



# **MLA co-product market report**

**February 2017**

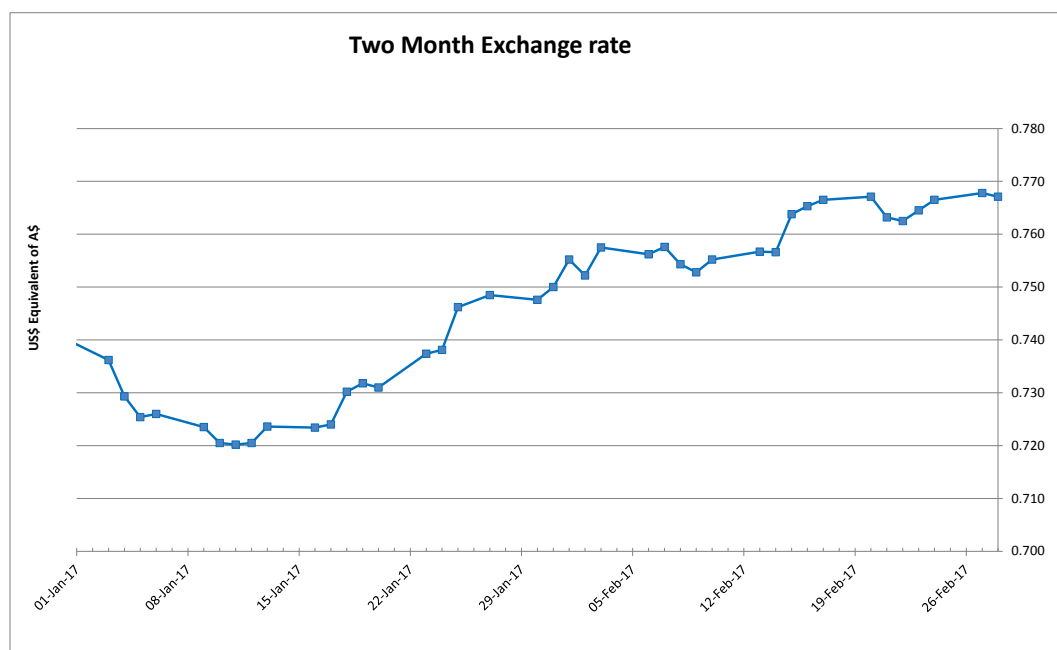
**Table 1: Co-products Prices**

<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	\$2.75		2	0.9%	3.3%
BEEF LIPS - HALAL	\$3.20	\$1.00	5	-5.9%	27.6%
CHEEKMEAT	\$6.68	\$2.00	4	-0.4%	14.1%
CHEEKMEAT - HALAL	\$6.90	\$0.30	3	-1.4%	15.8%
DIAP. MEMBRANE	\$3.98	\$1.50	4	10.4%	16.2%
HC TRIPE	\$6.01	\$1.00	4	6.9%	-12.9%
HC TRIPE - HALAL	\$6.58	\$1.70	3	-8.6%	1.6%
HEADMEAT	\$4.75		2	0.0%	33.2%
HEADMEAT - HALAL	\$5.10	\$0.50	3	0.0%	38.4%
HEART	\$1.70		2	4.6%	7.1%
HEART - HALAL	\$1.68	\$0.50	5	3.4%	0.3%
HEART -AORTA	\$6.35	\$1.55	3	-2.3%	-14.2%
HEART -AORTA - HALAL	\$6.57	\$2.10	3	-2.0%	-7.7%
KIDNEYS	\$1.03	\$0.43	3	-8.7%	-22.5%
KIDNEYS - HALAL	\$0.89	\$0.35	4	14.5%	-24.5%
LIGAMENTUM	\$4.03	\$2.70	6	12.8%	9.5%
LIVER	\$1.15		2	12.2%	6.2%
LIVER - HALAL	\$1.25	\$0.35	4	4.2%	-7.4%
LUNGS	\$1.62	\$1.00	3	32.0%	54.0%
LUNGS - HALAL	\$1.98	\$0.75	3	1.7%	52.6%
OMASUM	\$4.20		2	15.9%	-31.1%
OMASUM - HALAL	\$5.42	\$2.85	3	-5.0%	-12.3%
RUM.PILL < 500	\$5.05	\$1.80	4	-4.7%	18.1%
RUM.PILL > 500 < 700	\$9.67	\$4.00	3	4.7%	42.7%
RUM.PILL > 700	\$12.50	\$4.00	3	4.2%	34.8%
RUM.PILL< 500 - HALAL	\$6.08		2	14.6%	47.0%
RUM.PILL> 500 < 700 - HALAL	\$11.23		2	-1.5%	60.4%
RUM.PILL> 700 - HALAL	\$14.83		2	6.7%	43.5%
SPLEEN - HALAL	\$1.35		2		12.5%
TAIL	\$7.87	\$0.70	3	-7.5%	2.8%
TAIL - HALAL	\$7.94	\$1.10	4	1.8%	-1.5%
TENDONS	\$6.00		2	0.0%	
TENDONS - HALAL	\$7.90	\$2.70	3	-6.0%	37.6%
THICKSKIRT	\$7.20	\$1.20	3	-6.3%	-27.6%
THICKSKIRT - HALAL	\$5.70		2	-18.6%	-37.9%
THINSKIRT	\$6.53	\$1.80	3	-12.9%	-33.8%
THINSKIRT - HALAL	\$6.80		2	-2.9%	-30.6%

