



# **MLA co-product market report**

**July 2016**

**Table 1: Co-products Prices**

<b>Product</b>	<b>Average</b>	<b>Range</b>	<b>Responses</b>	<b>Monthly Change</b>	<b>Annual Change</b>
<b>Beef</b>					
BEEF LIPS	\$2.55		2	2.7%	-16.4%
BEEF LIPS - HALAL	\$2.90	\$1.25	3	26.1%	-9.0%
CHEEKMEAT	\$6.63		2	3.1%	14.7%
CHEEKMEAT - HALAL	\$7.15	\$2.10	4	14.1%	32.4%
DIAP. MEMBRANE	\$3.84	\$1.75	4	-3.8%	0.3%
HC TRIPE	\$6.55		2	12.0%	6.2%
HC TRIPE - HALAL	\$5.99	\$1.90	4	-1.8%	-11.1%
HEADMEAT - HALAL	\$4.48	\$0.95	3	4.9%	26.9%
HEART	\$1.75		2	8.0%	-6.3%
HEART - HALAL	\$1.86	\$0.45	4	10.6%	-14.7%
HEART -AORTA - HALAL	\$7.59	\$2.35	3	-7.4%	-5.1%
KIDNEYS	\$1.28		2	1.0%	10.9%
KIDNEYS - HALAL	\$1.14	\$0.85	4	-9.0%	-10.8%
LIGAMENTUM	\$4.42	\$2.70	5	-5.4%	26.6%
LIVER	\$1.08		2	7.5%	-11.3%
LIVER - HALAL	\$1.08	\$0.40	4	-3.2%	-42.7%
LUNGS - HALAL	\$1.28		2	17.7%	-7.8%
OMASUM	\$4.85		2	21.3%	-8.5%
OMASUM - HALAL	\$4.73	\$2.75	4	-27.3%	-44.7%
RUM.PILL < 500	\$3.83		2	-10.8%	114.5%
RUM.PILL > 500 < 700	\$7.43		2	-12.4%	103.4%
RUM.PILL > 700	\$10.60		2	-9.5%	85.4%
RUM.PILL< 500 - HALAL	\$5.77	\$3.10	3		193.2%
RUM.PILL> 500 < 700 - HALAL	\$9.21	\$2.03	3		115.8%
RUM.PILL> 700 - HALAL	\$12.50	\$0.91	3		90.9%
TAIL	\$8.18		2	10.0%	7.2%
TAIL - HALAL	\$8.00	\$1.30	4	-4.0%	2.1%
TENDONS - HALAL	\$6.52	\$2.37	4	-4.9%	8.6%
THICKSKIRT	\$9.40		2	-4.3%	34.8%
THICKSKIRT - HALAL	\$10.19	\$0.85	4	-2.5%	61.7%
THINSKIRT	\$10.98		2	5.7%	59.1%
THINSKIRT - HALAL	\$10.59	\$1.20	4	-12.9%	73.6%
TONGUE RT FILLET	\$5.61	\$0.90	4	-0.7%	22.0%
TONGUE RT MEAT - HALAL	\$2.47	\$1.40	3	2.8%	124.2%
TONGUE SW	\$20.00		2	11.9%	145.8%
TONGUE SW - HALAL	\$19.63	\$3.20	4	19.3%	149.5%
TRIPLE PCS - HALAL	\$2.88	\$0.48	5	-7.2%	12.8%

<b>Product</b>	<b>Average</b>	<b>Range</b>	<b>Responses</b>	<b>Monthly Change</b>	<b>Annual Change</b>
<b>Sheep</b>					
HEART SHEEP - HALAL	\$1.62	\$0.65	3	-3.5%	3.2%
KIDNEYS SHEEP - HALAL	\$2.00	\$1.50	3	-18.4%	-35.5%
LIVER SHEEP - HALAL	\$1.13		2	-3.2%	-32.5%
RUNNERS LAMB	\$2.85		2	18.8%	-50.0%
RUNNERS SHEEP	\$1.85		2	76.2%	-53.2%
TONGUE LC SHEEP HALAL	\$3.50	\$0.00	3	1.9%	-2.3%
TRIBE SHEEP - HALAL	\$5.08	\$0.75	3	4.8%	21.5%
<b>Pharmecuetical</b>					
FOETAL BLOOD	\$350.00		2	30.4%	55.6%
GALL CONCENTRATED	\$25.00		2		-3.8%
<b>Rendered Products</b>					
BLOODMEAL 85	\$936.00	\$210.00	5	6.8%	-4.2%
MBM 50	\$754.80	\$95.00	5	19.2%	18.6%
TALLOW INED.<1FFA	\$906.67	\$20.00	3	3.3%	30.7%
TALLOW INED.<2FFA	\$848.75	\$120.00	4	-0.8%	26.7%
TALLOW INED.<4FFA	\$843.33	\$40.00	3	5.7%	31.8%
<b>Hides</b>					
HIDES NSW 141- 180	\$24.50		2	-4.5%	-15.5%
HIDES NSW 181 - 220	\$31.50		2	-3.6%	-14.1%
HIDES NSW 221 - 280	\$39.00		2	-4.9%	-11.0%
HIDES NSW 281 - 350	\$49.50		2	-2.3%	-10.5%
HIDES NSW 351 UP	\$65.25		2	0.1%	-0.6%
HIDES QLD TFA 141 - 220	\$24.50		2	-2.0%	4.3%
HIDES QLD TFA 221 - 280	\$33.50		2	3.6%	6.3%
HIDES QLD TFA 281 - 350	\$43.50	\$8.00	3	-1.5%	2.4%
HIDES QLD TFA 351 UP	\$53.67	\$10.00	3	8.8%	4.2%
HIDES QLD TICKY 281 - 350	\$38.25		2	0.0%	0.7%
HIDES QLD TICKY 350 UP	\$48.00		2	-1.0%	3.2%
HIDES VIC 141-180	\$27.00		2	-3.6%	-10.0%
HIDES VIC 181-220	\$36.25		2	-2.7%	-9.4%
HIDES VIC 221 - 280	\$44.00		2	-2.9%	-9.3%
HIDES VIC 281-350	\$55.75		2	-1.8%	-6.7%
HIDES VIC 351 UP	\$70.50		2	-0.7%	1.4%

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\$ traded slightly firmer against US\$ during July, starting at 74.60US¢, and traded within a range of 74.36 – 76.26US¢ before finishing the month at 75.22US¢.

