



Co-product market report

May 2019

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Beef Co-products

Beef offal prices were a mixed bag for the month, with the Australian dollar relatively steady across the month with the US dollar. Tripe pieces rallied along with tongues, however honeycomb tripe eased along with thick skirt.

Table 1: Beef co-product prices

	Average (Apr Data)	Range	Responses	Monthly Change	Annual Change
Beef Lips	\$3.47	\$0.95	5	3.2%	-24.6%
Beef Lips - Halal	\$3.80	\$0.55	4	-6.7%	-5.6%
Cheekmeat	\$4.67	\$2.20	3	-9.7%	-18.8%
Cheekmeat - Halal	\$4.70	\$2.30	3	-16.4%	-26.2%
Diap. Membrane	\$4.65		2	45.3%	33.8%
Hc Tripe	\$7.40	\$1.70	5	-5.9%	14.1%
Hc Tripe - Halal	\$7.63	\$2.70	4	-15.3%	4.5%
Headmeat	\$4.14	\$0.50	5	-2.6%	1.0%
Headmeat - Halal	\$4.25	\$0.80	4	-12.4%	-1.2%
Heart	\$2.44	\$0.80	5	3.8%	7.6%
Heart - Halal	\$2.46	\$0.80	4	2.6%	-5.3%
Heart - Aorta	\$7.62	\$2.40	5	9.2%	6.6%
Heart - Aorta - Halal	\$7.90	\$2.40	4	4.6%	9.0%
Kidneys	\$1.47	\$1.70	3	63.0%	33.3%
Kidneys- Halal	\$1.45	\$1.75	3	70.6%	48.7%
Ligamentum	\$1.75	\$1.40	5	-36.6%	-56.0%
Liver	\$1.00	\$0.20	5	-3.6%	-27.3%
Liver - Halal	\$1.13	\$0.40	4	-10.0%	-14.6%
Lungs	\$1.13	\$0.20	3	0.0%	3.0%
Lungs - Halal	\$1.50	\$0.90	3	-18.9%	20.0%
Omasum	\$6.66	\$1.80	5	-1.0%	0.9%
Omasum - Halal	\$6.85	\$1.80	4	0.7%	-4.4%
Rum.Pill - Halal < 500	\$11.77	\$3.00	3	-3.2%	22.4%
Rum.Pill - Halal > 500 < 700	\$22.07	\$6.10	3	-5.9%	42.8%
Rum.Pill - Halal > 700	\$23.77	\$4.90	3	-3.2%	24.4%
Rum.Pill < 500	\$11.50	\$3.00	4	-11.5%	5.5%
Rum.Pill > 500 < 700	\$19.80	\$3.70	4	-6.8%	28.2%
Rum.Pill > 700	\$22.55	\$2.80	4	-4.0%	21.6%
Tail	\$9.73	\$0.60	5	-4.0%	-3.8%
Tail - Halal	\$9.93	\$0.90	4	-4.6%	-4.6%
Tendons	\$7.12	\$1.00	3	1.3%	6.2%
Tendons - Halal	\$6.98	\$0.85	3	-2.3%	4.2%
Thickskirt	\$8.55	\$1.95	4	-16.7%	35.7%
Thickskirt - Halal	\$8.38	\$1.50	3	-8.4%	39.7%
Thinskirt	\$7.80	\$1.35	4	-11.4%	36.0%
Thinskirt - Halal	\$7.67	\$0.90	3	2.9%	40.7%
Tongue Root Fillet	\$5.38		2	2.4%	8.6%
Tongue Root Meat - Halal	\$2.85		2	-4.2%	23.9%
Tongue SW	\$10.83	\$3.50	5	9.4%	18.4%
Tongue SW - Halal	\$10.79	\$3.50	4	1.3%	18.5%
Tripe Pieces	\$3.93	\$2.25	5	18.5%	17.3%
Tripe Pieces - Halal	\$3.96	\$2.25	4	20.1%	17.1%

