



Co-product market report

September 2019

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Beef Co-products

Beef offal prices were generally mixed across the products, with even gains and losses. Aorta and hearts rallied along with tails, however rumen pillars eased considerably.

Table 1: Beef co-product prices

	Average (Aug Data)	Range	Responses	Monthly Change	Annual Change
Beef Lips	\$3.33	\$1.10	3	-3.7%	-14.0%
Beef Lips - Halal	\$3.73	\$0.60	4	0.2%	-6.1%
Cheekmeat	\$5.80	\$1.70	4	-7.4%	10.5%
Cheekmeat - Halal	\$6.67	\$4.50	3	5.3%	17.6%
Diap. Membrane	\$3.05		2		-14.5%
Hc Tripe	\$7.03	\$4.00	4	-2.9%	1.4%
Hc Tripe - Halal	\$7.10		2	3.6%	18.3%
Headmeat	\$4.40	\$1.20	3	-4.3%	2.9%
Headmeat - Halal	\$4.50		2	-3.2%	4.7%
Heart	\$2.35	\$0.30	4	11.2%	-21.7%
Heart - Halal	\$2.30	\$0.70	3	2.2%	-1.6%
Heart - Aorta	\$8.45		2	6.3%	12.7%
Kidneys	\$0.90		2		-41.9%
Ligamentum	\$1.76	\$1.90	4	1.4%	-60.8%
Liver	\$1.25	\$0.45	3	1.0%	22.0%
Liver - Halal	\$1.34	\$0.75	4	-5.6%	18.9%
Lungs	\$1.35	\$0.75	3	1.3%	58.8%
Lungs - Halal	\$1.57	\$0.70	3	0.0%	49.2%
Omasum	\$6.75	\$3.75	3	-7.1%	-11.3%
Omasum - Halal	\$7.75		2	-3.1%	32.5%
Rum.Pill < 500	\$10.80	\$3.60	3	1.9%	5.0%
Rum.Pill > 500 < 700	\$15.47	\$4.00	3	-26.0%	-10.5%
Rum.Pill > 700	\$18.67	\$4.00	3	-20.2%	-9.9%
Tail	\$10.17	\$0.50	3	1.7%	7.4%
Tail - Halal	\$9.70	\$2.80	4	-10.6%	1.0%
Tendons	\$6.23	\$0.50	3	-0.3%	-12.2%
Tendons - Halal	\$6.40		2	2.4%	
Thickskirt	\$9.27	\$1.30	3	-7.3%	38.9%
Thinskirt	\$9.10	\$0.80	3	-4.7%	50.2%
Tongue Root Meat	\$3.33		2	11.8%	38.5%
Tongue Root Meat - Halal	\$2.93		2	-1.7%	27.2%
Tongue SW	\$11.25	\$3.00	4	-0.9%	27.8%
Tongue SW - Halal	\$10.10	\$3.30	3	-2.9%	33.8%
Tripe Pieces	\$3.02	\$0.05	3	-12.6%	-12.4%
Tripe Pieces - Halal	\$3.53	\$1.50	3	6.3%	7.1%

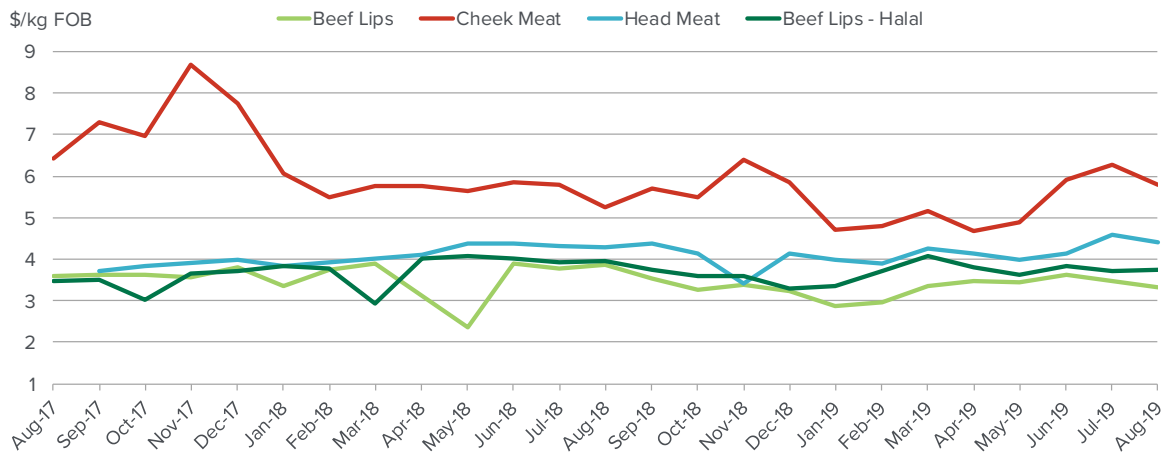
Price quoted is average price reported in \$/kg FOB Australian port.

