



Co-product market report

July 2020

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Beef Co-products

Due to COVID-19 some of the usual respondents were unavailable to provide their data which may impact the veracity of some price averages.

Beef offal prices were reasonably steady across the range of products, with the exception that prices for omasum and tripe pieces were softer whilst thick skirt and thin skirt were considerably firmer. The stronger Australian dollar certainly affected local prices.

Table 1: Beef co-product prices

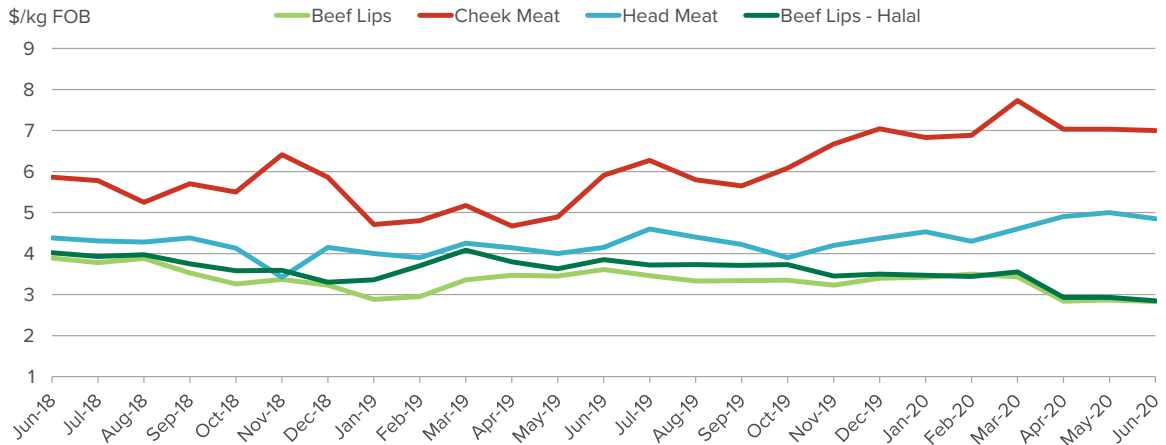
	Average (June Data)	Range	Responses	Monthly Change	Annual Change
Beef Lips	\$2.83	\$0.15	5	-1.3%	-21.6%
Beef Lips - Halal	\$2.85	\$0.35	3	-2.8%	-26.0%
Cheekmeat	\$7.00	\$2.70	4	-0.4%	18.4%
Cheekmeat - Halal	\$8.45		2	7.9%	28.0%
Hc Tripe	\$8.20	\$1.80	4	-0.8%	7.2%
Hc Tripe - Halal	\$8.45		2	1.8%	6.3%
Headmeat	\$4.85	\$0.50	4	-3.0%	16.9%
Headmeat - Halal	\$4.90		2	-5.8%	14.0%
Heart	\$2.14	\$1.30	5	-12.1%	-4.0%
Heart - Halal	\$2.45	\$0.85	3	6.5%	4.3%
Heart - Aorta	\$7.88	\$1.40	4	-2.4%	1.6%
Heart - Aorta - Halal	\$8.00		2	1.9%	8.8%
Kidneys	\$1.08	\$0.65	3	11.1%	8.3%
Ligamentum	\$1.67	\$2.10	5	6.0%	-14.9%
Liver	\$1.18	\$0.90	5	-8.0%	0.0%
Liver - Halal	\$1.63	\$1.00	3	5.4%	22.5%
Lungs	\$1.50	\$1.00	4	3.4%	30.4%
Lungs - Halal	\$2.03		2	3.8%	68.8%
Omasum	\$5.85	\$3.20	4	-18.8%	-23.0%
Omasum - Halal	\$6.40		2	-2.3%	-24.7%
Rum.Pill - Halal < 500	\$6.00		2	-21.1%	-47.4%
Rum.Pill - Halal > 500 < 700	\$8.45		2	-17.6%	-61.8%
Rum.Pill - Halal > 700	\$11.35		2	-15.3%	-52.5%
Rum.Pill < 500	\$6.28	\$3.30	4	-6.8%	-47.0%
Rum.Pill > 500 < 700	\$10.20	\$7.60	4	5.5%	-52.3%
Rum.Pill > 700	\$13.85	\$6.50	4	8.5%	-41.6%
Tail	\$10.40	\$2.00	5	-2.5%	8.4%
Tail - Halal	\$10.33	\$2.50	3	0.0%	9.9%
Tendons	\$7.65		2	0.0%	8.5%
Thickskirt	\$10.60	\$5.20	5	10.8%	12.5%
Thickskirt - Halal	\$9.50	\$1.30	3	-4.4%	-1.0%
Thinskirt	\$10.32	\$5.00	5	19.5%	19.8%
Thinskirt - Halal	\$10.03	\$2.80	3	3.8%	12.4%
Tongue Root Fillet	\$4.50		2	18.4%	-18.2%
Tongue Root Meat	\$1.60	\$0.70	5	-26.2%	-42.2%
Tongue Root Meat - Halal	\$1.57	\$0.30	3	-20.3%	-45.0%
Tongue SW	\$9.04	\$1.10	5	4.7%	-21.4%
Tongue SW - Halal	\$9.60	\$1.70	3	5.9%	-14.8%
Tripe Pieces	\$2.68	\$1.30	4	-15.1%	-18.0%
Tripe Pieces - Halal	\$2.50		2	-18.0%	-23.7%
Tripe Pieces	\$3.15	\$0.35	3	-6.7%	-9.2%
Tripe Pieces - Halal	\$3.05		2	-12.0%	-14.1%

