



MLA co-product market report

October 2016

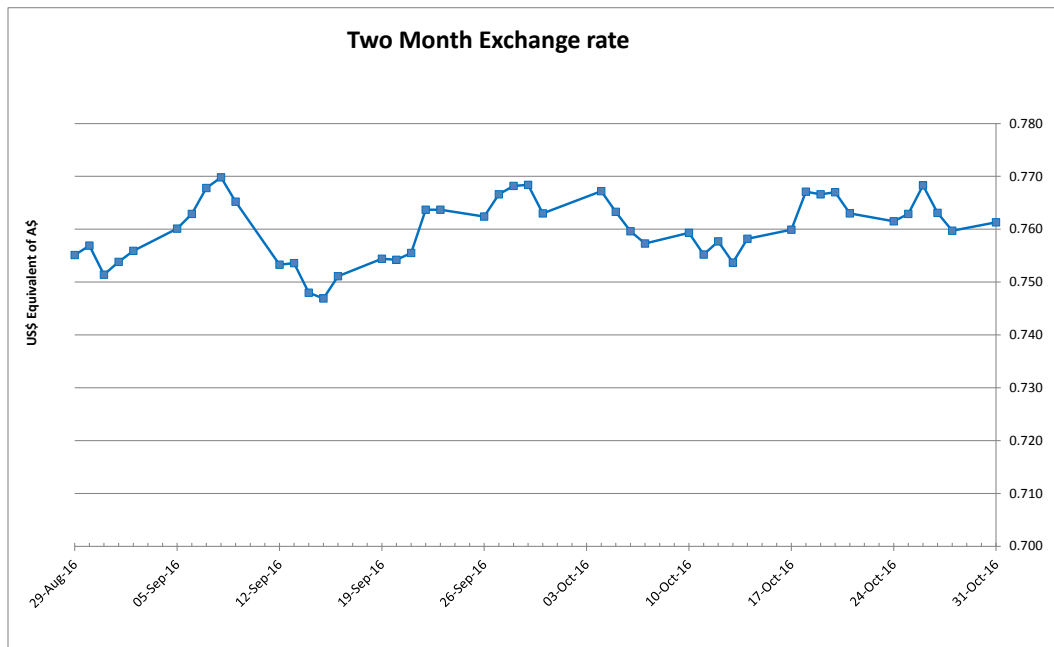
Table 1: Co-products Prices

Product	Average	Range	Responses	Monthly Change	Annual Change
Beef					
BEEF LIPS	\$2.79	\$0.60	4	6.5%	23.0%
BEEF LIPS - HALAL	\$2.52	\$0.90	3	-3.4%	-10.4%
CHEEKMEAT	\$7.19	\$2.45	4	0.2%	16.2%
CHEEKMEAT - HALAL	\$7.73	\$1.00	3	0.6%	23.4%
DIAP. MEMBRANE	\$4.31	\$1.45	5	6.3%	27.9%
HC TRIPE	\$6.34	\$1.05	4	1.4%	-2.0%
HC TRIPE - HALAL	\$6.70	\$0.90	3	6.8%	-6.3%
HEADMEAT	\$4.63	\$0.80	3	10.8%	65.5%
HEADMEAT - HALAL	\$5.07	\$2.10	3	16.0%	26.7%
HEART	\$1.70	\$0.45	4	2.0%	-2.9%
HEART - HALAL	\$1.92	\$0.45	3	5.0%	-3.6%
HEART -AORTA	\$5.73	\$1.60	3	12.8%	91.1%
HEART -AORTA - HALAL	\$6.30	\$2.89	3	0.3%	-5.3%
KIDNEYS	\$1.10	\$0.70	3	20.5%	2.3%
KIDNEYS - HALAL	\$0.99	\$0.05	4	-11.0%	-25.8%
LIGAMENTUM	\$3.83	\$3.00	5	-1.4%	5.7%
LIVER	\$1.05	\$0.25	3	-5.6%	43.2%
LIVER - HALAL	\$1.23	\$0.11	4	7.7%	-21.8%
LUNGS	\$1.63		2	-9.7%	62.5%
LUNGS - HALAL	\$1.78		2	6.5%	47.9%
OMASUM	\$4.35		2	-1.1%	-27.5%
OMASUM - HALAL	\$5.36	\$2.63	3	12.2%	-37.5%
RUM.PILL < 500	\$4.95	\$1.65	3	-1.7%	9.4%
RUM.PILL > 500 < 700	\$8.32	\$2.55	3	-2.5%	32.0%
RUM.PILL > 700	\$11.47	\$2.50	3	-3.1%	26.7%
RUM.PILL< 500 - HALAL	\$4.95		2	-9.6%	-1.0%
RUM.PILL> 500 < 700 - HALAL	\$10.38		2	2.9%	43.1%
RUM.PILL> 700 - HALAL	\$13.40		2	-1.0%	24.1%
SPLEEN - HALAL	\$1.25		2	25.0%	
TAIL	\$8.12	\$0.55	3	0.6%	-3.9%
TAIL - HALAL	\$6.25	\$8.00	4	-20.0%	-20.9%
TENDONS	\$5.75		2	-0.9%	15.0%
TENDONS - HALAL	\$6.93	\$1.50	3	6.7%	16.9%
THICKSKIRT	\$9.10	\$2.00	4	-1.4%	-6.4%
THICKSKIRT - HALAL	\$9.23	\$1.50	3	0.7%	8.2%
THINSKIRT	\$9.13	\$1.70	4	-0.8%	-3.4%
THINSKIRT - HALAL	\$9.78	\$0.60	3	2.2%	14.6%
TONGUE RT FILLET	\$5.33	\$0.40	4	-4.9%	4.4%
TONGUE RT MEAT	\$1.98		2	5.8%	55.9%
TONGUE SW	\$18.36	\$4.40	5	-7.6%	51.7%
TONGUE SW - HALAL	\$19.53	\$3.40	3	-3.3%	78.0%

