



MLA co-product market report

May 2016

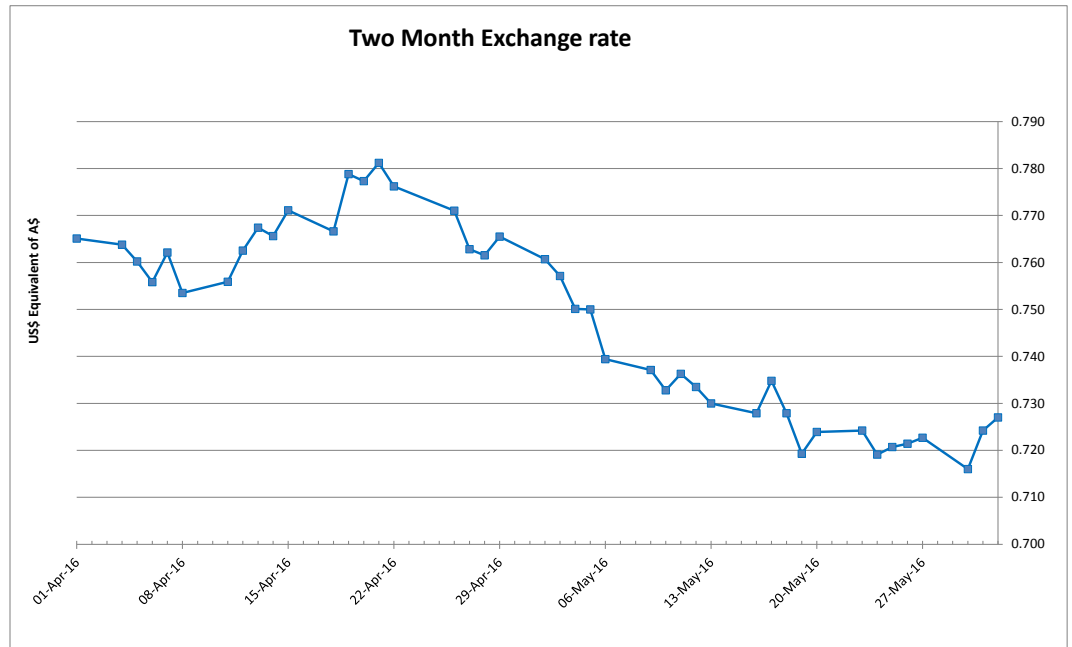
Table 1: Co-products Prices

Product	Average	Range	Responses	Monthly Change	Annual Change
Beef					
BEEF LIPS	\$2.38	\$0.75	3	8.3%	-23.9%
BEEF LIPS - HALAL	\$2.67	\$0.21	3	16.9%	-15.6%
CHEEKMEAT	\$6.05		2	0.6%	-10.6%
CHEEKMEAT - HALAL	\$6.35		2		9.8%
DIAP. MEMBRANE	\$3.63	\$0.90	3	6.9%	19.3%
HC TRIPE	\$5.43	\$1.40	3	-9.4%	-12.4%
HC TRIPE - HALAL	\$6.82	\$1.77	3	7.0%	-5.2%
HEADMEAT	\$3.20	\$2.15	3		-22.0%
HEART	\$1.45	\$0.45	4	-6.5%	-14.7%
HEART - HALAL	\$1.79	\$0.48	3	8.7%	-12.5%
HEART -AORTA - HALAL	\$7.22	\$3.30	3	-9.4%	3.9%
KIDNEYS	\$1.39	\$1.05	4	28.1%	46.1%
KIDNEYS - HALAL	\$1.26	\$0.51	3	20.3%	-5.5%
LIGAMENTUM	\$3.57	\$1.45	5	-14.0%	7.4%
LIVER	\$1.00	\$0.20	3	0.0%	-13.8%
LIVER - HALAL	\$1.15	\$0.30	4	1.3%	-22.2%
LUNGS - HALAL	\$1.24	\$0.42	3	10.2%	-13.0%
OMASUM	\$4.85		2		-39.6%
OMASUM - HALAL	\$7.00	\$1.69	3	26.4%	-24.8%
RUM.PILL< 500 - HALAL	\$6.10		2		67.1%
RUM.PILL> 500 < 700 - HALAL	\$8.10		2	6.9%	23.7%
RUM.PILL> 700 - HALAL	\$11.10		2	6.5%	20.7%
TAIL	\$7.30	\$0.70	3	3.5%	6.8%
TAIL - HALAL	\$7.78	\$0.65	3	1.5%	-6.6%
TENDONS - HALAL	\$5.37	\$0.95	3	-20.2%	-18.1%
THICKSKIRT	\$10.00	\$3.40	3	15.2%	37.6%
THICKSKIRT - HALAL	\$9.60	\$1.99	3	-4.3%	37.2%
THINSKIRT	\$9.52	\$0.20	3	-0.5%	30.7%
THINSKIRT - HALAL	\$9.75	\$2.35	3	-8.2%	43.4%
TONGUE RT FILLET	\$5.33		2	13.3%	8.4%
TONGUE RT MEAT - HALAL	\$1.78		2	-24.5%	
TONGUE SW	\$14.26	\$4.12	4	4.3%	71.4%
TONGUE SW - HALAL	\$13.88	\$3.35	3	-8.7%	64.3%
TRIPLE PCS	\$3.43	\$0.10	3	0.2%	21.5%
TRIPLE PCS - HALAL	\$2.79	\$0.58	3	-11.9%	-8.5%

