



Co-product market report

September 2020

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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 generally softer across the range of products, with prices for all tripe products firmer.

Table 1: Beef co-product prices

	Average (Aug Data)	Range	Responses	Monthly Change	Annual Change
Beef Lips	\$2.70	\$1.45	5	-7.2%	-19.0%
Beef Lips - Halal	\$2.63	\$1.30	3	-8.8%	-29.3%
Cheekmeat	\$6.42	\$4.20	5	-11.6%	10.7%
Cheekmeat - Halal	\$6.87	\$3.10	3	-19.7%	3.0%
Hc Tripe	\$6.85	\$1.90	4	-10.3%	-2.5%
Hc Tripe - Halal	\$6.80		2	-17.6%	-4.2%
Headmeat	\$5.03	\$0.80	3	4.3%	14.4%
Heart	\$2.33	\$1.05	5	-3.7%	-0.9%
Heart - Halal	\$2.33	\$1.00	3	-8.5%	1.4%
Heart - Aorta	\$7.23	\$0.80	3	-6.1%	-14.4%
Kidneys	\$1.15	\$1.00	3	25.4%	27.8%
Ligamentum	\$1.75	\$1.70	4	11.5%	-0.7%
Liver	\$1.14	\$0.70	5	-10.9%	-8.8%
Liver - Halal	\$1.10	\$0.80	3	-18.5%	-17.8%
Lungs	\$1.68	\$1.20	4	6.9%	24.1%
Lungs - Halal	\$2.00		2	-1.2%	27.7%
Omasum	\$6.63	\$4.80	3	23.4%	-1.7%
Rum.Pill < 500	\$4.93	\$5.70	4	-24.5%	-54.4%
Rum.Pill > 500 < 700	\$7.88	\$9.50	4	-20.1%	-49.1%
Rum.Pill > 700	\$9.83	\$11.00	4	-20.5%	-47.4%
Tail	\$10.40	\$3.50	5	-0.4%	2.3%
Tail - Halal	\$9.73	\$2.20	3	-1.7%	0.3%
Tendons	\$7.73	\$0.40	3	4.5%	24.1%
Thickskirt	\$9.48	\$7.50	5	4.8%	2.3%
Thickskirt - Halal	\$8.95		2	-4.1%	-3.8%
Thinskirt	\$8.32	\$5.70	5	-9.6%	-8.6%
Thinskirt - Halal	\$9.30		2	-8.2%	0.0%
Tongue Root Fillet	\$4.40		2	6.0%	-29.0%
Tongue Root Meat	\$2.43	\$3.00	4	21.3%	-27.1%
Tongue Root Meat - Halal	\$1.57	\$1.10	3	-7.8%	-46.4%
Tongue SW	\$9.20	\$2.50	5	-3.0%	-18.2%
Tongue SW - Halal	\$10.00	\$1.00	2	3.8%	-1.0%
Tripe Pieces	\$3.83	\$5.00	3	72.3%	27.1%
Tripe Pieces - Halal	\$3.10		2		-12.3%
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%

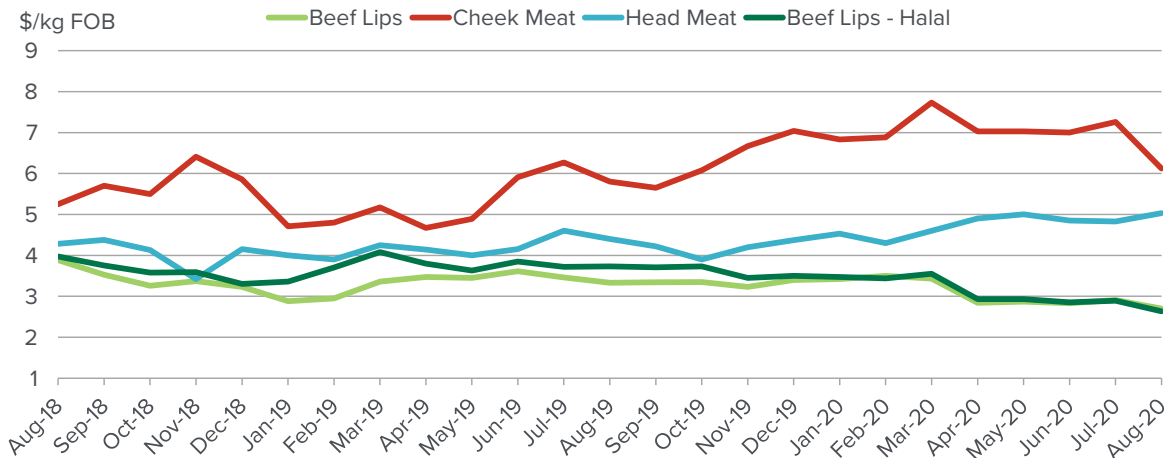
Price quoted is average price reported in \$/kg FOB Australian port.

