



Co-product market report

August 2018

Beef Co-products

Beef offal prices were mainly steady across most items compared with last month, despite a softer Australian dollar assisting the return to works. Rumen pillars strengthened further remain very firm. Hearts and lungs led the downward trend for the same period.

Table 1: Beef co-product prices

	Average (July Data)	Range	Responses	Monthly Change	Annual Change
Beef Lips	\$3.78	\$1.20	4	-3.0%	3.9%
Beef Lips - Halal	\$3.93	\$1.30	4	-2.3%	13.3%
Cheekmeat	\$5.78	\$1.40	5	-3.1%	-17.0%
Cheekmeat - Halal	\$5.70	\$1.70	3	-12.3%	-32.1%
Diap. Membrane	\$3.48	\$0.70	4	8.8%	-33.5%
Hc Tripe	\$6.89	\$2.35	4	0.3%	12.2%
Hc Tripe - Halal	\$5.96	\$1.85	4	-8.5%	-14.8%
Headmeat	\$4.31	\$0.95	4	-1.6%	-3.1%
Headmeat - Halal	\$4.30		2	1.8%	-22.5%
Heart	\$2.24	\$1.50	5	-6.9%	17.9%
Heart - Halal	\$2.28	\$0.90	4	-6.5%	15.7%
Heart - Aorta	\$7.14	\$0.80	4	2.9%	5.1%
Heart - Aorta - Halal	\$6.80	\$0.60	3	-1.5%	9.0%
Kidneys	\$0.93	\$0.30	3	4.9%	-1.8%
Kidneys- Halal	\$0.95		2	-1.6%	-24.0%
Ligamentum	\$3.70	\$1.50	5	5.4%	7.9%
Liver	\$1.10	\$0.20	5	3.8%	-5.4%
Liver - Halal	\$1.24	\$0.30	4	0.8%	-8.3%
Lungs	\$0.85		2	-22.7%	-57.0%
Omasum	\$6.46	\$3.60	5	0.3%	73.0%
Omasum - Halal	\$6.46	\$1.50	4	-0.1%	64.6%
Rum.Pill - Halal < 500	\$9.23	\$1.10	4	6.9%	31.8%
Rum.Pill - Halal > 500 < 700	\$15.88	\$2.00	4	3.3%	25.5%
Rum.Pill - Halal > 700	\$18.88	\$1.50	4	1.3%	18.9%
Rum.Pill < 500	\$10.38	\$2.80	5	13.6%	41.0%
Rum.Pill > 500 < 700	\$16.74	\$2.50	5	6.3%	30.0%
Rum.Pill > 700	\$20.08	\$2.50	5	2.7%	30.5%
Tail	\$9.50	\$2.80	5	-5.4%	10.6%
Tail - Halal	\$9.35	\$3.00	4	-7.2%	17.9%
Thickskirt	\$6.94	\$2.00	5	7.0%	4.2%
Thickskirt - Halal	\$6.39	\$0.95	4	6.4%	-14.8%
Thinskirt	\$5.74	\$0.40	4	0.8%	-3.2%
Thinskirt - Halal	\$5.83	\$0.80	4	7.3%	-18.0%
Tongue Root Fillet	\$5.18		2	3.5%	-21.6%
Tongue Root Meat - Halal	\$2.25		2	9.8%	
Tongue SW	\$9.68	\$3.80	4	6.6%	-17.3%
Tongue SW - Halal	\$8.47	\$0.10	3	-15.6%	-19.9%
Tripe Pieces	\$3.55	\$0.50	4	10.9%	8.1%
Tripe Pieces - Halal	\$3.29	\$0.55	4	6.4%	-8.3%

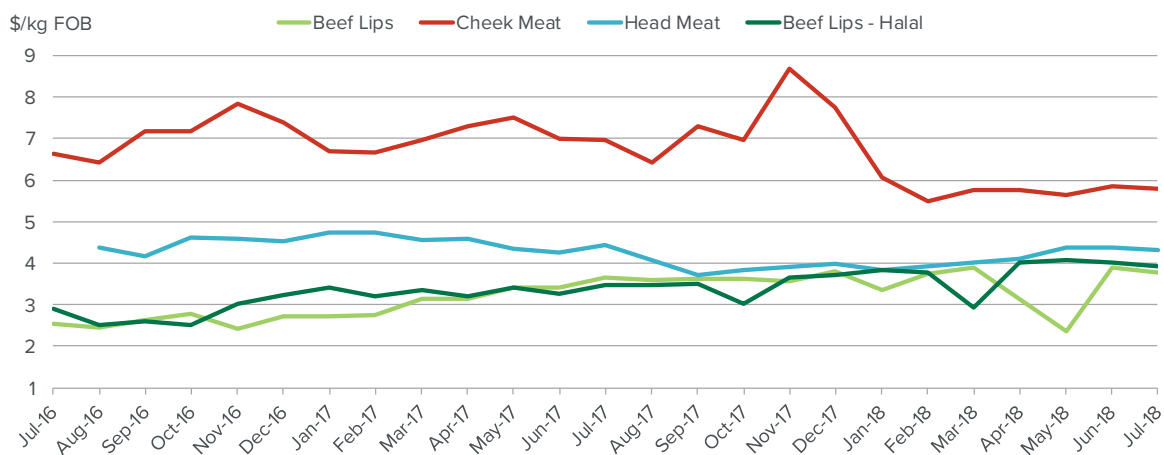
Price quoted is average price reported in \$/kg FOB Australian port.

