



Co-product market report

April 2019

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Beef Co-products

Beef offal prices were firmer for most items, with the Australian dollar depreciating against the US dollar. Honeycomb tripe continued to rally, as did thickskirt, thinskirt and rumen pillars.

Table 1: Beef co-product prices

	Average (Mar Data)	Range	Responses	Monthly Change	Annual Change
Beef Lips	\$3.36	\$1.15	4	14.0%	-13.8%
Beef Lips - Halal	\$4.08		2	10.1%	38.9%
Cheekmeat	\$5.17	\$0.50	3	7.6%	-10.1%
Cheekmeat - Halal	\$5.63		2	14.8%	-3.9%
Diap. Membrane	\$3.20	\$4.70	4	65.5%	-4.8%
Hc Tripe	\$7.87	\$1.80	3	10.8%	36.4%
Hc Tripe - Halal	\$9.00		2	7.8%	41.1%
Headmeat	\$4.25	\$1.00	4	9.0%	6.3%
Headmeat - Halal	\$4.85		2	12.8%	21.3%
Heart	\$2.35	\$0.30	4	-3.4%	37.4%
Heart - Halal	\$2.40		2	-9.4%	17.2%
Heart - Aorta	\$6.98	\$0.90	4	-0.4%	3.3%
Heart - Aorta - Halal	\$7.55		2	2.7%	9.1%
Kidneys	\$0.90	\$0.10	3	2.9%	-8.6%
Kidneys- Halal	\$0.85		2	-10.5%	-23.9%
Ligamentum	\$2.76	\$2.90	5	46.2%	-24.9%
Liver	\$1.04	\$0.25	4	15.3%	4.1%
Liver - Halal	\$1.25		2	4.2%	4.9%
Lungs	\$1.13	\$0.40	3	29.5%	-16.1%
Lungs - Halal	\$1.85		2	8.8%	-13.6%
Omasum	\$6.73	\$1.90	4	8.8%	15.9%
Omasum - Halal	\$6.80		2	-9.9%	11.7%
Rum.Pill - Halal < 500	\$12.15		2	0.8%	31.0%
Rum.Pill - Halal > 500 < 700	\$23.45		2	10.4%	59.5%
Rum.Pill - Halal > 700	\$24.55		2	6.3%	33.2%
Rum.Pill < 500	\$13.00	\$3.00	4	12.2%	50.9%
Rum.Pill > 500 < 700	\$21.25	\$1.00	4	15.9%	52.9%
Rum.Pill > 700	\$23.50	\$1.00	4	8.5%	32.1%
Tail	\$10.13	\$1.40	3	8.6%	7.7%
Tail - Halal	\$10.40		2	0.7%	10.1%
Tendons	\$7.03	\$2.10	4	1.4%	9.8%
Tendons - Halal	\$7.15		2	6.3%	2.7%
Thickskirt	\$10.26	\$6.50	4	18.4%	83.8%
Thickskirt - Halal	\$9.15		2	7.6%	65.3%
Thinskirt	\$8.80	\$5.90	4	27.5%	63.5%
Thinskirt - Halal	\$7.45		2	8.8%	36.9%
Tongue Root Fillet	\$5.25	\$0.25	3		9.4%
Tongue Root Meat	\$2.93		2		27.2%
Tongue Root Meat - Halal	\$2.98		2	15.5%	32.7%
Tongue SW	\$9.90	\$0.30	4	8.8%	8.0%
Tongue SW - Halal	\$10.65		2	10.9%	14.5%
Tripe Pieces	\$3.32	\$0.35	3	0.0%	2.1%
Tripe Pieces - Halal	\$3.30		2	-2.2%	3.4%

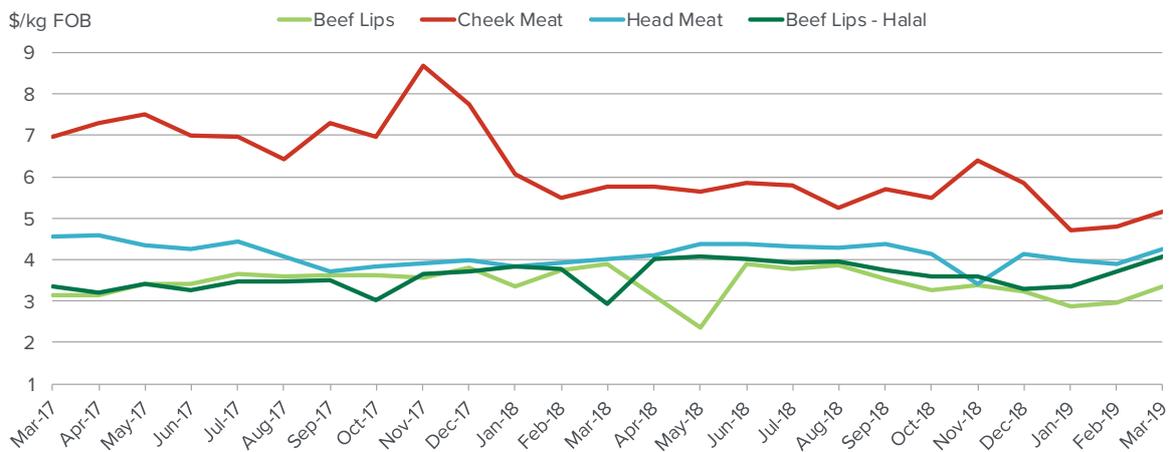
Price quoted is average price reported in \$/kg FOB Australian port.

