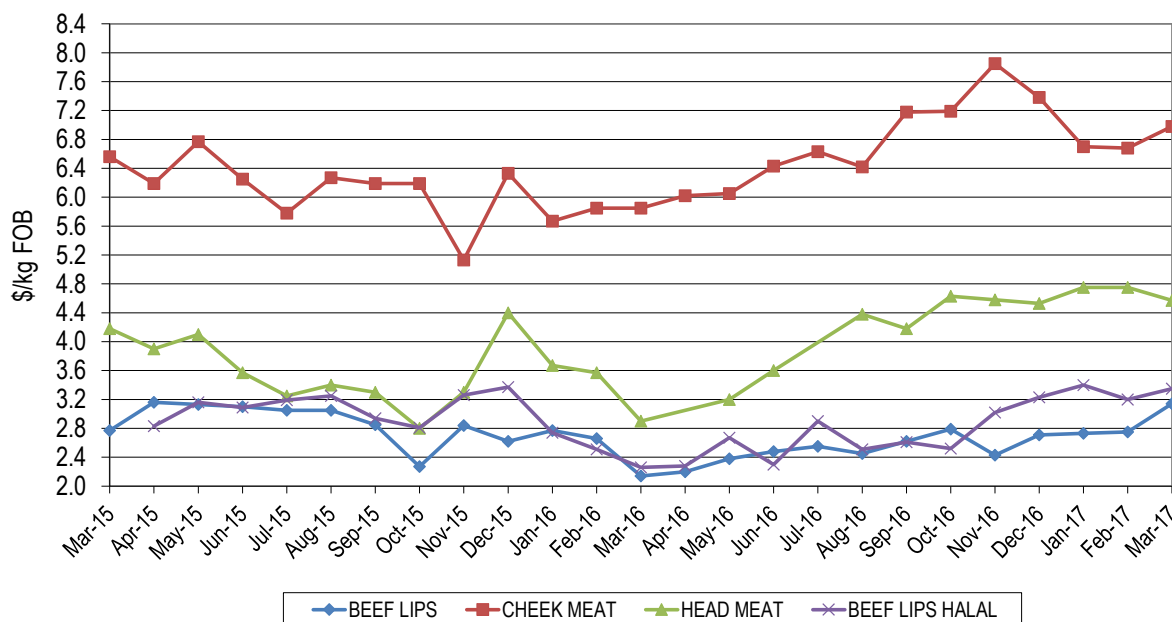
Rendered meal prices remained firm to dearer. As a result of tax credits for biodiesel expiring in the US, tallow prices began to ease. Indications are prices of tallow will continue to ease whilst the future of the blender's credit remains uncertain.

Hide prices firmed slightly on the back of tighter supplies, with many processors in Hong Kong for the leather fair during the latter part of March.

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Head Offal Prices

Figure 1: Trends in beef head offal prices

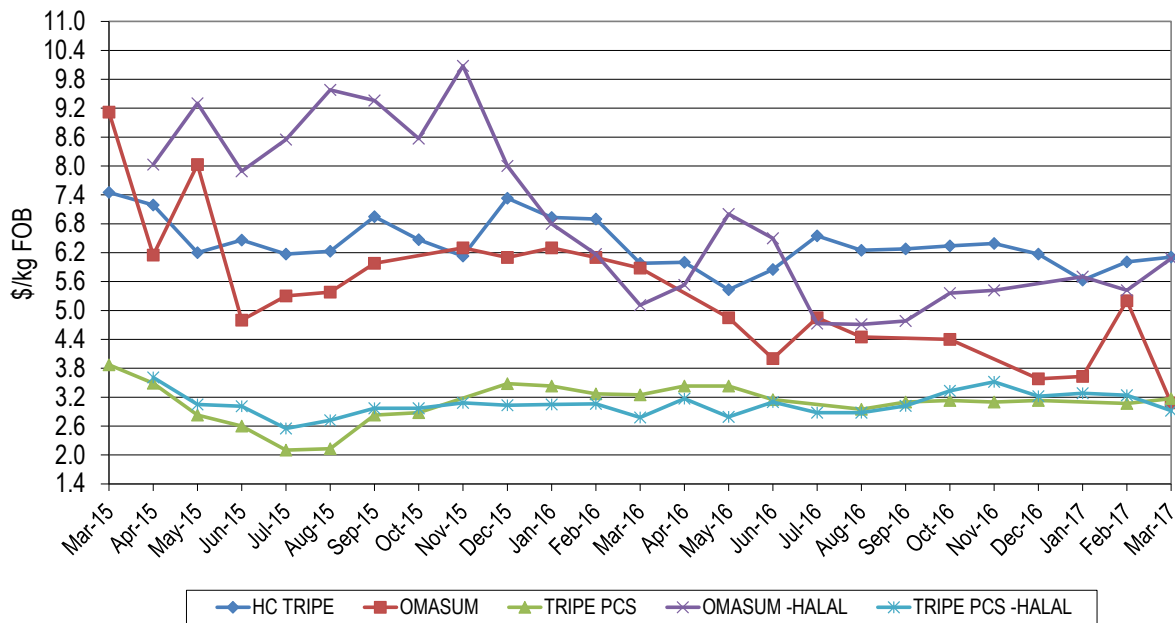


Head offal products generally lifted in price, month-on-month. Head meat averaged \$4.57/kg, up \$1.67/kg on year-ago levels but met resistance and eased 18¢/kg from a month ago. Cheek meat was \$1.13/kg dearer compared to the corresponding period last year, averaging \$6.98/kg and was 30¢/kg higher than last month.

