



Co-product market report

January 2019

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Beef Co-products

Beef offal prices were generally steady, with the Australian dollar falling against the US Dollar. Head meat rallied, as did thinskirt and halal tripe pieces, whilst other red offals eased, with omasum also seeing a correction.

Table 1: Beef co-product prices

	Average (Dec Data)	Range	Responses	Monthly Change	Annual Change
Beef Lips	\$3.23	\$1.15	5	-4.2%	-15.0%
Beef Lips - Halal	\$3.30	\$0.80	3	-8.0%	-10.8%
Cheekmeat	\$5.86	\$1.65	4	-8.6%	-24.3%
Cheekmeat - Halal	\$5.77	\$1.00	3	-10.8%	-30.3%
Diap. Membrane	\$4.10	\$0.90	3	-6.0%	-2.2%
Hc Tripe	\$6.78	\$2.50	4	-0.4%	15.3%
Hc Tripe - Halal	\$6.17	\$1.80	3	-8.3%	-19.9%
Headmeat	\$4.15	\$2.30	5	21.3%	4.1%
Headmeat - Halal	\$4.40	\$1.60	3	26.6%	7.3%
Heart	\$2.10	\$0.80	5	-1.9%	9.9%
Heart - Halal	\$2.40	\$0.60	3	4.3%	9.3%
Heart - Aorta	\$7.25	\$0.60	4	4.5%	0.9%
Heart - Aorta - Halal	\$7.20		2	7.5%	16.1%
Kidneys	\$0.75		2	-25.0%	-23.7%
Kidneys- Halal	\$0.80		2	-8.0%	-25.0%
Ligamentum	\$3.55	\$0.10	4	-21.1%	-3.3%
Liver	\$1.01	\$0.35	5	6.3%	2.3%
Liver - Halal	\$1.10	\$0.40	3	-6.4%	-2.2%
Liver Sheep - Halal	\$1.40		2	12.0%	33.7%
Lungs	\$1.10		2		-26.1%
Omasum	\$6.48	\$2.10	4	-16.6%	57.3%
Omasum - Halal	\$6.05		2		-4.0%
Rum.Pill - Halal < 500	\$8.92	\$2.40	3	-13.3%	1.3%
Rum.Pill - Halal > 500 < 700	\$16.43	\$1.20	3	-12.4%	9.6%
Rum.Pill - Halal > 700	\$19.75		2	-6.8%	6.8%
Rum.Pill < 500	\$27.15	\$85.85	5	147.7%	231.1%
Rum.Pill > 500 < 700	\$17.46	\$4.20	5	-4.3%	18.0%
Rum.Pill > 700	\$20.88	\$2.50	4	0.2%	17.8%
Tail	\$9.84	\$2.50	5	0.0%	-4.1%
Tail - Halal	\$9.33	\$0.50	3	-3.0%	-5.1%
Thickskirt	\$7.04	\$2.60	5	1.1%	9.1%
Thickskirt - Halal	\$6.57	\$1.90	3	-9.1%	1.8%
Thinskirt	\$7.24	\$2.20	5	6.5%	19.5%
Thinskirt - Halal	\$6.73	\$1.20	3	-1.0%	12.2%
Tongue SW	\$9.38	\$3.70	4	1.7%	-10.5%
Tongue SW - Halal	\$9.57	\$3.70	3	10.6%	-20.4%
Tripe Pieces	\$3.24	\$0.70	4	-4.1%	-2.6%
Tripe Pieces - Halal	\$3.23	\$0.75	3	-2.5%	-4.4%

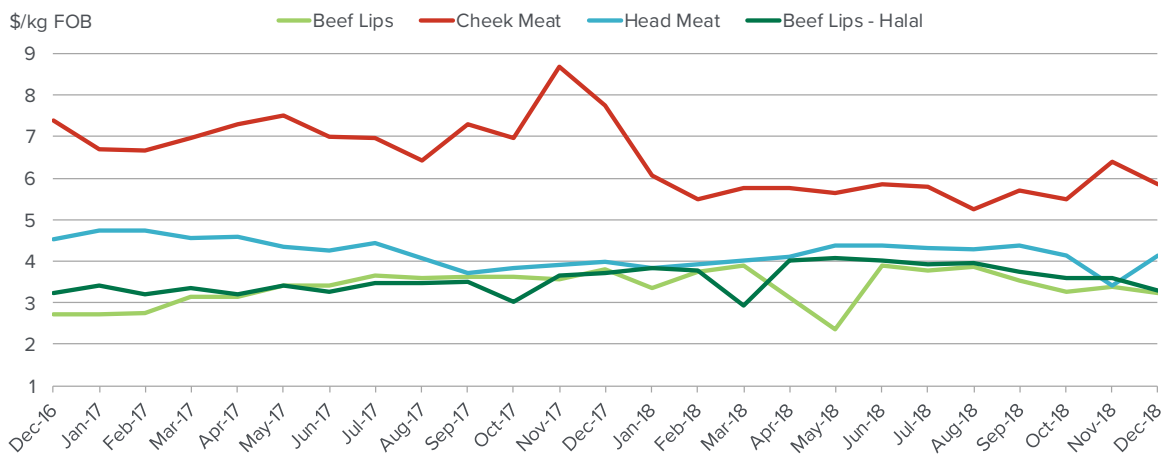
Price quoted is average price reported in \$/kg FOB Australian port.

