



# Co-product market report

November 2018

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# Beef Co-products

Beef offal prices were generally softer, despite a falling Australian dollar assisting the return to works. However, rumen pillars rallied again, as did thick skirt and thin skirt. Omasum led the downward trend.

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

	Average (Oct Data)	Range	Responses	Monthly Change	Annual Change
Beef Lips	\$3.26	\$1.05	4	-7.7%	-9.8%
Beef Lips - Halal	\$3.58	\$0.00	2	-4.7%	17.9%
Cheekmeat	\$5.50	\$0.00	2	-3.5%	-21.1%
Cheekmeat - Halal	\$5.15	\$0.00	2	-15.6%	-21.6%
Diap. Membrane	\$4.48	\$2.30	3	49.4%	14.1%
Hc Tripe	\$7.23	\$2.20	3	1.6%	24.2%
Hc Tripe - Halal	\$5.88	\$0.00	2	-23.7%	3.5%
Headmeat	\$4.13	\$0.40	3	-5.7%	7.8%
Heart	\$2.30	\$0.20	4	-8.0%	25.5%
Heart - Halal	\$2.50	\$0.00	2	1.0%	43.3%
Heart - Aorta	\$7.43	\$2.30	3	10.7%	16.6%
Kidneys	\$0.90	\$0.00	2	12.5%	-3.6%
Ligamentum	\$3.80	\$3.10	5	18.7%	6.5%
Liver	\$1.01	\$0.05	4	-3.6%	21.5%
Liver - Halal	\$1.20	\$0.00	2	-5.0%	16.1%
Omasum	\$6.91	\$3.25	4	-12.1%	70.7%
Omasum - Halal	\$5.50	\$0.00	2	-32.9%	32.9%
Rum.Pill - Halal < 500	\$7.10	\$0.00	2	-33.9%	-1.6%
Rum.Pill - Halal > 500 < 700	\$16.05	\$0.00	2	-8.1%	23.1%
Rum.Pill - Halal > 700	\$19.40	\$0.00	2	-6.0%	19.0%
Rum.Pill < 500	\$10.78	\$3.90	4	5.0%	41.2%
Rum.Pill > 500 < 700	\$17.38	\$3.30	4	4.9%	22.8%
Rum.Pill > 700	\$20.53	\$2.40	4	1.9%	23.1%
Tail	\$9.78	\$2.60	4	4.4%	7.1%
Tail - Halal	\$9.25	\$0.00	2	-6.4%	5.4%
Tendons	\$7.40	\$0.00	2	9.6%	1.4%
Thickskirt	\$7.43	\$2.55	4	9.0%	11.2%
Thickskirt - Halal	\$6.13	\$0.00	2	-14.6%	2.9%
Thinskirt	\$6.83	\$3.10	4	14.5%	4.6%
Thinskirt - Halal	\$5.93	\$0.00	2	-1.3%	11.1%
Tongue SW	\$8.44	\$0.60	4	3.8%	-8.9%
Tongue SW - Halal	\$7.98	\$0.00	2	2.9%	-33.6%
Tripe Pieces	\$3.51	\$0.45	4	0.9%	9.8%
Tripe Pieces - Halal	\$2.90	\$0.00	2	-15.5%	-7.3%

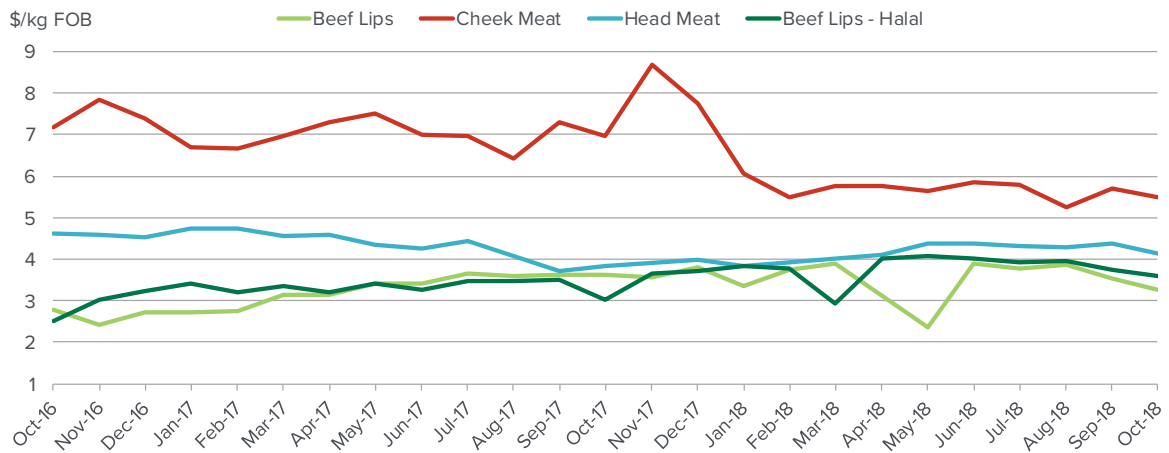
Price quoted is average price reported in \$/kg FOB Australian port.

