



Co-product market report

March 2019

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Beef Co-products

Beef offal prices were firmer for most items, with the Australian dollar steady against the US dollar. Honeycomb tripe rallied, as did thick skirt and halal tails, whilst other white offals were relatively steady.

Table 1: Beef co-product prices

	Average (Feb Data)	Range	Responses	Monthly Change	Annual Change
Beef Lips	\$2.95	\$0.15	3	2.3%	-21.3%
Beef Lips - Halal	\$3.70		2	10.2%	-1.5%
Cheekmeat	\$4.80		2	1.9%	-12.5%
Cheekmeat - Halal	\$4.90		2	6.9%	-16.6%
Diap. Membrane	\$1.93	\$1.20	3	-38.6%	-49.0%
Hc Tripe	\$7.10	\$1.30	3	20.1%	23.8%
Hc Tripe - Halal	\$8.35		2	34.7%	29.7%
Headmeat	\$3.90	\$0.20	3	-2.5%	0.0%
Headmeat - Halal	\$4.30		2	8.9%	7.5%
Heart	\$2.43	\$0.40	3	23.7%	35.2%
Heart - Halal	\$2.65		2	8.4%	32.2%
Heart - Aorta	\$7.00	\$0.40	3	-1.4%	-2.8%
Heart - Aorta - Halal	\$7.35		2	4.0%	8.1%
Kidneys	\$0.88		2	5.4%	-2.8%
Kidneys- Halal	\$0.95		2	12.2%	-31.5%
Ligamentum	\$1.89	\$2.40	4	-31.6%	-53.2%
Liver	\$0.90	\$0.10	3	-3.7%	-13.5%
Liver - Halal	\$1.20		2	9.3%	3.6%
Lungs	\$0.88		2		-12.5%
Lungs - Halal	\$1.70		2	40.1%	9.2%
Omasum	\$6.18	\$1.15	3	0.5%	29.8%
Omasum - Halal	\$7.55		2	3.7%	28.8%
Rum.Pill - Halal < 500	\$12.05		2	15.9%	38.9%
Rum.Pill - Halal > 500 < 700	\$21.25		2	1.8%	46.6%
Rum.Pill - Halal > 700	\$23.10		2	5.7%	25.4%
Rum.Pill < 500	\$11.58	\$3.25	3	25.2%	29.2%
Rum.Pill > 500 < 700	\$18.33	\$1.00	3	-4.8%	38.2%
Rum.Pill > 700	\$21.67	\$1.00	3	2.0%	28.0%
Tail	\$9.33	\$0.50	3	1.2%	6.3%
Tail - Halal	\$10.33		2	6.4%	11.7%
Tendons	\$6.93		2	8.2%	-3.8%
Tendons - Halal	\$6.73		2	8.8%	-8.3%
Thickskirt	\$8.67	\$0.50	3	27.0%	51.8%
Thickskirt - Halal	\$8.50		2	24.4%	44.1%
Thinskirt	\$6.90	\$0.30	3	10.4%	27.4%
Thinskirt - Halal	\$6.85		2	9.3%	18.1%
Tongue Root Meat - Halal	\$2.58		2	8.2%	18.5%
Tongue SW	\$9.10	\$1.00	3	4.6%	-12.1%
Tongue SW - Halal	\$9.60		2	5.5%	-2.1%
Tripe Pieces	\$3.32	\$0.35	3	6.4%	4.5%
Tripe Pieces - Halal	\$3.38		2	-0.4%	6.1%

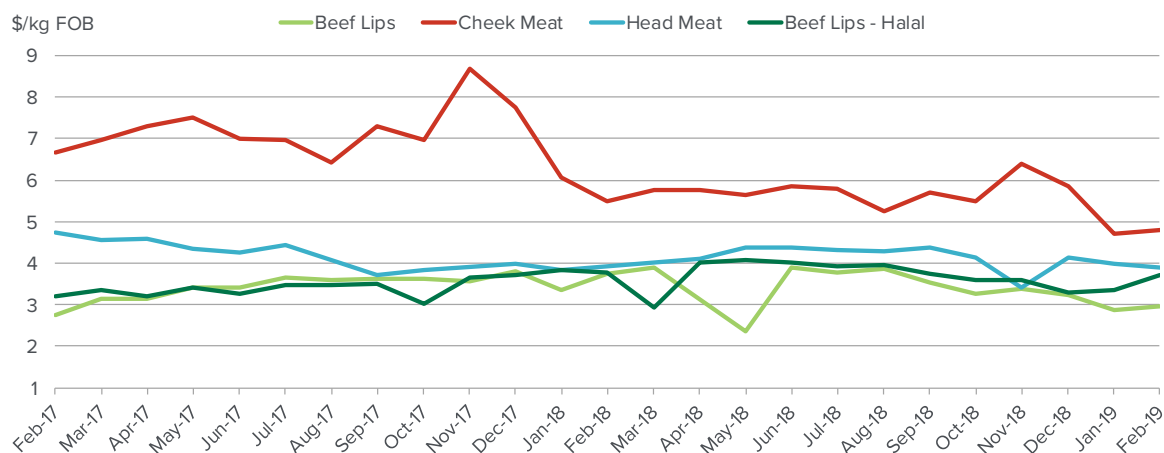
Price quoted is average price reported in \$/kg FOB Australian port.

