



MLA co-product market report

August 2016

Table 1: Co-products Prices

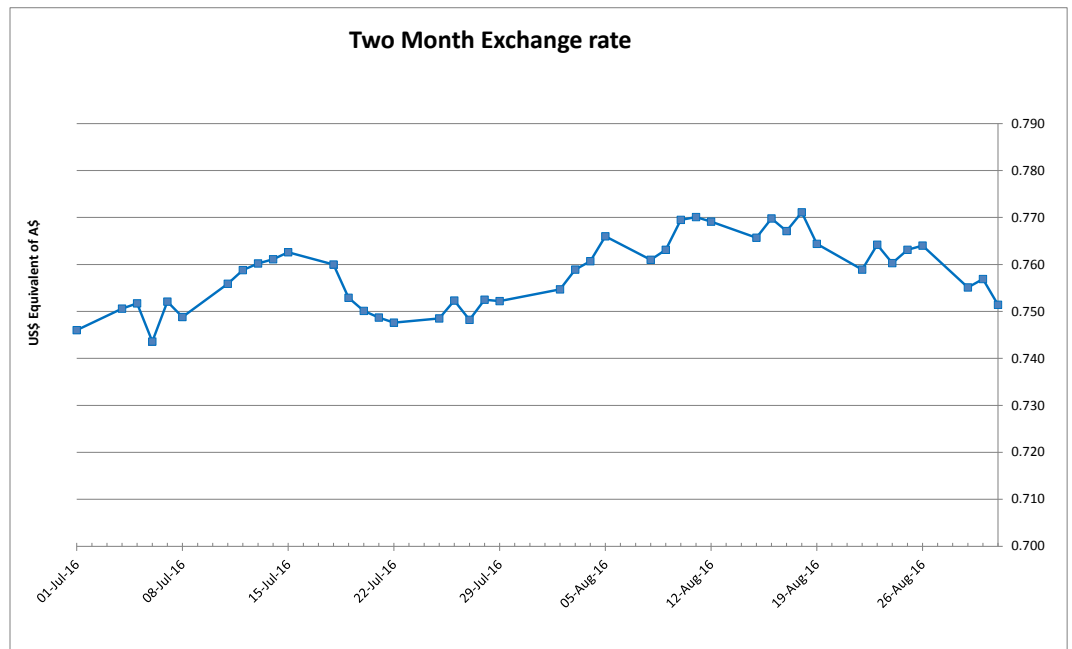
Product	Average	Range	Responses	Monthly Change	Annual Change
Beef					
BEEF LIPS	\$2.45		2	-3.9%	-20.3%
BEEF LIPS - HALAL	\$2.51	\$0.80	4	-13.4%	-22.7%
CHEEKMEAT	\$6.42	\$1.75	3	-3.1%	2.3%
CHEEKMEAT - HALAL	\$6.85	\$1.30	3	-4.2%	17.8%
DIAP. MEMBRANE	\$3.97	\$1.65	5	3.5%	28.1%
HC TRIPE	\$6.25		2	-4.6%	0.4%
HC TRIPE - HALAL	\$5.90	\$2.10	3	-1.5%	-20.3%
HEADMEAT	\$4.38		2		28.7%
HEADMEAT - HALAL	\$4.75		2	5.9%	37.7%
HEART	\$1.68		2	-4.3%	-8.0%
HEART - HALAL	\$1.81	\$0.55	4	-2.7%	-13.7%
HEART -AORTA - HALAL	\$7.40	\$2.00	3	-2.5%	21.8%
KIDNEYS	\$1.18	\$0.35	3	-7.2%	-7.2%
KIDNEYS - HALAL	\$1.07	\$0.85	3	-6.2%	-21.6%
LIGAMENTUM	\$3.90	\$3.50	4	-11.8%	47.2%
LIVER	\$0.90		2	-16.3%	-30.8%
LIVER - HALAL	\$1.18	\$0.15	4	9.3%	-36.1%
LUNGS - HALAL	\$1.33		2	3.9%	-1.9%
OMASUM	\$4.45		2	-8.2%	-17.2%
OMASUM - HALAL	\$4.71	\$2.95	4	-0.3%	-50.8%
RUM.PILL < 500	\$3.85		2	0.7%	-35.0%
RUM.PILL > 500 < 700	\$7.45		2	0.3%	22.6%
RUM.PILL > 700	\$10.05		2	-5.2%	35.8%
RUM.PILL< 500 - HALAL	\$6.04	\$1.47	3	4.8%	218.1%
RUM.PILL> 500 < 700 - HALAL	\$9.85	\$2.00	3	7.0%	120.1%
RUM.PILL> 700 - HALAL	\$13.48	\$1.35	3	7.8%	136.5%
TAIL	\$8.00		2	-2.1%	5.3%
TAIL - HALAL	\$7.66	\$0.65	4	-4.2%	-5.8%
TENDONS - HALAL	\$7.13		2	9.3%	37.0%
THICKSKIRT	\$9.30	\$0.50	3	-1.1%	27.9%
THICKSKIRT - HALAL	\$9.93	\$0.80	3	-2.5%	68.8%
THINSKIRT	\$10.63	\$1.00	3	-3.1%	45.5%
THINSKIRT - HALAL	\$10.62	\$1.25	3	0.3%	80.5%
TONGUE RT FILLET	\$5.84	\$1.25	4	4.0%	25.5%
TONGUE RT MEAT - HALAL	\$1.83	\$0.30	4	-26.0%	32.7%
TONGUE SW	\$20.83	\$2.50	3	4.2%	111.1%
TONGUE SW - HALAL	\$21.03	\$2.80	3	7.2%	109.6%
TRIPLE PCS	\$2.95		2		38.8%
TRIPLE PCS - HALAL	\$2.88	\$0.50	4	0.0%	5.8%