## Head offal

Prices for head offal products were down this month. Head meat averaged \$4.13/kg, 36¢/kg firmer year-on-year but 25¢/kg lower than last month. Cheek meat was \$1.47/kg cheaper than year-ago levels, averaging \$5.50/kg, down 20¢/kg from last month.

Lip export prices to the US and Mexico were softer, averaging \$3.26/kg, down 27¢/kg month-on-month and down 36¢/kg year-on-year. Halal lips also eased, averaging \$3.58/kg, down 17¢/kg compared to last month but still 55¢/kg firmer year-on-year.

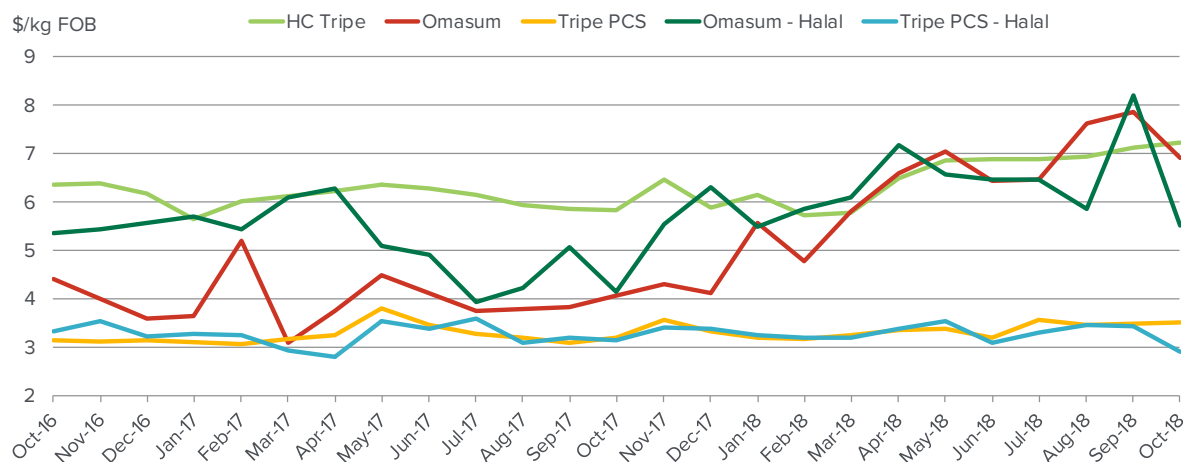
**Figure 1: Trends in beef head offal prices**



## Beef offal trends

Omasum averaged \$6.91/kg, down 95¢/kg on last month, however, \$2.86/kg above year-ago levels. Halal omasum averaged \$5.50/kg, down \$2.70/kg month-on-month and \$1.36/kg firmer year-on-year. Halal tripe pieces averaged \$2.90/kg, down 53¢/kg month-on-month and down 23¢/kg year-on-year. Non-halal product averaged \$3.51/kg, which was 3¢/kg above last month and 31¢/kg firmer than last year. Honeycomb tripe firmed 11¢/kg month-on-month and was \$1.40/kg higher year-on-year, averaging \$7.23/kg.