Head offal

Prices for head offal products were generally firmer this month. Head meat remained steady with year-ago prices, averaging \$4.25/kg, and improved 35¢/kg month-on-month. Cheek meat was 58¢/kg cheaper than year-ago levels, averaging \$5.17/kg was 37¢/kg higher than last month.

Lip export prices to the US and Mexico rallied to improve 41¢/kg month-on-month, yet remained 54¢/kg weaker than year-ago levels, averaging \$3.36/kg. Halal lips were firm, improving 38¢/kg from March to average \$4.08/kg, an improvement of \$1.15/kg from April 2018.

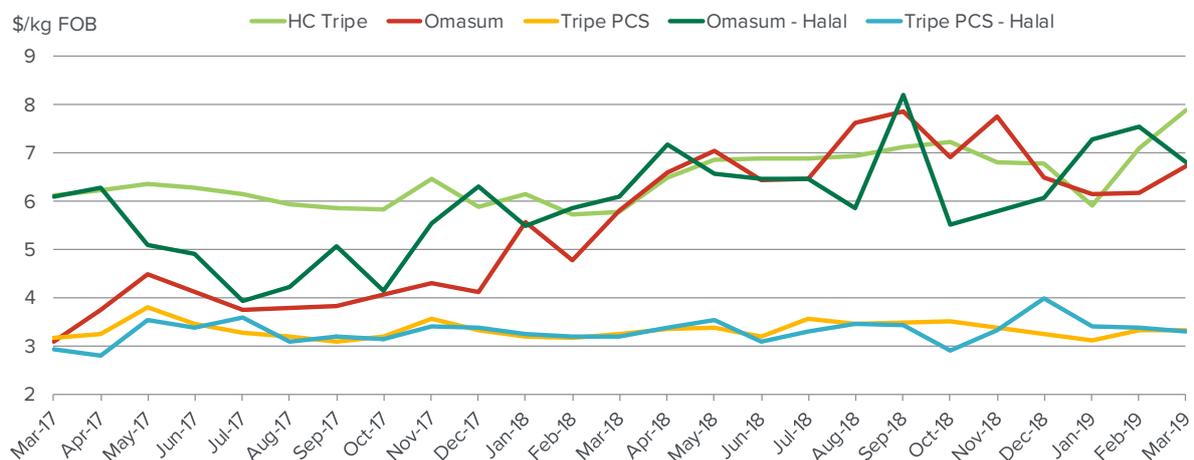
Figure 1: Trends in beef head offal prices



Beef offal trends

Omasum improved 55¢/kg on March prices to average \$6.73/kg, an improvement of 93¢/kg on year-ago prices. Halal omasum eased 75¢/kg from last month to average \$6.80/kg, yet remained 71¢/kg above April 2018 prices. Halal tripe pieces were 11¢/kg higher than year-ago levels, yet eased 8¢/kg month-on-month to average \$3.30/kg. Non-halal product remained steady with last month's prices, averaging \$3.32/kg, and an improvement of 7¢/kg on last year. Honeycomb tripe averaged \$7.87/kg, an increase of 77¢/kg month-on-month and \$2.10/kg from April 2018.