Product	Average	Range	Responses	Monthly Change	Annual Change
Sheep					
HEART SHEEP - HALAL	\$1.73	\$0.30	3	7.2%	4.0%
KIDNEYS SHEEP - HALAL	\$1.83	\$0.90	3	-8.3%	-26.7%
LIVER SHEEP - HALAL	\$1.20		2	6.7%	-21.7%
TONGUE LC SHEEP HALAL	\$3.20	\$0.90	3	-8.6%	-24.3%
TRIPE SHEEP - HALAL	\$5.45		2	7.2%	37.4%
Pharmecuetical					
FOETAL BLOOD	\$360.00	\$30.00	3	2.9%	84.6%
GALL CONCENTRATED	\$24.85		2	-0.6%	-1.9%
Rendered Products					
BLOODMEAL 85	\$1,001.60	\$150.00	5	7.0%	1.5%
MBM 50	\$681.60	\$108.00	5	-9.7%	7.6%
TALLOW INED.<1FFA	\$905.00	\$35.00	3	-0.2%	14.6%
TALLOW INED.<2FFA	\$867.50	\$100.00	4	2.2%	15.3%
TALLOW INED.<4FFA	\$853.75	\$30.00	4	1.2%	13.8%
Hides					
HIDES NSW 141- 180	\$24.00		2	-2.0%	-20.0%
HIDES NSW 181 - 220	\$31.00		2	-1.6%	-15.6%
HIDES NSW 221 - 280	\$38.50		2	-1.3%	-12.7%
HIDES NSW 281 - 350	\$49.00		2	-1.0%	-10.3%
HIDES NSW 351 UP	\$64.00		2	-1.9%	3.2%
HIDES QLD TFA 141 - 220	\$26.00		2	6.1%	-7.1%
HIDES QLD TFA 221 - 280	\$35.00		2	4.5%	-3.8%
HIDES QLD TFA 281 - 350	\$44.67	\$10.00	3	2.7%	0.1%
HIDES QLD TFA 351 UP	\$54.33	\$14.00	3	1.2%	4.1%
HIDES QLD TICKY 281 - 350	\$38.50		2	0.7%	2.7%
HIDES QLD TICKY 350 UP	\$48.00		2	0.0%	1.1%
HIDES VIC 141-180	\$27.00		2	0.0%	-16.1%
HIDES VIC 181-220	\$35.50		2	-2.1%	-16.5%
HIDES VIC 221 - 280	\$43.00		2	-2.3%	-17.8%
HIDES VIC 281-350	\$54.50		2	-2.2%	-10.9%
HIDES VIC 351 UP	\$69.25		2	-1.8%	-2.9%

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 August, starting at 75.47US¢, and traded within a range of 74.14 – 77.11US¢ before finishing the month at 75.14US¢.

Beef offal prices were reasonably steady during August, with the notable exception being beef tongues which continued the firm trend of the last three months. Sheep offal prices were slightly firmer, however sheep kidneys have continued to trade down during the year. Halal offal prices were steady on



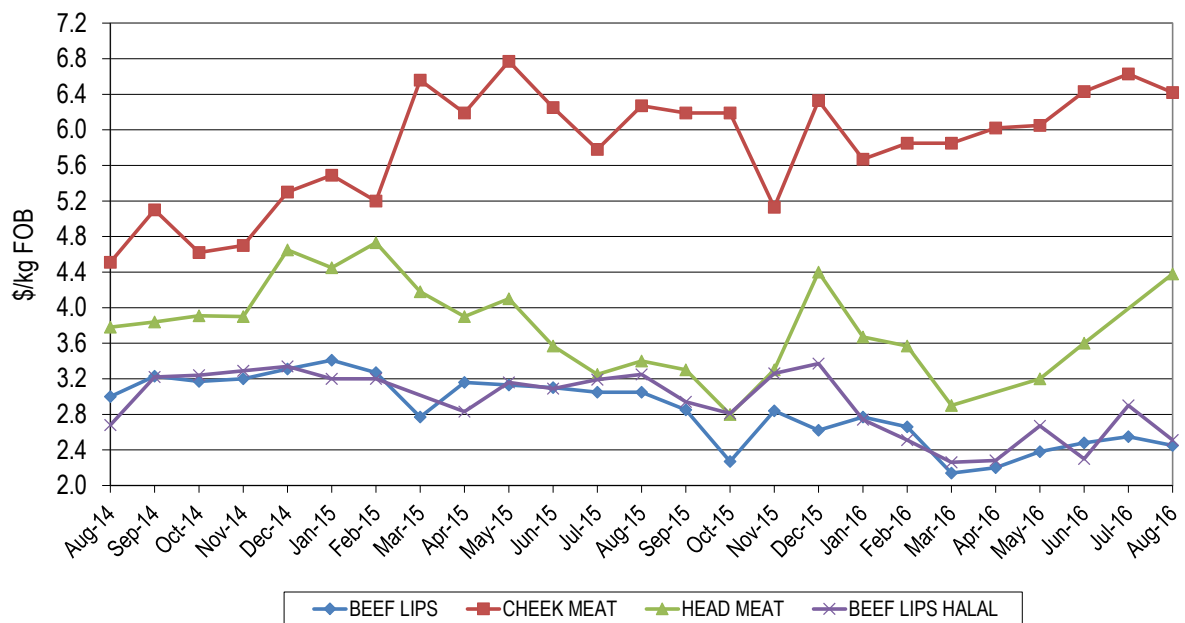
the back of lower offal production and accompanied by reasonable demand which assisted prices.

Blood meal prices were dearer however meat and bone meal prices weakened. Tallow prices remained firm, assisted by lower production, stable demand from Singapore and dearer palm prices.

Hide prices remained steady, with poor demand for finished leather and the northern summer holidays causing a lack of orders. Demand for sheep skins remains uncertain due to the forced closure of many tanneries in China as a result of environmental issues.