Beef offal prices were reasonably steady during July with the notable exception being beef tongues which were particularly firm. Sheep offal prices were relatively steady, however sheep kidneys have been weaker through 2016 thus far. Halal offal prices were steady on the back of the lower offal production accompanied by reasonable demand which assisted prices.

Both meat and bone meal and blood meal prices were dearer. Tallow prices improved, with lower production and stable demand from Singapore firming prices.

Hide prices were lack lustre in July, with poor demand for finished leather and the northern summer holidays about to start. Demand for sheep skins remains uncertain due to the forced closure of many tanneries in China as a result of environmental issues.

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### Head Offal Prices

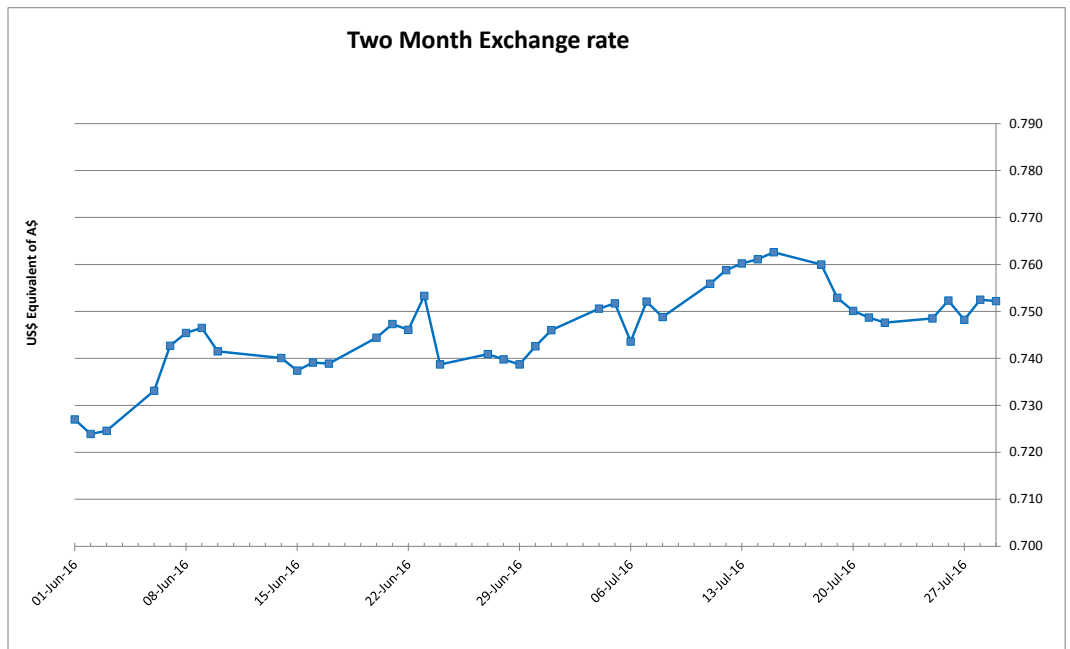
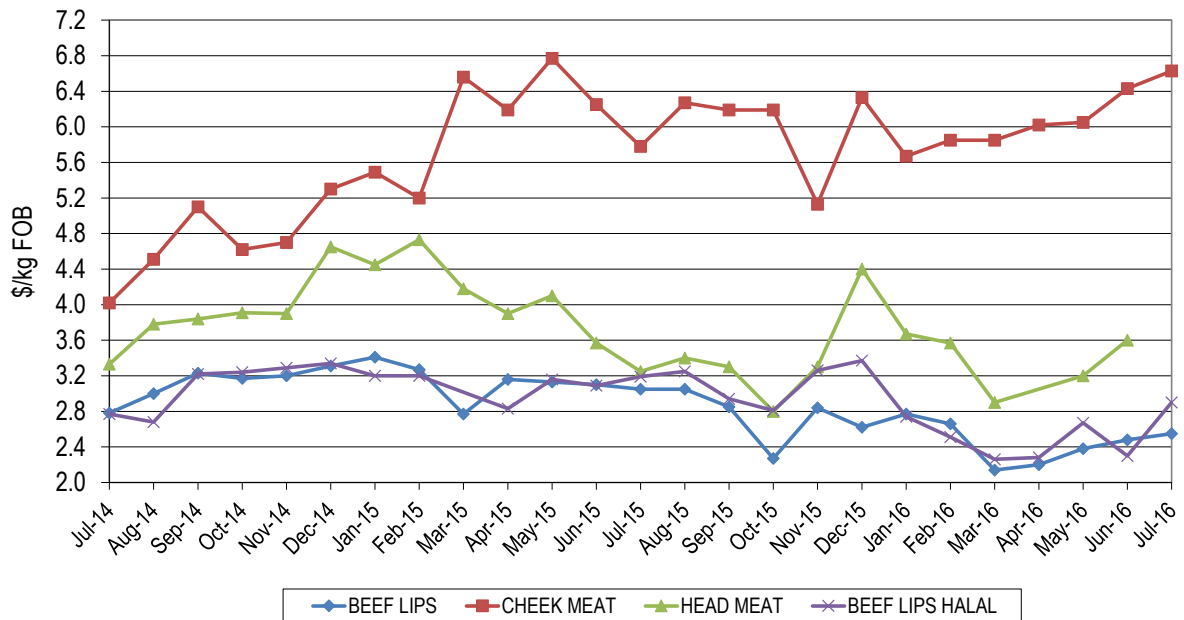


