



Co-product market report

April 2018

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Beef Co-products

Beef offal prices were firmer across most items compared with last month. Rumen pillars remain very firm. Hearts, tongues and thickskirts were easier for the same period.

Table 1: Beef co-product prices

	Average (Mar Data)	Range	Responses	Monthly Change	Annual Change
Beef Lips	\$3.90		2	4.0%	24.3%
Beef Lips - Halal	\$2.93	\$3.30	5	-21.9%	-12.5%
Cheekmeat	\$5.75	\$0.50	4	4.8%	-17.6%
Cheekmeat - Halal	\$5.86	\$0.39	4	-0.3%	-22.5%
Diap. Membrane	\$3.36	\$1.05	4	-11.3%	-19.3%
Hc Tripe	\$5.77	\$2.30	3	0.6%	-5.7%
Hc Tripe - Halal	\$6.38	\$2.30	3	-0.9%	-12.1%
Heart	\$1.71	\$1.77	3	-5.0%	-10.5%
Heart - Halal	\$2.05	\$0.90	5	2.2%	6.0%
Heart - Aorta	\$6.75		2	-6.3%	12.1%
Heart - Aorta - Halal	\$6.92	\$0.87	3	1.8%	5.3%
Kidneys	\$0.99		2	9.4%	-0.7%
Kidneys- Halal	\$1.12	\$0.77	3	-19.5%	-9.2%
Ligamentum	\$3.68	\$1.59	4	-8.8%	8.2%
Liver	\$1.00	\$0.81	3	-4.2%	-7.3%
Liver - Halal	\$1.19	\$0.25	5	2.9%	-4.8%
Lungs - Halal	\$2.14	\$1.72	3	37.5%	3.4%
Omasum	\$5.80		2	21.8%	88.1%
Omasum - Halal	\$6.09	\$1.60	4	3.9%	0.1%
Rum.Pill - Halal < 500	\$9.28		2	6.9%	67.1%
Rum.Pill - Halal > 500 < 700	\$14.70		2	1.4%	22.5%
Rum.Pill - Halal > 700	\$18.43		2	0.0%	15.2%
Rum.Pill < 500	\$8.62	\$3.40	3	-3.9%	62.1%
Rum.Pill > 500 < 700	\$13.90	\$3.40	3	4.8%	48.7%
Rum.Pill > 700	\$17.78	\$2.60	3	5.0%	40.0%
Tail	\$9.41	\$1.98	4	7.1%	16.2%
Tail - Halal	\$9.44	\$1.50	5	2.2%	15.3%
Tendons - Halal	\$6.96		2	-5.1%	-4.7%
Thickskirt	\$5.59	\$2.16	4	-2.2%	-27.6%
Thickskirt - Halal	\$5.54	\$2.09	3	-6.2%	-30.8%
Thinskirt	\$5.38	\$1.37	4	-0.6%	-27.4%
Thinskirt - Halal	\$5.44	\$1.27	3	-6.2%	-11.7%
Tongue Root Meat	\$2.30		2	10.8%	
Tongue Root Meat - Halal	\$2.24	\$0.63	4	3.2%	-12.1%
Tongue SW	\$9.17	\$1.00	3	-11.4%	-34.8%
Tongue SW - Halal	\$9.30	\$3.49	4	-5.2%	-32.8%
Tripe Pieces	\$3.25		2	2.4%	2.6%
Tripe Pieces - Halal	\$3.19	\$0.50	3	0.3%	9.1%

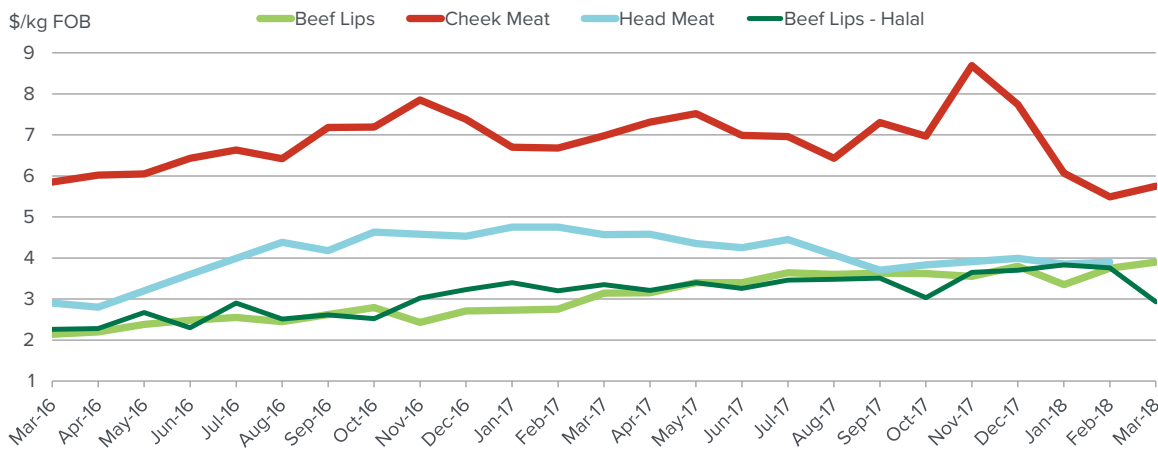
Price quoted is average price reported in \$/kg FOB Australian port.

