



Co-product market report

August 2020

mla.com.au

Beef Co-products

Due to COVID-19 some of the usual respondents were unavailable to provide their data which may impact the veracity of some price averages.

Beef offal prices were soft to steady across the range of products, with prices for all tripe products softer along with thick skirt, thin skirt and rumen pillars.

Table 1: Beef co-product prices

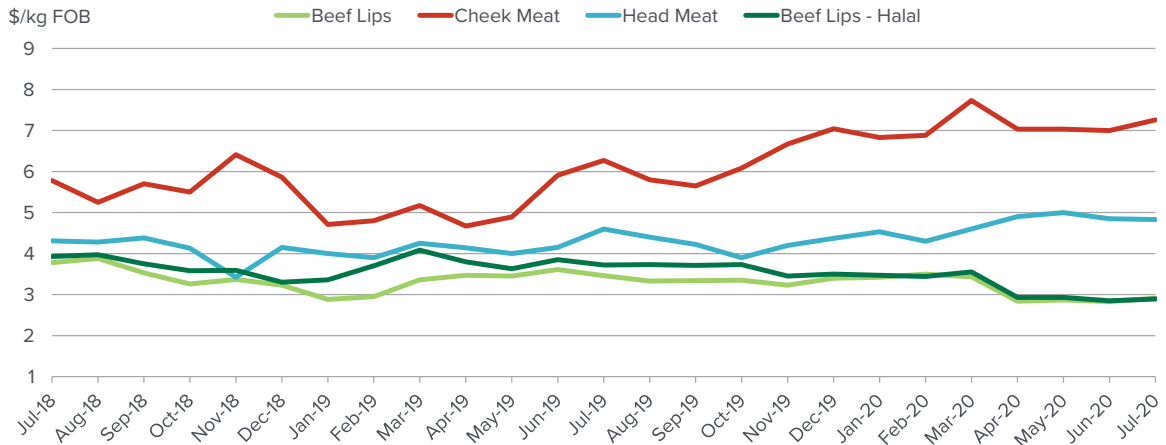
	Average (July Data)	Range	Responses	Monthly Change	Annual Change
Beef Lips	\$2.91	\$0.65	5	2.8%	-16.0%
Beef Lips - Halal	\$2.89	\$0.55	4	1.3%	-22.3%
Cheekmeat	\$7.26	\$3.10	5	3.7%	15.9%
Cheekmeat - Halal	\$8.55		2	1.2%	35.0%
Diap. Membrane	\$6.65	\$3.70	2		146.3%
Hc Tripe	\$7.64	\$2.50	5	-6.8%	5.6%
Hc Tripe - Halal	\$8.25		2	-2.4%	20.4%
Headmeat	\$4.83	\$0.80	4	-0.5%	4.9%
Headmeat - Halal	\$4.70		2	-4.1%	1.1%
Heart	\$2.42	\$1.10	5	13.1%	14.6%
Heart - Halal	\$2.55	\$1.00	4	4.1%	13.3%
Heart - Aorta	\$7.70	\$1.00	4	-2.2%	-3.1%
Heart - Aorta - Halal	\$8.05		2	0.6%	1.9%
Kidneys	\$0.92	\$0.15	3	-15.4%	1.9%
Ligamentum	\$1.57	\$1.30	5	-6.0%	-9.6%
Liver	\$1.28	\$0.90	5	8.5%	3.4%
Liver - Halal	\$1.35	\$1.20	4	-17.3%	-4.7%
Lungs	\$1.57	\$1.30	3	4.4%	17.5%
Lungs - Halal	\$2.03		2	0.0%	29.3%
Omasum	\$5.38	\$2.40	4	-8.1%	-26.0%
Omasum - Halal	\$5.75		2	-10.2%	-28.1%
Rum.Pill - Halal < 500	\$6.00		2	0.0%	-48.7%
Rum.Pill - Halal > 500 < 700	\$10.05		2	18.9%	-60.3%
Rum.Pill - Halal > 700	\$11.20		2	-1.3%	-57.4%
Rum.Pill < 500	\$6.52	\$3.30	5	3.9%	-38.5%
Rum.Pill > 500 < 700	\$9.86	\$6.80	5	-3.3%	-52.8%
Rum.Pill > 700	\$12.36	\$6.10	5	-10.8%	-47.2%
Tail	\$10.44	\$3.00	5	0.4%	4.4%
Tail - Halal	\$9.90	\$1.50	4	-4.2%	-8.8%
Tendons	\$7.40	\$0.70	3	-3.3%	18.4%
Thickskirt	\$9.05	\$1.90	6	-14.6%	-9.5%
Thickskirt - Halal	\$9.33	\$1.20	3	-1.8%	-8.5%
Thinskirt	\$9.20	\$4.10	5	-10.9%	-3.7%
Thinskirt - Halal	\$10.13	\$2.70	3	1.0%	7.8%
Tongue Root Fillet	\$4.15		2	-7.8%	-25.9%
Tongue Root Meat	\$2.00	\$1.80	5	25.0%	-32.8%
Tongue Root Meat - Halal	\$1.70	\$0.70	4	8.5%	-42.9%
Tongue SW	\$9.48	\$1.50	6	4.9%	-16.4%
Tongue SW - Halal	\$9.63	\$1.30	3	0.3%	-7.4%
Tripe Pieces	\$2.23	\$1.50	4	-16.8%	-35.5%