Head Offal Prices

Figure 1: Trends in beef head offal prices

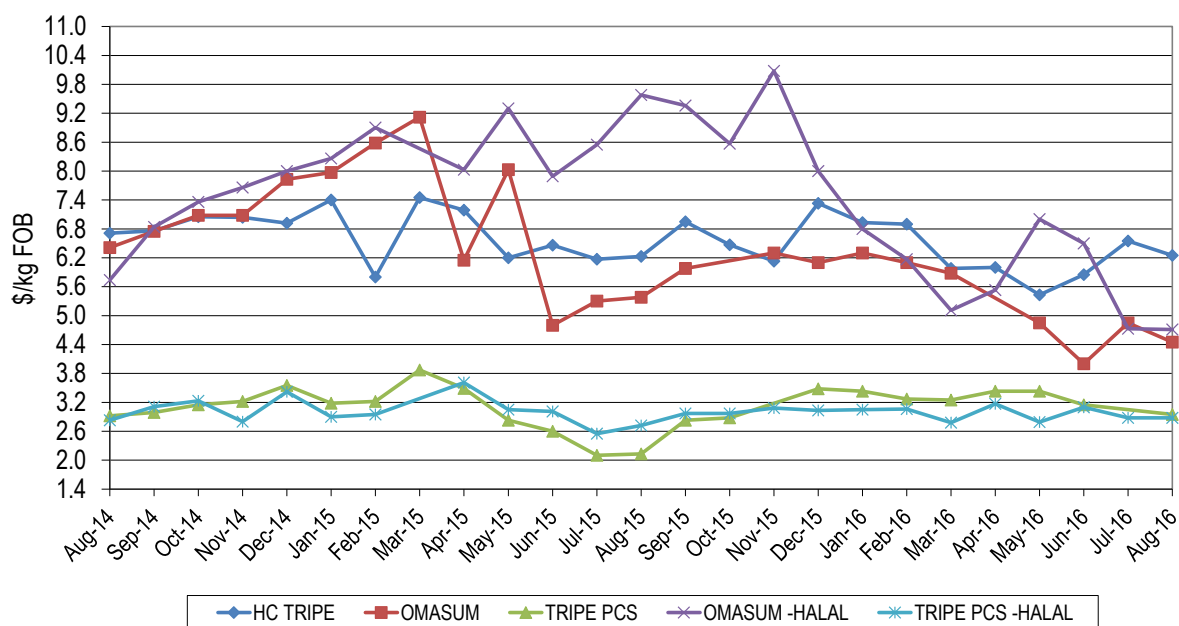


Non-halal head offal products averaged slightly lower month-on-month however head meat averaged \$4.38/kg, up 98¢/kg on year-ago levels. Cheek meat was 15¢/kg stronger compared to the corresponding period last year, averaging \$6.42/kg, however was down 21¢/kg compared with last month.

Lip export prices to the US and Mexico weakened slightly this month, averaging \$2.45/kg and were 10¢/kg lower than last month and 60¢/kg easier than 2015. Halal lips returned \$2.51/kg, down 39¢/kg month-on-month and were 74¢/kg lower than year-ago levels.

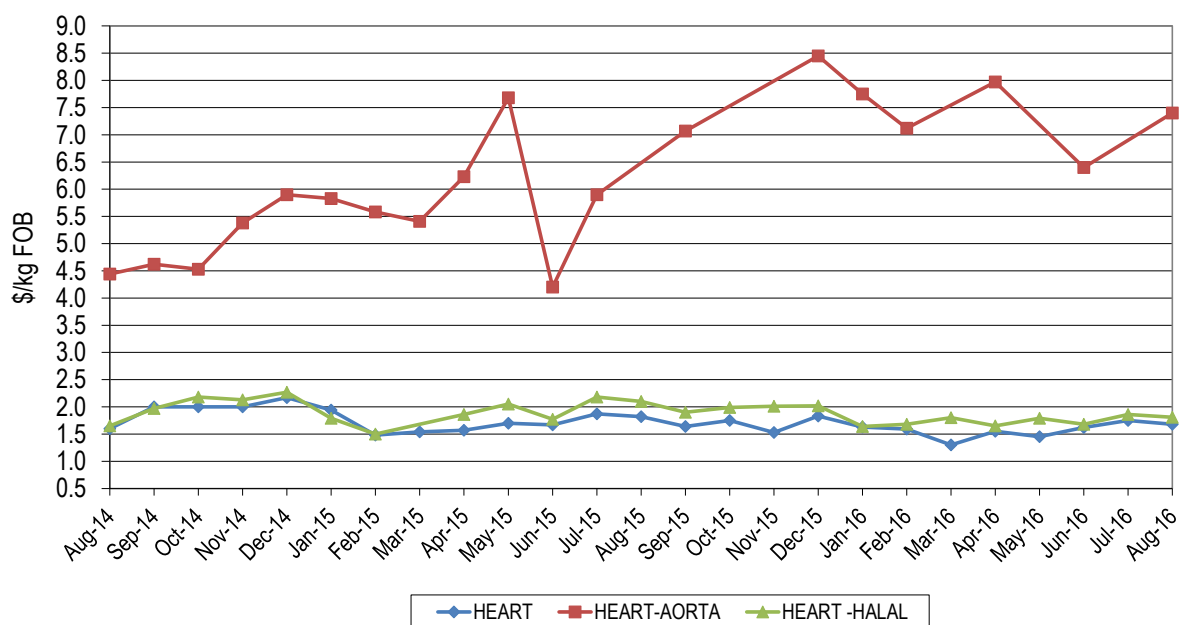
Beef Offal Trends

Figure 2: Trends in beef tripe prices



Omasum eased to \$4.45/kg during August, whilst halal omasum prices steadied at \$4.71/kg, down 2¢/kg from July and \$4.87/kg lower year-on-year. Non-halal tripe pieces averaged \$2.95/kg to be 82¢/kg dearer year-on-year. Honeycomb tripe eased during August, averaging \$6.25/kg, which was down 30¢/kg month-on-month and 2¢/kg higher than the corresponding period last year. Halal tripe pieces returned \$2.88/kg to be on par with last month but still 16¢/kg higher year-on-year.