Head offal

Head offal products had a mixed month for pricing. Head meat was not reported for the second month in a row. Cheek meat was \$1.23/kg cheaper on year-ago levels, averaging \$5.75/kg, 26¢/kg firmer month-on-month.

Lip export prices to the US and Mexico averaged \$3.90/kg, up 15¢/kg month-on-month and was 76¢/kg higher year-on-year. Halal lips price has been affected by one very low figure which has skewed the average price shown. Other responses show it remains around \$3.76/kg.

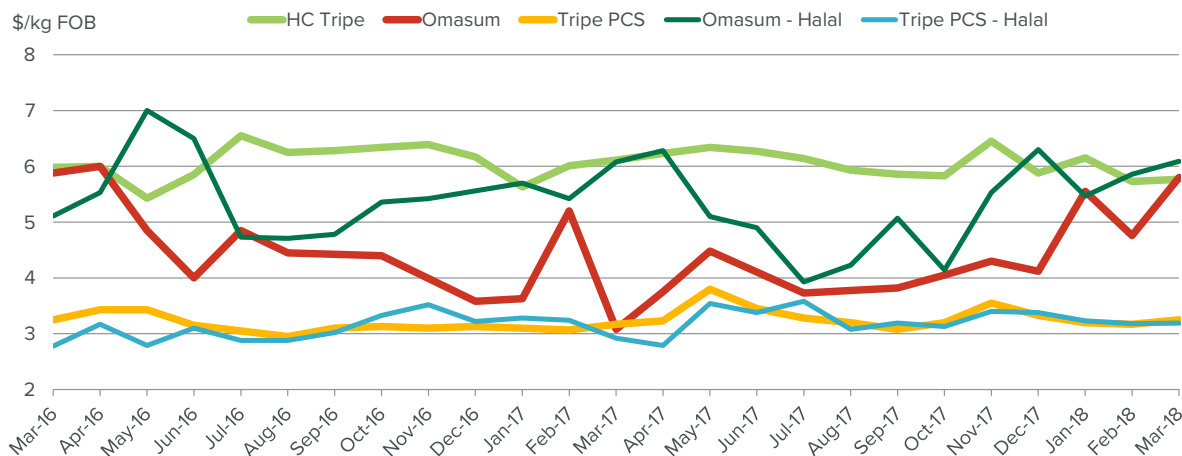
Figure 1: Trends in beef head offal prices



Beef offal trends

Omasum averaged \$5.80/kg, up \$1.04/kg on last month and \$2.72/kg from a year ago, while halal omasum averaged \$6.09/kg, up 23¢/kg month-on-month and 1¢/kg year-on-year. Halal tripe pieces averaged \$3.19/kg, 1¢/kg higher month-on-month and 27¢/kg year-on-year. Non-halal product averaged \$3.25/kg - 8¢/kg above last month. Honeycomb tripe firmed 4¢/kg month-on-month but was 34¢/kg lower year-on-year, averaging \$5.77/kg.

Figure 2: Trends in beef tripe prices

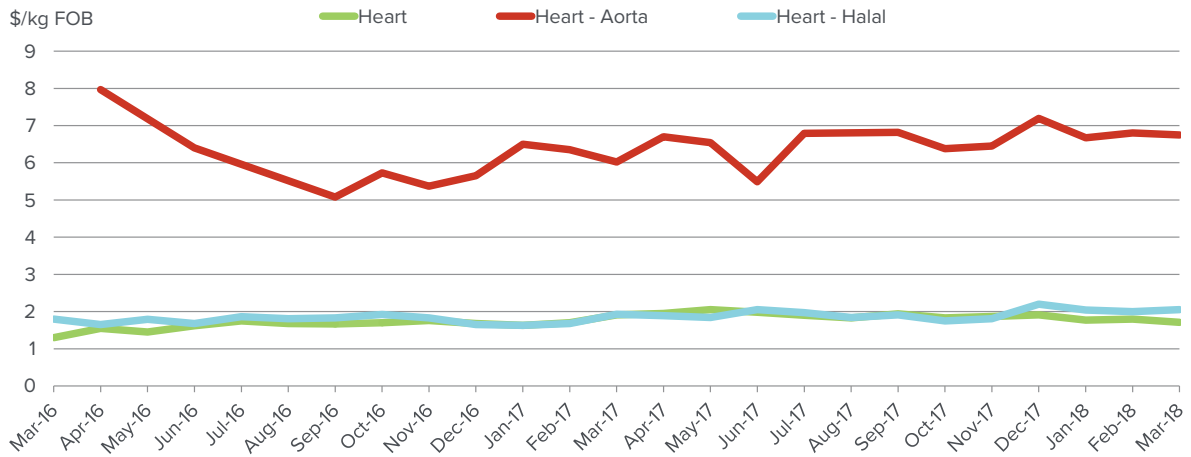


Beef offal trends continued...