Head offal

Prices for head offal products went against the trend and were easier this month. Head meat averaged \$4.31/kg, down 14¢/kg year-on-year and 7¢/kg lower than last month. Cheek meat was \$1.18/kg cheaper than year-ago levels, averaging \$5.78/kg, down 8¢/kg from last month.

Lip export prices to the US and Mexico eased, averaging \$3.78/kg, down 11¢/kg month-on-month but up 14¢/kg year-on-year. Halal lips also eased, averaging \$3.93/kg, down 9¢/kg compared to last month and 47¢/kg up year-on-year.

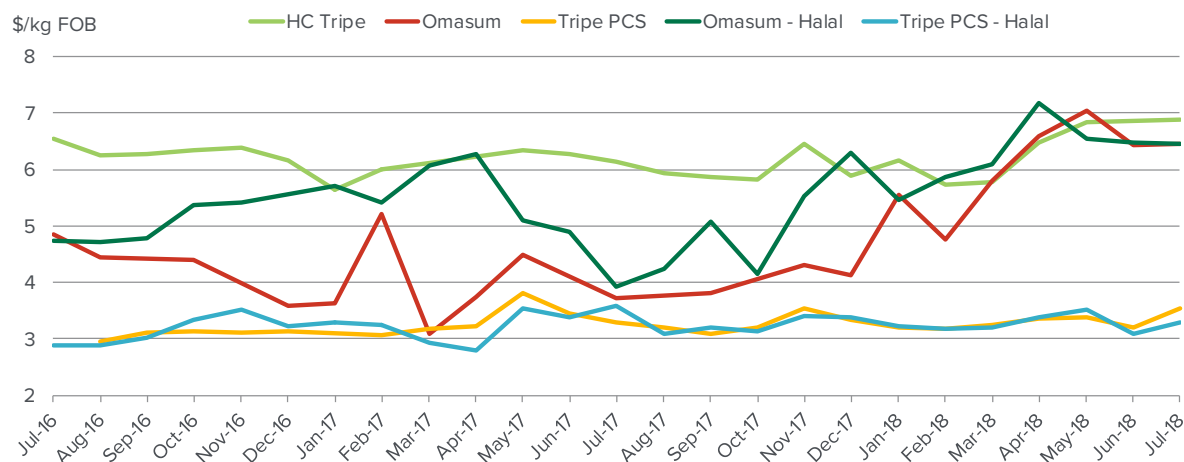
Figure 1: Trends in beef head offal prices



Beef offal trends

Omasum averaged \$6.46/kg, up 2¢/kg on last month and \$2.73/kg above year-ago levels. Halal omasum also averaged \$6.46/kg, down 1¢/kg month-on-month but \$2.53/kg firmer year-on-year. Halal tripe pieces averaged \$3.29/kg, 20¢/kg higher month-on-month but down 29¢/kg year-on-year. Non-halal product averaged \$3.55/kg, which was 35¢/kg above last month and 27¢/kg firmer than last year. Honeycomb tripe firmed 2¢/kg month-on-month and was 75¢/kg higher year-on-year, averaging \$6.89/kg.