Head offal

Prices for head offal products were generally firmer this month. Head meat defied the market to average \$3.90/kg, tracking even to year-ago levels, but 10c/kg below last month's price. Cheek meat was 69¢/kg cheaper compared to the corresponding period last year, averaging \$4.80/kg and was 9c/kg higher than February prices.

Lip export prices to the US and Mexico rallied, increasing 7¢/kg month-on-month to average \$2.95/kg, yet remaining 80¢/kg weaker year-on-year. Halal lips firmed, averaging \$3.70/kg to be up 34¢/kg compared to last month, but 6/kg softer than year ago prices.

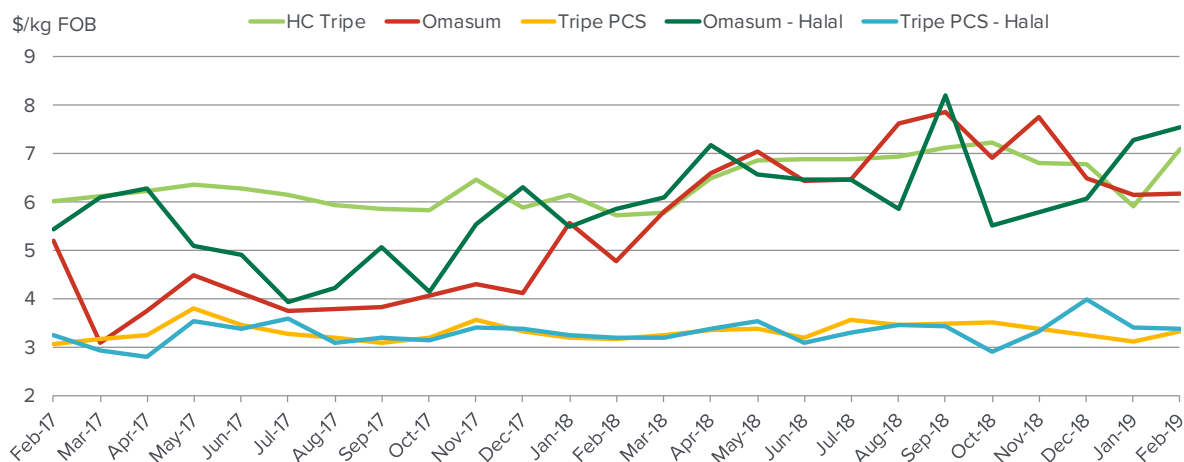
Figure 1: Trends in beef head offal prices



Beef offal trends

Omasum improved 3¢/kg on February prices to average \$6.18/kg, an improvement of \$1.42/kg on year-ago levels. Halal omasum averaged \$7.55/kg, increasing 27¢/kg on last month and \$1.67/kg on last March. Halal tripe pieces eased 1¢/kg from February prices to average \$3.38/kg, 20¢/kg higher year-on-year. Non-halal product saw an increase of 20¢/kg from last month and 15¢/kg on year-ago levels to average \$3.32/kg. Honeycomb tripe averaged \$7.10/kg, gaining \$1.19/kg month-on-month and \$1.37/kg up on 2018 levels.

