



MLA co-product market report

June 2016

Table 1: Co-products Prices

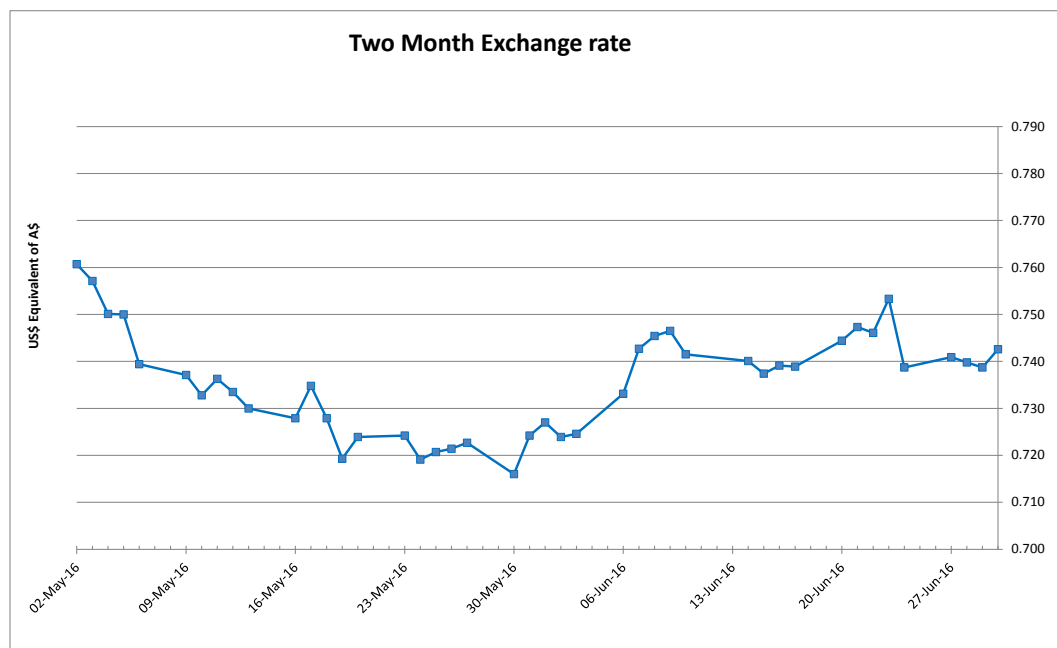
| Product | Average | Range | Responses | Monthly Change | Annual Change |
|----------------------|----------------|--------------|------------------|-----------------------|----------------------|
| Beef | | | | | |
| ABOMASUM | \$1.48 | | 2 | | -15.7% |
| BEEF LIPS | \$2.48 | \$0.75 | 3 | 4.2% | -19.9% |
| BEEF LIPS - HALAL | \$2.30 | \$2.30 | 5 | 2.1% | -25.6% |
| CHEEKMEAT | \$6.43 | \$1.70 | 4 | 6.2% | 2.8% |
| CHEEKMEAT - HALAL | \$6.27 | \$1.00 | 3 | 4.4% | -8.4% |
| DIAP. MEMBRANE | \$3.99 | \$1.75 | 4 | 9.7% | 46.8% |
| HC TRIPE | \$5.85 | \$3.10 | 4 | 7.7% | -9.5% |
| HC TRIPE - HALAL | \$6.10 | | 2 | -10.6% | -21.7% |
| HEADMEAT | \$3.60 | \$1.90 | 3 | 12.5% | 0.9% |
| HEADMEAT - HALAL | \$4.28 | | 2 | -7.1% | 1.0% |
| HEART | \$1.62 | \$0.30 | 5 | 11.7% | -2.8% |
| HEART - HALAL | \$1.68 | \$0.25 | 3 | -4.2% | -5.0% |
| HEART -AORTA | \$6.40 | | 2 | -13.5% | 52.4% |
| HEART -AORTA - HALAL | \$8.20 | | 2 | 13.6% | 49.1% |
| KIDNEYS | \$1.26 | \$0.40 | 4 | -9.0% | 24.2% |
| KIDNEYS - HALAL | \$1.25 | \$0.60 | 3 | -7.2% | -3.2% |
| LIGAMENTUM | \$4.67 | \$2.60 | 5 | 30.8% | 61.6% |
| LIVER | \$1.00 | \$0.30 | 3 | 0.0% | -14.3% |
| LUNGS - HALAL | \$1.08 | \$0.40 | 3 | -12.6% | -19.8% |
| LUNGS - HALAL | \$1.08 | \$0.40 | 3 | -12.6% | -19.8% |
| OMASUM | \$4.00 | | 2 | -17.5% | -16.7% |
| OMASUM - HALAL | \$6.50 | \$1.50 | 4 | -7.1% | -17.6% |
| RUM.PILL < 500 | \$4.29 | \$4.30 | 5 | 5.9% | 22.6% |
| RUM.PILL > 500 < 700 | \$8.48 | \$3.55 | 5 | 19.4% | 76.7% |
| RUM.PILL > 700 | \$11.71 | \$3.10 | 5 | 6.5% | 66.1% |
| SPLEEN | \$1.17 | \$0.35 | 3 | 11.1% | 16.7% |
| TAIL | \$7.43 | \$1.10 | 5 | 1.8% | 3.9% |
| TAIL - HALAL | \$8.33 | \$2.20 | 3 | 9.1% | 2.7% |
| TENDONS - HALAL | \$6.85 | | 2 | 27.6% | 69.7% |
| THICKSKIRT | \$9.82 | \$1.55 | 5 | -1.8% | 47.7% |
| THICKSKIRT - HALAL | \$10.45 | | 2 | 8.8% | 49.9% |
| THINSKIRT | \$10.38 | \$2.25 | 5 | 9.1% | 60.9% |
| TONGUE RT FILLET | \$5.65 | | 2 | 6.1% | 22.8% |
| TONGUE RT MEAT | \$1.32 | \$0.60 | 3 | -2.5% | 27.4% |
| TONGUE SW | \$17.87 | \$9.20 | 6 | 25.3% | 122.5% |
| TONGUE SW - HALAL | \$16.45 | | 2 | 33.9% | 103.7% |
| TRIPLE PCS | \$3.15 | \$0.70 | 4 | -8.3% | 21.2% |
| TRIPLE PCS - HALAL | \$3.10 | \$0.30 | 3 | 11.1% | 2.9% |

