



# **MLA co-product market report**

**April 2017**

**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	\$3.15	\$0.50	5	0.4%	43.2%
BEEF LIPS - HALAL	\$3.21		2	-4.4%	40.4%
CHEEKMEAT	\$7.31	\$3.00	5	4.7%	21.5%
CHEEKMEAT - HALAL	\$7.85		2	4.0%	22.7%
DIAP. MEMBRANE	\$4.55		2	9.2%	33.8%
HC TRIPE	\$6.23	\$0.80	4	1.8%	3.7%
HC TRIPE - HALAL	\$6.89		2	-5.1%	8.1%
HEADMEAT	\$4.58	\$1.00	4	0.2%	63.4%
HEART	\$1.95	\$0.80	5	2.1%	25.8%
HEART - HALAL	\$1.89	\$0.68	3	-2.0%	14.7%
HEART -AORTA	\$6.70	\$1.90	3	11.3%	
HEART -AORTA - HALAL	\$6.52		2	-0.8%	-18.1%
KIDNEYS	\$1.08	\$0.60	5	8.9%	-0.3%
KIDNEYS - HALAL	\$1.50		2	21.5%	42.4%
LIGAMENTUM	\$3.73	\$2.60	4	9.7%	-10.1%
LIVER	\$1.11	\$0.31	4	2.8%	10.5%
LIVER - HALAL	\$1.23		2	-1.8%	8.5%
LUNGS	\$1.89	\$1.20	4	-4.2%	
LUNGS - HALAL	\$1.96		2	-5.6%	73.8%
OMASUM	\$3.75		2	21.6%	-37.5%
OMASUM - HALAL	\$6.28		2	3.2%	13.4%
RUM.PILL < 500	\$5.73	\$1.00	3	7.8%	67.4%
RUM.PILL > 500 < 700	\$10.38	\$1.90	3	11.1%	76.7%
RUM.PILL > 700	\$13.77	\$3.00	3	8.4%	57.8%
SPLEEN	\$0.94		2	-22.1%	
TAIL	\$8.07	\$0.98	4	-0.3%	14.4%
TAIL - HALAL	\$8.07	\$0.86	3	-1.5%	5.3%
TENDONS	\$7.52	\$3.15	3	14.5%	
TENDONS - HALAL	\$6.35		2	-13.0%	-5.6%
THICKSKIRT	\$6.78	\$0.05	3	-12.0%	-21.9%
THINSKIRT	\$6.83	\$1.50	4	-7.9%	-28.7%
TONGUE SW	\$13.68	\$2.45	3	-2.7%	0.1%
TRIPE PCS	\$3.23	\$0.40	3	2.1%	-5.6%
TRIPE PCS - HALAL	\$2.79		2	-4.7%	-12.1%

<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	\$1.90	\$0.50	3	3.6%	17.5%
KIDNEYS SHEEP - HALAL	\$2.58	\$1.35	3	-0.6%	4.7%
LIVER SHEEP - HALAL	\$1.13	\$0.20	3	3.0%	6.2%
RUNNERS LAMB	\$4.59	\$1.45	3	14.7%	76.4%
RUNNERS SHEEP	\$2.92	\$0.95	3	14.4%	94.4%
TONGUE LC SHEEP HALAL	\$3.67	\$0.20	3	0.5%	-1.8%
TRIPE SHEEP - HALAL	\$4.93	\$0.20	3	6.1%	6.5%
<b>Pharmaceutical</b>					
FOETAL BLOOD	\$357.50		2	-4.7%	
GALL CONCENTRATED	\$28.00		2	13.1%	21.7%
<b>Rendered Products</b>					
BLOODMEAL 85	\$1,087.00	\$80.00	5	5.1%	31.3%
MBM 50	\$680.00	\$50.00	5	12.9%	22.3%
TALLOW INED.<1FFA	\$946.67	\$30.00	3	-9.0%	7.2%
TALLOW INED.<2FFA	\$935.00		2	-9.2%	9.0%
TALLOW INED.<4FFA	\$906.67	\$20.00	3	-10.0%	10.2%
<b>Hides</b>					
HIDES NSW 141- 180	\$25.00		2	-3.8%	-10.7%
HIDES NSW 181 - 220	\$33.75		2	-2.2%	-1.7%
HIDES NSW 221 - 280	\$41.00		2	-2.4%	-0.4%
HIDES NSW 281 - 350	\$53.75		2	-2.3%	6.1%
HIDES NSW 351 UP	\$67.00		2	-1.5%	8.9%
HIDES QLD TFA 141 - 220	\$28.00		2	0.0%	17.9%
HIDES QLD TFA 221 - 280	\$37.50		2	0.0%	16.3%
HIDES QLD TFA 281 - 350	\$49.50	\$9.00	3	-1.5%	13.4%
HIDES QLD TFA 351 UP	\$59.67	\$15.00	3	-1.1%	12.2%
HIDES QLD TICKY 281 - 350	\$43.50		2	-2.6%	8.1%
HIDES QLD TICKY 350 UP	\$52.50		2	-1.9%	5.0%
HIDES VIC 141-180	\$30.50		2	-3.2%	3.4%
HIDES VIC 181-220	\$39.50		2	-2.5%	0.0%
HIDES VIC 221 - 280	\$48.50		2	-2.0%	3.2%
HIDES VIC 281-350	\$59.75		2	-2.0%	3.0%
HIDES VIC 351 UP	\$71.75		2	-1.7%	-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\$ lost ground against the US\$ through April, opening at 76.02 US¢, and trading within a range of 74.75 – 76.02US¢ - averaging 75.33US¢.

Beef offal prices were again relatively stable, however with the extended holiday breaks fewer reports were received which affected this month's figures slightly, with price spreads having a larger influence on the averages.

Sheep offal prices were steady across the board except tripe which rallied. Runner prices were much stronger but again were lightly reported.