Figure 1: Trends in beef head offal prices

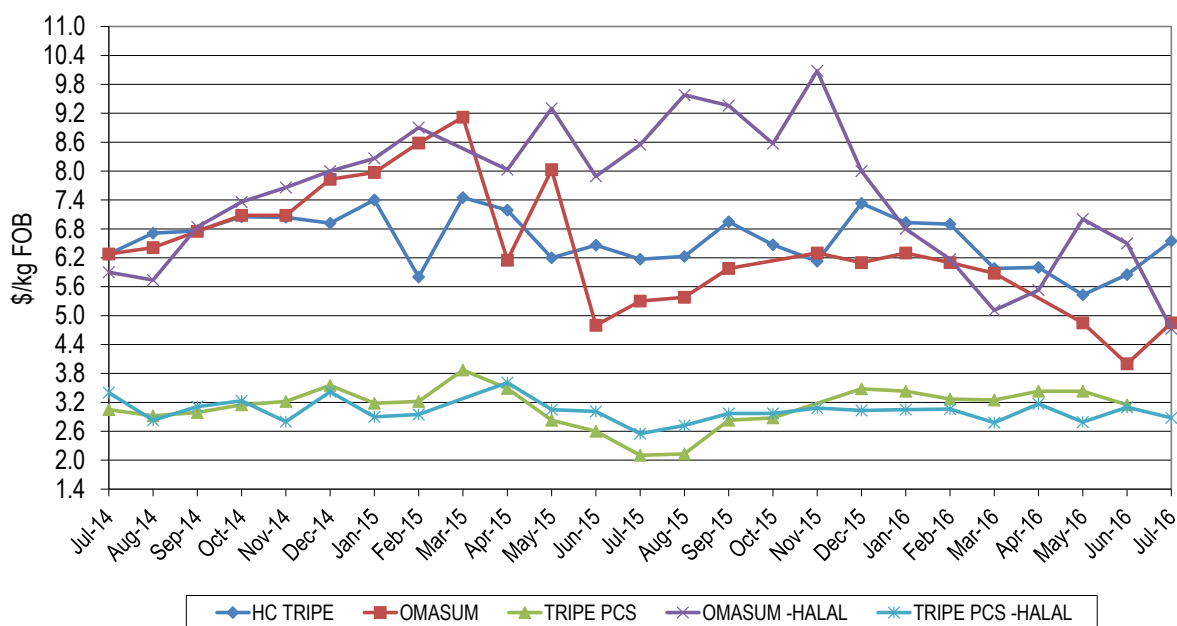


Non-halal head offal products lifted slightly month-on-month however head meat was not reported, and cheek meat was stronger compared to the corresponding period last year. Cheek meat averaged \$6.63/kg, up 20¢/kg compared with last month and was 85¢/kg dearer year-on-year.

Lip export prices to the US and Mexico improved this month, averaging \$2.55/kg, to be 7¢/kg above last month however were 50¢/kg easier from 2015. Halal lips returned \$2.90/kg, up 60¢/kg month-on-month and were 29¢/kg lower than year-ago levels.

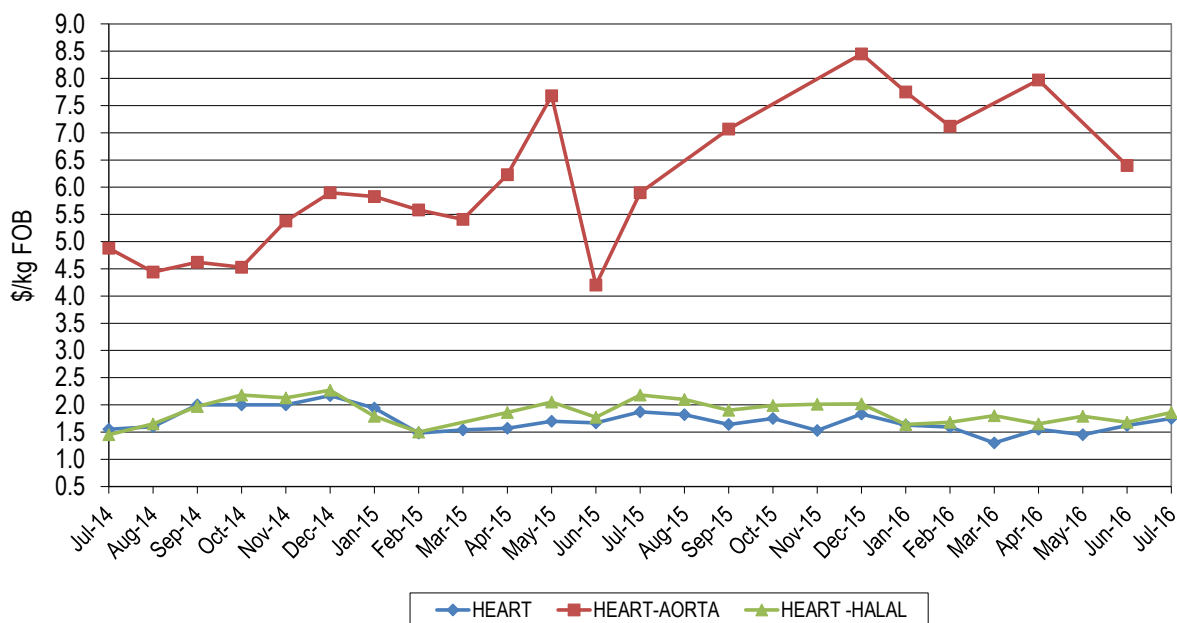
## Beef Offal Trends

### Figure 2: Trends in beef tripe prices



Omasum firmed to \$4.85/kg during July, whilst halal omasum prices fell sharply to \$4.73/kg, down \$1.77/kg from June and \$3.82/kg lower year-on-year. Non-halal tripe pieces were not reported during July. Honeycomb tripe increased during July, averaging \$6.55/kg which is up 70¢/kg month-on-month and 38¢/kg higher than the corresponding period last year. Halal tripe pieces returned \$2.88/kg, down 22¢/kg on last month but still 33¢/kg higher year-on-year.

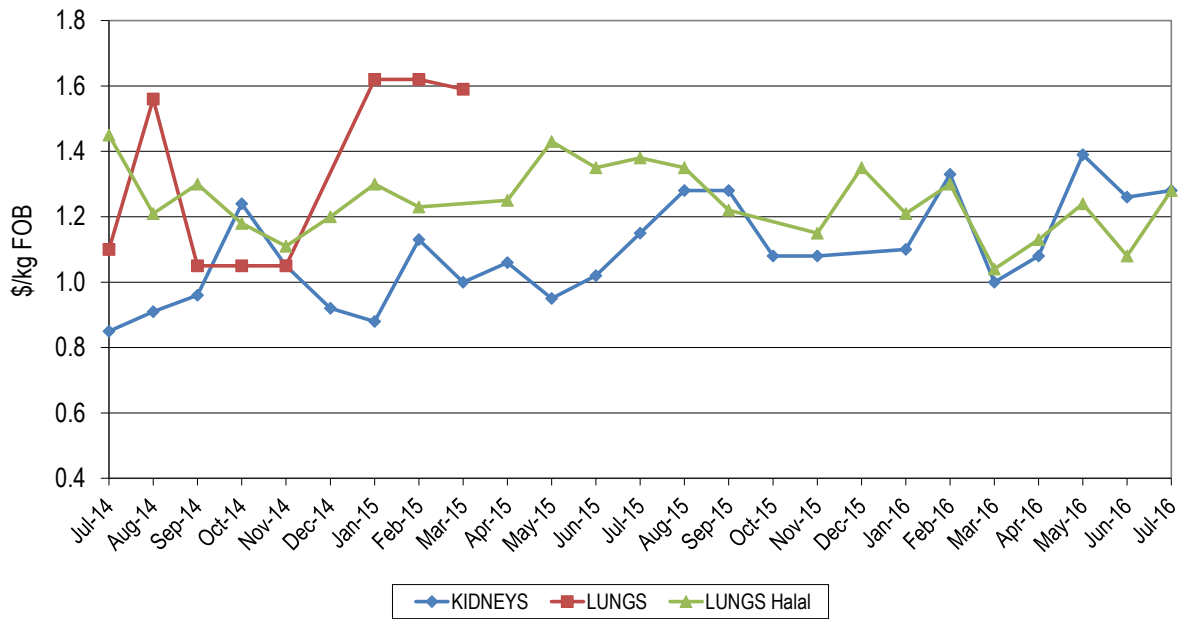
### Figure 3a: Trends in beef offal prices



