



# Co-product market report

May 2018

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# Beef Co-products

Beef offal prices were firmer across most items compared with last month, particularly halal product moving into Ramadan. Rumen pillars remain very firm. Halal kidneys and lungs were easier for the same period.

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

	Average (Apr Data)	Range	Responses	Monthly Change	Annual Change
Beef Lips - Halal	\$4.03	\$1.30	4	37.2%	25.6%
Cheekmeat	\$5.75		2	0.0%	-21.3%
Cheekmeat - Halal	\$6.37	\$0.60	3	8.7%	-18.9%
Diap. Membrane	\$3.48	\$0.10	4	3.3%	-23.6%
Hc Tripe	\$6.48	\$1.65	3	12.4%	4.1%
Hc Tripe - Halal	\$7.30		2	14.4%	6.0%
Headmeat	\$4.10		2	2.5%	-10.4%
Headmeat - Halal	\$4.30		2	7.5%	-15.7%
Heart	\$2.27	\$0.65	3	32.6%	16.2%
Heart - Halal	\$2.60		2	27.0%	37.3%
Heart - Aorta	\$7.15		2	5.9%	6.7%
Heart - Aorta - Halal	\$7.25		2	4.7%	11.2%
Kidneys	\$1.10		2	11.7%	1.9%
Kidneys- Halal	\$0.98		2	-12.7%	-34.8%
Ligamentum	\$3.98	\$0.70	4	8.1%	6.6%
Liver	\$1.38		2	38.0%	24.4%
Liver - Halal	\$1.32	\$0.30	3	10.5%	7.0%
Lungs - Halal	\$1.25	\$0.35	3	-41.6%	-36.1%
Omasum	\$6.60		2	13.8%	76.0%
Omasum - Halal	\$7.17	\$2.80	3	17.7%	14.2%
Rum.Pill - Halal < 500	\$9.62	\$2.55	3	3.7%	
Rum.Pill - Halal > 500 < 700	\$15.45	\$2.05	3	5.1%	
Rum.Pill - Halal > 700	\$19.10		2	3.7%	
Rum.Pill < 500	\$10.90		2	26.5%	90.1%
Rum.Pill > 500 < 700	\$15.45		2	11.2%	48.8%
Rum.Pill > 700	\$18.55		2	4.3%	34.7%
Tail	\$10.12	\$1.50	3	7.6%	25.4%
Tail - Halal	\$10.40		2	10.1%	28.9%
Tendons	\$6.70		2	4.7%	-10.9%
Tendons - Halal	\$6.70		2	-3.7%	5.5%
Thickskirt	\$6.30	\$1.10	3	12.8%	-7.1%
Thickskirt - Halal	\$6.00		2	8.4%	-38.8%
Thinskirt	\$5.73	\$1.20	3	6.5%	-16.0%
Thinskirt - Halal	\$5.45		2	0.1%	-12.5%
Tongue Root Fillet	\$4.95		2	3.1%	
Tongue Root Meat	\$2.25		2	-2.2%	
Tongue Root Meat - Halal	\$2.30		2	2.6%	-4.2%
Tongue SW	\$9.15		2	-0.2%	-33.1%
Tongue SW - Halal	\$9.10		2	-2.1%	-38.9%
Tripe Pieces	\$3.35	\$0.15	3	3.1%	3.6%
Tripe Pieces - Halal	\$3.38	\$0.15	3	6.1%	21.5%