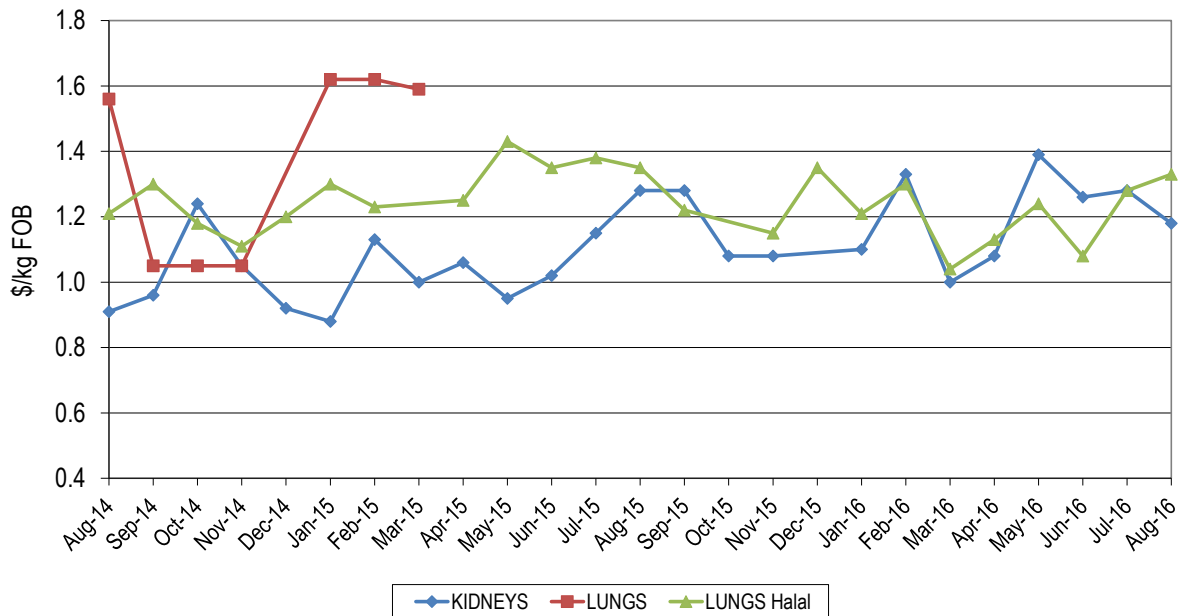
Figure 3a: Trends in beef offal prices



Non-halal aorta was again not reported, whilst halal product averaged \$7.40/kg, down 19¢/kg month-on-month.

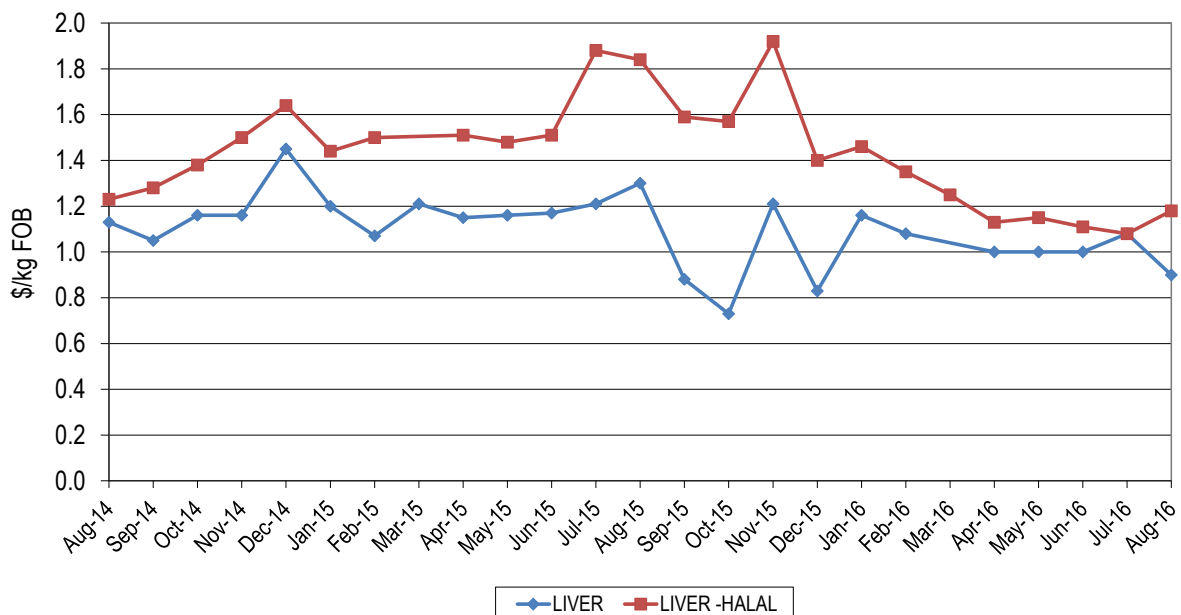
Heart prices eased, averaging \$1.68/kg, down 7¢/kg for the month but back 14¢/kg from August 2015. Halal hearts averaged \$1.81/kg, back 5¢/kg month-on-month and 29¢/kg lower than year-ago levels.

Figure 3b: Trends in beef offal prices



Kidneys were reported at an average of \$1.18/kg, down 10¢/kg on last month and 10¢/kg weaker on last year’s price. Halal lungs averaged \$1.33/kg, up 5¢/kg on last month, however were 2¢/kg lower year-on-year while reports for non-halal lungs have been absent for over twelve months.