Non-halal aorta was not reported this month, whilst halal product averaged \$7.59/kg, down 61¢/kg month-on-month.

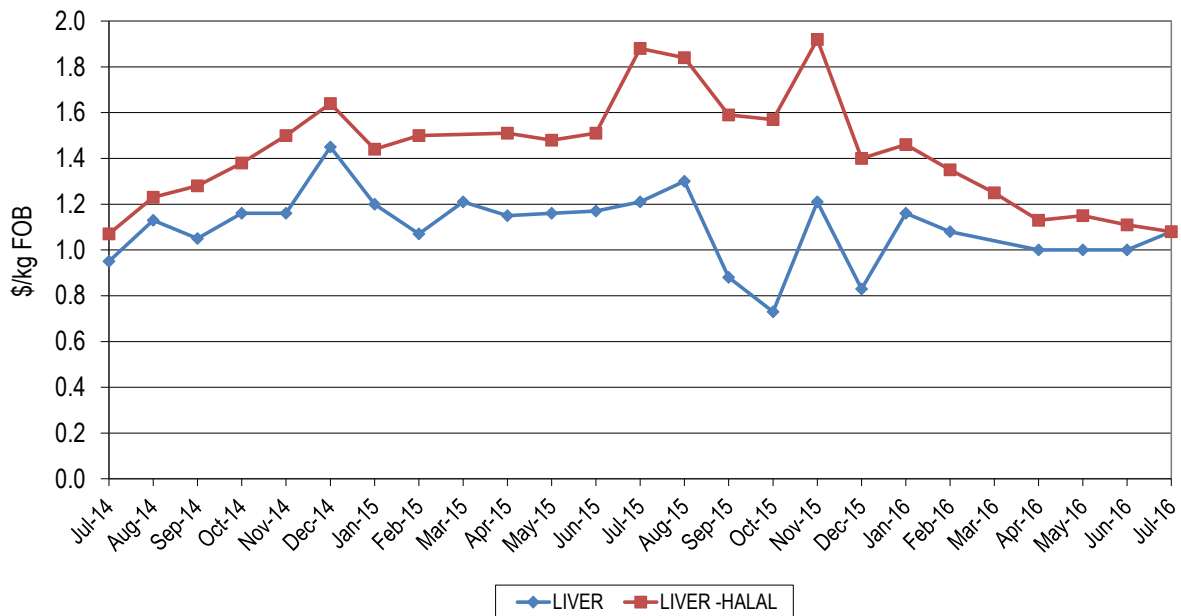
Heart prices also firmed, averaging \$1.75/kg, up 13¢/kg for the month but back 12¢/kg from July 2015. Halal hearts averaged \$1.86/kg, up 18¢/kg month-on-month and 32¢/kg lower than year-ago levels.

**Figure 3b: Trends in beef offal prices**



Kidneys were reported at an average of \$1.28/kg, up 2¢/kg on last month and 13¢/kg dearer on last year’s price. Halal lungs averaged \$1.28/kg, up 20¢/kg on last month and were 10¢/kg lower year-on-year while reports for non-halal lungs have been absent for over twelve months.

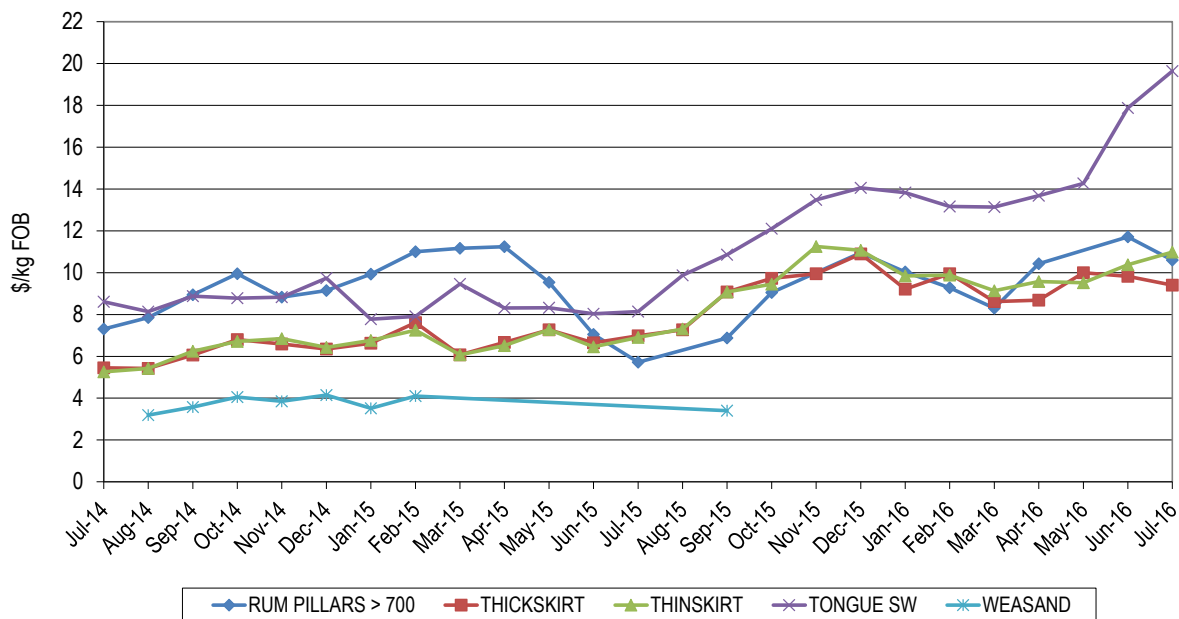
**Figure 3c: Trends in beef offal prices**



Non-halal liver prices averaged \$1.08/kg to be firmer by 8¢/kg month-on-month however were 13¢/kg cheaper than this time last year, while halal livers fell by 3¢/kg month-on-month and 80¢/kg year-on-year, with sales averaging \$1.08/kg.