Lip export prices to the US and Mexico were much stronger this month, averaging \$3.14/kg which was 39¢/kg above last month and \$1.00/kg higher year-on-year. Halal lips returned \$3.35/kg, up 15¢/kg month-on-month and \$1.09/kg from year-ago levels.

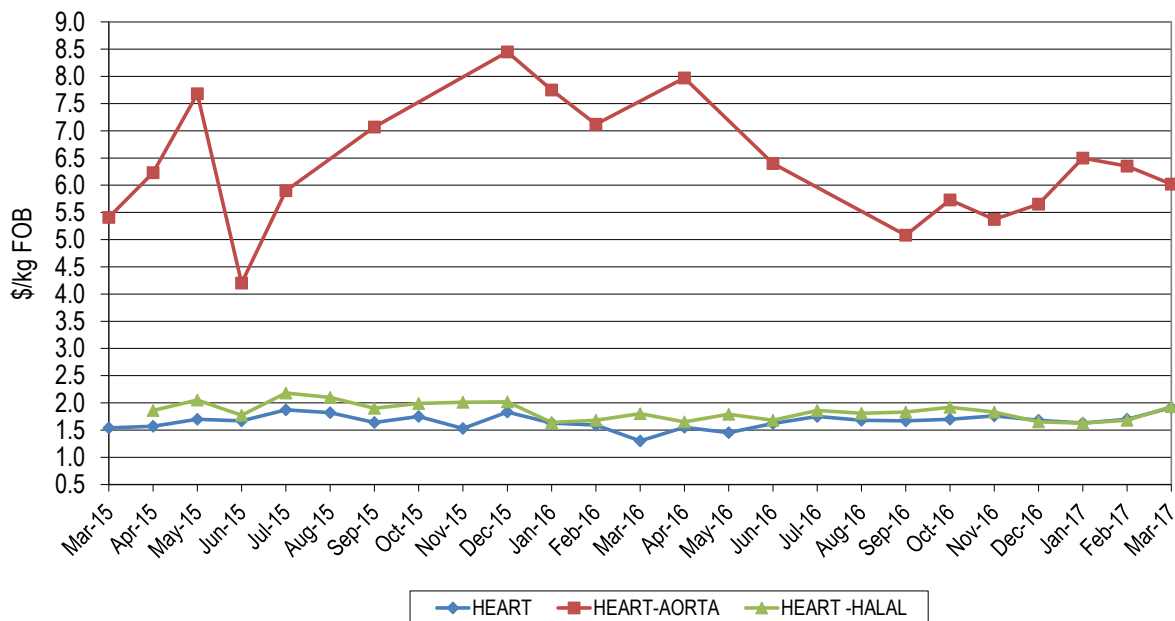
Beef Offal Trends

Figure 2: Trends in beef tripe prices



Omasum averaged \$3.08/kg for March which was \$2.80/kg lower year-on-year and \$2.12/kg cheaper than last month, whilst halal omasum returned \$6.08/kg. Halal tripe pieces averaged \$2.92/kg to be 32¢/kg lower month-on-month but 14¢/kg higher year-on-year whilst non-halal product averaged \$3.17/kg, which was 8¢/kg lower year-on-year. Honeycomb tripe lifted to average \$6.11/kg, up 10¢/kg month-on-month and 13¢/kg above the corresponding period last year. Halal product was reported to average \$7.26/kg.