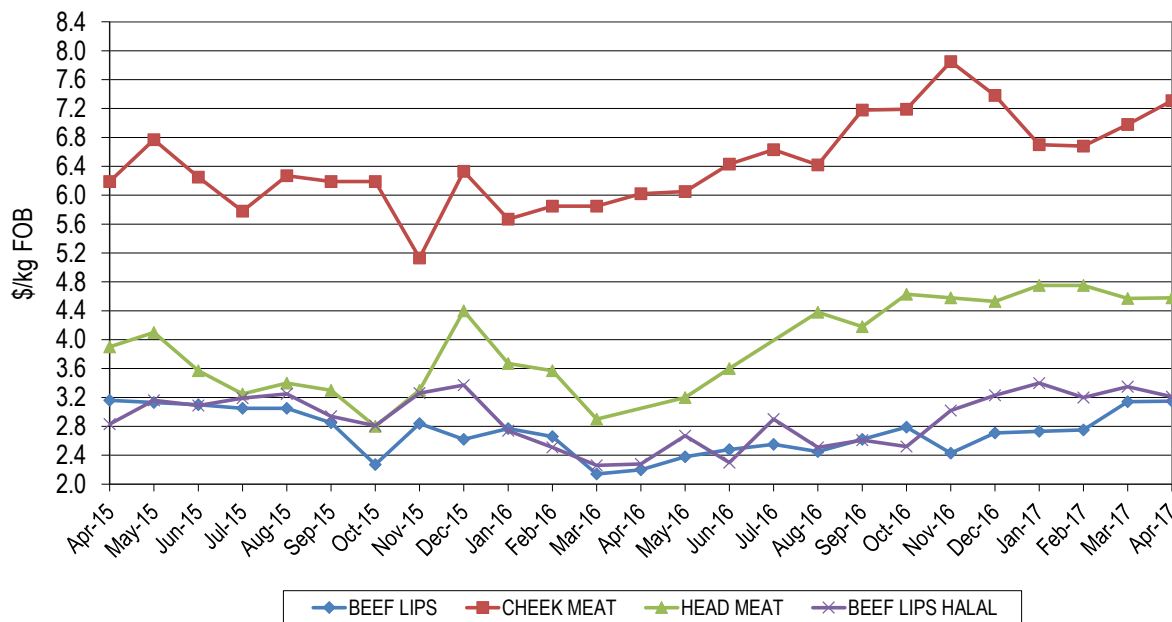
Foetal blood prices remain firm and concentrated gall prices saw a price rise.

Rendered meal prices remained firm to dearer. As a result of concern regarding the future of blender's tax credits for biodiesel in the US, tallow prices were much softer and indications are this trend is likely to continue.

Hide prices remained steady, with tight supplies and a weaker A\$ helping to maintain prices paid despite the export market being back by around 5% with exporters who attended the Hong Kong leather fair indicating a reluctance for tanners to commit to longer term purchases .

### Head Offal Prices

Figure 1: Trends in beef head offal prices

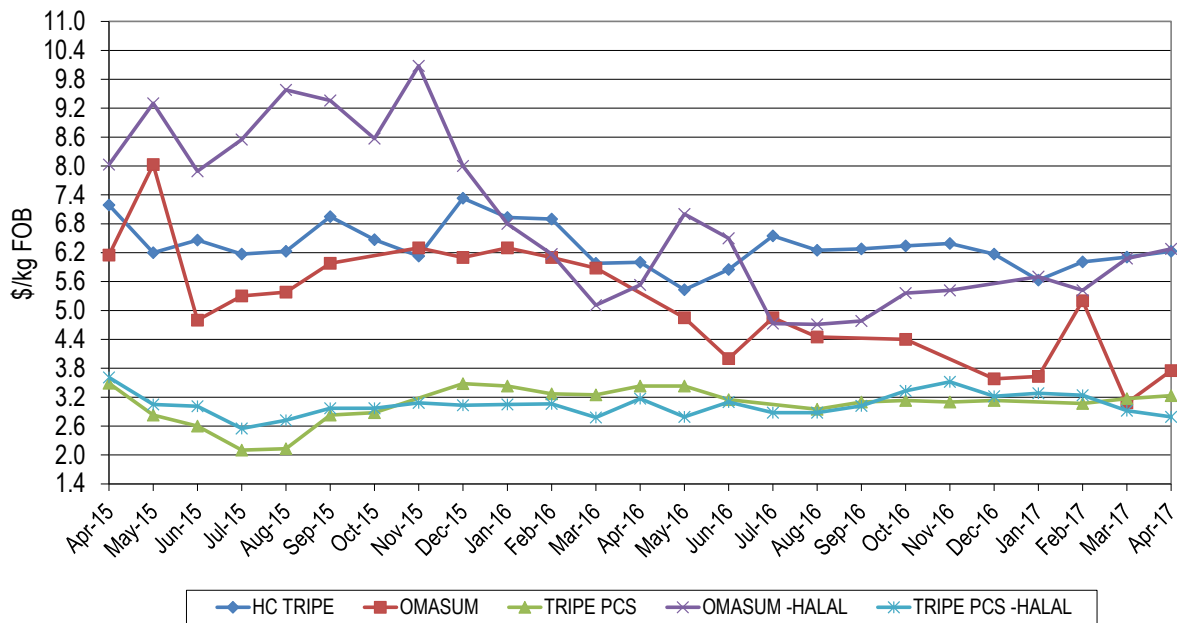


Head offal products were varied in price fluctuation, month-on-month. Head meat averaged \$4.58/kg, up \$1.78/kg on year-ago levels but just 1¢/kg higher from a month ago. Cheek meat was \$1.29/kg dearer compared to the corresponding period last year, averaging \$7.31/kg and was 33¢/kg higher than last month.

Lip export prices to the US and Mexico remained stable month-on-month, averaging \$3.15/kg which was only 1¢/kg above the month prior but 95¢/kg higher year-on-year. Halal lips returned \$3.21/kg, down 14¢/kg month-on-month but still 93¢/kg above year-ago levels.