## Japanese and Korean Offals

### Figure 4: Trends in Japanese offal prices



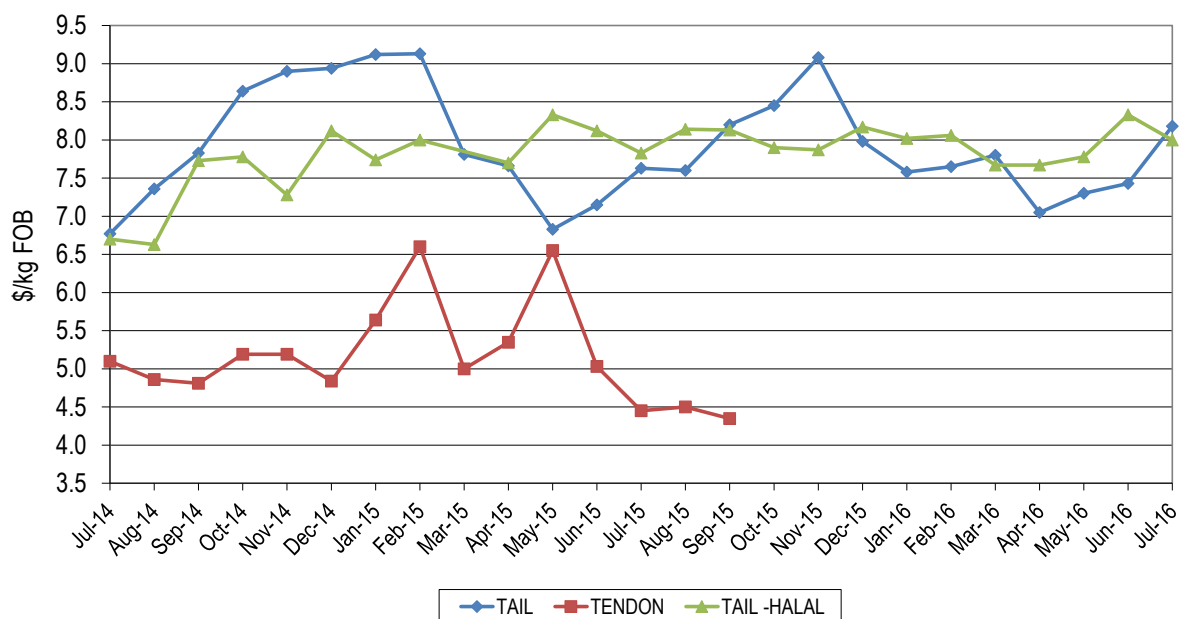
Tongue prices continued their buoyant sales, averaging \$19.63/kg, which was \$11.49/kg dearer from year-ago levels and \$1.76/kg firmer month-on month.

Thick skirt was \$2.42/kg up on last year but 42¢/kg down month-on-month, averaging \$9.40/kg, while thin skirt prices were \$4.08/kg higher from year-ago levels and 60¢/kg higher month-on-month, realizing \$10.98/kg.

Rumen pillars eased slightly this month with heavy weight product making \$10.60/kg which was \$4.88/kg above year-ago levels. Halal 700gm up rumen pillars returned \$12.50/kg. Weasand was again not reported.

## Tails and Tendons

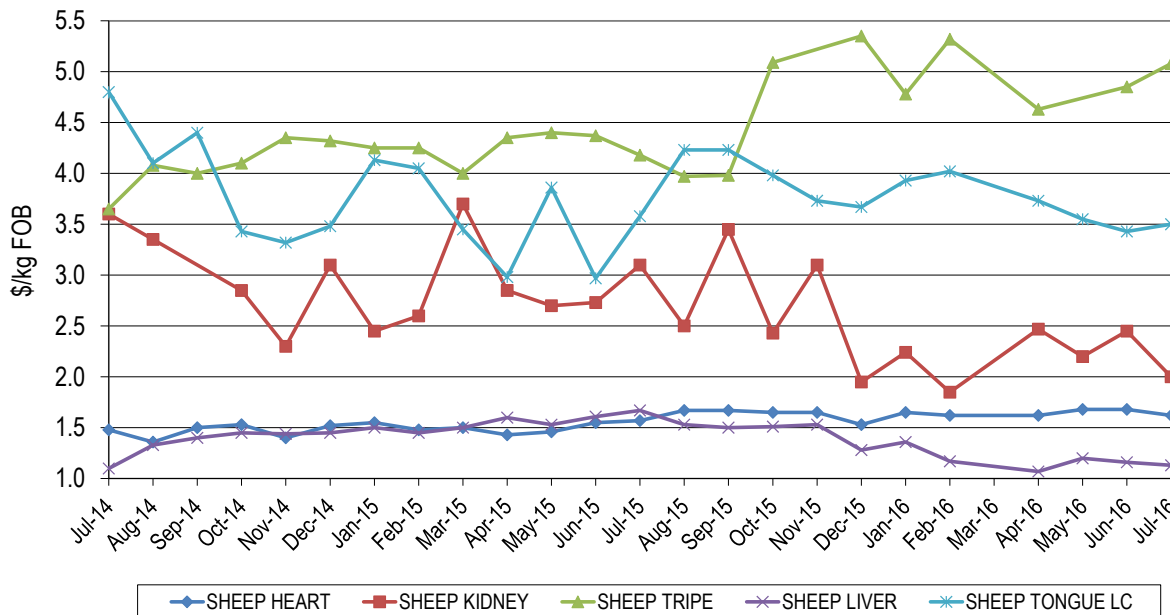
### Figure 5: Trends in tail and tendon prices



Tail prices into Japan averaged \$8.18/kg, up 75¢/kg from June and 55¢/kg higher than July 2015. Halal tails were slightly weaker this month, down 33¢/kg month-on-month and 17¢/kg higher than last year's price at \$8.00/kg. Tendons were again not reported this month, however halal tendons returned an average of \$6.52/