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

Head offal

Prices for head offal products were softer this month. Head meat averaged \$4.85/kg which was 70¢/kg firmer year -on-year but 15¢/kg lower than last month. Cheek meat was \$1.09/kg dearer than year-ago levels, averaging \$7.00/kg, 3¢/kg easier than last month.

Figure 1: Trends in beef head offal prices



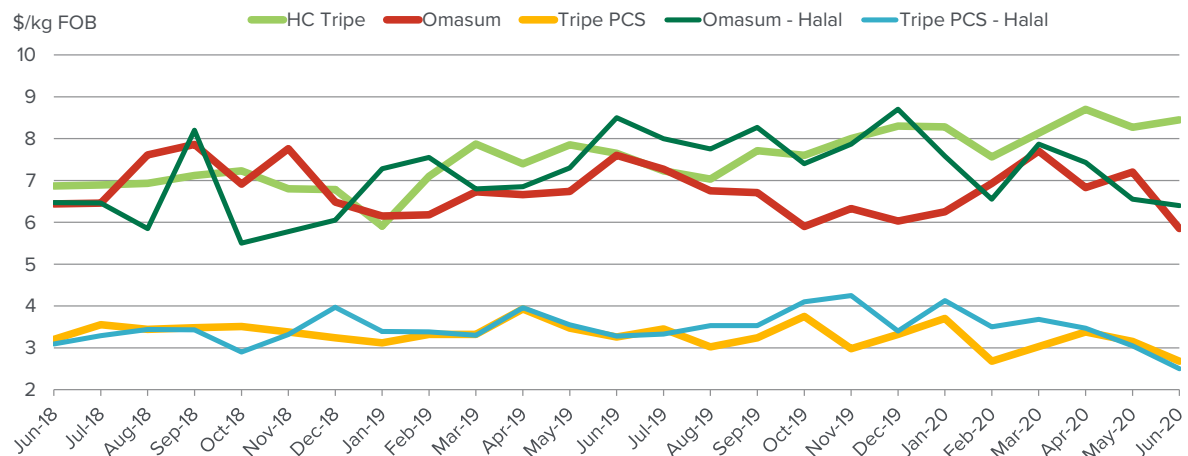
Beef offal trends

Lip export prices to the US and Mexico eased 4¢/kg month-on-month, to average \$2.83/kg. Halal lips averaged \$2.85/kg, down 8¢/kg from last month and \$1.00/kg lower than June 2019.

Omasum softened \$1.35/kg from last month, to average \$5.85/kg, down \$1.75/kg from year-ago prices. Halal omasum averaged \$6.40/kg, down 15¢/kg from last month and \$2.10/kg softer year-on-year.

Halal tripe pieces eased from May to average \$2.68/kg, down 47¢/kg month-on-month and 58¢/kg down from last year's levels. Non-halal tripe pieces were 78¢/kg down year-on-year and 55¢/kg softer than May to average \$2.50/kg. Honeycomb tripe averaged \$8.45/kg to be 80¢/kg above year ago prices and 18¢/kg above last month.

