



# Co-product market report

July 2018



# Beef Co-products

Beef offal prices eased across most items compared with last month, despite a slightly softer Australian dollar assisting the return to works. Beef Lips showed a strong recovery whilst rumen pillars remained very firm. Tripe pieces and thin skirt led the downward trend for the same period.

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

	Average (June Data)	Range	Responses	Monthly Change	Annual Change
Beef Lips	\$3.89	\$1.20	5	65.5%	14.6%
Beef Lips - Halal	\$4.02	\$1.20	4	-1.4%	23.2%
Cheekmeat	\$5.96	\$1.55	4	5.5%	-14.7%
Cheekmeat - Halal	\$6.50	\$1.51	4	7.2%	-20.7%
Diap. Membrane	\$3.20	\$0.82	4	-11.3%	-16.7%
Hc Tripe	\$6.87	\$2.25	5	0.5%	9.6%
Hc Tripe - Halal	\$6.52	\$2.30	4	-13.1%	-11.4%
Headmeat	\$4.38	\$0.95	3	0.4%	3.1%
Headmeat - Halal	\$4.23		2	-1.7%	-13.8%
Heart	\$2.41	\$1.57	5	-3.8%	21.8%
Heart - Halal	\$2.43	\$0.67	4	-4.0%	18.7%
Heart - Aorta	\$6.94	\$0.60	4	-3.6%	26.3%
Heart - Aorta - Halal	\$6.90	\$0.20	3	-6.1%	12.4%
Kidneys	\$0.89	\$0.34	4	-13.2%	-15.2%
Kidneys- Halal	\$0.97	\$0.09	4	7.2%	-7.0%
Ligamentum	\$3.51	\$1.45	5	-13.3%	-5.1%
Liver	\$1.06	\$0.40	5	-11.7%	-24.3%
Liver - Halal	\$1.23	\$0.30	4	-3.7%	-20.8%
Lungs	\$1.10	\$0.30	3		-54.2%
Lungs - Halal	\$1.27	\$0.20	3	1.9%	-47.3%
Omasum	\$6.44	\$3.20	5	-8.7%	186.2%
Omasum - Halal	\$6.47	\$2.70	4	-1.3%	32.0%
Rum.Pill - Halal < 500	\$8.63	\$3.30	3	-26.2%	8.6%
Rum.Pill - Halal > 500 < 700	\$15.37	\$2.80	3	-8.0%	15.1%
Rum.Pill - Halal > 700	\$18.63	\$2.60	3	-5.2%	10.3%
Rum.Pill < 500	\$9.14	\$3.70	4	-18.7%	35.4%
Rum.Pill > 500 < 700	\$15.75	\$3.10	4	2.2%	30.2%
Rum.Pill > 700	\$19.55	\$3.50	4	1.5%	29.5%
Tail	\$10.04	\$2.80	5	-2.7%	26.3%
Tail - Halal	\$10.08	\$3.60	4	-1.2%	18.5%
Tendons	\$7.00		2		10.2%
Tendons - Halal	\$7.11		2	1.6%	12.0%
Thickskirt	\$6.49	\$1.52	5	5.8%	3.0%
Thickskirt - Halal	\$6.01	\$1.18	4	-3.1%	-9.7%
Thinskirt	\$5.69	\$0.90	5	-6.2%	-9.7%
Thinskirt - Halal	\$5.43	\$0.40	4	-3.9%	-13.8%
Tongue Root Meat	\$1.95	\$0.35	3	-4.9%	-11.4%
Tongue Root Meat - Halal	\$2.05	\$0.45	3	-0.8%	-19.6%
Tongue SW	\$9.08	\$1.30	4	-5.8%	-40.2%
Tongue SW - Halal	\$10.03	\$3.98	3	7.8%	-32.2%
Tripe Pieces	\$3.20	\$1.20	5	-5.0%	-7.2%