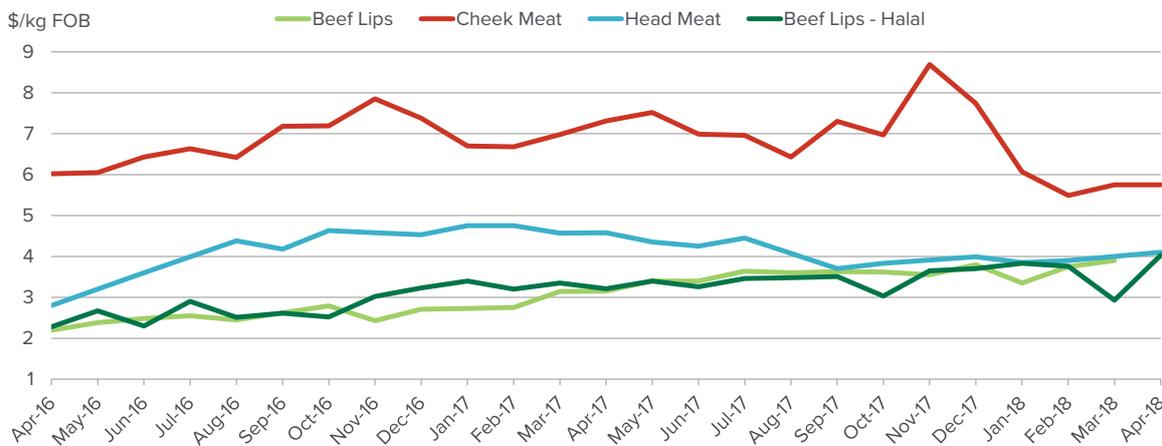
Price quoted is average price reported in \$/kg FOB Australian port.

## Head offal

Head offal products were steady to firm. Head meat averaged \$4.10/kg, down 48¢/kg year-on-year. Cheek meat was \$1.56/kg cheaper on year-ago levels, averaging \$5.75/kg, remaining level with last month.

Lip export prices to the US and Mexico were not reported. Halal lips returned to a more typical price level, averaging \$4.03/kg, which is 82¢/kg up on a year ago.

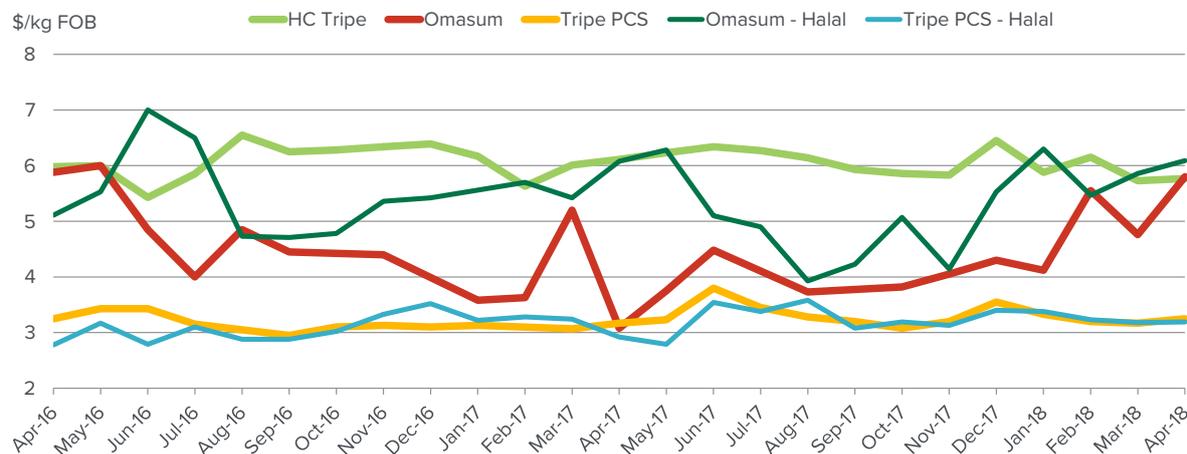
**Figure 1: Trends in beef head offal prices**



## Beef offal trends

Omasum averaged \$6.60/kg, up 80¢/kg on last month and \$2.85/kg from a year ago. Halal omasum averaged \$7.17/kg, up \$1.08/kg month-on-month and 89¢/kg year-on-year. Halal tripe pieces averaged \$3.38/kg, 19¢/kg higher month-on-month and up 59¢/kg year-on-year. Non-halal product averaged \$3.35/kg - 10¢/kg above last month. Honeycomb tripe firmed 71¢/kg month-on-month and was 25¢/kg higher year-on-year, averaging \$6.48/kg.