Product	Average	Range	Responses	Monthly Change	Annual Change
Sheep					
HEART SHEEP - HALAL	\$1.68		2	3.6%	14.5%
KIDNEYS SHEEP - HALAL	\$2.20		2	-10.8%	-18.5%
LIVER SHEEP - HALAL	\$1.20		2	12.5%	-21.3%
TONGUE LC SHEEP HALAL	\$3.55		2	-4.9%	-8.1%
Pharmaceutical					
FOETAL BLOOD	\$257.50		2		-1.0%
GALL CONCENTRATED	\$25.50		2		5.2%
Rendered Products					
BLOODMEAL 85	\$869.33	\$130.00	6	5.0%	-9.1%
MBM 50	\$566.71	\$158.00	7	1.9%	-7.2%
TALLOW INED.<1FFA	\$856.67	\$70.00	3	-3.0%	25.1%
TALLOW INED.<2FFA	\$812.33	\$110.00	3	-5.3%	29.1%
TALLOW INED.<4FFA	\$807.50		2	-1.8%	28.2%
Hides					
HIDES NSW 141- 180	\$27.00	\$9.00	3	-3.6%	-19.8%
HIDES NSW 181 - 220	\$34.00	\$8.00	3	-1.0%	-11.3%
HIDES NSW 221 - 280	\$40.83	\$5.50	3	-0.8%	-12.5%
HIDES NSW 281 - 350	\$49.67	\$2.00	3	-2.0%	-14.9%
HIDES NSW 351 UP	\$64.67	\$11.00	3	5.1%	-2.5%
HIDES QLD TFA 141 - 220	\$28.00		2	17.9%	-9.7%
HIDES QLD TFA 221 - 280	\$35.50		2	10.1%	-10.7%
HIDES QLD TFA 281 - 350	\$45.17	\$8.50	3	3.4%	-15.6%
HIDES QLD TFA 351 UP	\$53.33	\$14.00	3	0.3%	-15.0%
HIDES QLD TICKY 141 - 220	\$18.00		2		-21.7%
HIDES QLD TICKY 221 - 280	\$26.50		2		-21.3%
HIDES QLD TICKY 281 - 350	\$37.00	\$2.00	3	-8.1%	-11.9%
HIDES QLD TICKY 350 UP	\$47.50	\$9.50	3	-5.0%	-6.9%
HIDES VIC 141-180	\$27.00		2	-8.5%	-25.7%
HIDES VIC 181-220	\$37.50		2	-5.1%	-18.5%
HIDES VIC 221 - 280	\$43.00		2	-8.5%	-22.8%
HIDES VIC 281-350	\$52.50		2	-9.5%	-19.6%
HIDES VIC 351 UP	\$70.50		2	-3.1%	-5.2%

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\$ showed a steady decline against the US\$ during May, starting at 76.07US¢, and trading within a range of 72.07–76.02US¢ before finishing the month at 72.42US¢.



Beef offal prices were again very steady, with only small changes in prices across the month on most items. Sheep offal prices were also relatively firm, which maintained the pattern through 2016 thus far. Halal offals were firmer leading up to the Ramadan

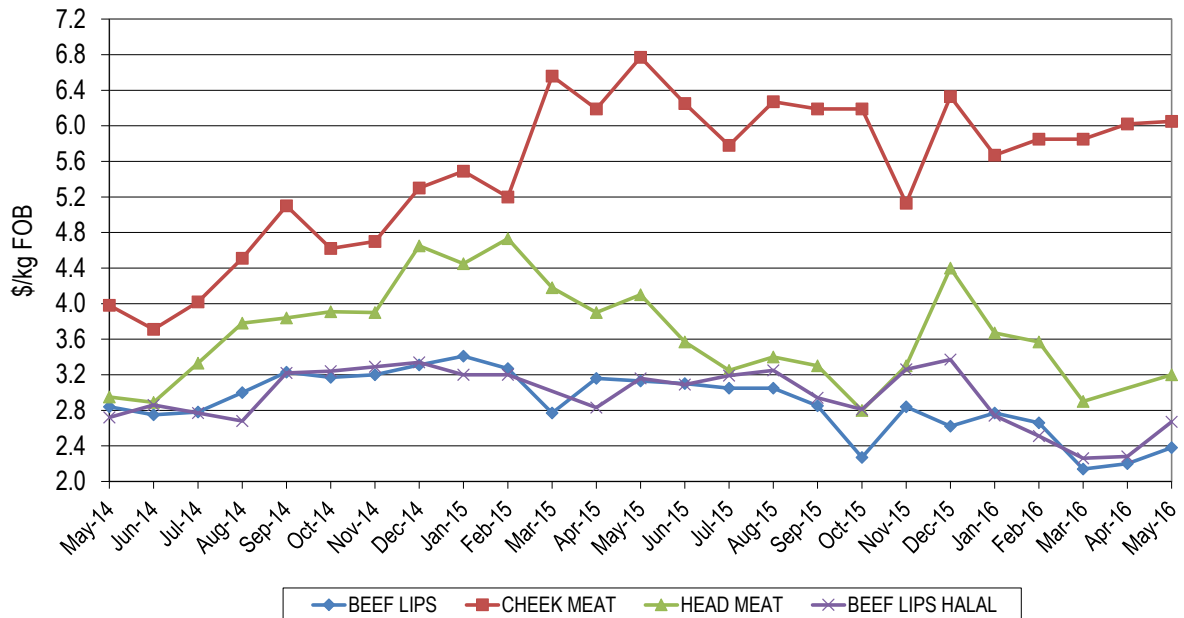
fasting period. The reduced slaughter numbers and the lower offal production accompanied by reasonable demand helped steady prices.

Meat and bone meal prices were firmer, and blood meal prices also firmed on the back of improved protein meal prices in general. Tallow prices eased slightly, but stable demand out of Singapore kept prices relatively strong.

Hide prices continued a downward trend in May, however the lower A\$ supported the local market somewhat.