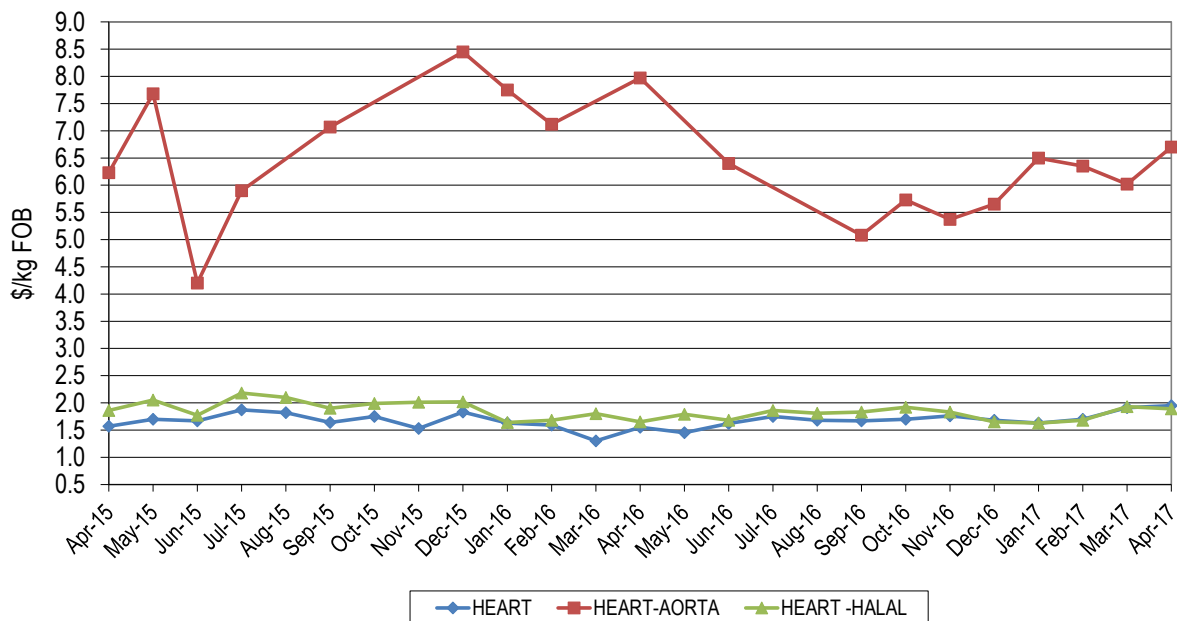
## Beef Offal Trends

### Figure 2: Trends in beef tripe prices



Omasum averaged \$3.75/kg for April which was \$2.25/kg lower year-on-year but 67¢/kg firmer than last month, whilst halal omasum returned \$6.28/kg. Halal tripe pieces averaged \$2.79/kg to be 13¢/kg lower month-on-month and 38¢/kg lower year-on-year whilst non-halal product averaged \$3.23/kg, which was 20¢/kg lower year-on-year. Honeycomb tripe lifted to average \$6.23/kg, up 12¢/kg month-on-month and 23¢/kg above the corresponding period last year. Halal product was reported to average \$6.89/kg.

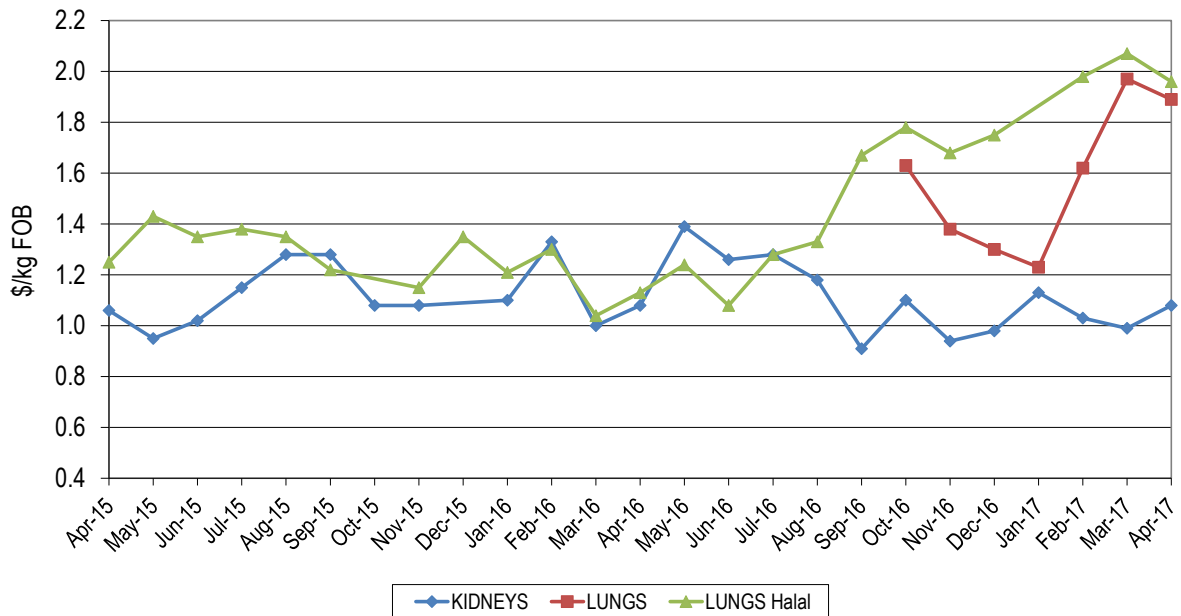
### Figure 3a: Trends in beef offal prices



Aorta averaged \$6.70/kg to be 68¢/kg higher month-on-month but \$1.27/kg weaker year-on-year, whilst halal product averaged \$6.52/kg.