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

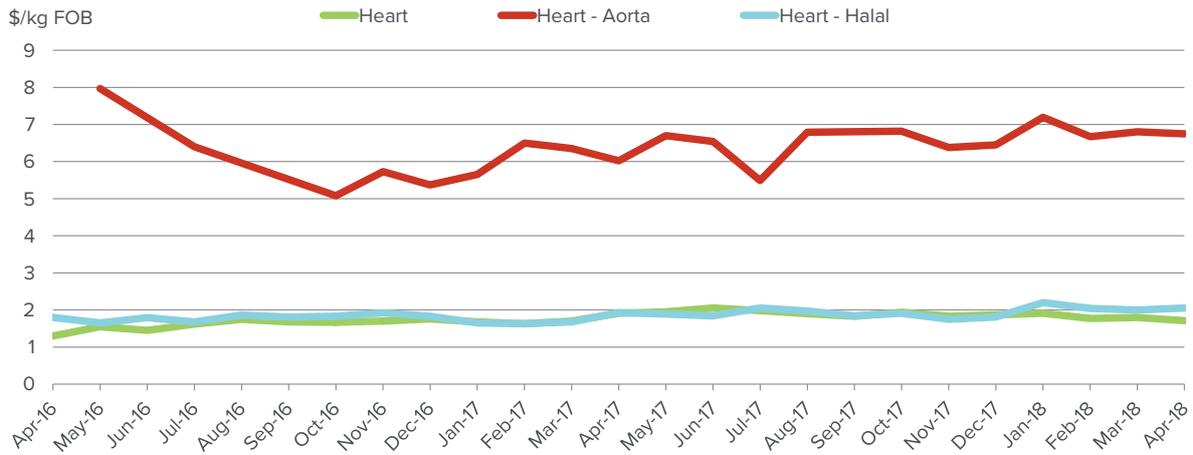


### Beef offal trends continued...

Aorta averaged \$7.15/kg the month; firming 45¢/kg month-on-month, and 40¢/kg above year-ago levels.

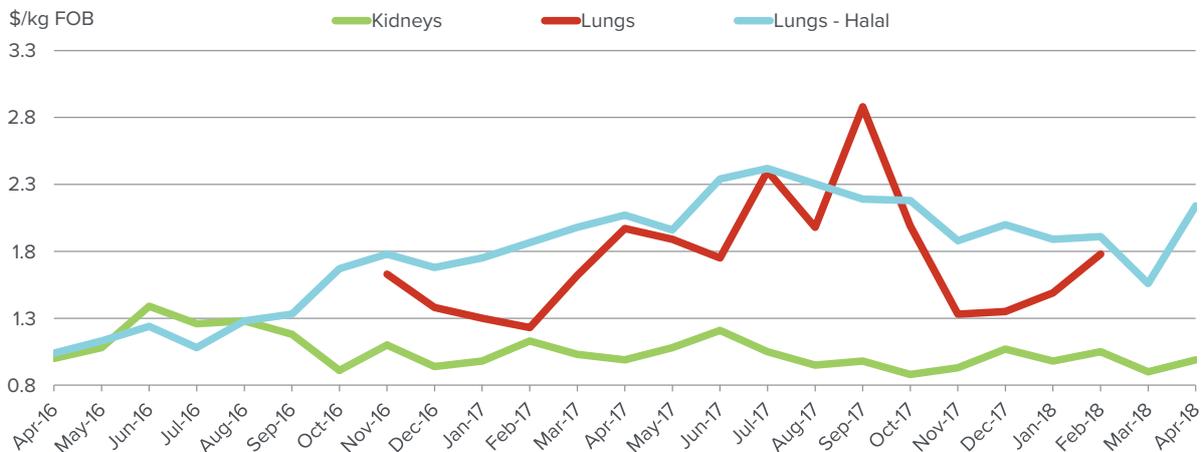
Heart prices rallied 56¢/kg compared to last month and 32¢/kg above year-ago levels, averaging \$2.27/kg. Halal hearts averaged \$2.60/kg, firming 55¢/kg month-on-month and 71¢/kg year-on-year.