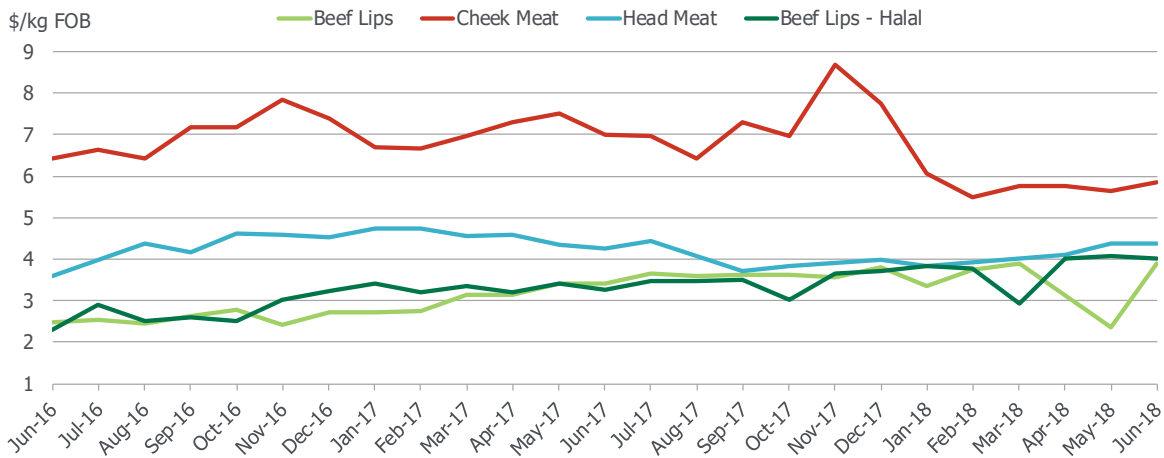
Price quoted is average price reported in \$/kg FOB Australian port.

## Head offal

Prices for head offal products went against the trend and were firmer this month. Head meat averaged \$4.38/kg, up 1¢/kg year-on-year and 13¢/kg higher than last month. Cheek meat was \$1.13/kg cheaper than year-ago levels, averaging \$5.86/kg, up 21¢/kg from last month.

Lip export prices to the US and Mexico recovered, averaging \$3.89/kg, up 49¢/kg year-on-year. Halal lips were steady, averaging \$4.02/kg, down 6¢/kg compared to last month and 49¢/kg up year-on-year.

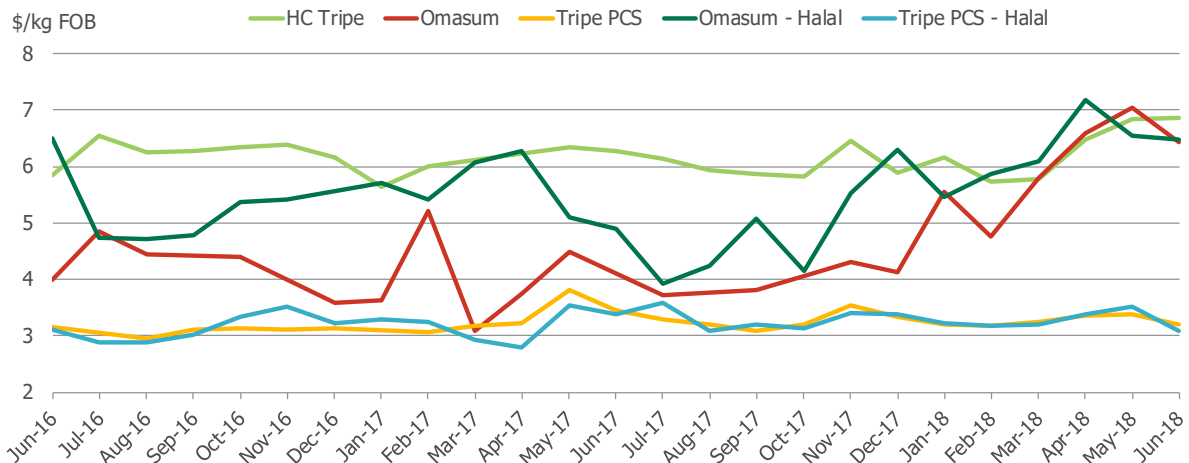
**Figure 1: Trends in beef head offal prices**



## Beef offal trends

Omasum averaged \$6.44/kg, down 61¢/kg on last month but up \$2.64/kg from year-ago levels. Halal omasum averaged \$6.47/kg, down 8¢/kg month-on-month but \$1.57/kg firmer year-on-year. Halal tripe pieces averaged \$3.09/kg, 43¢/kg lower month-on-month and down 29¢/kg year-on-year. Non-halal product averaged \$3.20/kg - 17¢/kg below last month and 25¢/kg softer than last year. Honeycomb tripe firmed 3¢/kg month-on-month and was 60¢/kg higher year-on-year, averaging \$6.87/kg.