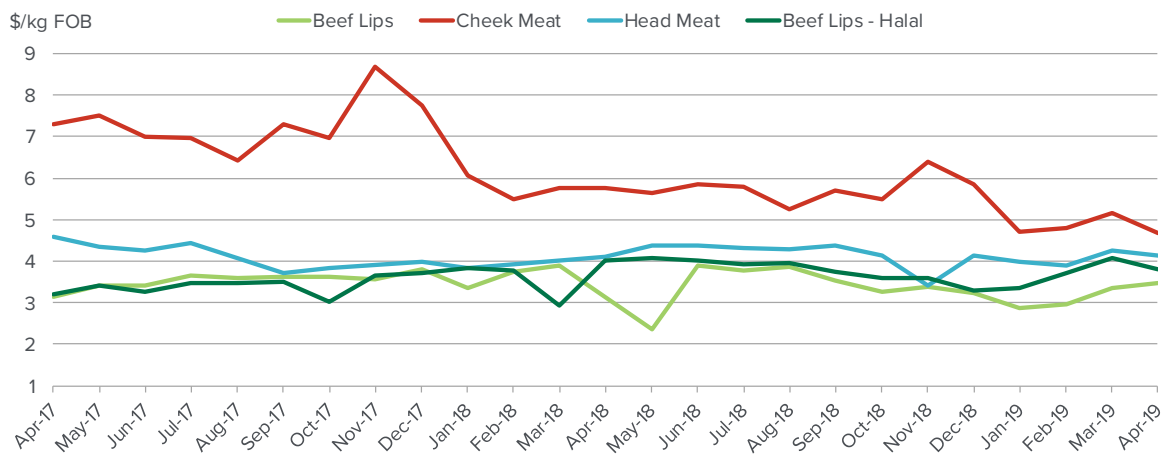
Price quoted is average price reported in \$/kg FOB Australian port.

Head offal

Prices for head offal products were varied this month. Head meat averaged \$4.14/kg, easing 4¢/kg from year-ago prices and 11¢/kg below last month. Cheek meat was \$1.08/kg cheaper than year-ago levels, averaging \$4.67/kg, easing 50¢/kg from last month.

Lip export prices to the US and Mexico rallied to improve 11¢/kg month-on-month, and remained even with year-ago levels, averaging \$3.47/kg. Halal lips were softer, falling 28¢/kg from March to average \$3.80/kg, down 23¢/kg from April 2018.

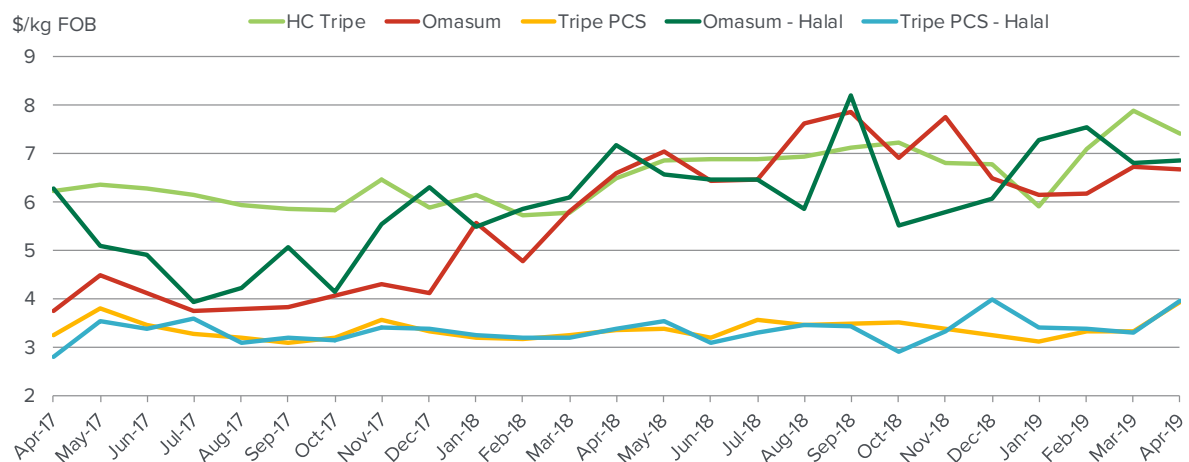
Figure 1: Trends in beef head offal prices



Beef offal trends

Omasum eased 7¢/kg from last month to average \$6.66/kg, an improvement of 6¢/kg on year-ago prices. Halal omasum improved 5¢/kg from last month to average \$6.85/kg yet remains 32¢/kg below last year prices. Halal tripe pieces were 58¢/kg higher than year-ago levels and gained 66¢/kg month-on-month to average \$3.96/kg. Non-halal product also improved over last month’s prices, averaging \$3.93/kg, and an improvement of 58¢/kg on last year. Honeycomb tripe averaged \$7.40/kg, a decrease of 47¢/kg month-on-month and 92¢/kg below April 2018 prices.