Head offal

Prices for head offal products were firmer this month. Head meat averaged \$5.03/kg which was 63¢/kg firmer year-on-year and 20¢/kg higher than last month. Cheek meat was 32¢/kg dearer than year-ago levels, averaging \$6.12/kg, \$1.14/kg lower than last month.

Lip export prices to the US and Mexico eased 21¢/kg month-on-month, to average \$2.70/kg but 63¢/kg down on last year. Halal lips averaged \$2.63/kg, down 26¢/kg from last month and \$1.10/kg lower than August 2019.

Figure 1: Trends in beef head offal prices

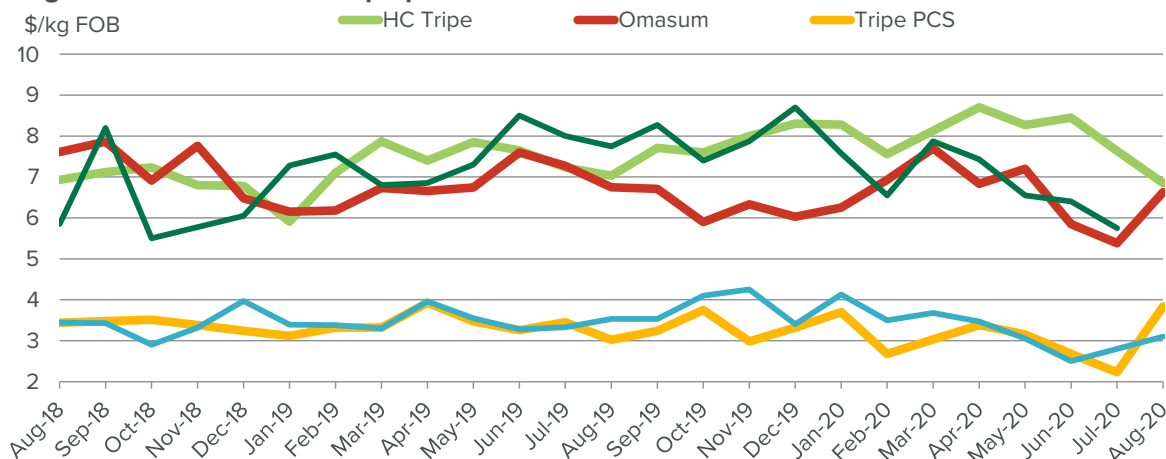


Beef offal trends

Omasum firmed \$1.25/kg from last month, to average \$6.85/kg, down 12¢/kg from year-ago prices. Halal omasum was not reported.

Halal tripe pieces averaged \$3.10 down 43¢/kg year-on-year. Non-halal tripe pieces were 81¢/kg up year-on-year and \$1.60/kg firmer than July to average \$3.83/kg. Honeycomb tripe averaged \$6.85/kg to be 18¢/kg below year ago prices and 79¢/kg below last month.