Figure 2: Trends in beef tripe prices

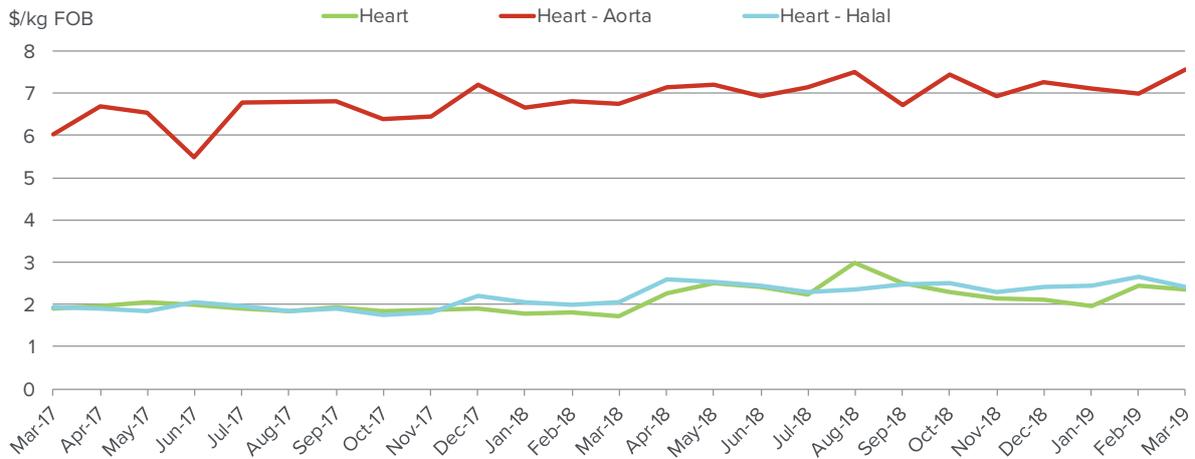


Beef offal trends continued...

Aorta averaged \$7.55/kg for the month; which was 55¢/kg firmer month-on-month and 80¢/kg above year-ago levels.

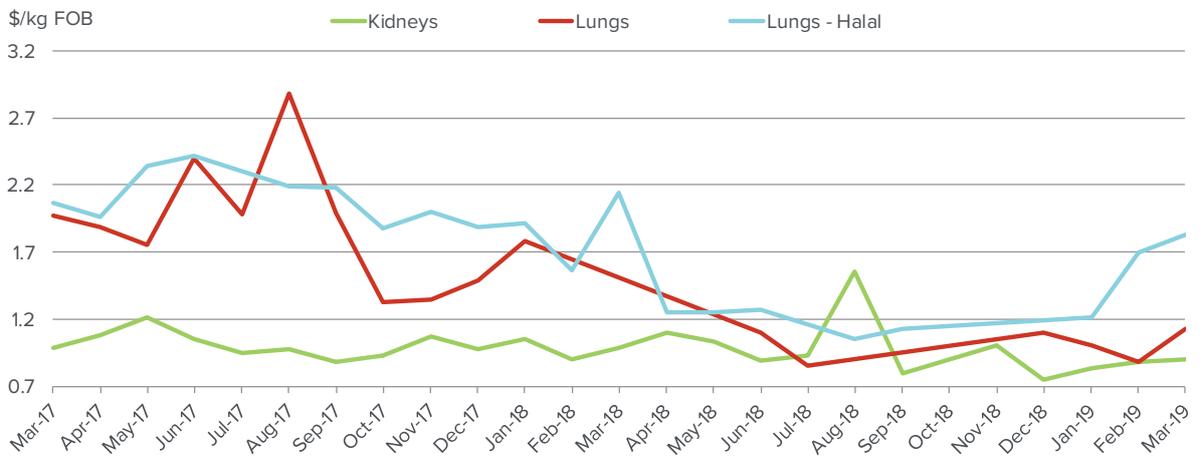
Heart prices were 8¢/kg down compared to last month, averaging \$2.35/kg, to be 64¢/kg stronger than year-ago levels. Halal hearts eased 25¢/kg month-on-month but remained 35¢/kg firmer year-on-year to average \$2.40/kg.

Figure 3: Trends in beef offal prices



Kidneys were reported at an average of 90¢/kg, improving 2¢/kg across the month, but 9¢/kg below April 2018 levels. Non-halal lungs were reported at \$1.13/kg, 25¢/kg above last month. Halal lungs averaged \$1.83/kg, firming 13¢/kg month-on-month but remaining 31¢/kg below year-ago prices.