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

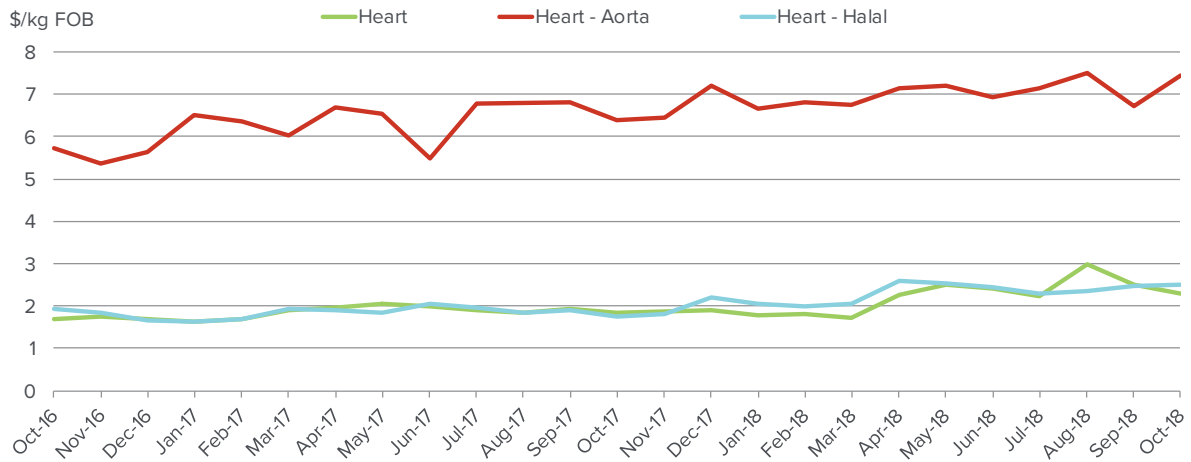


### Beef offal trends continued...

Aorta averaged \$7.43/kg for the month; which was 72¢/kg higher month-on-month and \$1.05/kg above year-ago levels.

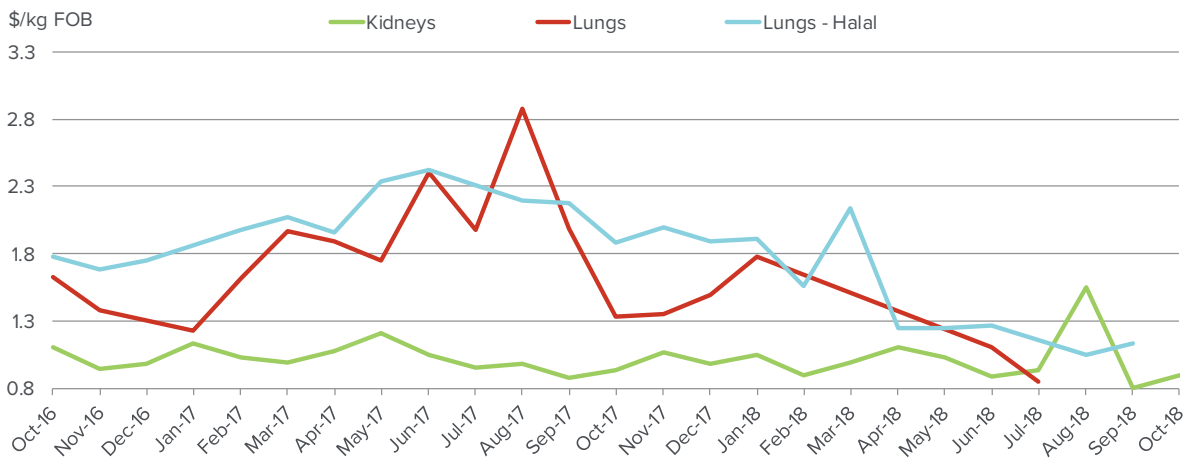
Heart prices were 20¢/kg below last month but 47¢/kg above year-ago levels, averaging \$2.30/kg. Halal hearts averaged \$2.50/kg, firming 2¢/kg month-on-month to be 75¢/kg stronger year-on-year.

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



Kidneys were reported at an average of 90¢/kg, up 10¢/kg across the month, and 3¢/kg softer year-on-year. Neither halal nor non-halal lungs were reported this month.