<b>Product</b>	<b>Average</b>	<b>Range</b>	<b>Responses</b>	<b>Monthly Change</b>	<b>Annual Change</b>
TONGUE RT FILLET	\$5.22	\$1.05	3	12.2%	3.4%
TONGUE RT MEAT - HALAL	\$2.33		2	1.1%	22.4%
TONGUE SW	\$16.44	\$7.80	4	18.8%	20.8%
TONGUE SW - HALAL	\$15.83	\$8.50	3	10.7%	23.6%
TRIPE PCS	\$3.07	\$0.50	3	11.5%	-6.1%
TRIPE PCS - HALAL	\$3.24	\$0.15	4	-1.1%	5.8%
<b>Sheep</b>					
HEART SHEEP - HALAL	\$1.87	\$0.40	3	-4.3%	15.5%
KIDNEYS SHEEP - HALAL	\$2.29	\$1.70	4	10.2%	23.6%
LIVER SHEEP - HALAL	\$1.23	\$0.30	3	12.1%	5.7%
RUNNERS LAMB	\$3.90		2	6.1%	12.2%
TONGUE LC SHEEP HALAL	\$3.55	\$0.10	4	7.6%	-11.6%
TRIPE SHEEP - HALAL	\$4.80	\$0.50	4	1.1%	-9.7%
<b>Rendered Products</b>					
BLOODMEAL 85	\$1,010.00	\$100.00	4	-1.1%	13.2%
MBM 50	\$610.00	\$70.00	4	-0.3%	30.5%
TALLOW INED.<1FFA	\$1,100.00		2	4.1%	35.4%
TALLOW INED.<4FFA	\$1,025.00		2	3.9%	31.4%
<b>Hides</b>					
HIDES NSW 141- 180	\$24.00		2	2.1%	-14.3%
HIDES NSW 181 - 220	\$32.75		2	0.8%	-7.1%
HIDES NSW 221 - 280	\$40.00		2	0.6%	-10.1%
HIDES NSW 281 - 350	\$52.75		2	1.9%	-3.2%
HIDES NSW 351 UP	\$66.00		2	0.8%	-1.5%
HIDES QLD TFA 141 - 220	\$27.13		2	0.0%	8.5%
HIDES QLD TFA 221 - 280	\$36.63		2	0.0%	9.3%
HIDES QLD TFA 281 - 350	\$48.75	\$9.75	3	2.8%	7.1%
HIDES QLD TFA 351 UP	\$58.50	\$14.50	3	3.2%	7.3%
HIDES QLD TICKY 281 - 350	\$43.00		2	4.9%	6.2%
HIDES QLD TICKY 350 UP	\$52.00		2	4.0%	3.0%
HIDES VIC 141-180	\$30.00		2	-1.6%	-10.4%
HIDES VIC 181-220	\$37.50		2	0.0%	-13.8%
HIDES VIC 221 - 280	\$46.50		2	0.0%	-11.4%
HIDES VIC 281-350	\$58.25		2	0.4%	-7.5%
HIDES VIC 351 UP	\$70.75		2	-2.1%	-4.4%

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\$ continued to firm against US\$ during February, opening at 75.66US¢, and traded within a range of 75.66 – 77.17US¢ before finishing the month at 76.88 US¢ and averaging 76.68US¢.



Beef offal prices generally were relatively stable, with tongues and skirts continuing to ease, whilst honeycomb tripe, omasum and lungs improved in price and rumen pillars remained firm.

Sheep offal prices were dearer across the board for all except hearts which were slightly down in price. Runners were lightly reported.

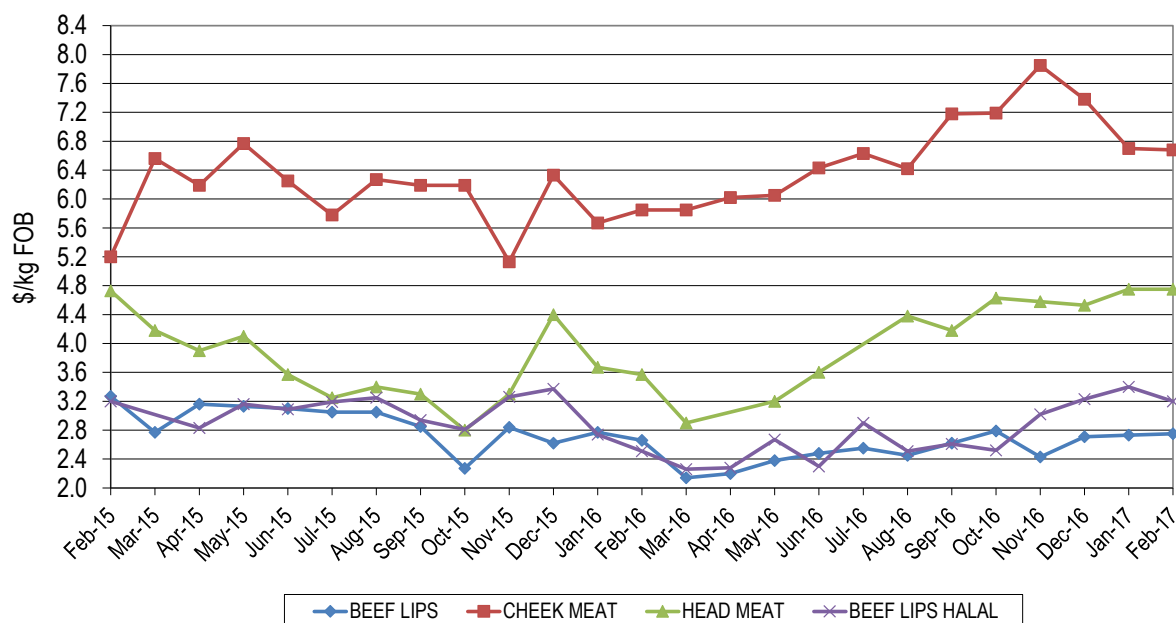
Both foetal blood and concentrated gall prices were not reported however indications from suppliers are prices remain firm.

Rendered product prices remained firm to dearer. Tallow prices were dominated by the strong demand from Singapore while meals continued to trade well.

Hide prices lifted slightly, with Chinese buyers returning to the market following the lunar New Year.

