



# Co-product market report

February 2018

[mla.com.au](http://mla.com.au)

# Beef Co-products

Beef offal prices were generally lower last month. Rumen pillars, despite some downside, remained very firm. However red offals such as tongues, tails and skirts eased considerably for the same period.

**Table 1: Beef co-product prices**

	Average (Jan Data)	Range	Responses	Monthly Change	Annual Change
Beef Lips	\$3.35		2	-11.8%	22.9%
Beef Lips - Halal	\$3.83	\$1.67	5	3.6%	12.8%
Cheekmeat	\$6.07	\$1.40	3	-21.6%	-9.5%
Cheekmeat - Halal	\$5.77	\$0.30	3	-30.3%	-17.6%
Diap. Membrane	\$3.52	\$1.60	5	-16.0%	-2.2%
Hc Tripe	\$6.15	\$0.85	3	4.7%	9.3%
Hc Tripe - Halal	\$6.93	\$1.00	3	-10.0%	-3.7%
Headmeat	\$3.85		2	-3.4%	-18.9%
Headmeat - Halal	\$3.95		2	-3.7%	-22.5%
Heart	\$1.77	\$0.50	3	-7.5%	8.7%
Heart - Halal	\$2.04	\$0.85	4	-7.2%	25.4%
Heart - Aorta	\$6.67	\$0.50	3	-7.2%	2.6%
Heart - Aorta - Halal	\$6.45		2	4.0%	-3.7%
Kidneys	\$1.05	\$0.25	3	6.8%	-6.7%
Kidneys- Halal	\$1.09	\$0.15	4	1.9%	40.3%
Ligamentum	\$3.93	\$0.60	6	7.1%	10.3%
Liver	\$1.05		2	6.3%	2.4%
Liver - Halal	\$1.27	\$0.55	5	12.9%	5.8%
Lungs	\$1.78		2	19.3%	44.9%
Lungs - Halal	\$1.91	\$0.15	4	1.3%	-1.9%
Omasum	\$5.55		2	34.8%	53.1%
Omasum - Halal	\$5.47	\$1.60	3	-13.2%	-4.1%
Rum.Pill - Halal < 500	\$8.20		2	-6.8%	54.7%
Rum.Pill - Halal > 500 < 700	\$14.70		2	-2.0%	28.9%
Rum.Pill - Halal > 700	\$18.35		2	-0.8%	32.0%
Rum.Pill < 500	\$7.58	\$0.55	3	-7.5%	43.1%
Rum.Pill > 500 < 700	\$13.87	\$1.00	3	-6.3%	50.2%
Rum.Pill > 700	\$17.10	\$1.30	3	-3.5%	42.5%
Tail	\$8.87	\$2.00	3	-13.6%	4.3%
Tail - Halal	\$8.86	\$2.50	5	-10.0%	13.6%
Tendons - Halal	\$6.85		2	-4.2%	-18.5%
Thickskirt	\$5.71	\$2.25	4	-11.4%	-25.7%
Thickskirt - Halal	\$5.60		2	-13.2%	-20.0%
Thinskirt	\$5.66	\$2.05	4	-6.5%	-24.5%
Thinskirt - Halal	\$5.40		2	-10.0%	-22.9%
Tongue Root Fillet	\$4.57	\$0.50	3	-15.2%	-1.8%
Tongue Root Meat	\$2.27	\$0.10	3	-1.4%	
Tongue Root Meat - Halal	\$2.32	\$0.35	3	-1.4%	0.7%
Tongue SW	\$9.23	\$0.90	3	-11.9%	-33.3%
Tongue SW - Halal	\$10.12	\$2.80	4	-15.8%	-29.2%
Tripe Pieces	\$3.20		2	-3.8%	16.4%
Tripe Pieces - Halal	\$3.23	\$0.15	4	-4.7%	-1.5%

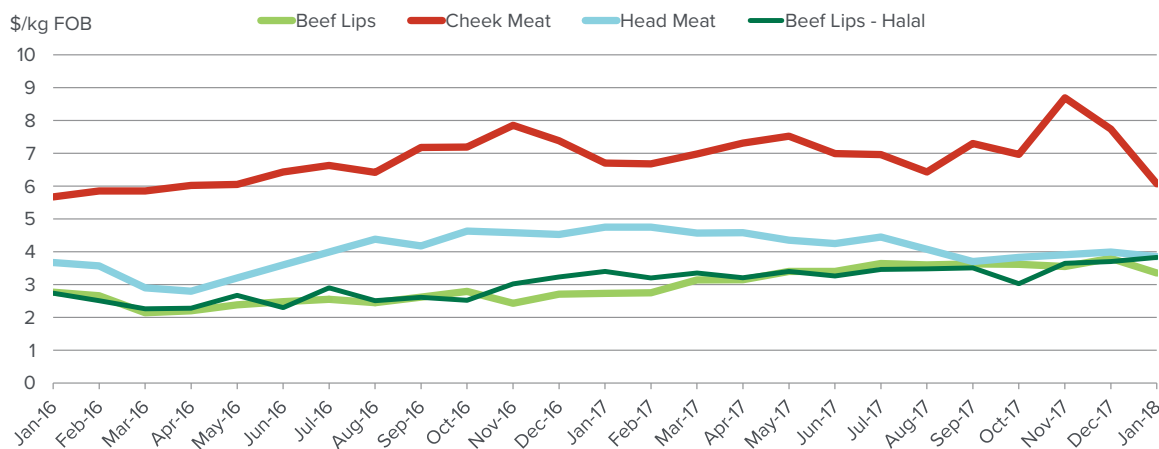
Price quoted is average price reported in \$/kg FOB Australian port.