Figure 2: Trends in beef tripe prices

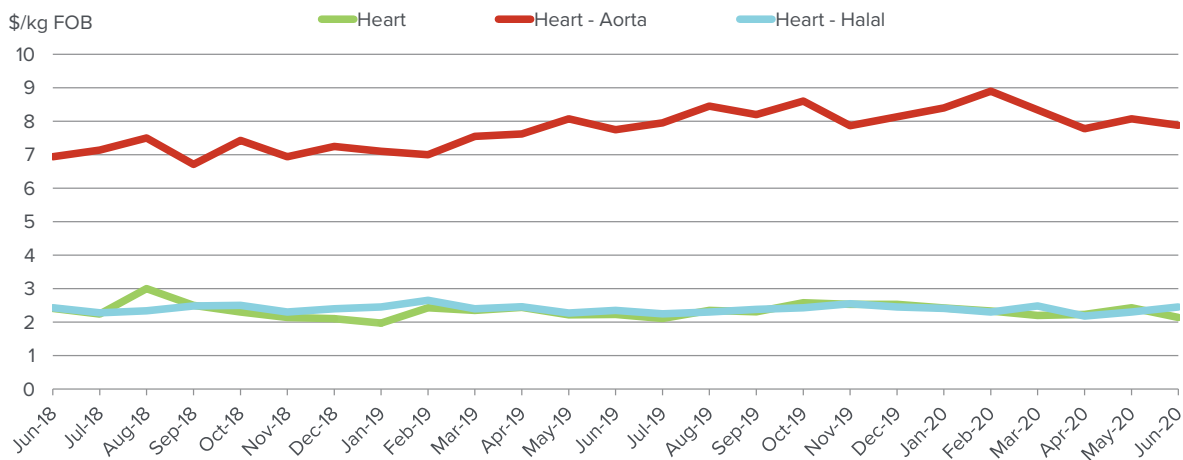


Beef offal trends continued...

Aorta traded weaker to average \$7.88/kg down 19¢/kg month-on-month but up 13¢/kg from June 2019 price.

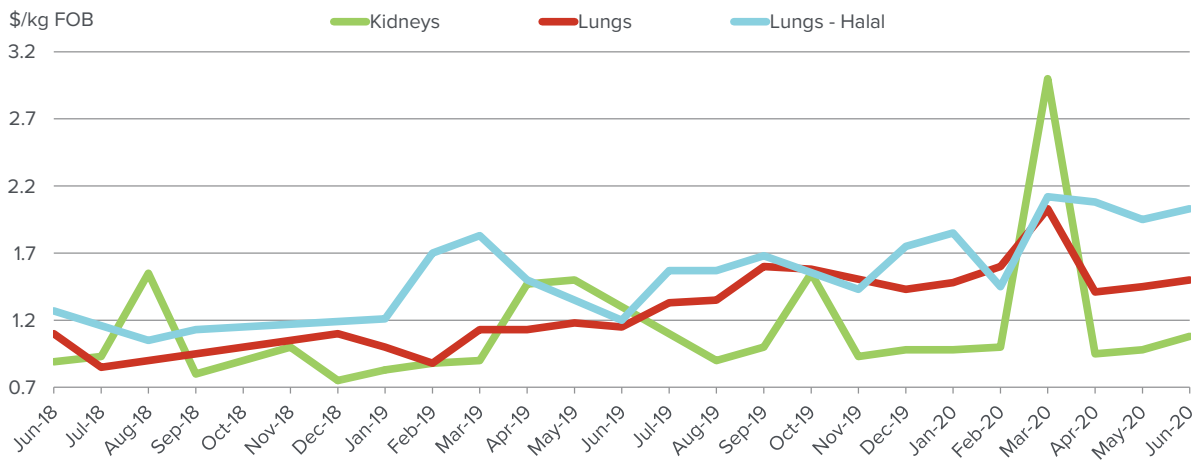
Heart prices were down from last month, averaging \$2.14/kg, to be 9¢/kg below year-ago levels and 29¢/kg below May prices. Halal hearts averaged \$2.45/kg, firming 15¢/kg month-on-month, and up 10¢/kg from June 2019.

Figure 3: Trends in beef offal prices



Kidneys averaged \$1.08/kg, up 10¢/kg on May price. Non-halal lungs were reported at \$1.50/kg up 35¢/kg from year ago levels and 5¢/kg firmer month-on-month, while halal lungs averaged \$2.03/kg up 8¢/kg month-on-month and 83¢/kg higher than June 2019.