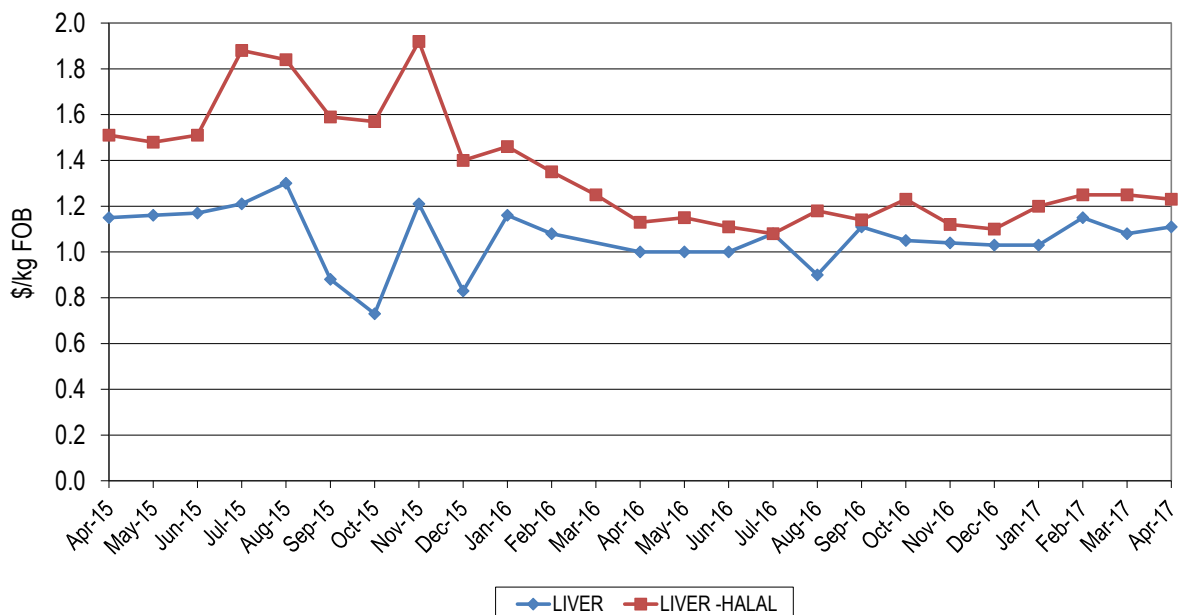
Heart prices increased slightly, averaging \$1.95/kg, up 4¢/kg month-on-month and was 40¢/kg above year-ago price. Halal hearts averaged \$1.89/kg, down 4¢/kg month-on-month but remained 24¢/kg dearer compared with year-ago levels.

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



Kidneys were reported at an average of \$1.08/kg, up 9¢/kg on last month and steady year-on-year. Non-halal lungs were reported at an average of \$1.89/kg, slipping 8¢/kg on last month. Halal lungs also eased to average \$1.96/kg which was 24¢/kg above the April 2016 price but 11¢/kg cheaper month-on-month.

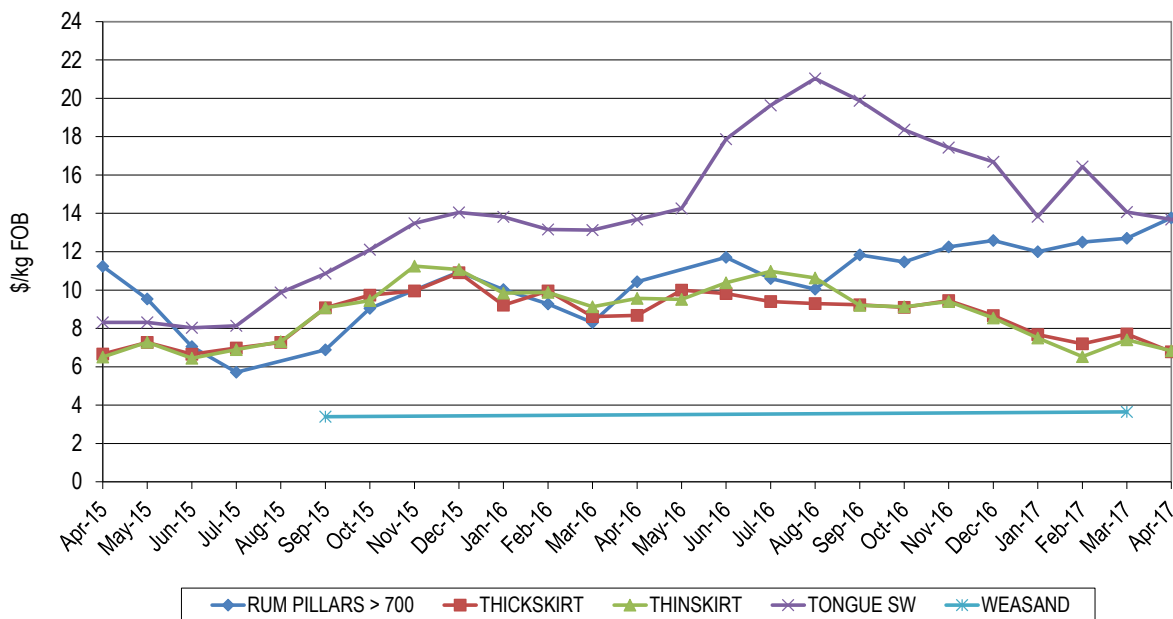
**Figure 3c: Trends in beef offal prices**



Liver prices averaged \$1.11/kg, which was up 3¢/kg month-on-month and 11¢/kg above April 2016 levels. Halal livers eased just 2¢/kg month-on-month but were 10¢/kg stronger year-on-year, with sales averaging \$1.23/kg.