## Head Offal Prices

Figure 1: Trends in beef head offal prices

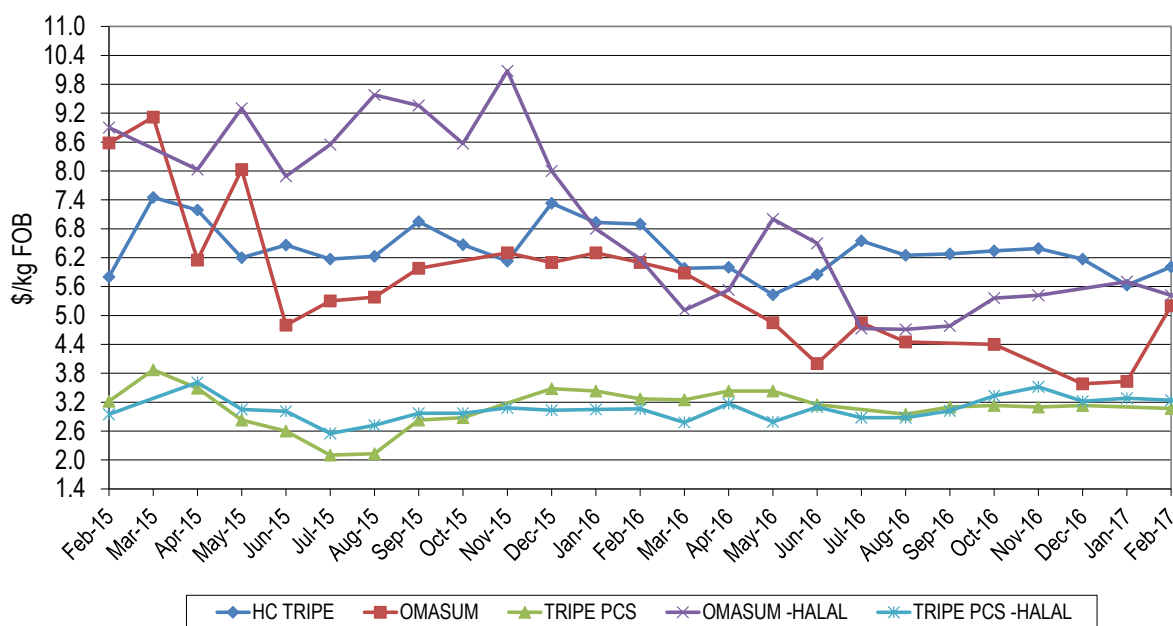


Head offal products were generally steady month-on-month. Head meat averaged \$4.75/kg, up \$1.18/kg on year-ago levels and on par with a month ago. Cheek meat was 83¢/kg dearer compared to the corresponding period last year, averaging \$6.68/kg and was just 2¢/kg lower than last month.

Lip export prices to the US and Mexico were almost unchanged this month, averaging \$2.75/kg which was 2¢/kg above last month and 9¢/kg higher year-on-year. Halal lips returned \$3.20/kg, down 20¢/kg month-on-month but 69¢/kg above year-ago levels.

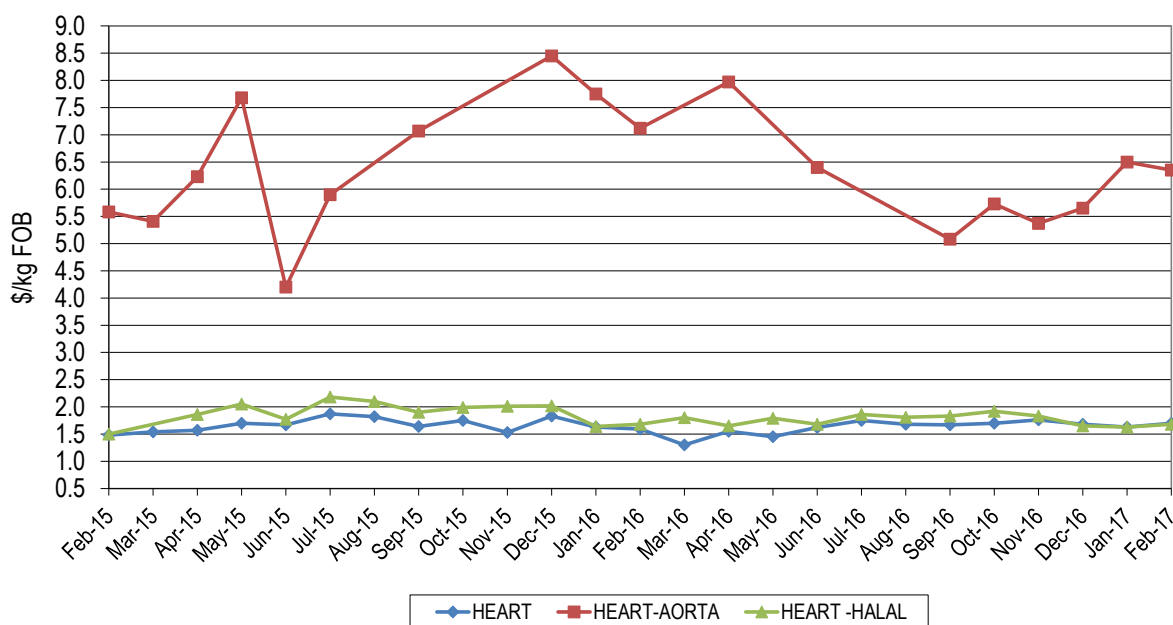
## Beef Offal Trends

### Figure 2: Trends in beef tripe prices



Omasum averaged \$5.20/kg for February which was 90¢/kg lower year-on-year however \$1.57/kg dearer than last month, whilst halal omasum returned \$5.42/kg. Halal tripe pieces averaged \$3.24/kg to be 4¢/kg down month-on-month but 18¢/kg up year-on-year whilst non-halal product averaged \$3.24/kg, which was 20¢/kg lower year-on-year. Honeycomb tripe lifted to average \$6.01/kg, up 38¢/kg month-on-month but was 89¢/kg below the corresponding period last year.

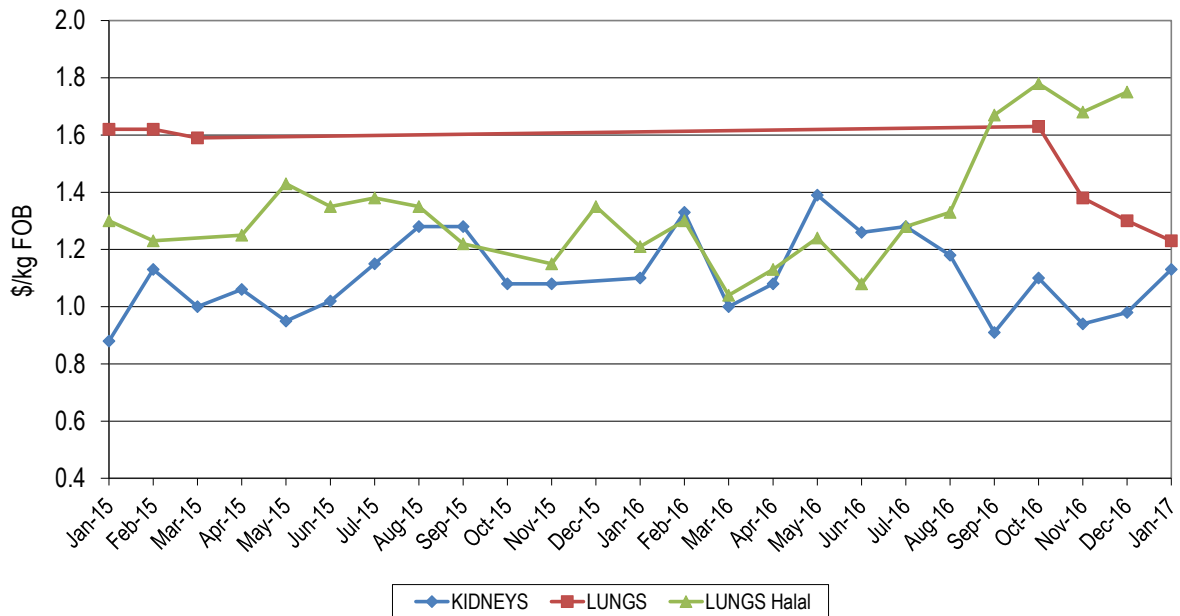
### Figure 3a: Trends in beef offal prices