Head offal

Prices for head offal products were softer this month. Head meat moved against the trend to average \$4.15/kg, which was 16¢/kg firmer year-on-year and 73¢/kg higher than last month. Cheek meat was \$1.88/kg cheaper than year-ago levels, averaging \$5.86/kg, which was 55¢/kg lower than last month.

Lip export prices to the US and Mexico were weaker, averaging \$3.23/kg, down 14¢/kg month-on-month but down 57¢/kg year-on-year. Halal lips were softer, averaging \$3.30/kg, down 29¢/kg compared to last month and 40¢/kg softer year-on-year.

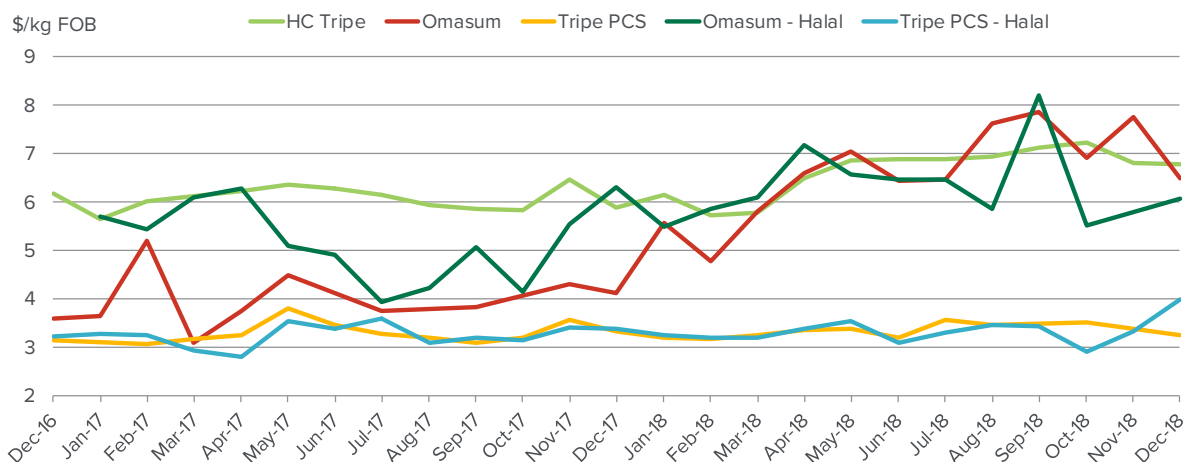
Figure 1: Trends in beef head offal prices



Beef offal trends

Omasum averaged \$6.48/kg, down \$1.28/kg on last month, but \$2.36/kg above year-ago levels. Halal omasum averaged \$6.05/kg, down 25¢/kg year-on-year. Halal tripe pieces averaged \$3.97/kg, up 65¢/kg month-on-month and 59¢/kg higher year-on-year. Non-halal products averaged \$3.24/kg, which was 14¢/kg below last month and 9¢/kg softer than last year. Honeycomb tripe eased 2¢/kg month-on-month, but was 90¢/kg higher year-on-year, averaging \$6.78/kg.