Figure 2: Trends in beef tripe prices

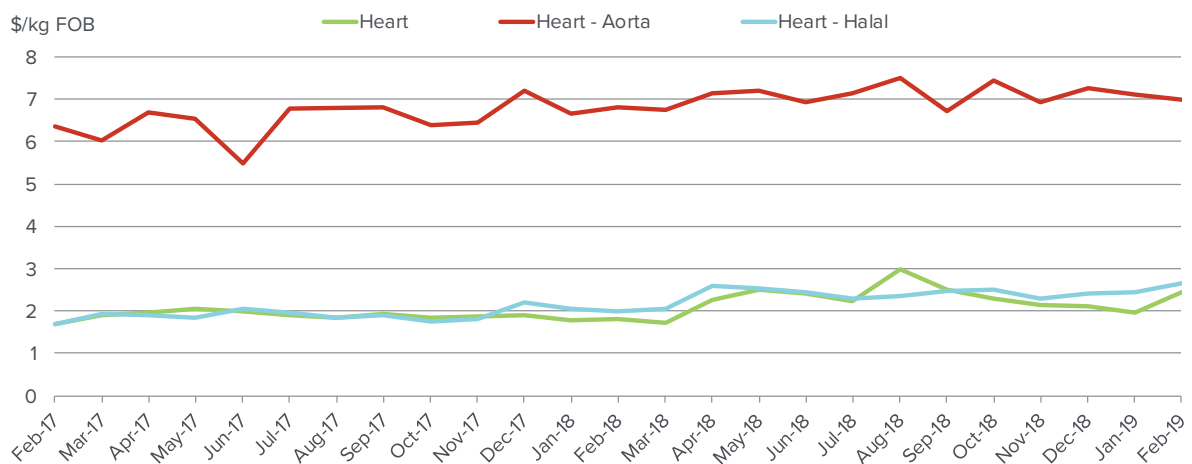


Beef offal trends continued...

Aorta averaged \$7.00/kg for the month; a decrease of 10¢/kg month-on-month, but 20¢/kg above year-ago levels.

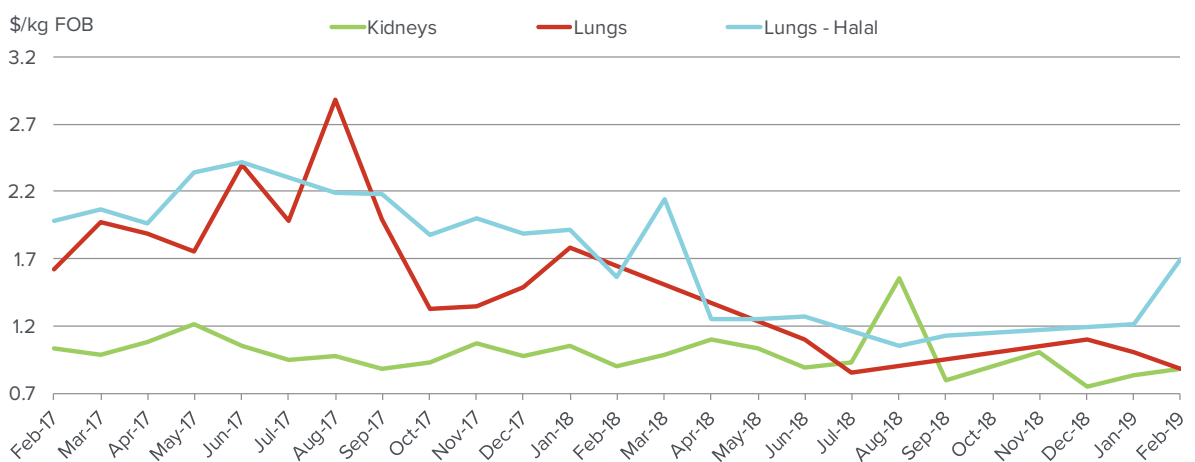
Heart prices firmed 46¢/kg on last month and 63¢/kg year-on-year to average \$2.43/kg. Halal hearts averaged \$2.65/kg, an improvement of 20¢/kg from February and 65¢/kg from last year.

Figure 3: Trends in beef offal prices



Kidneys were reported at an average of 88¢/kg, up 5¢/kg from last month, but 2¢/kg softer than year-ago levels. Non-halal lungs were reported at 88¢/kg, 12¢/kg lower than February.