| Product | Average | Range | Responses | Monthly Change | Annual Change |
|---------------------------|----------------|--------------|------------------|-----------------------|----------------------|
| Sheep | | | | | |
| HEART SHEEP - HALAL | \$1.68 | \$0.40 | 4 | 3.6% | 8.1% |
| KIDNEYS SHEEP - HALAL | \$2.45 | \$2.40 | 4 | -0.7% | -10.1% |
| LIVER SHEEP - HALAL | \$1.16 | \$0.15 | 4 | 2.6% | -27.8% |
| RUNNERS LAMB | \$2.40 | | 2 | -14.3% | -57.0% |
| RUNNERS SHEEP | \$1.05 | | 2 | -30.0% | -73.2% |
| TONGUE LC SHEEP HALAL | \$3.43 | \$1.00 | 3 | -3.3% | 15.6% |
| TRIBE SHEEP - HALAL | \$4.85 | | 2 | 1.0% | 11.0% |
| Pharmecuetical | | | | | |
| FOETAL BLOOD | \$268.33 | \$150.00 | 3 | 4.2% | 8.8% |
| Rendered Products | | | | | |
| BLOODMEAL 85 | \$876.67 | \$110.00 | 6 | 1.3% | -9.7% |
| MBM 50 | \$633.29 | \$100.00 | 7 | 11.9% | 0.8% |
| MBM 50 SHEEP | \$925.00 | | 2 | 10.1% | 14.2% |
| TALLOW INED.<1FFA | \$878.00 | \$73.00 | 4 | 3.1% | 29.1% |
| TALLOW INED.<2FFA | \$856.00 | \$80.00 | 5 | 4.6% | 28.2% |
| TALLOW INED.<4FFA | \$798.00 | \$120.00 | 5 | 2.1% | 22.8% |
| Hides | | | | | |
| HIDES NSW 141- 180 | \$25.67 | \$4.00 | 3 | -4.9% | 0.7% |
| HIDES NSW 181 - 220 | \$32.67 | \$5.00 | 3 | -3.9% | 3.7% |
| HIDES NSW 221 - 280 | \$41.00 | \$6.00 | 4 | 0.4% | 0.6% |
| HIDES NSW 281 - 350 | \$50.67 | \$5.00 | 3 | 2.0% | -1.1% |
| HIDES NSW 351 UP | \$65.17 | \$6.50 | 3 | 0.8% | 9.1% |
| HIDES QLD TFA 141 - 220 | \$25.00 | \$8.00 | 2 | -10.7% | -5.1% |
| HIDES QLD TFA 221 - 280 | \$32.33 | \$6.00 | 3 | -8.9% | -9.3% |
| HIDES QLD TFA 281 - 350 | \$44.17 | \$10.00 | 3 | -2.2% | -1.9% |
| HIDES QLD TFA 351 UP | \$49.33 | \$8.00 | 3 | -7.5% | -7.8% |
| HIDES QLD TICKY 281 - 350 | \$38.25 | | 2 | 3.4% | 2.0% |
| HIDES QLD TICKY 350 UP | \$48.50 | | 2 | 2.1% | 7.8% |
| HIDES VIC 141-180 | \$28.00 | | 2 | -10.6% | -5.1% |
| HIDES VIC 181-220 | \$37.25 | | 2 | -14.7% | -5.7% |
| HIDES VIC 221 - 280 | \$45.33 | \$1.00 | 3 | -9.9% | -4.6% |
| HIDES VIC 281-350 | \$56.75 | | 2 | 0.1% | -2.2% |
| HIDES VIC 351 UP | \$71.00 | | 2 | 3.4% | 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\$ rallied against the US\$ during June, starting at 72.70US¢, and traded within a range of 72.39 –74.65US¢ before finishing the month at 74.26US¢.

Beef offal prices were somewhat dearer in June. Sheep offal prices were relatively steady, which maintained the pattern through 2016 thus far. Halal offal prices were generally weaker, with orders for the Ramadan fasting period having been filled. The reduced