Figure 2: Trends in beef tripe prices

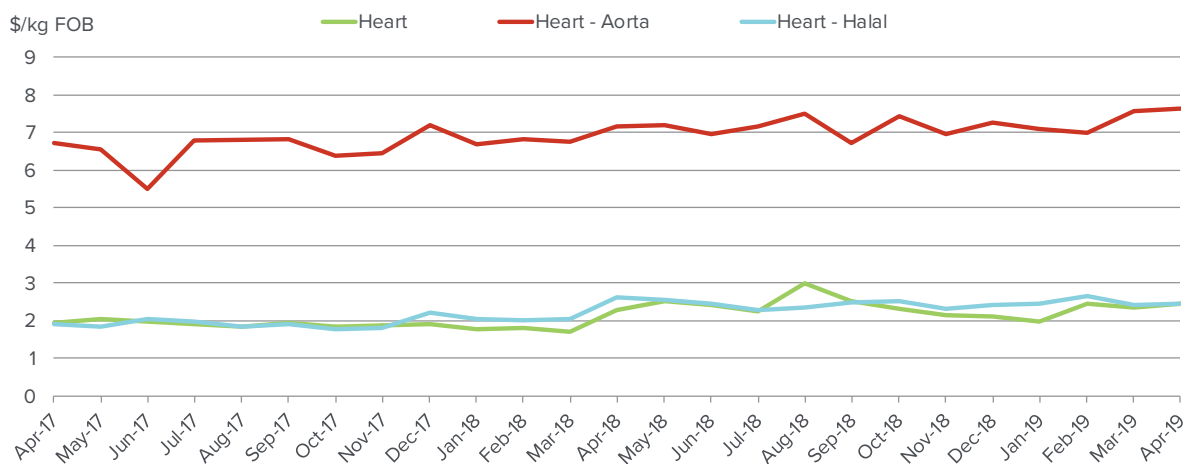


Beef offal trends continued...

Aorta averaged \$7.62/kg for the month; which was 7¢/kg firmer month-on-month and 47¢/kg above year-ago levels.

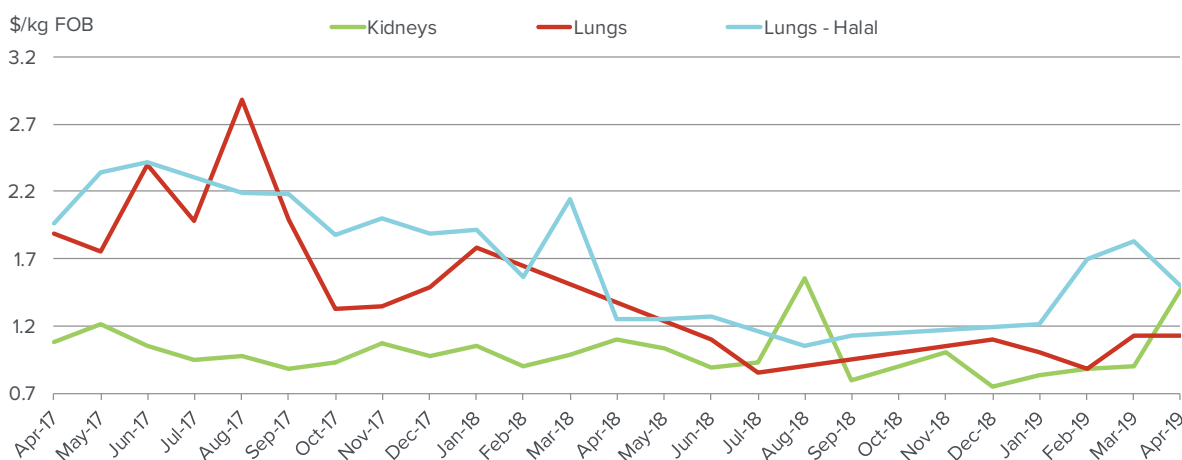
Heart prices improved 9¢/kg from last month, averaging \$2.44/kg, to be 17¢/kg stronger than year-ago levels. Halal hearts firmed 6¢/kg month-on-month but remained 14¢/kg softer year-on-year, to average \$2.46/kg.

Figure 3: Trends in beef offal prices



Kidneys were reported at an average of \$1.47/kg, improving 57¢/kg across the month, and 37¢/kg above year-ago levels. Non-halal lungs were reported at \$1.13/kg, remaining even with last month. Halal lungs averaged \$1.50/kg, easing 33¢/kg month-on-month, but improving 25¢/kg from year-ago prices.