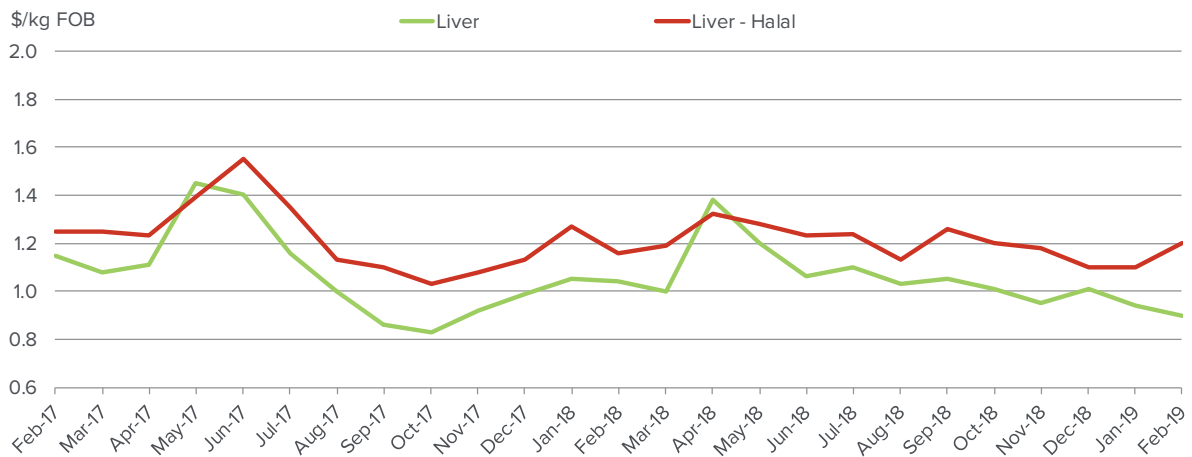
Figure 4: Trends in beef offal prices



Beef offal trends continued...

Liver prices averaged 90¢/kg, easing 4¢/kg month-on-month and 14¢/kg below last March levels. Halal livers firmed 10¢/kg from February and 4¢/kg year-on-year, averaging \$1.20/kg.

Figure 5: Trends in beef offal prices



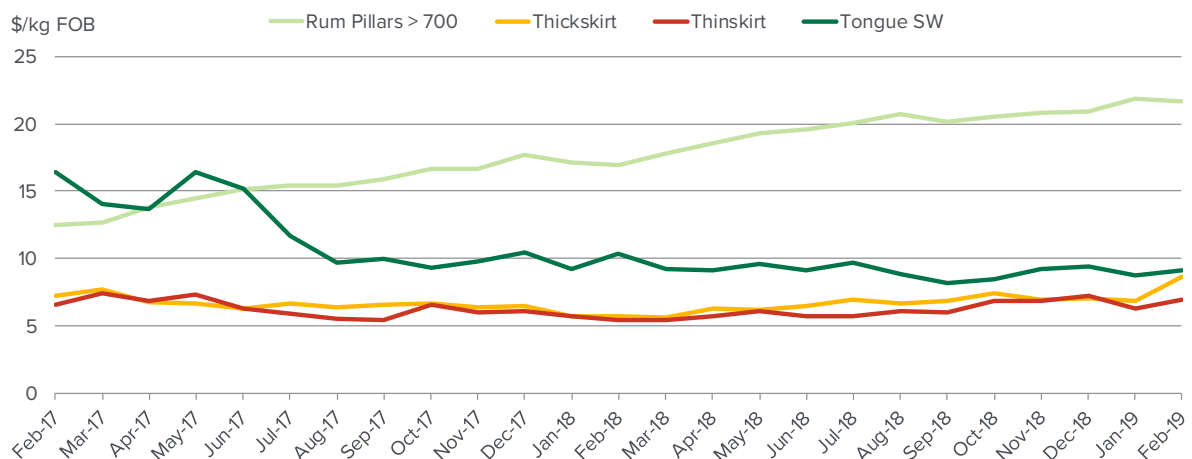
Japanese and Korean Offals

Tongue prices improved 40¢/kg month-on-month, averaging \$9.10/kg, to be \$1.25/kg below year-ago levels.

Thick skirt gained \$2.92/kg year-on-year and was \$1.84/kg firmer than February, averaging \$8.67/kg. Thin skirt firmed 65¢/kg on last month and \$1.48/kg on year-ago levels, averaging \$6.90/kg.

Rumen pillars continued their strong run, with heavy weight product averaging \$21.67/kg, down 18¢/kg month-on-month to be \$4.74/kg dearer than year-ago levels.

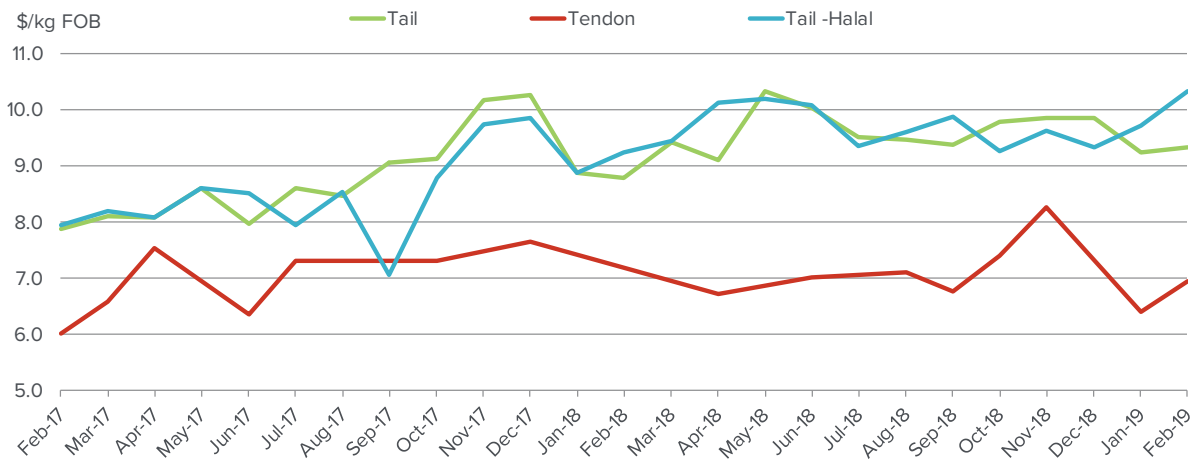
Figure 6: Trends in Japanese offal prices