## Japanese and Korean Offals

### Figure 4: Trends in Japanese offal prices



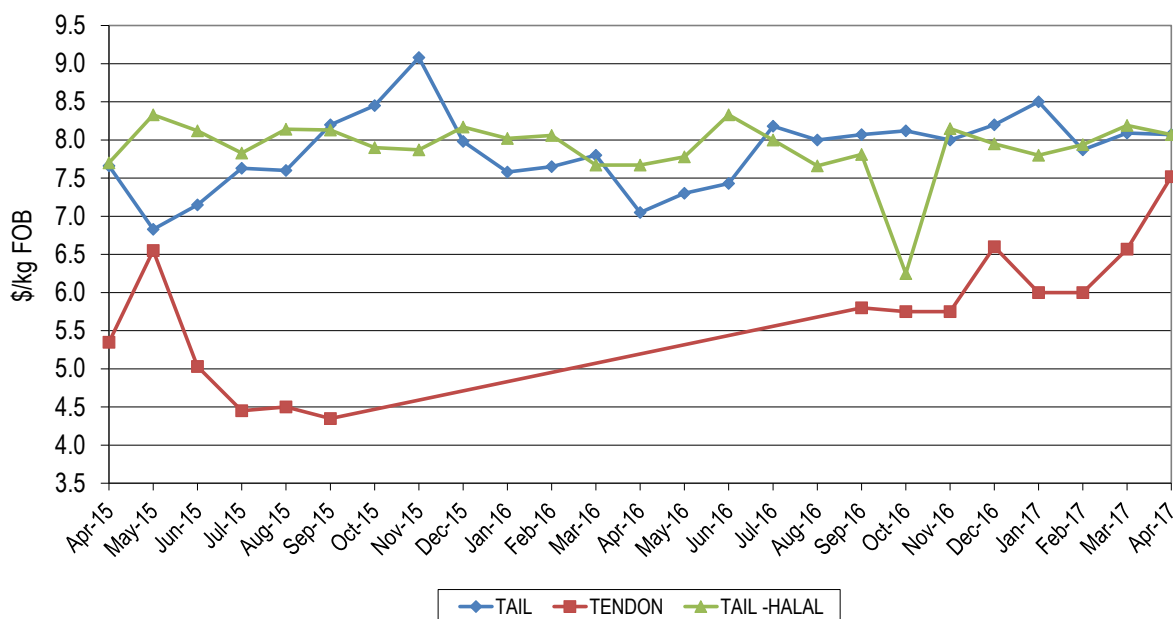
Tongue prices continued on a downward trend to average \$13.68/kg, which was 39¢/kg below prices in March but steady year-on-year.

Skirt prices also resumed the downward trend. Thick skirt was \$1.90/kg lower than last year’s price and 93¢/kg weaker month-on-month, averaging \$6.78/kg, while thin skirt prices were \$2.74/kg lower than year-ago levels, and 58¢/kg easier month-on-month at \$6.83/kg.

Rumen pillars remained firm this month, with heavy weight product making \$13.77/kg, up \$1.07/kg month-on-month and \$3.34/kg dearer than April 2016.

## Tails and Tendons

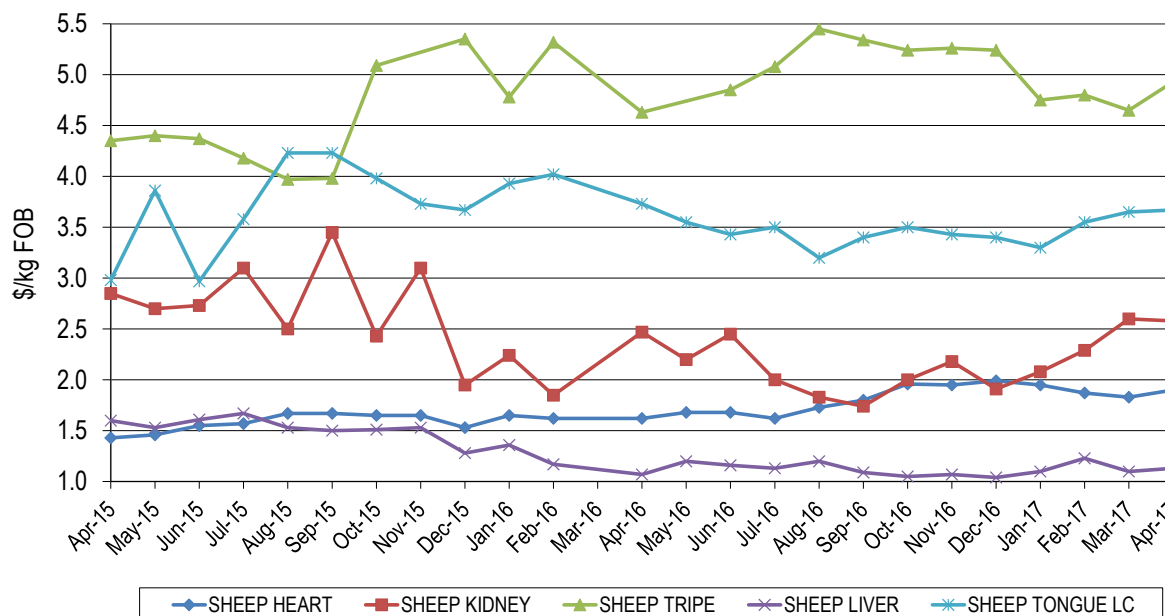
### Figure 5: Trends in tail and tendon prices



Tail prices into Japan averaged \$8.07/kg, down just 2¢/kg month-on-month but were \$1.02/kg dearer than same period last year. Halal tails eased slightly, down 12¢/kg on last month's price but up 40¢/kg year-on-year, averaging \$8.07/kg. Halal tendons averaged \$6.35/kg, 37¢/kg lower than last year and down 95¢/kg month-on-month.