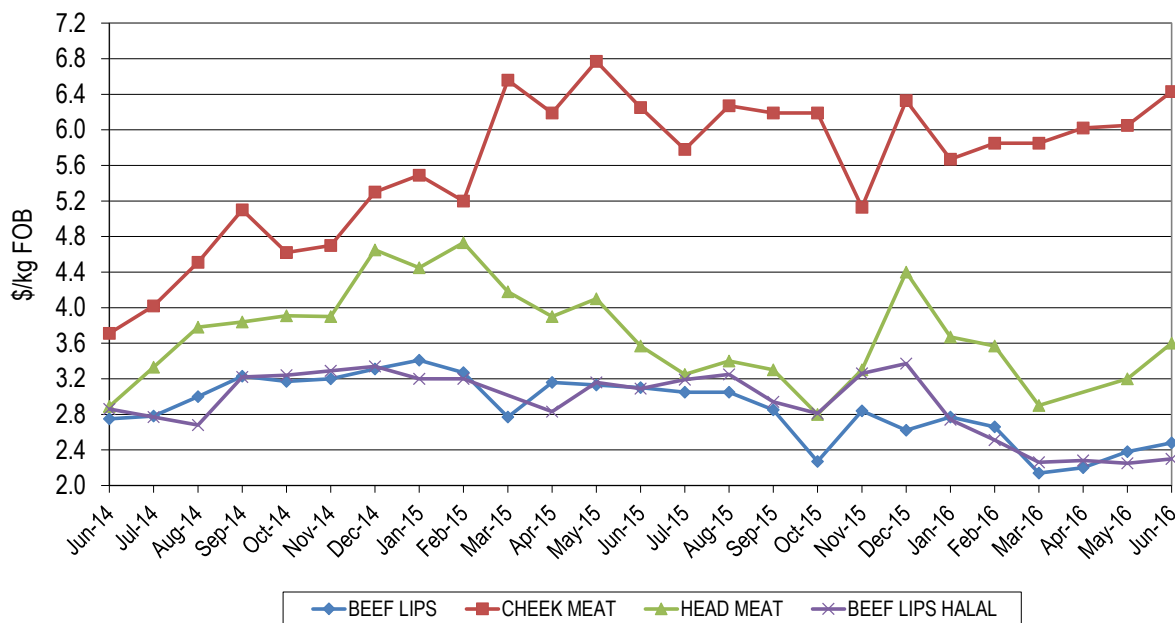


slaughter numbers and the lower offal production accompanied by reasonable demand helped steady prices. Both meat and bone meal and blood meal prices were dearer. Tallow prices gained ground, with stable demand from Singapore keeping prices relatively strong.

Hide prices showed some resilience in June, with a balance between supply and demand supporting prices.

Head Offal Prices

Figure 1: Trends in beef head offal prices

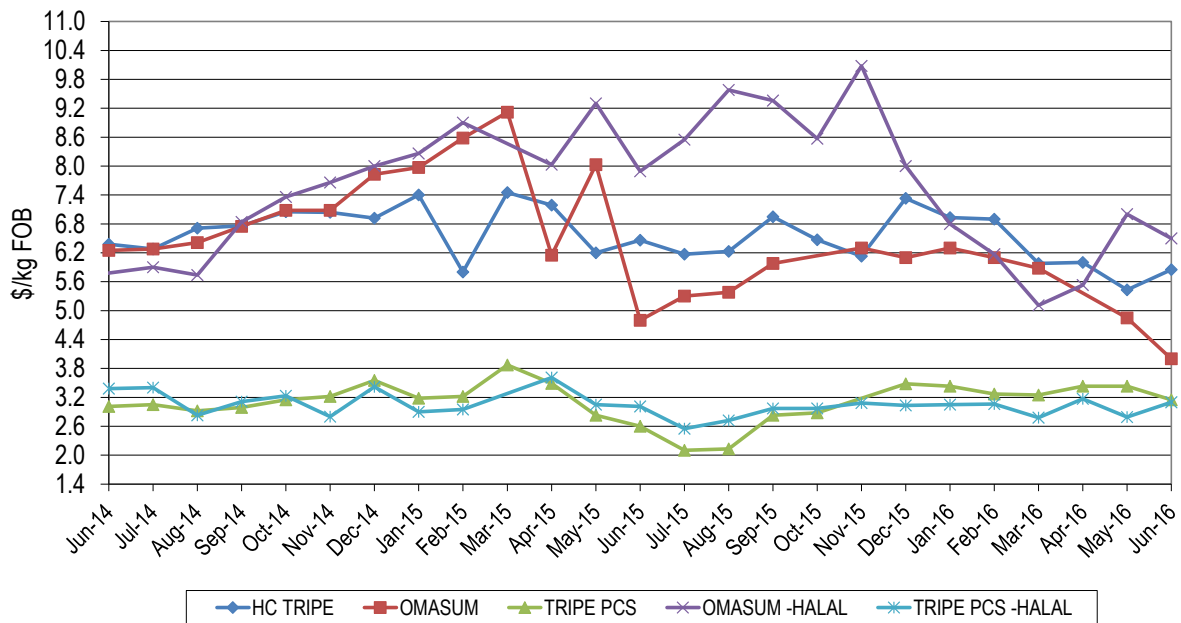


Non-halal head offal products lifted month-on-month and, apart from lips, were stronger compared to the corresponding period last year. Cheek meat averaged \$6.43/kg, up 38¢/kg compared with last month and 18¢/kg dearer year-on-year. Head meat continued to strengthen following a sharp fall in March, to average \$3.60/kg, 40¢/kg above last month and 3¢/kg higher than year-ago levels.

Lip export prices to the US and Mexico improved this month, averaging \$2.48/kg, to be 10¢/kg above last month however 62¢/kg easier from 2015. Halal lips returned \$2.30/kg, up 5¢/kg month-on-month and 79¢/kg lower than year-ago levels.