Head offal

Prices for head offal products eased across the board this month. Head meat averaged \$4.40/kg, up 12¢/kg from year-ago prices but 20¢/kg below last month. Cheek meat was 55¢/kg dearer than year-ago levels, averaging \$5.80/kg, which was 47¢/kg down from last month.

Lip export prices to the US and Mexico eased 13¢/kg month-on-month, to average \$3.33/kg. Halal lips averaged \$3.73/kg, up 1¢/kg from last month and down 24¢/kg from August 2018.

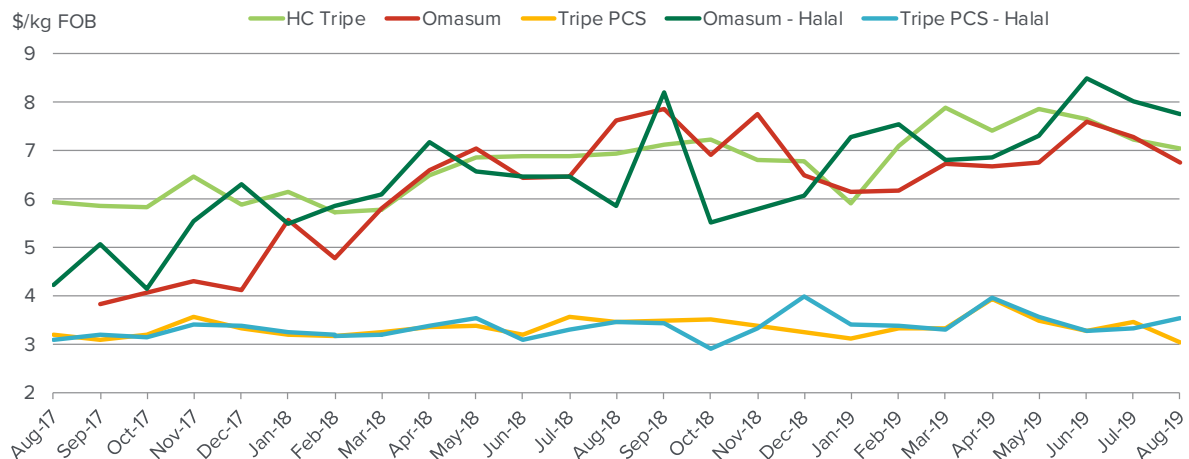
Figure 1: Trends in beef head offal prices



Beef offal trends

Omasum eased 52¢/kg from last month, to average \$6.75/kg, up 86¢/kg from year-ago prices. Halal omasum averaged \$7.75/kg, back 25¢/kg from last month but \$1.90/kg stronger year-on-year. Halal tripe pieces firmed 20¢/kg from July to average \$3.53/kg, up 9¢/kg from last year’s levels. Non-halal product declined 43¢/kg from last month’s prices, averaging \$3.02/kg, to be back 42¢/kg on last year. Honeycomb tripe eased to average \$7.03/kg, a decrease of 20¢/kg month-on-month to be 10¢/kg above August 2018 prices.