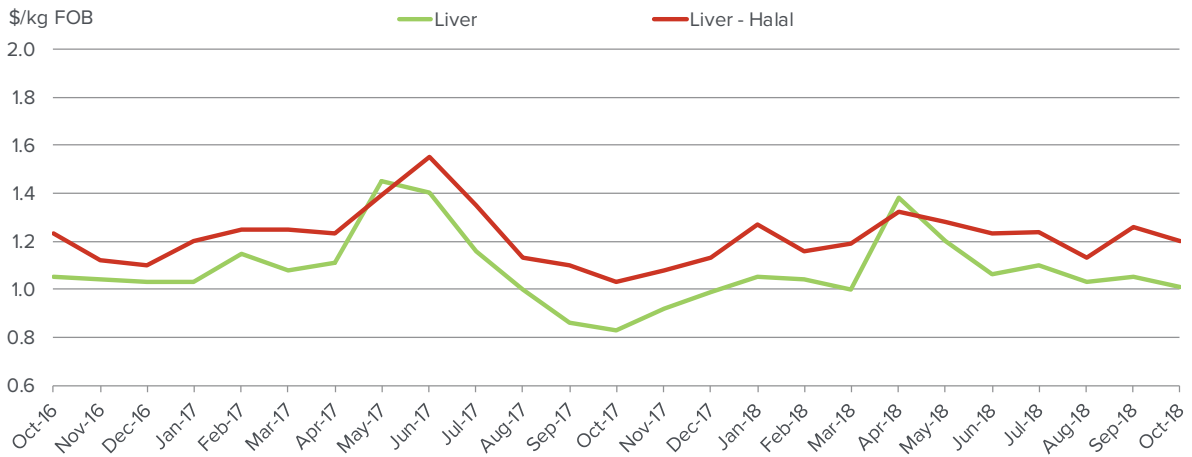
**Figure 4: Trends in beef offal prices**



### Beef offal trends continued...

Liver prices averaged \$1.01/kg, easing 4¢/kg month-on-month and 18¢/kg above year-ago levels. Halal livers eased 6¢/kg month-on-month and were 17¢/kg firmer year-on-year, with quotes averaging \$1.26/kg.

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



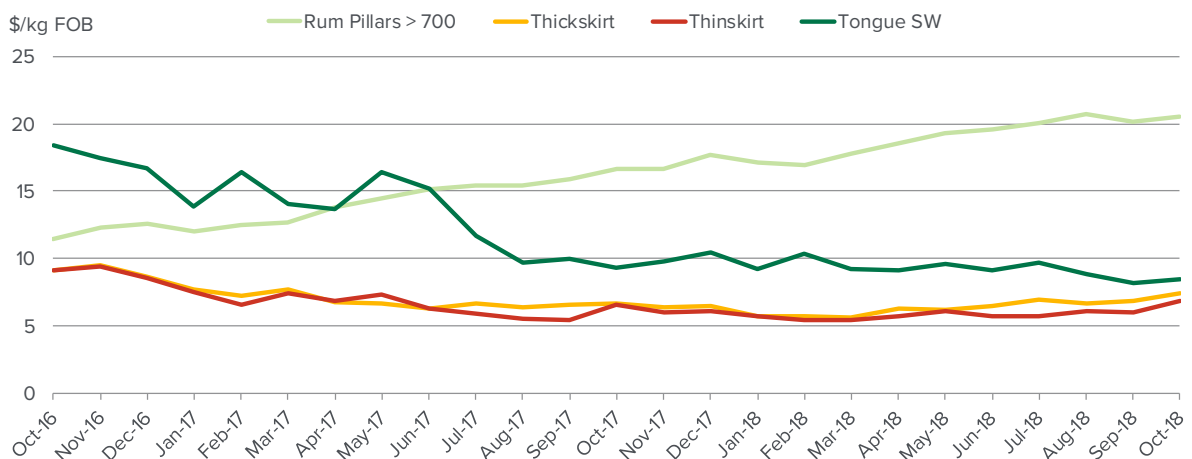
### Japanese and Korean Offals

Tongue prices averaged \$8.44/kg, up 31¢/kg month-on-month but 82¢/kg below year ago levels.

Thick skirt was up 75¢/kg year-on-year and 62¢/kg higher month-on-month, averaging \$7.43/kg. Thin skirt rose 87¢/kg month-on-month and was 30¢/kg higher year-on-year, averaging \$6.83/kg.

Rumen pillars rallied slightly, with heavy weight product averaging \$20.53/kg, up 39¢/kg month-on-month and \$3.86/kg dearer than year-ago levels.