Figure 2: Trends in beef tripe prices

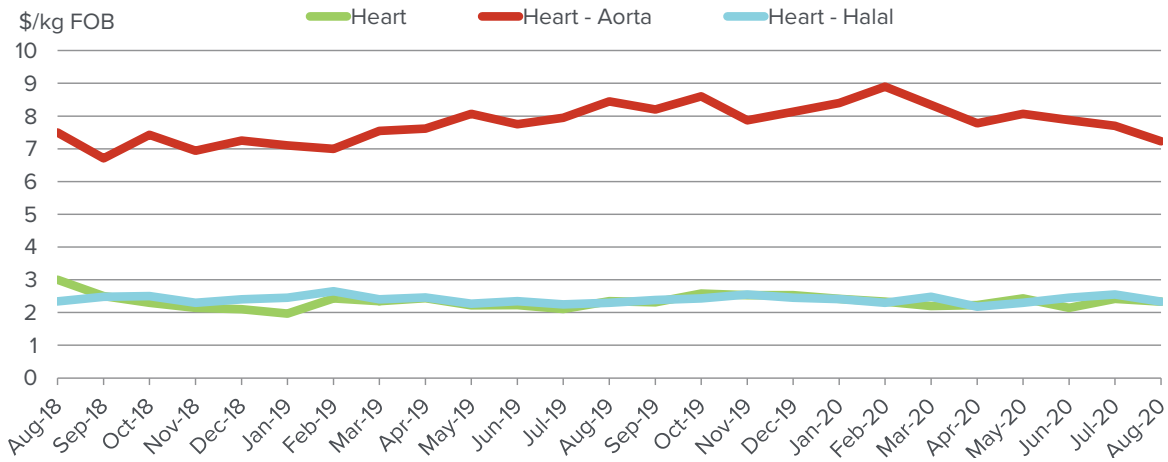


Beef offal trends continued...

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

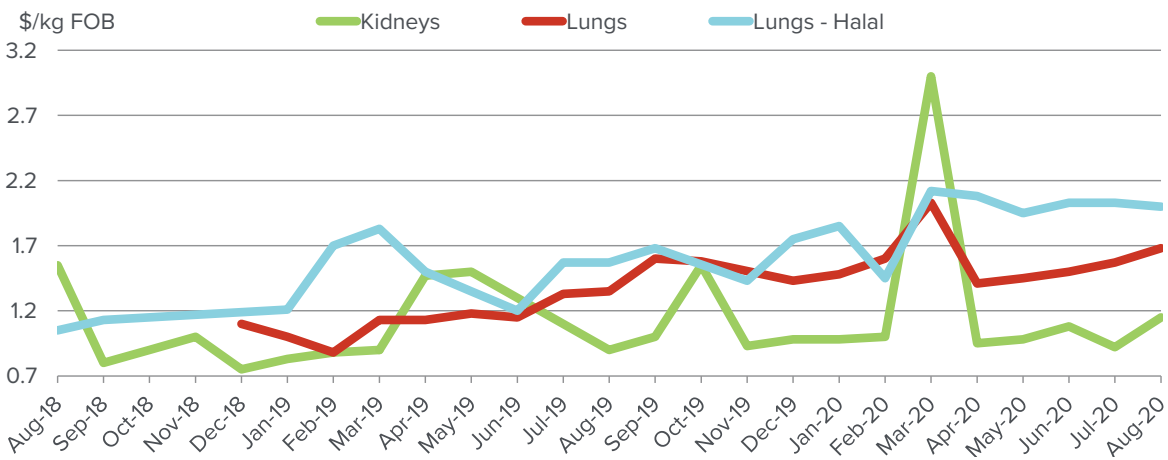
Heart prices were down from last month, averaging \$2.33/kg, to be 2¢/kg below year-ago levels and 9¢/kg below July prices. Halal hearts averaged \$2.33/kg, easing 22¢/kg month-on-month, and up 3¢/kg from August 2019.

Figure 3: Trends in beef offal prices



Kidneys averaged \$1.15/kg, up 23¢/kg on July price and 25¢/kg firmer than a year ago. Non-halal lungs were reported at \$1.68/kg up 33¢/kg from year ago levels and 11¢/kg firmer month-on-month, while halal lungs averaged \$2.00/kg to be 3¢/kg softer month-on-month and 43¢/kg higher than August 2019.