Figure 2: Trends in beef tripe prices

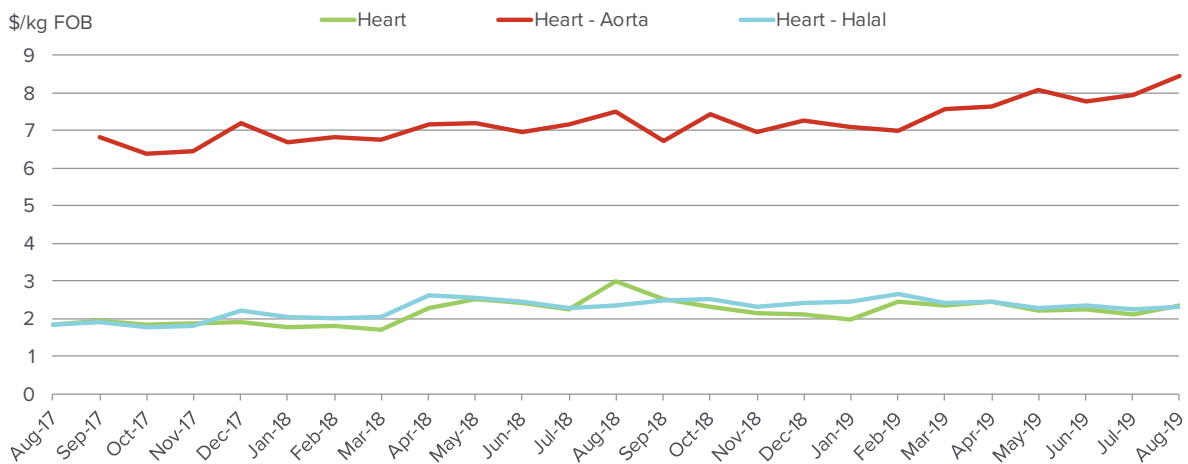


Beef offal trends continued...

Aorta averaged \$8.45/kg for the month; which was 50¢/kg firmer from July, and 95¢/kg above year-ago levels.

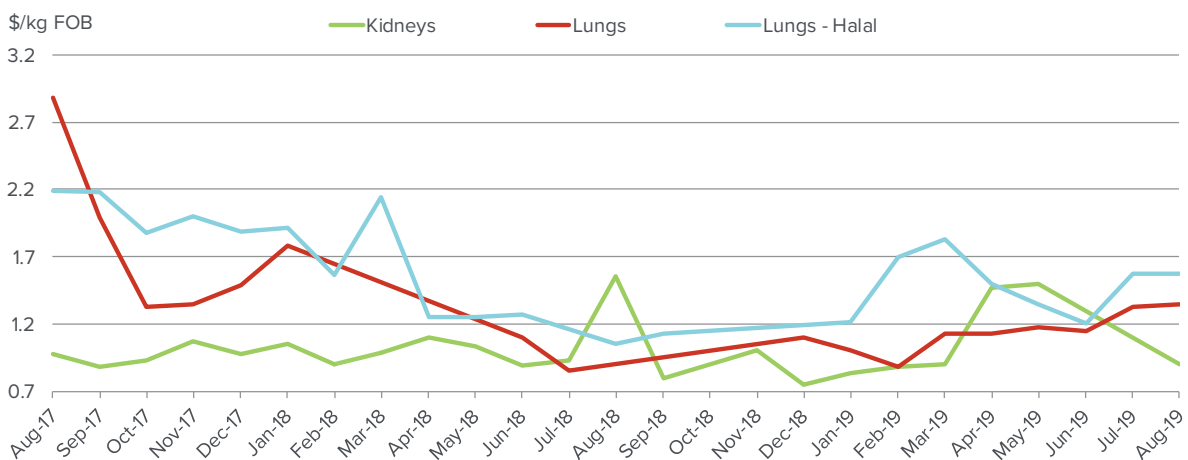
Heart prices firmed 24¢/kg from last month, averaging \$2.35/kg, to be 65¢/kg below year-ago levels. Halal hearts averaged \$2.30/kg, firming 5¢/kg month-on-month, and back 4¢/kg from August 2018.

Figure 3: Trends in beef offal prices



Kidneys remain weak with little demand, averaging 90¢/kg, down 65¢/kg on year-ago prices. Non-halal lungs were reported at \$1.35/kg, 2¢/kg above last month. Halal lungs averaged \$1.57/kg, even with July, and 52¢/kg above year-ago prices.