## Head offal

Head offal products eased in price month-on-month. Head meat averaged \$3.85/kg, down 14¢/kg from last month, whilst halal product averaged \$3.95/kg, back 25¢/kg month-on-month. Cheek meat was 63¢/kg cheaper on year-ago levels, averaging \$6.07/kg, which was \$1.67/kg lower month-on-month.

Lip export prices to the US and Mexico averaged \$3.35/kg, back 45¢/kg month-on-month, although 62¢/kg higher year-on-year. Halal lips averaged \$3.83/kg, 13¢/kg higher month-on-month and 43¢/kg above year-ago levels.

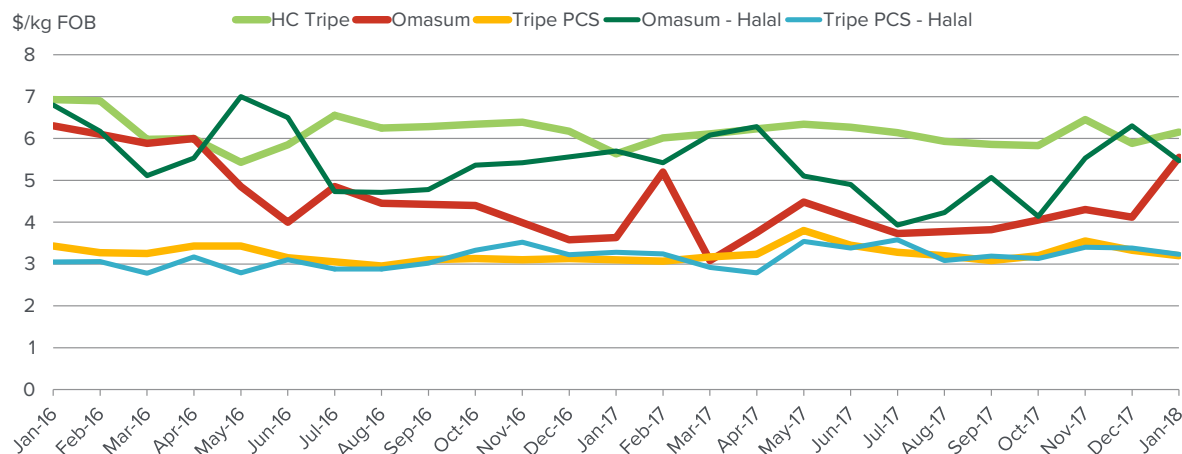
**Figure 1: Trends in beef head offal prices**



## Beef offal trends

Omasum averaged \$5.55/kg, bucking the trend to gain \$1.43/kg over last month, while halal omasum averaged \$5.47/kg, easing 83¢/kg month-on-month and 23¢/kg year-on-year. Halal tripe pieces averaged \$3.23/kg, 15¢/kg lower month-on-month and 5¢/kg lower year-on-year. Non-halal product averaged \$3.20/kg, 13¢/kg below last month. Honeycomb tripe gained 27¢/kg month-on-month, averaging \$6.15/kg.