Aorta averaged \$6.75/kg this month; easing 5¢/kg month-on-month, but 73¢/kg above year-ago levels.

Heart prices were down 9¢/kg compared to last month and 20¢/kg below year-ago levels, averaging \$1.71/kg. Halal hearts averaged \$2.05/kg, firming 5¢/kg month-on-month and 20¢/kg year-on-year.

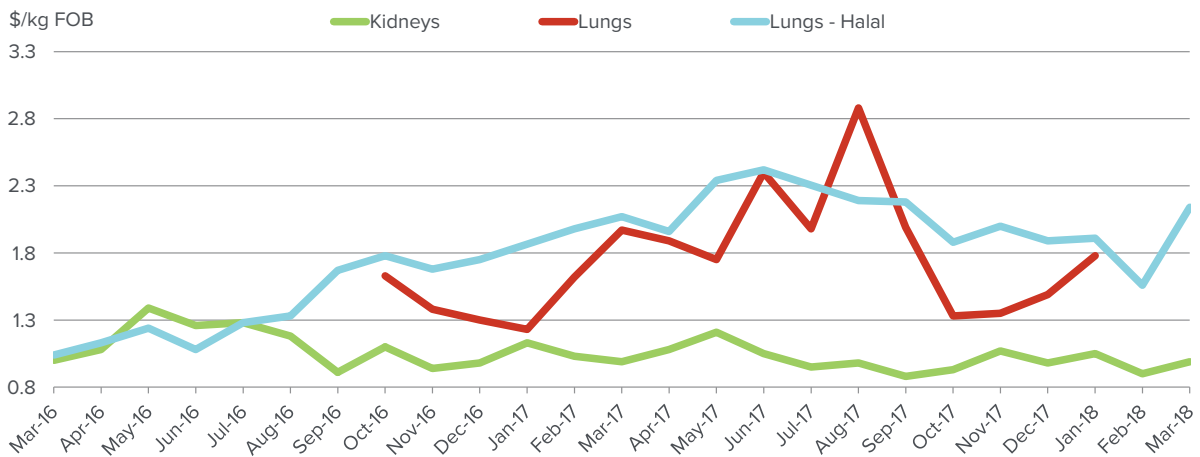
Figure 3: Trends in beef offal prices



Kidneys were reported at an average of 99¢/kg, up 9¢/kg from February, and even year-on-year. Halal lungs rallied, averaging \$2.05/kg this month, up 58¢/kg month-on-month and 7¢/kg on year-ago prices, while non-halal lungs were not reported.

Liver prices averaged \$1.00/kg, easing 4¢/kg month-on-month and 8¢/kg below year-ago levels. Halal livers firmed 3¢/kg month-on-month but 6¢/kg down year-on-year, with quotes averaging \$1.19/kg.

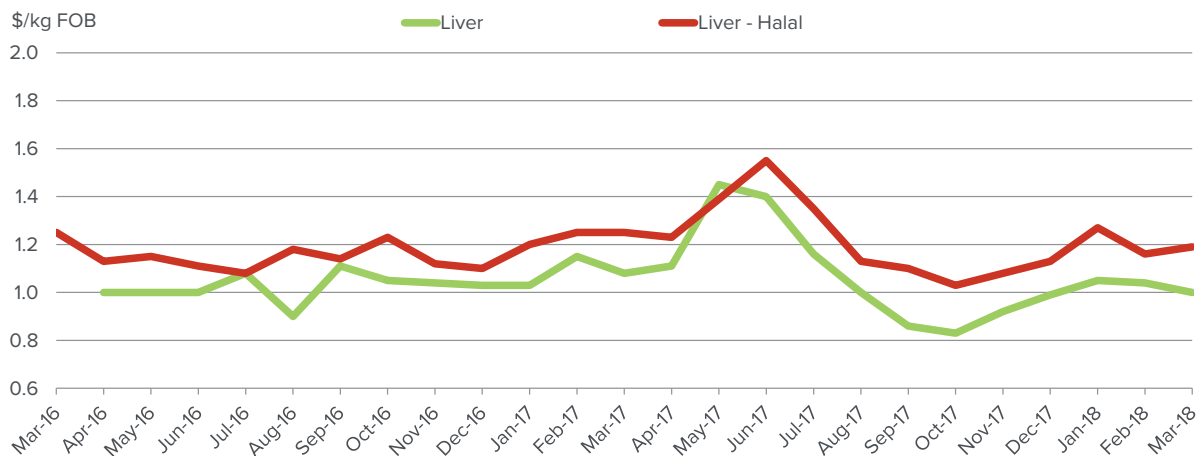
Figure 4: Trends in beef offal prices



Beef offal trends continued...