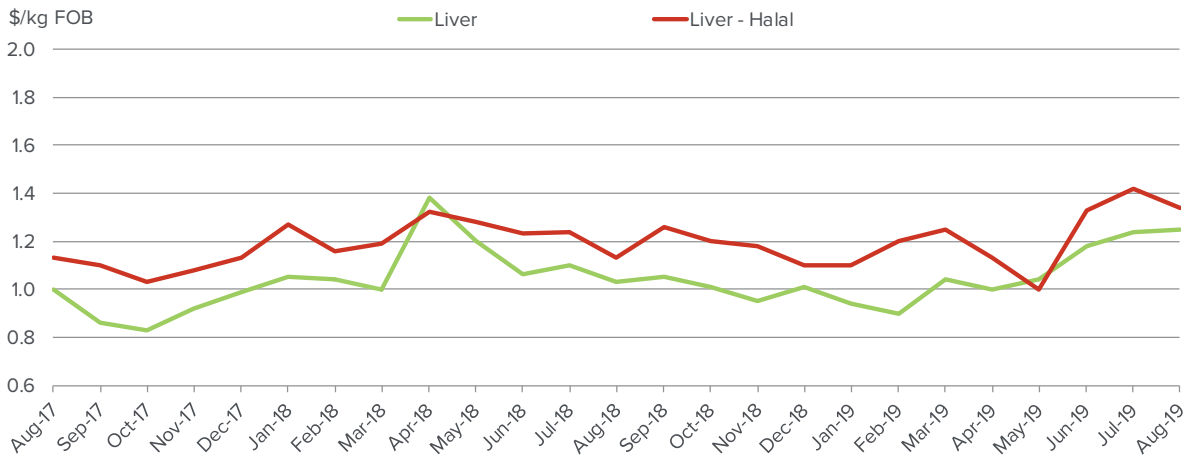
Figure 4: Trends in beef offal prices



Beef offal trends continued...

Liver prices averaged \$1.25/kg, improving 1¢/kg month-on-month to be 22¢/kg above year-ago levels. Halal livers eased 8¢/kg from last month's price to average \$1.34/kg, up 21¢/kg on August 2018 prices.

Figure 5: Trends in beef offal prices



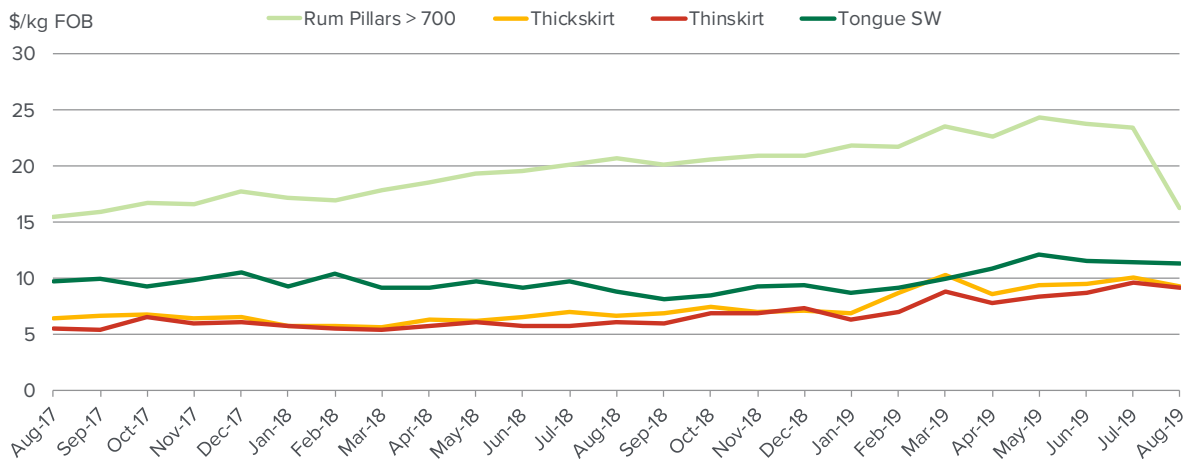
Japanese and Korean Offals

Tongue prices eased 10¢ from July to average \$11.25/kg, to be \$2.45/kg above year-ago levels.

Thick skirt was \$2.60/kg higher year-on-year but 73¢/kg softer than last month, averaging \$9.27/kg. Thin skirt averaged \$9.10/kg, down 45¢/kg from July but \$3.04/kg above year-ago prices.

Rumen pillars softened considerably, with heavy weight product averaging \$16.20/kg, down \$7.20/kg month-on-month and \$4.51/kg cheaper than August 2018 levels.