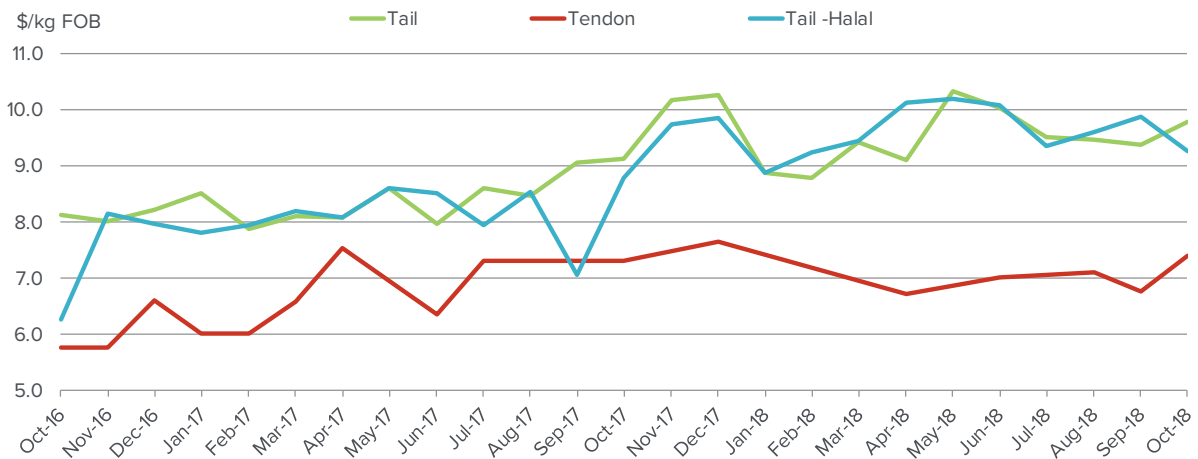
**Figure 6: Trends in Japanese offal prices**



## Tails and Tendons

Tail prices to Korea firmed 42¢/kg month-on-month to average \$9.78/kg, which was 65¢/kg higher than year-ago levels. Halal tails eased 63¢/kg month-on-month, but remained 47¢/kg firmer year-on-year, to average \$9.25/kg. Tendons averaged \$7.40/kg, up 10¢/kg year-on-year and 65¢/kg stronger than last month.

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



## Sheep Co-products

Sheep offal prices were lightly reported with kidneys, livers, tongues and runners not reported.

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

	Average (Oct Data)	Range	Responses	Monthly Change	Annual Change
Heart Sheep - Halal	\$2.65	\$0.00	2	-1.9%	8.8%
Tripe Sheep - Halal	\$3.75	\$0.00	2	-1.3%	-21.9%

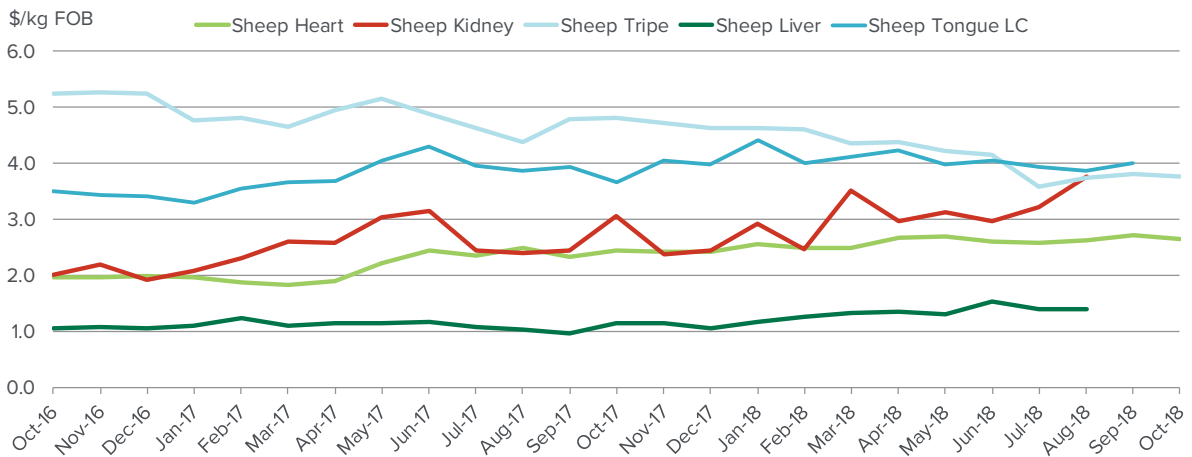
Price quoted is average price reported in \$/kg FOB Australian port and runners as \$/piece.

## Sheep offal

Sheep hearts averaged \$2.65/kg, down 5¢/kg month-on-month but 21¢/kg dearer than year-ago levels.