Tails and Tendons

Tail prices to Korea were 10¢/kg firmer month-on-month, averaging \$9.33/kg to be 55¢/kg above last March levels. Halal tails averaged \$10.33/kg, an improvement of 62¢/kg from February and \$1.09/kg firmer year-on-year. Tendons averaged \$6.93/kg, up 53¢/kg on last month.

Figure 7: Trends in tail and tendon prices



Sheep Co-products

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

Table 2: Sheep co-product prices

	Average (Feb Data)	Range	Responses	Monthly Change	Annual Change
Heart Sheep - Halal	\$3.05		2	17.3%	22.8%
Kidneys Sheep - Halal	\$4.40		2	0.0%	78.1%
Liver Sheep - Halal	\$1.48		2	-11.5%	18.0%
Tongue LC Sheep - Halal	\$4.55		2	8.3%	13.8%
Tripe Sheep - Halal	\$3.50		2	-5.4%	-23.9%

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

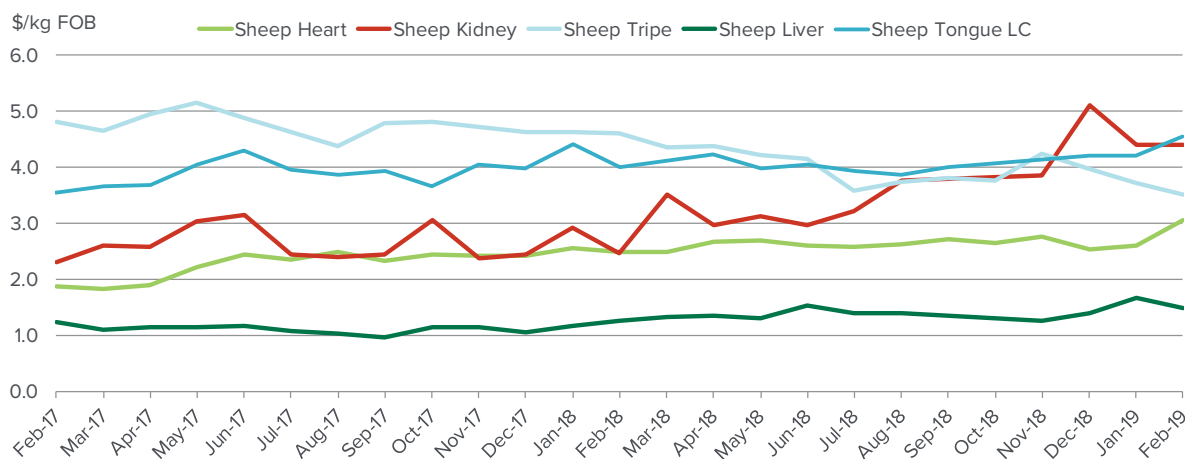
Sheep offal

Sheep hearts averaged \$3.05/kg, an increase of 45¢/kg month-on-month and 57¢/kg dearer than year-ago levels.

Kidneys remained steady from last month, averaging \$4.40/kg, to be \$1.93/kg stronger than last March.

Sheep tripe was reported 20¢/kg cheaper than last month, averaging \$3.50/kg to be \$1.10/kg below last year's prices. Long cut tongues averaged \$4.55/kg, an improvement of 35¢/kg on February and 55¢/kg firmer year-