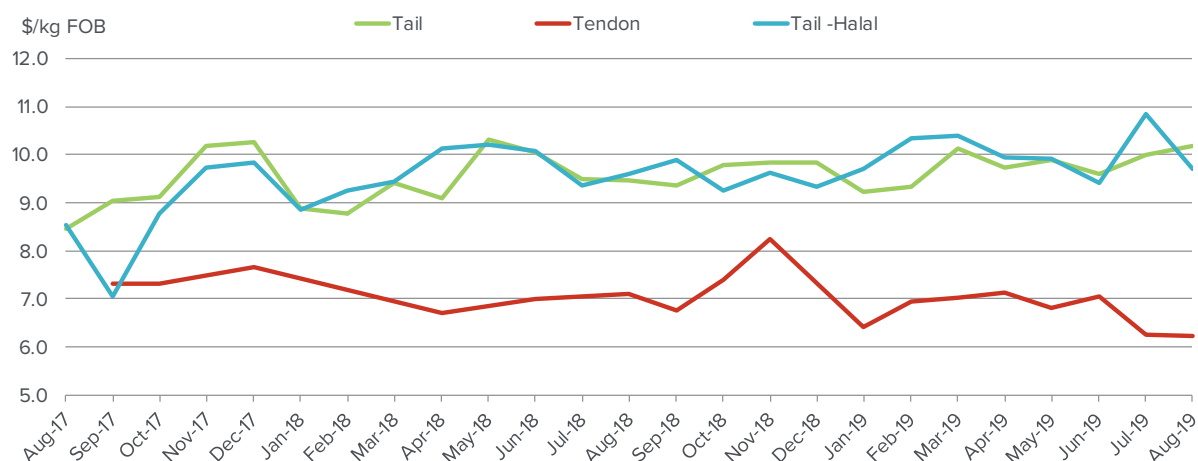
Figure 6: Trends in Japanese offal prices



Tails and Tendons

Tail prices to Korea improved 17¢/kg from last month, averaging \$10.17/kg, to be 70¢/kg above year-ago levels. Halal tails averaged \$9.70/kg, a correction of \$1.15/kg from last month and 10¢/kg above year-ago prices. Tendons averaged \$6.23/kg, easing 2¢/kg month-on-month and 87¢/kg below year-ago prices.

Figure 7: Trends in tail and tendon prices



Sheep Co-products

Sheep offal prices were again poorly reported and were slightly cheaper than July, while runners were not reported, with poor demand.

Table 2: Sheep co-product prices

	Average (Aug Data)	Range	Responses	Monthly Change	Annual Change
Heart Sheep - Halal	\$2.83	\$0.80	3	-5.6%	8.3%
Kidneys Sheep - Halal	\$3.75		2	-0.4%	0.0%
Liver Sheep - Halal	\$1.55		2	-7.0%	10.7%
Tripe Sheep - Halal	\$3.68		2	-0.7%	-1.6%

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

Sheep offal

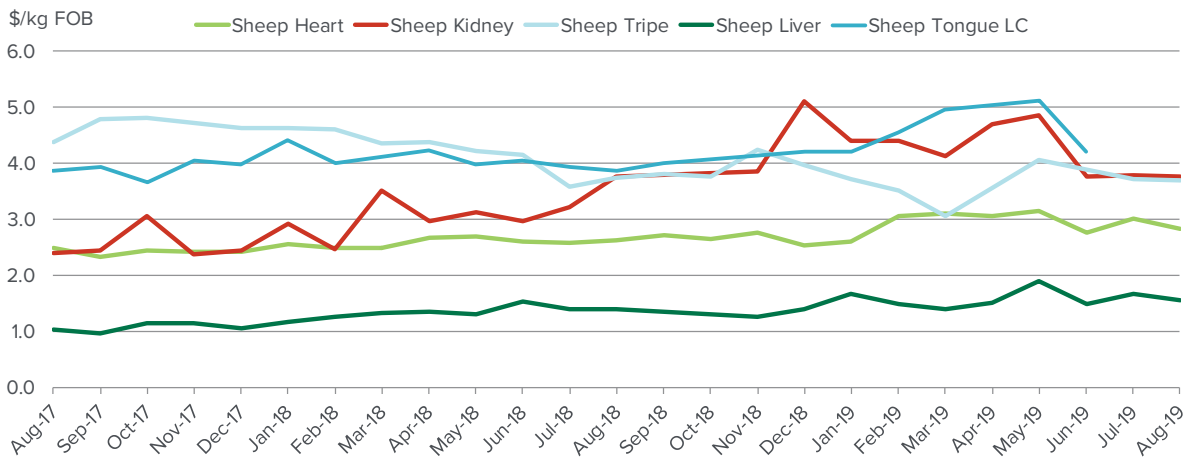
Sheep hearts averaged \$2.83/kg, down 17¢/kg month-on-month but 21¢/kg dearer than year-ago levels. Kidney prices returned \$3.75/kg, even with year ago levels and 2¢/kg softer than July prices.

Sheep livers were 12¢/kg down month-on-month to average \$1.55/kg, firming 15¢/kg from last year’s prices.