**Figure 2: Trends in beef tripe prices**

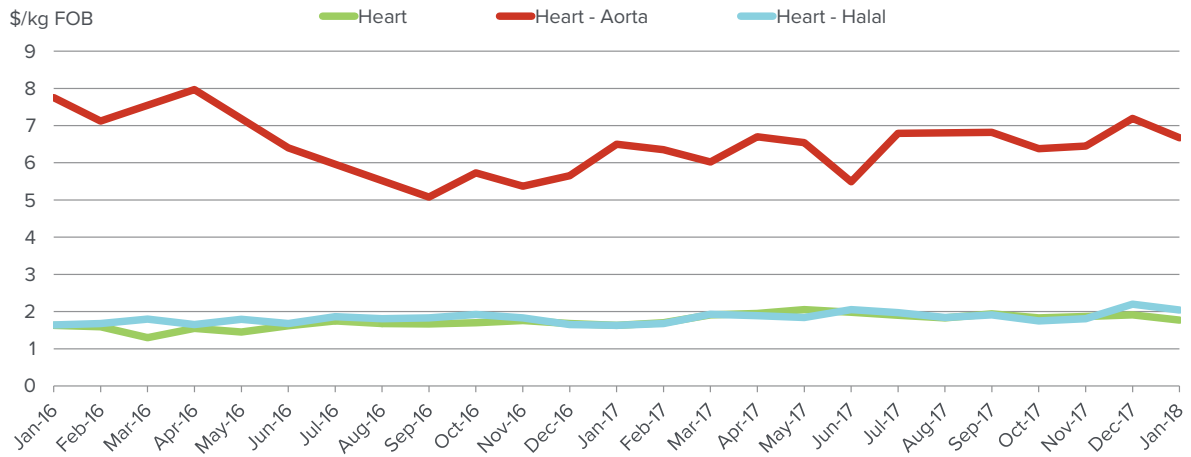


### Beef offal trends continued...

Aorta averaged \$6.67/kg this month; easing 52¢/kg month-on-month, but 17¢/kg above year-ago levels.

Heart prices were down 14¢/kg compared to last month, averaging \$1.77/kg, 14¢/kg above year-ago levels. Halal hearts averaged \$2.04/kg, easing 16¢/kg month-on-month but 41¢/kg dearer year-on-year.

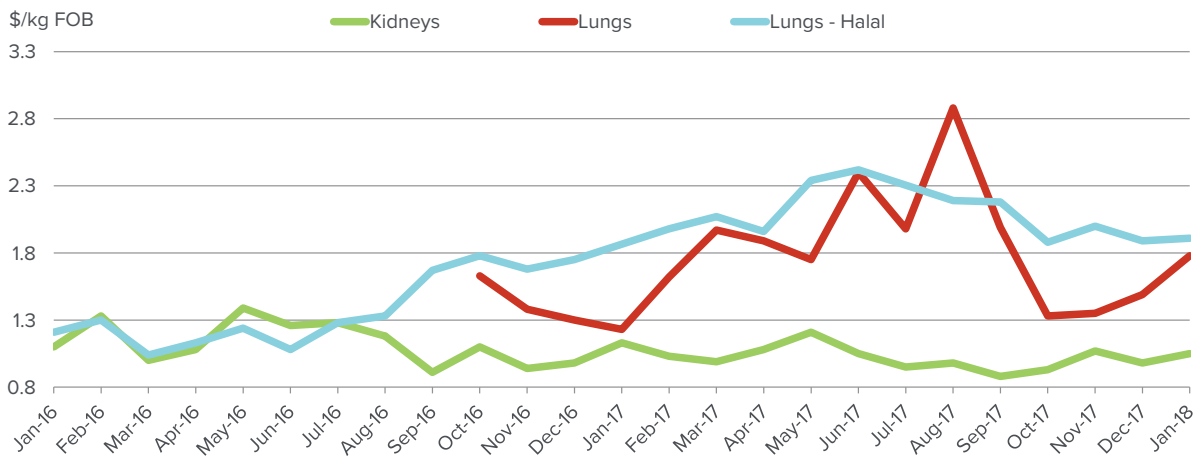
**Figure 3: Trends in beef offal prices**



Kidneys were reported at an average of \$1.05/kg, up 7¢/kg from December, although back 8¢/kg year-on-year.

Non-halal lungs were considerably firmer, averaging \$1.78/kg, up 29¢/kg on last month and 55¢/kg above year-ago levels. Halal lungs were steady, averaging \$1.91/kg this month, settling even with year-ago prices and up just 2¢/kg month-on-month.

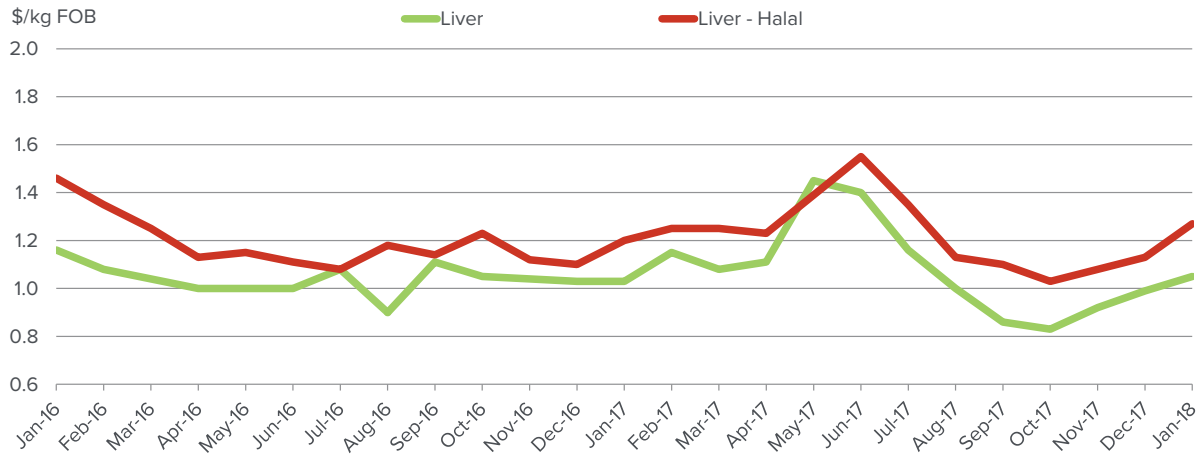
**Figure 4: Trends in beef offal prices**



### Beef offal trends continued...

Liver prices averaged \$1.05/kg, improving by 6¢/kg month-on-month and were 2¢/kg above year-ago levels. Halal livers firmed a further 14¢/kg month-on-month but gained 7¢/kg year-on-year, with quotes averaging \$1.27/kg.