Tongue prices have seen some spikes and troughs, possibly due to a high price sale skewing the average and \$9.17/kg is probably close to the real mark, which is still \$4.90/kg below year ago levels.

Figure 5: Trends in beef offal prices

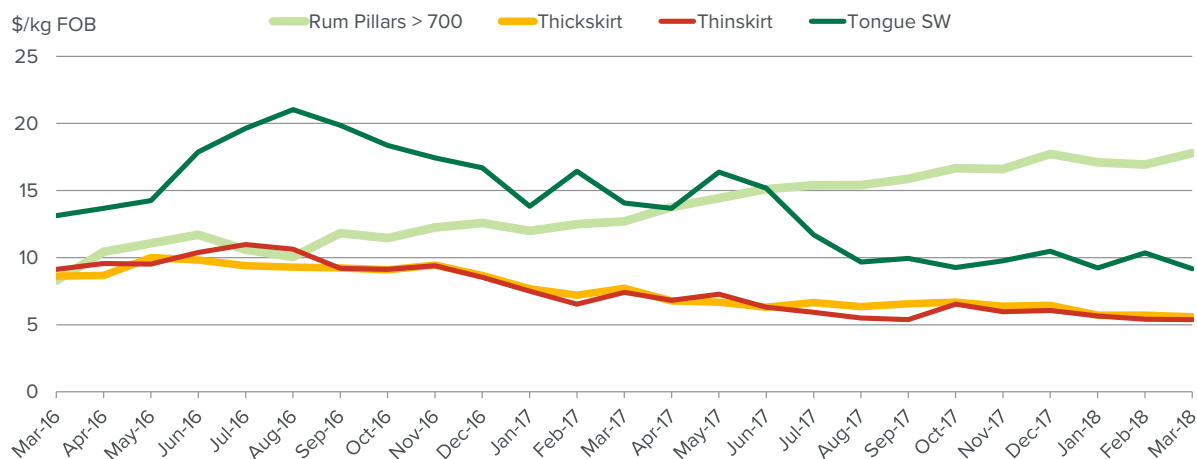


Japanese and Korean Offals

Thick skirt was \$2.12/kg lower year-on-year and 12¢/kg month-on-month, averaging \$5.59/kg. Thin skirt prices eased 4¢/kg from last month and were \$2.03/kg lower year-on-year, averaging \$5.38/kg.

Rumen pillars continued their strong performance, with heavy weight product averaging \$17.78/kg, up 85¢/kg month-on-month and \$5.08/kg dearer than year-ago levels.

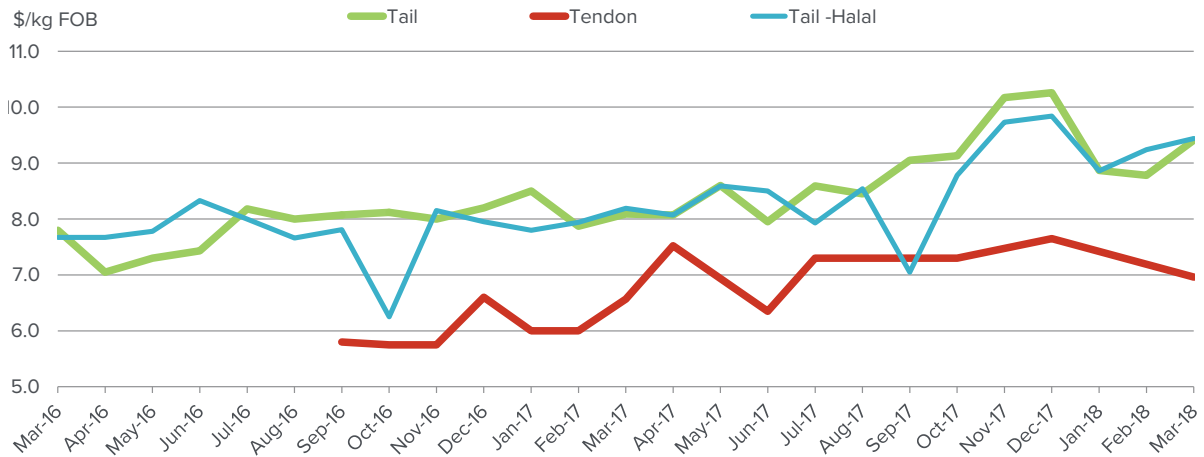
Figure 6: Trends in Japanese offal prices



Tails and Tendons

Tail prices to Korea rallied by 63¢/kg month-on-month to average \$9.41/kg and was \$1.32/kg firmer year-on-year. Halal tails also trended up, gaining 20¢/kg month-on-month and \$1.25/kg year-on-year, to average \$9.44/kg. Tendons were again not reported however halal product was reported at \$6.96/kg, down 38¢/kg month-on-month.