Figure 2: Trends in beef tripe prices

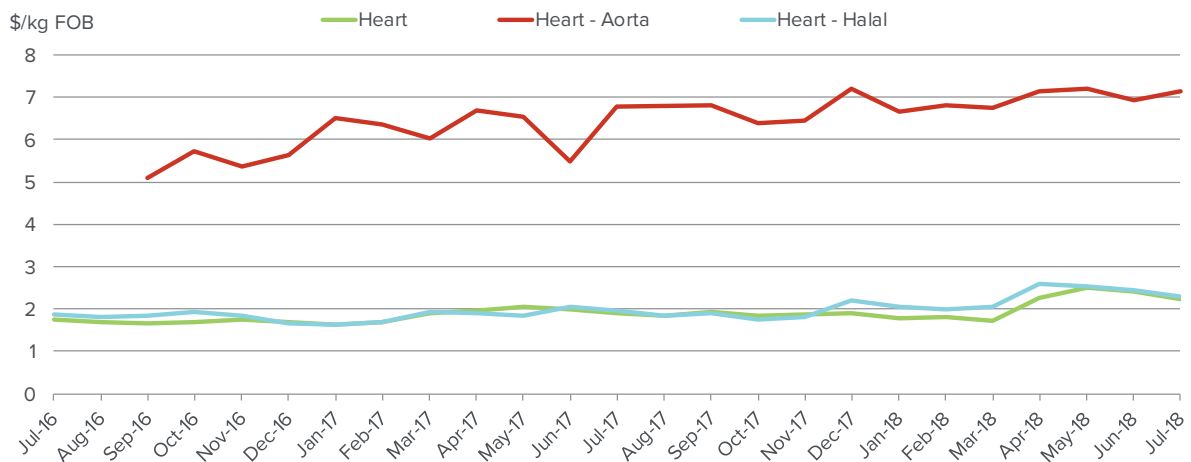


Beef offal trends continued...

Aorta averaged \$7.14/kg for the month; firming 20¢/kg month-on-month and 35¢/kg above year-ago levels.

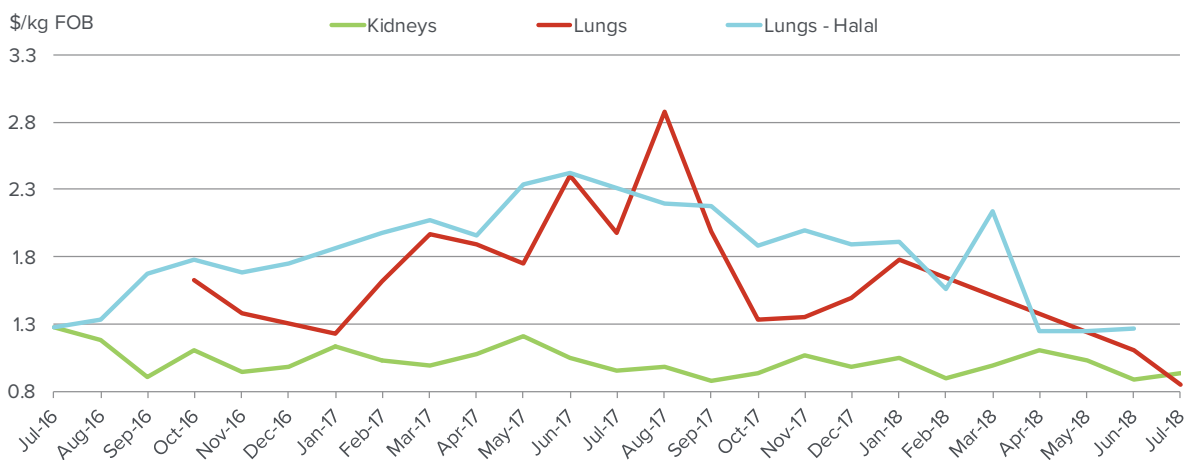
Heart prices were 17¢/kg lower than last month but 34¢/kg above year-ago levels, averaging \$2.24/kg. Halal hearts averaged \$2.28/kg, easing 15¢/kg month-on-month however remaining 31¢/kg firmer year-on-year.

Figure 3: Trends in beef offal prices



Kidneys were reported at an average of 93¢/kg, up 4¢/kg since June, but 2¢/kg softer year-on-year. Halal lungs were not reported, while non-halal lungs made 85¢/kg, which was 25¢/kg below last month and \$1.13/kg below year-ago levels.

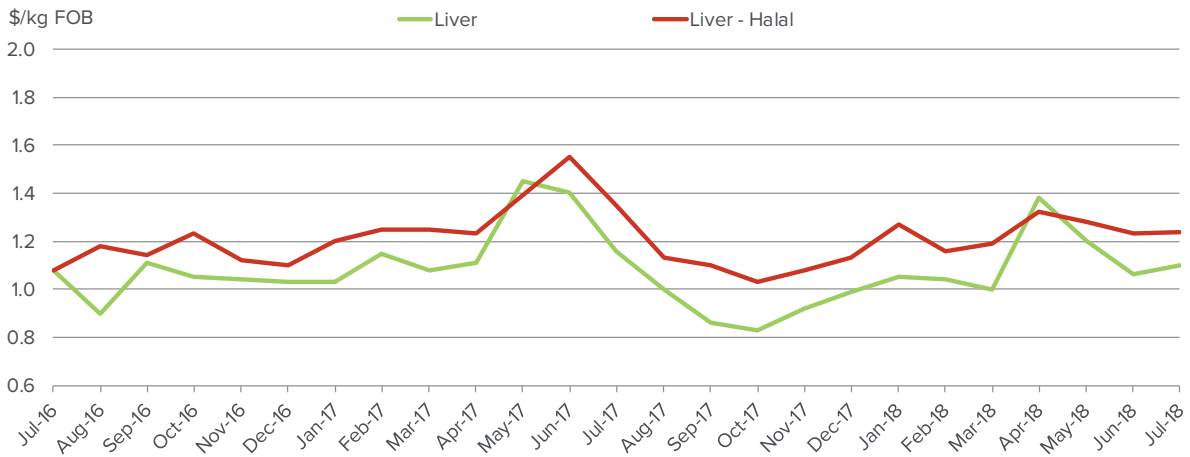
Figure 4: Trends in beef offal prices



Beef offal trends continued...