Aorta averaged \$6.35/kg to be 15¢/kg lower month-on-month and down 77¢/kg year-on-year, whilst halal product averaged \$6.57/kg.

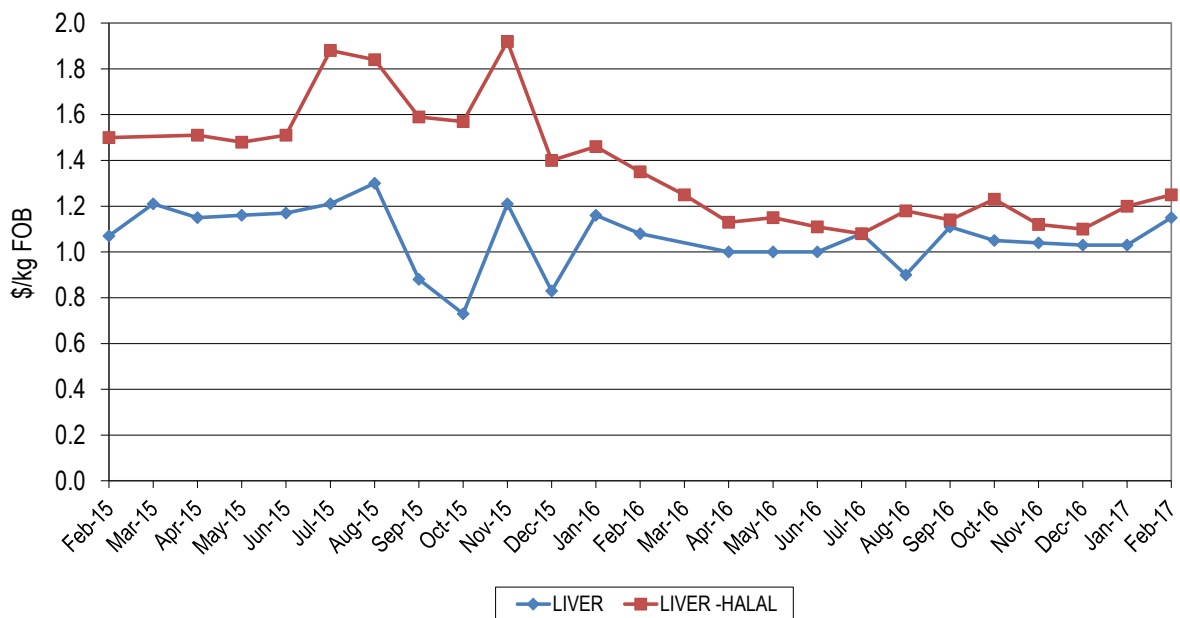
Heart prices firmed, averaging \$1.70/kg, up 7¢/kg from January and was 11¢/kg above year-ago levels. Halal hearts averaged \$1.68/kg, down 2¢/kg month-on-month and were steady year-on-year.

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



Kidneys were reported at an average of \$1.03/kg, down 10¢/kg on last month and 30¢/kg weaker year-on-year. Non-halal lungs were reported at an average of \$1.62/kg, up 39¢/kg on last month. Halal lungs came back into the market and averaged \$1.98/kg, 68¢/kg above the 2016 price.

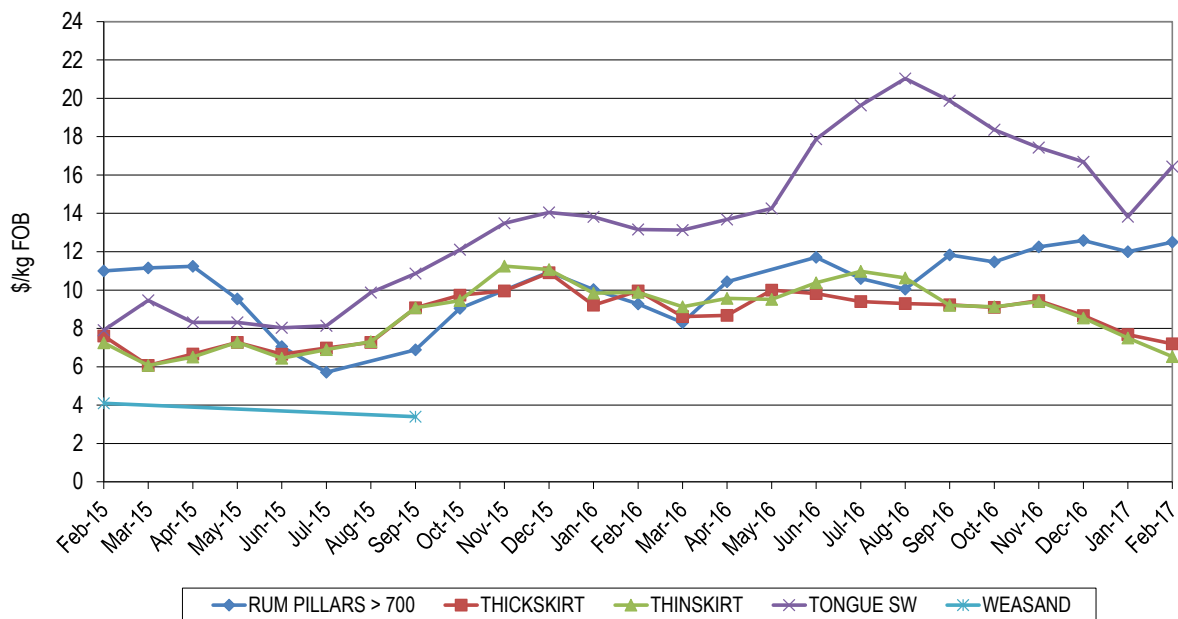
**Figure 3c: Trends in beef offal prices**



Liver prices averaged \$1.15/kg, which was a 12¢/kg improvement month-on-month and were 7¢/kg higher than this time last year. Halal livers firmed 5¢/kg month-on-month, with sales averaging \$1.22/kg but were 10¢/kg down on year-ago prices.