**Sheep Offals**

**Figure 6a: Trends in sheep offal prices**

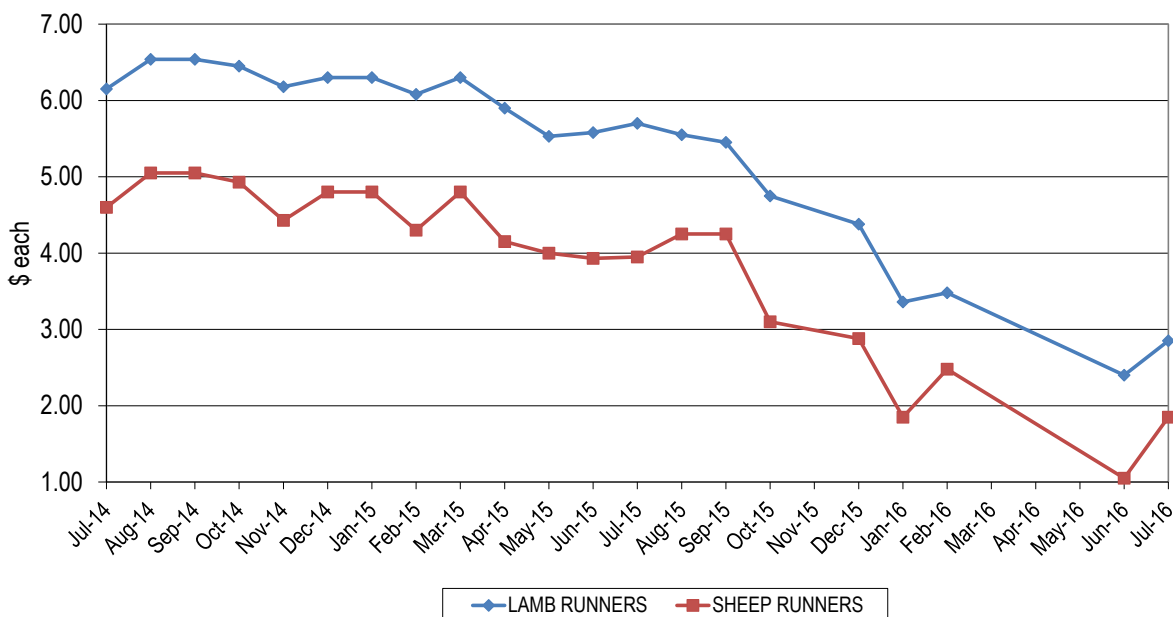


kg, which was 33¢/kg lower than last month.

Sheep offal was accompanied by reasonable demand which helped to keep prices steady.

Hearts eased to \$1.62/kg, down 6¢/kg from June however were 5¢/kg dearer than last year, whilst livers eased to \$1.13/kg which was 3¢/kg down month-on-month and 54¢/kg lower than year-ago levels. Kidney prices weakened to return \$2.00/kg, down 45¢/kg on June prices and back \$1.10/kg year-on-year. Sheep tripe averaged \$5.08/kg, up 23¢/kg month-on-month and was 90¢/kg dearer than year-ago levels. Sheep long

**Figure 6b: Trends in runner prices**



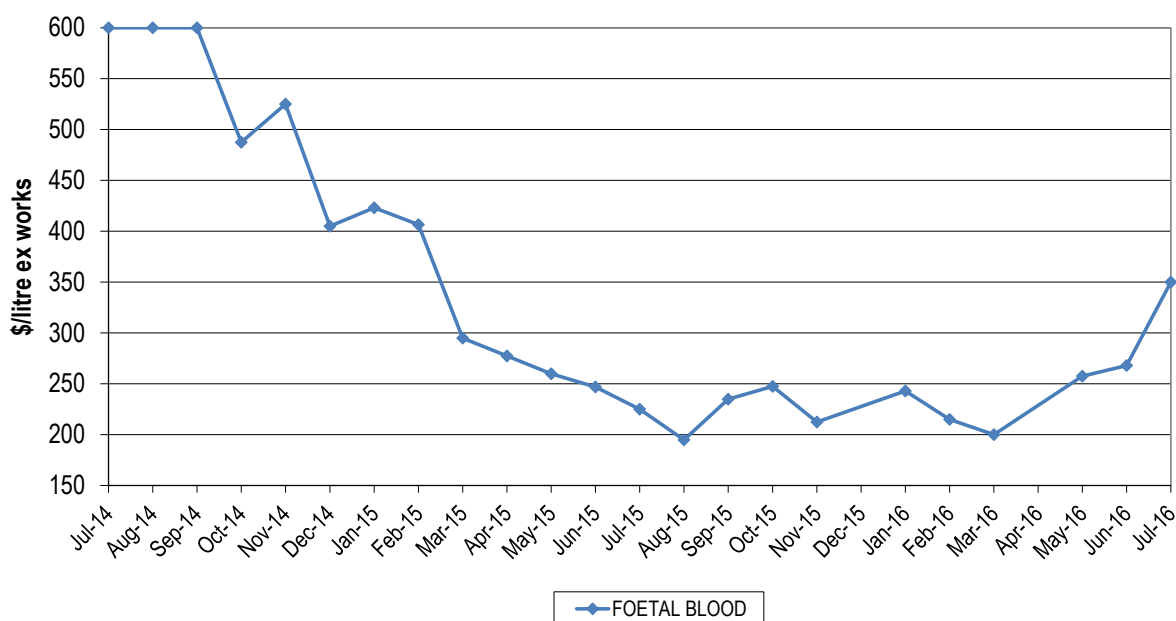
cut tongue averaged \$3.50/kg, up 7¢/kg month-on-month but 8¢/kg cheaper than June 2015.