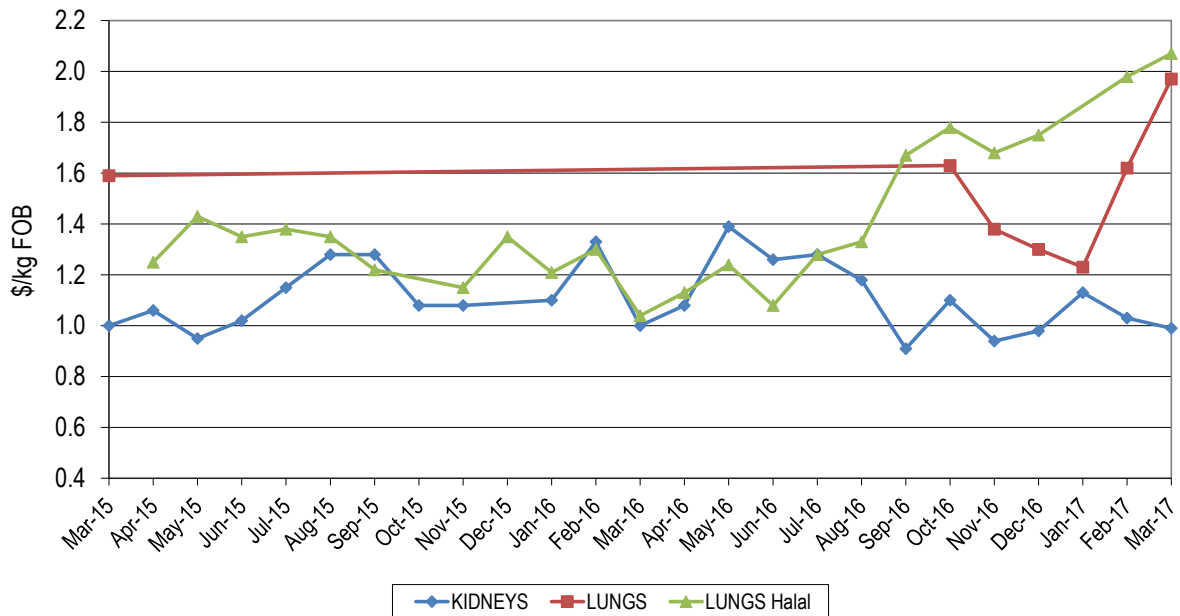
Figure 3a: Trends in beef offal prices



Aorta averaged \$6.02/kg to be 33¢/kg lower month-on-month but steady year-on-year, whilst halal product averaged \$6.57/kg.

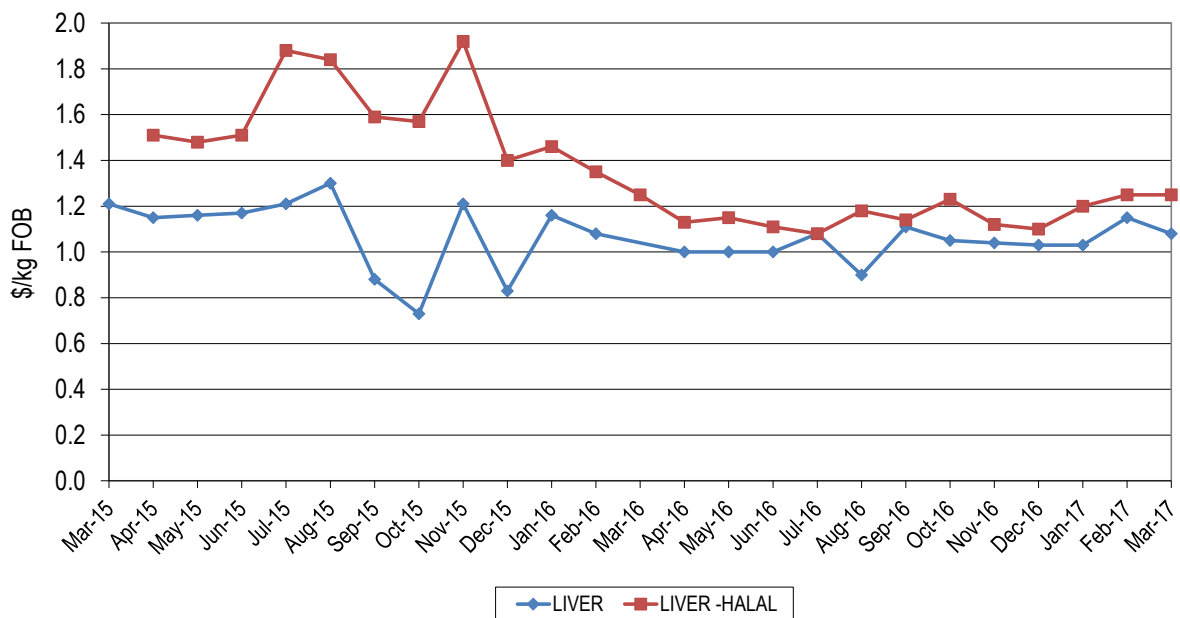
Heart prices increased, averaging \$1.91/kg, up 21¢/kg month-on-month and was 61¢/kg above the year-ago price. Halal hearts averaged \$1.93/kg, up 25¢/kg month-on-month and 13¢/kg dearer compared with year-ago levels.

Figure 3b: Trends in beef offal prices



Kidneys were reported at an average of 99¢/kg, down 4¢/kg on last month and 1¢/kg weaker year-on-year. Non-halal lungs were reported at an average of \$1.97/kg, lifting 35¢/kg on last month. Halal lungs firmed to average \$2.07/kg which is \$1.03/kg above the March 2016 price and 9¢/kg dearer month-on-month.