Sheep tripe averaged \$3.68/kg down 5¢/kg year-on-year and 2¢/kg softer than July.

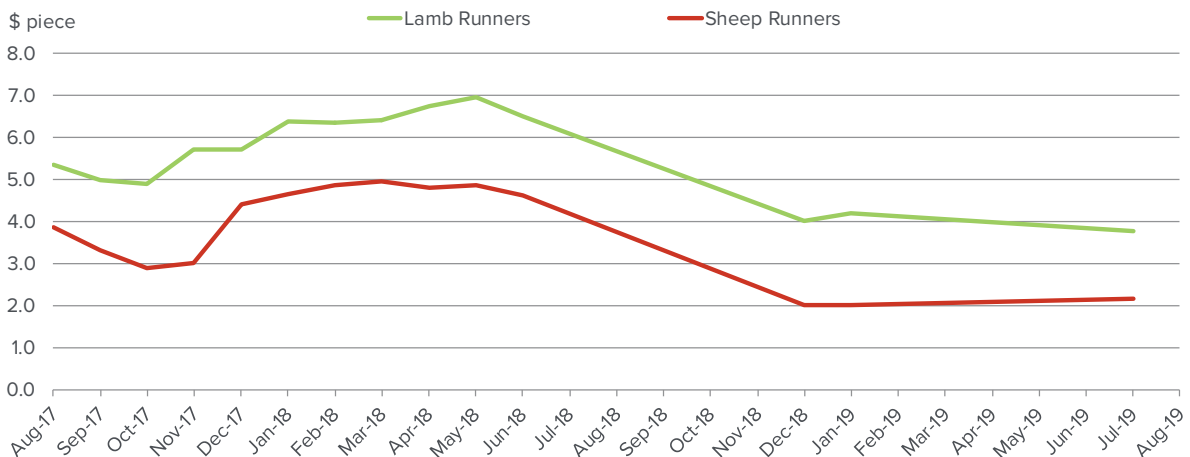
Long cut tongues were not reported.

Figure 8: Trends in sheep offal prices



Lamb runners were not reported, with continued over supply in the market.

Figure 9: Trends in runner prices



Pharmaceutical products

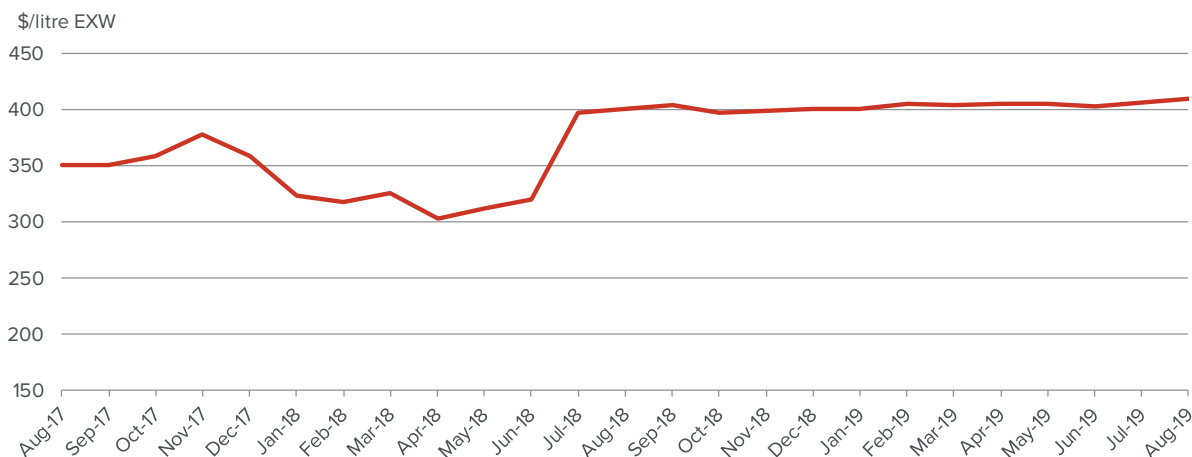
Table 3: Pharmaceutical prices

	Average (Aug Data)	Range	Responses	Monthly Change	Annual Change
Foetal Blood	\$410.00	\$20.00	3		2.5%

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

Foetal calf blood was reported at \$410/litre, which is up \$10/litre year-on-year.

Figure 10: Trends for foetal blood prices



Concentrated gall was not reported.