Liver prices averaged \$1.10/kg, gaining 4¢/kg month-on-month but 6¢/kg below year-ago levels. Halal livers were steady at just 1¢/kg up month-on-month but down 11¢/kg year-on-year, with quotes averaging \$1.24/kg.

Figure 5: Trends in beef offal prices



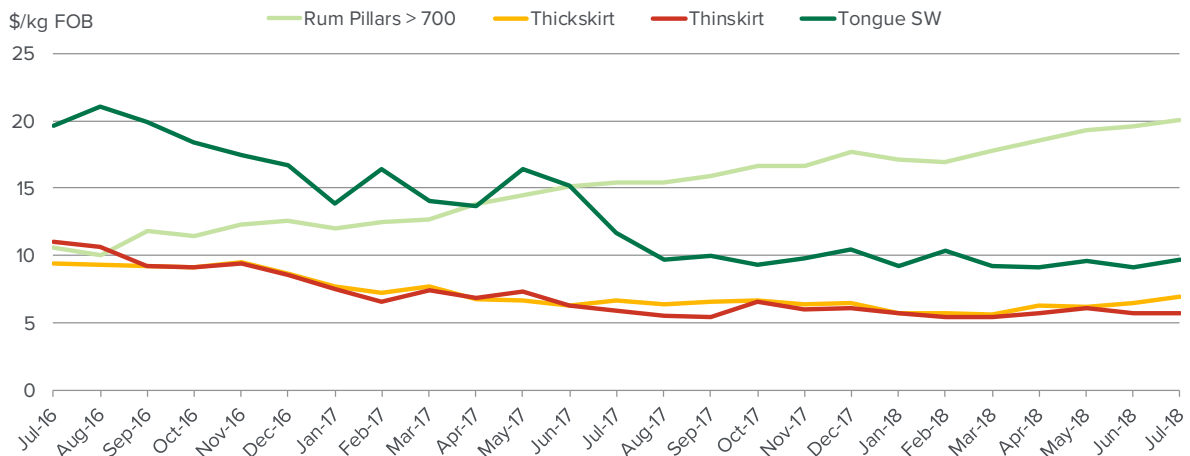
Japanese and Korean Offals

Tongue prices averaged \$9.068/kg, up 60¢/kg month-on-month and \$2.02/kg below year ago levels.

Thick skirt was up 28¢/kg year-on-year and 45¢/kg higher month-on-month, averaging \$6.94/kg. Thin skirt gained 5¢/kg from last month and was 19¢/kg lower year-on-year, averaging \$5.74/kg.

Rumen pillars continue to rise, with heavy weight product averaging \$20.08/kg, up 53¢/kg month-on-month and \$4.69/kg dearer than year-ago levels.

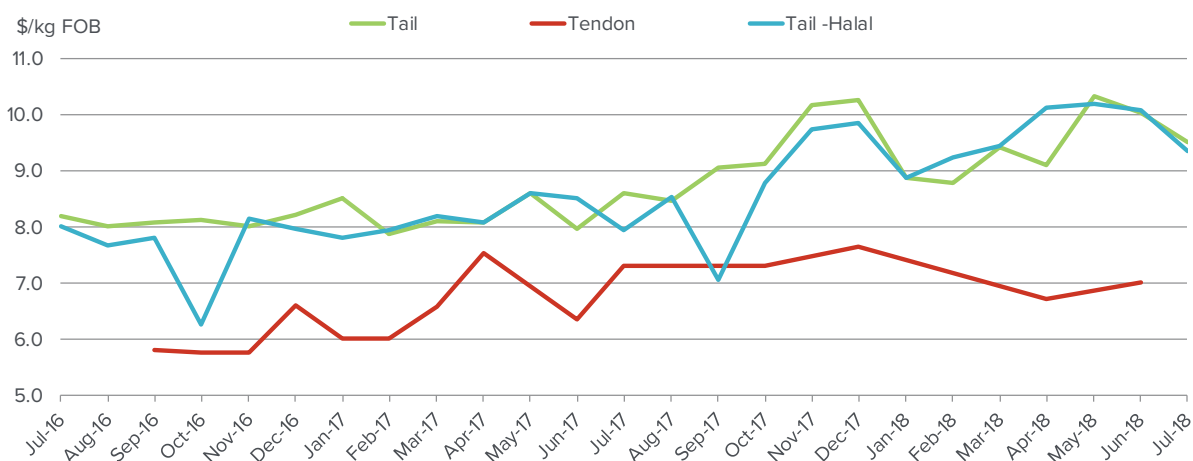
Figure 6: Trends in Japanese offal prices



Tails and Tendons

Tail prices to Korea softened 54¢/kg month-on-month to average \$9.50/kg, which was 91¢/kg higher than year-ago levels. Halal tails eased 73¢/kg month-on-month, but were \$1.42/kg firmer year-on-year, to average \$9.35/kg. Tendons were not reported for the month.