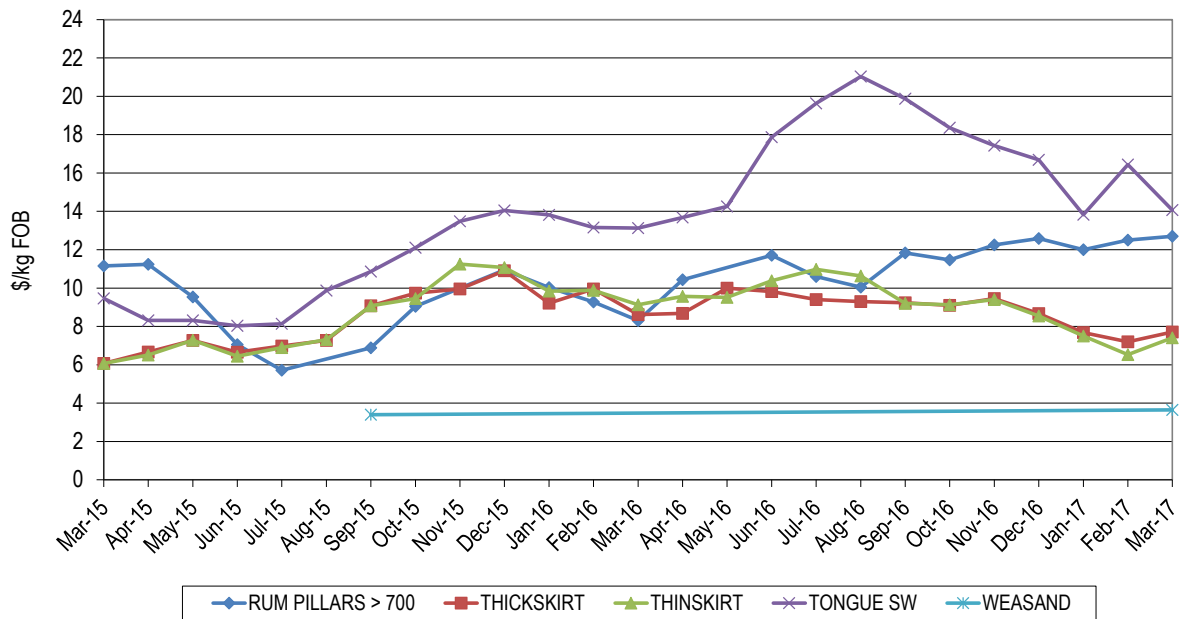
Figure 3c: Trends in beef offal prices



Liver prices averaged \$1.08/kg, which was back 7¢/kg month-on-month but similar to March 2016 levels. Halal livers traded unchanged, both month-on-month and year-on-year, with sales averaging \$1.25/kg.

Japanese and Korean Offals

Figure 4: Trends in Japanese offal prices



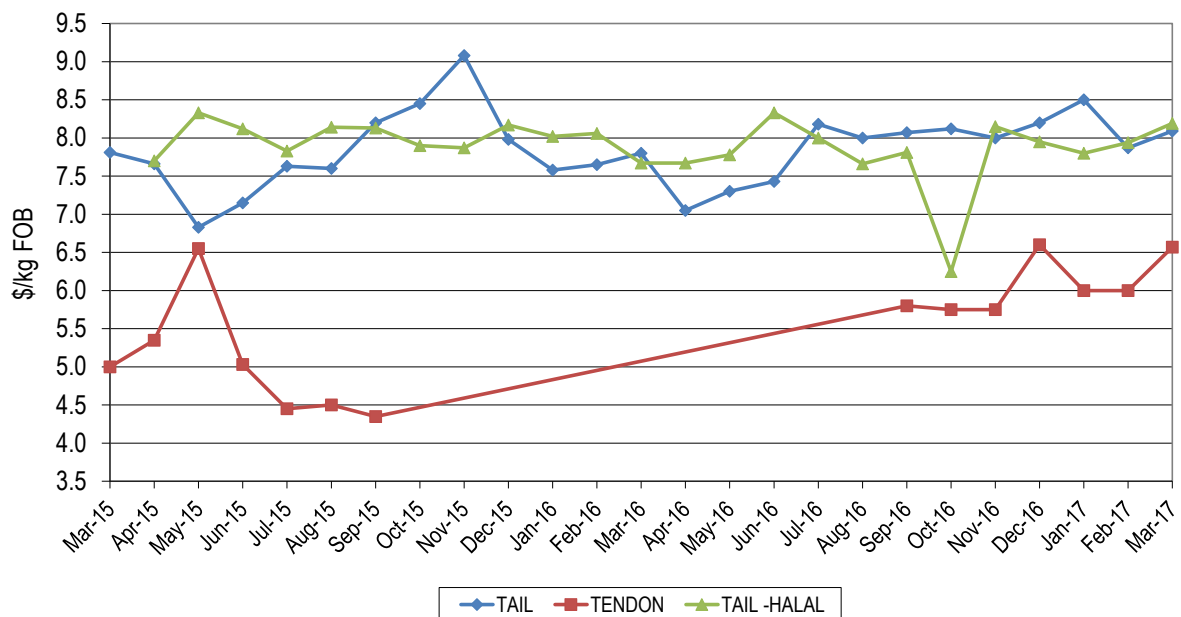
Tongue prices continued the downward trend to average \$14.07/kg, which was \$2.37/kg below prices in February but still dearer than year-ago levels by 94¢/kg.

Skirt prices have steadied following a protracted downward trend. Thick skirt was 91¢/kg easier than last year's price but 51¢/kg firmer month-on-month, averaging \$7.71/kg, while thin skirt prices were \$1.72/kg lower than year-ago levels but 88¢/kg higher month-on-month, realizing \$7.41/kg.

Rumen pillars remained firm this month, with heavy weight product making \$12.70/kg which was 20¢/kg up month-on-month and \$4.40/kg dearer than last year prices.