Head Offal Prices

Figure 1: Trends in beef head offal prices

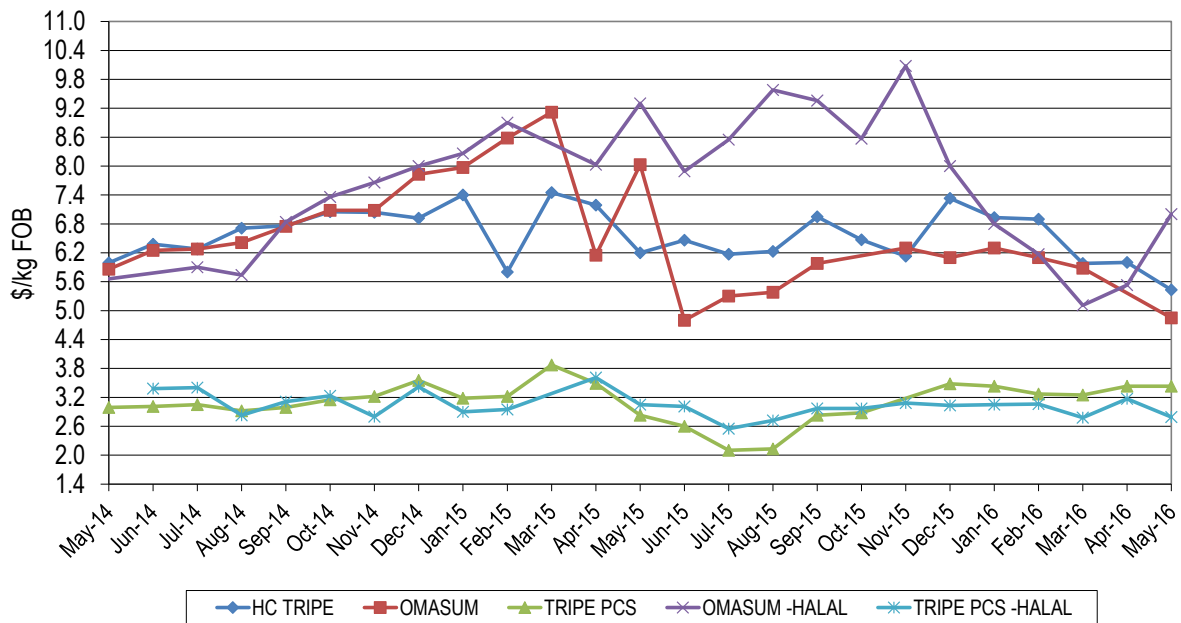


Head offal products remained steady month-on-month, however prices were still down on the corresponding period the year prior. Cheek meat averaged \$6.05/kg, up 3¢/kg compared with last month but 72¢/kg down on this time last year. Head meat has recovered somewhat this month, following a sharp fall in March, to average \$3.20/kg, which is still 90¢/kg lower than a year ago.

Lip export prices to the US and Mexico rallied again this month, averaging \$2.38/kg, back 75¢/kg from last year. Halal lips returned \$2.67/kg, up 39¢/kg month-on-month but was 49¢/kg lower from year-ago levels.

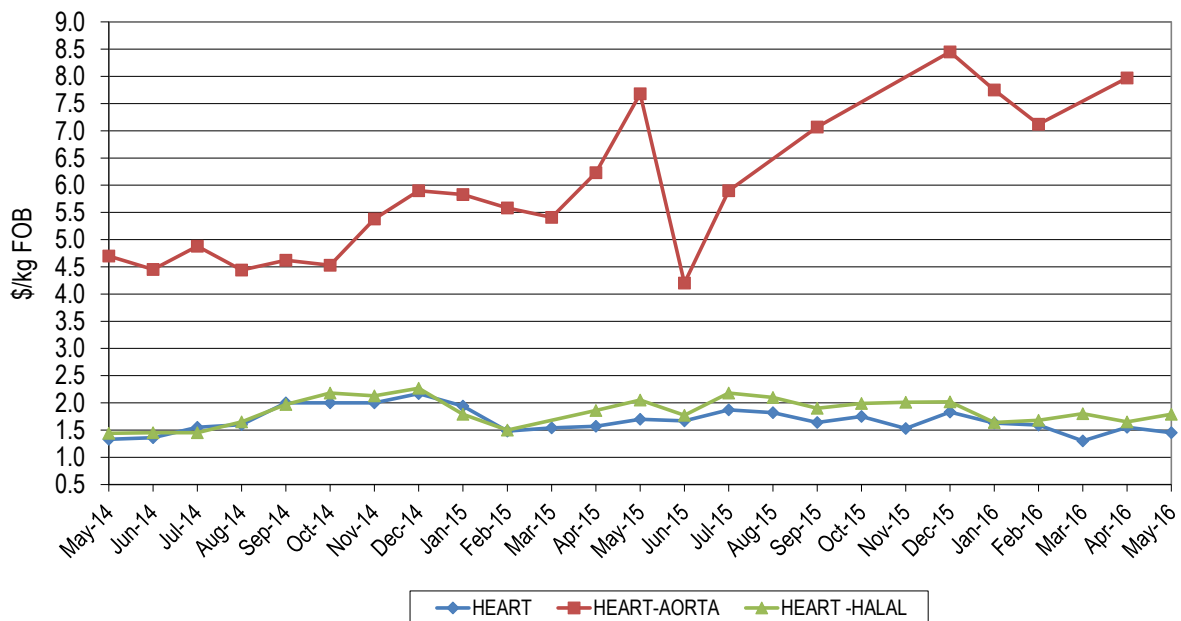
Beef Offal Trends

Figure 2: Trends in beef tripe prices



Omasum settled at \$4.85/kg this month, whilst halal omasum prices were buoyant and reached \$7.00/kg, up \$1.47/kg for the month – however still \$2.30/kg lower year-on-year. Tripe pieces realised \$3.43/kg this month, down 60¢/kg on the year prior. Honeycomb tripe eased during May, averaging \$5.43/kg, down 57¢/kg month-on-month and 77¢/kg lower than last year. Halal tripe pieces returned \$2.79/kg, down 38¢/kg on last month.