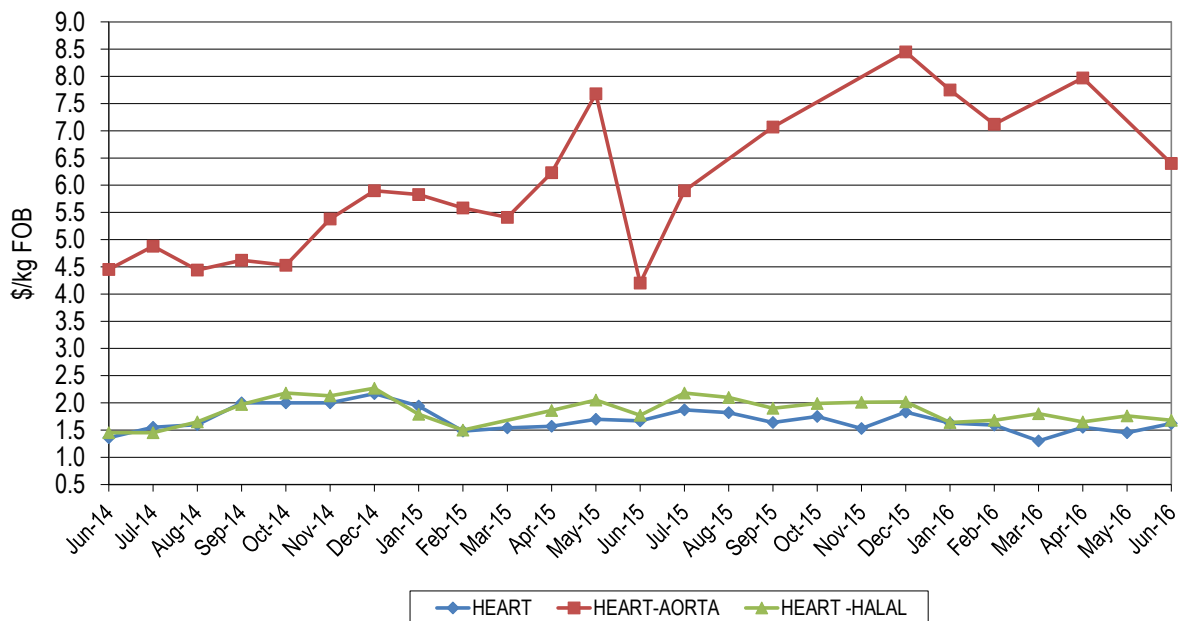
Beef Offal Trends

Figure 2: Trends in beef tripe prices



Omasum eased to \$4.00/kg during June, whilst halal omasum prices remained relatively firm at \$6.50/kg, down 50¢/kg from May and \$1.39/kg lower year-on-year. Tripe pieces realised \$3.15/kg this month, down 55¢/kg on the year prior. Honeycomb tripe increased during June, averaging \$5.85/kg and was up 42¢/kg month-on-month but 61¢/kg lower year-on-year. Halal tripe pieces returned \$3.10/kg, up 31¢/kg on last month and 9¢/kg higher year-on-year.

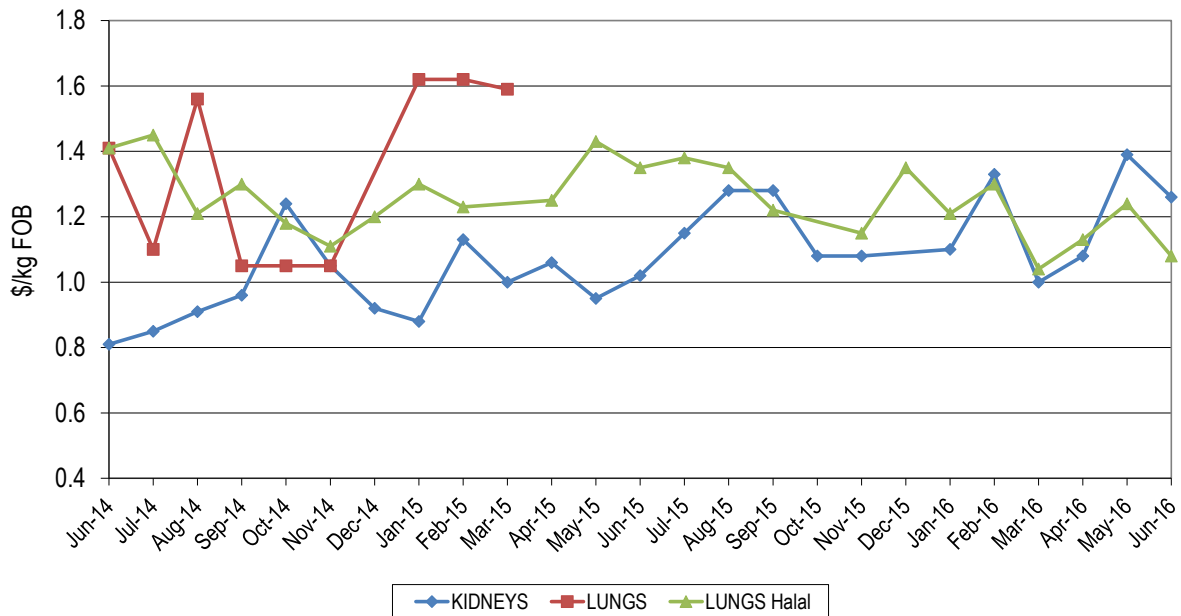
Figure 3a: Trends in beef offal prices



Aorta averaged \$6.40/kg, up \$2.20/kg from last year, whilst halal product reached \$8.20/kg, up 50¢/kg month-on-month.

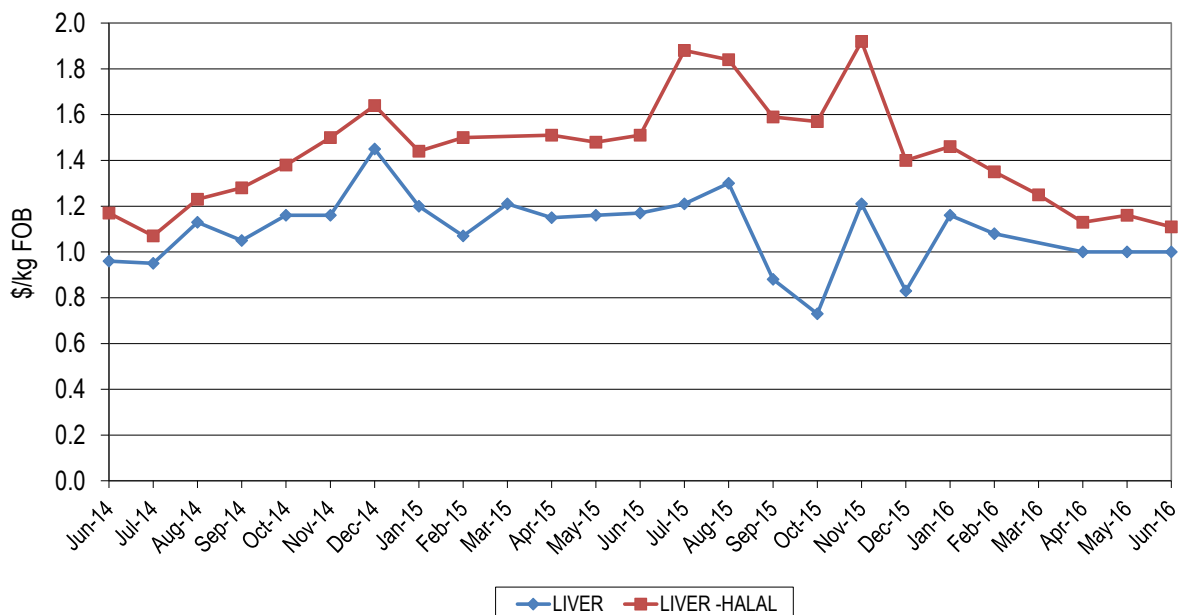
Heart prices also firmed, averaging \$1.62/kg, up 17¢/kg for the month and was just 5¢/kg lower than last year. Halal hearts averaged \$1.76/kg, level month-on-month and 9¢/kg lower than year-ago levels.