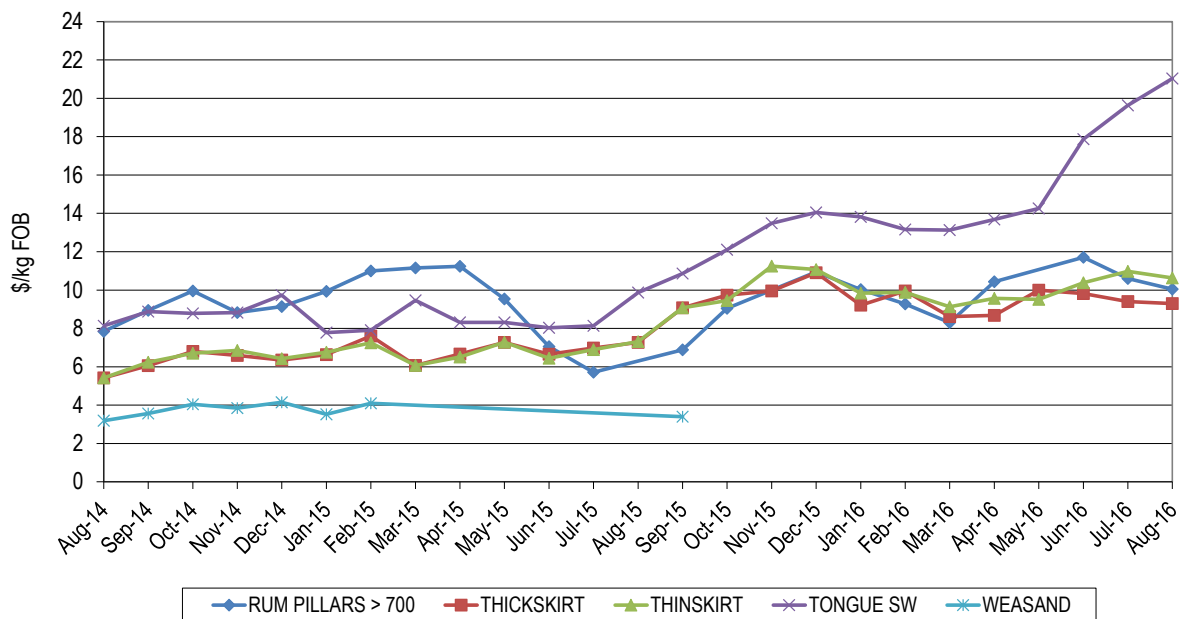
Figure 3c: Trends in beef offal prices



Non-halal liver prices averaged 90¢/kg, easing 18¢/kg month-on-month and were 40¢/kg cheaper than this time last year. Halal livers rallied by 10¢/kg month-on-month, with sales averaging \$1.18/kg but down 66¢/kg year-on-year.

Japanese and Korean Offals

Figure 4: Trends in Japanese offal prices



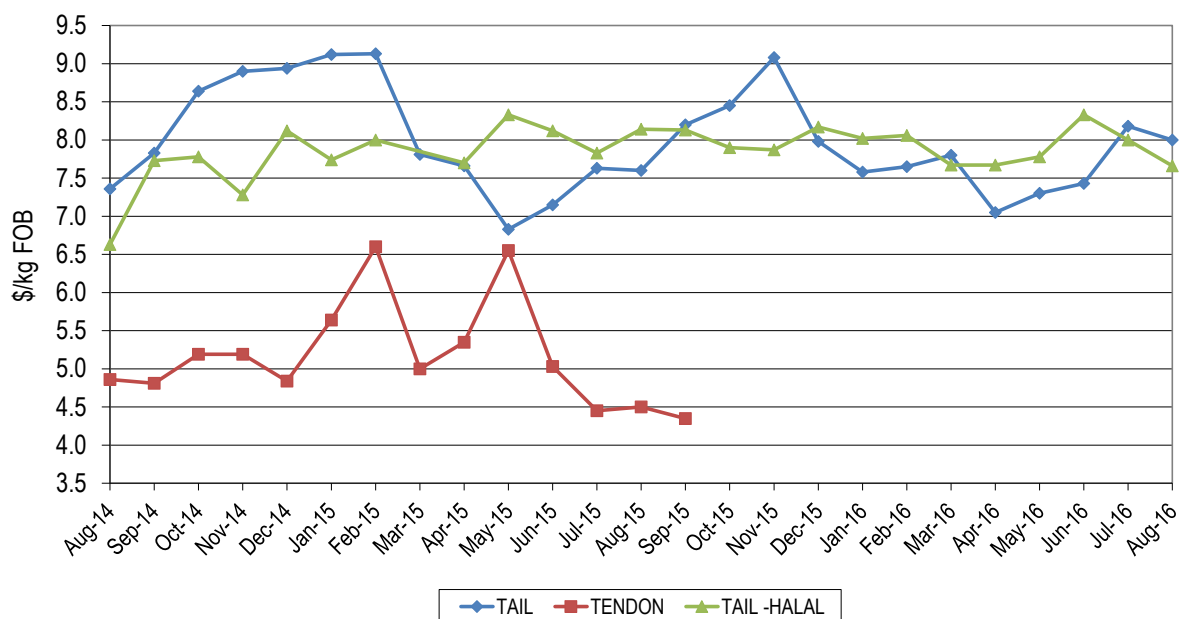
Tongue prices continued to strengthen, averaging \$21.03/kg, which was \$11.16/kg dearer from year-ago levels and \$1.40/kg firmer month-on-month.

Thick skirt was \$2.03/kg dearer on last year but 10¢/kg down month-on-month, averaging \$9.30/kg, while thin skirt prices were \$3.32/kg higher than year-ago levels and 35¢/kg lower month-on-month, realizing \$10.63/kg.

Rumen pillars eased slightly this month, with heavy weight product making \$10.05/kg which was 55¢/kg down month-on-month. Halal 700gm rumen pillars returned \$13.48/kg, up 98¢/kg month-on-month. Weasand was again not reported.