Figure 7: Trends in tail and tendon prices



Sheep Co-products

Sheep offal prices were lightly reported and were generally softer this month, however, kidney prices were firmer.

Table 2: Sheep co-product prices

	Average (July Data)	Range	Responses	Monthly Change	Annual Change
Heart Sheep - Halal	\$2.57	\$0.30	3	-1.3%	9.2%
Kidneys Sheep - Halal	\$3.20		2	7.9%	32.0%
Liver Sheep - Halal	\$1.38		2	-9.8%	27.9%
Tongue LC Sheep - Halal	\$3.93	\$0.30	3	-2.9%	-0.4%
Tripe Sheep - Halal	\$3.57	\$0.80	3	-14.1%	-28.7%

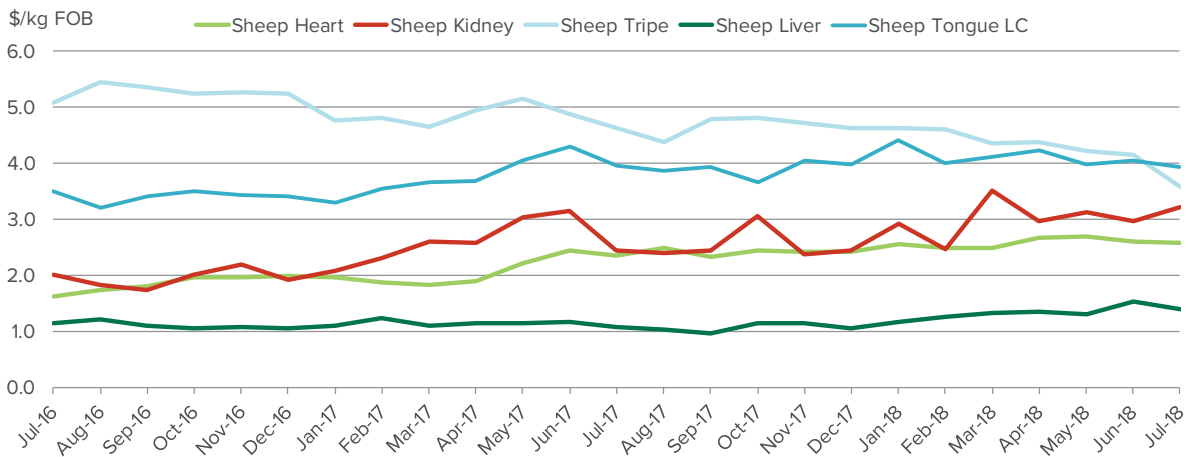
Price quoted is average price reported in \$/kg FOB Australian port and runners as \$/piece.

Sheep offal

Sheep hearts averaged \$2.57/kg and were down 3¢/kg month-on-month but were 22¢/kg dearer than year-ago levels. Sheep livers averaged \$1.38/kg, down 15¢/kg month-on-month and 30¢/kg higher year-on-year. Kidneys returned \$3.20/kg, firming 23¢/kg month-on-month and 77¢/kg higher year-on-year.

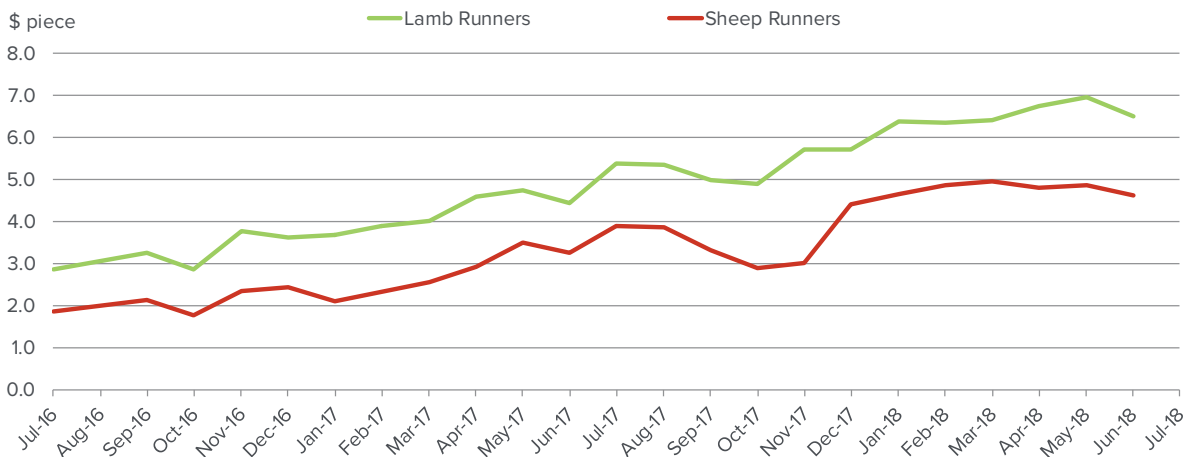
Sheep tripe prices were reported at \$3.57/kg this month, \$1.20/kg lower than year-ago prices and down 58¢/kg month-on-month. Sheep long cut tongue averaged \$3.93/kg, down 12¢/kg month-on-month and 2¢/kg cheaper compared to last year.