Figure 11: Trends for concentrated gall prices



Rendered products

Rendered products were relatively steady, with rendered meal prices rallying on lower production and local buyers ensuring they have stock available.

Table 4: Rendered product prices

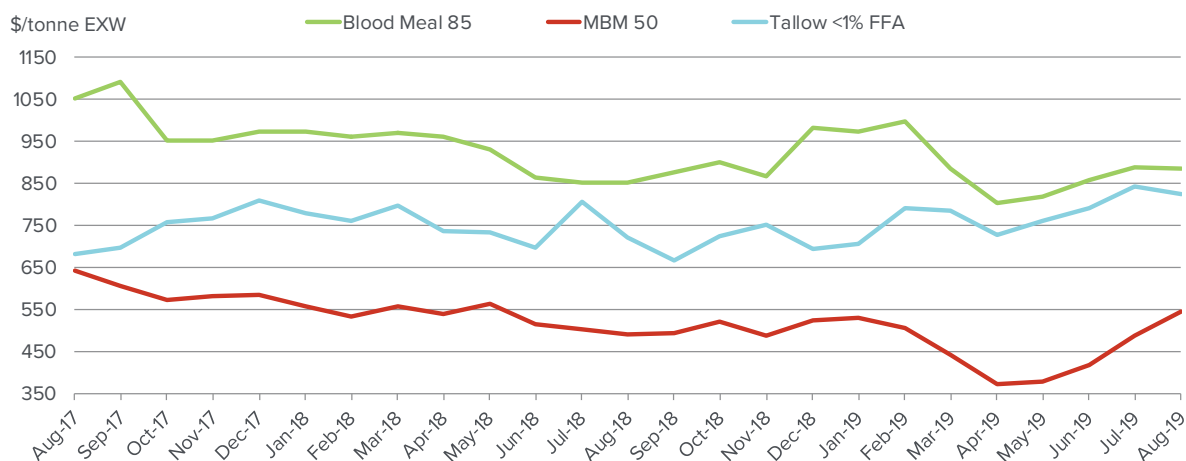
	Average (Aug Data)	Range	Responses	Monthly Change	Annual Change
Bloodmeal 85	\$882.50	\$50.00	4	-0.4%	3.8%
MBM 50	\$545.33	\$46.00	3	12.2%	11.3%
Tallow Ined.<1FFA	\$825.00	\$35.00	3	-2.1%	14.6%
Tallow Ined.<2FFA	\$822.50		2		15.3%

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

The price for 50% protein MBM improved \$59/tonne from last month, averaging \$545/tonne, to be \$55/tonne above August 2018 levels. Blood meal averaged \$883/tonne, an increase of \$33/tonne on last year's price, and \$3/tonne softer month-on-month.

Tallow prices eased slightly, with the price for 1% FFA tallow averaging \$825/tonne, down \$17/tonne from July and \$105/tonne above year-ago prices. The tallow premium of approximately \$35/tonne to palm stearin has reduced considerably from \$170/tonne last month.

Figure 12: Trends in rendered co-product prices



Hides

The hide market continues the downward trend, with even more product becoming of no commercial value. Poor demand for leather continued to make product difficult to sell.