Figure 2: Trends in beef tripe prices

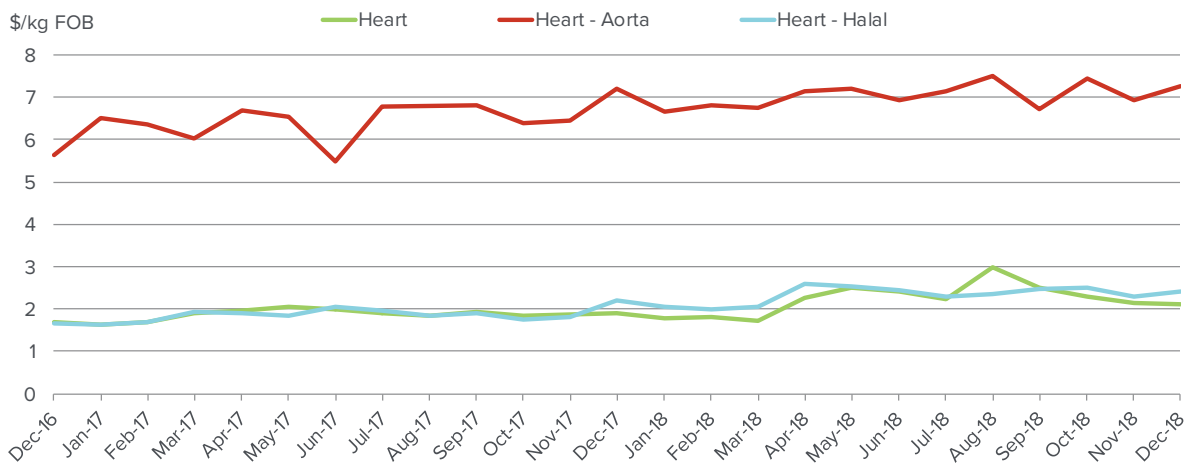


Beef offal trends continued...

Aorta averaged \$7.25/kg for the month; which was 31¢/kg higher month-on-month and 6¢/kg above year-ago levels.

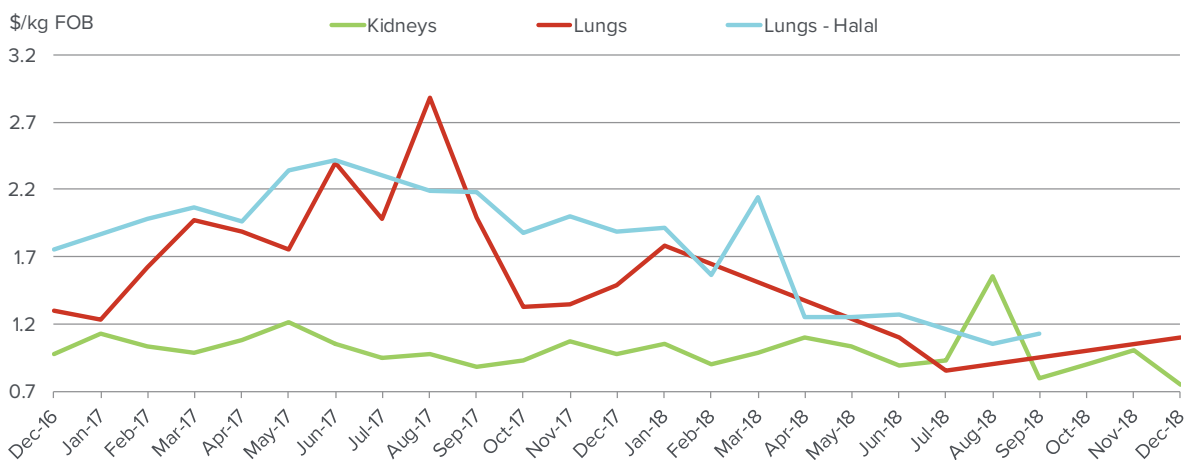
Heart prices were 4¢/kg lower than last month, but 19¢/kg above year-ago levels, averaging \$2.10/kg. Halal hearts averaged \$2.40/kg, firming 10¢/kg month-on-month to be 20¢/kg stronger year-on-year.

Figure 3: Trends in beef offal prices



Kidneys were reported at an average of 75¢/kg, down 25¢/kg across the month, and 23¢/kg softer year-on-year. Non-halal lungs were reported at \$1.10/kg this month.

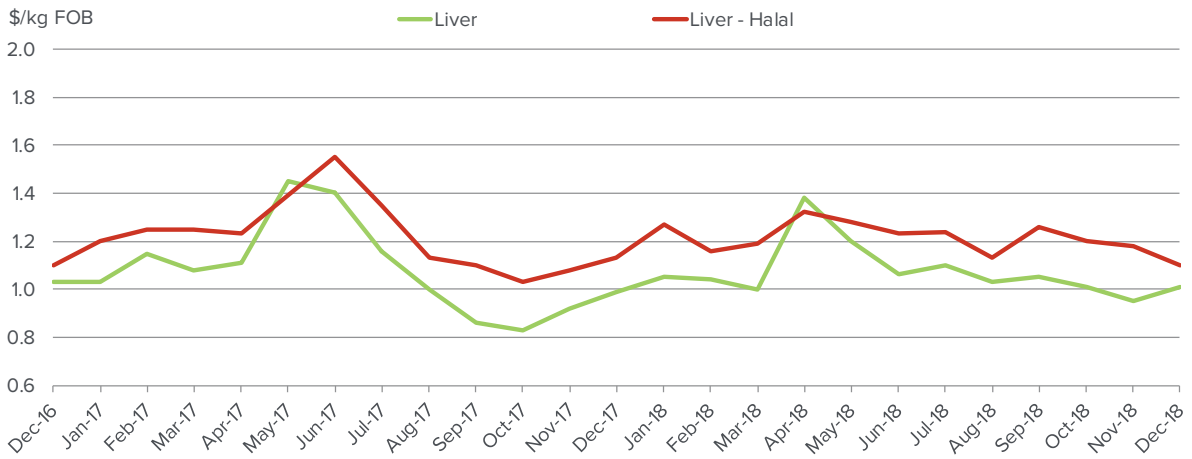
Figure 4: Trends in beef offal prices



Beef offal trends continued...