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

Head offal

Prices for head offal products were firmer this month. Head meat averaged \$4.83/kg which was 23¢/kg firmer year-on-year but 2¢/kg lower than last month. Cheek meat was 99¢/kg dearer than year-ago levels, averaging \$7.26/kg, 26¢/kg higher than last month.

Figure 1: Trends in beef head offal prices



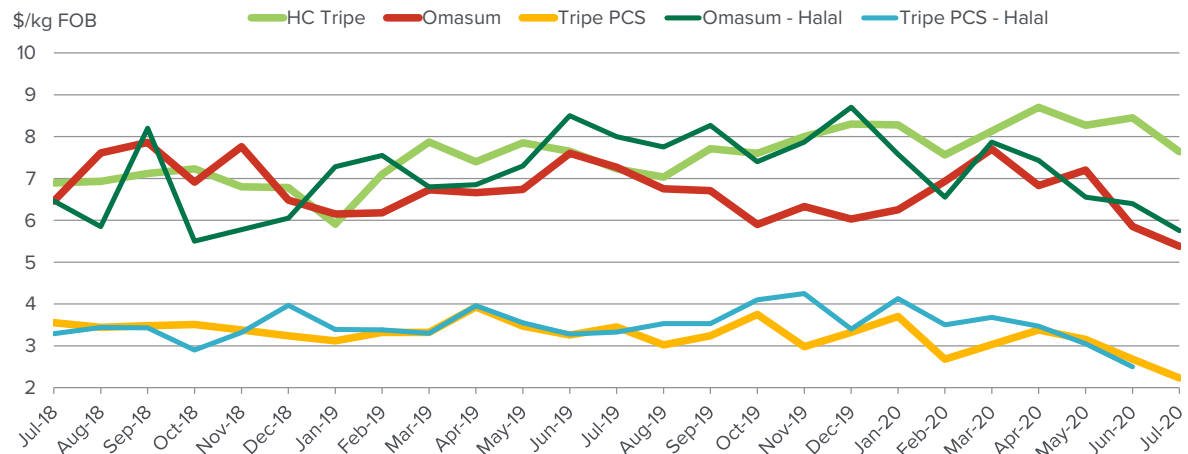
Beef offal trends

Lip export prices to the US and Mexico gained 8¢/kg month-on-month, to average \$2.91/kg but 55¢/kg down on last year. Halal lips averaged \$2.89/kg, up 4¢/kg from last month and 83¢/kg lower than July 2019.

Omasum softened 47¢/kg from last month, to average \$5.38/kg, down \$1.89/kg from year-ago prices. Halal omasum averaged \$5.75/kg, down 65¢/kg from last month and \$2.25/kg softer year-on-year.

Halal tripe pieces were not reported. Non-halal tripe pieces were \$1.22/kg down year-on-year and 45¢/kg softer than June to average \$2.23/kg. Honeycomb tripe averaged \$7.64/kg to be 41¢/kg above year ago prices but 81¢/kg below last month.