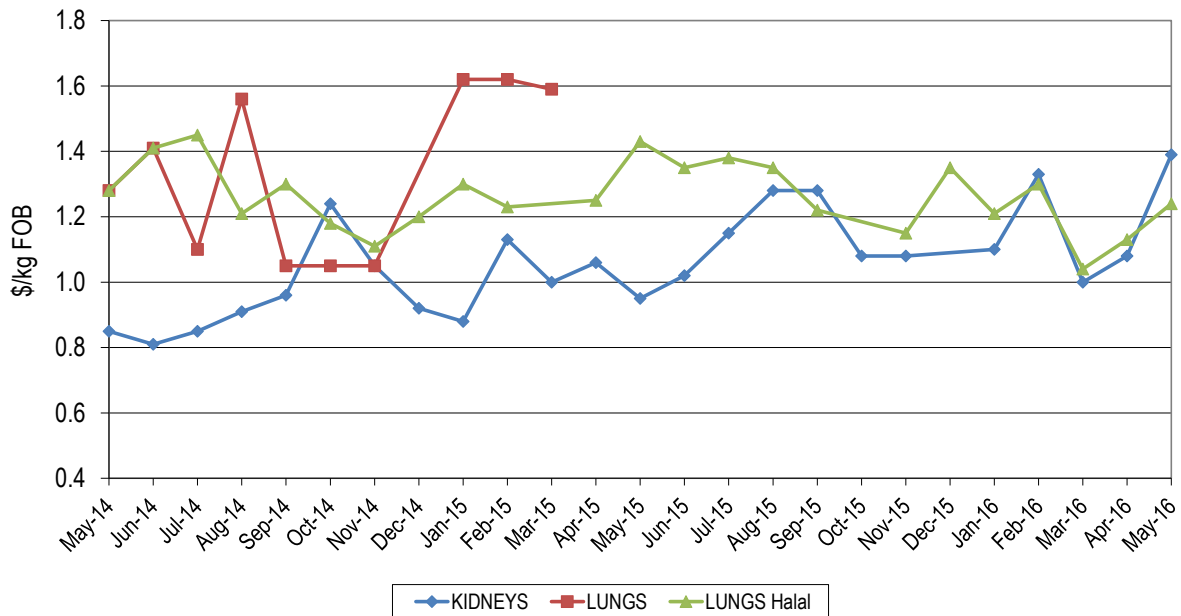
Figure 3a: Trends in beef offal prices



Halal aorta averaged \$7.22/kg, down 75¢/kg from last month, however non-halal product was again not reported.

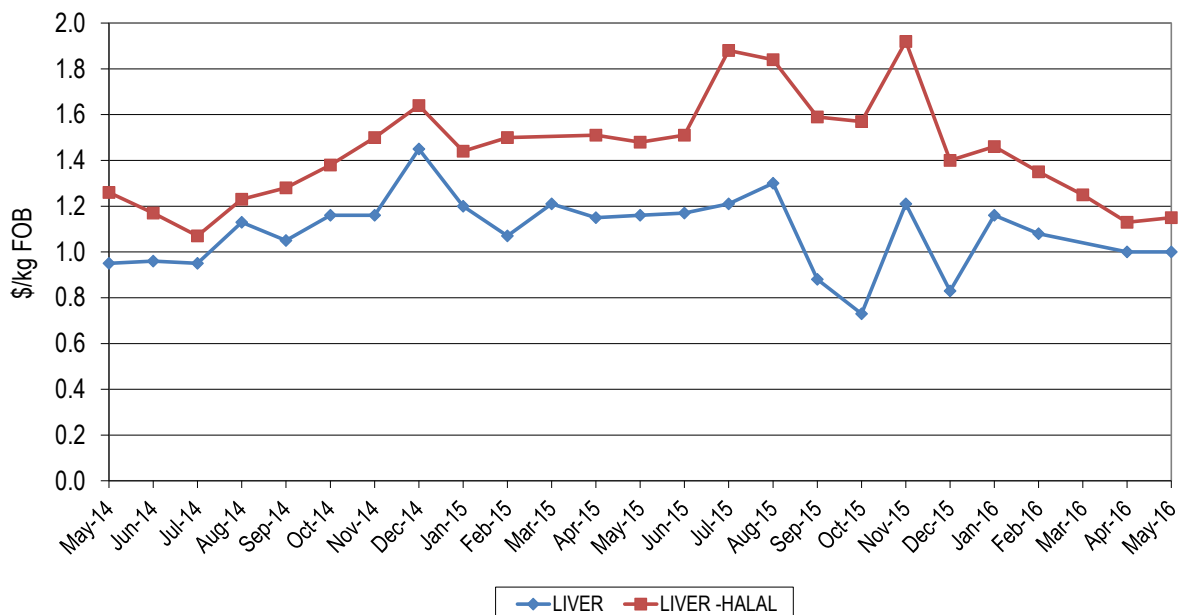
Heart prices eased slightly, averaging \$1.45/kg, down 10¢/kg for the month and 25¢/kg lower than last year. Halal hearts averaged \$1.79/kg, up 14¢/kg month-on-month and 26¢/kg lower than the price this time last year.

Figure 3b: Trends in beef offal prices



Kidneys were reported at an average of \$1.39/kg, 31¢/kg up on last month and also 41¢/kg up on last year’s price. No reports were received for non-halal lungs. Halal lungs averaged \$1.24/kg, up 11¢/kg on last month and were 19¢/kg lower year-on-year.