Tails and Tendons

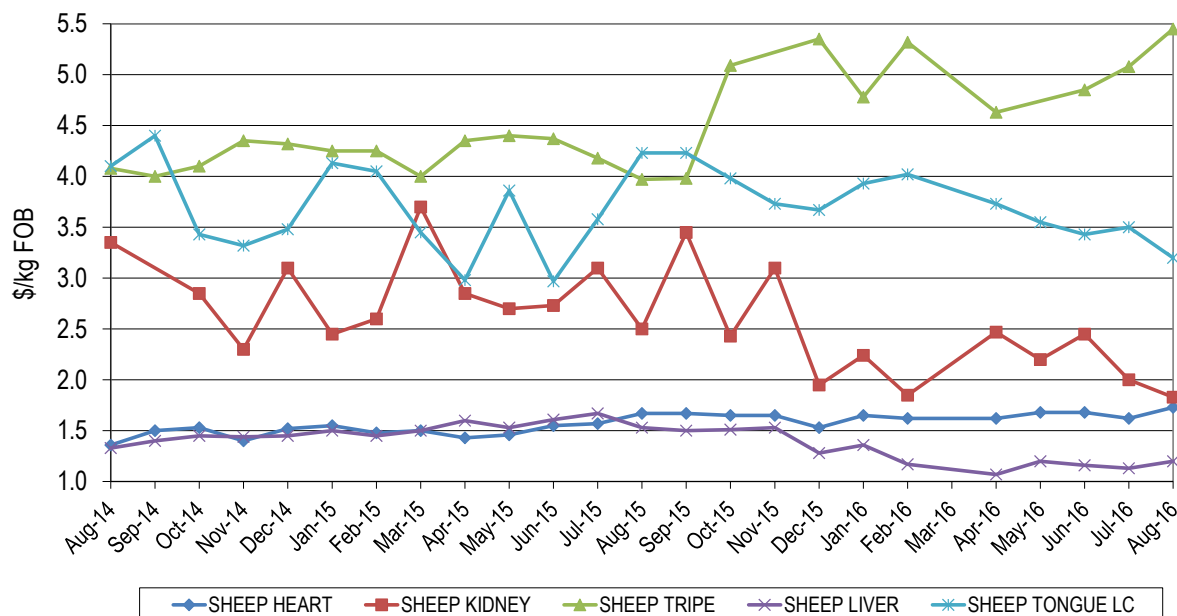
Figure 5: Trends in tail and tendon prices



Tail prices into Japan averaged \$8.00/kg, down 18¢/kg from July but 40¢/kg higher than August 2015. Halal tails were also slightly weaker this month, down 34¢/kg month-on-month and 48¢/kg lower year-on-year, at \$7.66/kg. Non-halal tendons were again not reported this month, however halal tendons returned an average of \$7.13/kg, which was 51¢/kg above last month.

Sheep Offals

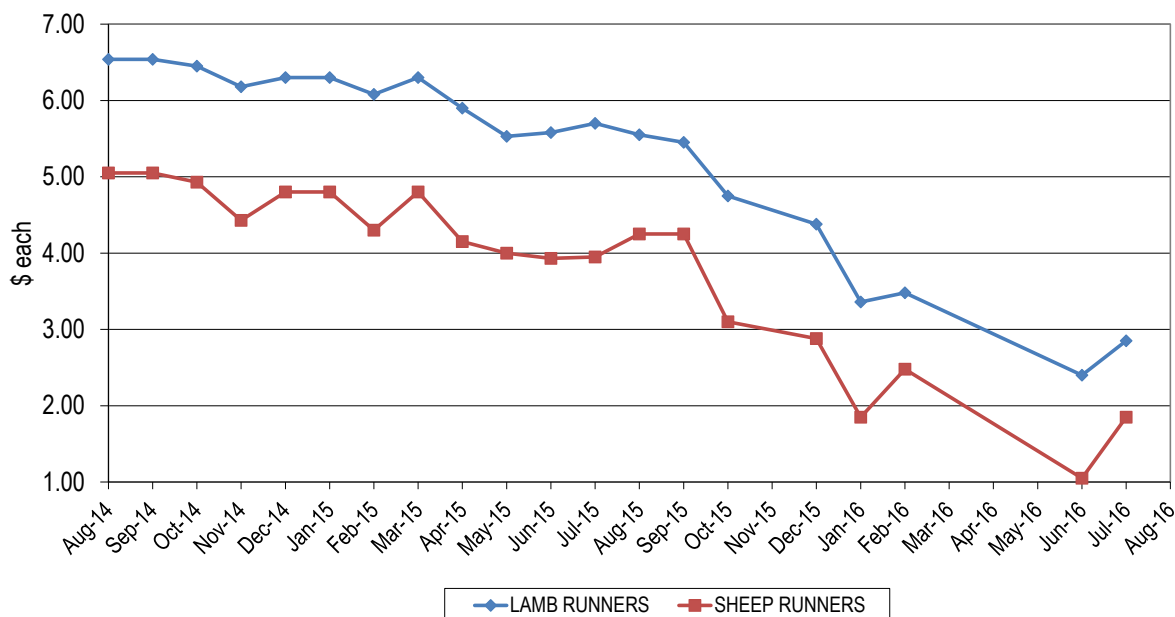
Figure 6a: Trends in sheep offal prices



Sheep offal remains relatively steady, with the exception of runners.

Hearts averaged \$1.73/kg, up 11¢/kg from July and were 6¢/kg dearer than last year. Livers also firmed to \$1.20/kg, which was 7¢/kg up month-on-month but 33¢/kg lower than year-ago levels. Kidney prices weakened to return \$1.83/kg, down 17¢/kg on July prices and back 67¢/kg year-on-year. Sheep tripe averaged \$5.45/kg, up 37¢/kg month-on-month and \$1.48/kg dearer than year-ago levels. Sheep long cut tongue averaged \$3.20/kg, down 30¢/kg month-on-month and \$1.03/kg cheaper than August 2015.