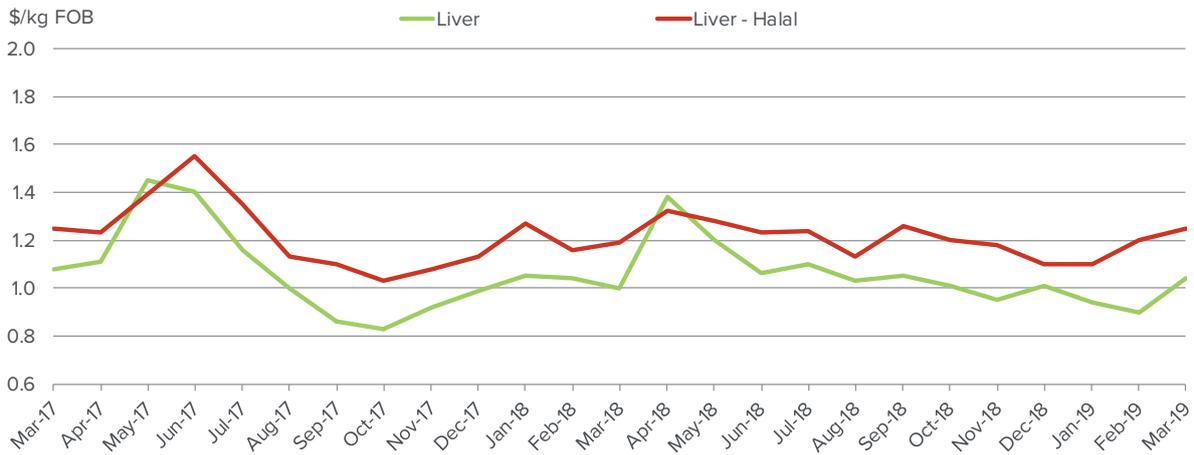
Figure 4: Trends in beef offal prices



Beef offal trends continued...

Liver prices averaged \$1.04/kg, an improvement of 14¢/kg month-on-month and 4¢/kg above year-ago levels. Halal livers firmed 5¢/kg from March prices to average \$1.25/kg, an increase of 6¢/kg on year-ago prices.

Figure 5: Trends in beef offal prices



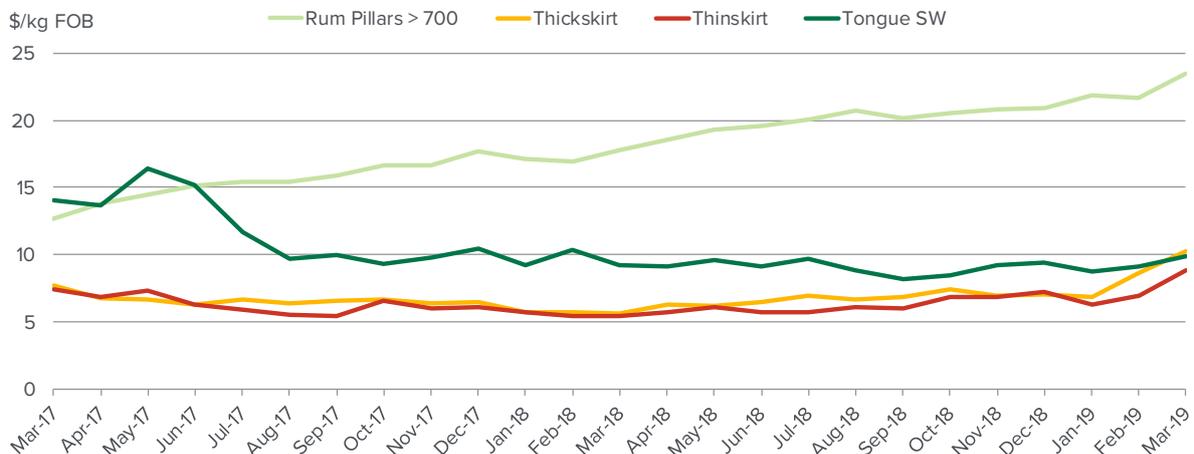
Japanese and Korean Offals

Tongue prices averaged \$9.90/kg, an increase of 80¢/kg month-on-month and 73¢/kg above year-ago levels.

Thick skirt was \$4.67/kg higher year-on-year and \$1.59/kg firmer from last month, averaging \$10.26/kg. Thin skirt prices improved \$1.90/kg from March prices and remained \$3.42/kg above April 2018 prices, to average \$8.80/kg.

Rumen pillars continued their strong run, with heavy weight product averaging \$23.50/kg, up \$1.83/kg month-on-month and \$5.72/kg dearer than year-ago levels.