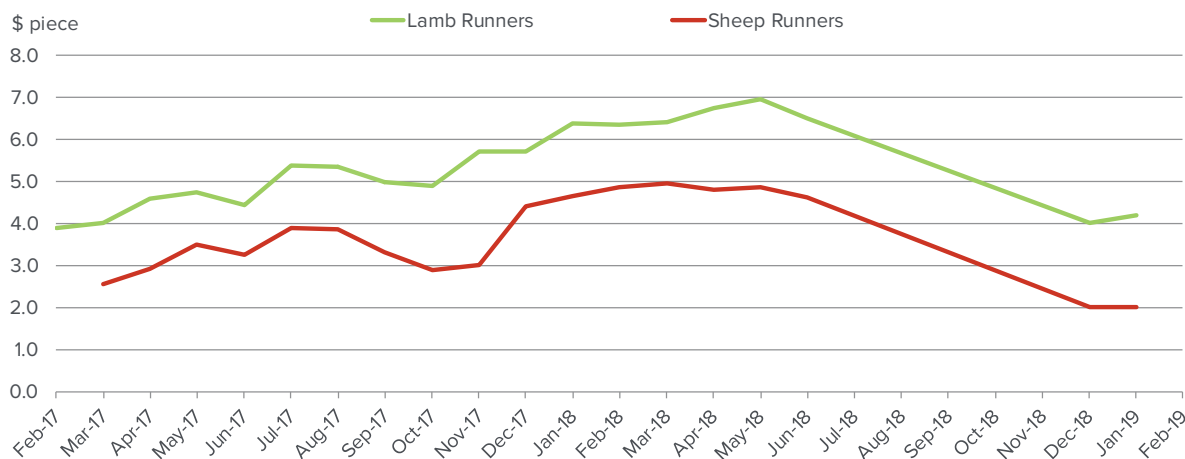
Figure 8: Trends in sheep offal prices



on-year.

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 firmer this month.

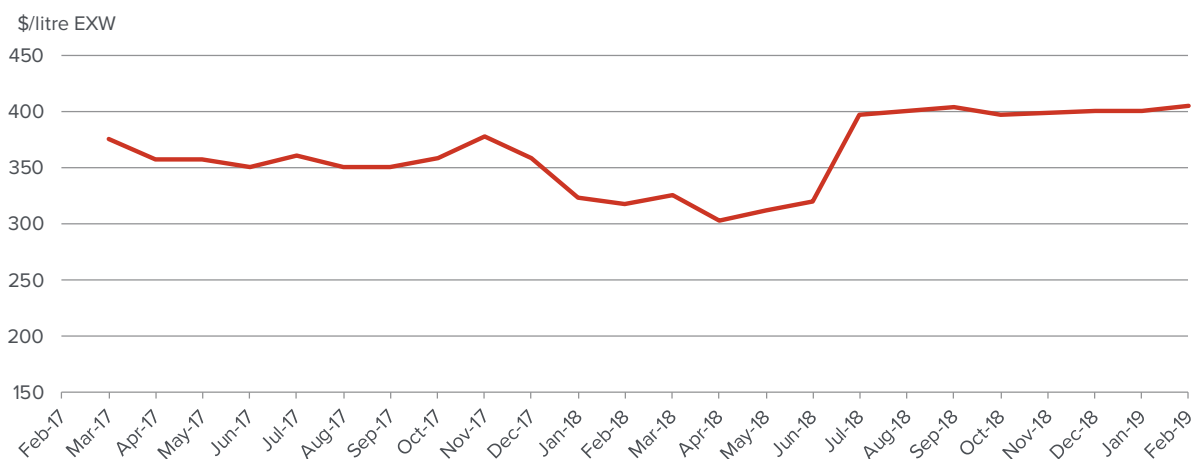
Table 3: Pharmaceutical prices

	Average (Feb Data)	Range	Responses	Monthly Change	Annual Change
Foetal Blood	\$405.00		2	1.2%	27.6%
Gall Concentrated	\$30.00		2		2.6%

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

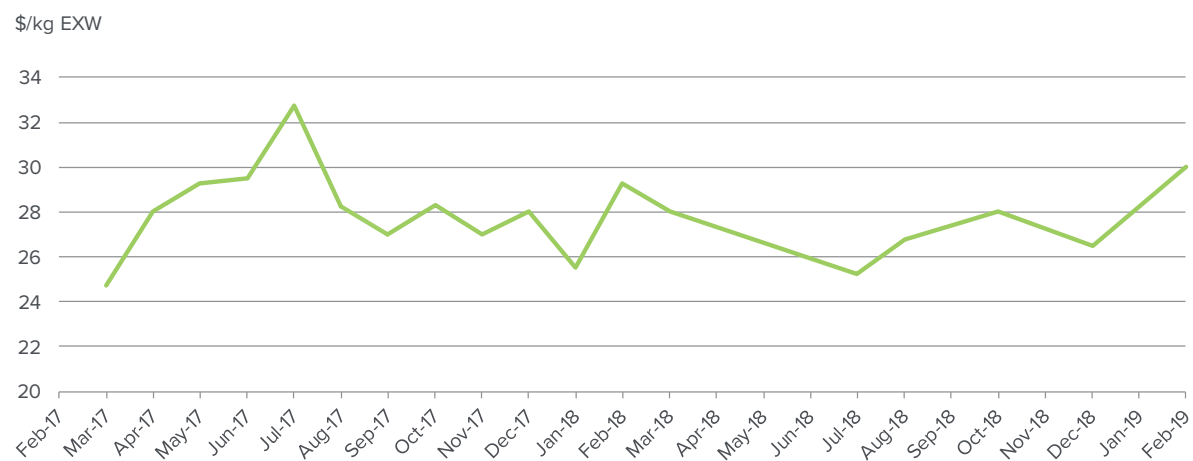
Foetal calf blood into Europe averaged \$405/litre, an increase of \$5/litre on last month and up \$87.50/litre year-on-year.