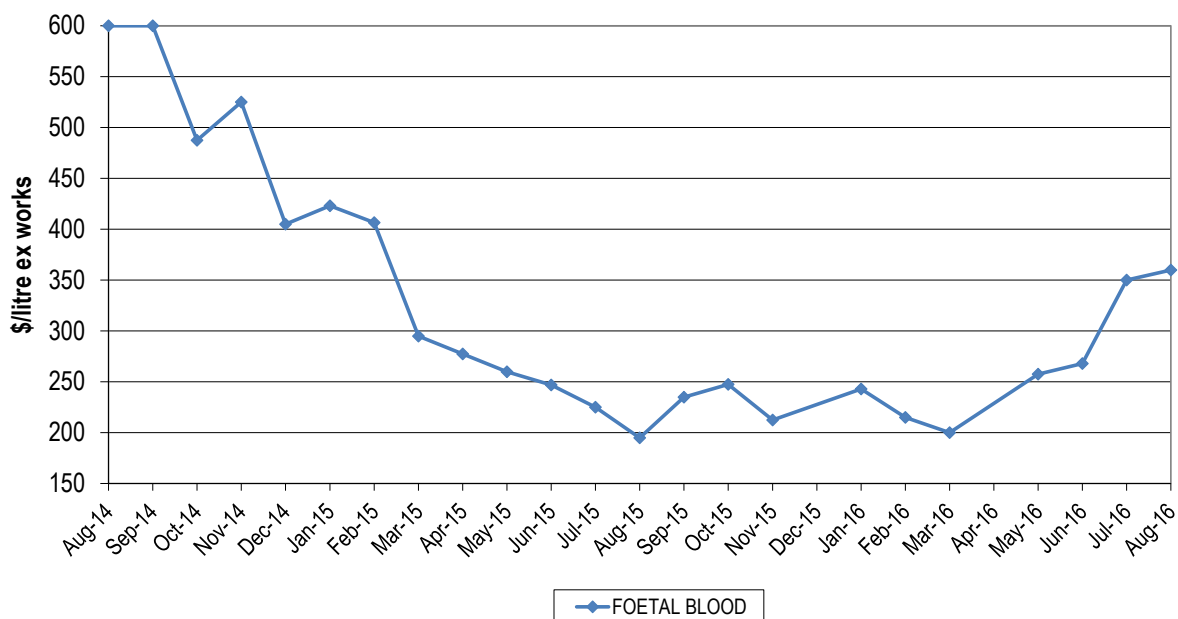
Figure 6b: Trends in runner prices



Runners were not reported for August.

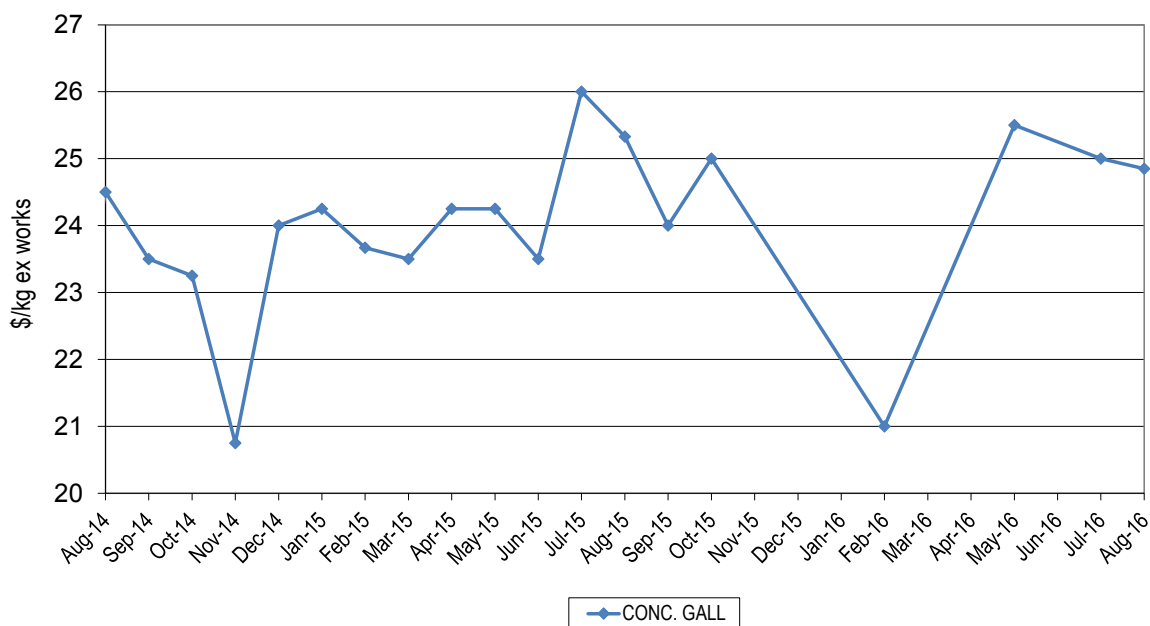
Pharmaceutical products

Figure 7a: Trends for foetal blood prices



Foetal blood averaged \$360/litre, up \$10/litre month-on-month and \$165/litre dearer than year-ago levels. Reduced supply has strengthened the market price.