Figure 3b: Trends in beef offal prices



Kidneys were reported at an average of \$1.26/kg, down 13¢/kg on last month however still 24¢/kg dearer on last year's price. Halal lungs averaged \$1.08/kg, down 16¢/kg on last month and were 27¢/kg lower year-on-year while reports for non-halal lungs have been absent for over twelve months.

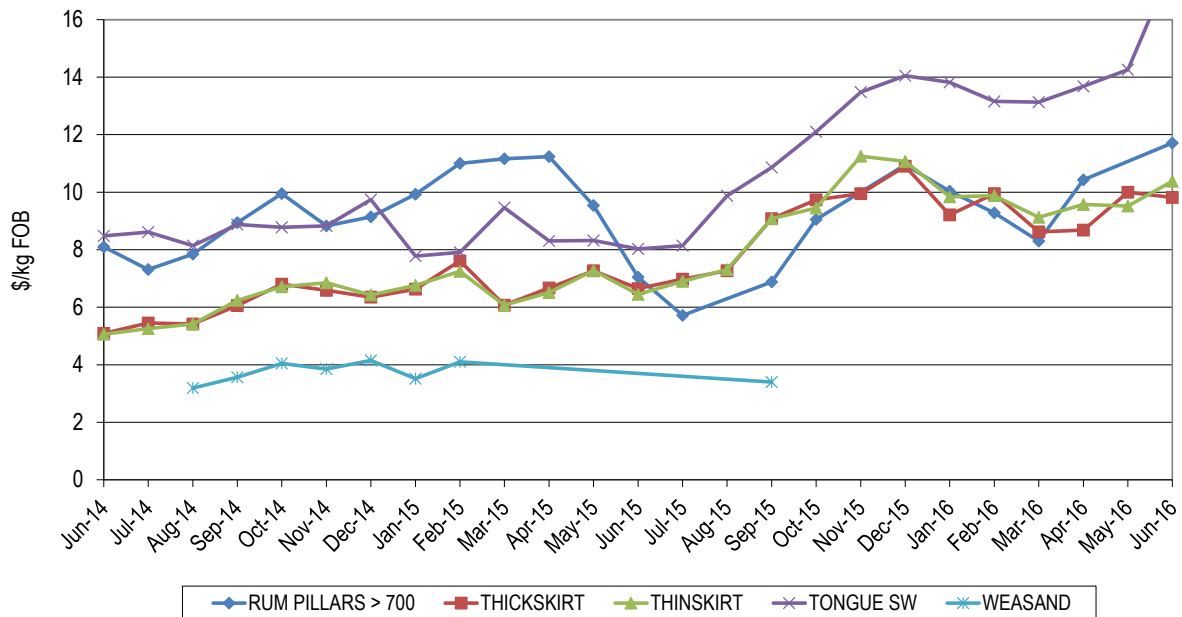
Figure 3c: Trends in beef offal prices



Non-halal liver prices again averaged \$1.00/kg, which is 17¢/kg down on this time last year, while halal livers fell by 5¢/kg month-on-month and 40¢/kg year-on-year, with sales averaging \$1.16/kg.

Japanese and Korean Offals

Figure 4: Trends in Japanese offal prices



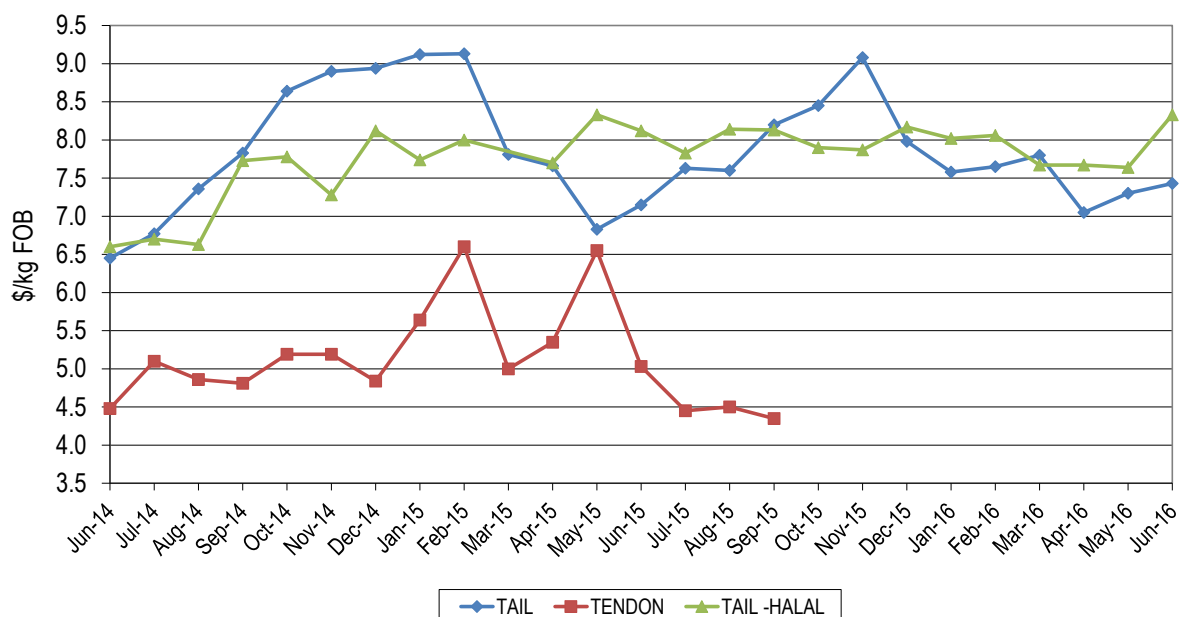
Tongue prices were buoyant, averaging \$17.87/kg, which was \$9.84/kg dearer from the same period last year and \$3.61/kg firmer month-on-month.