Figure 10: Trends for foetal blood prices



Concentrated gall averaged \$30.00/litre, up 75¢/litre year-on-year.

Figure 11: Trends for concentrated gall prices



Rendered products

Rendered products showed mixed returns, with meat and bone meal losing ground.

Table 4: Rendered product prices

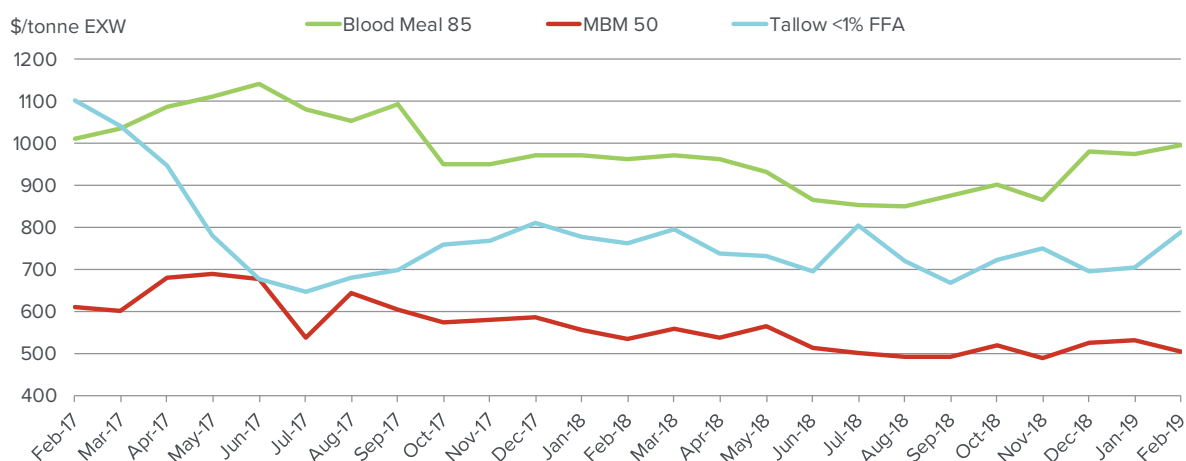
	Average (Feb Data)	Range	Responses	Monthly Change	Annual Change
Bloodmeal 85	\$995.00		2	2.3%	3.6%
MBM 50	\$505.00	\$30.00	4	-4.7%	-5.3%
Tallow Ined.<1FFA	\$790.00		2	12.1%	4.0%

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

The price for 50% protein MBM averaged \$505/tonne, \$25/tonne below last month, and \$28/tonne lower year-on-year. Blood meal averaged \$995/tonne, to be \$35/tonne up on last year's price, and \$23/tonne firmer month-on-month.

Tallow prices were buoyant, with the price for 1% FFA tallow improving \$85/tonne on last month's price to average \$790/tonne, an increase of \$30/tonne on last March's price. 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. Inventory continues to build, with no improvement in prices expected in the short term. Poor demand for leather continues to make product difficult to sell.