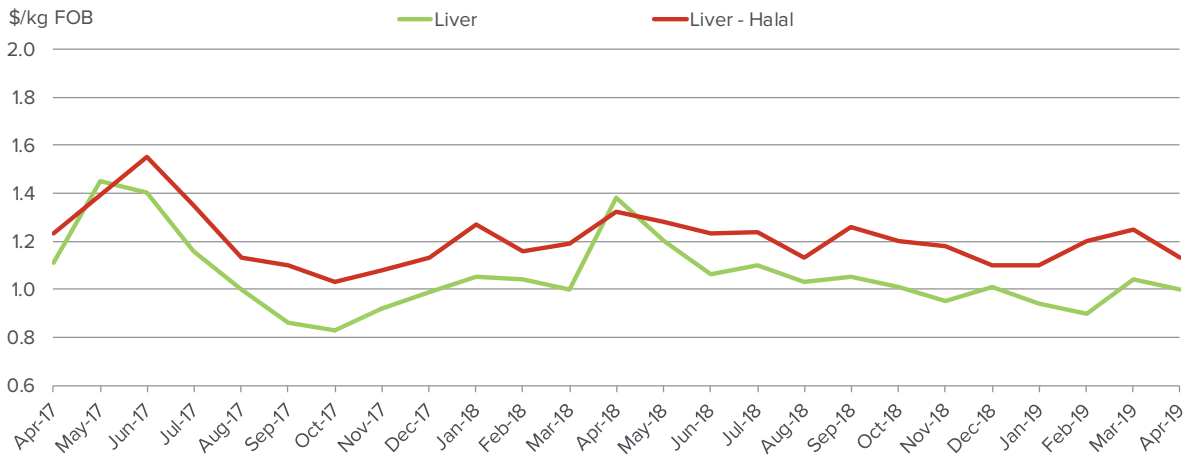
Figure 4: Trends in beef offal prices



Beef offal trends continued...

Liver prices averaged \$1.00/kg, a decrease of 4¢/kg month-on-month and 38¢/kg below year-ago levels. Halal livers eased 12¢/kg from last month's price to average \$1.13/kg, down 19¢/kg on year-ago prices.

Figure 5: Trends in beef offal prices



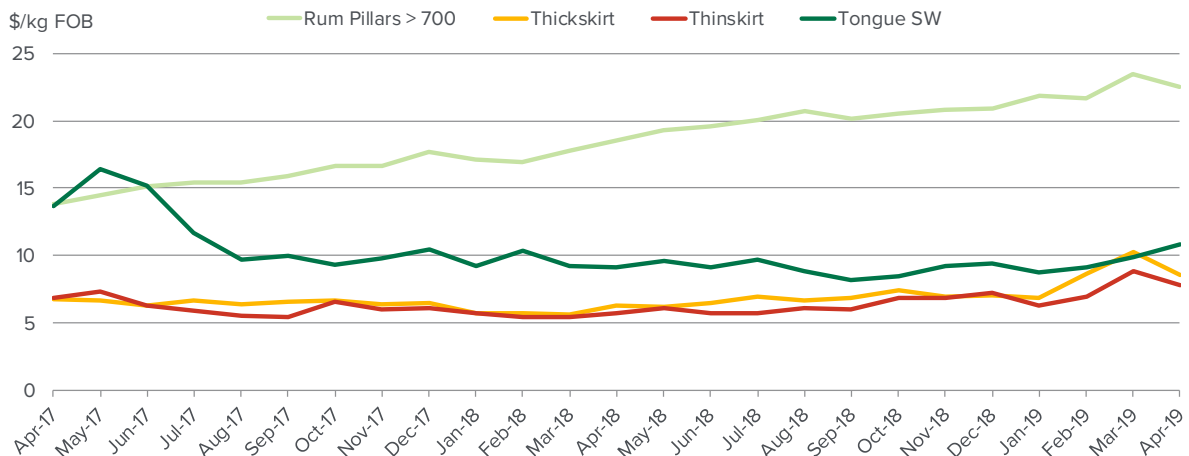
Japanese and Korean Offals

Tongue prices averaged \$10.83/kg, an increase of 95¢/kg month-on-month and \$1.68/kg above year-ago levels.

Thick skirt was \$2.25/kg higher year-on-year but \$1.71/kg softer than last month, averaging \$8.55/kg. Thin skirt prices eased \$1.00/kg month-on-month, but were still \$2.07/kg above year-ago prices averaging \$7.80/kg.

Rumen pillars continued their strong run, with heavy weight product averaging \$22.55/kg, down 95¢/kg month-on-month and \$4.00/kg dearer than April 2018 levels.