Figure 2: Trends in beef tripe prices

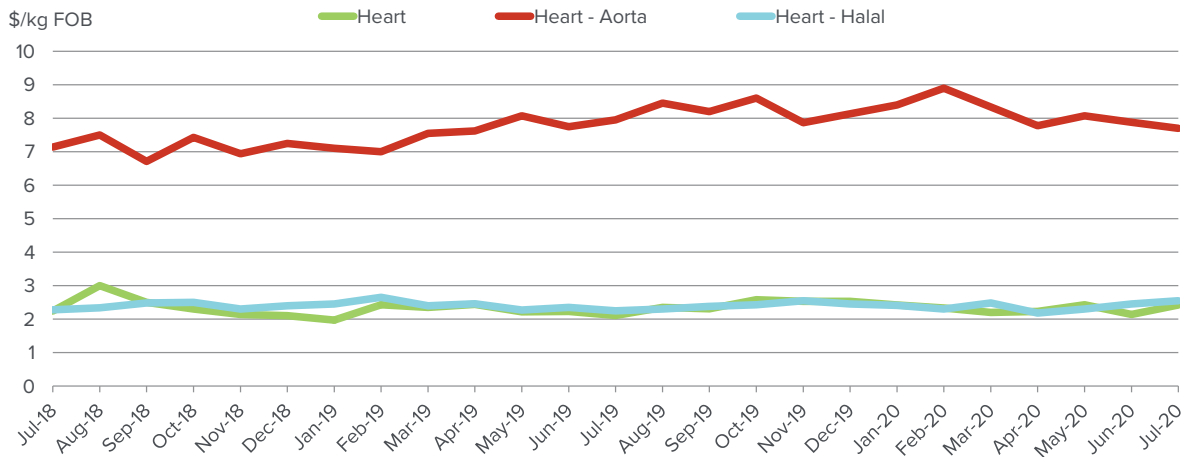


Beef offal trends continued...

Aorta traded weaker to average \$7.70/kg down 18¢/kg month-on-month and down 25¢/kg from July 2019 price.

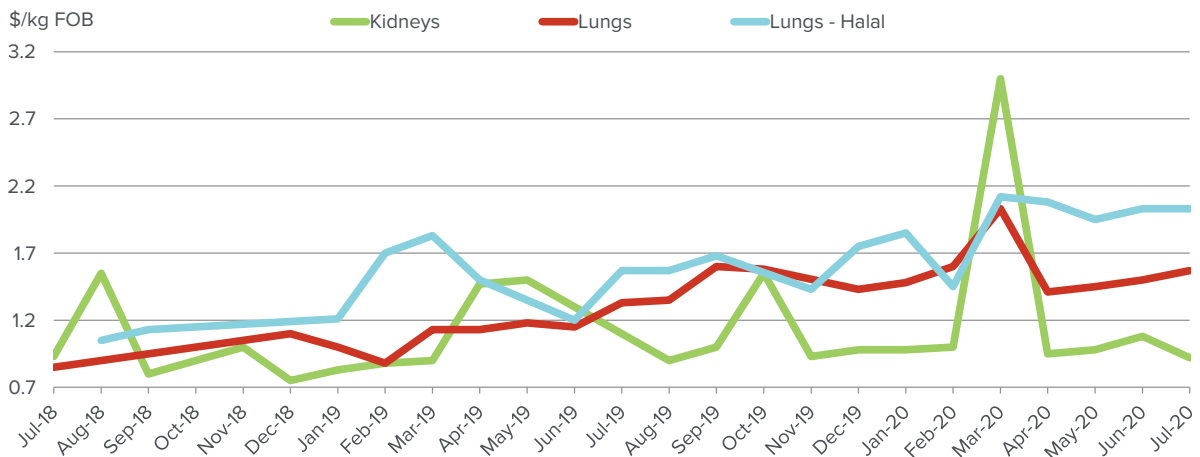
Heart prices were up from last month, averaging \$2.42/kg, to be 31¢/kg above year-ago levels and 28¢/kg above June prices. Halal hearts averaged \$2.55/kg, firming 10¢/kg month-on-month, and up 30¢/kg from July 2019.

Figure 3: Trends in beef offal prices



Kidneys averaged 92¢/kg, down 16¢/kg on June price. Non-halal lungs were reported at \$1.57/kg up 24¢/kg from year ago levels and 7¢/kg firmer month-on-month, while halal lungs averaged \$2.03/kg to be even month-on-month and 46¢/kg higher than July 2019.