Liver prices averaged \$1.01/kg, firming 6¢/kg month-on-month and 2¢/kg above year-ago levels. Halal livers eased 6¢/kg month-on-month and were 3¢/kg softer year-on-year, with quotes averaging \$1.10/kg.

Figure 5: Trends in beef offal prices



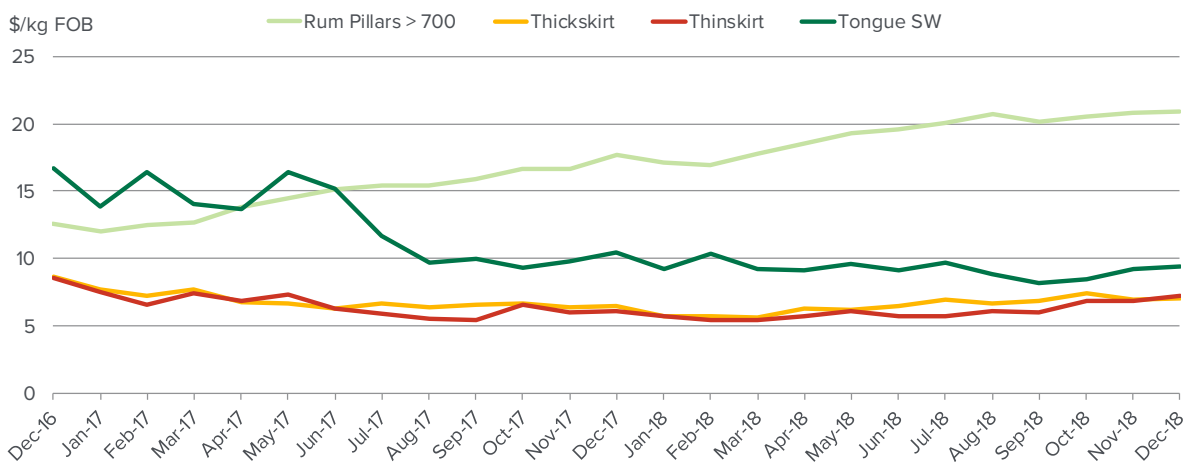
Japanese and Korean Offals

Tongue prices averaged \$9.38/kg, up 16¢/kg month-on-month, but \$1.18/kg below year ago levels.

Thick skirt was up 59¢/kg year-on-year and 8¢/kg higher month-on-month, averaging \$7.04/kg. Thin skirt was 44¢/kg higher than last month and \$1.18/kg higher year-on-year, averaging \$7.24/kg.

Rumen pillars rallied slightly, with heavy weight product averaging \$20.88/kg, up 5¢/kg month-on-month and \$3.15/kg dearer than year-ago levels.

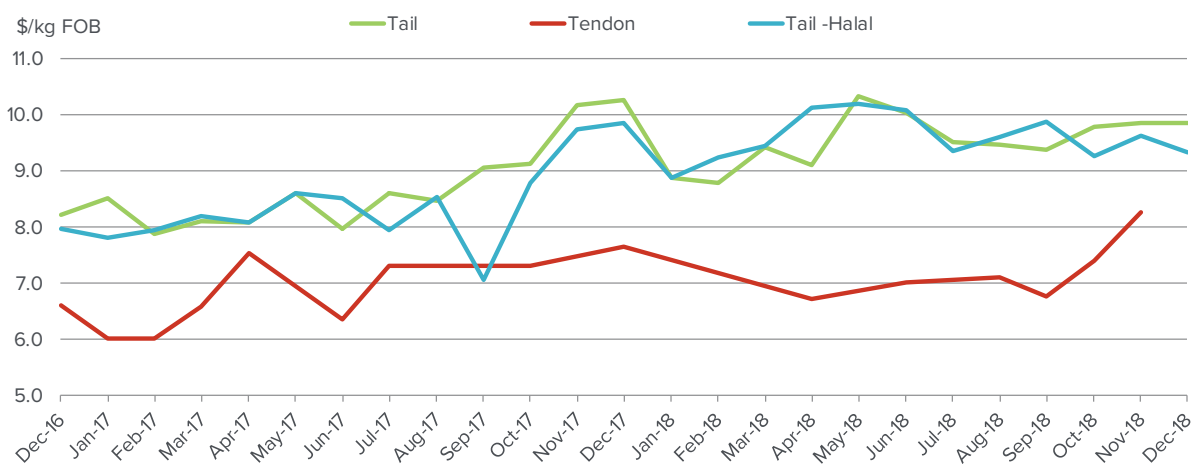
Figure 6: Trends in Japanese offal prices



Tails and Tendons

Tail prices to Korea were steady month-on-month to average \$9.84/kg, which was 42¢/kg below year-ago levels. Halal tails eased 30¢/kg month-on-month and were 51¢/kg softer year-on-year, to average \$9.33/kg. Tendons were not reported last month.