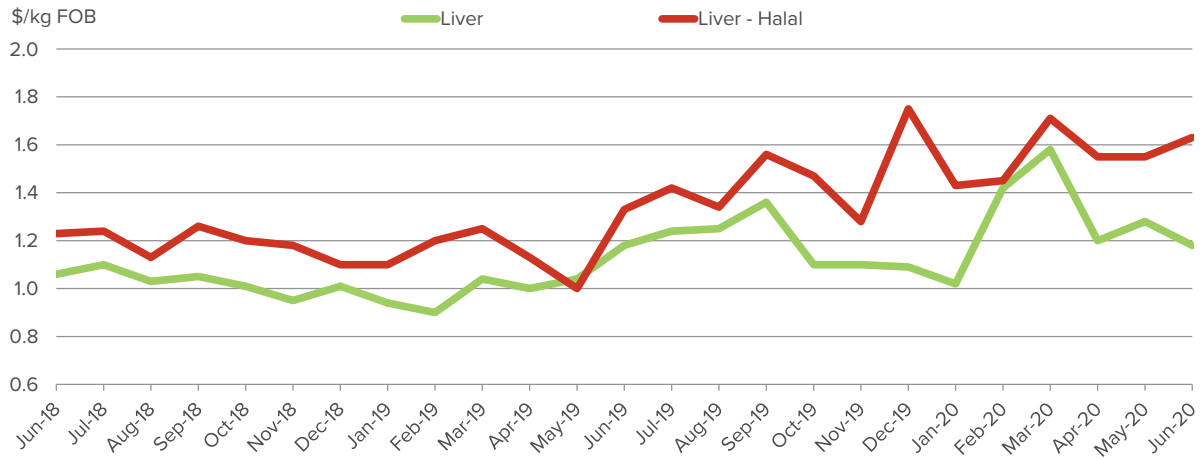
Figure 4: Trends in beef offal prices



Beef offal trends continued...

Liver prices averaged \$1.18/kg, 10¢/kg down month-on-month and even with year-ago levels. Halal livers were up 8¢/kg from last month's price to average \$1.63/kg, up 30¢/kg on last year prices.

Figure 5: Trends in beef offal prices



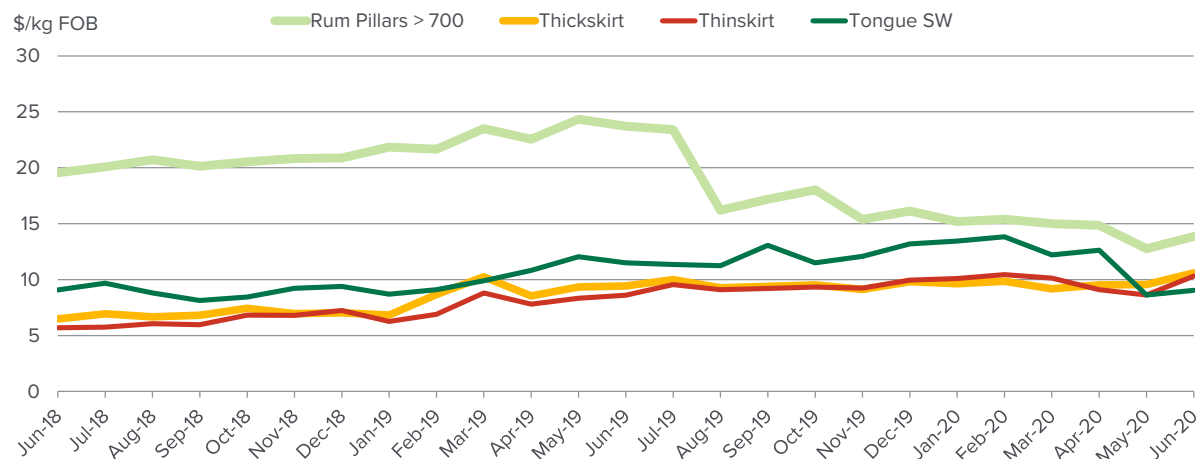
Japanese and Korean Offals

Tongue prices were 41¢/kg up from May to average \$9.04/kg, but \$2.46/kg below year-ago levels.

Thick skirt was \$1.17/kg higher year-on-year and \$1.03/kg firmer than last month, averaging \$10.60/kg. Thin skirt averaged \$10.32/kg, up \$1.69/kg from May and \$1.71/kg above year-ago prices.

Rumen pillars firmed with heavy weight product averaging \$13.85/kg, up \$1.08/kg month-on-month and \$9.87/kg cheaper than June 2019 levels.