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

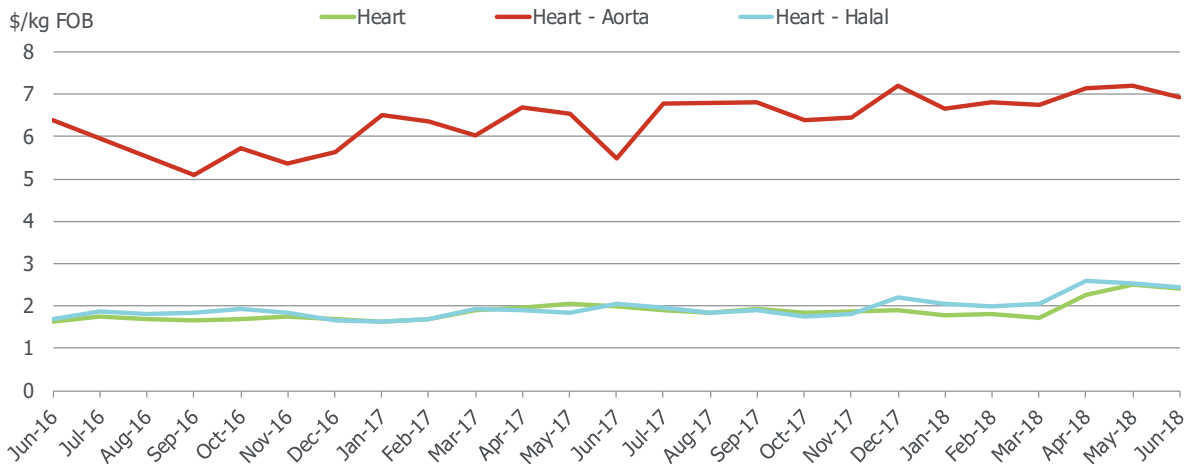


*Beef offal trends continued...*

Aorta averaged \$6.94/kg for the month; easing 26¢/kg month-on-month, but still \$1.45/kg above year-ago levels.

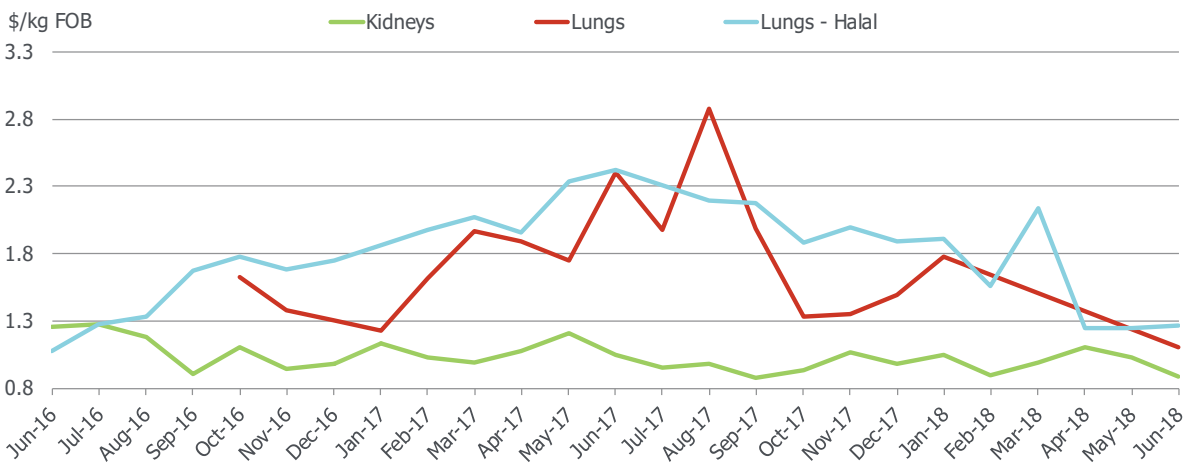
Heart prices were 9¢/kg lower than last month but 43¢/kg above year-ago levels, averaging \$2.41/kg. Halal hearts averaged \$2.43/kg, easing 10¢/kg month-on-month however remaining 38¢/kg firmer year-on-year.

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



Kidneys were reported at an average of 89¢/kg, down 14¢/kg since May, and 16¢/kg softer year-on-year. Halal lungs were steady, averaging \$1.27/kg for the month, 2¢/kg firmer month-on-month but \$1.15/kg below year-ago prices, while non-halal lungs were reported at \$1.10/kg.