Figure 7: Trends in tail and tendon prices



Sheep Co-products

Sheep offal prices showed mixed results, with kidneys very firm while runners were under pressure.

Table 2: Sheep co-product prices

	Average (Dec Data)	Range	Responses	Monthly Change	Annual Change
Heart Sheep - Halal	\$2.53	\$0.30	3	-7.9%	5.0%
Kidneys Sheep - Halal	\$5.10		2	32.5%	108.7%
Runners Lamb	\$4.20		2		-26.3%
Runners Sheep	\$2.00		2		-54.5%
Tongue LC Sheep - Halal	\$4.20		2	1.6%	5.9%
Tripe Sheep - Halal	\$3.97	\$1.10	3	-6.1%	-14.4%

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

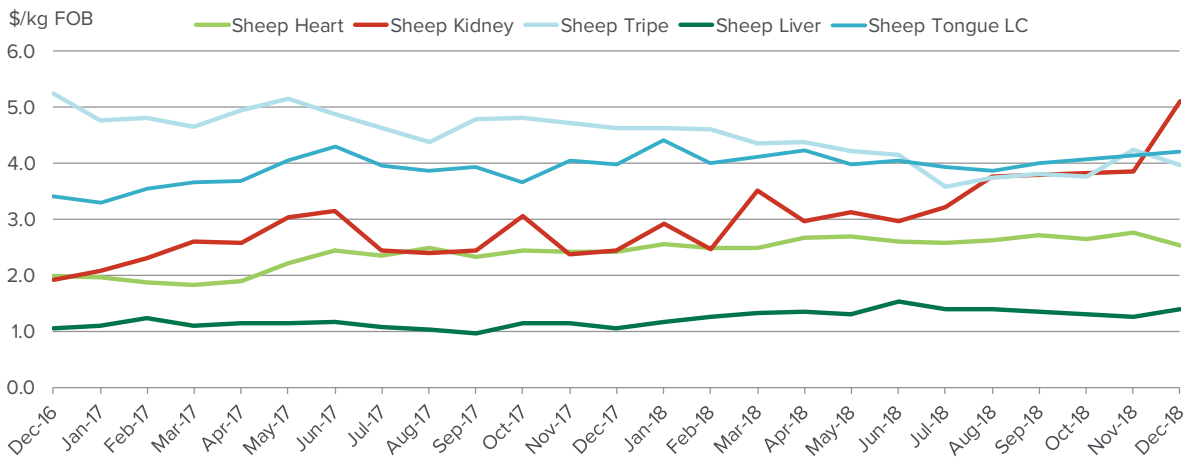
Sheep offal

Sheep hearts averaged \$2.53/kg, down 22¢/kg month-on-month but 12¢/kg dearer than year-ago levels.

Kidneys were very firm at \$5.10/kg an increase of \$2.66 to year ago levels, and \$1.25 up month-on-month.

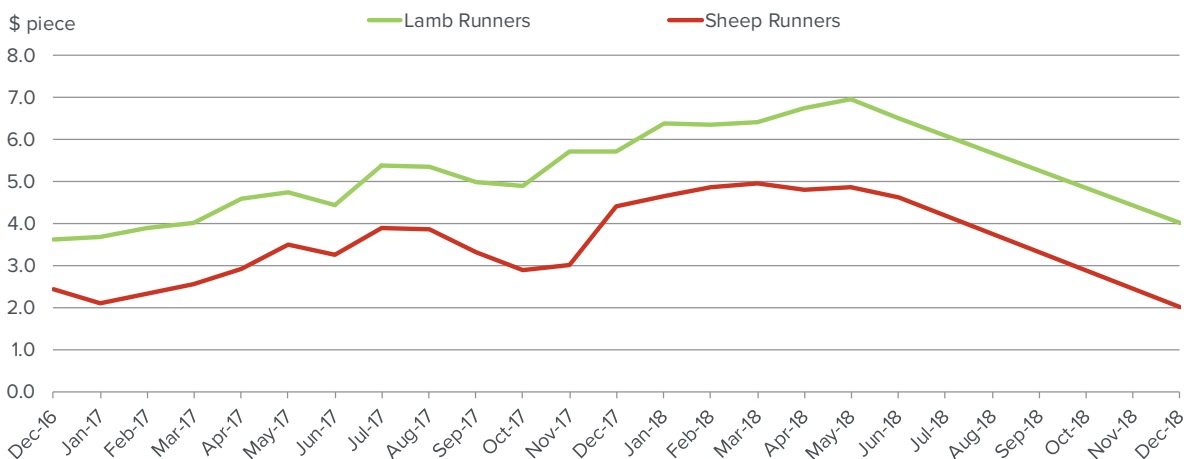
Sheep tripe was reported at \$3.97/kg this month, down 26¢/kg month-on-month and 66¢/kg down on last year prices. Long cut tongues averaged \$4.20/kg, 23¢/kg firmer year-on-year and 7¢/kg above last month.