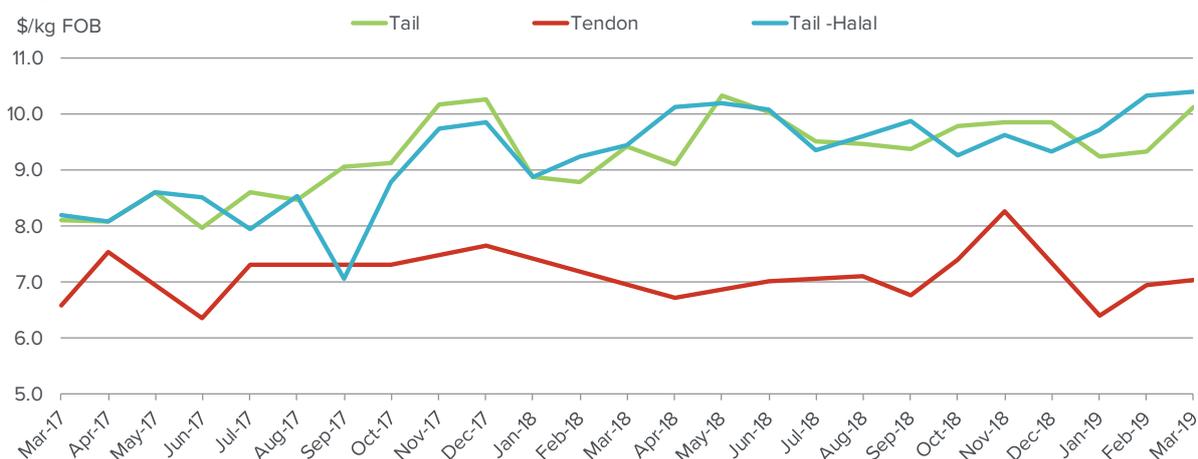
Figure 6: Trends in Japanese offal prices



Tails and Tendons

Tail prices to Korea were 80¢/kg firmer month-on-month, averaging \$10.13/kg to be 72¢/kg higher than year-ago levels. Halal tails averaged \$10.40/kg, an improvement of 7¢/kg from last month and 96¢/kg above April 2018 prices. Tendons averaged \$7.03/kg, up 10¢/kg month-on-month.

Figure 7: Trends in tail and tendon prices



Sheep Co-products

Sheep offal prices showed mixed results, with liver, kidneys and tripe easing while runners were again not reported.

Table 2: Sheep co-product prices

	Average (Mar Data)	Range	Responses	Monthly Change	Annual Change
Heart Sheep - Halal	\$3.10	\$0.50	3	1.6%	24.8%
Kidneys Sheep - Halal	\$4.13	\$2.80	3	-6.1%	18.1%
Liver Sheep - Halal	\$1.38	\$0.50	3	-6.2%	4.0%
Tongue LC Sheep - Halal	\$4.95		2	8.8%	20.7%
Tripe Sheep - Halal	\$3.05		2	-12.9%	-29.9%

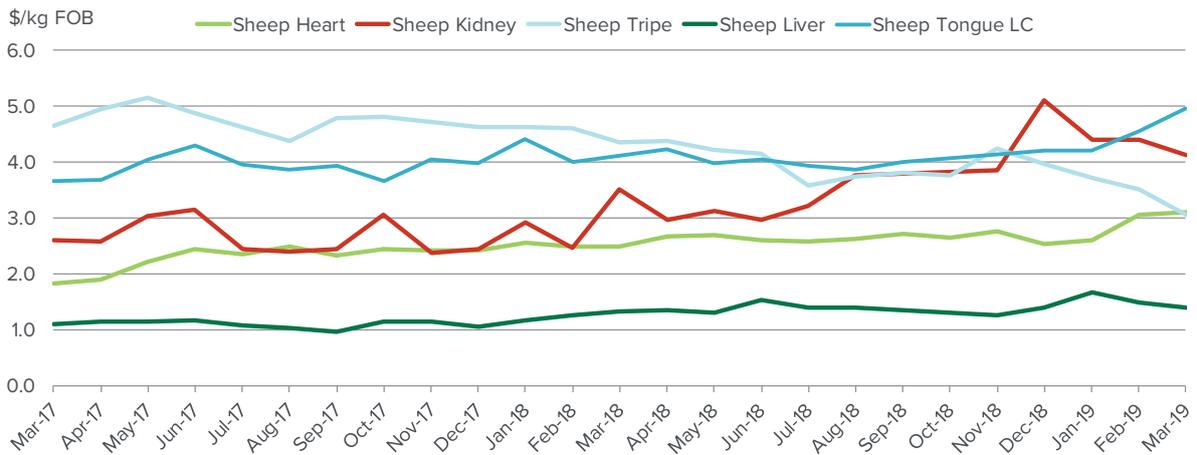
Price quoted is average price reported in \$/kg FOB Australian port and runners as \$/piece.

Sheep offal

Sheep hearts averaged \$3.10/kg, an increase of 5¢/kg month-on-month and 62¢/kg dearer than year-ago levels. Kidney prices returned \$4.13/kg, an improvement of 63¢/kg from year ago levels, but 27¢/kg softer month-on-month.