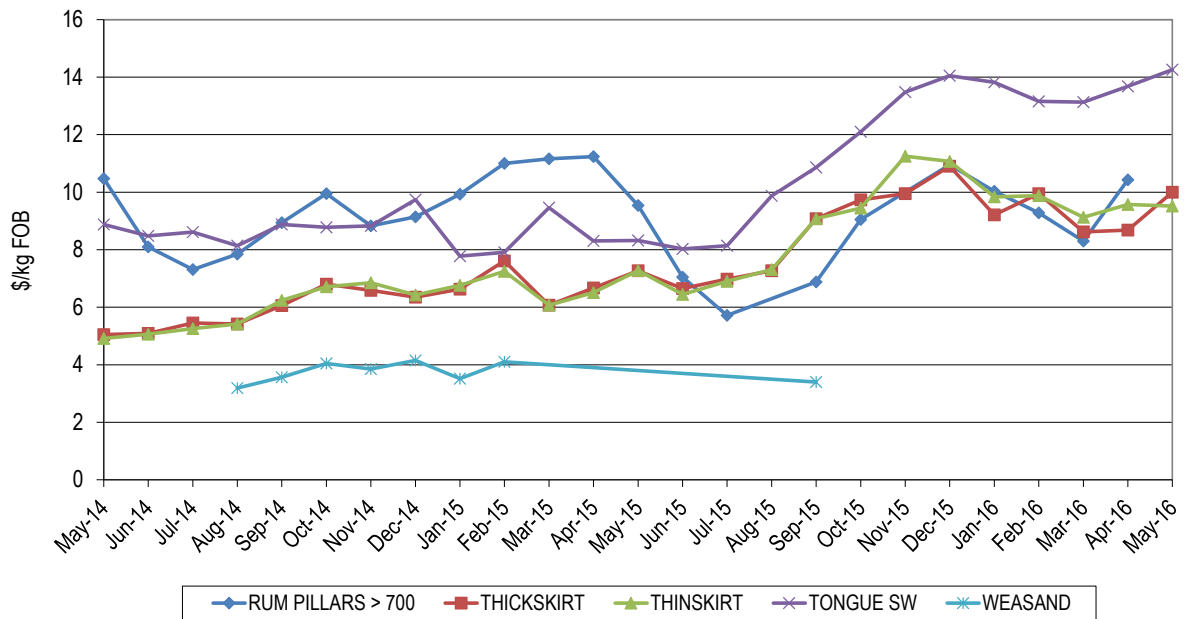
Figure 3c: Trends in beef offal prices



Non-halal liver prices averaged \$1.00/kg, which is 16¢/kg down on this time last year, while halal livers rallied by 2¢/kg month-on-month, with sales averaging \$1.15/kg, which is 33¢/kg below the same time last year.

Japanese and Korean Offals

Figure 4: Trends in Japanese offal prices



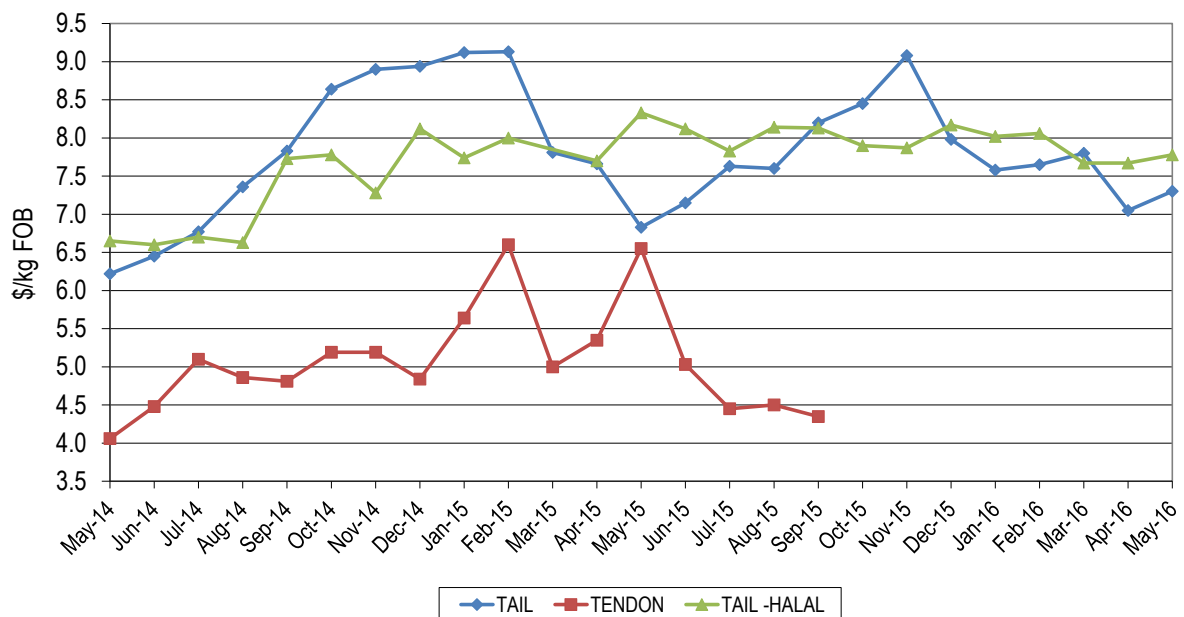
Tongue prices were 58¢/kg dearer from last month, averaging \$14.26/kg, which is up \$5.94/kg from the same period last year.

Thick skirt was \$2.73/kg up on last year and \$1.32/kg up month-on-month, averaging \$10.00/kg, while thin skirt prices were \$2.24/kg higher year-on-year and 5¢/kg below the average price last month, realizing \$9.52/kg.

Non-halal rumen pillars were not quoted this month however halal heavy weight product made \$11.10/kg which was 72¢/kg firmer than last month and \$2.30/kg above the price this time last year. Weasand was again not reported.

Tails and Tendons

Figure 5: Trends in tail and tendon prices

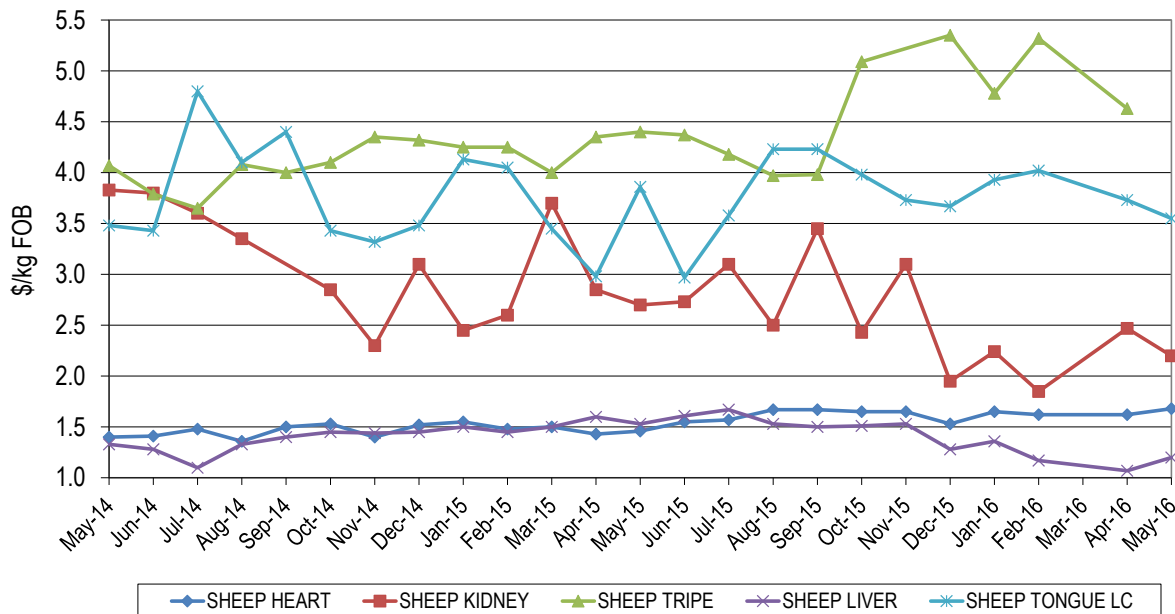


Tail prices into Japan averaged \$7.30/kg, up 25¢/kg for the month and 47¢/kg higher than last year. Halal tails were also up 11¢/kg month-on-month at \$7.78/kg, but 55¢/kg lower than last year's price.