**Figure 5: Trends in beef offal prices**



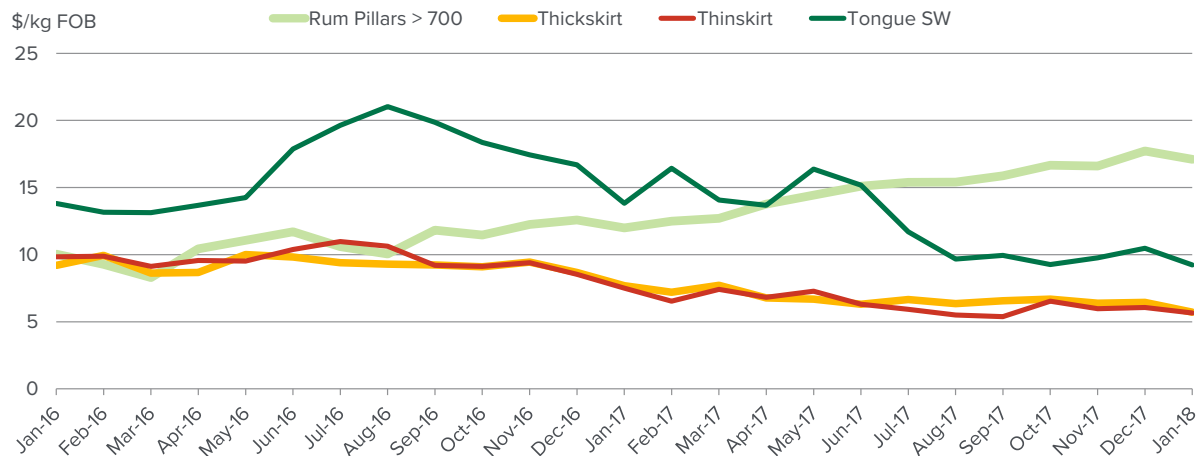
### Japanese and Korean Offals

Tongue prices fell \$1.25/kg month-on-month and \$4.60/kg on year ago levels, averaging \$9.23/kg.

Thick skirt was \$1.97/kg lower year-on-year and easier by 74¢/kg month-on-month, averaging \$5.71/kg. Thin skirt prices eased 40¢/kg from last month and were \$1.84/kg lower year-on-year, averaging \$5.66/kg.

Rumen pillars continued their strong performance this month, with heavy weight product averaging \$17.10/kg, down 63¢/kg month-on-month, but \$5.10/kg dearer than year-ago levels.

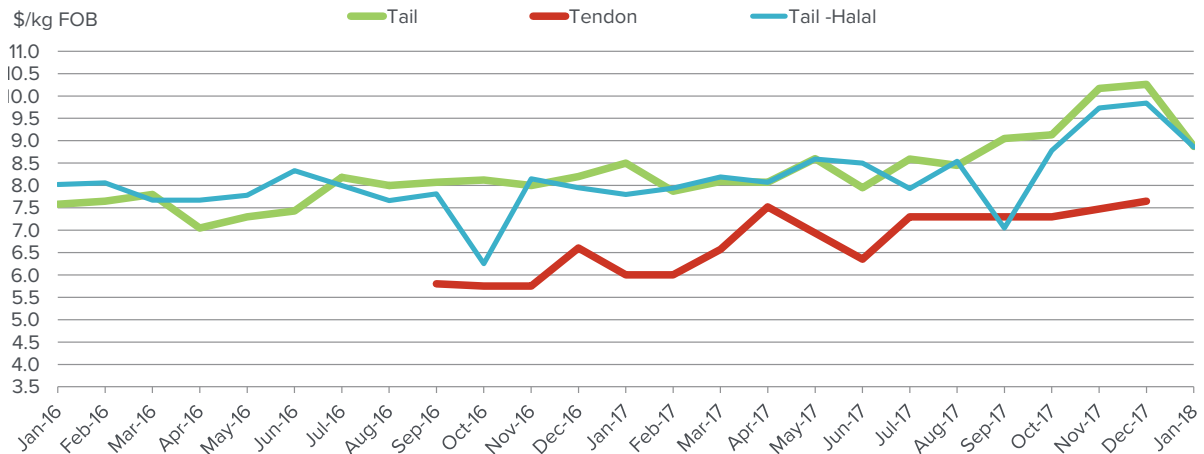
**Figure 6: Trends in Japanese offal prices**



## Tails and Tendons

Tail prices to Korea lost momentum and eased \$1.39/kg below last month to average \$8.87/kg, however still 37¢/kg firmer year-on-year. Halal tails trended 98¢/kg easier on December levels, but \$1.06/kg higher year-on-year, averaging \$8.86/kg. Tendons were not reported however halal product was reported at \$6.85/kg, down 30¢/kg month-on-month.