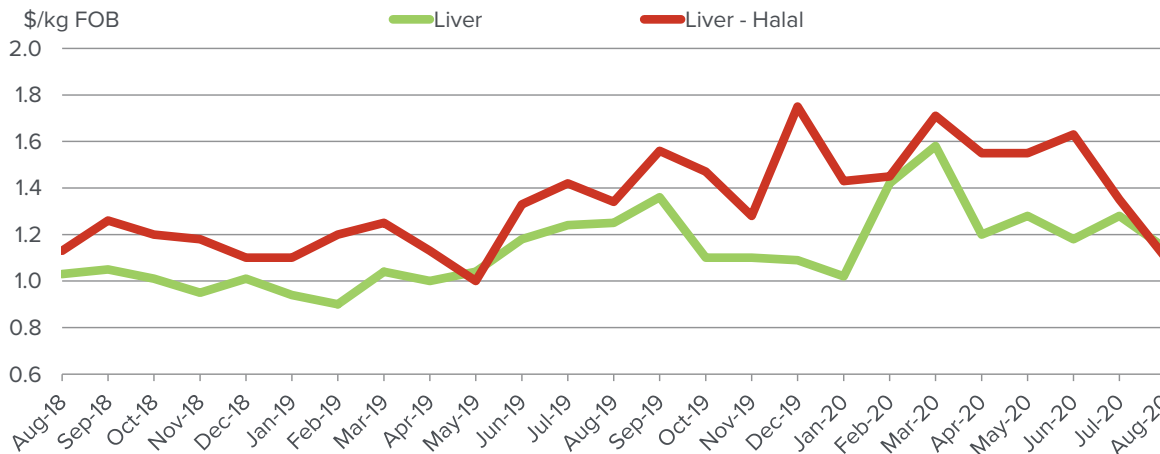
Figure 4: Trends in beef offal prices



Beef offal trends continued...

Liver prices averaged \$1.14/kg, 14¢/kg down month-on-month and 11¢/kg softer than year-ago levels. Halal livers were down 25¢/kg from last month's price to average \$1.10/kg, down 24¢/kg on last year prices.

Figure 5: Trends in beef offal prices



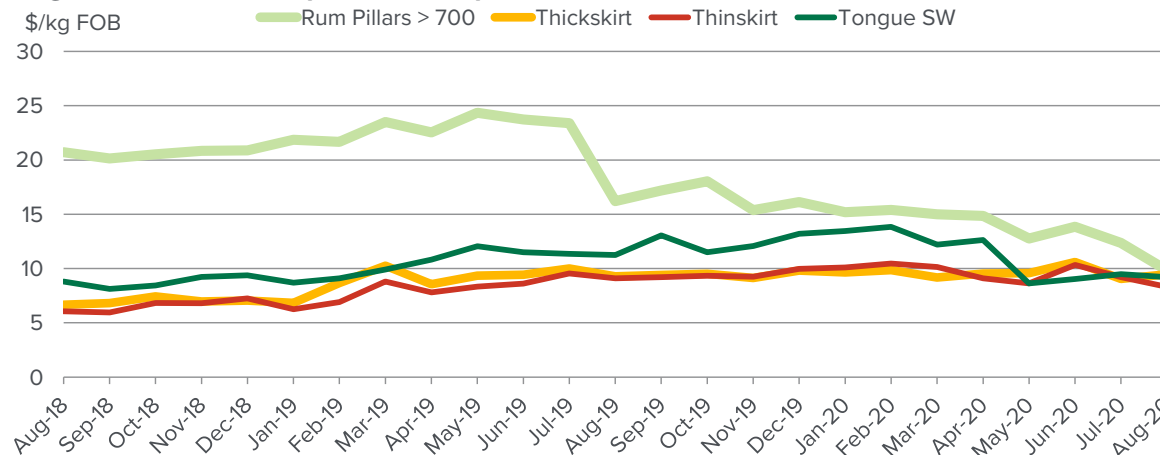
Japanese and Korean Offals

Tongue prices were 28¢/kg down from July to average \$9.20/kg, and \$2.05/kg below year-ago levels.

Thick skirt was 21¢/kg higher year-on-year and 43¢/kg firmer than last month, averaging \$9.48/kg. Thin skirt averaged \$8.32/kg, down 88¢/kg from July and 78¢/kg below year-ago prices.

Rumen pillars eased with heavy weight product averaging \$9.83/kg, down \$2.53/kg month-on-month and \$6.37/kg cheaper than August 2019 levels.