Product	Average	Range	Responses	Monthly Change	Annual Change
Beef					
TRIPE PCS	\$3.13	\$0.60	3	1.1%	9.0%
TRIPE PCS - HALAL	\$3.33	\$0.20	4	10.1%	12.1%
Sheep					
HEART SHEEP - HALAL	\$1.96	\$0.50	4	9.0%	18.9%
KIDNEYS SHEEP - HALAL	\$2.00	\$0.95	4	14.9%	-17.5%
LIVER SHEEP - HALAL	\$1.05	\$0.10	3	-4.0%	-30.6%
RUNNERS LAMB	\$2.85		2	-12.3%	-40.0%
RUNNERS SHEEP	\$1.75		2	-17.6%	-43.5%
TONGUE LC SHEEP HALAL	\$3.50	\$0.80	4	2.9%	-11.9%
TRIPE SHEEP - HALAL	\$5.24	\$0.65	4	-1.9%	2.9%
Pharmecuetical					
FOETAL BLOOD	\$355.00		2	0.7%	43.4%
GALL CONCENTRATED	\$24.67	\$3.00	3	-0.7%	-1.3%
Rendered Products					
BLOODMEAL 85	\$1,015.00	\$165.00	4	-0.9%	5.8%
MBM 50	\$618.00	\$40.00	5	-4.6%	0.7%
TALLOW INED.<1FFA	\$935.00	\$100.00	4	0.9%	46.1%
TALLOW INED.<2FFA	\$918.33	\$125.00	3	2.6%	51.8%
TALLOW INED.<4FFA	\$910.00		2	2.2%	51.7%
Hides					
HIDES NSW 141- 180	\$27.00	\$13.00	3	17.4%	-12.9%
HIDES NSW 181 - 220	\$33.67	\$9.00	3	14.1%	-9.0%
HIDES NSW 221 - 280	\$40.83	\$7.00	3	7.5%	-11.2%
HIDES NSW 281 - 350	\$51.00	\$5.00	3	5.2%	-7.8%
HIDES NSW 351 UP	\$62.67	\$9.00	3	-1.3%	-4.1%
HIDES QLD TFA 141 - 220	\$27.00		2	5.9%	14.9%
HIDES QLD TFA 221 - 280	\$36.50		2	5.8%	21.7%
HIDES QLD TFA 281 - 350	\$46.00	\$10.00	3	4.9%	10.0%
HIDES QLD TFA 351 UP	\$54.50	\$15.50	3	2.8%	8.3%
HIDES QLD TICKY 281 - 350	\$39.50		2	5.3%	4.6%
HIDES QLD TICKY 350 UP	\$49.00		2	3.7%	6.5%
HIDES VIC 141-180	\$32.33	\$14.00	3	24.4%	-3.5%
HIDES VIC 181-220	\$42.33	\$20.00	3	22.7%	-4.9%
HIDES VIC 221 - 280	\$49.50	\$17.00	3	17.2%	-9.2%
HIDES VIC 281-350	\$59.50	\$12.00	3	11.2%	-8.1%
HIDES VIC 351 UP	\$74.33	\$16.00	3	9.3%	-1.5%

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 hover in the same range against US\$ during October, starting at 76.72US¢, and traded within a range of 75.37– 76.83US¢ before finishing the month at 76.53US¢ and averaging 76.16US¢.



Beef offal prices remained slightly dearer again for October, with rumen pillars remaining in demand whilst beef tongues and halal tails continued to ease. Sheep offal prices were steady, whilst sheep kidneys seemed to have found the bottom of the market and strengthened slightly. Runners remain poorly reported, a trend which has been in place for almost 12 months and is trying to be addressed. Foetal blood prices remain firm on the back of reduced supply.

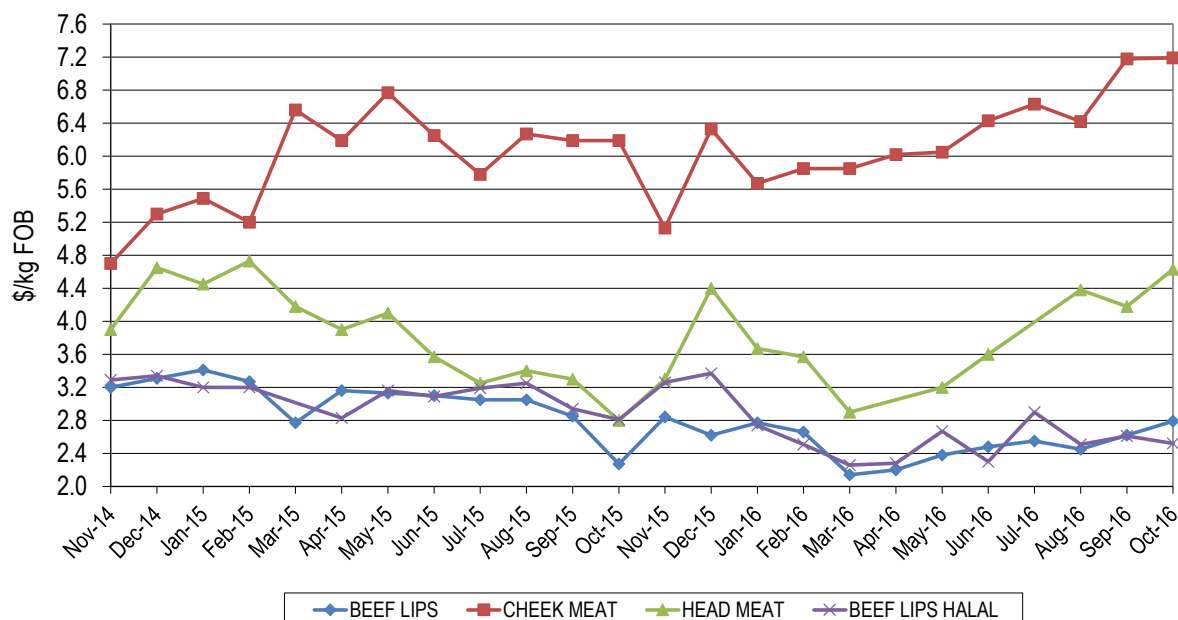
Blood meal and MBM prices were softer. Tallow prices trended dearer, assisted by lower production, stable demand from Singapore and dearer palm prices.

Hide prices remained steady to slightly higher, with poor demand for finished leather and strong supply from USA and Brazil to China, Australia's largest market. Demand for sheep skins remains uncertain due to the forced closure of many tanneries in China as a result of environmental issues.