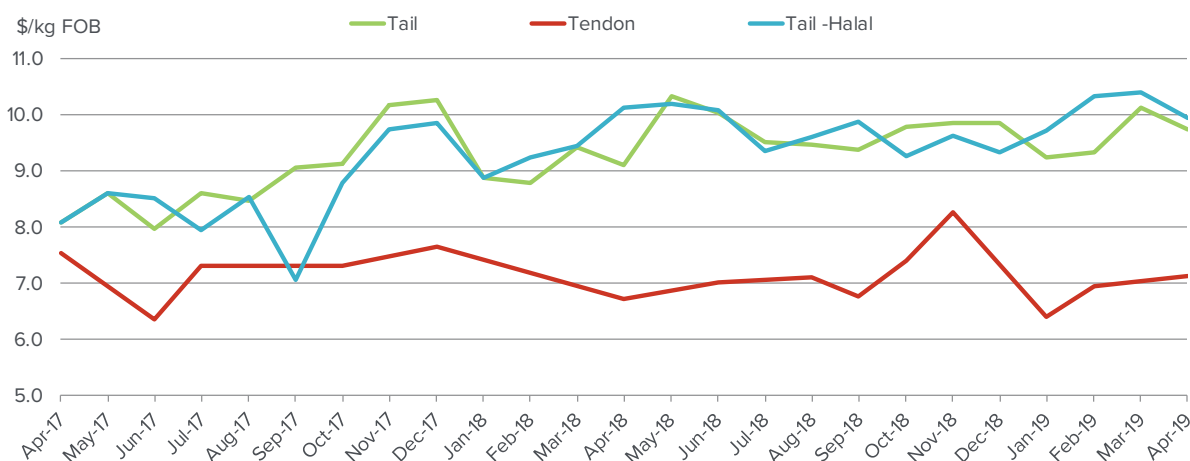
Figure 6: Trends in Japanese offal prices



Tails and Tendons

Tail prices to Korea were 40¢/kg softer month-on-month, averaging \$9.73/kg to be 63¢/kg higher than year-ago levels. Halal tails averaged \$9.93/kg, a decrease of 47¢/kg from last month and 19¢/kg below year-ago prices. Tendons averaged \$7.12/kg, an improvement of 9¢/kg month-on-month and 42¢/kg firmer year-on-year.

Figure 7: Trends in tail and tendon prices



Sheep Co-products

Sheep offal prices were poorly reported and showed mixed results, while runners were again not reported.

Table 2: Sheep co-product prices

	Average (Apr Data)	Range	Responses	Monthly Change	Annual Change
Heart Sheep - Halal	\$3.05		2	-1.6%	14.4%
Liver Sheep - Halal	\$1.50		2	8.4%	11.1%
Kidneys Sheep - Halal	\$4.68		2	13.1%	58.5%

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

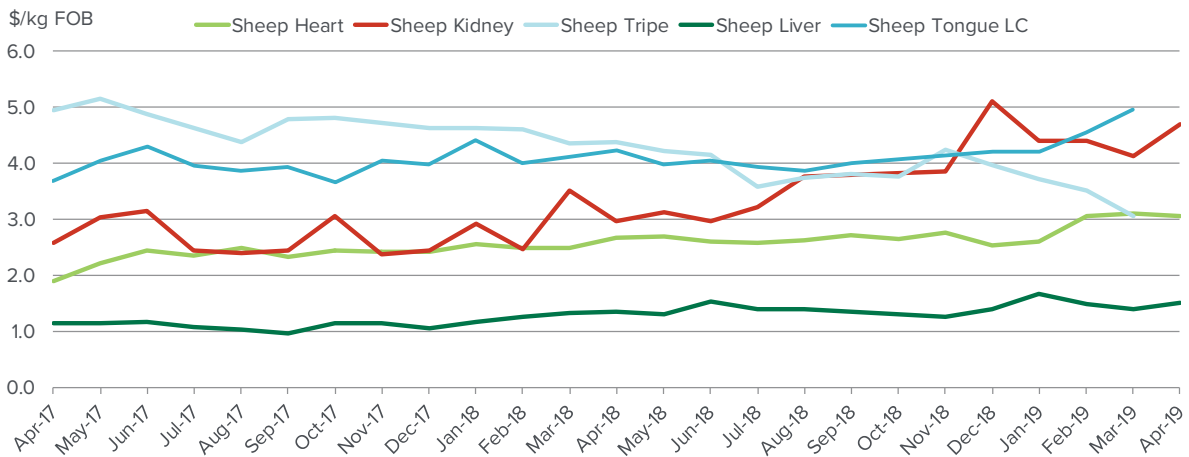
Sheep offal

Sheep hearts averaged \$3.05/kg, a decrease of 5¢/kg month-on-month but remained 38¢/kg dearer than year-ago levels. Kidney prices returned \$4.68/kg, an improvement of \$1.73/kg from year ago levels and 55¢/kg firmer than March prices.