Sheep tripe was reported 45¢/kg easier month-on-month, averaging \$3.05/kg to be \$1.30/kg below last year prices. Long cut tongues averaged \$4.95/kg, an increase of 40¢/kg from last month and 85¢/kg firmer year-on-year.

Figure 8: Trends in sheep offal prices



Both lamb and sheep runners remain under pressure, with excess product in the European market, making product hard to sell. Neither were reported this month

Figure 9: Trends in runner prices



Pharmaceutical products

Pharmaceutical products were relatively steady.

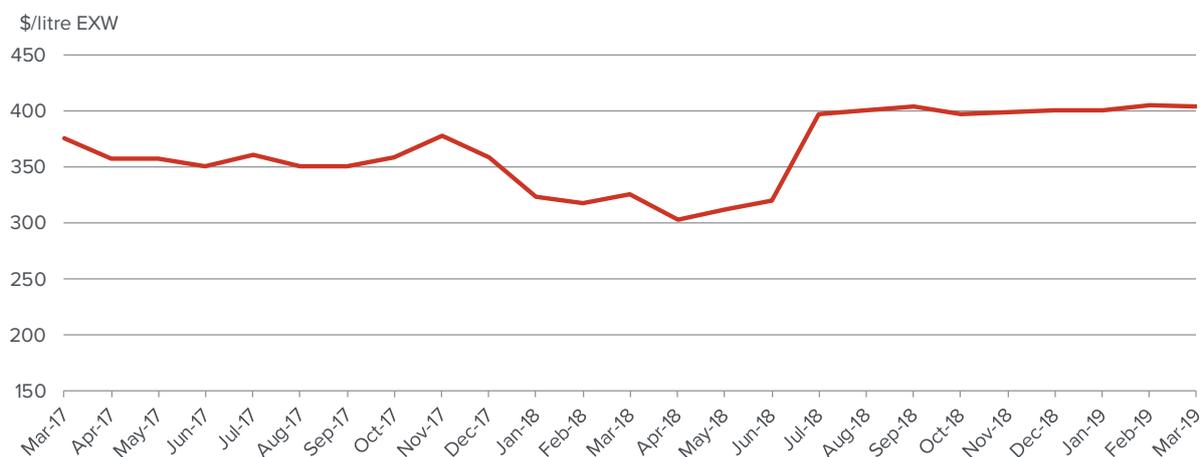
Table 3: Pharmaceutical prices

	Average (Mar Data)	Range	Responses	Monthly Change	Annual Change
Foetal Blood	\$403.75	\$10.00	4	-0.3%	24.2%
Gall Concentrated	\$29.25		2	-2.5%	4.5%

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

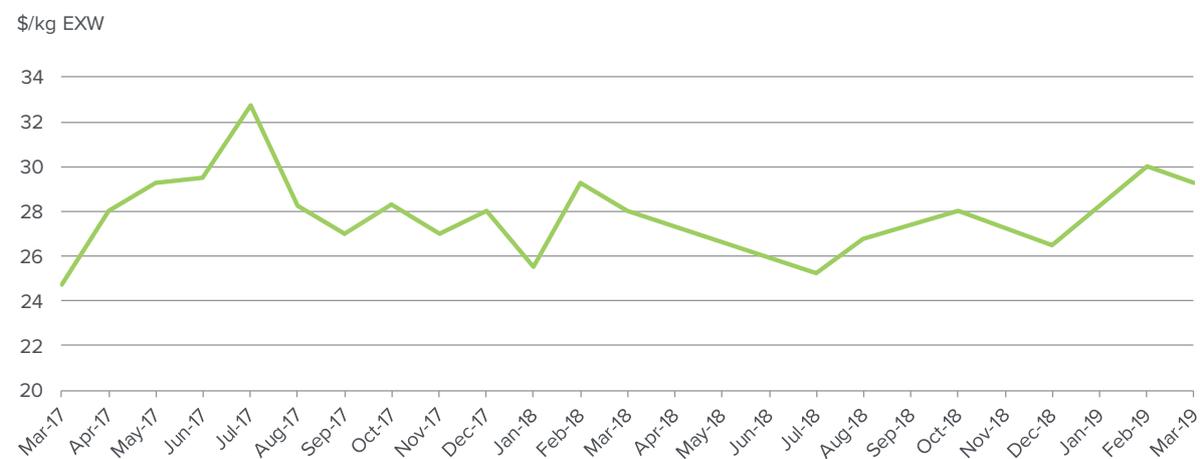
Foetal calf blood into Europe eased \$1/litre from last month to average \$404/litre, an increase of \$79/litre from April 2018.