Tendons were again not reported this month, however halal tendons returned an average of \$5.37/kg, which was \$1.36/kg lower than last month.

Sheep Offals

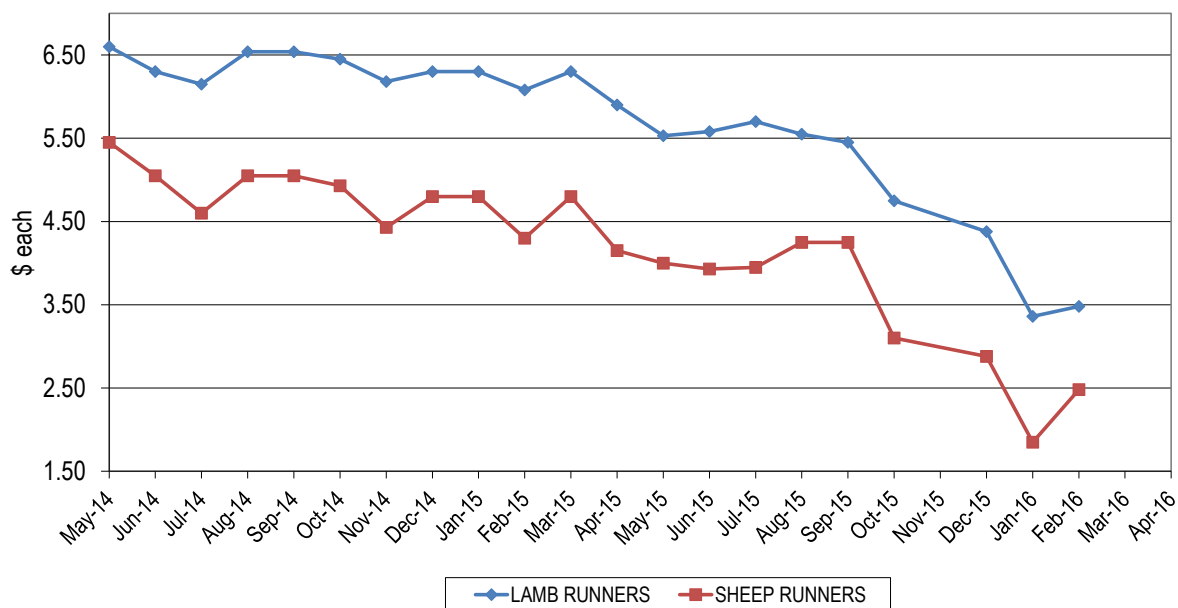
Figure 6a: Trends in sheep offal prices



Sheep offal prices showed mixed trends, however the reduced slaughter numbers and the lower offal production, accompanied by reasonable demand helped to steady prices.

Hearts were up slightly at \$1.68/kg, 22¢/kg firmer than May last year whilst livers firmed to \$1.20/kg which is 13¢/kg up month-on-month but down 33¢/kg on the prices a year ago. Kidneys eased somewhat to return \$2.20/kg, while sheep tripe was not reported.

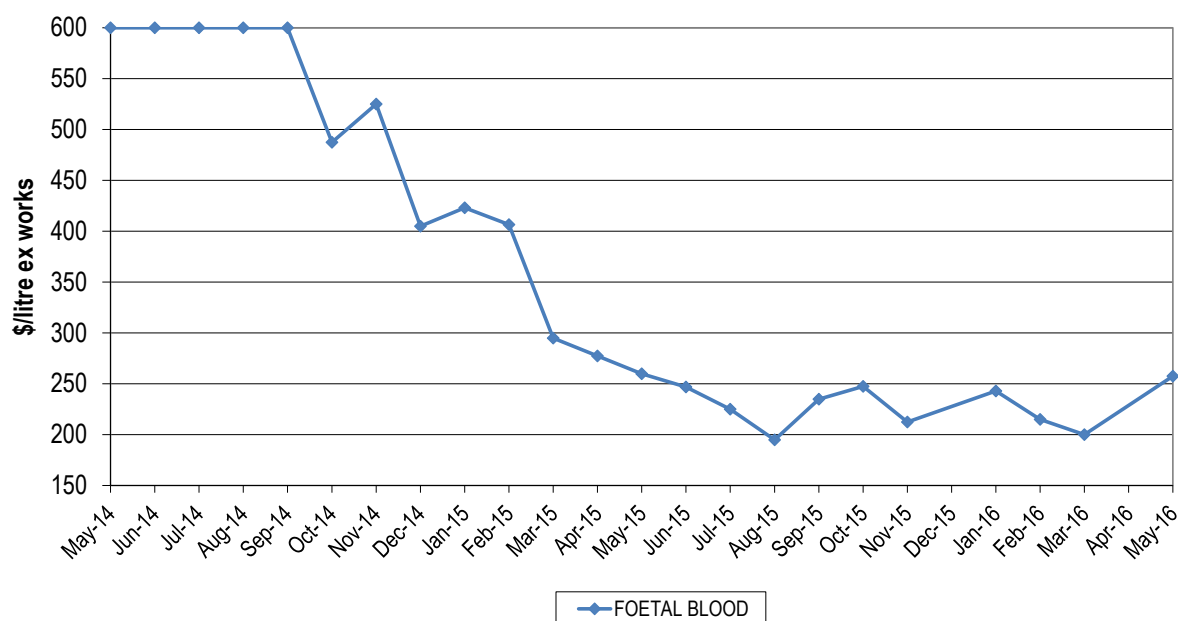
Figure 6b: Trends in runner prices



The subdued European market continued to have an effect on runner prices this month, which appear to have fallen even further, and again, only one report was received for the month.