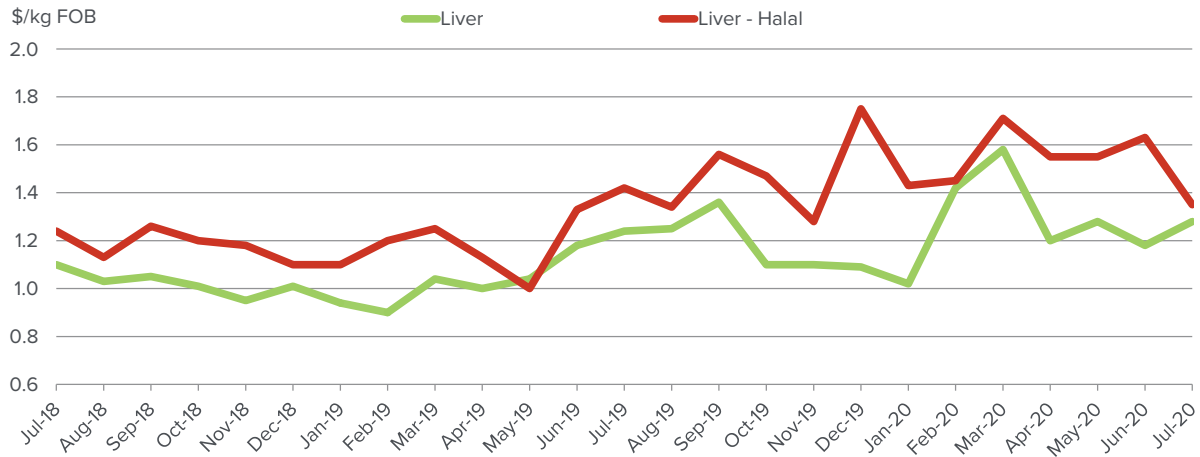
Figure 4: Trends in beef offal prices



Beef offal trends continued...

Liver prices averaged \$1.28/kg, 10¢/kg up month-on-month and 4¢/kg firmer than year-ago levels. Halal livers were down 28¢/kg from last month's price to average \$1.35/kg, down 7¢/kg on last year prices.

Figure 5: Trends in beef offal prices



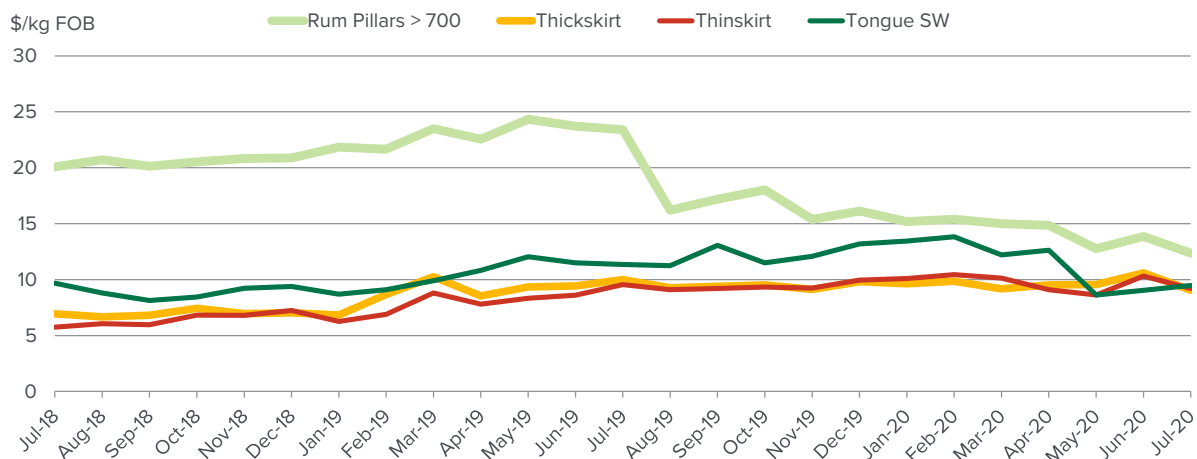
Japanese and Korean Offals

Tongue prices were 44¢/kg up from June to average \$9.48/kg, but \$1.87/kg below year-ago levels.

Thick skirt was 95¢/kg lower year-on-year and \$1.55/kg softer than last month, averaging \$9.05/kg. Thin skirt averaged \$9.20/kg, down \$1.12/kg from June and 35¢/kg below year-ago prices.

Rumen pillars eased with heavy weight product averaging \$12.36/kg, down \$1.49/kg month-on-month and \$11.04/kg cheaper than July 2019 levels.