Figure 10: Trends for foetal blood prices



Concentrated gall averaged \$29.25/litre, up \$1.25/litre year-on-year but down 75¢/litre month-on-month.

Figure 11: Trends for concentrated gall prices



Rendered products

Rendered products showed mixed returns, with meat and bone meal continuing to lose ground due to the loss of a key overseas market, causing oversupply in the domestic market.

Table 4: Rendered product prices

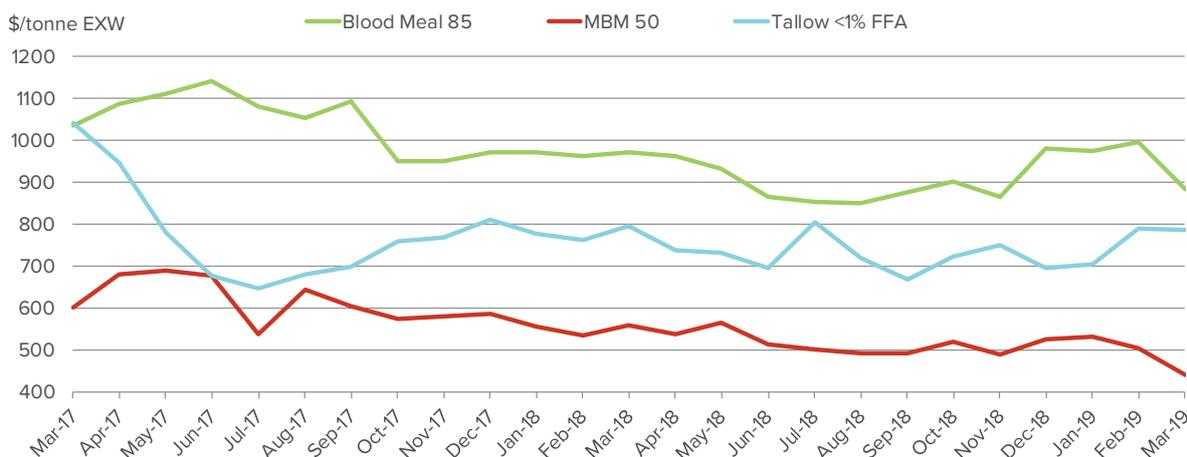
	Average (Mar Data)	Range	Responses	Monthly Change	Annual Change
Bloodmeal 85	\$884.00	\$110.00	5	-11.2%	-8.9%
MBM 50	\$440.00	\$110.00	4	-12.9%	-21.1%
Tallow Ined.<1FFA	\$785.00	\$30.00	4	-0.6%	-1.2%
Tallow Ined.<2FFA	\$770.00		2		3.7%
Tallow Ined.<4FFA	\$733.33	\$40.00	3		-1.3%

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

The price for 50% protein MBM averaged \$440/tonne, down \$65/tonne month-on-month, to be \$118/tonne lower year-on-year. Blood meal averaged \$884/tonne, a decrease of \$86/tonne on last year’s price, and \$111/tonne softer month-on-month.

Tallow prices remained firm, with the price for 1% FFA tallow averaging \$785/tonne, down \$5/tonne on last month’s price and \$10/tonne below year-ago prices. Tallow remains 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 be very subdued. Indications at the Hong Kong Leather Fair was for a slight increase in sales, but with no improvement in prices expected in the short term. Poor demand for leather continues to make product difficult to sell.