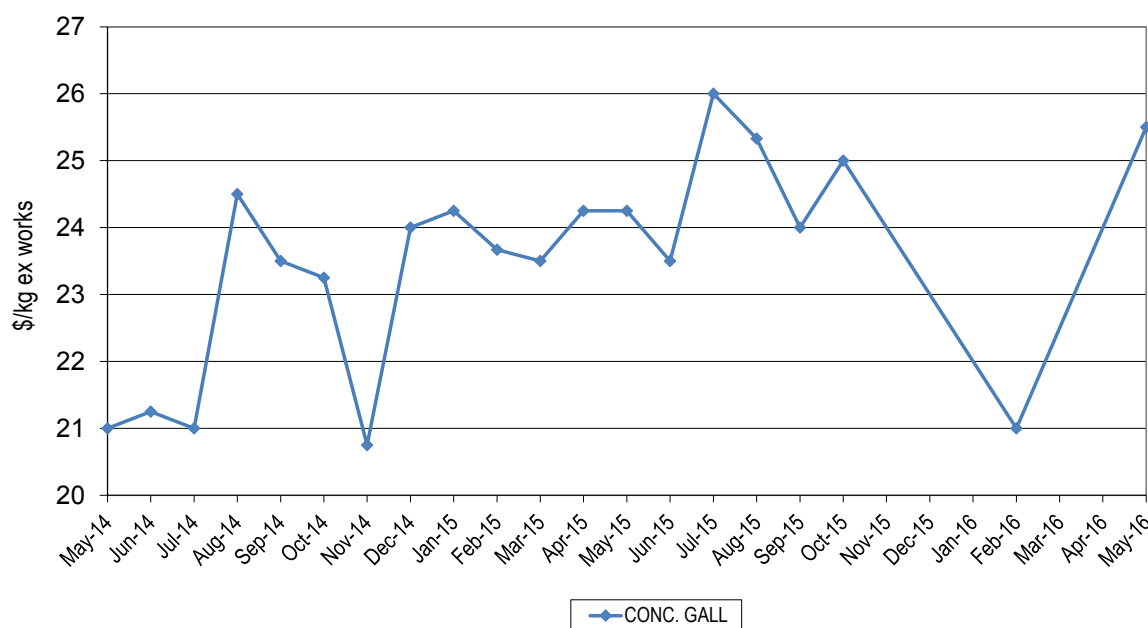
Pharmaceutical products

Figure 7a: Trends for foetal blood prices



Foetal blood averaged \$257/litre, however was not widely reported, with buying and selling quotes showing a fair range.

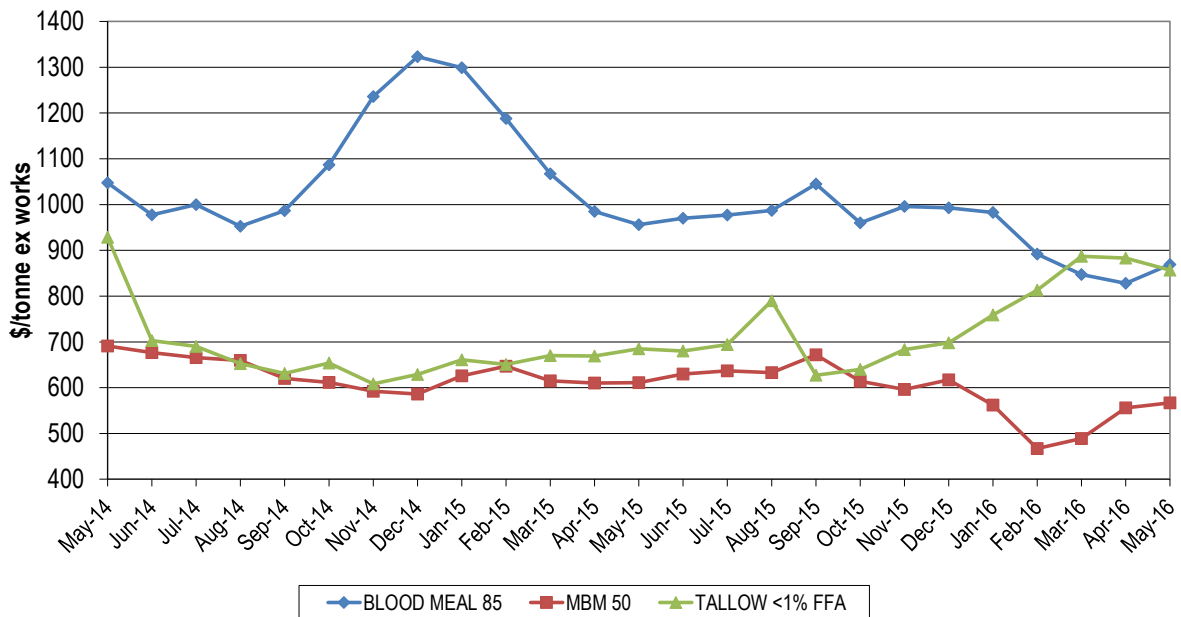
Figure 7b: Trends for concentrated gall prices



Concentrated gall averaged \$25.50/kg this month which was firmer by \$1.25/kg year-on-year.