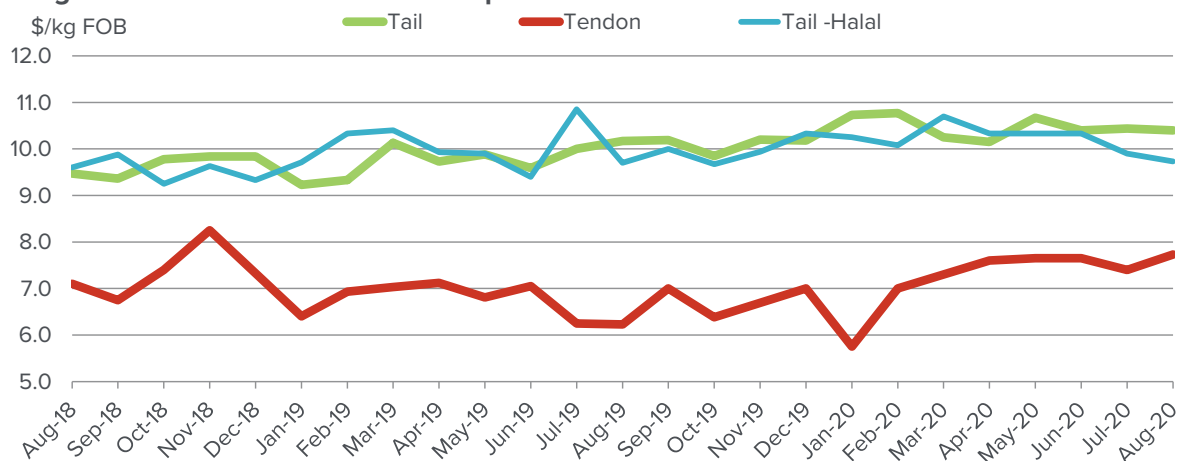
Figure 6: Trends in Japanese offal prices



Tails and Tendons

Tail prices to Korea eased 4¢/kg from last month, averaging \$10.40/kg, to be 23¢/kg above year-ago levels. Halal tails averaged \$9.730/kg, down 17¢/g from last month and 3¢/kg above year-ago prices. Tendons averaged \$7.73 this month to be \$1.50/kg up on year ago price and 33¢/kg firmer month-on-month.

Figure 7: Trends in tail and tendon prices



Sheep Co-products

Sheep offal prices have been lightly reported for some time, with prices generally softer.

Sheep hearts averaged \$2.95/kg, down 20¢/kg month-on-month and 12¢/kg dearer than year-ago levels.

Table 2: Sheep co-product prices

	Average (Aug Data)	Range	Responses	Monthly Change	Annual Change
Heart Sheep - Halal	\$2.95	\$2.60	4	-6.3%	4.1%
Kidneys Sheep - Halal	\$3.65		2		-2.7%
Liver Sheep - Halal	\$1.77	\$1.80	3	-1.9%	14.0%
Runners Lamb	\$4.20	\$2.25	3	10.5%	55.6%
Runners Sheep	\$3.00	\$1.50	3	36.4%	200.0%

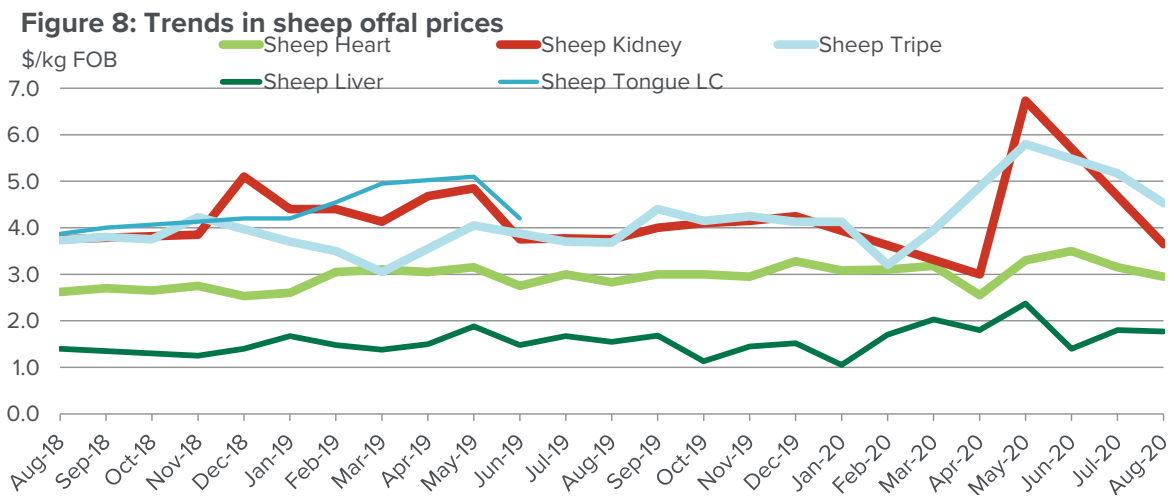
Price quoted is average price reported in \$/kg FOB Australian port and runners as \$/piece.