**Figure 7: Trends in tail and tendon prices**



## Sheep Co-products

Sheep offal prices were firmer this month however tripe remained steady. Runner prices were also reported higher.

**Table 2: Sheep co-product prices**

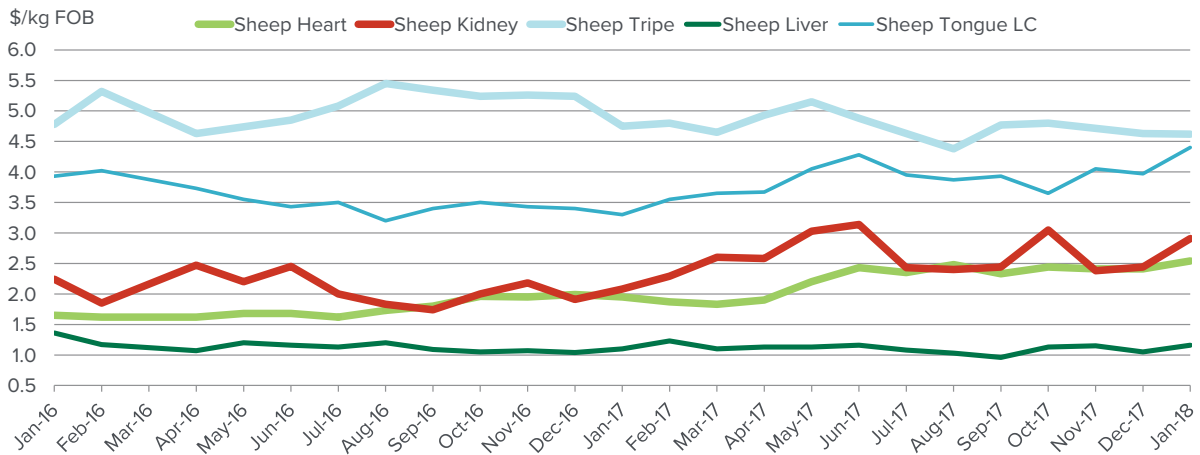
	Average (Jan Data)	Range	Responses	Monthly Change	Annual Change
Heart Sheep - Halal	\$2.54	\$0.70	4	5.2%	30.1%
Kidneys Sheep - Halal	\$2.91	\$2.27	4	19.0%	40.1%
Liver Sheep - Halal	\$1.16	\$0.32	4	10.5%	5.2%
Runners Lamb	\$6.37	\$1.00	3	11.7%	73.2%
Runners Sheep	\$4.65	\$1.05	3	5.7%	121.4%
Tongue LC Sheep - Halal	\$4.40		2	10.9%	33.3%
Tripe Sheep - Halal	\$4.62	\$0.55	3	-0.4%	-2.8%

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

## Sheep offal

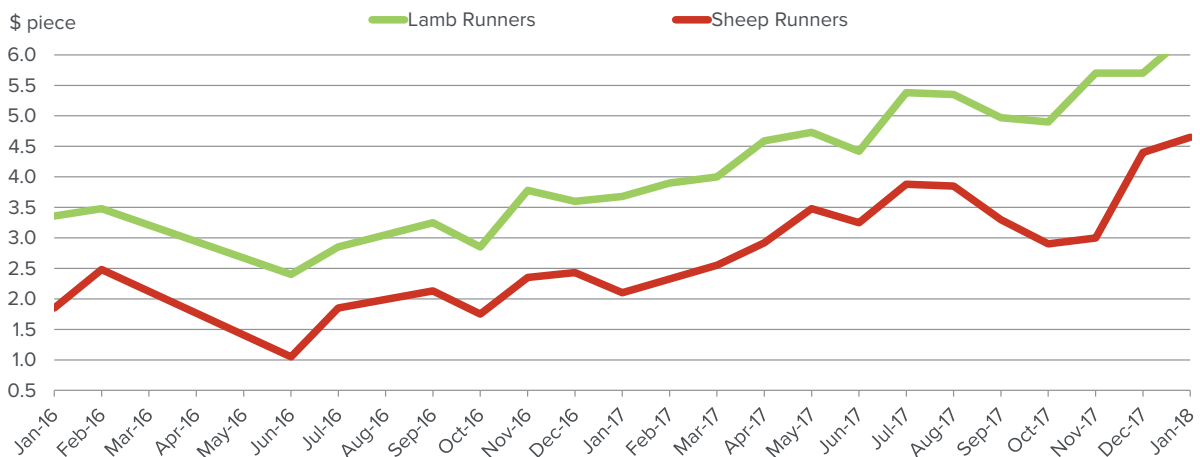
Sheep hearts averaged \$2.54/kg, 13¢/kg firmer month-on-month and were 59¢/kg dearer than year-ago levels. Sheep livers averaged \$1.16/kg, up 11¢/kg month-on-month and 6¢/kg higher year-on-year. Kidney prices returned \$2.91/kg, up 47¢/kg from last month and 83¢/kg dearer than year-ago levels. Sheep tripe prices were reported at \$4.62/kg this month, 13¢/kg down on year-ago prices. Sheep long cut tongue averaged \$4.40/kg, up 43¢/kg month-on-month and \$1.10/kg dearer compared to last year.