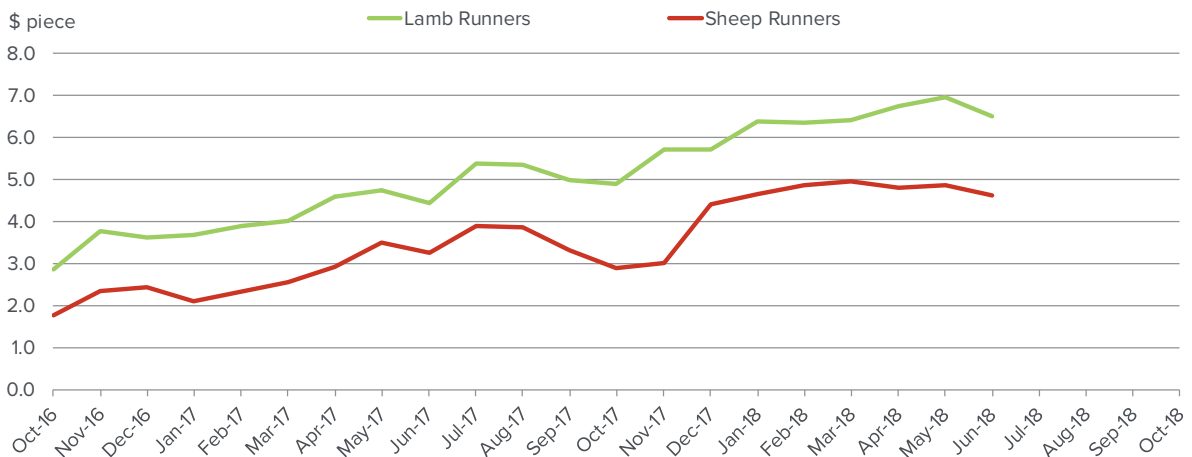
Sheep tripe was reported at \$3.75/kg this month, down \$1.05/kg when compared with year-ago prices and down 5¢/kg month-on-month.

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



Neither lamb nor sheep runners were reported.

**Figure 9: Trends in runner prices**





# Pharmaceutical products

Pharmaceutical products were also lightly reported

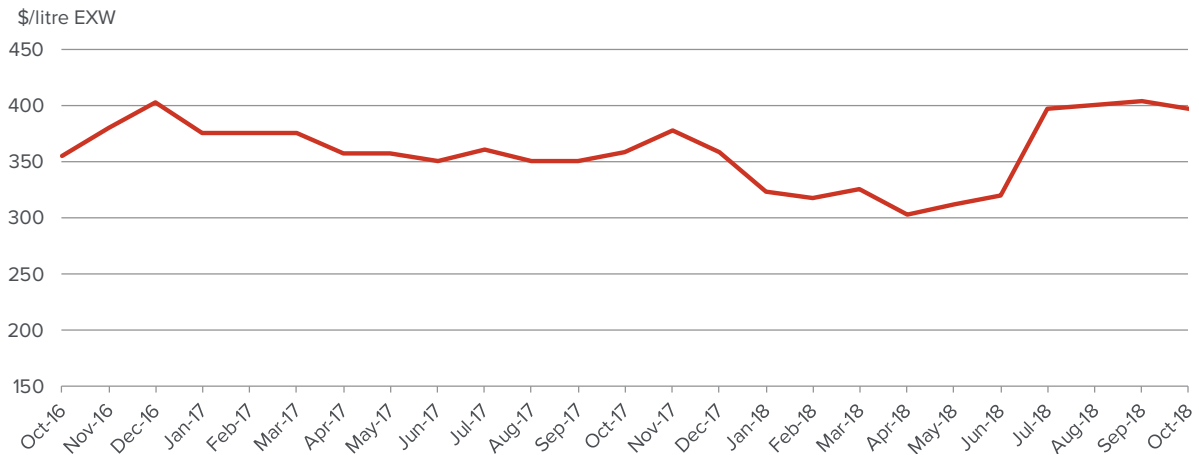
**Table 3: Pharmaceutical prices**

	Average (Oct Data)	Range	Responses	Monthly Change	Annual Change
Foetal Blood	\$317.50	\$25.00	4	-1.8%	-15.3%
Gall Concentrated	\$29.25		2	14.7%	17.0%

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

Foetal blood averaged \$396.67/litre, down \$6.66/litre from last month's price but \$38.34/litre above last year's price.

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



Concentrated gall averaged \$28.00/kg, which was 33¢/kg below year ago prices

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



## Rendered products

Rendered meals were firmer, with most contracts being set just before the end of September for October delivery. Prices have since eased following the trade suspension with Indonesia.