Thick skirt was \$3.17/kg up on last year but 18¢/kg down month-on-month, averaging \$9.82/kg, while thin skirt prices were \$3.93/kg higher from year-ago levels and 86¢/kg higher month-on-month, realizing \$10.38/kg.

Rumen pillars firmed markedly this month with heavy weight product making \$11.71/kg which was \$4.66/kg above the price this time last year. Weasand was again not reported.

Tails and Tendons

Figure 5: Trends in tail and tendon prices

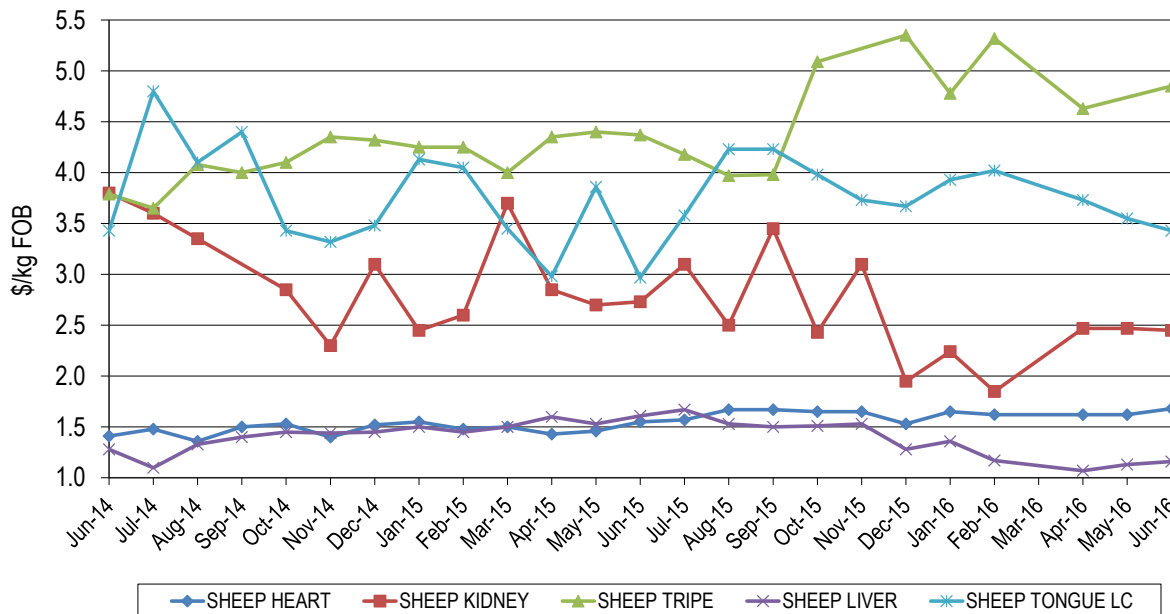


Tail prices into Japan averaged \$7.43/kg, up 13¢/kg from May and 28¢/kg higher than June 2015. Halal tails were also dearer, up 69¢/kg month-on-month and 21¢/kg higher than last year's price at \$8.33/kg.

Tendons were again not reported this month, however halal tendons returned an average of \$6.85/kg, which was \$1.48/kg higher than last month.

Sheep Offals

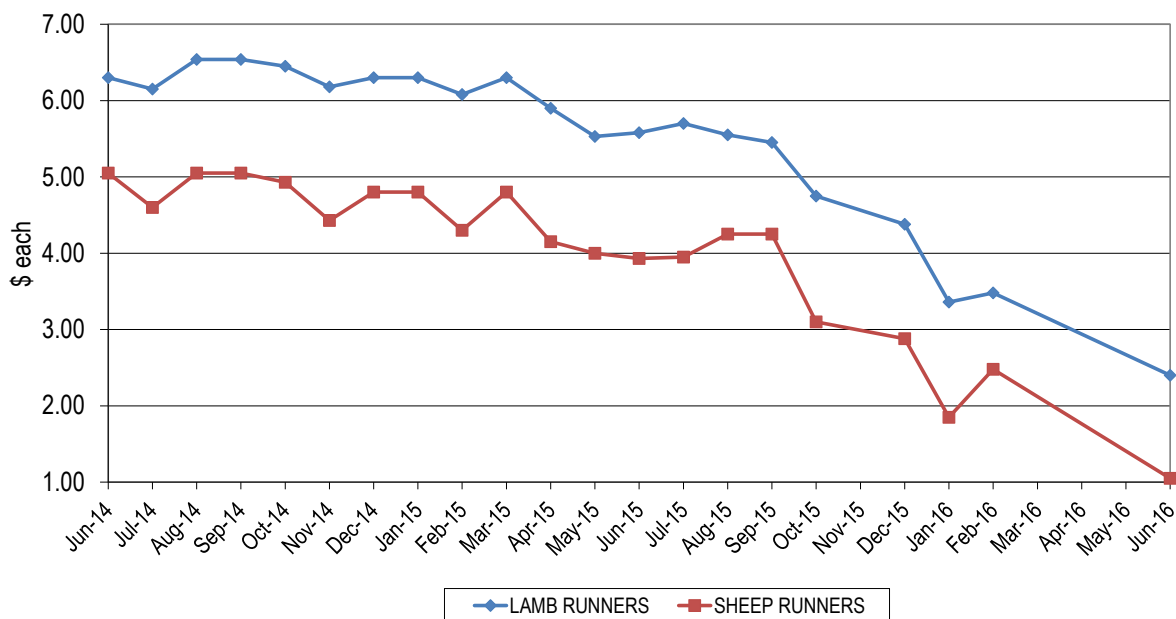
Figure 6a: Trends in sheep offal prices



Sheep offal was accompanied by reasonable demand which helped to keep prices steady.