**Figure 8: Trends in sheep offal prices**



Lamb runners averaged \$6.37/piece which was 67¢/piece up on December prices and \$2.69/piece higher year-ago levels. Sheep runners averaged \$4.65/piece for January, up 25¢/piece month-on-month and an improvement of \$2.55/piece year-on-year.

**Figure 9: Trends in runner prices**



# Pharmaceutical products

Pharmaceutical product eased slightly for the month, with European eligible foetal blood feeling some downward pressure and concentrated gall trending slightly softer.

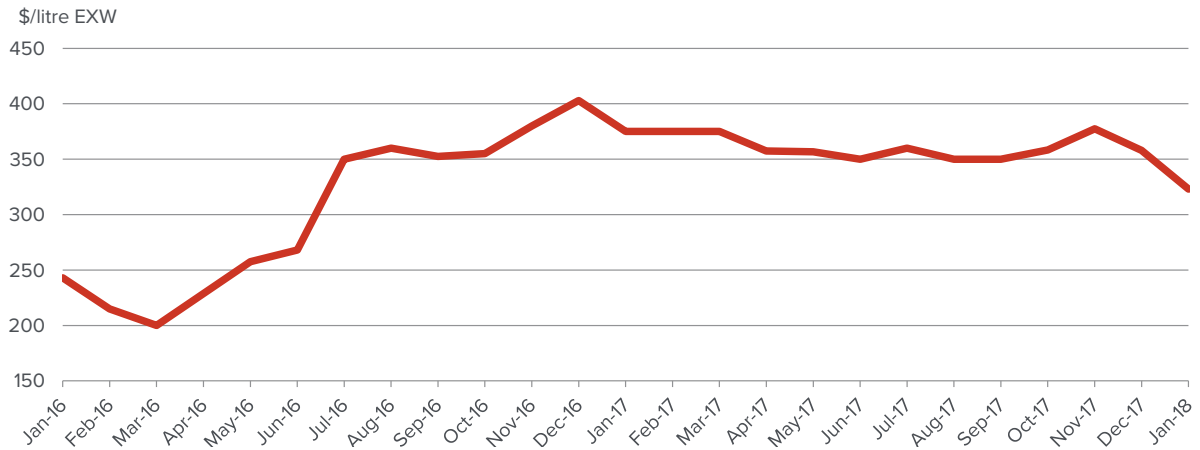
**Table 3: Pharmaceutical prices**

	Average (Jan Data)	Range	Responses	Monthly Change	Annual Change
Foetal Blood	\$323.33	\$45.00	3	-9.7%	-13.8%
Gall Concentrated	\$25.50		2	-8.9%	5.7%

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

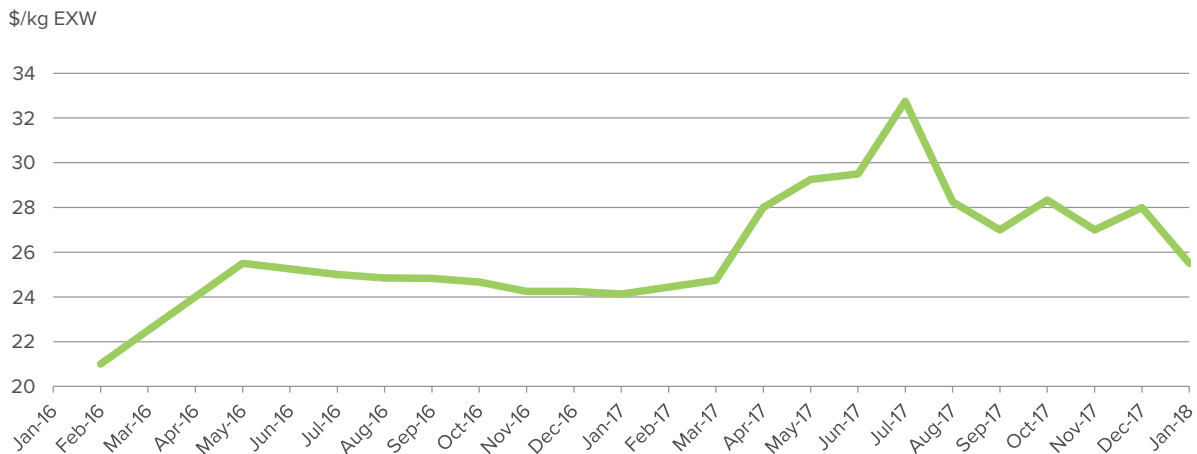
Foetal blood averaged \$323.33/litre, down \$34.67 from last month’s price, and \$51.67 below last year’s price.