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Head Offal Prices

Figure 1: Trends in beef head offal prices

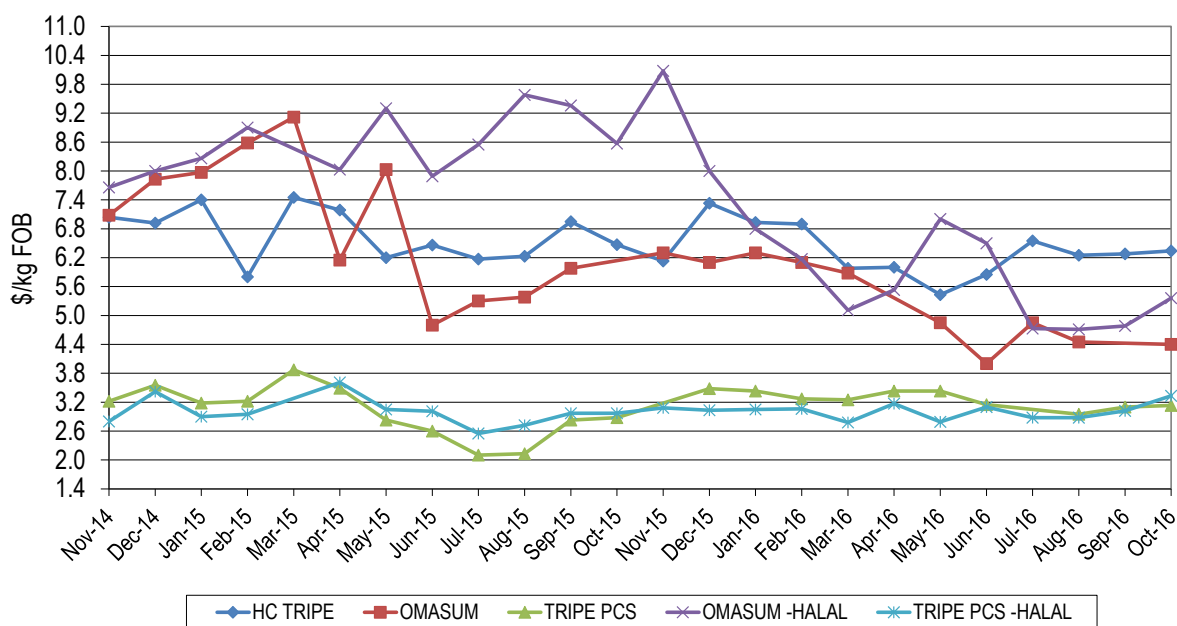


Head offal products averaged slightly higher month-on-month. Head meat averaged \$4.63/kg, up \$1.83/kg on year-ago levels and 45¢/kg higher than a month ago. Cheek meat was \$1.00/kg stronger compared to the corresponding period last year, averaging \$7.19/kg, on par with last month.

Lip export prices to the US and Mexico firmed slightly this month, averaging \$2.79/kg which is 17¢/kg higher than last month and 52¢/kg stronger than 2015. Halal lips returned \$2.52/kg, down 9¢/kg month-on-month and were 29¢/kg lower than year-ago levels.

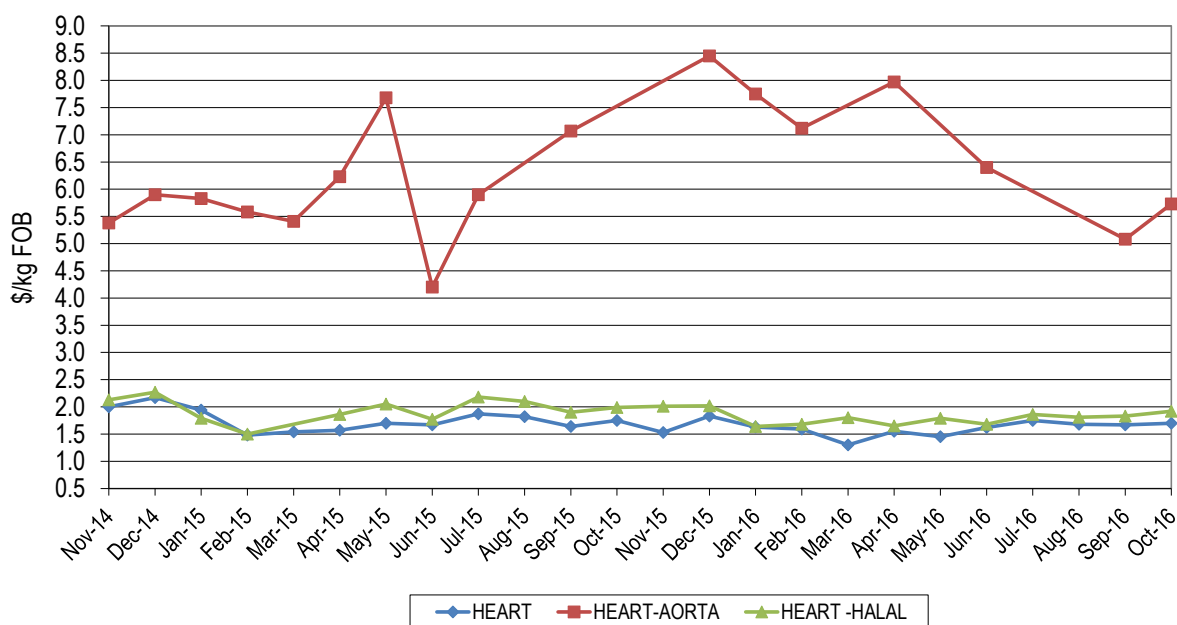
Beef Offal Trends

Figure 2: Trends in beef tripe prices



Omasum averaged \$4.40/kg for October, whilst halal omasum prices improved 58¢/kg month-on-month to average \$4.78/kg which was \$3.21/kg lower year-on-year. Non-halal tripe pieces averaged \$3.13/kg to be 25¢/kg dearer year-on-year and up 3¢/kg month-on-month. Honeycomb tripe was steady during October, averaging \$6.34/kg, up 6¢/kg month-on-month and 13¢/kg lower than the corresponding period last year. Halal tripe pieces returned \$3.33/kg, up 31¢/kg on last month and 36¢/kg higher year-on-year.