Figure 8: Trends in sheep offal prices



Both lamb and sheep runners have been under pressure, with excess product in the European market making product hard to sell. Lamb runners were reported at \$4.00/ piece and Sheep runners at \$2.00/piece.

Figure 9: Trends in runner prices



Pharmaceutical products

Pharmaceutical products were steady.

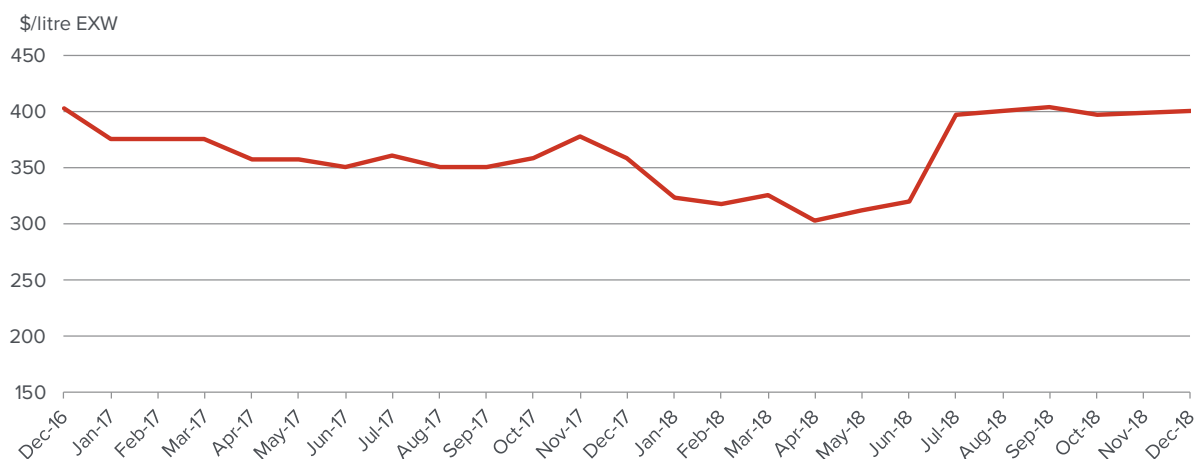
Table 3: Pharmaceutical prices

	Average (Dec Data)	Range	Responses	Monthly Change	Annual Change
Foetal Blood	\$400.00	\$0.00	3		11.7%
Gall Concentrated	\$26.50	\$3.00	3		-5.4%

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

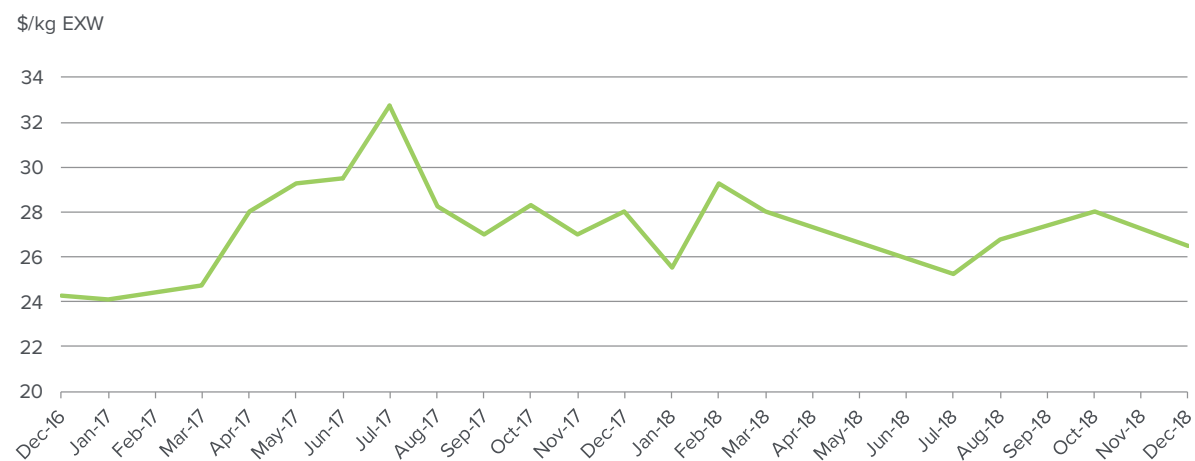
Foetal calf blood into Europe averaged \$400/litre, where it has been hovering for some time.