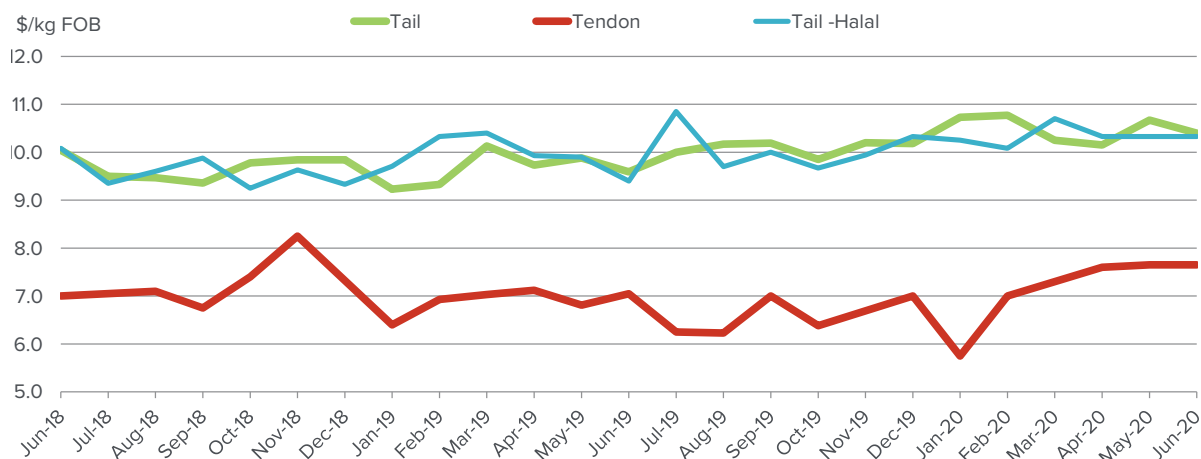
Figure 6: Trends in Japanese offal prices



Tails and Tendons

Tail prices to Korea eased 27¢/kg from last month, averaging \$10.40/kg, to be 81¢/kg above year-ago levels. Halal tails averaged \$10.33/kg, even with last month and 93¢/kg above year-ago prices. Tendons averaged \$7.65 this month to be 60¢/kg up on year ago price and even month-on-month.

Figure 7: Trends in tail and tendon prices



Sheep Co-products

Sheep offal prices were very lightly reported making it difficult to determine a trend.

Table 2: Sheep co-product prices

	Average (June Data)	Range	Responses	Monthly Change	Annual Change
Heart Sheep - Halal	\$3.50		2	6.1%	27.3%
Liver Sheep - Halal	\$1.40		2	-40.8%	-5.1%
Runners Lamb	\$3.55		2	-12.3%	
Runners Sheep	\$2.30		2	-6.1%	

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

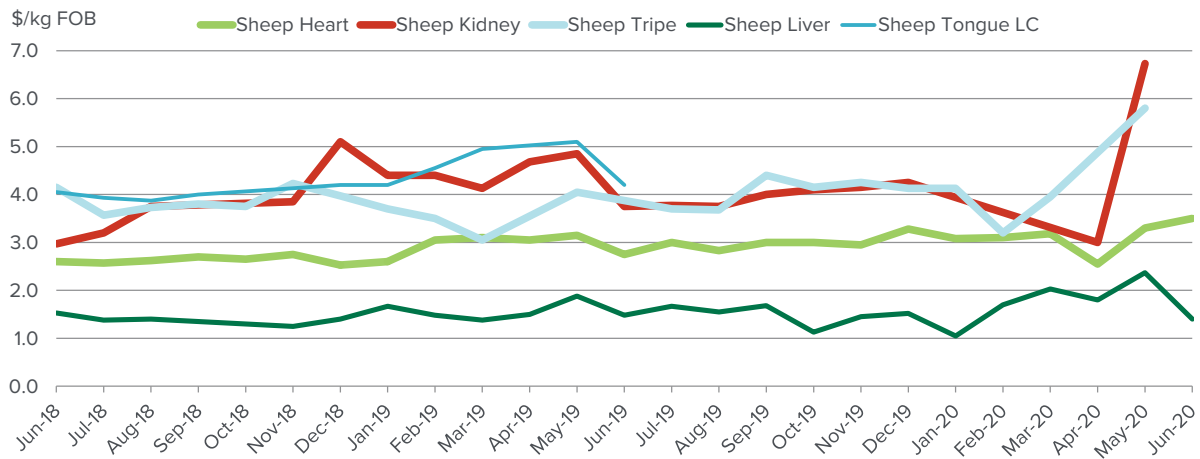
Sheep offal

Sheep hearts averaged \$3.50/kg, up 20¢/kg month-on-month and 75¢/kg dearer than year-ago levels. Sheep kidneys were not reported.