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



Kidneys were reported at an average of \$1.10/kg, up 11¢/kg from March, and 2¢/kg firmer year-on-year. Halal lung prices fell, averaging \$1.25/kg this month, down 89¢/kg month-on-month and 71¢/kg below year-ago prices, while non-halal lungs were not reported.

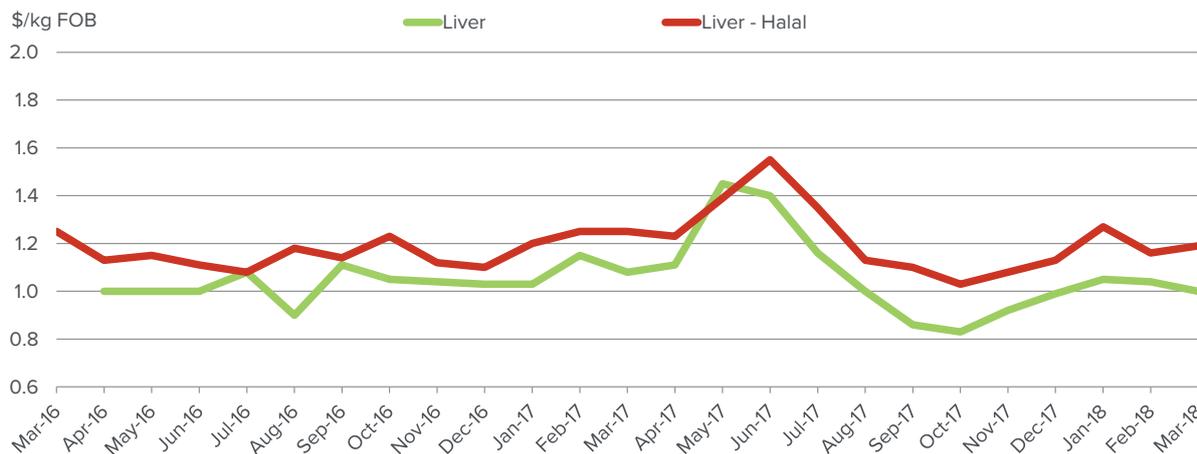
**Figure 4: Trends in beef offal prices**



### Beef offal trends continued...

Liver prices averaged \$1.38/kg, firming 38¢/kg month-on-month and 27¢/kg above year-ago levels. Halal livers firmed 13¢/kg month-on-month and were up 9¢/kg year-on-year, with quotes averaging \$1.32/kg.

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



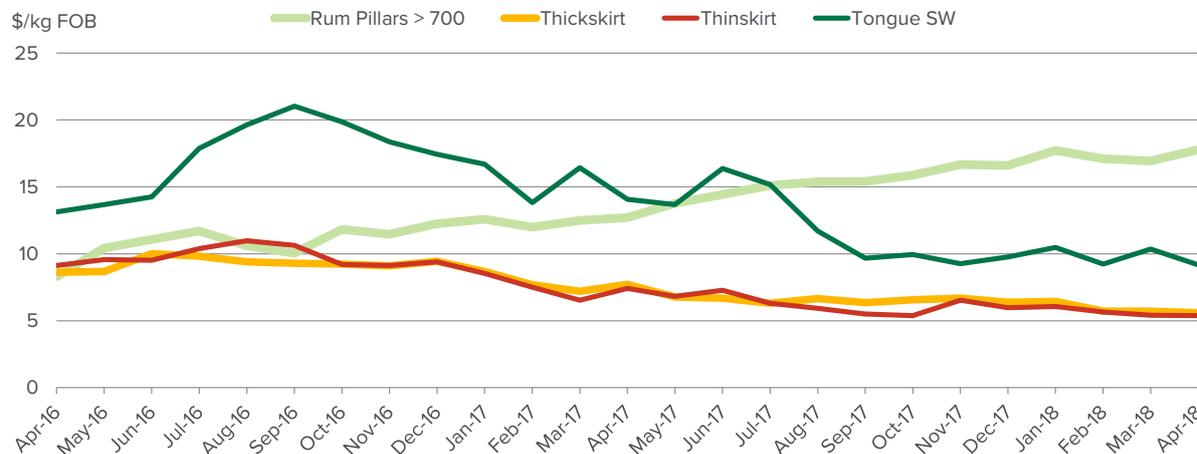
## Japanese and Korean Offals

Tongue prices averaged \$9.15/kg down 2¢/kg month-on-month and \$4.53/kg below year ago levels.