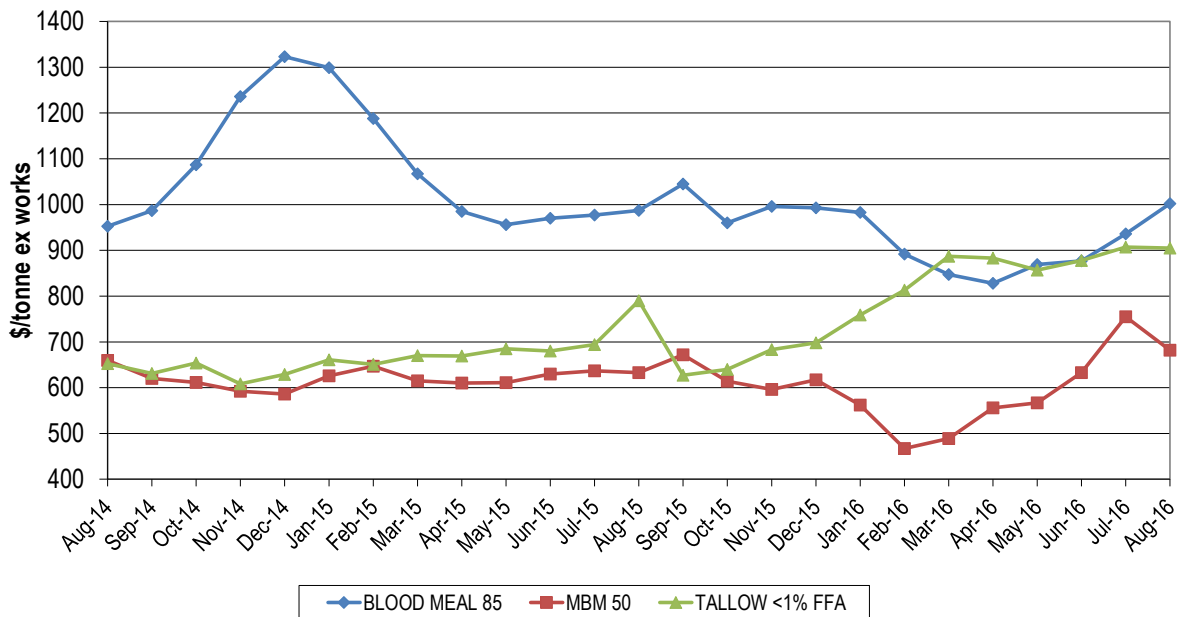
Figure 7b: Trends for concentrated gall prices



Concentrated gall averaged \$24.85/kg in August, which was 48¢/kg lower year-on-year and down 15¢/kg from July.

Rendered Products

Figure 8: Trends in rendered co-product prices

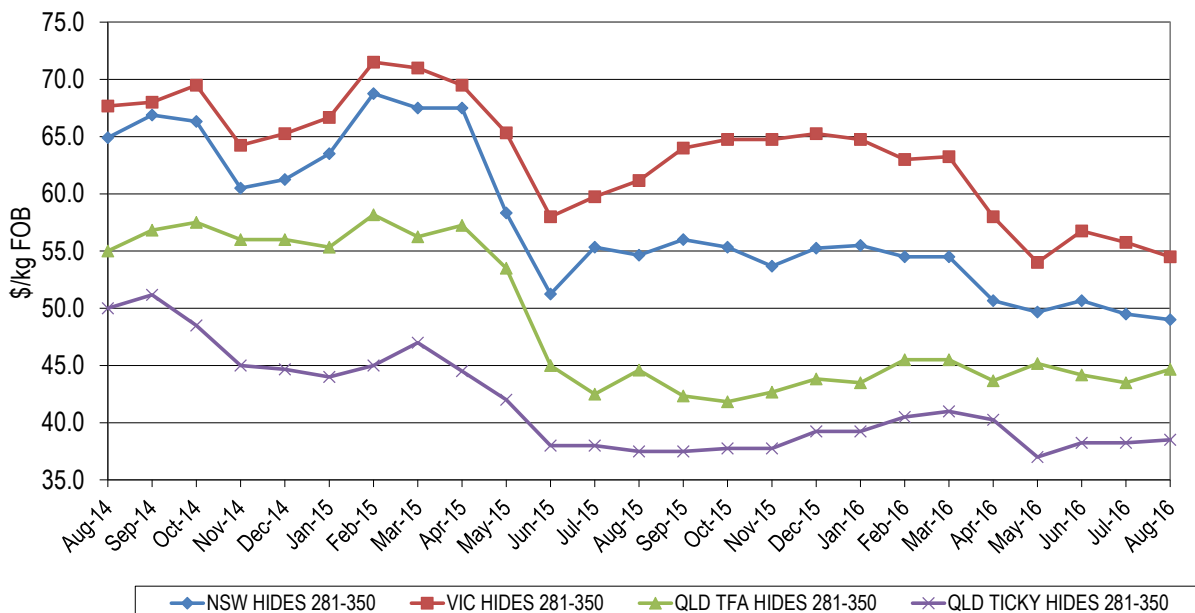


Meat and bone meal (MBM) prices reversed the strong trend from July, to fall by \$73/tonne month-on-month, with the price for 50% protein averaging \$682/tonne but still \$49/tonne dearer from the same time last year. Blood meal prices continued to strengthen on the back of improved aqua demand, averaging \$1,002/tonne ex-works, which was up \$66/tonne on last month's price and \$15/tonne firmer than last year. The reduced production of rendered product continue to assist rendered protein meal prices this month.

Tallow prices remained strong, with Singapore keeping up steady demand for bio-diesel production. The price of palm stearin continued its strong performance, also assisting the tallow market. August prices for 1% FFA tallow averaged \$905/tonne, just \$2/tonne lower on last month and was \$115/tonne stronger year-on-year.

Hides

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



Local prices for hides eased slightly as markets moved into the northern summer holiday period, with many tanneries closed or operating at reduced throughput for August. Coupled with the downward demand for leather goods, both the hide and skin business is expected to drift along. The reduced slaughter numbers in Australia have helped keep the price paid domestically relatively stable. The Shanghai leather fair ran from August 31 to September 2, and early reports indicated a reduction in demand for some time yet.

We are unable to provide export data statistics this month as they were unavailable at the time of distribution of this report due to a technical difficulty. Please accept our apologies.

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