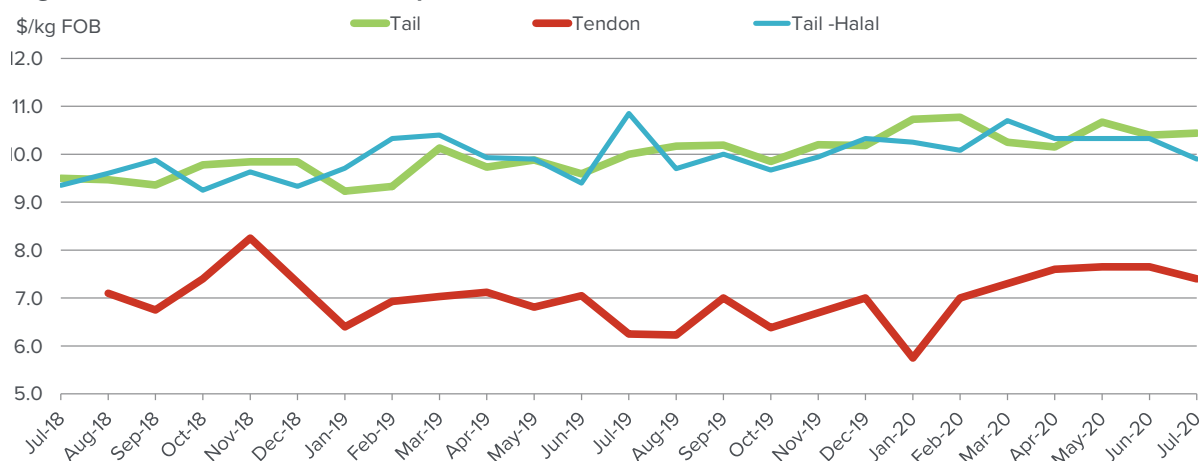
Figure 6: Trends in Japanese offal prices



Tails and Tendons

Tail prices to Korea firmed 4¢/kg from last month, averaging \$10.44/kg, to be 44¢/kg above year-ago levels. Halal tails averaged \$9.90/kg, down 43¢/g from last month and 95¢/kg below year-ago prices. Tendons averaged \$7.40 this month to be \$1.15/kg up on year ago price and 25¢/kg softer month-on-month.

Figure 7: Trends in tail and tendon prices



Sheep Co-products

Sheep offal prices have been lightly reported for some time, but that position is improving,

Table 2: Sheep co-product prices

	Average (July Data)	Range	Responses	Monthly Change	Annual Change
Heart Sheep - Halal	\$3.15	\$2.10	4	-10.0%	5.0%
Liver Sheep - Halal	\$1.80	\$1.90	3	28.6%	8.0%
Runners Lamb	\$3.80	\$0.90	3	7.0%	1.3%
Runners Sheep	\$2.20	\$0.80	3	-4.3%	2.3%
Tripe Sheep - Halal	\$5.17	\$2.20	3		39.6%

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

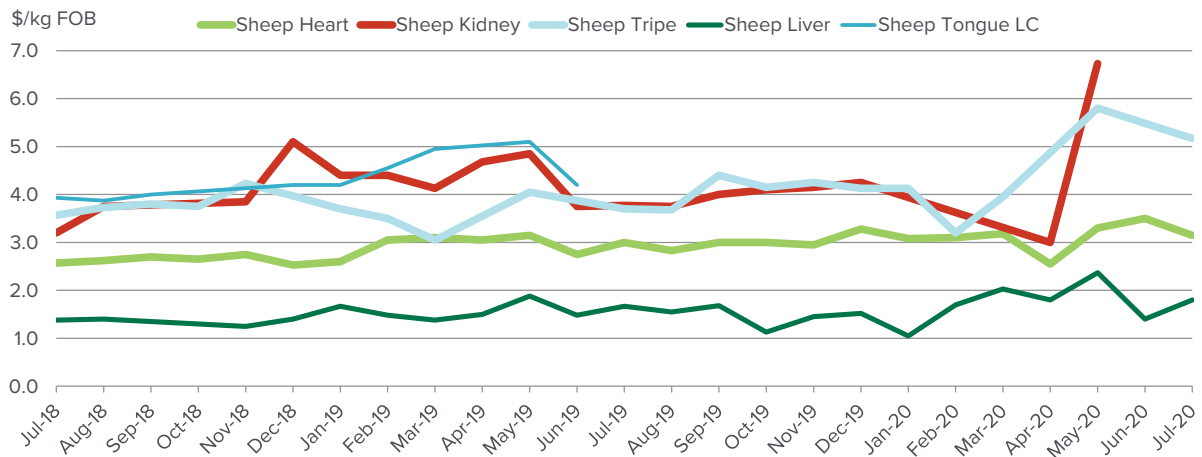
Sheep offal

Sheep hearts averaged \$3.15/kg, down 35¢/kg month-on-month and 15¢/kg dearer than year-ago levels. Sheep kidneys were not reported.

Sheep livers were 40¢/kg up month-on-month to average \$1.80/kg and 13¢/kg above prices a year ago.