Figure 8: Trends in sheep offal prices



Lamb runners were not reported.

Figure 9: Trends in runner prices



Pharmaceutical products

Pharmaceutical products, particularly foetal blood, were very firm for the month.

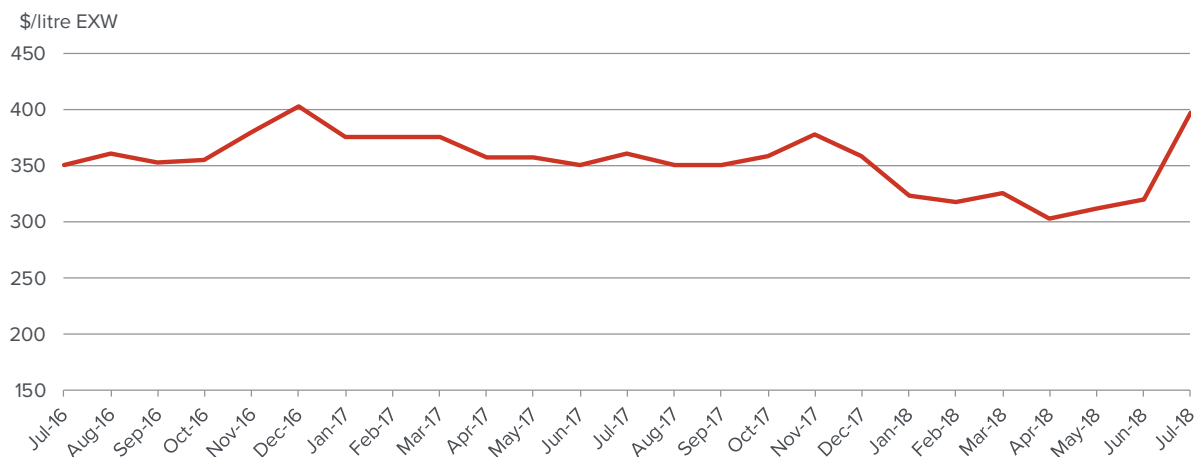
Table 3: Pharmaceutical prices

	Average (July Data)	Range	Responses	Monthly Change	Annual Change
Foetal Blood	\$397.50	\$30.00	4	24.2%	10.4%
Gall Concentrated	\$25.25		2		-22.9%

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

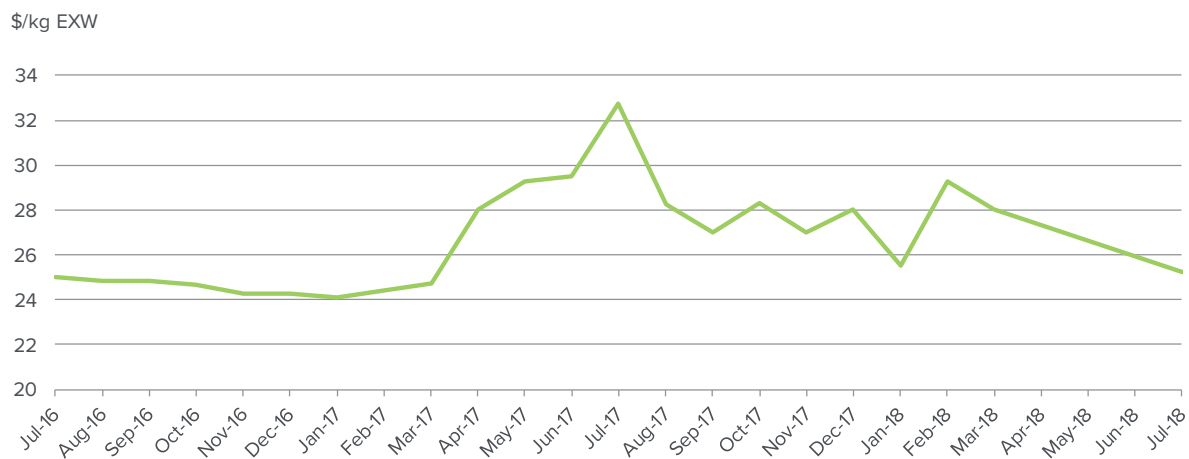
Foetal blood averaged \$397.50/litre, up \$77.50/litre from last month's price and \$37.50/litre above last year's price.