Tails and Tendons

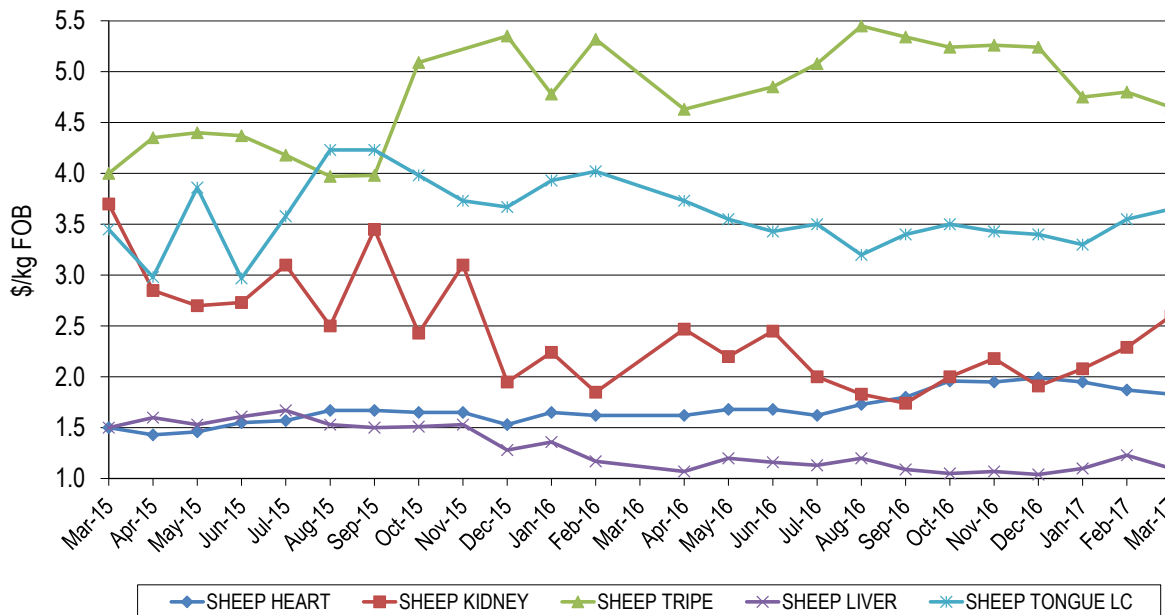
Figure 5: Trends in tail and tendon prices



Tail prices into Japan averaged \$8.09/kg, up 22¢/kg month-on-month and 29¢/kg dearer than same period last year. Halal tails lifted also, up 25¢/kg on last month's price and 52¢/kg year-on-year, averaging \$8.19/kg. Tendons averaged \$6.57/kg, remaining on par with last year but increased 57¢/kg, month-on-month.

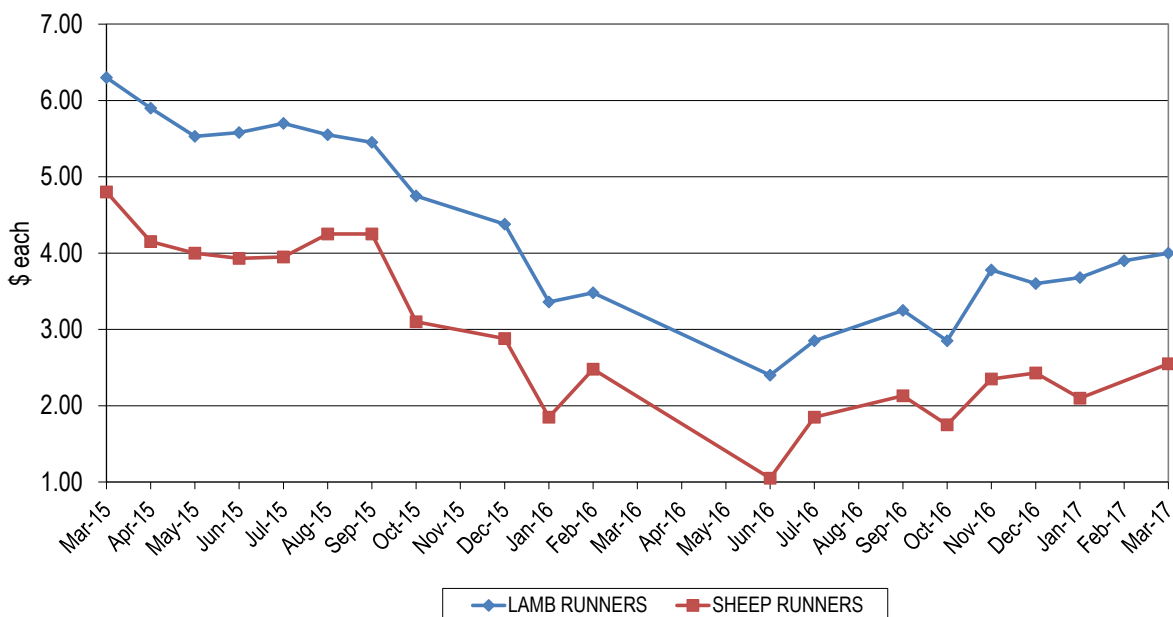
Sheep Offals

Figure 6a: Trends in sheep offal prices



Sheep hearts averaged \$1.83/kg, down 4¢/kg month-on-month and were steady with March 2016. Sheep livers averaged \$1.10/kg, which was 13¢/kg cheaper month-on-month. Kidney prices saw returns of \$2.60/kg, up 31¢/kg on last month's price. Sheep tripe averaged \$4.65/kg, down 15¢/kg month-on-month. Sheep long cut tongue averaged \$3.65/kg, up 10¢/kg month-on-month.