Figure 7: Trends in tail and tendon prices



Sheep Co-products

Sheep offal prices were generally steady this month; however tripe prices were weaker.

Table 2: Sheep co-product prices

	Average (Mar Data)	Range	Responses	Monthly Change	Annual Change
Heart Sheep - Halal	\$2.48	\$0.55	3	0.0%	35.5%
Kidneys Sheep - Halal	\$3.50		2	41.7%	34.6%
Liver Sheep - Halal	\$1.33		2	6.4%	20.9%
Runners Lamb	\$6.40		2	0.8%	60.0%
Runners Sheep	\$4.95		2	2.1%	94.1%
Tongue LC Sheep - Halal	\$4.10		2	2.5%	12.3%
Tripe Sheep - Halal	\$4.35		2	-5.4%	-6.5%

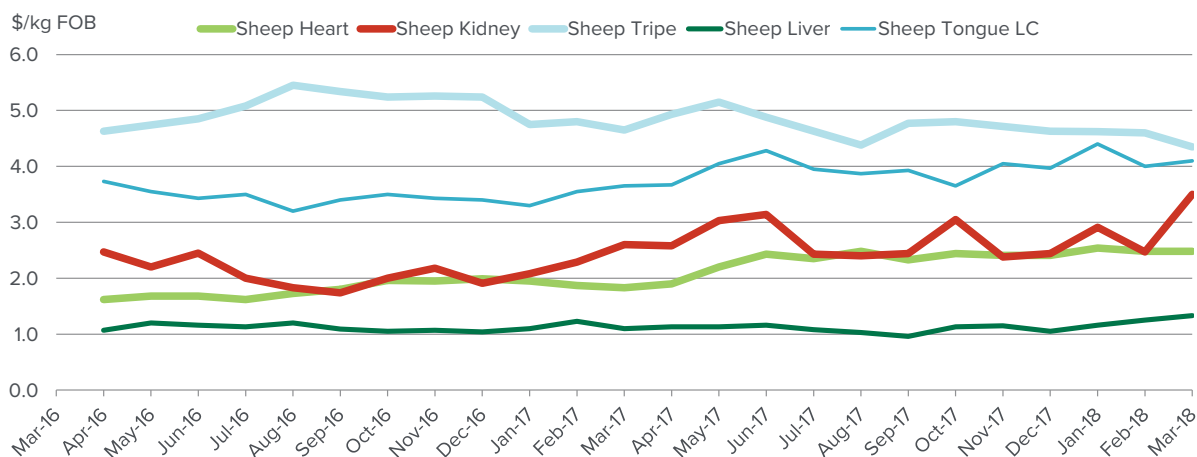
Price quoted is average price reported in \$/kg FOB Australian port and runners as \$/piece.

Sheep offal

Sheep hearts averaged \$2.48/kg, even with last month but were 65¢/kg dearer than year-ago levels. Sheep livers averaged \$1.33/kg, up 8¢/kg month-on-month and 23¢/kg higher year-on-year. Kidneys returned \$3.50/kg, firming \$1.03/kg month-on-month and 90¢/kg year-on-year.

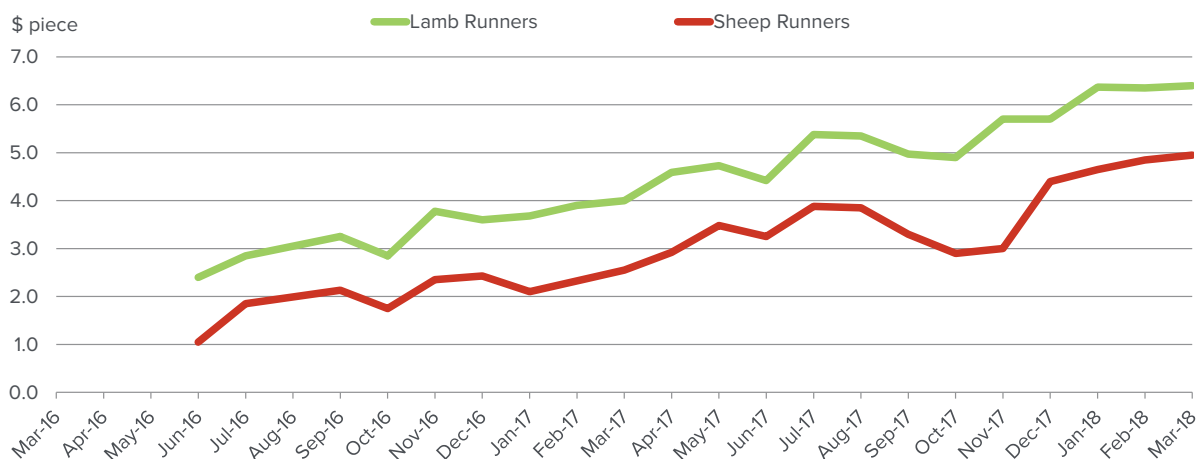
Sheep tripe prices were reported at \$4.35/kg this month, 30¢/kg down on year-ago prices and 25¢/kg lower month-on-month. Sheep long cut tongue averaged \$4.10/kg, up 10¢/kg month-on-month and 45¢/kg dearer compared to last year.