Thick skirt was 48¢/kg lower year-on-year but 71¢/kg firmer month-on-month, averaging \$6.30/kg. Thin skirt price firmed 35¢/kg from last month and was \$1.10/kg lower year-on-year, averaging \$5.73/kg.

Rumen pillars continued their strong performance, with heavy weight product averaging \$18.55/kg, up 77¢/kg month-on-month and \$4.78/kg dearer than year-ago levels.

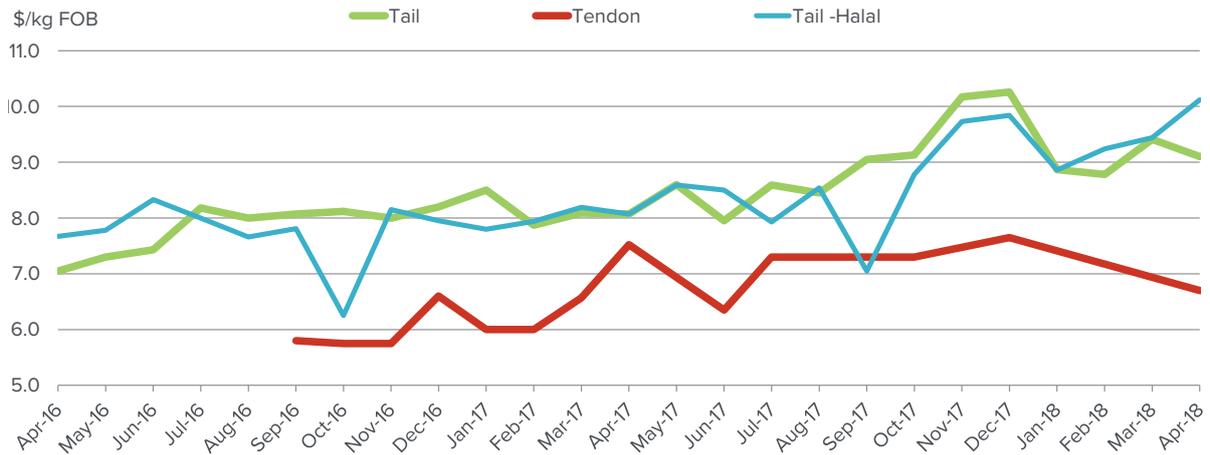
**Figure 6: Trends in Japanese offal prices**



## Tails and Tendons

Tail prices to Korea eased 31¢/kg month-on-month to average \$9.10/kg, \$1.03/kg higher than year-ago levels. Halal tails also trended upwards, gaining 68¢/kg month-on-month and \$2.05/kg year-on-year, to average \$10.12/kg. Tendons averaged \$6.70/kg, 82¢/kg below year ago prices, whilst halal product was also reported at \$6.70/kg, down 26¢/kg month-on-month.

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



## Sheep Co-products

Sheep offal prices were generally steady to firm this month; however kidney prices were weaker.

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

	Average (Apr Data)	Range	Responses	Monthly Change	Annual Change
Heart Sheep - Halal	\$2.67	\$0.30	3	7.4%	40.4%
Kidneys Sheep - Halal	\$2.95		2	-15.7%	14.2%
Liver Sheep - Halal	\$1.35		2	1.5%	19.1%
Runners Lamb	\$6.73	\$0.20	3	5.2%	46.8%
Runners Sheep	\$4.80	\$0.00	3	-3.0%	64.6%
Tongue LC Sheep - Halal	\$4.23	\$0.10	3	3.3%	15.5%
Tripe Sheep - Halal	\$4.37	\$0.10	3	0.4%	-11.5%