Hearts remained steady at \$1.68/kg and were 6¢/kg dearer than last year, whilst livers eased to \$1.16/kg which was 3¢/kg down month-on-month and 45¢/kg lower than year-ago levels. Kidney prices weakened to return \$2.45/kg, down 2¢/kg on May prices and down 28¢/kg year-on-year. Sheep tripe averaged \$4.85/kg and was 48¢/kg dearer than year-ago levels. Sheep long cut tongue averaged \$3.43/kg, down 12¢/kg month-on-month but 46¢/kg dear than June 2015.

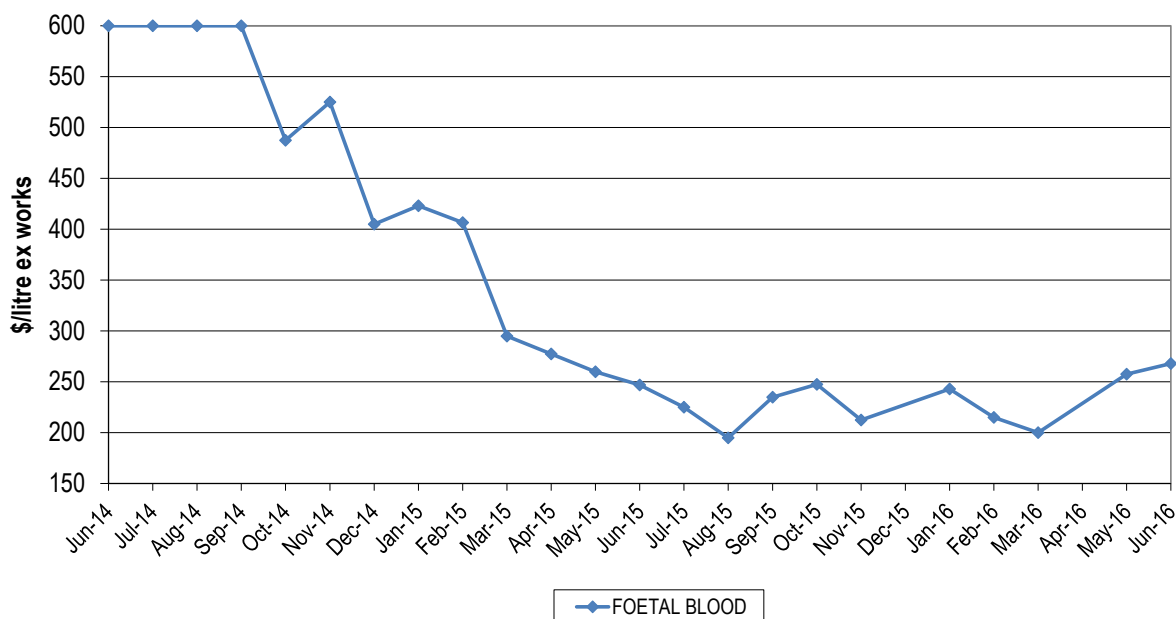
Figure 6b: Trends in runner prices



Runners continued to weaken, with lamb product realising \$2.40/piece down \$3.18/piece on year-ago prices whilst sheep runners only made \$1.05/piece, \$2.88/piece lower than last year.

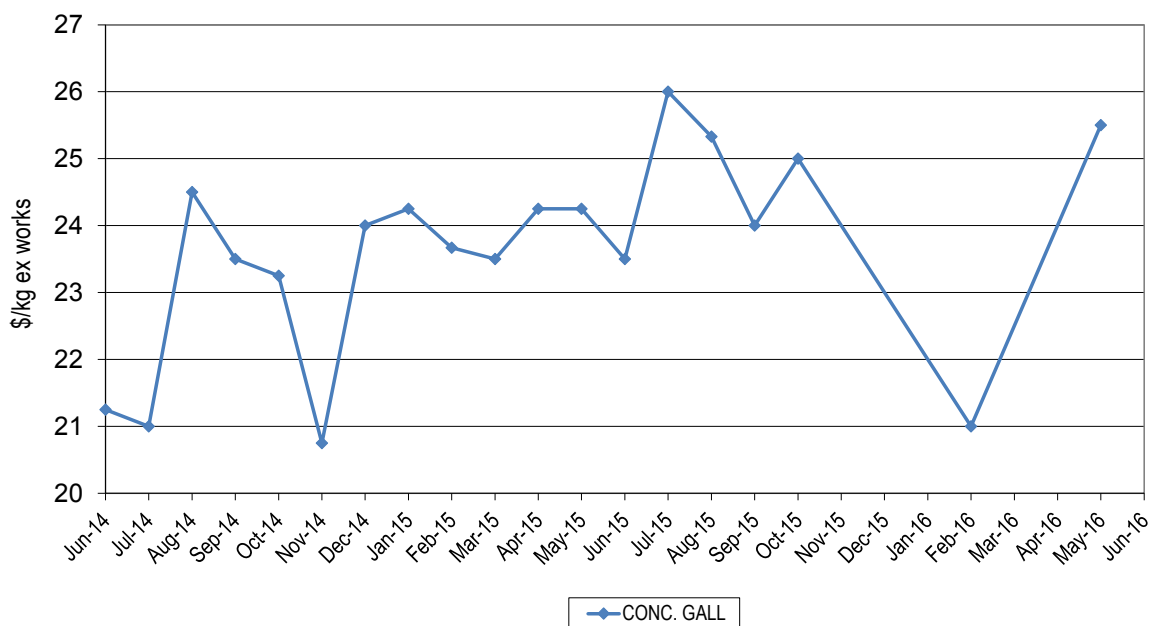
Pharmaceutical products

Figure 7a: Trends for foetal blood prices



Foetal blood averaged \$268/litre, up \$10.50/litre month-on-month and \$21/litre better than the price a year ago, however buying and selling quotes still show quite a range.