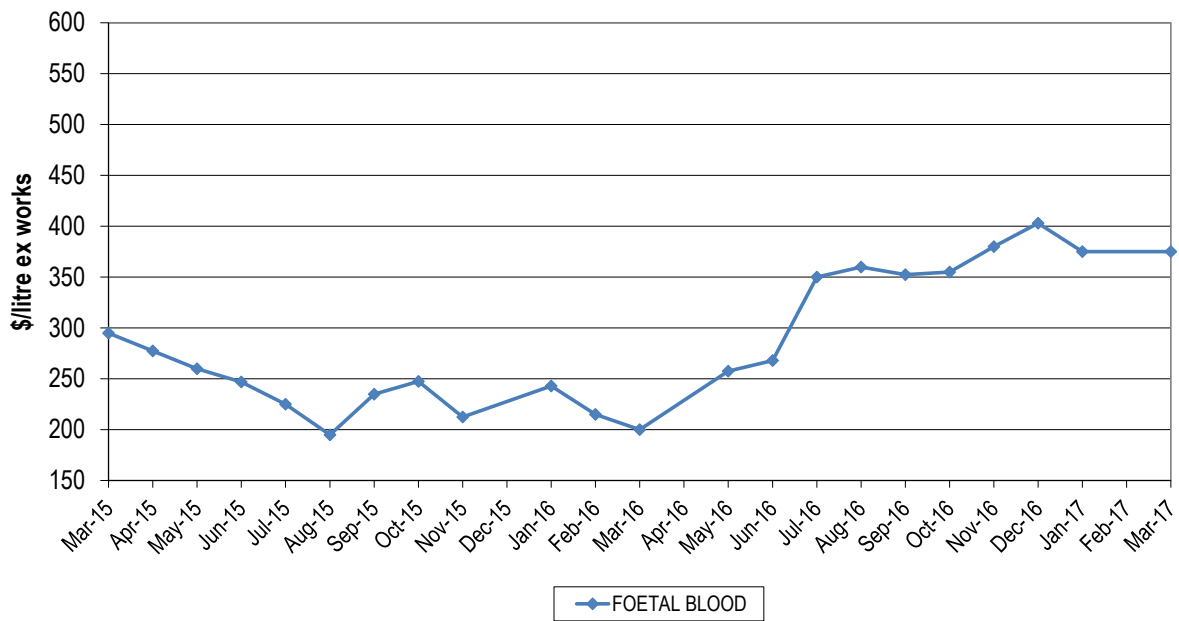
Figure 6b: Trends in runner prices



Lamb runners averaged \$4.00/piece which was 10¢/piece above the price last month. Sheep runners settled on \$2.55/piece for March.

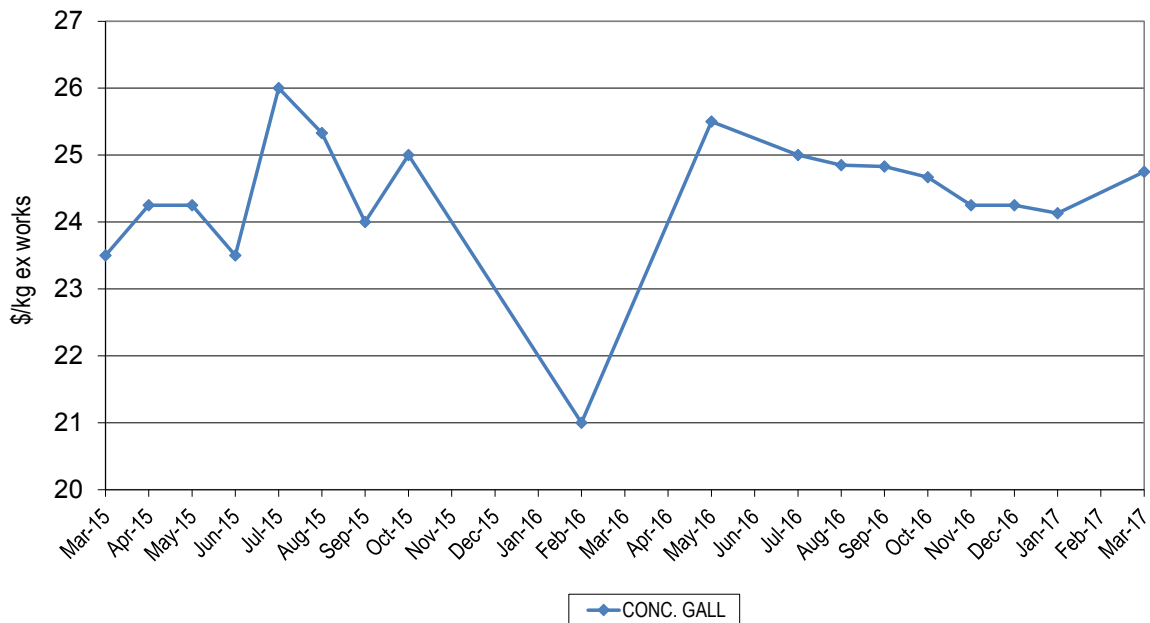
Pharmaceutical products

Figure 7a: Trends for foetal blood prices



Foetal blood remained steady at \$375/litre, which was \$175/litre above year-ago prices.