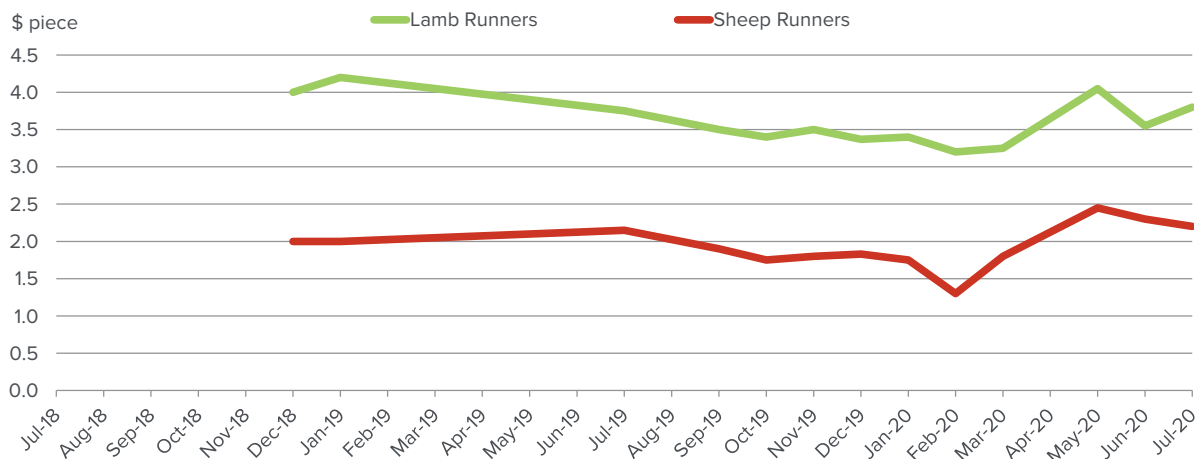
Sheep tripe was reported to average \$5.17/kg, which is \$1.47/kg above year ago prices whilst long cut tongues were not reported.

Figure 8: Trends in sheep offal prices



Lamb runners were reported at \$3.80/piece up 25¢/piece month-on-month while sheep runners returned \$2.20/piece down 10¢/piece on last month.

Figure 9: Trends in runner prices



Pharmaceutical products

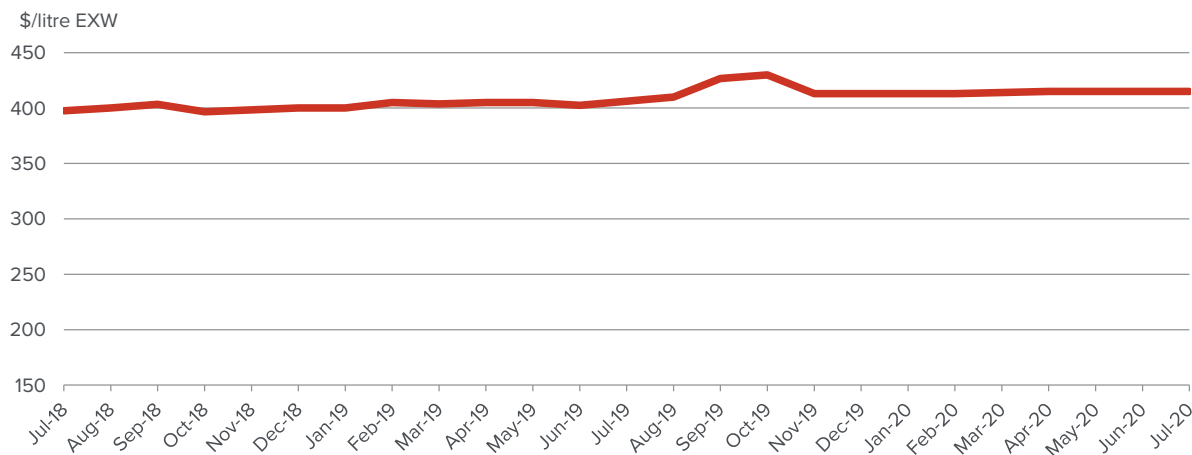
Table 3: Pharmaceutical prices

	Average (July Data)	Range	Responses	Monthly Change	Annual Change
Foetal Blood	\$415.00	\$10.00	3	0.0%	3.8%
Gall Concentrated	\$24.00		2	-5.9%	