## Japanese and Korean Offals

### Figure 4: Trends in Japanese offal prices



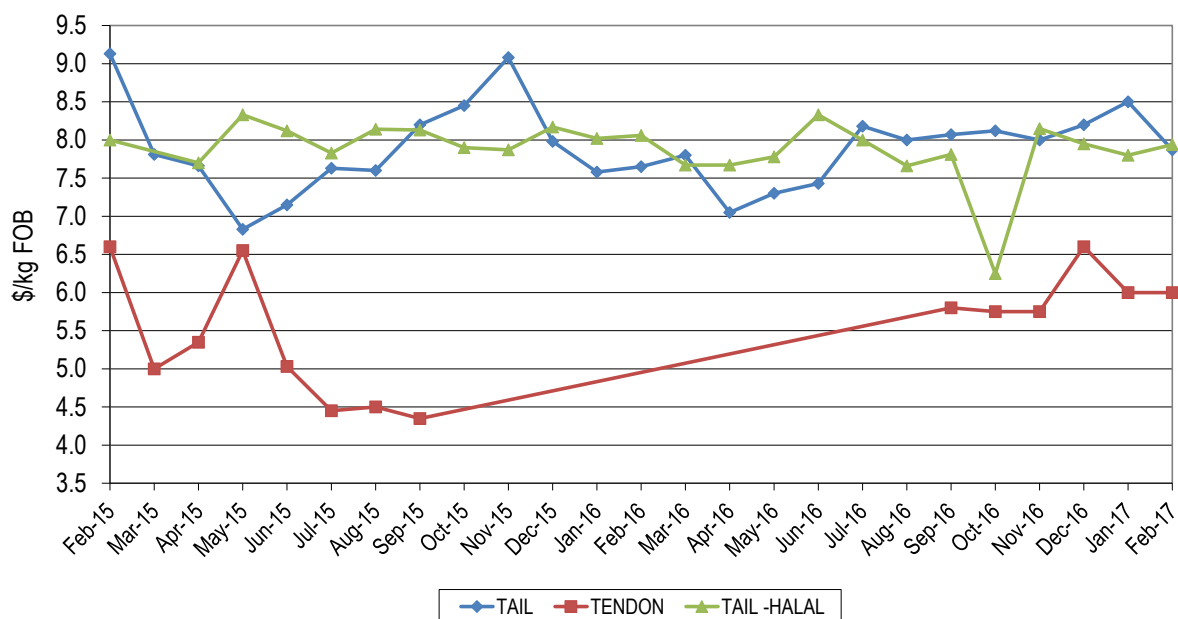
Tongue prices returned an average of \$16.44/kg, reversing the decline reported last month to improve \$2.61/kg month-on-month and increasing \$3.28/kg from year-ago levels.

Skirt prices have continued on a three month long downward trend. Thick skirt was \$2.75/kg easier than last year's price and down 48¢/kg month-on-month, averaging \$7.20/kg, while thin skirt prices were \$3.35/kg lower than year-ago levels and 97¢/kg lower month-on-month, realizing \$6.53/kg.

Rumen pillars remained firm this month, with heavy weight product making \$12.50/kg which was 50¢/kg up month-on-month and \$3.22/kg dearer than last year prices. Equivalent halal product returned \$14.83/kg.

## Tails and Tendons

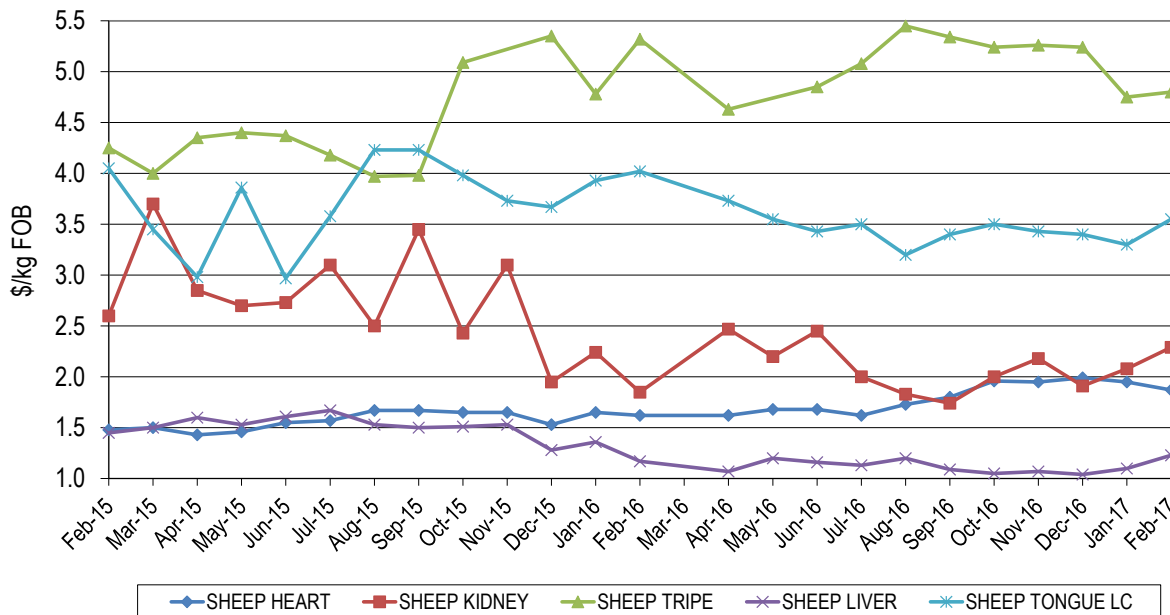
### Figure 5: Trends in tail and tendon prices



Tail prices into Japan averaged \$7.87/kg, down 63¢/kg month-on-month but 22¢/kg dearer than same period last year. Halal tails lifted slightly, up 14¢/kg on last month's price but 12¢/kg weaker year-on-year, at \$7.94/kg. Tendons averaged \$6.00/kg, on par with last month.