Sheep offal

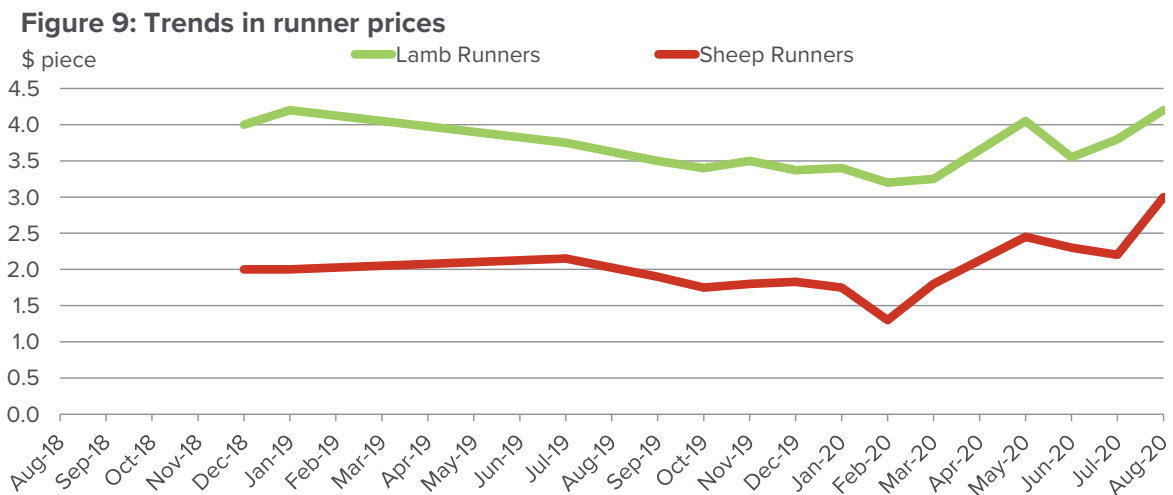
Sheep kidneys averaged \$3.65/kg to be 10¢/kg below year-ago levels.

Sheep livers were 3¢/kg down month-on-month to average \$1.77/kg and 22¢/kg above prices a year ago.

Sheep tripe was reported to average \$4.53/kg, which is 85¢/kg above year ago prices and down 64¢/kg month-on-month, whilst long cut tongues were again not reported.



Lamb runners were reported at \$4.20/piece up 40¢/piece month-on-month while sheep runners returned \$3.00/piece up 80¢/piece on last month.



Pharmaceutical products

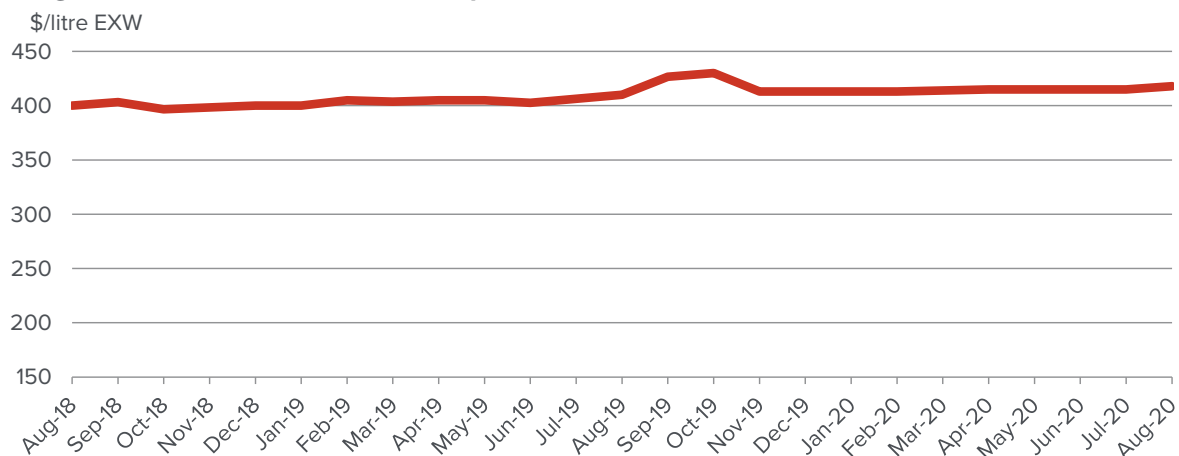
Table 3: Pharmaceutical prices

	Average (Aug Data)	Range	Responses	Monthly Change	Annual Change
Foetal Blood	\$418.33	\$5.00	3	0.8%	2.0%
Gall Concentrated	\$24.50		2	2.1%	

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

Foetal calf blood gained \$3.00/litre on last month to average at \$418/litre, up \$8.00/litre on last year price.