Figure 10: Trends for foetal blood prices



Concentrated gall was reported at \$26.50/kg which is \$1.50/kg lower year-on-year.

Figure 11: Trends for concentrated gall prices



Rendered products

Rendered meals firmed with domestic sales prices improving as buyers purchased stock for the Christmas / New Year holiday period, with many rendering plants closing over that period.

Table 4: Rendered product prices

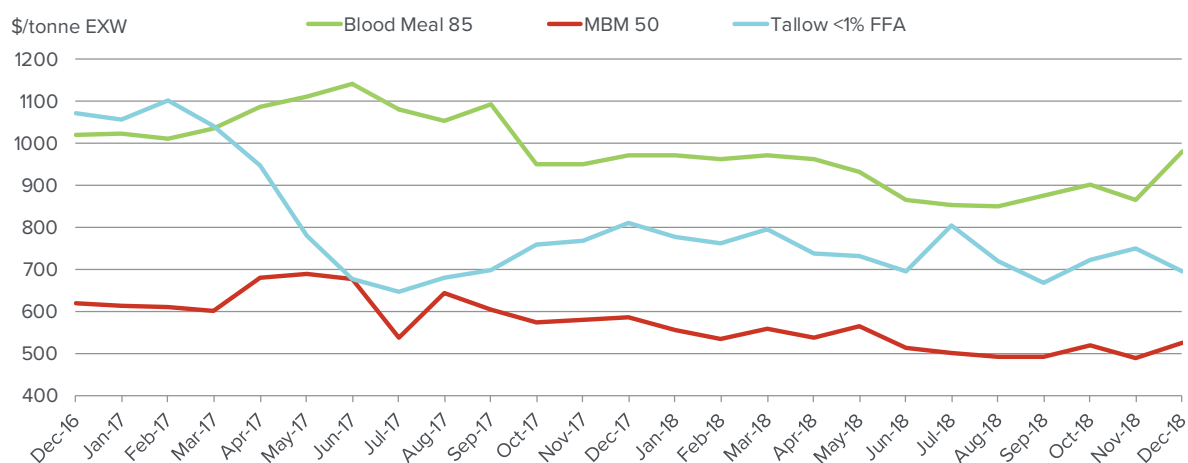
	Average (Dec Data)	Range	Responses	Monthly Change	Annual Change
Bloodmeal 85	\$980.00	\$130.00	5	13.3%	0.9%
MBM 50	\$524.17	\$70.00	6	7.5%	-10.2%
MBM 50 Sheep	\$1,950.00		2		11.4%
Tallow Ined.<1FFA	\$694.00	\$100.00	5	-7.5%	-14.2%
Tallow Ined.<2FFA	\$696.67	\$70.00	3	-6.5%	-12.7%
Tallow Ined.<4FFA	\$660.00	\$80.00	4	-8.3%	-13.0%

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

The price for 50% protein MBM averaged \$524/tonne, up \$36/tonne month-on-month but \$60/tonne lower year-on-year. Blood meal averaged \$980/tonne to be \$9/tonne up on last year's price and \$115/tonne firmer month-on-month.

Tallow prices eased, with the price for 1% FFA tallow averaging \$694/tonne, down \$56/tonne on last month's price and \$115/tonne below year-ago prices. However, tallow still is at a premium to palm stearin, due to demand from Singapore, China and the USA.

Figure 12: Trends in rendered co-product prices



Hides

The hide market continues to falter. Inventory continues to build with no improvement in prices expected in the short term.