Sheep livers were 12¢/kg firmer month-on-month to average \$1.50/kg which is 15¢/kg firmer than a year ago.

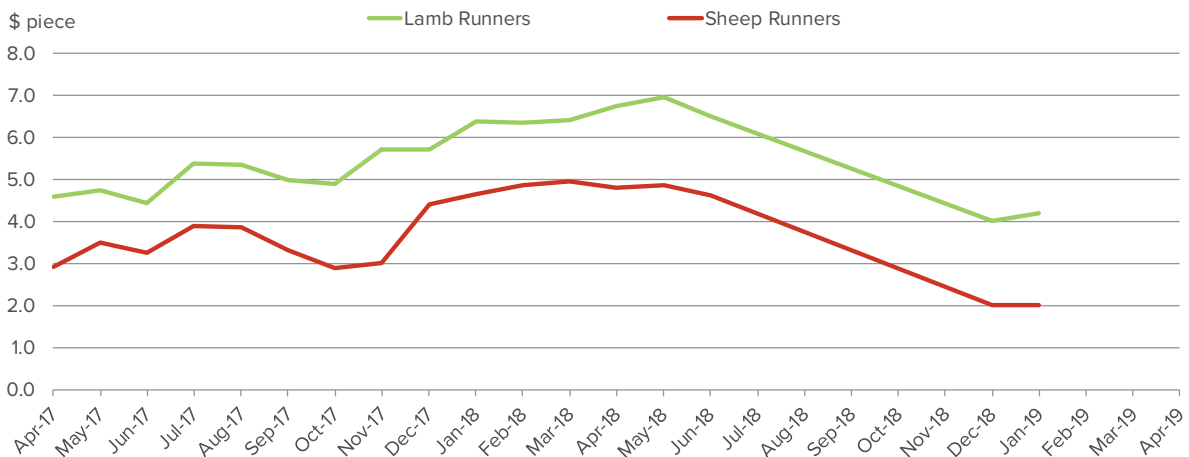
Sheep tripe was and long cut tongues were not reported.

Figure 8: Trends in sheep offal prices



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 relatively steady.

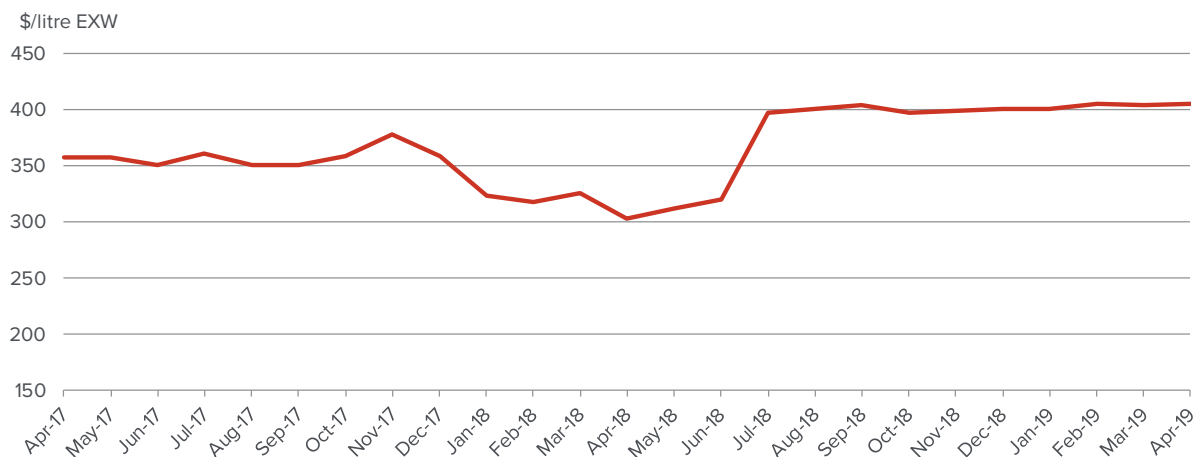
Table 3: Pharmaceutical prices

	Average (Apr Data)	Range	Responses	Monthly Change	Annual Change
Foetal Blood	\$405.00	\$20.00	4	0.3%	33.9%
Gall Concentrated	\$27.83	\$9.00	3	-4.8%	

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

Foetal calf blood into Europe firmed \$1.25/litre from last month to average \$405/litre, an increase of \$102/litre from a year ago.