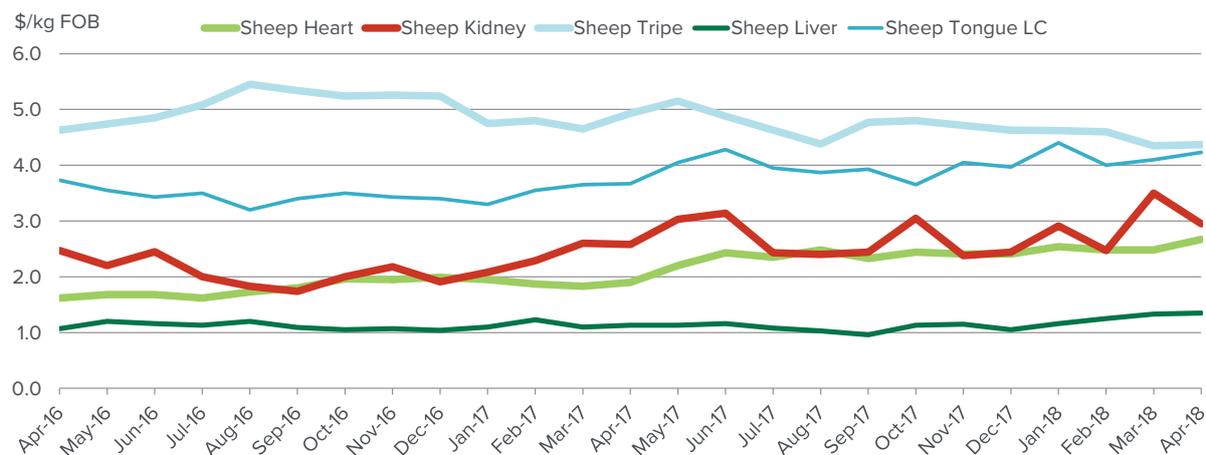
Price quoted is average price reported in \$/kg FOB Australian port and runners as \$/piece.

## Sheep offal

Sheep hearts averaged \$2.67/kg, up 19¢/kg month-on-month but were 77¢/kg dearer than year-ago levels. Sheep livers averaged \$1.35/kg, up 2¢/kg month-on-month and 22¢/kg higher year-on-year. Kidneys returned \$2.95/kg, easing 55¢/kg month-on-month but 37¢/kg firmer year-on-year.

Sheep tripe prices were reported at \$4.37/kg this month, 56¢/kg lower than year-ago prices and 2¢/kg higher month-on-month. Sheep long cut tongue averaged \$4.23/kg, up 13¢/kg month-on-month and 56¢/kg dearer compared to last year.

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



Lamb runners averaged \$6.73/piece, which was 33¢/piece up month-on-month and \$2.14/piece higher than year-ago levels. Sheep runners averaged \$4.80/piece for March, down 15¢/piece month-on-month but an improvement of \$1.88/piece year-on-year.

**Figure 9: Trends in runner prices**



# Pharmaceutical products

Pharmaceutical product was lightly reported for the month.