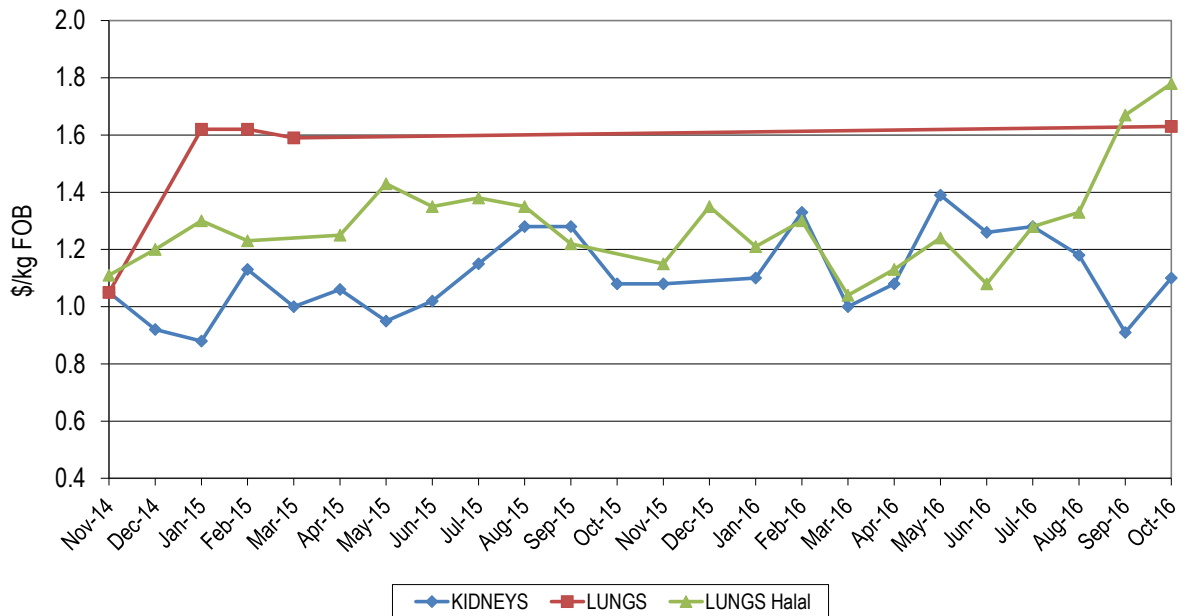
Figure 3a: Trends in beef offal prices



Aorta averaged \$5.73/kg to be 65¢/kg higher than the September average, whilst halal product continued to struggle, settling at \$5.36/kg, down 98¢/kg month-on-month.

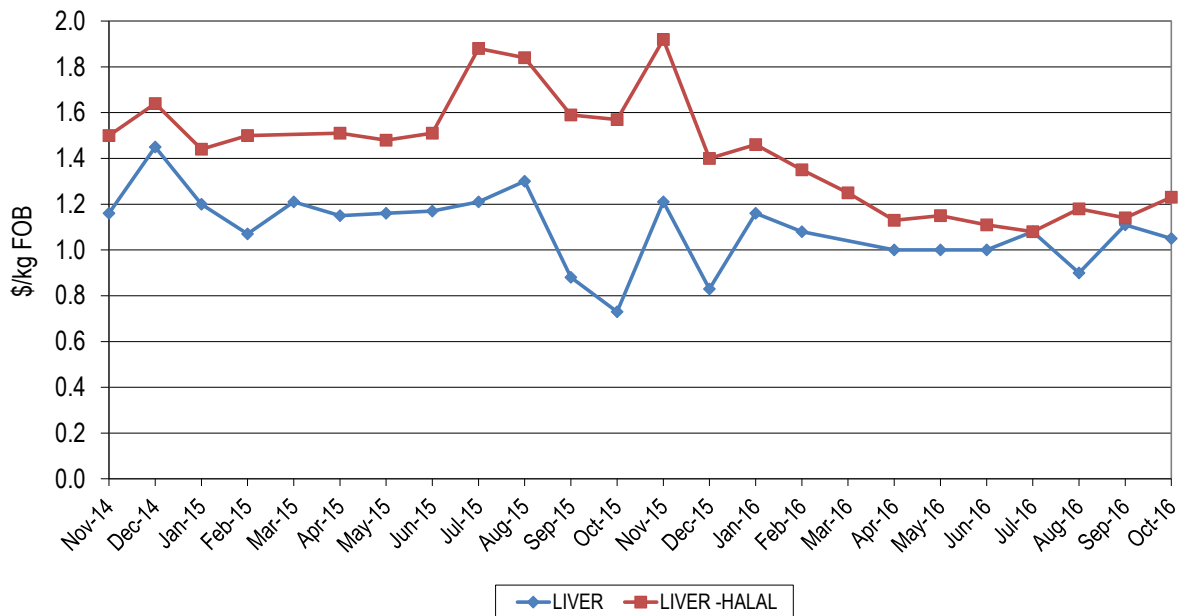
Heart prices were steady, averaging \$1.70/kg, up 3¢/kg for the month and 5¢/kg lower than October 2015. Halal hearts averaged \$1.92/kg, up 9¢/kg month-on-month however were 7¢/kg lower than year-ago levels.

Figure 3b: Trends in beef offal prices



Kidneys were reported at an average of \$1.10/kg, up 19¢/kg on last month and just 2¢/kg weaker than last year’s price. Non-halal lungs were reported for the first time for over a year at \$1.63/kg. Halal lungs averaged \$1.78/kg, up 11¢/kg on last month, and were even year-on-year.