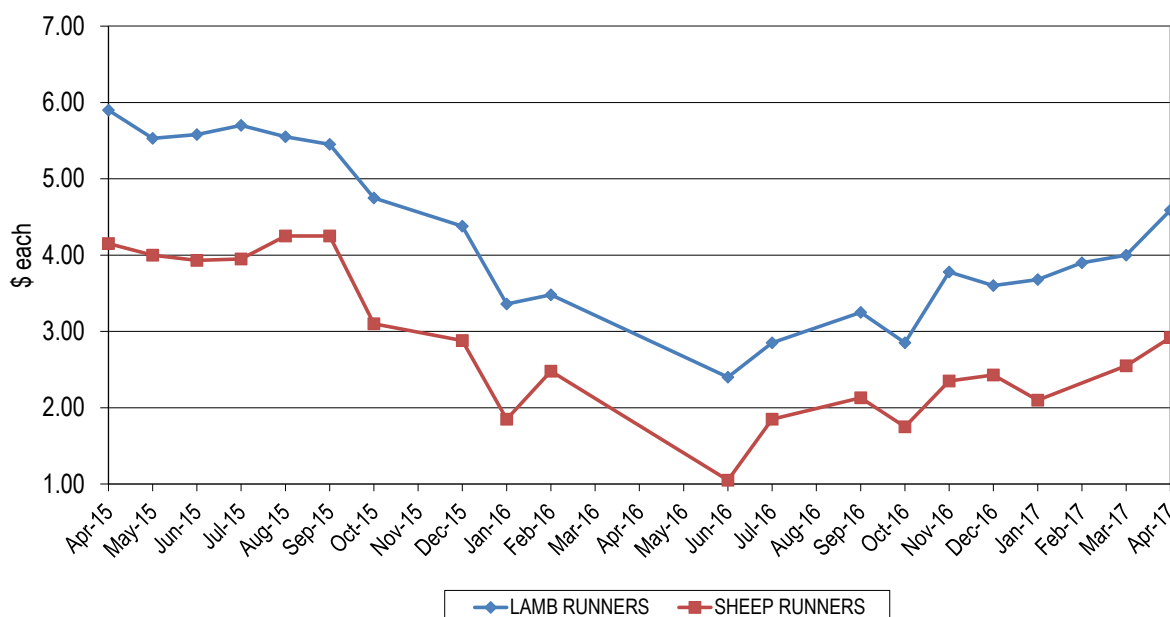
## Sheep Offals

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



Sheep hearts averaged \$1.90/kg, up 7¢/kg month-on-month and were 28¢/kg dearer than April 2016. Sheep livers averaged \$1.13/kg, which was 3¢/kg better month-on-month. Kidney prices returned \$2.58/kg, down just 2¢/kg on last month's price. Sheep tripe averaged \$4.93/kg, up 28¢/kg month-on-month. Sheep long cut tongue averaged \$3.67/kg, up 2¢/kg month-on-month.

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

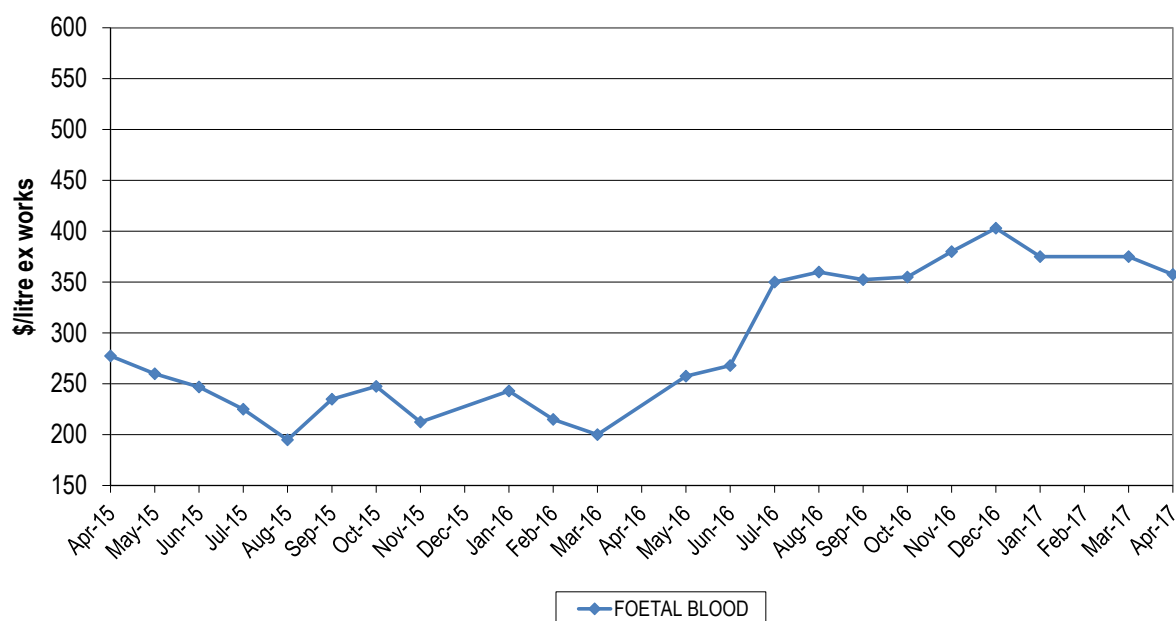


Lamb runners averaged \$4.59/piece which was 59¢/piece above the price last month. Sheep runners also lifted, averaging \$2.92/piece for April, up 37¢/piece month-on-month.