Figure 10: Trends for foetal blood prices



Concentrated gall averaged \$25.25/kg, which was \$7.50/kg softer than year-ago prices.

Figure 11: Trends for concentrated gall prices



Rendered products

Rendered meals were down across the board, with mixed species meals continuing to trade at a further discount in the domestic market. Tallow is starting to rebound after softer prices in recent weeks.

Table 4: Rendered product prices

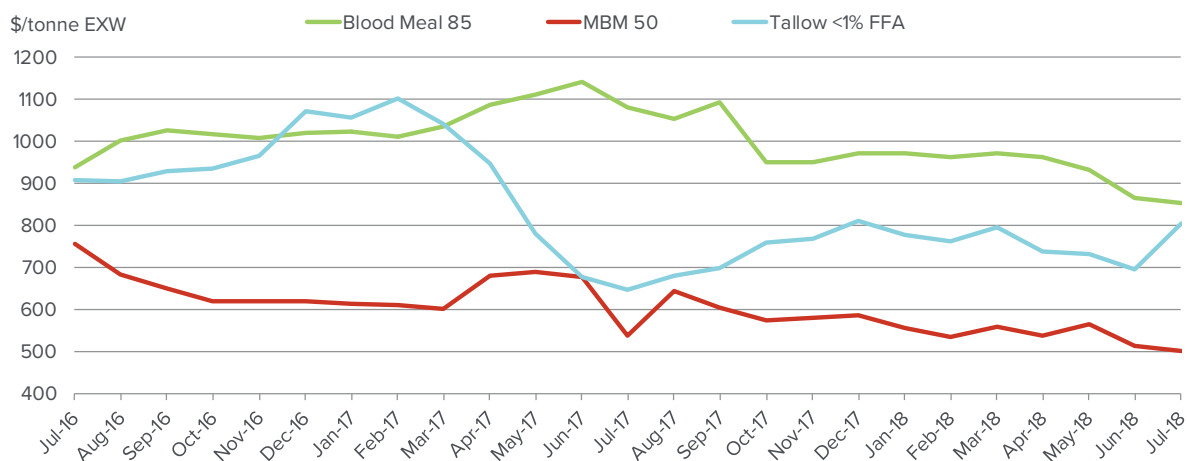
	Average (July Data)	Range	Responses	Monthly Change	Annual Change
Bloodmeal 85	852.5	170	4	-0.01	-0.21
MBM 50	501.67	75	3	-0.02	-0.07
Tallow Ined.<1FFA	805		2	0.16	0.25
Tallow Ined.<2FFA	755	70	4	0.08	0.16
Tallow Ined.<4FFA	746.67	50	3	0.18	0.20

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

Export meat and bone meal (MBM) prices eased in both the domestic and overseas markets. The large soy harvest expected in the USA this year is causing futures prices for other proteins to ease. The price for 50% protein MBM averaged \$502.00/tonne, down \$12.00/tonne month-on-month and \$35.00/tonne lower year-on-year. Blood meal averaged \$852.00/tonne ex-works, down \$11.00/tonne on last month's price and \$228.00/tonne lower year-on-year with weak demand continuing.

Tallow prices have rallied and the price for 1% FFA tallow averaged \$805/tonne, up \$110/tonne on last month's price and \$160/tonne above year-ago prices.

Figure 12: Trends in rendered co-product prices



Hides

The hide market continues to stumble. The northern hemisphere summer holiday period began, while global supplies of unsold product remained plentiful. As previously reported, the use of synthetics in sports shoes and upholstery is placing enormous pressure on leather prices, as this market used to represent the majority of hide sales. With this sustained pressure low quality hides remain unsaleable.