Figure 8: Trends in sheep offal prices



Lamb runners averaged \$6.40/piece which was 5¢/piece up month-on-month and \$2.40/piece higher than year-ago levels. Sheep runners averaged \$4.95/piece for March, up 10¢/piece month-on-month and an improvement of \$2.40/piece year-on-year.

Figure 9: Trends in runner prices



Pharmaceutical products

Pharmaceutical product showed mixed results for the month, with European eligible foetal blood steady whilst concentrated gall trending lower.

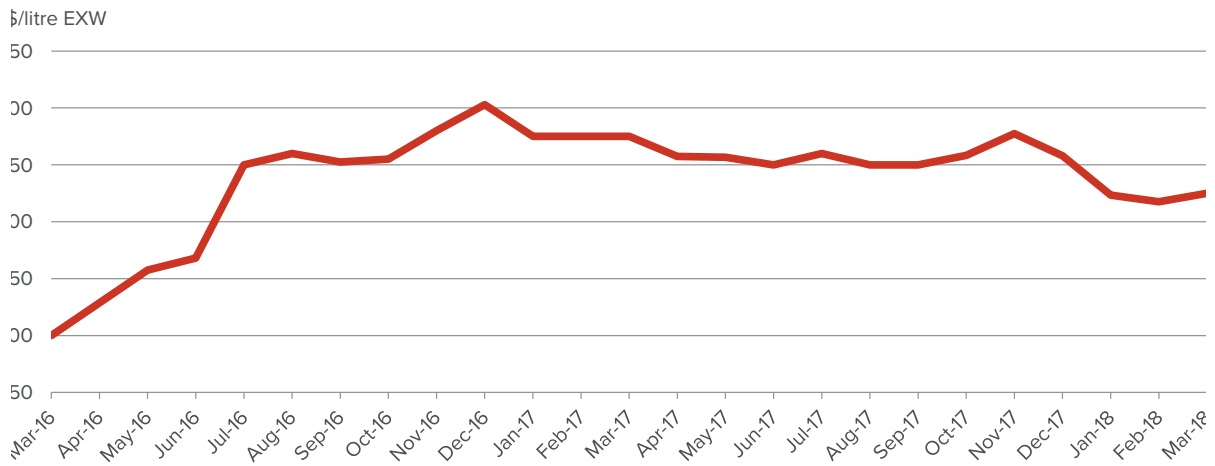
Table 3: Pharmaceutical prices

	Average (Mar Data)	Range	Responses	Monthly Change	Annual Change
Foetal Blood	\$325.00	\$10.00	4	2.4%	-13.3%
Gall Concentrated	\$28.00		2	-4.3%	13.1%

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

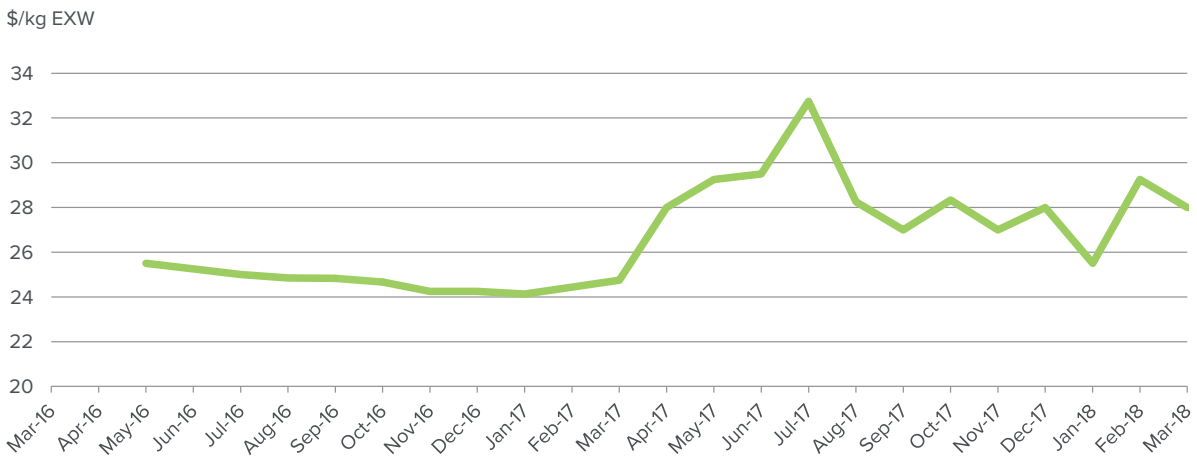
Foetal blood averaged \$325/litre, up \$7.50/litre from last month's price, and was \$50.00/litre below last year's price.