**Table 4: Rendered product prices**

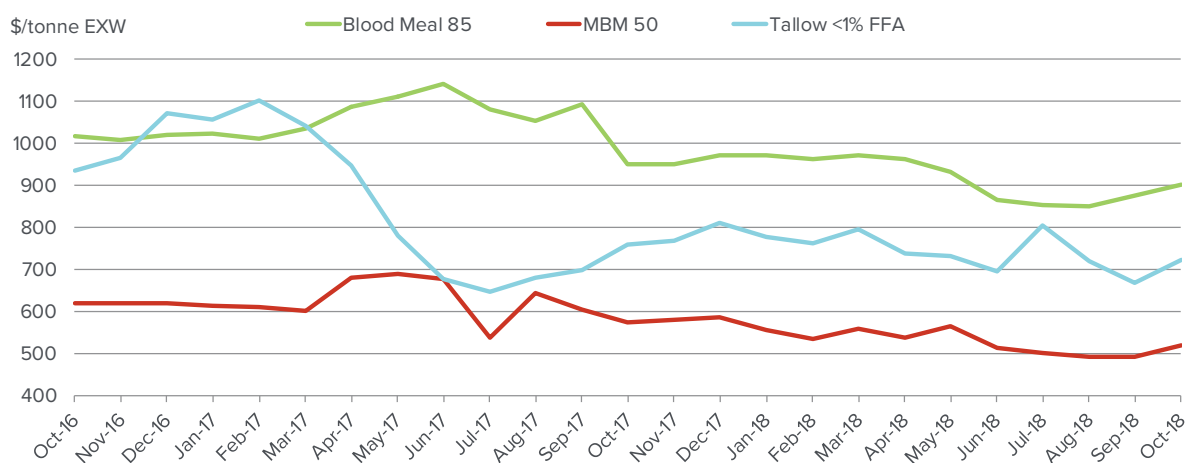
	Average (Oct Data)	Range	Responses	Monthly Change	Annual Change
Bloodmeal 85	\$960.00	\$70.00	5	-1.2%	-5.0%
MBM 50	\$533.00	\$135.00	5	-4.1%	-12.6%
Tallow Ined.<1FFA	\$759.80	\$155.00	5	-2.3%	-30.9%
Tallow Ined.<2FFA	\$772.00		2	-1.0%	-29.8%
Tallow Ined.<4FFA	\$732.50		2	0.3%	-28.5%

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

The price for 50% protein MBM averaged \$519.00/tonne, up \$27.00/tonne month-on-month but \$54.00/tonne lower year-on-year. Blood meal averaged \$900/tonne, to be down \$50.00/tonne on last year's price.

Tallow prices rallied, with the price for 1% FFA tallow averaging \$722/tonne, up \$55/tonne on last month's price but still \$36/tonne below year-ago prices.

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



# Hides

The hide market continues to falter. Many exporters are now taking whatever price is offered in an effort to clear stocks. The average price fell further during the month. Light weight low quality hides will not return a price to cover the cost of processing. Many processors advise that this is the longest depressed market they have ever experienced.