Rendered Products

Figure 8: Trends in rendered co-product prices

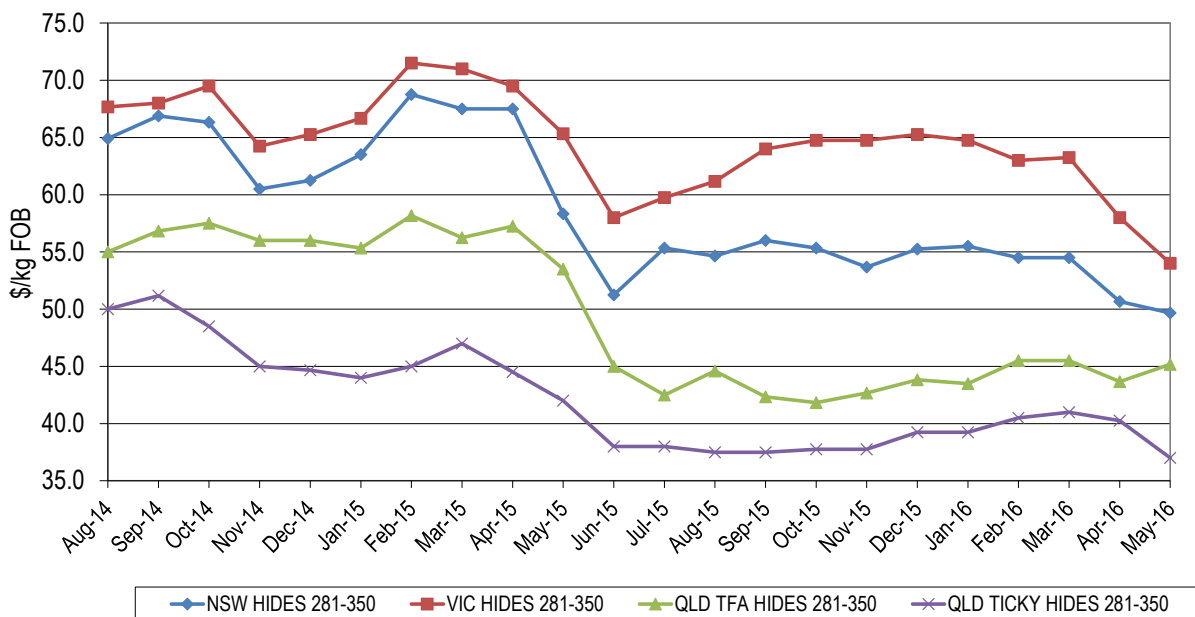


Meat and bone meal (MBM) prices rallied during May, with the price for 50% protein averaging \$567/tonne, up \$11/tonne on last month, however this remains \$44/tonne lower than the same time last year. Blood meal prices also firmed on the back of improved aqua demand, with an average price of \$869/tonne ex-works, which was up \$41/tonne on last month's price but \$87/tonne lower than last year. The overall improvement across all protein meals has certainly assisted rendered products this month.

Tallow prices steadied this month, 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 \$857/mt, down \$26/mt on last month \$172/mt stronger year-on-year.

Hides

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



Local prices for hides remained relatively steady as we moved into May, however the trend remains downwards and uncertain moving forward. Hide prices continue to be under pressure as leather demand slows, with the tighter domestic supply being the supporting factor.

Export Statistics

Beef and veal offal exports (tonnes swt)

Destination	May-15	Apr-16	May-16	Monthly change	Annual change
HONG KONG	2,742	2,100	2,334	11%	-15%
KOREA	2,512	1,682	1,970	17%	-22%
JAPAN	2,045	2,259	1,733	-23%	-15%
SOUTH AFRICA	1,355	843	1,733	106%	28%
INDONESIA	252	725	1,578	117%	525%
SINGAPORE	1,368	657	900	37%	-34%
CHINA	394	406	607	49%	54%
THAILAND	349	396	566	43%	62%
MALAYSIA	348	404	502	24%	44%
OTHER	3,043	1,498	1,670	11%	-45%
TOTAL	14,408	10,971	13,593	24%	-6%
Offal cut	May-15	Apr-16	May-16	Monthly change	Annual change
TRIPE	3,669	2,684	3,050	14%	-17%
LIVER	2,494	1,489	2,351	58%	-6%
SKIRT	1,216	1,163	1,301	12%	7%
HEART	1,383	724	1,010	39%	-27%
MANUFACTURING	631	745	1,008	35%	60%
TAIL	761	491	810	65%	6%
TONGUES	804	1,008	804	-20%	0%
LIPS	453	239	595	149%	31%
CHEEK MEAT	804	602	514	-15%	-36%
TENDON	577	546	496	-9%	-14%
INTESTINES	511	527	428	-19%	-16%
HEAD	381	150	394	162%	3%
KIDNEY	378	224	373	66%	-1%
LUNGS	244	239	257	8%	5%
OTHER	100	140	204	45%	103%
TOTAL	14,408	10,971	13,593	24%	-6%

Source: DAWR

Destination	Offal cut	May-15	May-16	Annual change
Korea	SKIRT	547	630	15%
	CHEEK MEAT	672	418	-38%
	TAIL	447	305	-32%
	OTHER	846	616	-27%
Japan	TONGUES	652	596	-9%
	SKIRT	614	575	-6%
	TRIPE	245	176	-28%
	OTHER	535	387	-28%
Hong Kong	TRIPE	2,553	2,226	-13%
	OTHER	189	107	-43%

Mutton, lamb and goat offal exports (tonnes swt)

Destination	May-15	Apr-16	May-16	Monthly change	Annual change
SAUDI ARABIA	648	674	823	22%	27%
HONG KONG	723	918	650	-29%	-10%
PNG	121	143	216	52%	78%
UAE	145	164	122	-26%	-16%
CHINA	50	106	94	-11%	88%
SOUTH AFRICA	93	65	84	28%	-9%
IRAQ			75	-	-
OTHER	696	457	522	14%	-25%
TOTAL	2,477	2,528	2,587	2%	4%
Offal cut	May-15	Apr-16	May-16	Monthly change	Annual change
LIVER	937	889	1,080	22%	15%
TRIPE	852	1,066	858	-20%	1%
HEART	271	224	237	6%	-13%
TONGUES	121	167	143	-15%	18%
KIDNEY	150	131	141	8%	-6%
OTHER	145	53	129	146%	-11%
TOTAL	2,477	2,528	2,587	2%	4%

Destination	Offal cut	May-15	May-16	Annual change
HONG KONG	TRIPE	697	649	-7%
	OTHER	26	1	-97%
SAUDI ARABIA	LIVER	532	739	39%
	OTHER	117	84	-28%

Source: DAWR

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