Figure 10: Trends for foetal blood prices



Concentrated gall averaged \$27.83/litre, easing \$1.42/litre month-on-month.

Figure 11: Trends for concentrated gall prices



Rendered products

Rendered products were down across the board, with meat and bone meal continuing to lose ground due to the loss of a key overseas market, causing oversupply in the domestic market.

Table 4: Rendered product prices

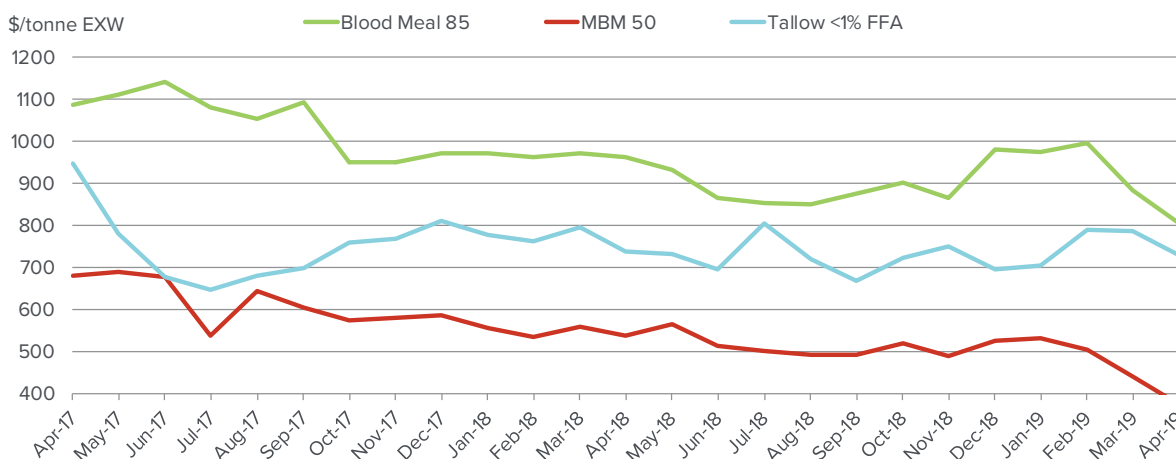
	Average (Apr Data)	Range	Responses	Monthly Change	Annual Change
Bloodmeal 85	\$803.33	\$10.00	3	-9.1%	-16.3%
MBM 50	\$373.33	\$25.00	3	-15.2%	-30.6%
Tallow Ined.<1FFA	\$726.67	\$20.00	3	-7.4%	-1.4%
Tallow Ined.<2FFA	\$715.00		2	-7.1%	
Tallow Ined.<4FFA	\$690.00		2	-5.9%	-2.8%

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

The price for 50% protein MBM averaged \$373/tonne, down \$67/tonne month-on-month, and \$165/tonne below year-ago levels. Blood meal averaged \$803/tonne, a decrease of \$157/tonne on last year’s price and \$81/tonne softer month-on-month.

Tallow prices also eased, with the price for 1% FFA tallow averaging \$727/tonne, down \$58/tonne on last month’s price and \$10/tonne below year-ago prices. 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. Poor demand for leather continues to make product difficult to sell. High inventory around the world is pitting sellers against each other to try to move product.