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

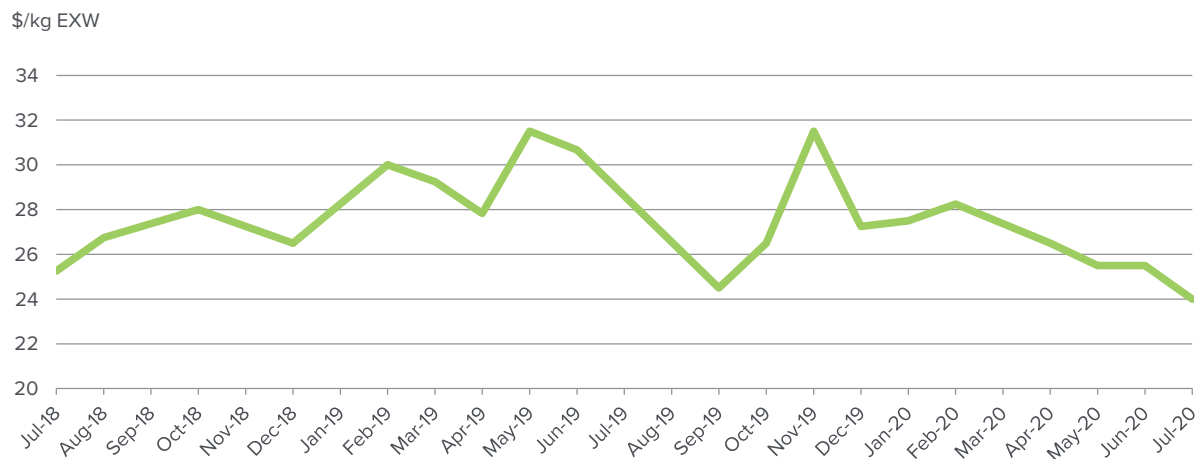
Foetal calf blood remained at \$415/litre, even with last month price.

Figure 10: Trends for foetal blood prices



Concentrated gall averaged \$24.00/kg down \$1.50/kg month-on-month.

Figure 11: Trends for concentrated gall prices



Rendered products

Rendered meals eased despite reduced production. Maintenance at the Singapore biodiesel plant is nearing completion which saw tallow prices firm.

Table 4: Rendered product prices

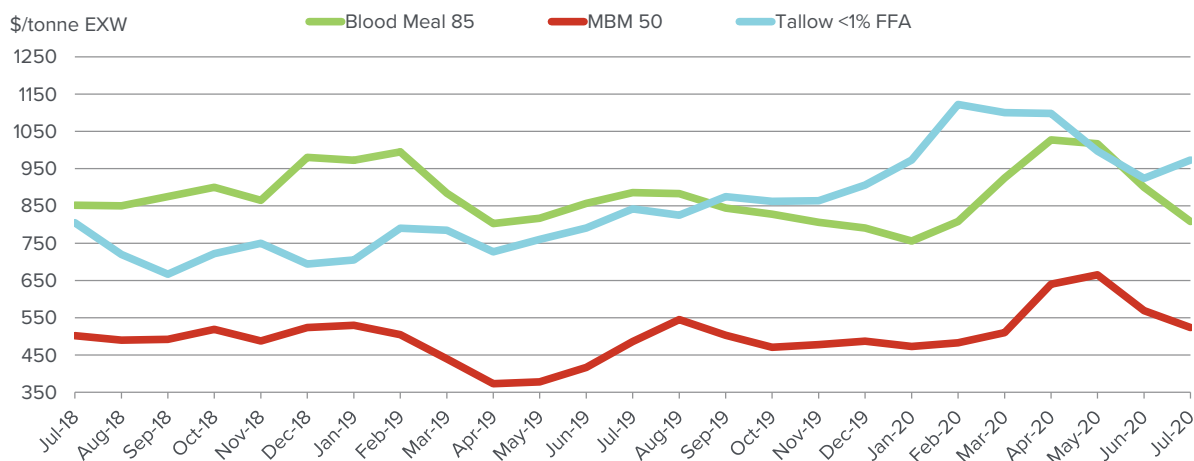
	Average (July Data)	Range	Responses	Monthly Change	Annual Change
Bloodmeal 85	\$808.00	\$20.00	5	-10.2%	-8.8%
MBM 50	\$524.00	\$220.00	5	-7.9%	7.8%
MBM 50 Sheep	\$915.00	\$30.00	2		-19.4%
Tallow Ined.<1FFA	\$973.33	\$10.00	3	5.3%	15.5%
Tallow Ined.<2FFA	\$963.33	\$30.00	3	4.5%	14.0%
Tallow Ined.<4FFA	\$920.00	\$20.00	3	3.4%	14.6%

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

The price for 50% protein MBM softened \$45/tonne from last month, averaging \$524/tonne, but \$38/tonne above July 2019 levels. Blood meal averaged \$808/tonne, down \$78/tonne compared with last year's price, and \$92/tonne softer month-on-month.