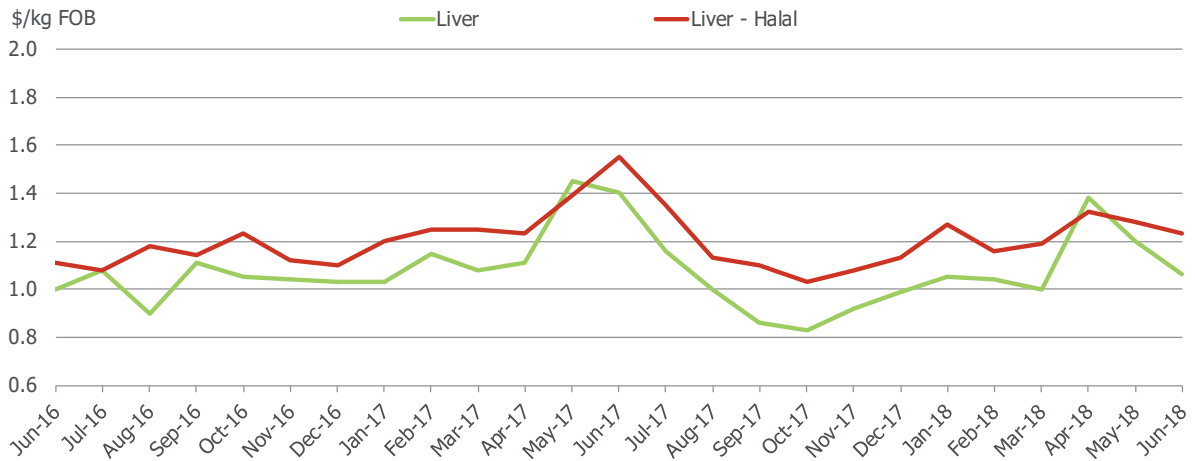
**Figure 4: Trends in beef offal prices**



### Beef offal trends continued...

Liver prices averaged \$1.06/kg, easing 14¢/kg month-on-month and 34¢/kg below year-ago levels. Halal livers eased 5¢/kg month-on-month to be down 32¢/kg year-on-year, with quotes averaging \$1.23/kg.

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



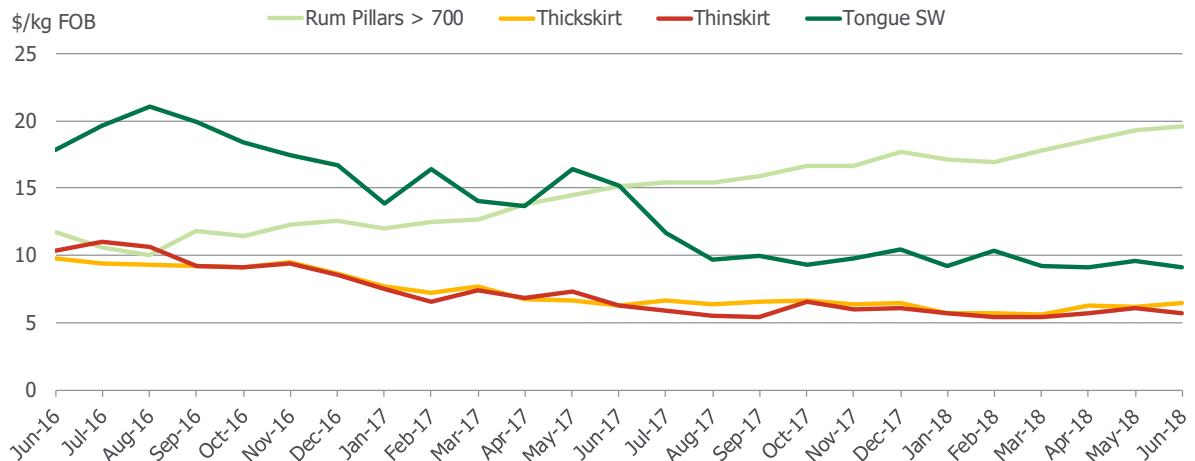
### Japanese and Korean Offals

Tongue prices averaged \$9.08/kg, down 55¢/kg month-on-month and \$6.10/kg below year ago levels.

Thick skirt was up 19¢/kg year-on-year and 36¢/kg higher month-on-month, averaging \$6.49/kg. Thin skirt eased 38¢/kg from last month and was 61¢/kg lower year-on-year, averaging \$5.69/kg.

Rumen pillars continue to rise, with heavy weight product averaging \$19.55/kg, up 28¢/kg month-on-month and \$4.45/kg dearer than year-ago levels.