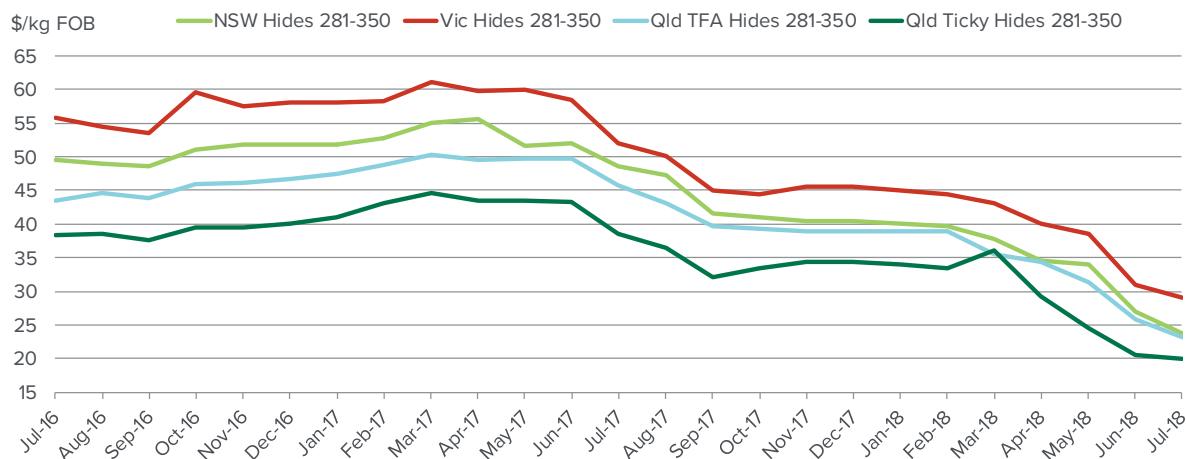
Table 5: Hide prices

	Average (July Data)	Range	Responses	Monthly Change	Annual Change
Hides NSW 141- 180	\$10.33	\$3.00	3	-13.9%	-54.1%
Hides NSW 181 - 220	\$13.67	\$5.00	3	-11.8%	-52.9%
Hides NSW 221 - 280	\$17.00	\$3.00	3	-15.0%	-53.1%
Hides NSW 281 - 350	\$23.67	\$8.00	3	-12.3%	-51.2%
Hides NSW 351 Up	\$30.67	\$13.00	3	-18.2%	-48.5%
Hides QLD TFA 141 - 220	\$9.50		2	-13.6%	-62.7%
Hides QLD TFA 221 - 280	\$14.50		2	-17.1%	-58.3%
Hides QLD TFA 281 - 350	\$23.17	\$7.50	3	-10.3%	-49.3%
Hides QLD TFA 351 Up	\$27.33	\$6.00	3	-8.9%	-50.3%
Hides QLD Ticky 281 - 350	\$20.00		2	-2.4%	-48.1%
Hides QLD Ticky 350 Up	\$23.50		2	0.0%	-49.5%
Hides VIC 141-180	\$13.00		2	-13.3%	-52.7%
Hides VIC 181-220	\$17.00		2	-12.8%	-50.0%
Hides VIC 221 - 280	\$22.00		2	-10.2%	-49.4%
Hides VIC 281-350	\$29.00		2	-6.5%	-44.2%
Hides VIC 351 Up	\$39.00		2	-4.9%	-39.1%

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

Local prices for hides were down a further \$1.50 to \$6.00/piece compared to last month.

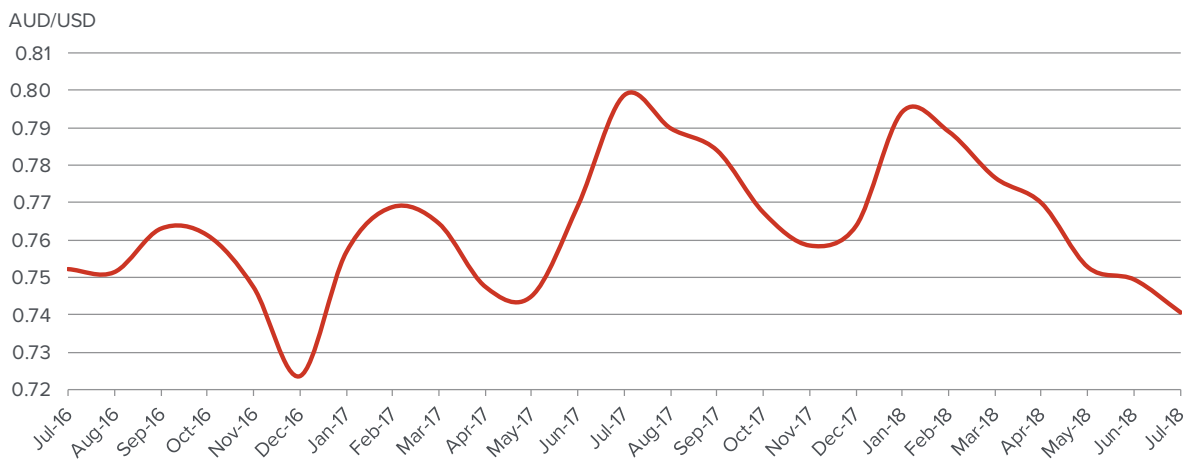
Figure 13: Trends in hide prices (East Coast Ex Works)



Currency exchange

The Australian dollar continued to ease against the US dollar, opening at 73.82US¢ and falling to 73.60US¢ before closing the month at 74.31US¢, to average 74.06US¢ for July, 0.88US¢ 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:

Please call Alex McIntosh on 02 9463 9225 or amcintosh@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

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