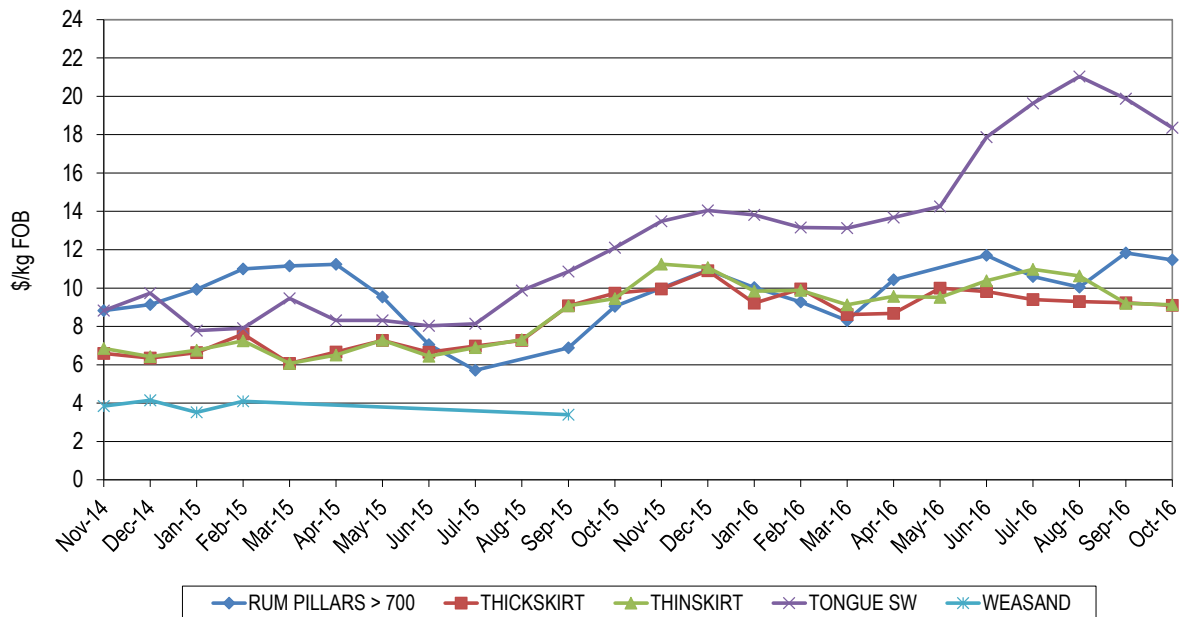
Figure 3c: Trends in beef offal prices



Non-halal liver prices averaged \$1.05/kg, easing 6¢/kg month-on-month but were 32¢/kg dearer than this time last year. Halal livers lifted 9¢/kg month-on-month, with sales averaging \$1.23/kg but were still 34¢/kg down on year ago prices.

Japanese and Korean Offals

Figure 4: Trends in Japanese offal prices



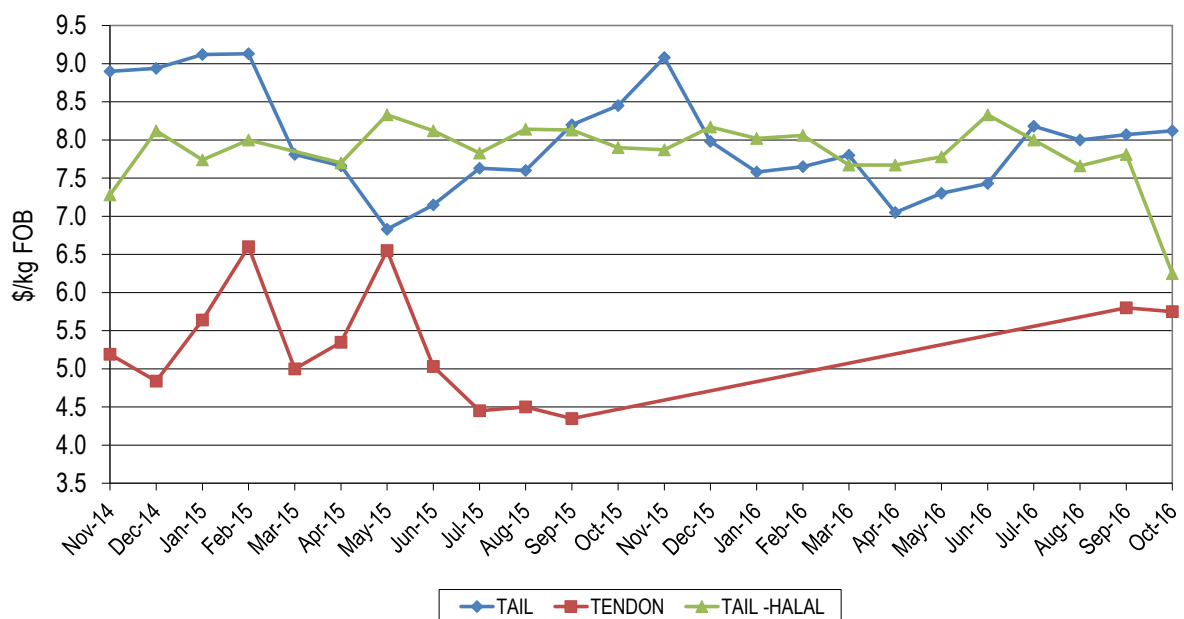
Tongue prices continued to ease, averaging \$18.36/kg, which was \$1.51/kg lower month-on-month, however remained \$6.26/kg dearer from year-ago levels.

Thick skirt was 63¢/kg softer on last year's price and down 13¢/kg month-on-month, averaging \$9.10/kg, while thin skirt prices were 32¢/kg lower than year-ago levels and 7¢/kg lower month-on-month, realizing \$9.13/kg.

Rumen pillars remained firm this month, with heavy weight product making \$11.47/kg which was 36¢/kg down month-on-month but \$2.42/kg dearer than a year ago. Halal 700gm rumen pillars returned \$13.40/kg, down 13¢/kg month-on-month. Weasand was again not reported.

Tails and Tendons

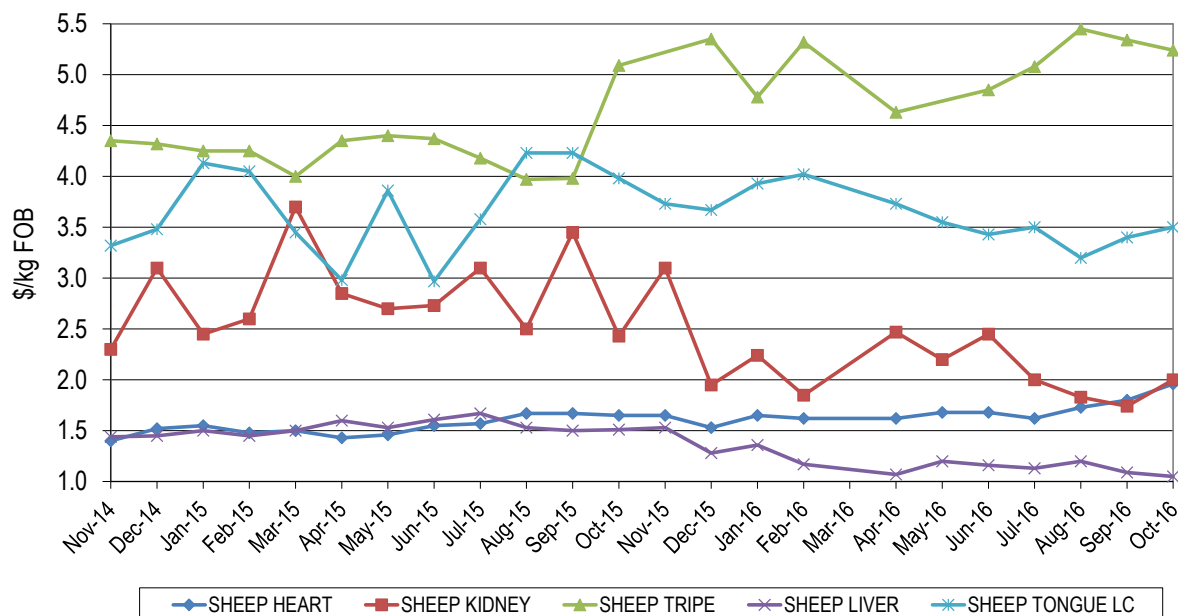
Figure 5: Trends in tail and tendon prices



Tail prices into Japan averaged \$8.12/kg, up 5¢/kg from September but 13¢/kg lower than same period last year. Halal tails were also slightly firmer this month, up 15¢/kg month-on-month but 32¢/kg lower year-on-year, on \$7.81/kg. Non-halal tendons averaged \$5.80/kg, up \$1.45/kg year-on-year however halal tendons returned an average of \$6.50/kg, which was 63¢/kg below last month.