Figure 10: Trends for foetal blood prices



Concentrated gall averaged \$24.50/kg up 50¢/kg month-on-month.

Figure 11: Trends for concentrated gall prices



Rendered products

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

Table 4: Rendered product prices

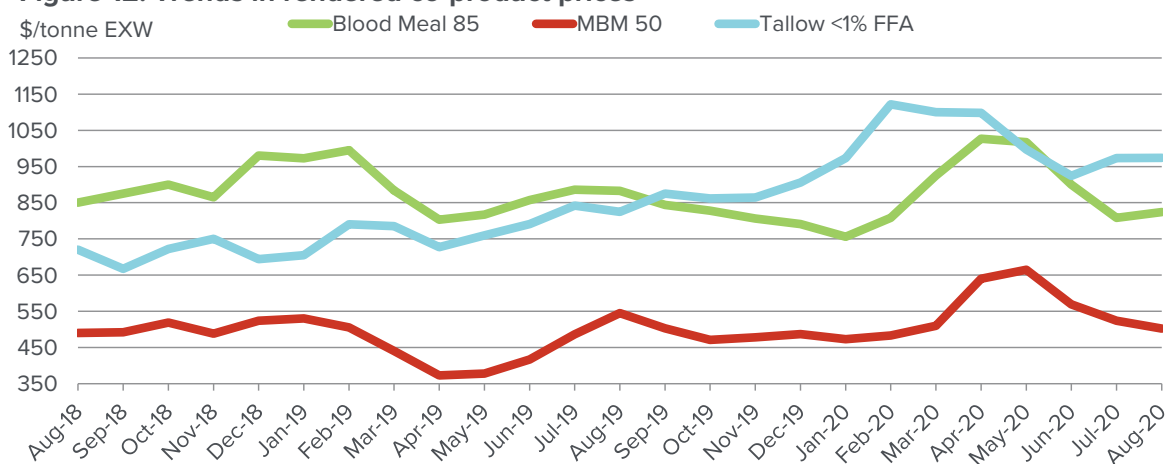
	Average (Aug Data)	Range	Responses	Monthly Change	Annual Change
Bloodmeal 85	\$823.75	\$115.00	4	1.9%	-6.7%
MBM 50	\$502.50	\$220.00	4	-4.1%	-7.9%
Tallow Ined.<1FFA	\$974.00	\$110.00	5	0.1%	18.1%
Tallow Ined.<2FFA	\$955.00		2	-0.9%	16.1%
Tallow Ined.<4FFA	\$916.67	\$150.00	3	-0.4%	17.5%

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

The price for 50% protein MBM softened \$22/tonne from last month, averaging \$502/tonne, and \$43/tonne below August 2019 levels. Blood meal averaged \$824/tonne, down \$59/tonne compared with last year's price, but \$16/tonne firmer month-on-month.

Tallow prices were steady, with the price for 1% FFA tallow averaging \$974/tonne, up \$1/tonne from July but \$149/tonne above year-ago prices.

Figure 12: Trends in rendered co-product prices



Hides

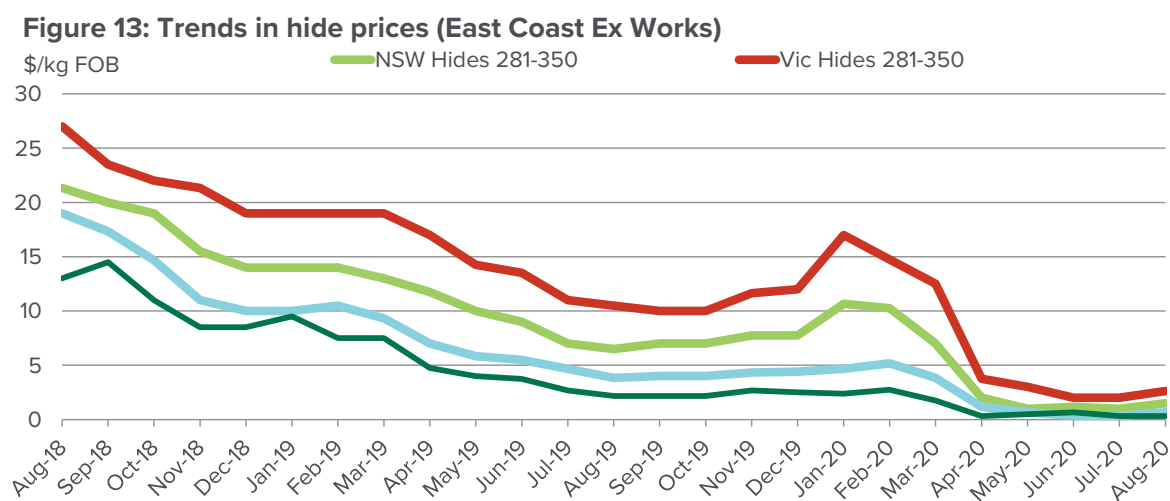
The hide market remains in the worst position it has seen in living memory. The market in China and Italy, although opened, remains reticent to purchase until they confirm sales contracts for finished leather which is in soft demand due to the worldwide COVID-19 lockdowns.