Sheep livers were 97¢/kg down month-on-month to average \$1.40/kg and 8¢/kg below prices a year ago.

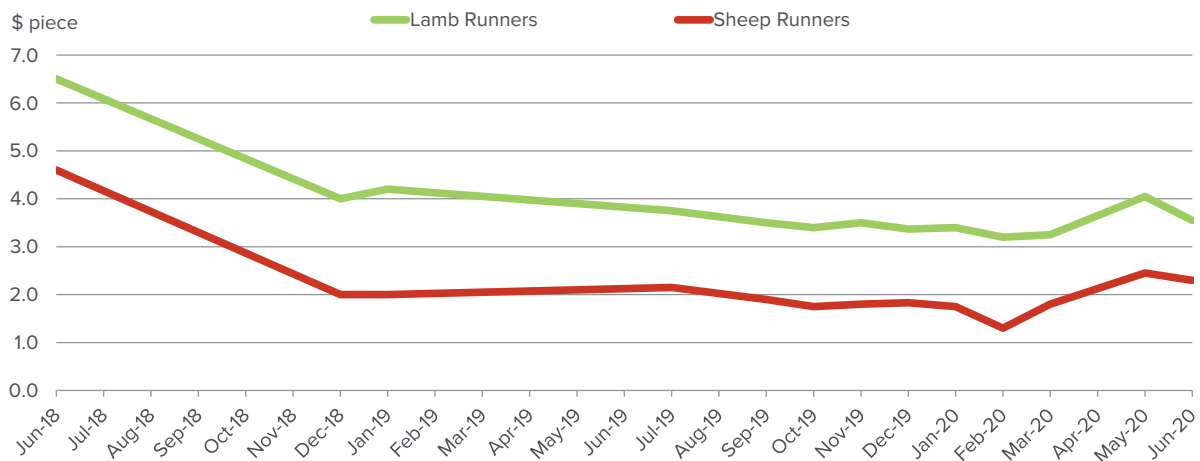
Sheep tripe and long cut tongues were not reported.

Figure 8: Trends in sheep offal prices



Lamb runners were reported at \$3.55/piece down 50¢/piece month-on-month while sheep runners returned \$2.30/piece down 15¢/piece on last month.

Figure 9: Trends in runner prices



Pharmaceutical products

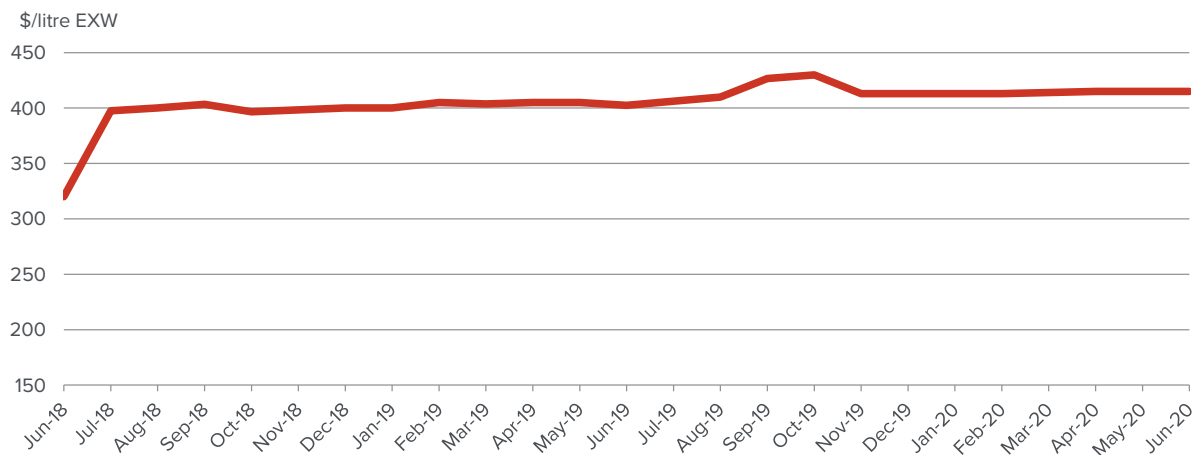
Table 3: Pharmaceutical prices

	Average (June Data)	Range	Responses	Monthly Change	Annual Change
Foetal Blood	\$415.00	\$10.00	3	0.0%	3.1%
Gall Concentrated	\$25.50		2	0.0%	-16.8%

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

Foetal calf blood remained at \$415/litre up \$12.50/litre year-on-year.

Figure 10: Trends for foetal blood prices



Concentrated gall averaged \$25.50/kg down \$5.17/kg from May 2019 and even month-on-month.