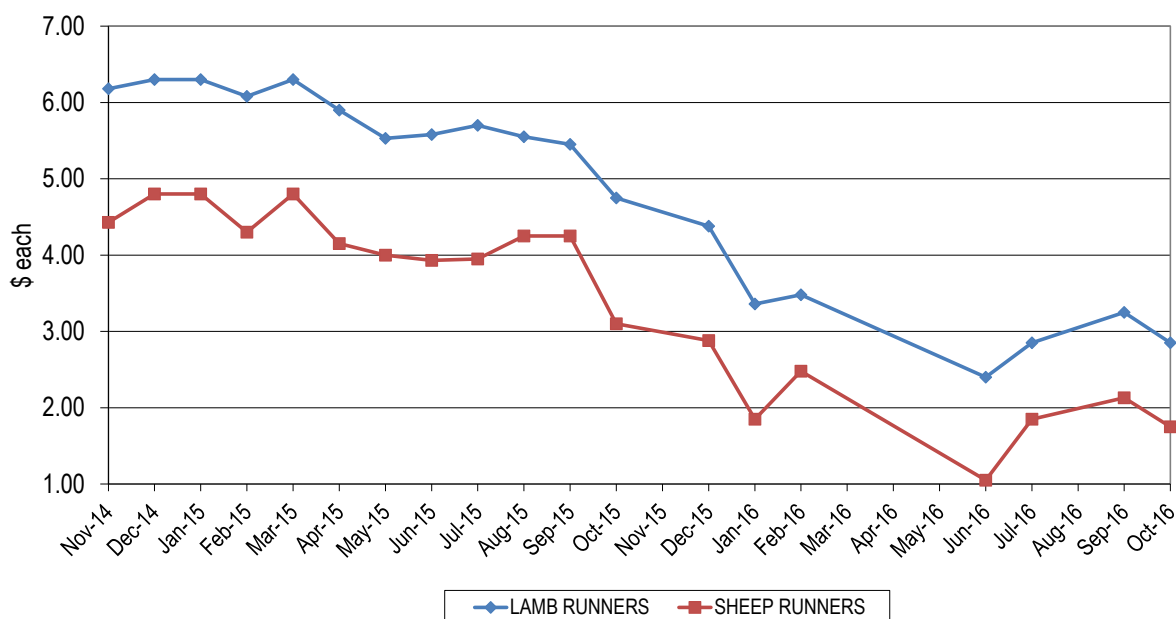
Sheep Offals

Figure 6a: Trends in sheep offal prices



Sheep offal prices remains relatively steady. Hearts averaged \$1.96/kg, up 16¢/kg from September and were 31¢/kg dearer than last year. Livers eased to \$1.05/kg, which was 4¢/kg down month-on-month and 46¢/kg lower than year-ago levels. Kidney prices rallied to return \$2.00/kg, up 26¢/kg on September prices but were back 43¢/kg year-on-year. Sheep tripe averaged \$5.24/kg, down 10¢/kg month-on-month however was 15¢/ kg dearer than year-ago levels. Sheep long cut tongue averaged \$3.50/kg, up 10¢/kg month-on-month but was 48¢/kg lower than 2015 prices.

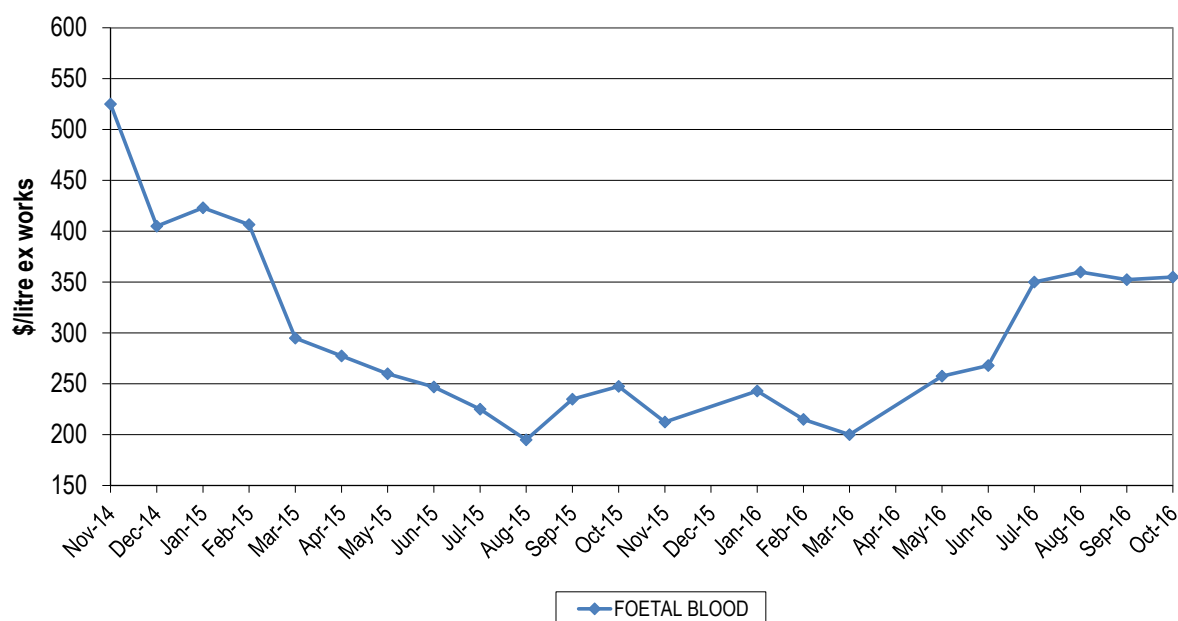
Figure 6b: Trends in runner prices



Lamb runners averaged \$2.85/piece which was down \$1.90/piece year-on-year and 40¢/piece lower on last month. Sheep runners returned an average of \$1.75/piece, down 38¢/piece month-on-month and \$1.35/piece below year-ago prices.