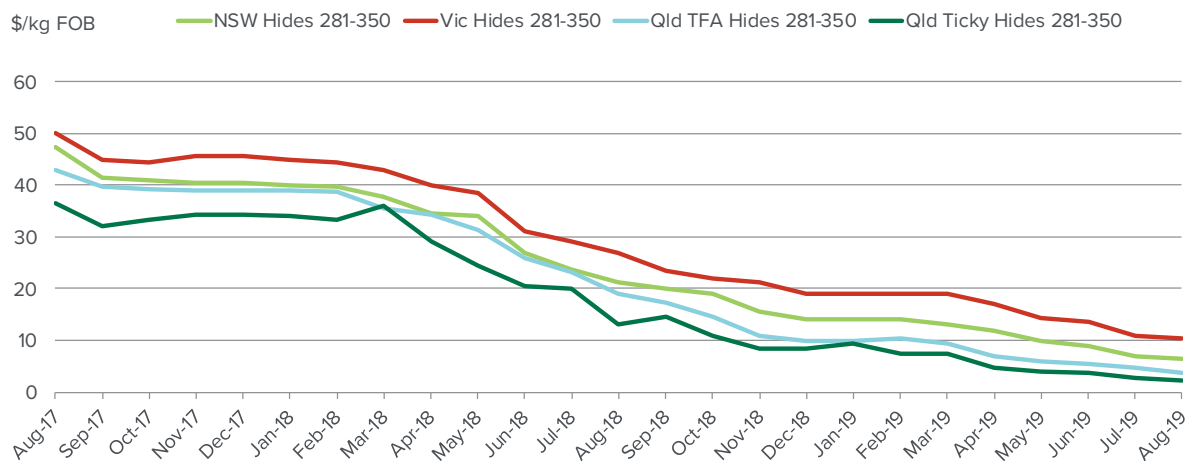
Table 5: Hide prices

	Average (Aug Data)	Range	Responses	Monthly Change	Annual Change
Hides NSW 221 - 280	\$2.38		2	-34.5%	-85.5%
Hides NSW 281 - 350	\$6.50		2	-7.1%	-69.5%
Hides NSW 351 Up	\$11.00		2	0.0%	-62.1%
Hides QLD TFA 221 - 280	\$0.75		2	-25.0%	-94.2%
Hides QLD TFA 281 - 350	\$3.83	\$2.50	3	-17.9%	-79.8%
Hides QLD TFA 351 Up	\$6.17	\$3.00	3	-14.0%	-72.4%
Hides QLD Ticky 281 - 350	\$2.17	\$1.50	3	-18.7%	-83.3%
Hides QLD Ticky 350 Up	\$3.83	\$2.00	3	-17.9%	-77.5%
Hides VIC 141-180	\$1.50		2	0.0%	-86.4%
Hides VIC 181-220	\$3.00		2	-7.7%	-80.0%
Hides VIC 221 - 280	\$6.75		2	-6.9%	-67.9%
Hides VIC 281-350	\$10.50		2	-4.5%	-61.1%
Hides VIC 351 Up	\$16.50		2	-2.9%	-54.2%

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

Local prices for hides continued the downward trend across the market, with even heavier lower grade hides showing processors negative returns. Average prices eased further, with more grades now being worthless.

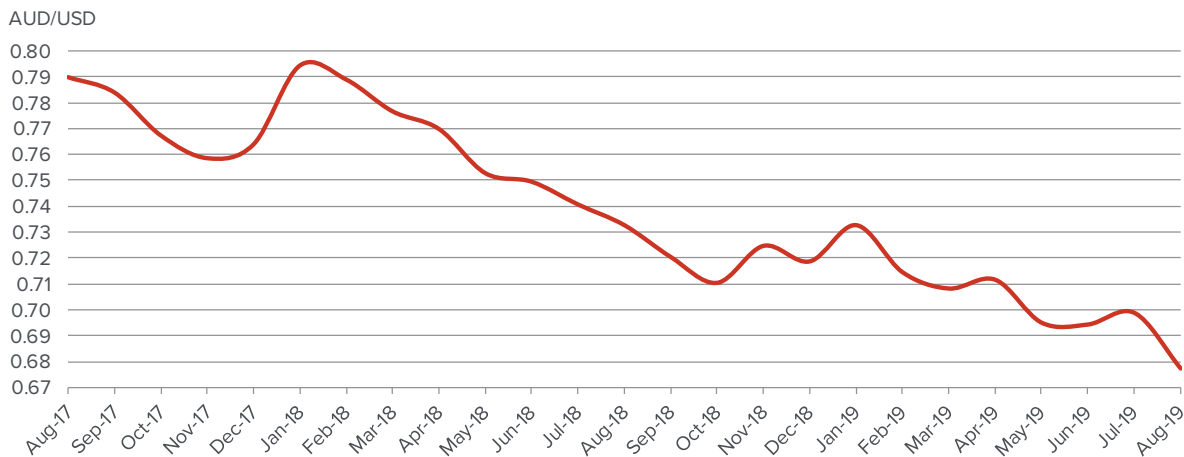
Figure 13: Trends in hide prices (East Coast Ex Works)



Currency exchange

The Australian dollar weakened significantly against the US dollar during August. The A\$ opened the month at 68.51US¢ and traded down to close at 67.18US¢, averaging 67.72US¢ for August, a decrease of 2.15US¢ month-on-month, and down 5.54US¢ from August 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 Nicole Selwood on 02 9463 9384 or nselwood@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



MEAT & LIVESTOCK AUSTRALIA

Market Information
 Meat & Livestock Australia
 Ph: 02 9463 9372
 Fax: 02 9463 9220
 Email: marketinfo@mla.com.au
www.mla.com.au/prices-markets

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