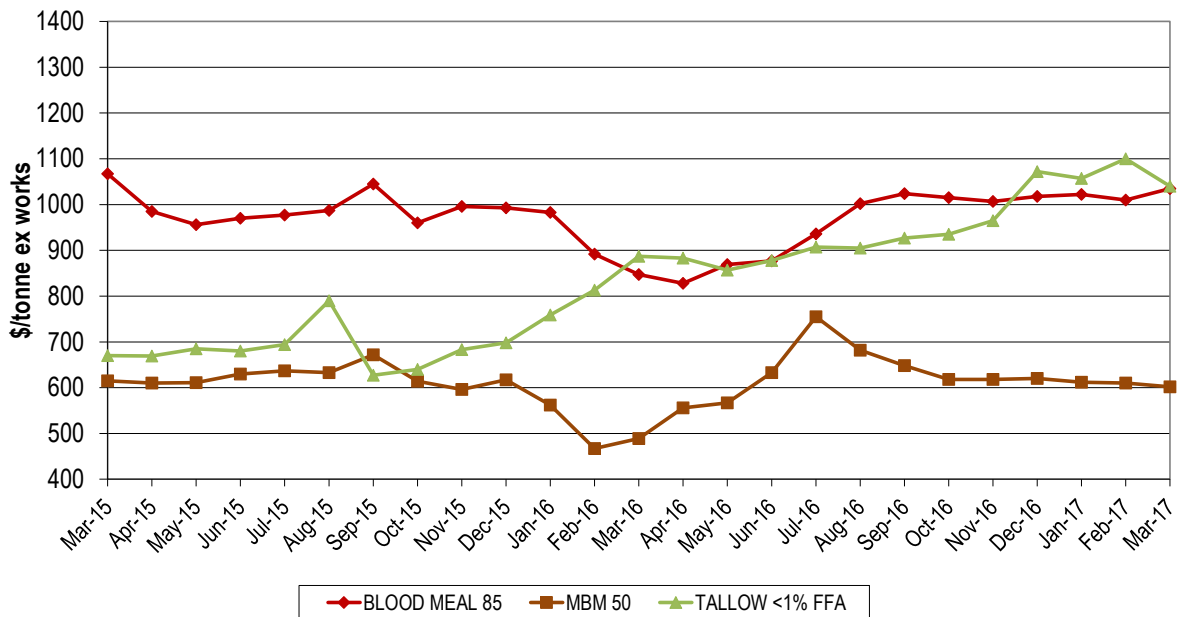
Figure 7b: Trends for concentrated gall prices



Concentrated gall averaged \$24.75/litre with long term averages going back over 2 years showing this to be a very stable level.

Rendered Products

Figure 8: Trends in rendered co-product prices

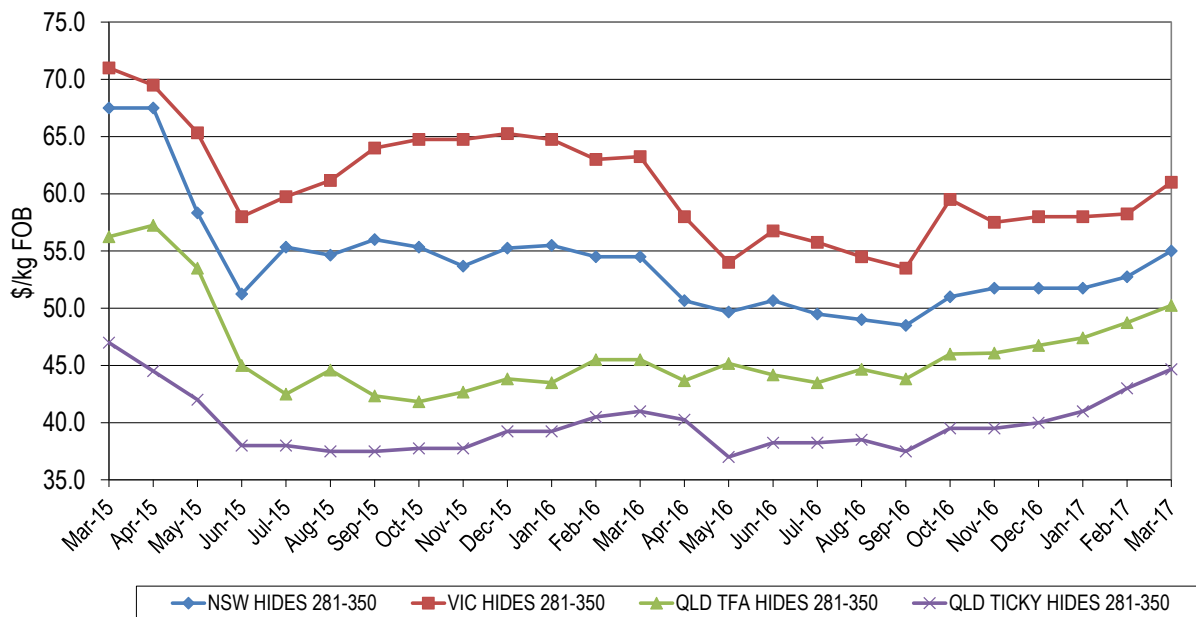


Meat and bone meal (MBM) prices were steady this month, with the price for 50% protein averaging \$602/tonne, \$8/tonne below the price last month however \$113/tonne dearer year-on-year. Blood meal prices remained firm averaging \$1,035/tonne ex-works, which was up \$25/tonne on last month's price and \$188/tonne higher than last year.