Figure 10: Trends for foetal blood prices



Concentrated gall price trends eased, averaging \$28.00/kg, which is \$3.25/kg lower than last year and down \$1.25/kg month-on-month.

Figure 11: Trends for concentrated gall prices



Rendered products

Rendered meals were firmer across the board on the back of stronger export demand and higher soy bean meal prices. However mixed species meals continue to trade at a significant discount in the domestic market. Singapore maintains a steady demand for tallow.

Table 4: Rendered product prices

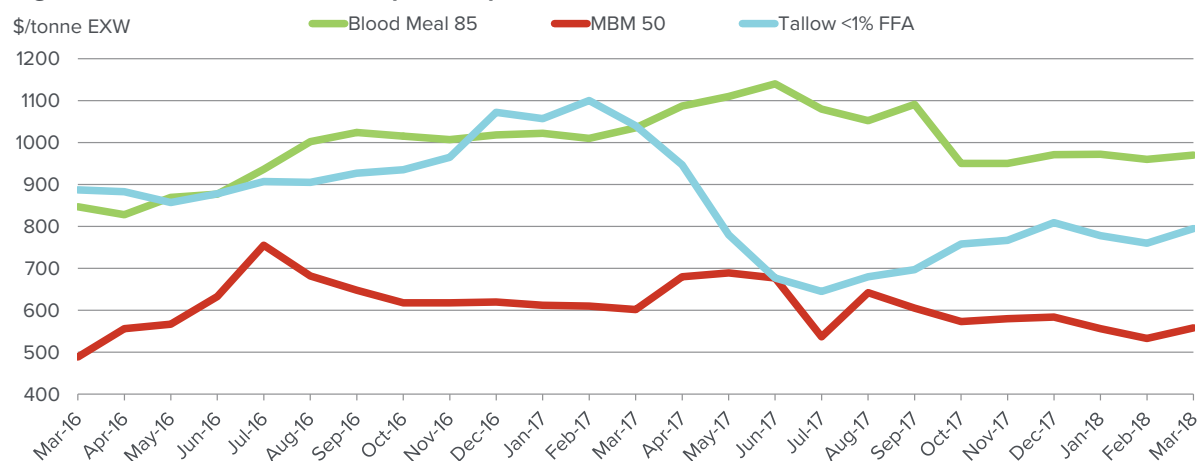
	Average (Mar Data)	Range	Responses	Monthly Change	Annual Change
Bloodmeal 85	\$970.00	\$110.00	6	1.0%	-6.2%
MBM 50	\$557.86	\$155.00	7	4.7%	-7.4%
Tallow Ined.<1FFA	\$794.50	\$74.00	4	4.6%	-23.6%
Tallow Ined.<2FFA	\$742.67	\$146.00	3	-3.8%	-27.8%
Tallow Ined.<4FFA	\$743.00		2	1.4%	-26.3%

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

Export meat and bone meal (MBM) prices improved in markets and the weaker Australian dollar improved the export return. The price for 50% protein averaged \$558/tonne, firmer by \$25/tonne month-on-month but \$44/tonne lower year-on-year. Blood meal averaged \$970/tonne ex-works, up \$10/tonne on last month's price but \$65/tonne lower year-on-year.

Tallow prices also firmed on the back of the dollar, as steady trade continues in the oleo and industrial markets and interest from Singapore kept sales ticking along. Price for 1% FFA tallow averaged \$795/tonne, up \$35/tonne on last month's price and \$245/tonne below year-ago prices.

Figure 12: Trends in rendered co-product prices



Hides

The hide market remains subdued with no indication of an upside in the near future. Poor demand and plentiful supply continue to put prices under pressure.