**Figure 10: Trends for foetal blood prices**



Concentrated gall price trends eased slightly, averaging \$25.50/kg, which is \$1.37/kg higher than last year but \$2.50/kg down month-on-month.

**Figure 11: Trends for concentrated gall prices**





## Rendered products

Rendered meals were also easier across the board as production swung back into action following the holiday period as well as dry conditions forcing slaughter numbers to rise. A significant rain event could reverse this trend. Singapore maintains a steady demand however lower priced US product will continue to keep a lid on prices.

**Table 4: Rendered product prices**

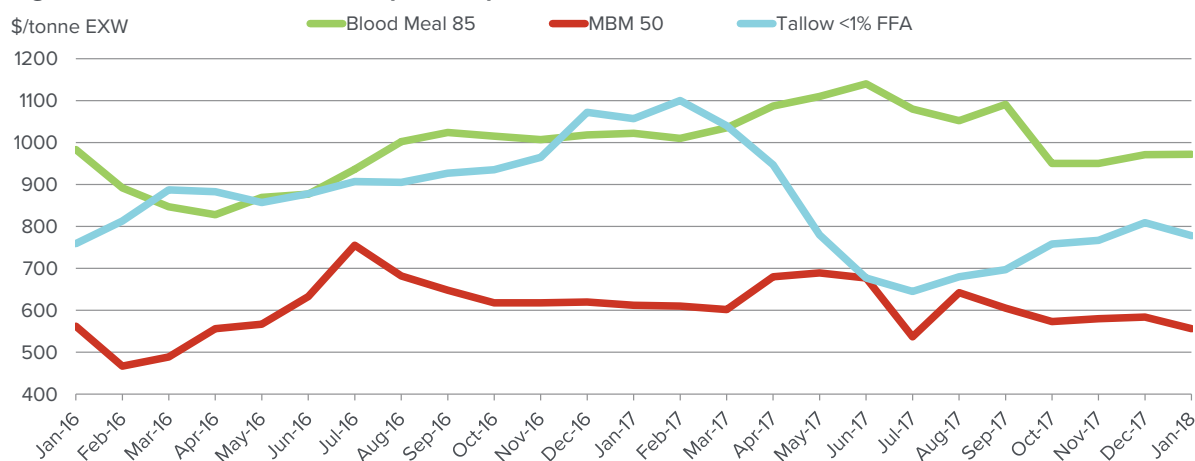
	Average (Jan Data)	Range	Responses	Monthly Change	Annual Change
Bloodmeal 85	\$972.0	\$90.0	5	0.1%	-4.9%
MBM 50	\$555.8	\$115.0	6	-4.8%	-9.1%
MBM 50 Sheep	\$1,875.0		2	7.1%	105.5%
Tallow lned.<1FFA	\$777.5	\$130.0	6	-3.9%	-26.4%
Tallow lned.<2FFA	\$780.0		2	-2.2%	-24.8%
Tallow lned.<4FFA	\$730.0	\$110.0	4	-3.8%	-26.0%

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

Export meat and bone meal (MBM) price remains under pressure on the back of large volumes of USA product at considerable discount and a stronger dollar lowering the export return. The price for 50% protein averaged \$556/tonne, back \$28/tonne on December and \$56/tonne lower year-on-year. Blood meal averaged \$972/tonne ex-works, up \$1/tonne over last month's price but \$50/tonne lower year-on-year.

Tallow prices eased on the back of the dollar as steady trade continues in the oleo and industrial markets and interest from Singapore kept sales ticking over. Price for 1% FFA tallow averaged \$778/tonne, down \$31/tonne on last month's price and \$279/tonne below year-ago prices.

**Figure 12: Trends in rendered co-product prices**



# Hides

The hide market remains subdued, with poor demand and plentiful supply keeping prices under pressure as we move towards the lunar new year. A move by the fashion industry away from the use of leather in casual and athletic footwear due to activist pressure has had a major effect on demand for hides.