Runners firmed slightly however were lightly reported. Lamb product realised \$2.85/piece, improving 45¢/kg month-on-month but easing \$2.85/piece on year-ago prices whilst sheep runners made \$1.85/piece, to be



## Pharmaceutical products

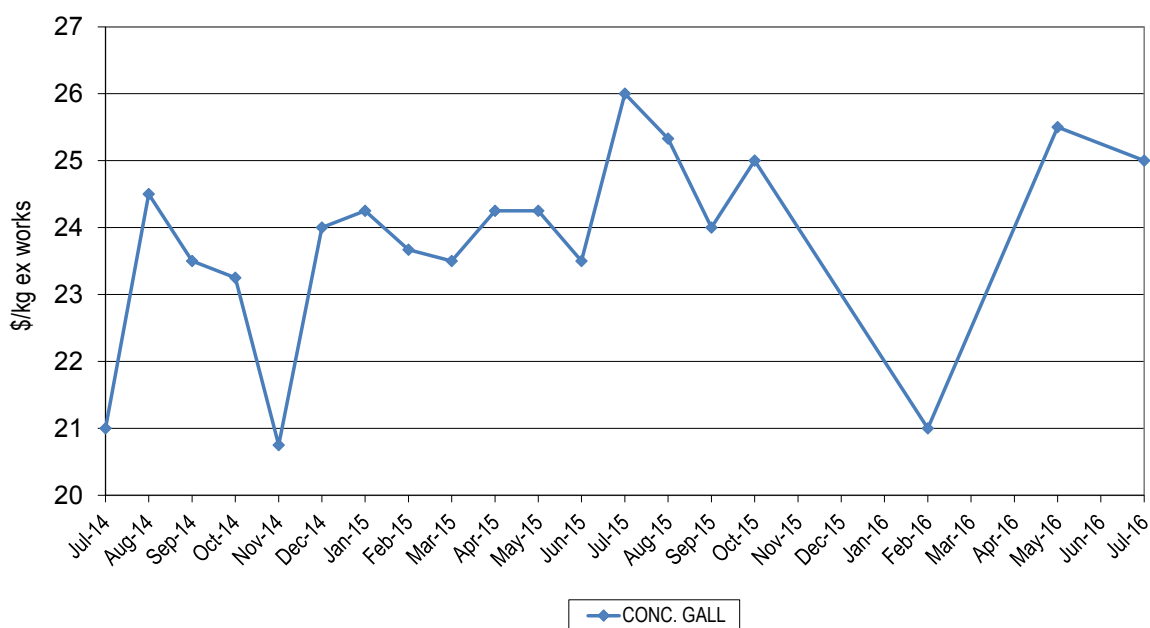
### Figure 7a: Trends for foetal blood prices



\$2.10/piece lower year-on-year but still 80¢/kg above June prices.

Foetal blood averaged \$350/litre, up \$82/litre month-on-month and \$125/litre better than the price a year ago.

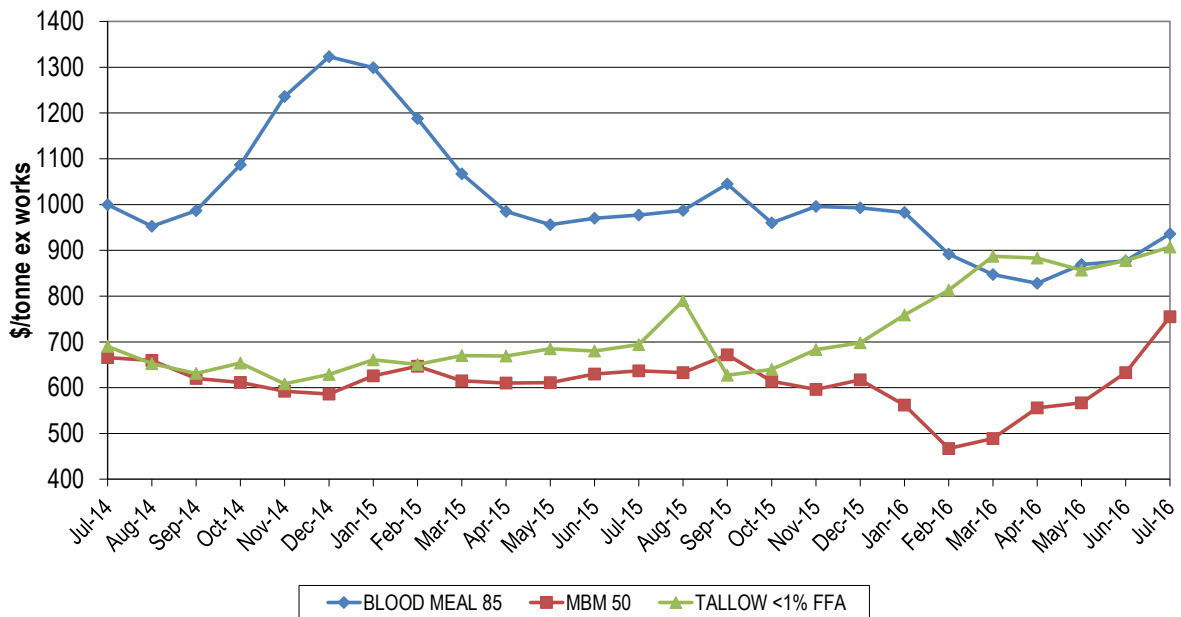
### Figure 7b: Trends for concentrated gall prices



Concentrated gall averaged \$25.00/kg in July which is just \$1.00/kg lower year-on-year.