Figure 11: Trends for concentrated gall prices



Rendered products

Rendered meal eased despite reduced production. Maintenance at the Singapore biodiesel plant saw tallow prices also ease.

Table 4: Rendered product prices

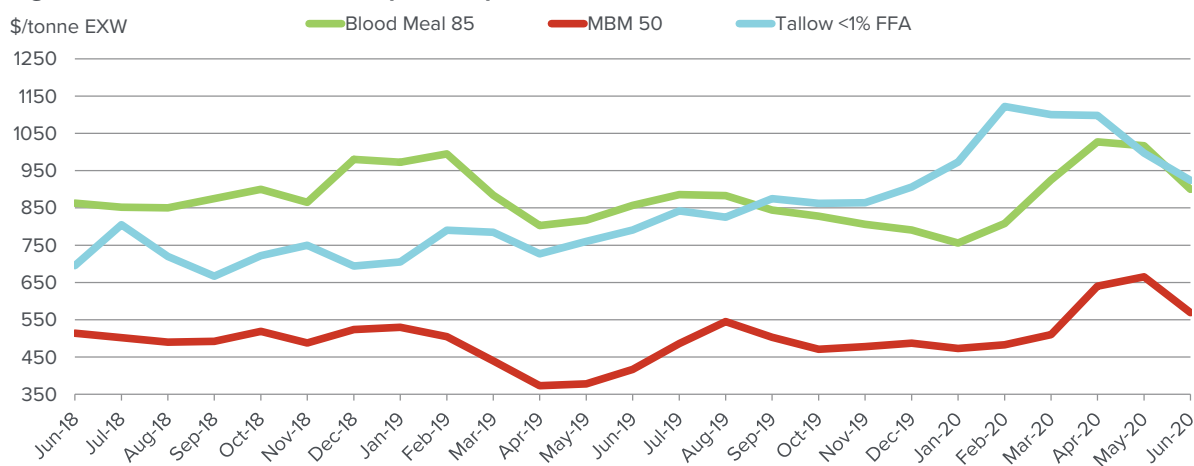
	Average (June Data)	Range	Responses	Monthly Change	Annual Change
Bloodmeal 85	\$900.00	\$440.00	6	-11.5%	5.0%
MBM 50	\$569.00	\$190.00	5	-14.4%	36.6%
Tallow Ined.<1FFA	\$924.00	\$50.00	4	-7.4%	16.8%
Tallow Ined.<2FFA	\$922.00	\$36.00	3	-1.6%	19.2%
Tallow Ined.<4FFA	\$890.00	\$30.00	3	-1.3%	16.8%

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

The price for 50% protein MBM softened \$96/tonne from last month, averaging \$569/tonne, but \$152/tonne above June 2019 levels. Blood meal averaged \$900/tonne, down \$43/tonne compared with last year's price, but \$117/tonne softer month-on-month.

Tallow prices eased, with the price for 1% FFA tallow averaging \$924/tonne, down \$73/tonne from April but \$133/tonne above year-ago prices.

Figure 12: Trends in rendered co-product prices



Hides

The hide market eased further. The market in China and Italy, although opened, remains reticent to purchase until they confirm sales contracts for finished leather which is in soft demand due to the worldwide COVID-19 lockdowns.