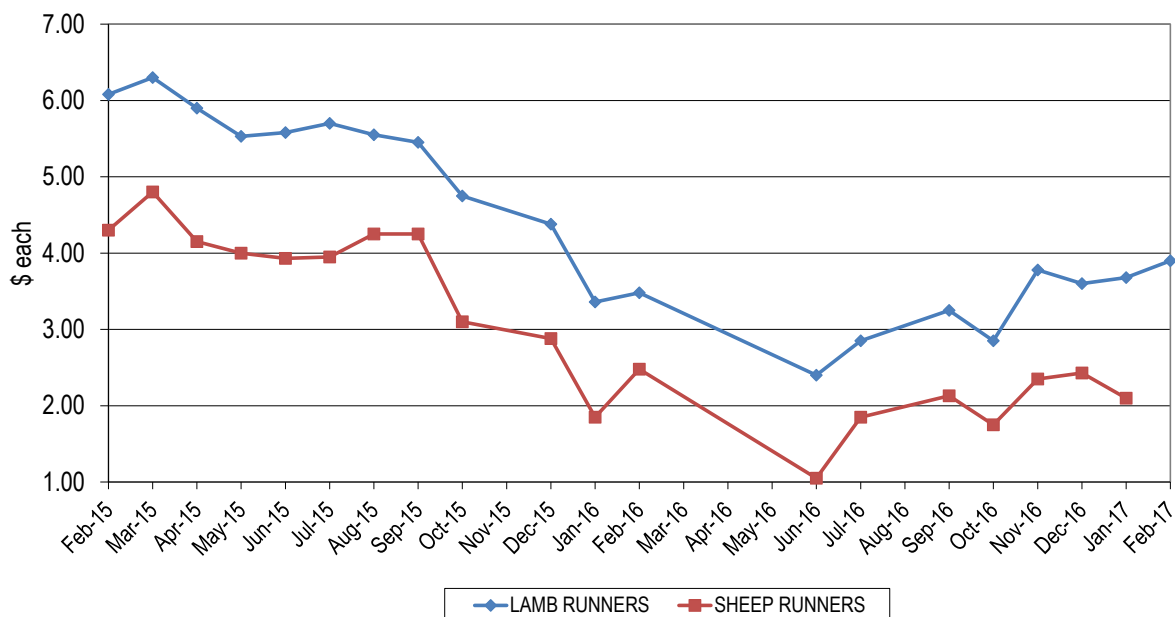
## Sheep Offals

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



Sheep hearts averaged \$1.87/kg, down 8¢/kg month-on-month and were 30¢/kg dearer than a year ago. Sheep livers averaged \$1.23/kg, which was 13¢/kg up month-on-month and 6¢/kg higher than year-ago levels. Kidney prices settled on \$2.29/kg, up 21¢/kg on last month's price and 44¢/kg firmer year-on-year. Sheep tripe increased 5¢/kg month-on-month and averaged \$4.80/kg, however was 52¢/kg below year-ago levels. Sheep long cut tongue averaged \$3.55/kg, up 25¢/kg month-on-month but was 47¢/kg lower than same time last year.

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

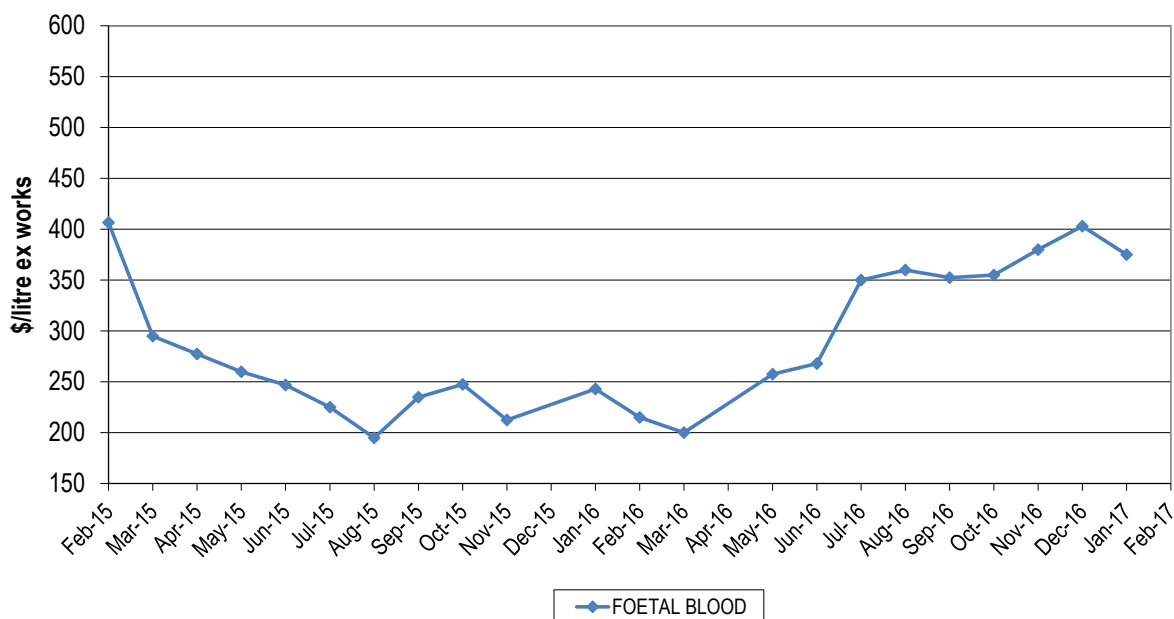


Lamb runners averaged \$3.90/piece which was 22¢/piece above the price last month and 42¢/piece higher year-on-year. Sheep runners were not reported this month.