## Rendered Products

Figure 8: Trends in rendered co-product prices

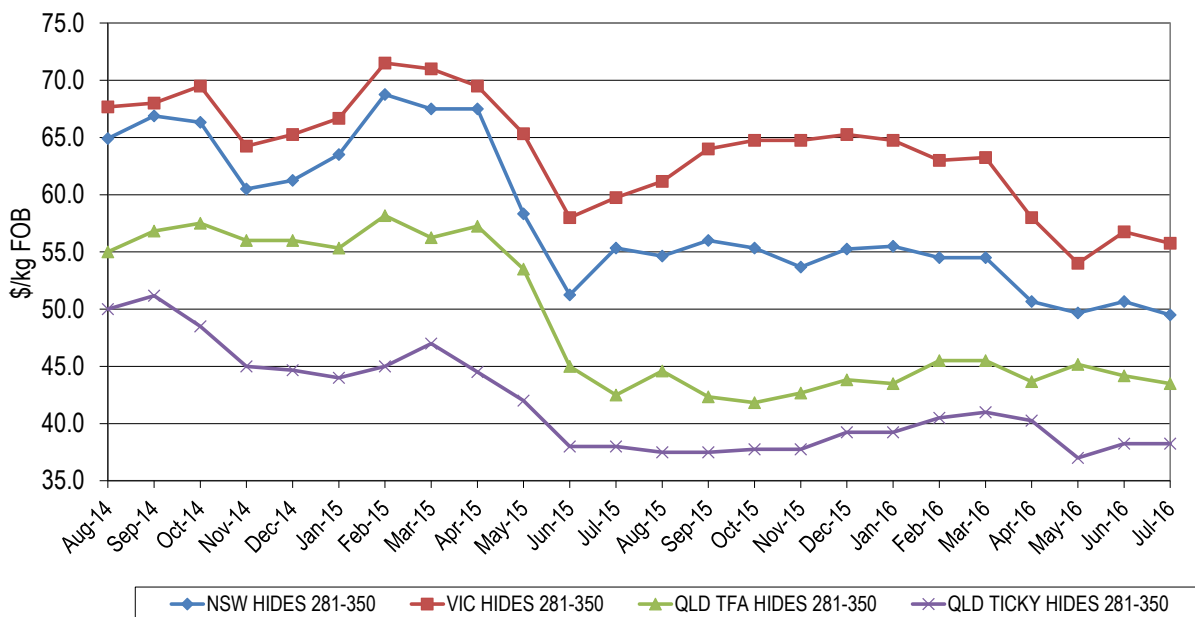


Meat and bone meal (MBM) prices continued their strong trend, with the price for 50% protein averaging \$755/tonne, up \$122/tonne on last month and \$118/tonne dearer from the same time last year. Blood meal prices also firmed on the back of improved aqua demand, with an average price of \$936/tonne ex-works, which was up \$59/tonne on last month's price but \$41/tonne lower than last year. The firmer soya bean meal prices along with reduced production of rendered product continue to assist rendered protein meal prices this month.

Tallow prices also improved, with Singapore keeping up steady demand for bio-diesel production. The price of palm stearin continued its strong performance, also assisting the tallow market. April prices for 1% FFA tallow averaged \$907/mt, up \$29/mt on last month and was \$213/mt stronger year-on-year.

## Hides

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



Local prices for hides eased slightly as we moved into July with talk of forced tannery closures in China affecting the price of both hides and sheep and lamb skins. Coupled with the downward demand for leather goods and the summer holiday season in the northern hemisphere, we can expect the hide business to drift along for the next 4 to 6 weeks.

<b>Beef and veal offal exports (tonnes swt)</b>					
<b>Destination</b>	<b>Jul-15</b>	<b>Jun-16</b>	<b>Jul-16</b>	<b>Monthly change</b>	<b>Annual change</b>
JAPAN	2,667	2,519	1,999	-21%	-25%
KOREA	2,149	1,928	1,684	-13%	-22%
INDONESIA	143	1,712	1,503	-12%	950%
HONG KONG	1,978	2,045	1,473	-28%	-26%
SOUTH AFRICA	1,410	1,635	843	-48%	-40%
THAILAND	575	662	657	-1%	14%
MIDDLE EAST	1,404	416	486	17%	-65%
CHINA	385	450	409	-9%	6%
TAIWAN	341	222	361	62%	6%
OTHER	3,173	1,505	1,651	10%	-48%
<b>TOTAL</b>	<b>14,224</b>	<b>13,094</b>	<b>11,067</b>	<b>-15%</b>	<b>-22%</b>
<b>Offal cut</b>	<b>Jul-15</b>	<b>Jun-16</b>	<b>Jul-16</b>	<b>Monthly change</b>	<b>Annual change</b>
TRIPE	3,380	2,901	2,503	-14%	-26%
LIVER	2,315	2,097	1,808	-14%	-22%
SKIRT	1,480	1,313	1,131	-14%	-24%
HEART	1,231	1,027	874	-15%	-29%
TONGUES	1,125	1,152	811	-30%	-28%
MANUFACTURING	665	774	758	-2%	14%
TAIL	708	699	521	-25%	-26%
TENDON	536	520	477	-8%	-11%
CHEEK MEAT	653	612	461	-25%	-29%
INTESTINES	577	526	415	-21%	-28%
LIPS	516	421	372	-12%	-28%
LUNGS	245	279	277	-1%	13%
SPLEEN	157	162	236	46%	50%
KIDNEY	359	276	210	-24%	-42%
HEAD	273	329	210	-36%	-23%
OTHER	2	7	3	-47%	91%
<b>TOTAL</b>	<b>14,224</b>	<b>13,094</b>	<b>11,067</b>	<b>-15%</b>	<b>-22%</b>

<b>Destination</b>	<b>Offal cut</b>	<b>Jul-15</b>	<b>Jul-16</b>	<b>Annual change</b>
Japan	SKIRT	786	730	-7%
	TONGUES	910	656	-28%
	INTESTINES	302	192	-36%
	OTHER	669	420	-37%

Source: DAWR

Destination	Offal cut	Jul-15	Jul-16	Annual change
Korea	SKIRT	564	373	-34%
	CHEEK MEAT	488	350	-28%
	TAIL	271	322	19%
	OTHER	826	639	-23%
Indonesia	MANUFACTURING	18	441	2308%
	HEART		269	-
	LIPS		229	-
	OTHER	125	564	352%
Hong Kong	TRIPE	1,883	1,425	-24%
	OTHER	94	48	-49%

### Mutton, lamb and goat offal exports (tonnes swt)

Destination	Jul-15	Jun-16	Jul-16	Monthly change	Annual change
HONG KONG	300	762	480	-37%	60%
SAUDI ARABIA	419	583	451	-23%	8%
PNG	212	181	209	15%	-1%
JORDAN	177	131	80	-39%	-55%
SRI LANKA	25	54	80	48%	219%
UAE	56	59	67	14%	20%
CHINA	68	135	43	-68%	-37%
OTHER	681	377	220	-42%	-68%
<b>TOTAL</b>	<b>1,938</b>	<b>2,282</b>	<b>1,631</b>	<b>-29%</b>	<b>-16%</b>
Offal cut	Jul-15	Jun-16	Jul-16	Monthly change	Annual change
TRIPE	533	960	644	-33%	21%
LIVER	735	694	551	-21%	-25%
HEART	287	280	168	-40%	-41%
TONGUES	98	123	125	2%	28%
KIDNEY	137	132	62	-53%	-55%
HEAD	39	23	33	40%	-16%
OTHER	110	70	49	-30%	-55%
<b>TOTAL</b>	<b>1,938</b>	<b>2,282</b>	<b>1,631</b>	<b>-29%</b>	<b>-16%</b>

Destination	Offal cut	Jul-15	Jul-16	Annual change
HONG KONG	TRIPE	299	480	60%
	OTHER	0.1	0	-100%
SAUDI ARABIA	LIVER	375	396	6%
	OTHER	44	56	26%

Source: DAWR

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