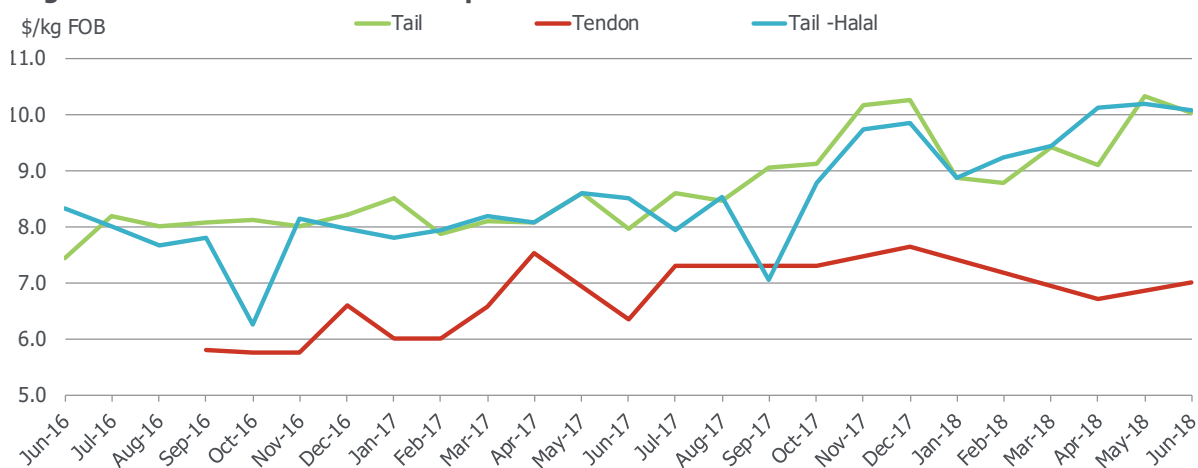
**Figure 6: Trends in Japanese offal prices**



## Tails and Tendons

Tail prices to Korea softened 28¢/kg month-on-month to average \$10.04/kg, which is \$2.09/kg higher than year-ago levels. Halal tails eased slightly to lose 12¢/kg month-on-month, but were \$1.58/kg firmer year-on-year, to average \$10.08/kg. Tendons averaged \$7.00/kg, whilst halal product averaged \$7.11/kg, up 11¢/kg month-on-month.

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



## Sheep Co-products

Sheep offal prices were generally softer this month, however, liver and tongue prices were firmer.

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

	Average (June Data)	Range	Responses	Monthly Change	Annual Change
Heart Sheep - Halal	\$2.60	\$0.20	3	-2.8%	7.2%
Kidneys Sheep - Halal	\$2.97	\$0.90	3	-5.3%	-5.4%
Liver Sheep - Halal	\$1.53		2	18.4%	31.2%
Runners Lamb	\$6.50	\$0.20	3	-6.5%	47.2%
Runners Sheep	\$4.60	\$0.20	3	-5.2%	41.5%
Tongue LC Sheep - Halal	\$4.05		2	1.9%	-5.3%
Tripe Sheep - Halal	\$4.15		2	-1.2%	-15.0%

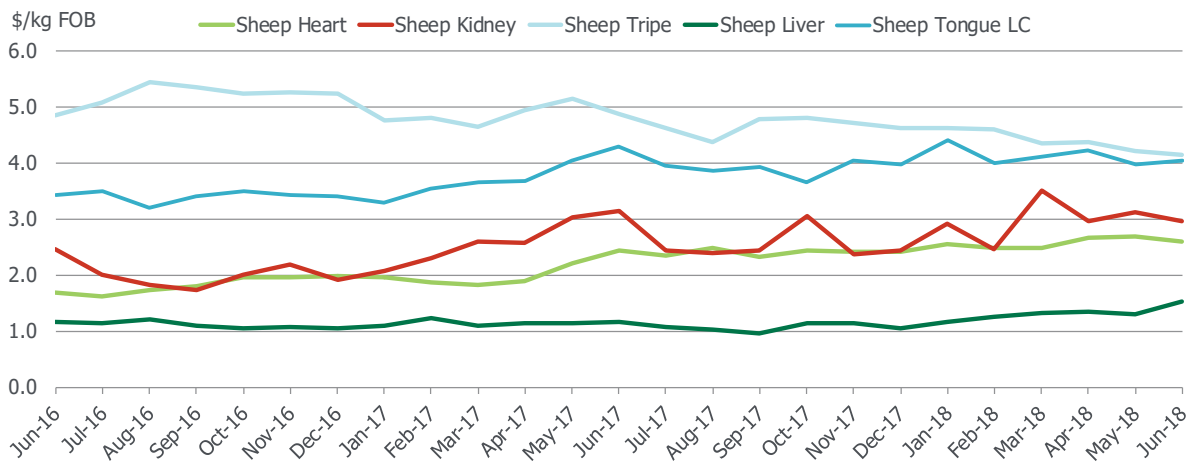
Price quoted is average price reported in \$/kg FOB Australian port and runners as \$/piece.

## Sheep offal

Sheep hearts averaged \$2.60/kg and were down 8¢/kg month-on-month, but were 17¢/kg dearer than year-ago levels. Sheep livers averaged \$1.53/kg, up 24¢/kg month-on-month and 37¢/kg higher year-on-year. Kidneys returned \$2.97/kg, easing 16¢/kg month-on-month and 17¢/kg softer year-on-year.