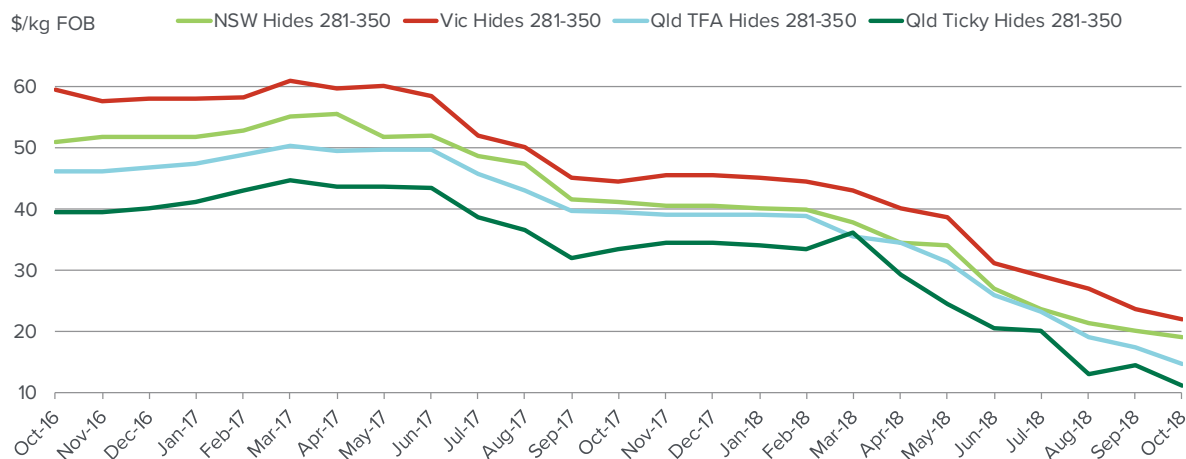
**Table 5: Hide prices**

	Average (Oct Data)	Range	Responses	Monthly Change	Annual Change
Hides NSW 141- 180	\$6.67	\$5.00	3	-11.1%	-67.5%
Hides NSW 181 - 220	\$9.83	\$4.50	3	-1.7%	-62.2%
Hides NSW 221 - 280	\$13.00	\$6.00	3	-3.7%	-60.0%
Hides NSW 281 - 350	\$19.00	\$4.00	3	-5.0%	-53.7%
Hides NSW 351 Up	\$24.00	\$0.00	3	-7.7%	-53.8%
Hides QLD TFA 141 - 220	\$6.00	\$0.00	2	-14.3%	-73.3%
Hides QLD TFA 221 - 280	\$9.00	\$0.00	2	-21.7%	-70.7%
Hides QLD TFA 281 - 350	\$14.67	\$5.00	3	-15.4%	-62.7%
Hides QLD TFA 351 Up	\$18.33	\$7.00	3	-15.4%	-61.8%
Hides QLD Ticky 281 - 350	\$11.00	\$0.00	2	-24.1%	-67.0%
Hides QLD Ticky 350 Up	\$15.00	\$0.00	2	-23.1%	-63.3%
Hides VIC 141-180	\$9.00	\$0.00	2	-10.0%	-62.5%
Hides VIC 181-220	\$12.25	\$0.00	2	-10.9%	-58.5%
Hides VIC 221 - 280	\$16.00	\$0.00	2	-9.9%	-57.0%
Hides VIC 281-350	\$22.00	\$0.00	2	-6.4%	-50.6%
Hides VIC 351 Up	\$30.50	\$0.00	2	-4.7%	-45.0%

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

Local prices for hides fell \$1 to \$4/piece compared to last month and hides across all grades and weights are around a third of their value last year.

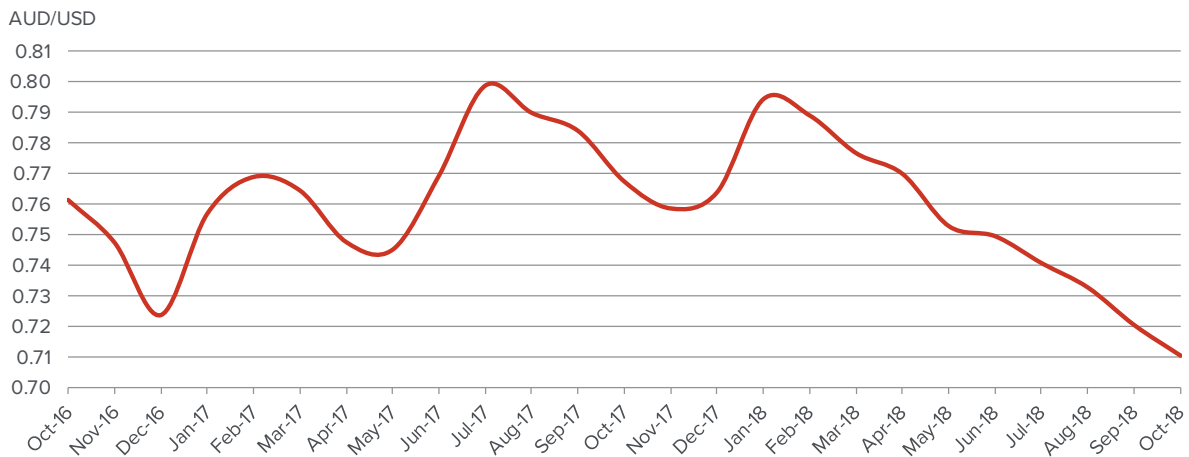
**Figure 13: Trends in hide prices (East Coast Ex Works)**



# Currency exchange

The Australian dollar continued its downward trend against the US dollar during October. The \$A opened the month at 72.00US¢ and closed at 70.85US¢, to average 71.03US¢ for October, which was 1.00US¢ lower than last month’s average.

**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:

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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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