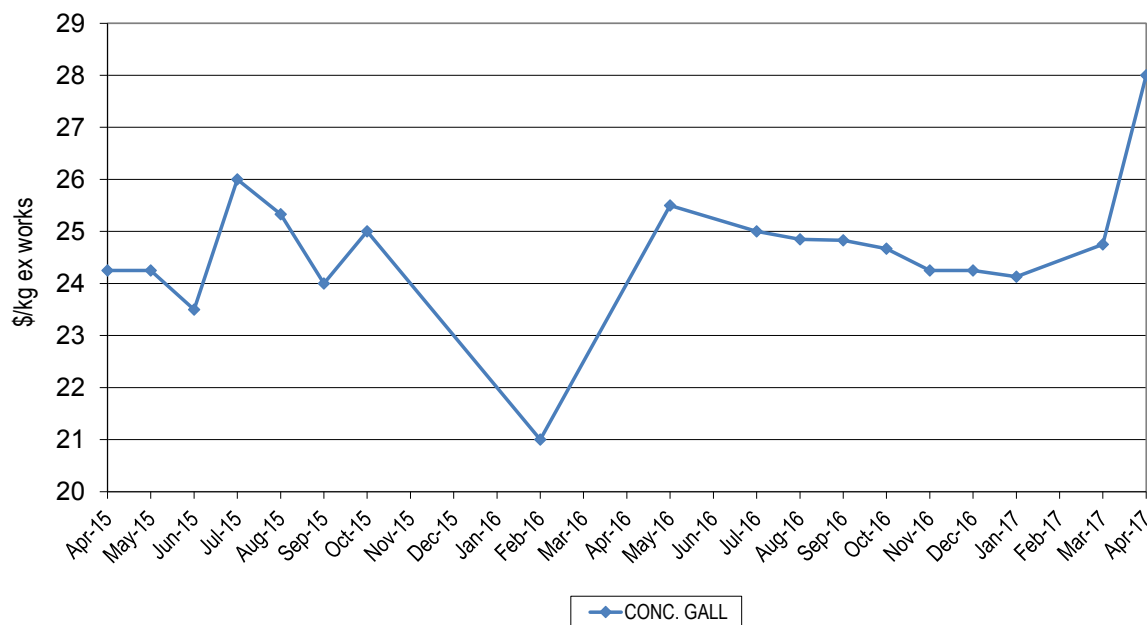
## Pharmaceutical products

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



Foetal blood remained firm averaging \$357.50/litre, however it was very lightly reported, with buyer indications somewhat below seller expectations.

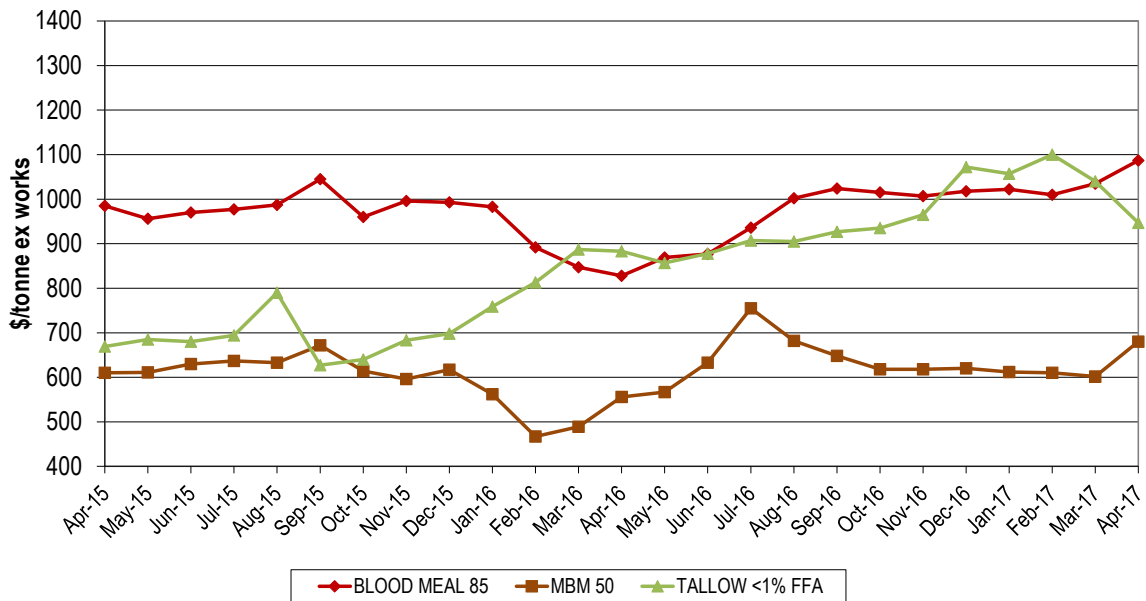
### Figure 7b: Trends for concentrated gall prices



Concentrated gall averaged \$28.00/litre, up \$3.25/kg month-on-month and is the highest price recorded.

## Rendered Products

Figure 8: Trends in rendered co-product prices

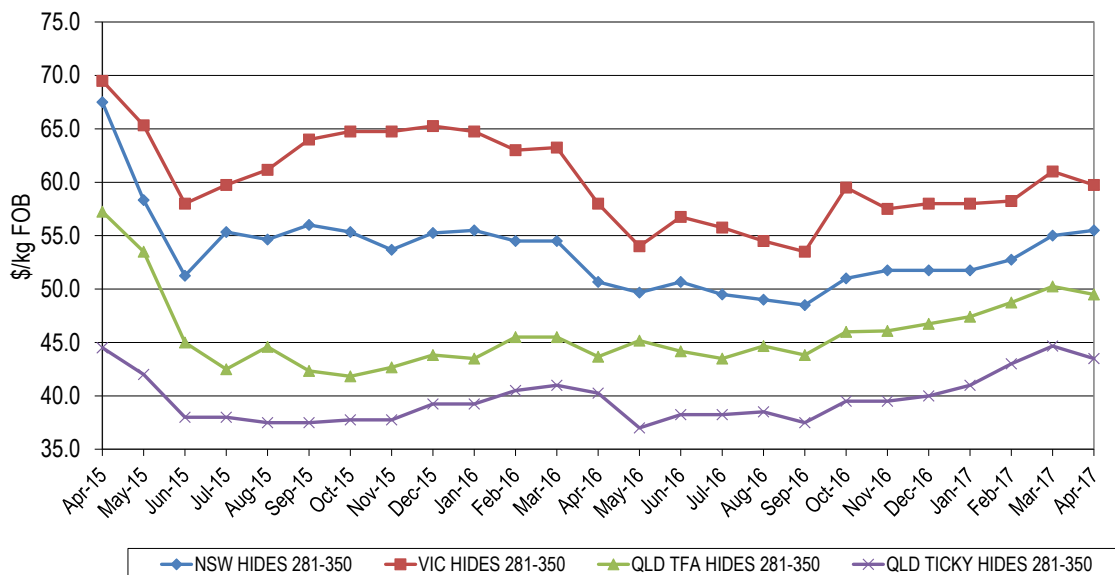


Meat and bone meal (MBM) prices were considerably firmer this month, with the price for 50% protein averaging \$680/tonne, \$78/tonne above the price last month and \$124/tonne dearer year-on-year. Blood meal prices continued to lift, averaging \$1,087/tonne ex-works, which was up \$52/tonne on last month's price and \$259/tonne higher than last year. Reduced production due to shortfalls in cattle supply is assisting in keeping prices firm.