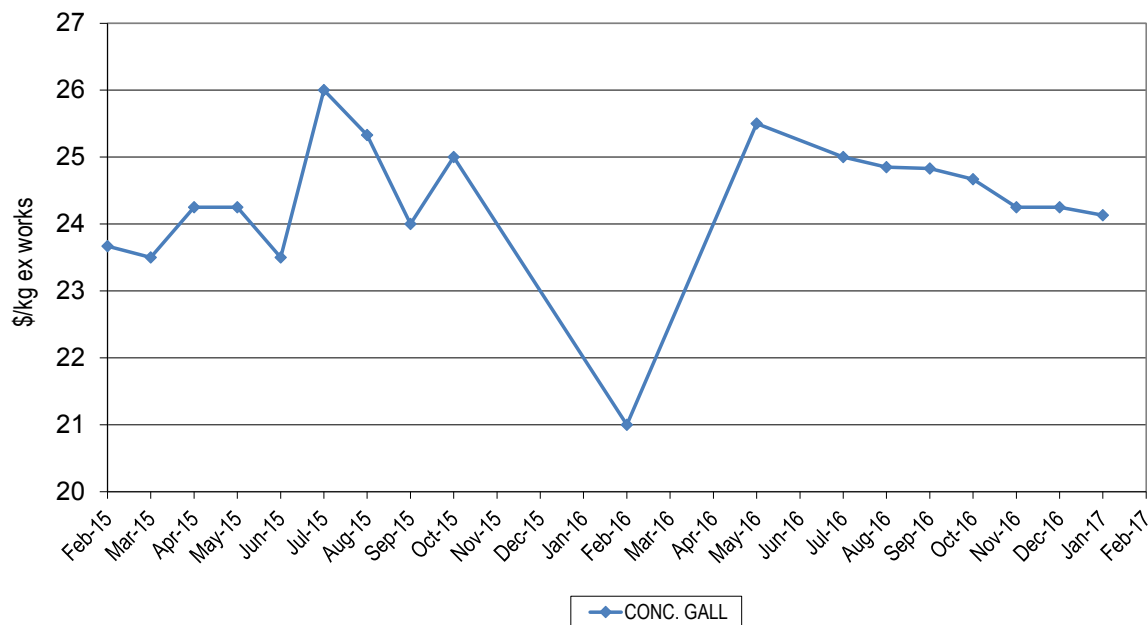
## Pharmaceutical products

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



Foetal blood was not reported this month but demand remains strong with the market indicating firmer prices will remain for some time.

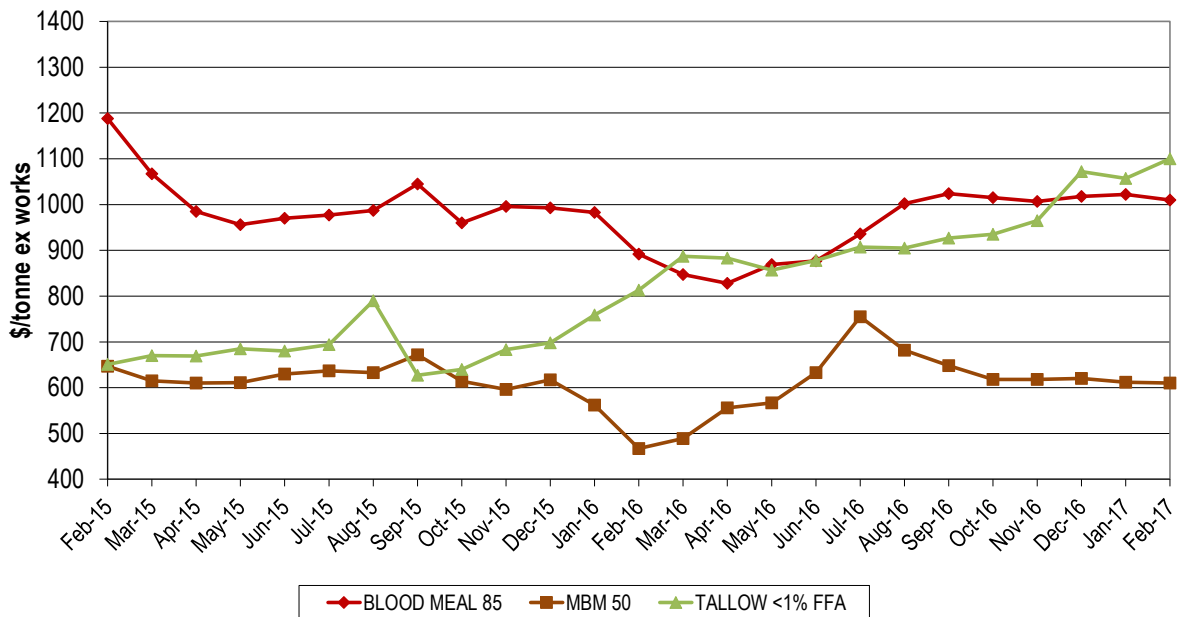
### Figure 7b: Trends for concentrated gall prices



Concentrated gall was also not reported however indications are demand is steady.