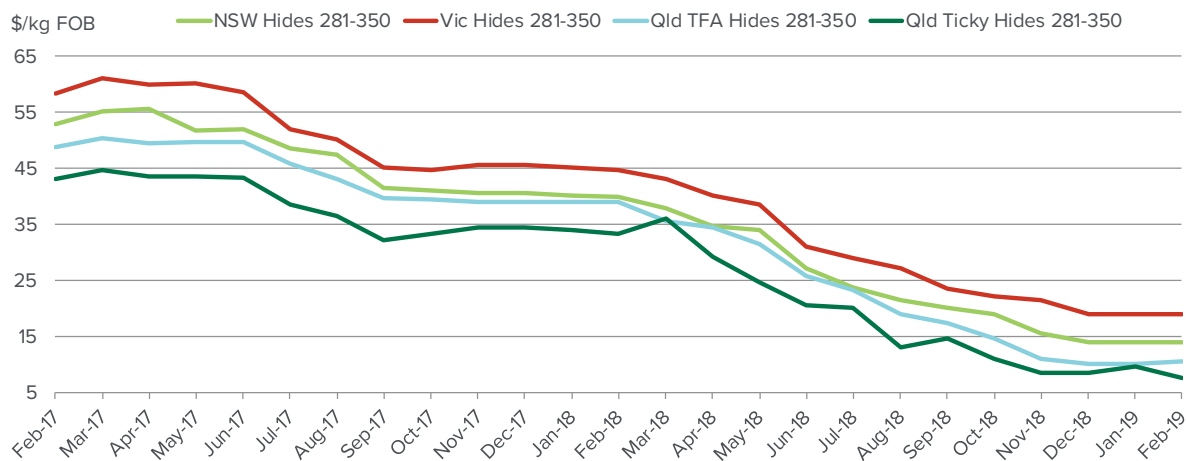
Table 5: Hide prices

	Average (Feb Data)	Range	Responses	Monthly Change	Annual Change
Hides NSW 141- 180	\$3.50		2	0.0%	-82.9%
Hides NSW 181 - 220	\$5.25		2	-4.5%	-78.4%
Hides NSW 221 - 280	\$8.75		2	-2.8%	-72.4%
Hides NSW 281 - 350	\$14.00		2	0.0%	-64.8%
Hides NSW 351 Up	\$21.50		2	0.0%	-58.0%
Hides QLD TFA 141 - 220	\$2.25		2	-47.1%	-89.7%
Hides QLD TFA 221 - 280	\$4.75		2	-13.6%	-84.2%
Hides QLD TFA 281 - 350	\$10.50		2	5.0%	-73.0%
Hides QLD TFA 351 Up	\$14.67	\$6.00	3	7.3%	-69.7%
Hides QLD Ticky 281 - 350	\$7.50		2	-21.1%	-77.5%
Hides QLD Ticky 350 Up	\$12.50		2	-10.7%	-70.2%
Hides VIC 141-180	\$7.00		2	0.0%	-70.2%
Hides VIC 181-220	\$9.75		2	-2.5%	-66.4%
Hides VIC 221 - 280	\$13.00		2	-3.7%	-64.9%
Hides VIC 281-350	\$19.00		2	0.0%	-57.3%
Hides VIC 351 Up	\$26.00		2	0.0%	-51.6%

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

Local prices for hides were steady compared to last month across the market, with a slight easing on light lower grade hides.

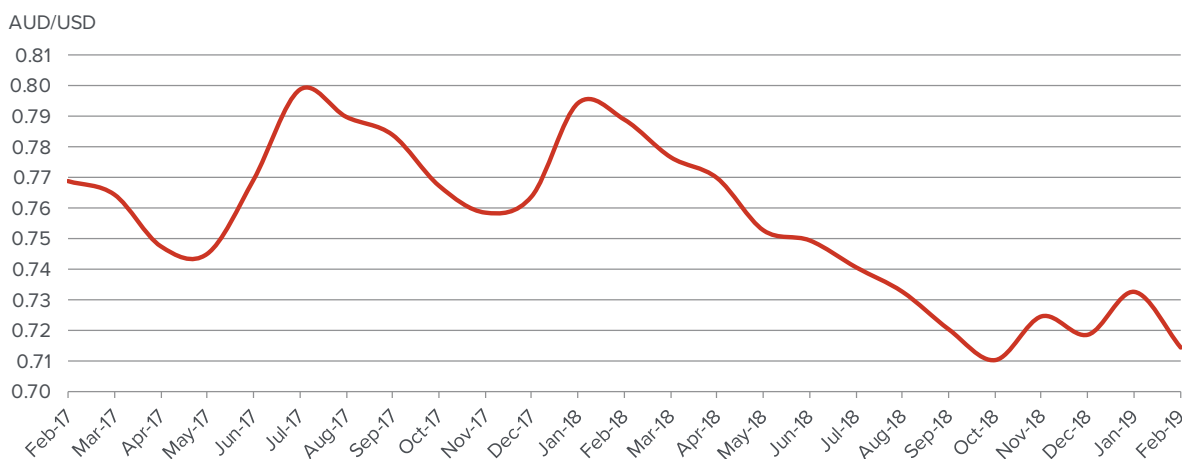
Figure 13: Trends in hide prices (East Coast Ex Works)



Currency exchange

The Australian dollar eased against the US dollar mid-February before rallying late in the month. The \$A opened the month at 72.41US¢ and closed at 71.46US¢, to average 71.44US¢ for the month, remaining even with last month's average.

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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