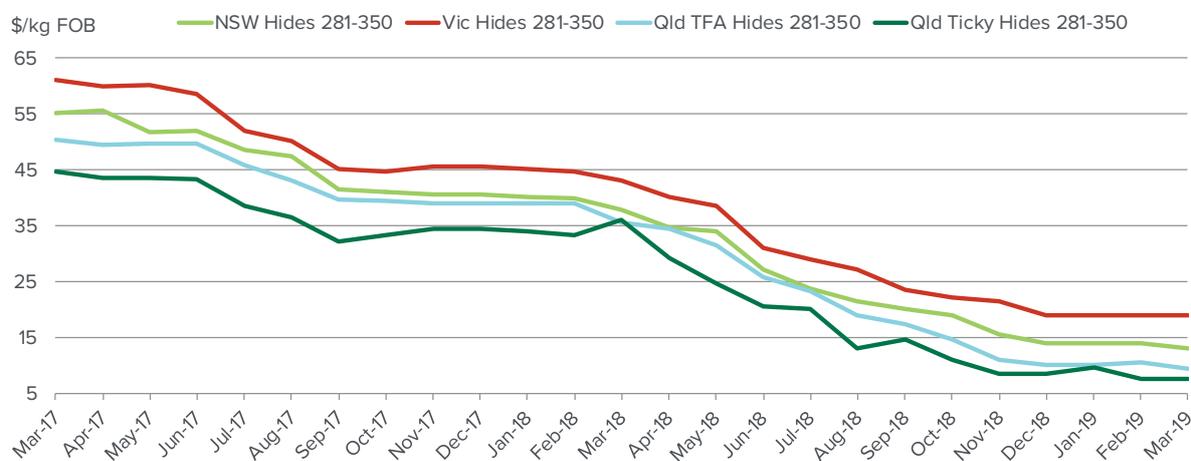
Table 5: Hide prices

	Average (Mar Data)	Range	Responses	Monthly Change	Annual Change
Hides NSW 141- 180	\$3.25		2	-7.1%	-83.3%
Hides NSW 181 - 220	\$4.50		2	-14.3%	-80.9%
Hides NSW 221 - 280	\$7.75		2	-11.4%	-74.4%
Hides NSW 281 - 350	\$13.00		2	-7.1%	-65.6%
Hides NSW 351 Up	\$21.50		2	0.0%	-55.9%
Hides QLD TFA 141 - 220	\$2.00		2	-11.1%	-90.6%
Hides QLD TFA 221 - 280	\$4.25		2	-10.5%	-85.5%
Hides QLD TFA 281 - 350	\$9.33	\$4.00	3	-11.1%	-73.7%
Hides QLD TFA 351 Up	\$14.00	\$6.00	3	-4.5%	-68.3%
Hides QLD Ticky 281 - 350	\$7.50		2	0.0%	-79.2%
Hides QLD Ticky 350 Up	\$12.50		2	0.0%	-71.1%
Hides VIC 141-180	\$6.00		2	-14.3%	-73.3%
Hides VIC 181-220	\$8.75		2	-10.3%	-68.5%
Hides VIC 221 - 280	\$12.00		2	-7.7%	-66.2%
Hides VIC 281-350	\$19.00		2	0.0%	-55.8%
Hides VIC 351 Up	\$25.00		2	-3.8%	-51.5%

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

Local prices for hides were slightly softer compared to last month across the market, with lower grade hides of no commercial value.

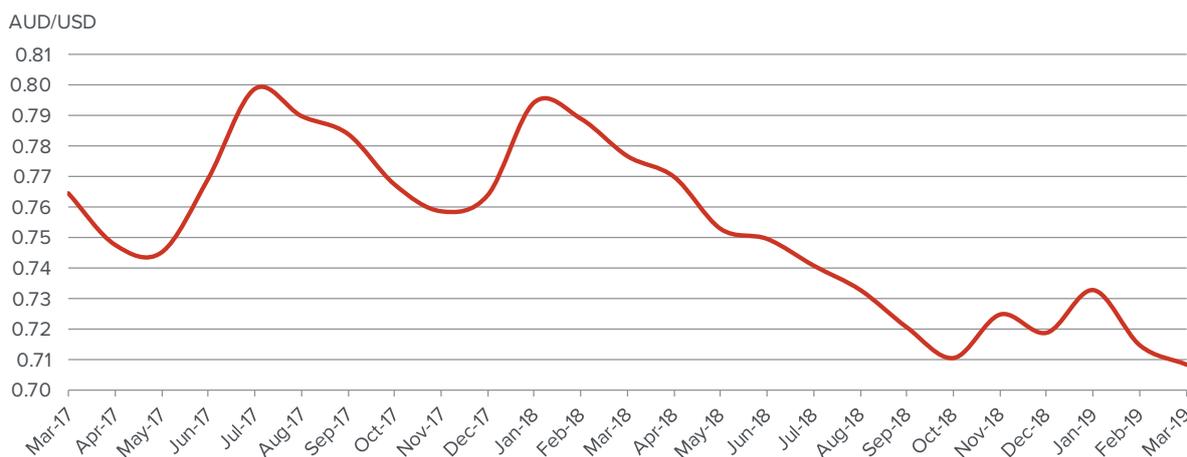
Figure 13: Trends in hide prices (East Coast Ex Works)



Currency exchange

The Australian dollar eased against the US dollar for the first half of March, before a short rally late in the month. The A\$ opened the month at 70.93US¢ and closed at 70.87US¢, to average 70.81¢ for April, a reduction of 0.6US¢ month-on-month and down 6.85US¢ from April 2018.

Figure 14: AUD /USD Foreign Exchange



Source: Reserve Bank Australia

Export statistics



To access the latest co-products statistics please click here:



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Published by Meat & Livestock Australia Limited
 ABN 39 081 678 364
 April 2019

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