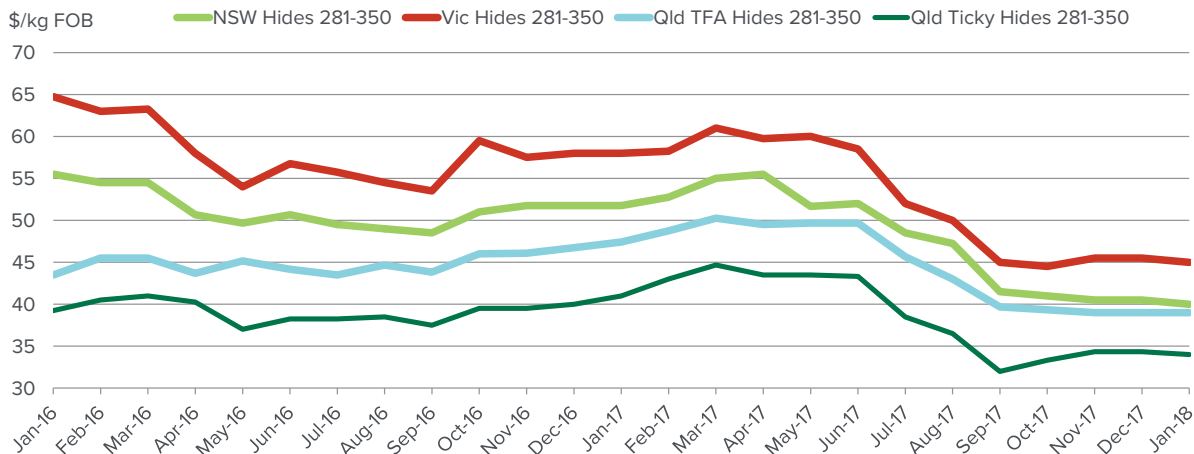
**Table 5: Hide prices**

	Average (Jan Data)	Range	Responses	Monthly Change	Annual Change
Hides NSW 141- 180	\$20.50		2	0.0%	-12.8%
Hides NSW 181 - 220	\$24.50		2	-3.9%	-24.6%
Hides NSW 221 - 280	\$32.00		2	-1.5%	-19.5%
Hides NSW 281 - 350	\$40.00		2	-1.2%	-22.7%
Hides NSW 351 Up	\$51.50		2	-1.0%	-21.4%
Hides QLD TFA 141 - 220	\$22.00		2	-2.2%	-18.9%
Hides QLD TFA 221 - 280	\$30.25		2	-1.6%	-17.4%
Hides QLD TFA 281 - 350	\$39.00	\$10.00	3	0.0%	-17.8%
Hides QLD TFA 351 Up	\$48.50	\$15.50	3	0.0%	-14.4%
Hides QLD Ticky 281 - 350	\$34.00	\$5.00	3	-1.0%	-17.1%
Hides QLD Ticky 350 Up	\$42.33	\$9.00	3	-0.8%	-15.3%
Hides VIC 141-180	\$24.00		2	0.0%	-21.3%
Hides VIC 181-220	\$29.50		2	-1.7%	-21.3%
Hides VIC 221 - 280	\$37.00		2	-1.3%	-20.4%
Hides VIC 281-350	\$45.00		2	-1.1%	-22.4%
Hides VIC 351 Up	\$54.25		2	-1.4%	-24.9%

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

Local prices for hides were down around 50¢/piece compared to last month as overseas buyers close their books in anticipation of the coming holiday season.

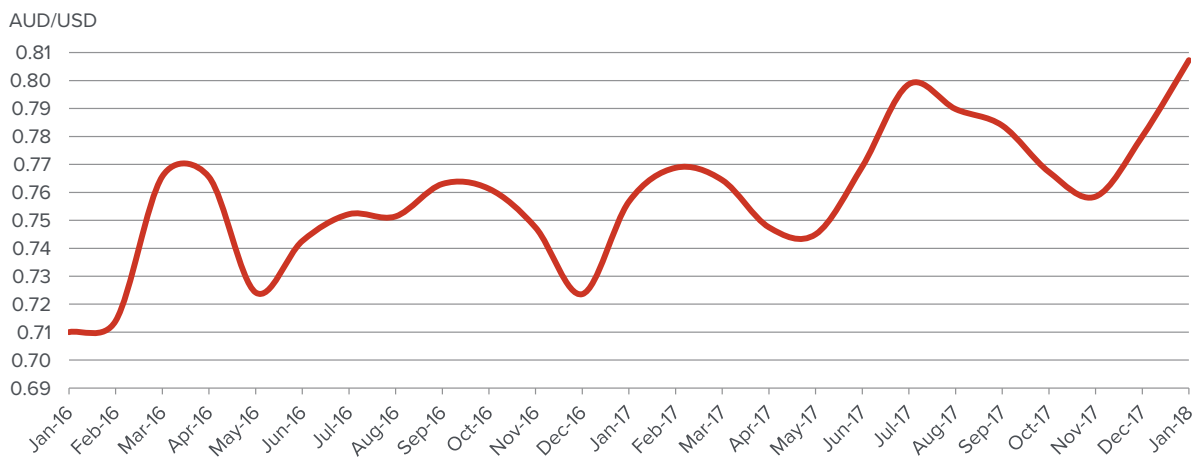
**Figure 13: Trends in hide prices (East Coast Ex Works)**



## Currency exchange

The Australian dollar rallied against the US dollar during the month, reaching its strongest position since mid-September last year. It opened at 78.37US¢ and traded down to 78.16US¢, then rallied to 80.96US¢ before finishing the month at 80.73US¢.

**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 Adam Cheetham on 02 9463 9354 or [acheetham@mla.com.au](mailto:acheetham@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](mailto:marketinfo@mla.com.au)  
[www.mla.com.au/prices-markets](http://www.mla.com.au/prices-markets)

Published by Meat & Livestock Australia Limited  
 ABN 39 081 678 364  
 February 2018

©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](#)