## Rendered Products

Figure 8: Trends in rendered co-product prices

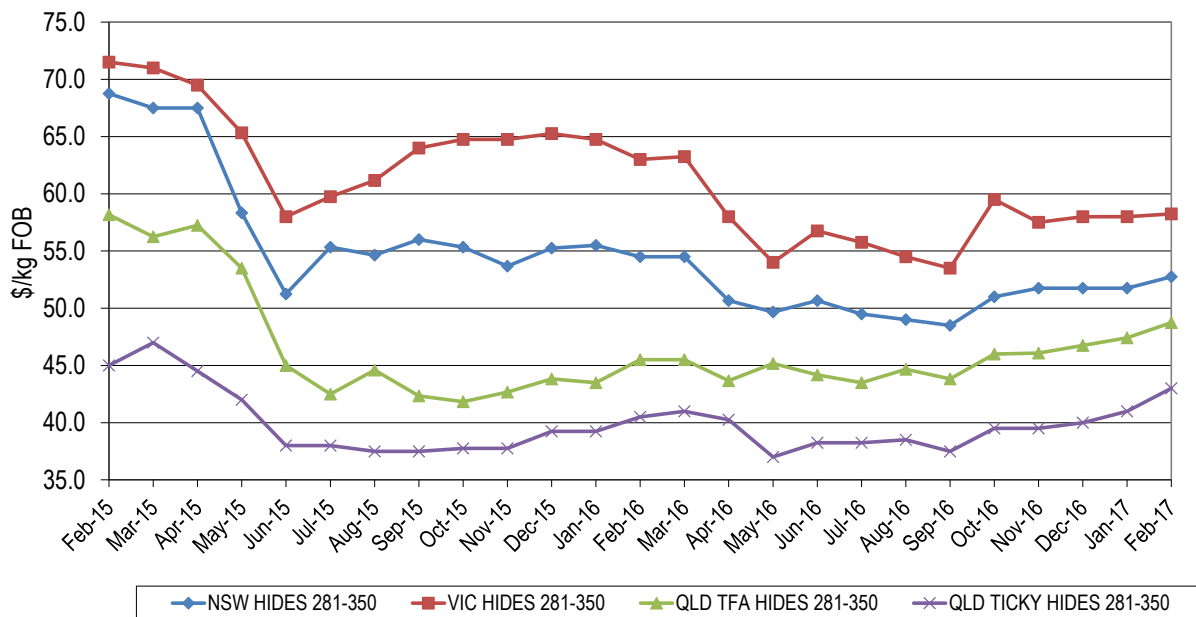


Meat and bone meal (MBM) prices were steady this month, with the price for 50% protein averaging \$610/tonne, \$2/tonne below the price last month, however \$143/tonne dearer year-on-year. Blood meal prices remained firm, averaging \$1,010/tonne ex-works, which was down \$12/tonne on last month's price but \$118/tonne higher than last year.

Tallow prices remain firm, with Singapore keeping up steady demand for bio-diesel production. The price of palm stearin eased slightly but is still very strong which continues to assist the tallow market. December prices for 1% FFA tallow averaged \$1,100/tonne, up \$43/tonne on last month and \$287/tonne higher year-on-year.

## Hides

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



Local prices for hides firmed slightly during the month as buyers returned from holidays, with all respondents reporting prices that were slightly dearer compared to the last two months. Prices are down \$3.00 to \$5.00/piece from where they sat a year ago which really indicates the lacklustre performance that leather has been experiencing for some time.

<b>Beef and veal offal exports (tonnes swt)</b>					
<b>Destination</b>	<b>Feb-16</b>	<b>Jan-17</b>	<b>Feb-17</b>	<b>Monthly change</b>	<b>Annual change</b>
KOREA	1,684	1,233	1,882	53%	12%
JAPAN	1,707	1,186	1,687	42%	-1%
HONG KONG	1,897	1,003	1,439	43%	-24%
INDONESIA	1,221	1,086	1,371	26%	12%
MIDDLE EAST	1,037	708	873	23%	-16%
SOUTH AFRICA	974	924	841	-9%	-14%
MALAYSIA	288	393	658	67%	128%
US	243	182	298	64%	22%
THAILAND	713	272	278	2%	-61%
OTHER	1,730	880	1,162	32%	-33%
<b>TOTAL</b>	<b>11,494</b>	<b>7,868</b>	<b>10,488</b>	<b>33%</b>	<b>-9%</b>
<b>Offal cut</b>	<b>Feb-16</b>	<b>Jan-17</b>	<b>Feb-17</b>	<b>Monthly change</b>	<b>Annual change</b>
TRIPE	2,553	1,571	2,345	49%	-8%
LIVER	2,046	1,578	1,713	9%	-16%
SKIRT	1,098	631	999	58%	-9%
TONGUES	817	583	864	48%	6%
INTESTINES	376	447	646	45%	72%
MANUFACTURING	843	480	638	33%	-24%
HEART	907	531	602	13%	-34%
TAIL	514	335	543	62%	6%
CHEEK MEAT	589	317	439	39%	-25%
LUNGS	280	265	392	48%	40%
TENDON	429	228	327	44%	-24%
LIPS	382	268	306	14%	-20%
KIDNEY	288	189	288	52%	0%
HEAD	231	284	212	-26%	-8%
SPLEEN	136	158	170	7%	25%
OTHER	4	3	4	61%	3%
<b>TOTAL</b>	<b>11,494</b>	<b>7,868</b>	<b>10,488</b>	<b>33%</b>	<b>-9%</b>

<b>Destination</b>	<b>Offal cut</b>	<b>Feb-16</b>	<b>Feb-17</b>	<b>Annual change</b>
Korea	SKIRT	400	436	9%
	INTESTINES	158	422	166%
	CHEEK MEAT	493	339	-31%
	OTHER	632	685	8%
Japan	TONGUES	615	586	-5%
	SKIRT	588	495	-16%
	INTESTINES	206	197	-4%
	OTHER	298	408	37%

Source: DAWR

Destination	Offal cut	Feb-16	Feb-17	Annual change
Indonesia	MANUFACTURING	562	471	-16%
	TONGUES	193	263	36%
	HEART		160	-
	OTHER	466	477	2%
Hong Kong	TRIPE	1,828	1,402	-23%
	OTHER	69	37	-46%

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

Destination	Feb-16	Jan-17	Feb-17	Monthly change	Annual change
SAUDI ARABIA	824	645	781	21%	-5%
HONG KONG	1,038	652	619	-5%	-40%
SOUTH AFRICA	160	277	228	-18%	42%
PAPUA NEW GUINEA	156	236	195	-18%	25%
CHINA	131	120	174	44%	32%
JORDAN	80	24	115	375%	44%
UAE	145	54	98	82%	-32%
OTHER	714	504	478	-5%	-33%
<b>TOTAL</b>	<b>3,248</b>	<b>2,513</b>	<b>2,687</b>	<b>7%</b>	<b>-17%</b>
Offal cut	Feb-16	Jan-17	Feb-17	Monthly change	Annual change
LIVER	1,127	925	1,045	13%	-7%
TRIPE	1,067	909	919	1%	-14%
HEART	361	266	287	8%	-20%
KIDNEY	195	122	185	52%	-5%
TONGUES	192	163	128	-21%	-33%
TAIL	24	38	35	-9%	44%
OTHER	282	90	88	-2%	-69%
<b>TOTAL</b>	<b>3,248</b>	<b>2,513</b>	<b>2,687</b>	<b>7%</b>	<b>-17%</b>

Destination	Offal cut	Feb-16	Feb-17	Annual change
SAUDI ARABIA	LIVER	798	676	-15%
	OTHER	26.4	105	297%
HONG KONG	TRIPE	984	589	-40%
	OTHER	54	30	-44%

Source: DAWR

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