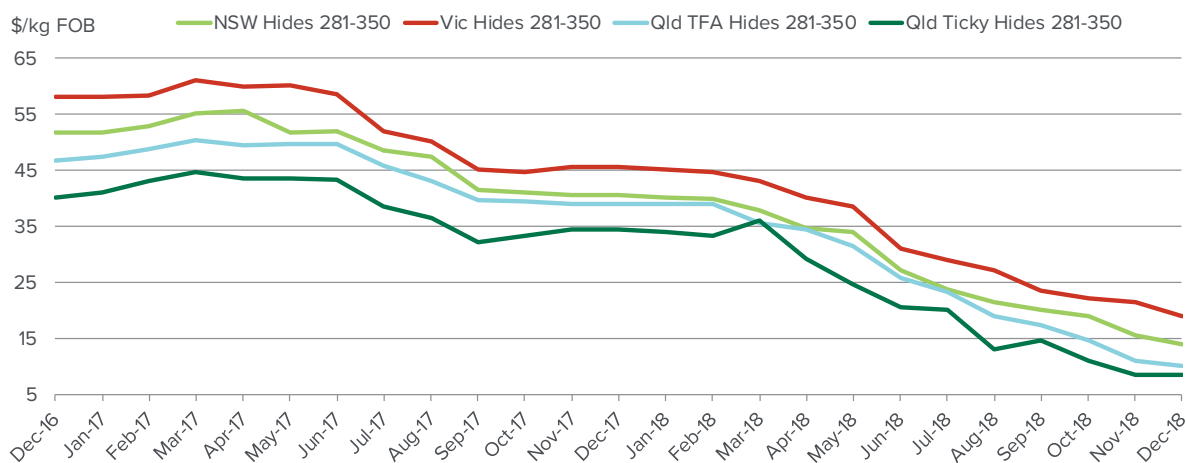
Table 5: Hide prices

	Average (Dec Data)	Range	Responses	Monthly Change	Annual Change
Hides NSW 141- 180	\$3.50		2	-22.2%	-82.9%
Hides NSW 181 - 220	\$6.00		2	-17.2%	-76.5%
Hides NSW 221 - 280	\$9.00		2	-10.0%	-72.3%
Hides NSW 281 - 350	\$14.00		2	-9.7%	-65.4%
Hides NSW 351 Up	\$21.50		2	-4.4%	-58.7%
Hides QLD TFA 141 - 220	\$4.25		2	-5.6%	-81.1%
Hides QLD TFA 221 - 280	\$5.50		2	-21.4%	-82.1%
Hides QLD TFA 281 - 350	\$10.00	\$3.00	3	-9.1%	-74.4%
Hides QLD TFA 351 Up	\$14.67	\$6.00	3	-4.3%	-69.8%
Hides QLD Ticky 281 - 350	\$8.50		2	0.0%	-75.2%
Hides QLD Ticky 350 Up	\$12.50		2	0.0%	-70.7%
Hides VIC 141-180	\$7.00		2	-16.0%	-70.8%
Hides VIC 181-220	\$10.00		2	-14.3%	-66.7%
Hides VIC 221 - 280	\$13.50		2	-13.8%	-64.0%
Hides VIC 281-350	\$19.00		2	-10.9%	-58.2%
Hides VIC 351 Up	\$26.50		2	-7.6%	-51.8%

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

Local prices for hides were down a further \$1 to \$2/piece compared to last month across the market, including high grade Victorian hides.

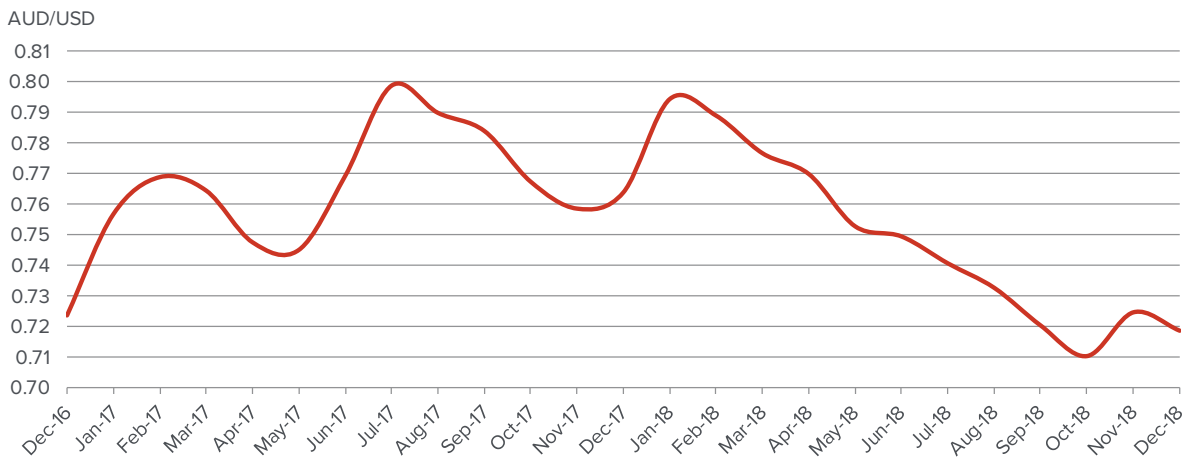
Figure 13: Trends in hide prices (East Coast Ex Works)



Currency exchange

The Australian dollar eased against the US dollar during December. The \$A opened the month at 73.67US¢ and closed at 70.58US¢, to average 71.86US¢ for the month, which was 0.60US¢ below last month’s average.

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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