Table 5: Hide prices

	Average (Aug Data)	Range	Responses	Monthly Change	Annual Change
Hides NSW 141- 180	\$0.00		2		-100.0%
Hides NSW 181 - 220	\$0.00		2		-100.0%
Hides NSW 221 - 280	\$0.38		2	200.0%	-84.2%
Hides NSW 281 - 350	\$1.50		2	50.0%	-76.9%
Hides NSW 351 Up	\$3.00		2	33.3%	-72.7%
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	\$0.67	\$1.50	3	100.0%	-82.6%
Hides QLD TFA 351 Up	\$1.50	\$1.00	3	12.5%	-75.7%
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	0.0%	-84.6%
Hides QLD Ticky 350 Up	\$1.00	\$1.00	3	100.0%	-73.9%
Hides VIC 141-180	\$0.00		2		
Hides VIC 181-220	\$0.00		2		
Hides VIC 221 - 280	\$1.00		2	0.0%	-85.2%
Hides VIC 281-350	\$2.63		2	31.3%	-75.0%
Hides VIC 351 Up	\$4.63		2	23.3%	-72.0%

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

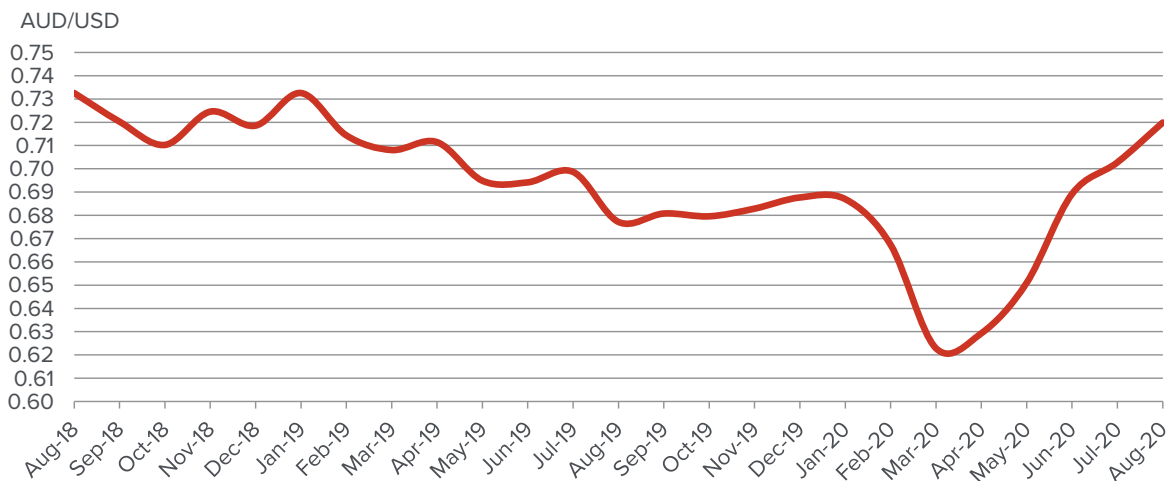
Local prices for hides firmed slightly with most lines of no immediate value.



Currency exchange

The Australian dollar rallied against the US dollar during July. It opened the month at 71.32US¢ and trended upwards across the month to close at 73.54US¢ to average 71.99US¢, an increase of 1.71US¢ month-on-month, and up 4.27US¢ from August 2019.

Figure 14: AUD /USD Foriegn 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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