Tallow prices trended down across the month and timing of sales gave very different results. The price of palm stearin eased over \$100/tonne during the course of the month and gives an indication of the future for the tallow market. March prices for 1% FFA tallow averaged \$1040/tonne, down \$60/tonne on last month but remained \$153/tonne higher year-on-year.

Hides

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



Local prices for hides firmed slightly during the month on the back of reduced slaughter. Prices remain down \$3.00 to \$5.00/piece from where they sat a year ago. Reports of overseas sellers heading to China in advance of the Hong Kong fair indicated sellers were prepared to lower prices US\$1 to US\$2 to make the sale whilst buyers were looking for double that discount.

Beef and veal offal exports (tonnes swt)					
Destination	Mar-16	Feb-17	Mar-17	Monthly change	Annual change
JAPAN	2,053	1,687	2,209	31%	8%
KOREA	1,813	1,882	2,116	12%	17%
HONG KONG	2,298	1,439	1,787	24%	-22%
INDONESIA	1,035	1,371	1,593	16%	54%
SOUTH AFRICA	1,365	841	1,039	24%	-24%
MIDDLE EAST	830	873	1,008	15%	21%
MALAYSIA	312	658	540	-18%	73%
THAILAND	690	278	537	93%	-22%
US	411	298	438	47%	7%
OTHER	2,068	1,162	1,643	41%	-21%
TOTAL	12,874	10,488	12,909	23%	0%
Offal cut	Mar-16	Feb-17	Mar-17	Monthly change	Annual change
TRIPE	3,080	2,345	2,650	13%	-14%
LIVER	2,133	1,713	2,126	24%	0%
SKIRT	1,210	999	1,277	28%	5%
TONGUES	945	864	974	13%	3%
MANUFACTURING	576	638	957	50%	66%
HEART	984	602	933	55%	-5%
INTESTINES	502	646	775	20%	55%
TAIL	759	543	641	18%	-16%
CHEEK MEAT	598	439	598	36%	0%
TENDON	487	327	524	60%	7%
LIPS	445	306	375	22%	-16%
LUNGS	293	392	312	-20%	7%
HEAD	244	212	301	42%	23%
SPLEEN	188	170	244	44%	30%
KIDNEY	425	288	219	-24%	-49%
OTHER	4	4	4	-2%	8%
TOTAL	12,874	10,488	12,909	23%	0%

Destination	Offal cut	Mar-16	Mar-17	Annual change
Japan	TONGUES	685	675	-1%
	SKIRT	682	664	-3%
	INTESTINES	251	323	29%
	OTHER	435	548	26%
Korea	CHEEK MEAT	485	479	-1%
	SKIRT	440	454	3%
	INTESTINES	187	443	137%
	OTHER	701	739	6%

Source: DAWR

Destination	Offal cut	Mar-16	Mar-17	Annual change
Hong Kong	TRIPE	2,187	1,699	-22%
	OTHER	111	89	-20%
Indonesia	MANUFACTURING	386	632	64%
	TONGUES	238	270	13%
	HEART		265	-
	OTHER	410	426	4%

Mutton, lamb and goat offal exports (tonnes swt)					
Destination	Mar-16	Feb-17	Mar-17	Monthly change	Annual change
HONG KONG	730	619	986	59%	35%
SAUDI ARABIA	820	781	532	-32%	-35%
SOUTH AFRICA	48	228	214	-6%	350%
PAPUA NEW GUINEA	123	195	167	-14%	37%
CHINA	129	174	124	-29%	-4%
US	79	54	111	107%	41%
UAE	175	98	101	3%	-42%
OTHER	490	540	626	16%	28%
TOTAL	2,593	2,687	2,862	7%	10%
Offal cut	Mar-16	Feb-17	Mar-17	Monthly change	Annual change
TRIPE	904	919	1,194	30%	32%
LIVER	1,048	1,045	827	-21%	-21%
HEART	241	287	269	-6%	12%
TONGUES	107	128	172	34%	60%
KIDNEY	170	185	167	-10%	-2%
HEAD	29	29	128	345%	339%
OTHER	93	94	105	12%	13%
TOTAL	2,593	2,687	2,862	7%	10%

Destination	Offal cut	Mar-16	Mar-17	Annual change
HONG KONG	TRIPE	728	939	29%
	OTHER	2.0	47	2283%
SAUDI ARABIA	LIVER	770	459	-40%
	OTHER	50	73	47%

Source: DAWR

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