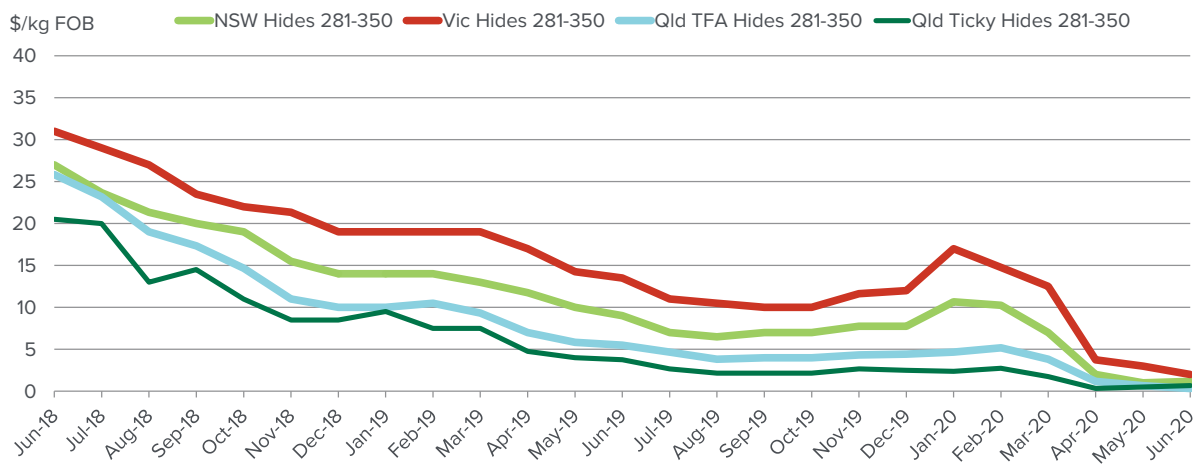
Table 5: Hide prices

	Average (June Data)	Range	Responses	Monthly Change	Annual Change
Hides NSW 141- 180	\$0.00		2		-100.0%
Hides NSW 181 - 220	\$0.00		2		-100.0%
Hides NSW 221 - 280	\$0.40	\$1.20	3	60.0%	-91.6%
Hides NSW 281 - 350	\$1.17	\$0.50	3	16.7%	-87.0%
Hides NSW 351 Up	\$2.03	\$0.90	3	-18.7%	-85.5%
Hides QLD TFA 141 - 220	\$0.00		2		
Hides QLD TFA 221 - 280	\$0.00		2		-100.0%
Hides QLD TFA 281 - 350	\$0.33	\$1.00	3	-50.0%	-93.9%
Hides QLD TFA 351 Up	\$1.33	\$1.00	3	-5.9%	-84.6%
Hides QLD Ticky 221 - 280	\$0.00		2		
Hides QLD Ticky 281 - 350	\$0.67	\$1.00	3	33.3%	-82.2%
Hides QLD Ticky 350 Up	\$0.75		2	0.0%	-86.4%
Hides VIC 141-180	\$0.00		2		-100.0%
Hides VIC 181-220	\$0.00		2	-100.0%	-100.0%
Hides VIC 221 - 280	\$1.00		2	-33.3%	-88.2%
Hides VIC 281-350	\$2.00		2	-33.3%	-85.2%
Hides VIC 351 Up	\$3.75		2	-31.8%	-80.8%

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

Local prices for hides were softer across the board with most lines remaining with no immediate value.

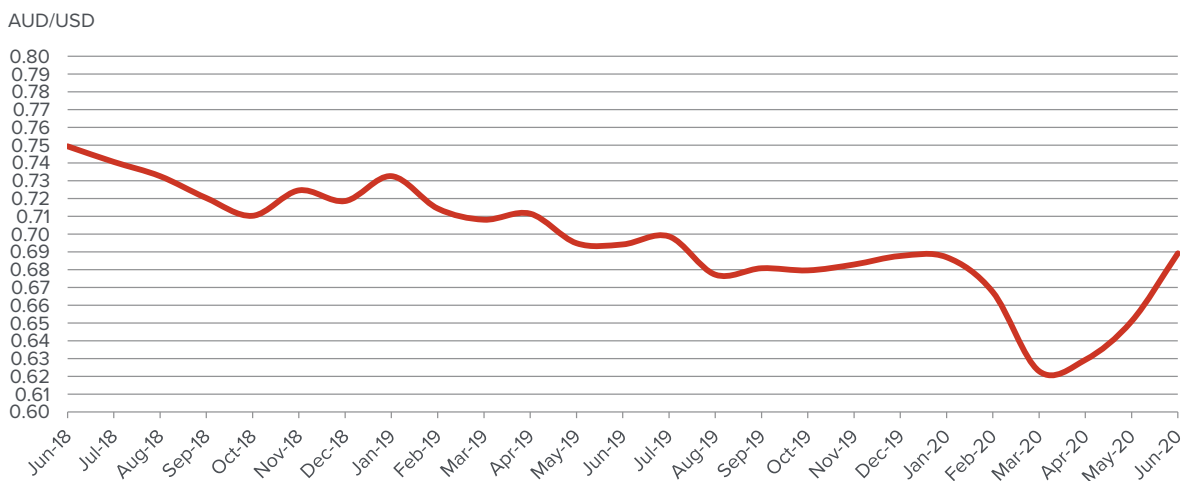
Figure 13: Trends in hide prices (East Coast Ex Works)



Currency exchange

The Australian dollar rallied against the US dollar during June. It opened the month at 67.42US¢ and traded as high as 70.00US¢ before easing to close at 68.63US¢, averaging 68.92US¢, an increase of 3.82US¢ month-on-month, and down 0.50US¢ from June 2019.

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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