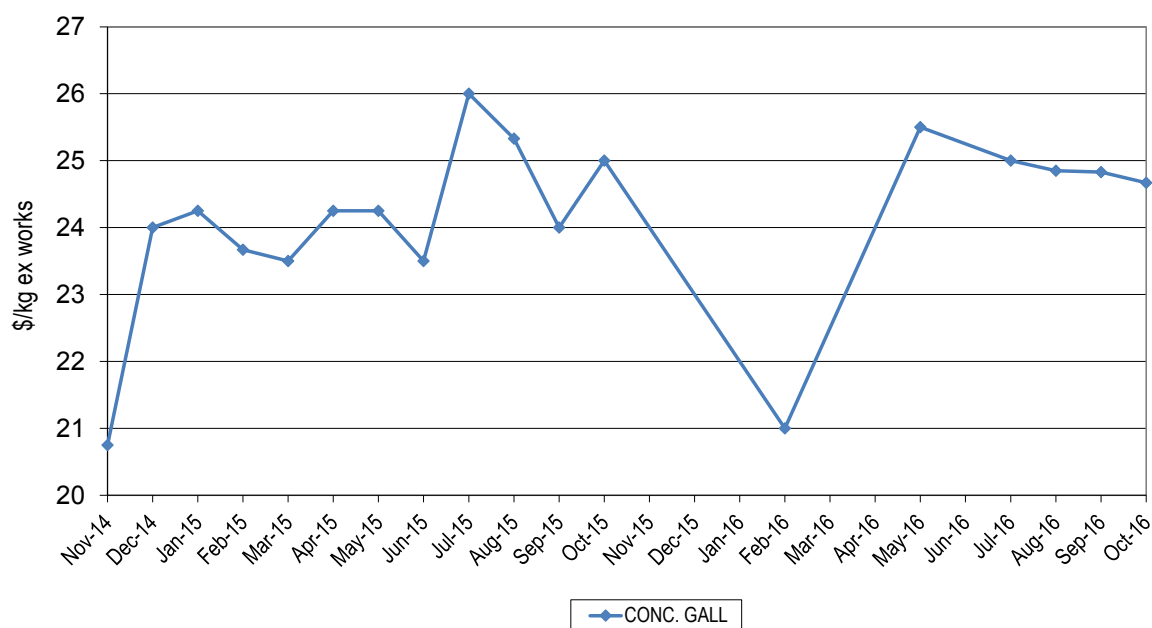
Pharmaceutical products

Figure 7a: Trends for foetal blood prices



Foetal blood averaged \$355/litre, up \$2.50/litre month-on-month and \$107.50/litre dearer than year-ago levels.

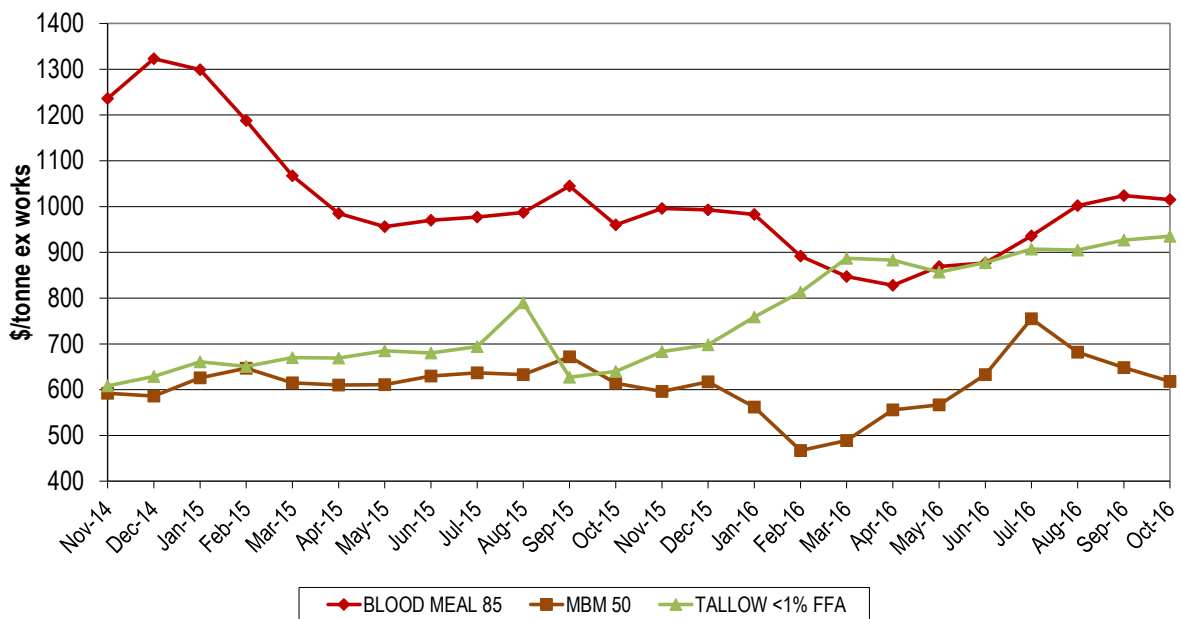
Figure 7b: Trends for concentrated gall prices



Concentrated gall averaged \$24.67/kg in October, which was 33¢/kg softer year-on-year and down 16¢/kg from September.