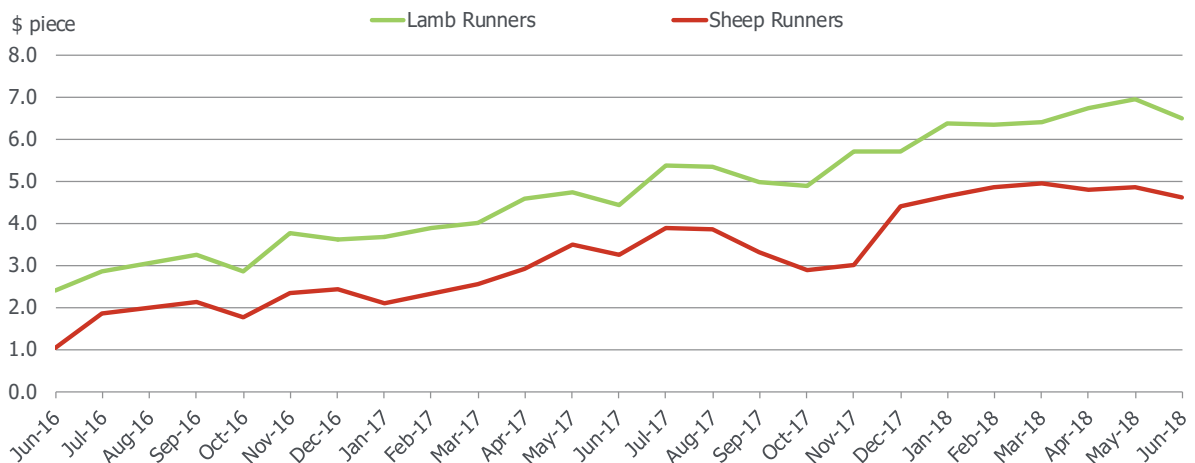
Sheep tripe prices were reported at \$4.15/kg this month, 73¢/kg lower than year-ago prices and down 5¢/kg month-on-month. Sheep long cut tongue averaged \$4.05/kg, up 7¢/kg month-on-month but 23¢/kg cheaper compared to last year.

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



Lamb runners averaged \$6.50/piece, which was down 45¢/piece month-on-month but \$2.08/piece higher than year-ago levels. Sheep runners averaged \$4.60/piece for June, down 25¢/piece month-on-month but up \$1.35/piece year-on-year.

**Figure 9: Trends in runner prices**





# Pharmaceutical products

Pharmaceutical product was again lightly reported for the month.

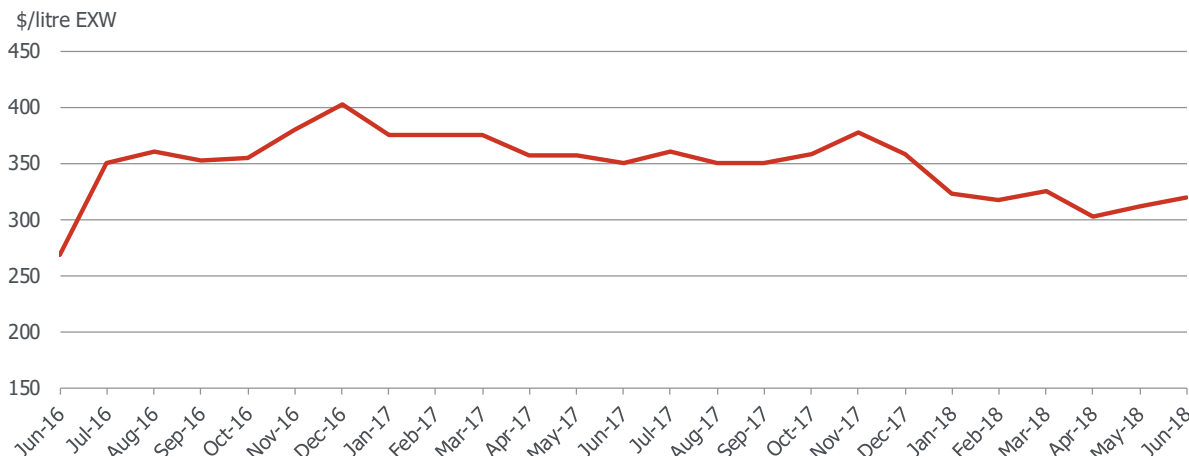
**Table 3: Pharmaceutical prices**

	Average (June Data)	Range	Responses	Monthly Change	Annual Change
Foetal Blood	\$320.00	\$15.00	3	2.7%	-8.6%

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

Foetal blood averaged \$320.00/litre, up \$8.00/litre from last month's price, but \$30.00/litre below last year's price.