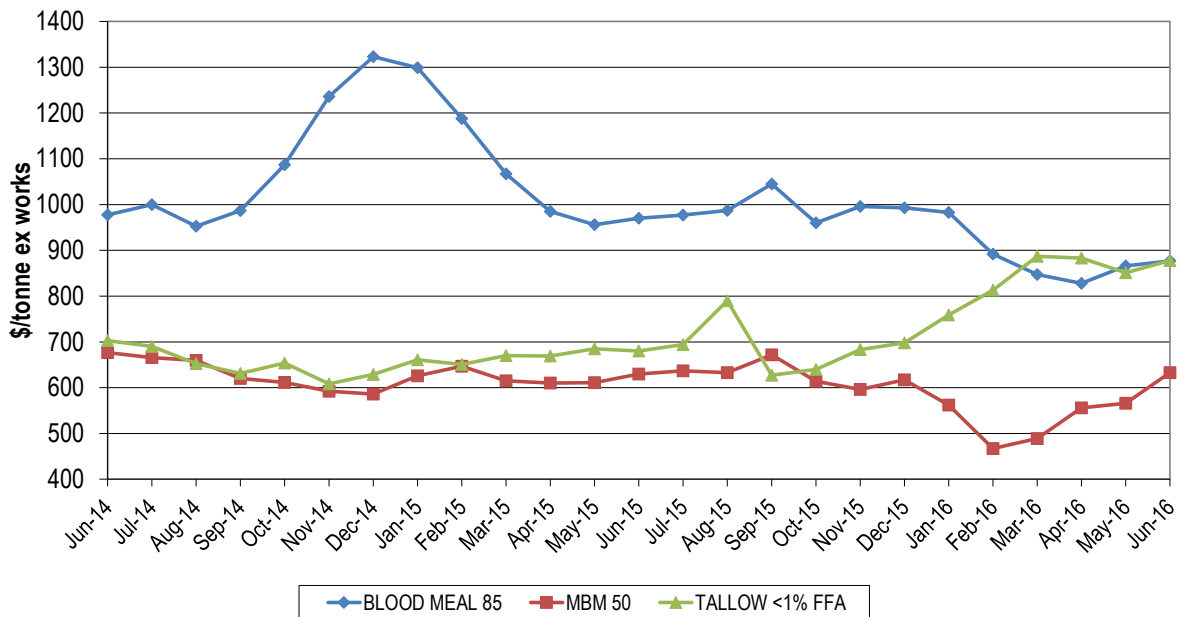
Figure 7b: Trends for concentrated gall prices



Concentrated gall was not reported this month.

Rendered Products

Figure 8: Trends in rendered co-product prices

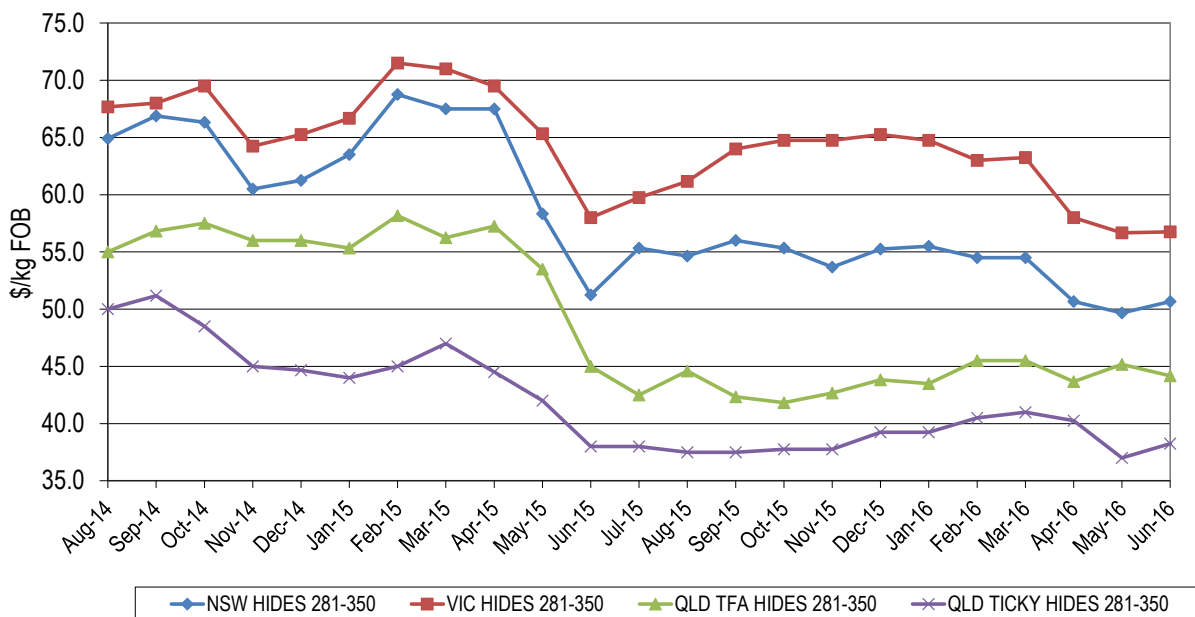


Meat and bone meal (MBM) prices continued to firm, with the price for 50% protein averaging \$633/tonne, up \$66/tonne on last month, which is \$3/tonne up on the same time last year. Blood meal prices also firmed on the back of improved aqua demand, with an average price of \$877/tonne ex-works, which was up \$8/tonne on last month's price but \$93/tonne lower than last year. Much firmer soya bean meal prices along with reduced production of rendered product has certainly assisted rendered protein meal prices this month.

Tallow prices also firmed this month, with Singapore keeping up steady demand for bio-diesel production. The price of palm stearin continued its strong performance, also assisting the tallow market. April prices for 1% FFA tallow averaged \$878/mt, up \$21/mt on last month and \$198/mt stronger year-on-year.

Hides

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



Local prices for hides remained relatively steady as we moved into June, and comments indicated that the bottom of the current price cycle may have been reached. Improved automotive leather demand will assist the heavier end of the market, however lighter to medium weight product remains under pressure.

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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