Rendered Products

Figure 8: Trends in rendered co-product prices

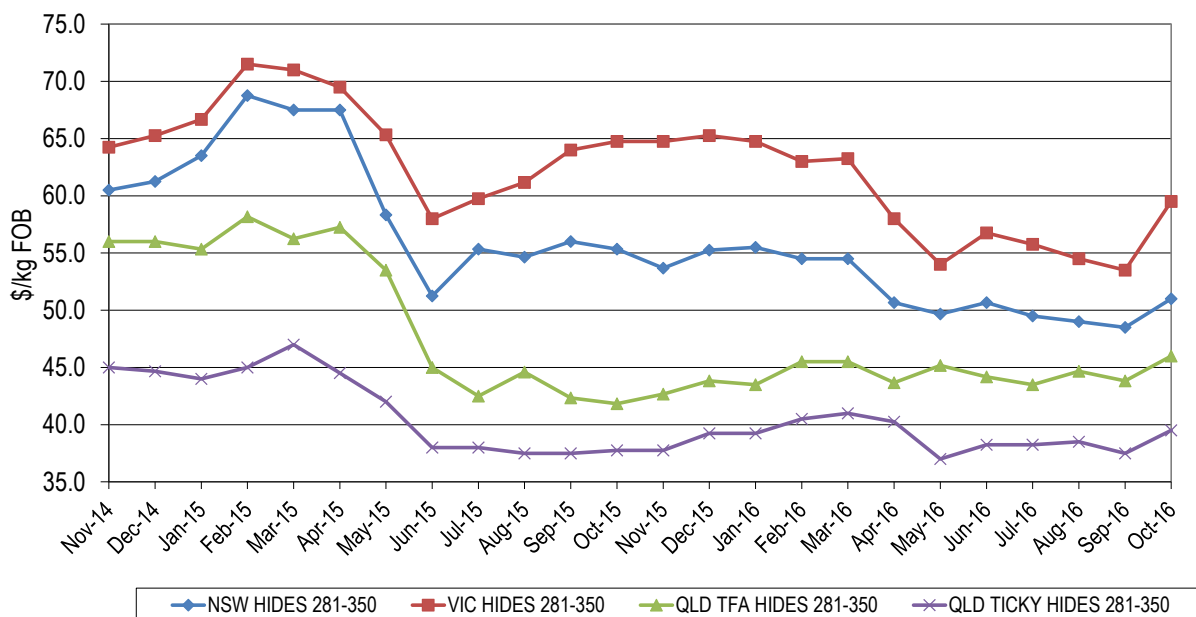


Meat and bone meal (MBM) prices continued a downward trend, falling \$30/tonne month-on-month, with the price for 50% protein averaging \$618/tonne, \$4/tonne dearer than the same time last year. Blood meal prices remained firm on the back of improved aqua demand and short supply, averaging \$1,015/tonne ex-works, which was down \$9/tonne on last month's price but \$55/tonne higher than last year. The reduced production of rendered product continues to assist rendered protein meal price.

Tallow prices strengthened again, with Singapore keeping up steady demand for bio-diesel production. The price of palm stearin continued its strong performance, also assisting the tallow market. Prices for 1% FFA tallow averaged \$935/tonne, up \$8/tonne on last month and \$295/tonne higher year-on-year.

Hides

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



Local prices for hides lifted slightly as overseas markets showed some consistency despite the strong supply from USA, with demand for the quality end whilst lower grades remain difficult to sell. With the increase in local slaughter numbers, green prices may ease slightly.

Beef and veal offal exports (tonnes swt)					
Destination	Oct-15	Sep-16	Oct-16	Monthly change	Annual change
INDONESIA	153	2,086	2,175	4%	1320%
SOUTH KOREA	1,821	1,901	1,923	1%	6%
JAPAN	2,458	2,299	1,725	-25%	-30%
HONG KONG	2,072	1,241	1,166	-6%	-44%
SOUTH AFRICA	1,051	1,026	1,001	-2%	-5%
MIDDLE EAST	1,363	617	721	17%	-47%
THAILAND	602	518	488	-6%	-19%
MALAYSIA	352	453	460	1%	31%
TAIWAN	153	306	292	-5%	91%
OTHER	3,404	1,317	1,133	-14%	-67%
TOTAL	13,428	11,765	11,083	-6%	-17%
Offal cut	Oct-15	Sep-16	Oct-16	Monthly change	Annual change
TRIPE	3,163	2,266	2,389	5%	-24%
LIVER	2,228	1,822	1,721	-6%	-23%
SKIRT	1,352	1,219	963	-21%	-29%
MANUFACTURING	781	843	920	9%	18%
TONGUES	1,102	998	863	-14%	-22%
HEART	955	1,033	814	-21%	-15%
INTESTINES	543	547	527	-4%	-3%
TAIL	724	614	487	-21%	-33%
LIPS	353	320	464	45%	31%
CHEEK MEAT	593	543	421	-23%	-29%
TENDON	531	432	412	-5%	-22%
LUNGS	277	284	345	22%	25%
HEAD	296	299	276	-8%	-7%
KIDNEY	325	338	239	-29%	-26%
SPLEEN	197	203	236	16%	20%
OTHER	6	4	5	13%	-26%
TOTAL	13,428	11,765	11,083	-6%	-17%

Destination	Offal cut	Oct-15	Oct-16	Annual change
Indonesia	MANUFACTURING	14	634	4367%
	HEART	0	430	-
	LIPS	0	310	-
	OTHER	139	801	476%
Korea	TRIPE	344	462	34%
	SKIRT	432	377	-13%
	CHEEK MEAT	451	344	-24%
	OTHER	594	740	25%

Source: DAWR

Destination	Offal cut	Oct-15	Oct-16	Annual change
Japan	TONGUES	848	623	-27%
	SKIRT	767	527	-31%
	INTESTINES	292	264	-10%
	OTHER	551	311	-43%
Hong Kong	TRIPE	1,928	1,125	-42%
	OTHER	144	41	-71%

Mutton, lamb and goat offal exports (tonnes swt)

Destination	Oct-15	Sep-16	Oct-16	Monthly change	Annual change
HONG KONG	1,047	823	901	9%	-14%
SAUDI ARABIA	892	727	670	-8%	-25%
PAPUA NEW GUINEA	265	211	364	72%	37%
CHINA	42	115	101	-12%	142%
UAE	77	120	92	-23%	19%
JORDAN	74	31	90	187%	22%
SRI LANKA	25	38	79	109%	217%
OTHER	587	569	405	-29%	-31%
TOTAL	3,009	2,634	2,702	3%	-10%
Offal cut	Oct-15	Sep-16	Oct-16	Monthly change	Annual change
TRIPE	1,190	941	1,064	13%	-11%
LIVER	1,133	951	873	-8%	-23%
HEART	364	310	339	10%	-7%
KIDNEY	88	193	159	-18%	79%
TONGUES	114	138	136	-1%	20%
HEAD	32	47	46	-1%	45%
OTHER	87	54	84	56%	-3%
TOTAL	3,009	2,634	2,702	3%	-10%

Destination	Offal cut	Oct-15	Oct-16	Annual change
HONG KONG	TRIPE	1,045	899	-14%
	OTHER	1.5	2	9%
SAUDI ARABIA	LIVER	841	613	-27%
	OTHER	51	57	12%

Source: DAWR

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