Tallow prices continued to follow a downward trend. The price of palm stearin eased another \$110/tonne during the course of the month and certainly gives an indication of the future for the tallow market. April price for 1% FFA tallow averaged \$947/tonne, down \$93/tonne on last month price but remained \$64/tonne higher year-on-year.

## Hides

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



Local prices for hides remained almost even month-on-month with variations of 50¢ to \$1.25/piece across the board. The biggest differences from year ago levels has occurred for the heavier end of NSW Hides and all weights of Queensland TFA hides, these being around \$5.00/piece firmer whilst the heavy end of Queensland ticky hides are firmer by around \$3.00/piece.

<b>Beef and veal offal exports (tonnes swt)</b>					
<b>Destination</b>	<b>Apr-16</b>	<b>Mar-17</b>	<b>Apr-17</b>	<b>Monthly change</b>	<b>Annual change</b>
JAPAN	2,259	2,209	1,724	-22%	-24%
KOREA	1,682	2,116	1,400	-34%	-17%
HONG KONG	2,100	1,787	1,389	-22%	-34%
INDONESIA	725	1,593	2,134	34%	194%
SOUTH AFRICA	843	1,039	941	-9%	12%
MIDDLE EAST	453	1,008	382	-62%	-16%
MALAYSIA	404	540	613	13%	52%
THAILAND	396	537	376	-30%	-5%
US	215	438	243	-44%	13%
OTHER	1,894	1,643	1,145	-30%	-40%
<b>TOTAL</b>	<b>10,971</b>	<b>12,909</b>	<b>10,347</b>	<b>-20%</b>	<b>-6%</b>
<b>Offal cut</b>	<b>Apr-16</b>	<b>Mar-17</b>	<b>Apr-17</b>	<b>Monthly change</b>	<b>Annual change</b>
TRIPE	2,684	2,650	2,091	-21%	-22%
LIVER	1,489	2,126	1,732	-19%	16%
SKIRT	1,163	1,277	1,030	-19%	-11%
TONGUES	1,008	974	831	-15%	-17%
MANUFACTURING	745	957	917	-4%	23%
HEART	724	933	782	-16%	8%
INTESTINES	527	775	504	-35%	-4%
TAIL	491	641	450	-30%	-8%
CHEEK MEAT	602	598	336	-44%	-44%
TENDON	546	524	364	-31%	-33%
LIPS	239	375	374	0%	57%
LUNGS	239	312	304	-3%	27%
HEAD	150	301	233	-23%	55%
SPLEEN	136	244	173	-29%	27%
KIDNEY	224	219	220	0%	-2%
OTHER	5	4	5	23%	0%
<b>TOTAL</b>	<b>10,971</b>	<b>12,909</b>	<b>10,347</b>	<b>-20%</b>	<b>-6%</b>

<b>Destination</b>	<b>Offal cut</b>	<b>Apr-16</b>	<b>Apr-17</b>	<b>Annual change</b>
Japan	TONGUES	837	595	-29%
	SKIRT	619	560	-10%
	INTESTINES	257	163	-37%
	OTHER	546	406	-26%
Korea	CHEEK MEAT	484	271	-44%
	SKIRT	441	374	-15%
	INTESTINES	222	336	51%
	OTHER	535	419	-22%

Source: DAWR

Destination	Offal cut	Apr-16	Apr-17	Annual change
Hong Kong	TRIPE	1,979	1,342	-32%
	OTHER	121	47	-61%
Indonesia	MANUFACTURING	352	656	87%
	TONGUES	160	226	41%
	HEART		475	-
	OTHER	213	777	264%

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

Destination	Apr-16	Mar-17	Apr-17	Monthly change	Annual change
HONG KONG	918	986	717	-27%	-22%
SAUDI ARABIA	674	532	524	-1%	-22%
SOUTH AFRICA	65	214	195	-9%	198%
PNG	143	167	147	-12%	3%
CHINA	106	124	135	9%	27%
US	49	111	79	-29%	62%
UAE	164	101	108	7%	-34%
OTHER	408	626	337	-46%	-17%
<b>TOTAL</b>	<b>2,528</b>	<b>2,862</b>	<b>2,243</b>	<b>-22%</b>	<b>-11%</b>
Offal cut	Apr-16	Mar-17	Apr-17	Monthly change	Annual change
TRIPE	1,066	1,194	827	-31%	-22%
LIVER	889	827	828	0%	-7%
HEART	224	269	223	-17%	0%
TONGUES	167	172	98	-43%	-42%
KIDNEY	131	167	138	-17%	6%
HEAD	1	128	38	-70%	5260%
OTHER	51	105	91	-14%	78%
<b>TOTAL</b>	<b>2,528</b>	<b>2,862</b>	<b>2,243</b>	<b>-22%</b>	<b>-11%</b>

Destination	Offal cut	Apr-16	Apr-17	Annual change
HONG KONG	TRIPE	906	709	-22%
	OTHER	12.0	8	-33%
SAUDI ARABIA	LIVER	638	455	-29%
	OTHER	36	69	92%

Source: DAWR

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