Tallow prices firmed, with the price for 1% FFA tallow averaging \$973/tonne, up \$49/tonne from June but \$131/tonne above year-ago prices.

Figure 12: Trends in rendered co-product prices



Hides

The hide market remains in the worst position it has seen in living memory. The market in China and Italy, although opened, remains reticent to purchase until they confirm sales contracts for finished leather which is in soft demand due to the worldwide COVID-19 lockdowns.

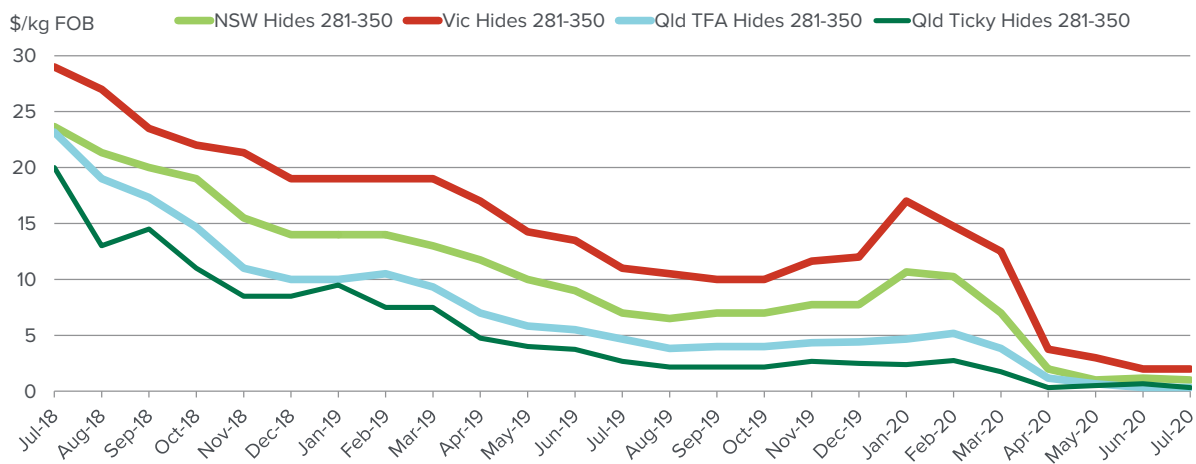
Table 5: Hide prices

	Average (July Data)	Range	Responses	Monthly Change	Annual Change
Hides NSW 141- 180	\$0.00		2		
Hides NSW 181 - 220	\$0.00		2		
Hides NSW 221 - 280	\$0.13		2	-68.8%	-96.6%
Hides NSW 281 - 350	\$1.00		2	-14.3%	-85.7%
Hides NSW 351 Up	\$2.25		2	10.7%	-79.5%
Hides QLD TFA 141 - 220	\$0.00	\$0.00	3		
Hides QLD TFA 221 - 280	\$0.00	\$0.00	3		
Hides QLD TFA 281 - 350	\$0.33	\$1.00	3	0.0%	-92.9%
Hides QLD TFA 351 Up	\$1.33	\$1.00	3	0.0%	-81.4%
Hides QLD Ticky 141 - 220	\$0.00	\$0.00	3		
Hides QLD Ticky 221 - 280	\$0.00	\$0.00	3		
Hides QLD Ticky 281 - 350	\$0.33	\$1.00	3	-50.0%	-87.5%
Hides QLD Ticky 350 Up	\$0.50	\$1.50	3	-33.3%	-89.3%
Hides VIC 141-180	\$0.00		2		
Hides VIC 181-220	\$0.00		2		
Hides VIC 221 - 280	\$1.00		2	0.0%	-86.2%
Hides VIC 281-350	\$2.00		2	0.0%	-81.8%
Hides VIC 351 Up	\$3.75		2	0.0%	-77.9%

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

Local prices for hides remain unchanged with most lines of no immediate value.

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



Currency exchange

The Australian dollar rallied against the US dollar during July. It opened the month at 68.95US¢ and upwards across the month to close at 72.13US to average 70.23US¢, an increase of 1.36US¢ month-on-month, and down 0.41US¢ from July 2019.

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

Published by Meat & Livestock Australia Limited
ABN 39 081 678 364
August 2020

©Meat & Livestock Australia Limited 2017

MLA makes no representations as to the accuracy of any information or advice contained in this publication and excludes all liability, whether in contract, tort (including negligence or breach of statutory duty) or otherwise as a result of reliance by any person on such information or advice.

Free to MLA members

[Terms and Conditions](#)