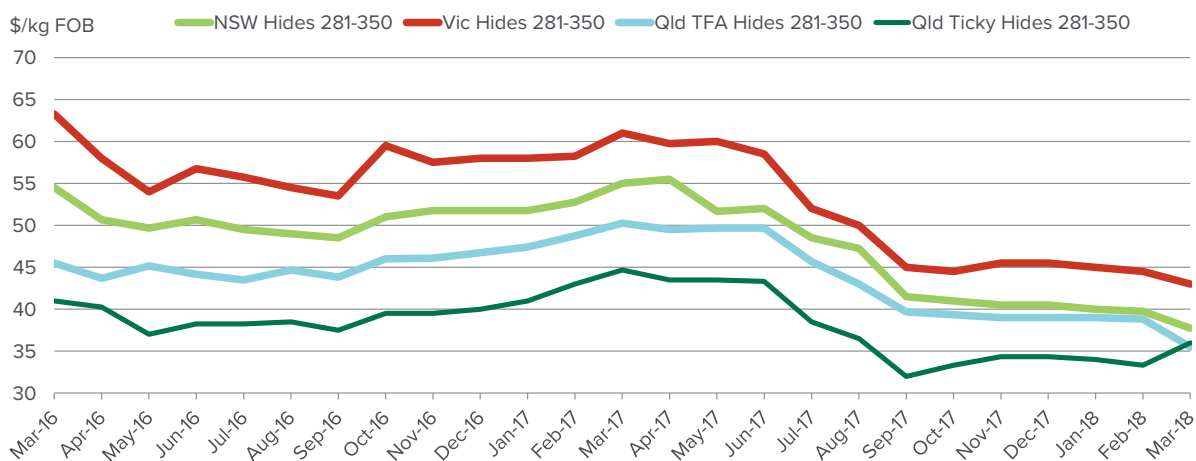
Table 5: Hide prices

	Average (Mar Data)	Range	Responses	Monthly Change	Annual Change
Hides NSW 141- 180	\$19.50		2	-4.9%	-25.0%
Hides NSW 181 - 220	\$23.50		2	-3.1%	-31.9%
Hides NSW 221 - 280	\$30.25		2	-4.7%	-28.0%
Hides NSW 281 - 350	\$37.75		2	-5.0%	-31.4%
Hides NSW 351 Up	\$48.75		2	-4.9%	-28.3%
Hides QLD TFA 141 - 220	\$21.25		2	-2.3%	-24.1%
Hides QLD TFA 221 - 280	\$29.25		2	-2.5%	-22.0%
Hides QLD TFA 281 - 350	\$35.50	\$6.00	3	-8.6%	-29.4%
Hides QLD TFA 351 Up	\$44.17	\$10.00	3	-8.6%	-26.8%
Hides QLD Ticky 141 - 220	\$18.15		2		0.8%
Hides QLD Ticky 221 - 280	\$30.95		2		12.5%
Hides QLD Ticky 281 - 350	\$36.00	\$19.00	4	8.0%	-19.4%
Hides QLD Ticky 350 Up	\$43.21	\$17.85	4	2.9%	-19.2%
Hides VIC 141-180	\$22.50		2	-4.3%	-28.6%
Hides VIC 181-220	\$27.75		2	-4.3%	-31.5%
Hides VIC 221 - 280	\$35.50		2	-4.1%	-28.3%
Hides VIC 281-350	\$43.00		2	-3.4%	-29.5%
Hides VIC 351 Up	\$51.50		2	-4.2%	-29.5%

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

Local prices for hides were down around a further \$1.50/piece compared to last month.

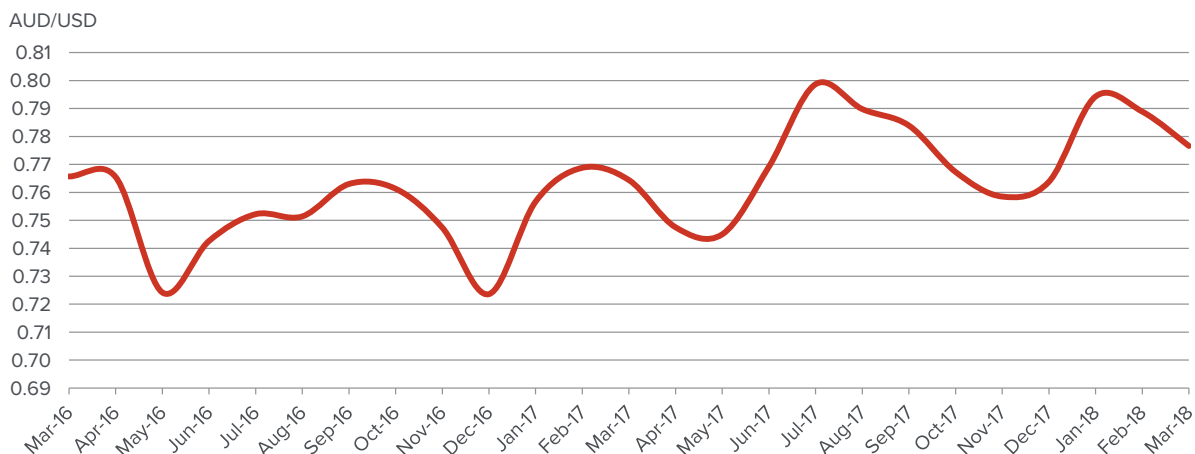
Figure 13: Trends in hide prices (East Coast Ex Works)



Currency exchange

The Australian dollar eased against the US dollar across the month opening at 77.31US¢ and rallying mid-month to 78.76US¢ before easing to close the month out at 76.65US¢ to average 77.66US¢ across the month.

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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