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



Concentrated gall was not reported.

**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. Singapore demand for tallow remains subdued due to maintenance and upgrades at the bio-diesel plant.

**Table 4: Rendered product prices**

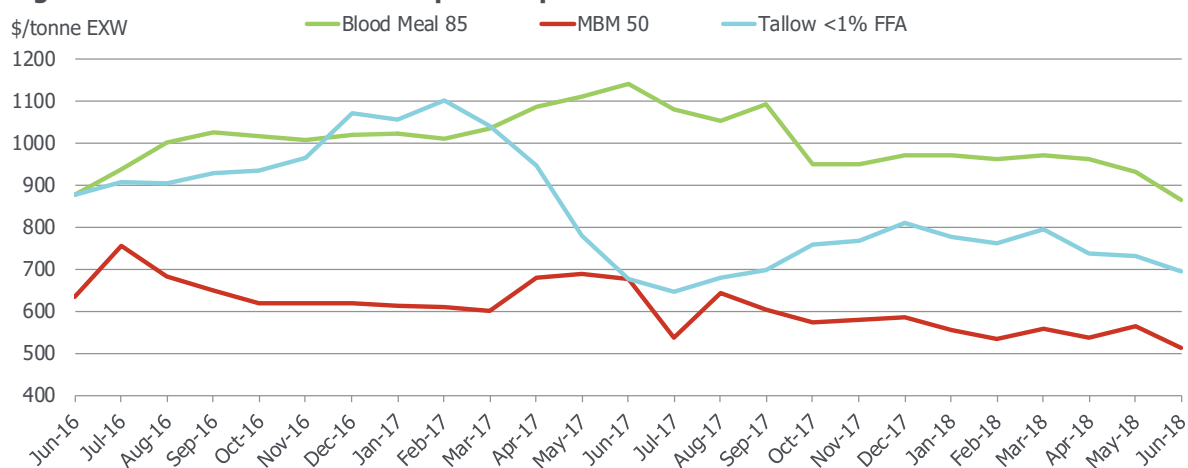
	Average (June Data)	Range	Responses	Monthly Change	Annual Change
Bloodmeal 85	\$863.33	\$20.00	3	-7.2%	-24.3%
MBM 50	\$514.00	\$60.00	5	-8.7%	-24.1%
Tallow Ined.<1FFA	\$695.00		2	-5.0%	2.7%
Tallow Ined.<2FFA	\$700.00		2	-8.9%	1.4%
Tallow Ined.<4FFA	\$635.00		2	-9.6%	-4.3%

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

Export meat and bone meal (MBM) prices eased in both the domestic and overseas markets. With a bumper soy harvest expected in the USA this year, prices for other proteins are coming under pressure. The price for 50% protein averaged \$514.00/tonne, down \$49.00/tonne month-on-month and \$163.00/tonne lower year-on-year. Blood meal averaged \$863.00/tonne ex-works, down \$67.00/tonne on last month's price and \$277.00/tonne lower year-on-year with weaker demand.

Tallow prices eased on the back of strong production levels domestically and globally, exacerbated by the reduced interest from Singapore. Prices for 1% FFA tallow averaged \$695/tonne, down \$37/tonne on last month's price but \$18/tonne above year-ago prices, due to support of the weaker Australian dollar.

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



# Hides

The hide market was met with significant headwinds this month. The northern hemisphere begins their summer holiday period, while global supplies of unsold product are plentiful. As previously reported, the use of synthetics in sports shoes is placing enormous pressure on leather prices, as this market used to represent 50% of hide sales. With this sustained pressure low quality hides are now unsaleable.