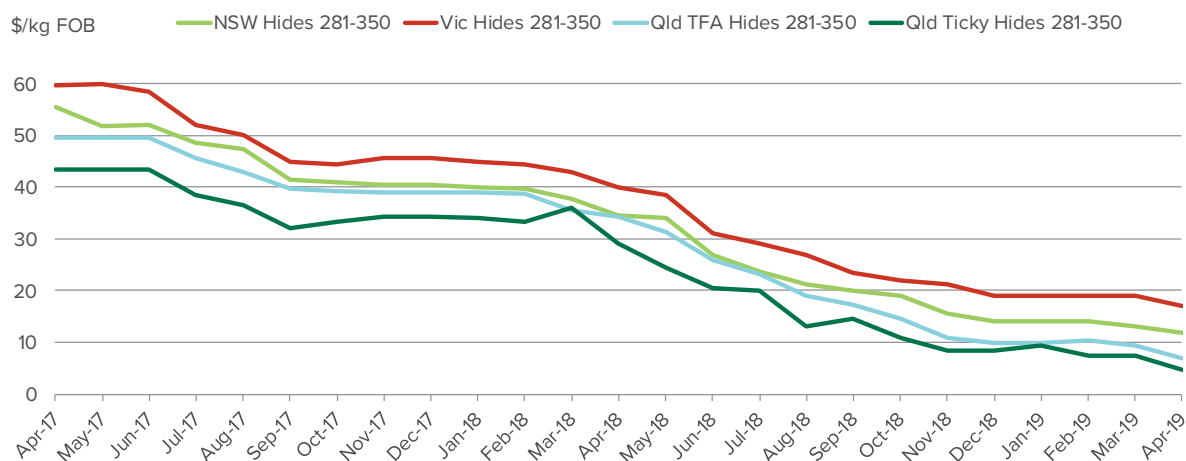
Table 5: Hide prices

	Average (Apr Data)	Range	Responses	Monthly Change	Annual Change
Hides NSW 141- 180	\$2.75		2	-15.4%	-84.3%
Hides NSW 181 - 220	\$4.50		2	0.0%	-78.8%
Hides NSW 221 - 280	\$7.25		2	-6.5%	-73.6%
Hides NSW 281 - 350	\$11.75		2	-9.6%	-65.9%
Hides NSW 351 Up	\$20.50		2	-4.7%	-54.9%
Hides QLD TFA 141 - 220	\$2.00		2	0.0%	-88.6%
Hides QLD TFA 221 - 280	\$3.25		2	-23.5%	-87.5%
Hides QLD TFA 281 - 350	\$7.00	\$3.00	3	-25.0%	-79.6%
Hides QLD TFA 351 Up	\$10.67	\$8.00	3	-23.8%	-75.0%
Hides QLD Ticky 281 - 350	\$4.75		2	-36.7%	-83.7%
Hides QLD Ticky 350 Up	\$7.00		2	-44.0%	-80.9%
Hides VIC 141-180	\$4.50		2	-25.0%	-77.5%
Hides VIC 181-220	\$8.00		2	-8.6%	-68.9%
Hides VIC 221 - 280	\$10.25		2	-14.6%	-68.0%
Hides VIC 281-350	\$17.00		2	-10.5%	-57.5%
Hides VIC 351 Up	\$23.75		2	-5.0%	-52.0%

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

Local prices for hides were softer again compared to last month across the market, with lower grade hides of no commercial value and showing processors negative returns.

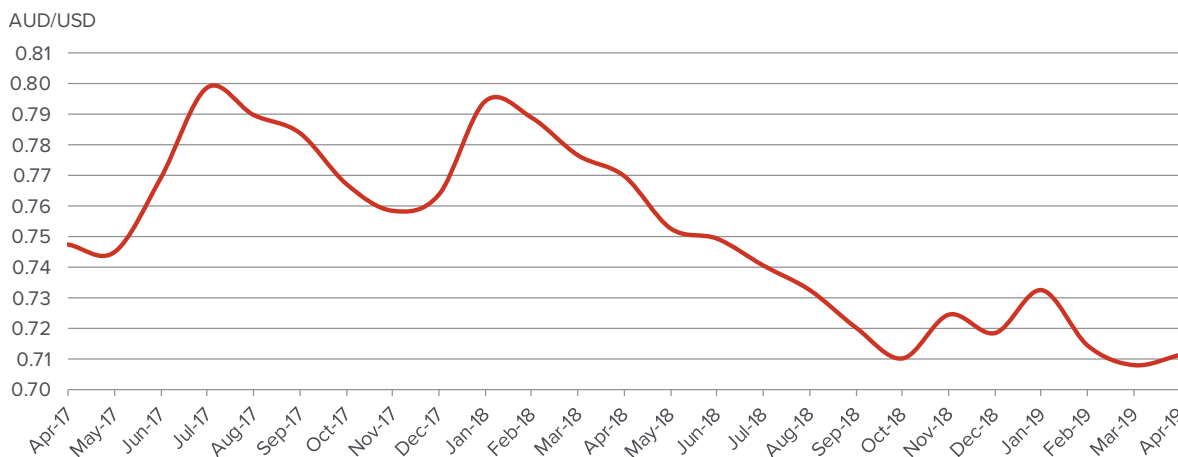
Figure 13: Trends in hide prices (East Coast Ex Works)



Currency exchange

The Australian dollar rallied against the US dollar for most of April before easing late in the month. The A\$ opened the month at 71.21US¢ and closed at 70.39US¢, to average 71.15¢ for April, a gain of 0.34US¢ month-on-month, but and down 5.83US¢ from April 2018.

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:

Please call Penny Graham on 02 9463 9137 or pgraham@mla.com.au

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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