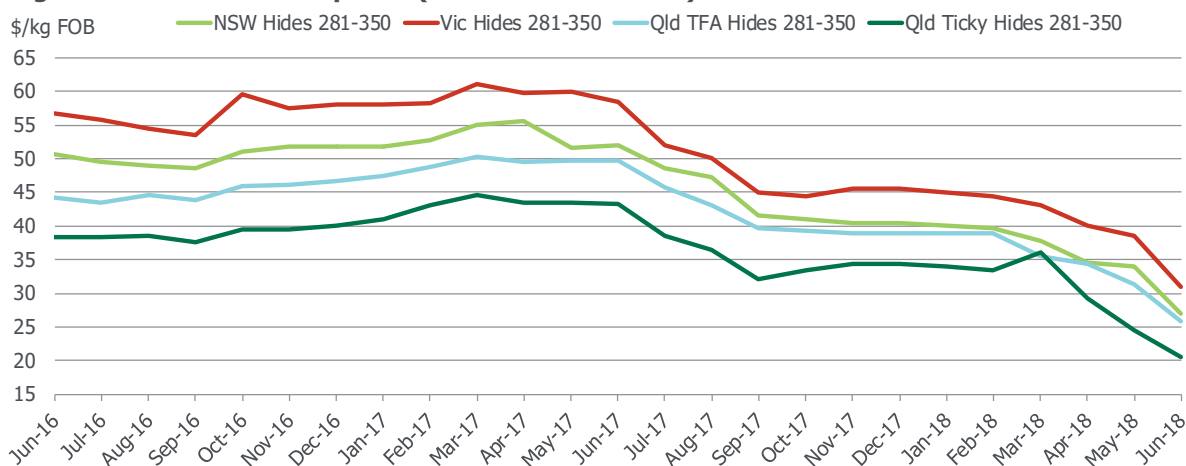
**Table 5: Hide prices**

	Average (June Data)	Range	Responses	Monthly Change	Annual Change
Hides NSW 141- 180	\$12.00		2	-29.4%	-51.5%
Hides NSW 181 - 220	\$15.50		2	-22.5%	-52.3%
Hides NSW 221 - 280	\$20.00		2	-25.9%	-50.0%
Hides NSW 281 - 350	\$27.00		2	-20.6%	-48.1%
Hides NSW 351 Up	\$37.50		2	-15.7%	-43.6%
Hides QLD TFA 141 - 220	\$11.00		2	-25.0%	-58.5%
Hides QLD TFA 221 - 280	\$17.50		2	-23.9%	-51.4%
Hides QLD TFA 281 - 350	\$25.83	\$6.00	3	-17.6%	-48.0%
Hides QLD TFA 351 Up	\$30.00	\$7.00	3	-21.7%	-51.1%
Hides QLD Ticky 281 - 350	\$20.50		2	-16.3%	-52.7%
Hides QLD Ticky 350 Up	\$23.50		2	-23.0%	-55.7%
Hides VIC 141-180	\$15.00		2	-21.1%	-49.2%
Hides VIC 181-220	\$19.50		2	-18.8%	-48.3%
Hides VIC 221 - 280	\$24.50		2	-19.7%	-47.6%
Hides VIC 281-350	\$31.00		2	-19.5%	-47.0%
Hides VIC 351 Up	\$41.00		2	-14.6%	-41.8%

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

Local prices for hides were down a further \$5.00 to \$7.00/piece compared to last month.

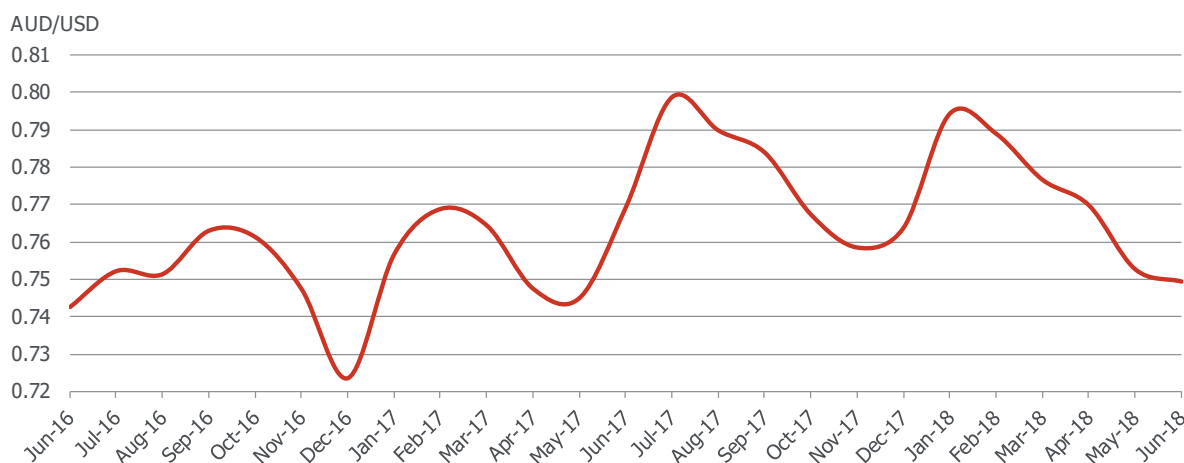
**Figure 13: Trends in hide prices (East Coast Ex Works)**



## Currency exchange

The Australian dollar eased further against the US dollar, opening at 75.41US¢ before closing the month at 73.53US¢, to average 74.94US¢ for July.

**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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