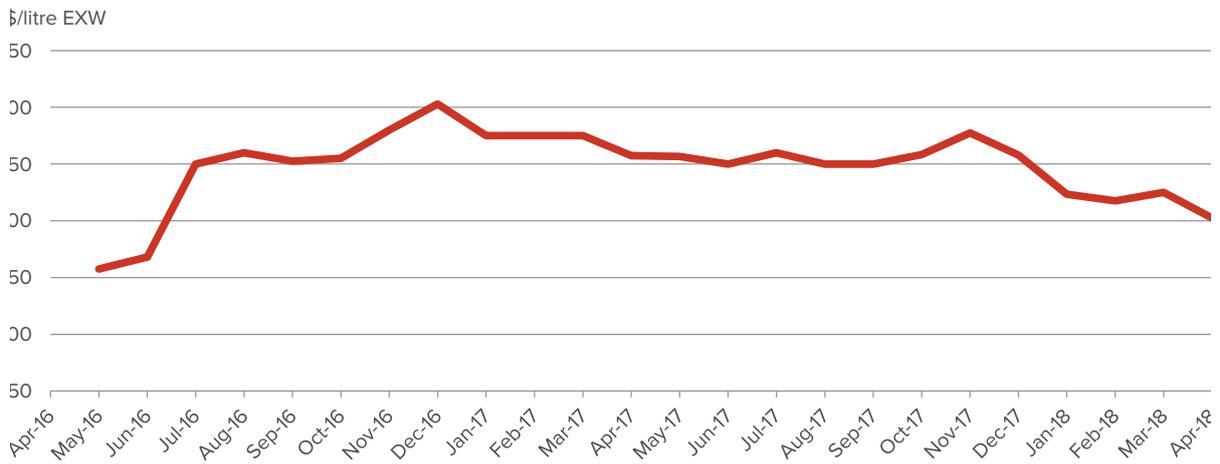
**Table 3: Pharmaceutical prices**

	Average (Apr Data)	Range	Responses	Monthly Change	Annual Change
Foetal Blood	\$302.50		2	-6.9%	-15.4%

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

Foetal blood averaged \$302.50/litre, down \$22.50/litre from last month's price, and was \$55.00/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 declined across the board as domestic demand weakened and mixed species meals continue to trade at a significant discount in the domestic market. Singapore demand for tallow is down.

**Table 4: Rendered product prices**

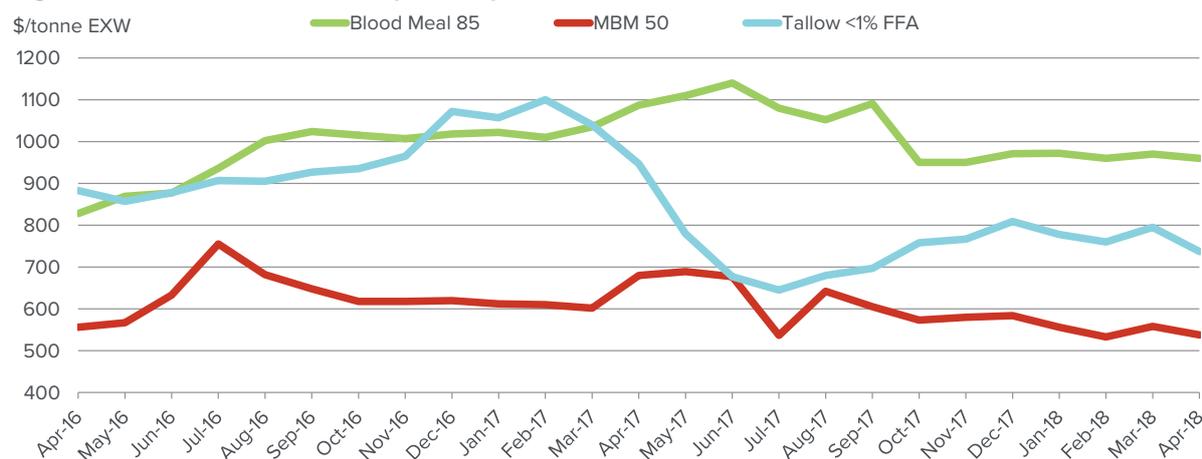
	Average (Apr Data)	Range	Responses	Monthly Change	Annual Change
Bloodmeal 85	\$960.00	\$190.00	4	-1.0%	-11.7%
MBM 50	\$538.00	\$150.00	5	-3.6%	-20.9%
Tallow Ined.<1FFA	\$736.67	\$60.00	3	-7.3%	-22.2%

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

Export meat and bone meal (MBM) prices were steady in overseas markets and the weaker Australian dollar improved the export return. The price for 50% protein averaged \$538/tonne, a decline of \$20/tonne month-on-month but \$142/tonne lower year-on-year. Blood meal averaged \$960/tonne ex-works, down \$10/tonne on last month's price but \$127/tonne lower year-on-year.

Tallow prices eased as steady trade continued in the oleo and industrial markets while interest from Singapore waned. Prices for 1% FFA tallow averaged \$737/tonne, down \$58/tonne on last month's price and \$210/tonne below year-ago prices.

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



# Hides

The hide market continued to weaken further with no indication of any turn around in the near future. Poor demand and plentiful supply continue to put prices under pressure.

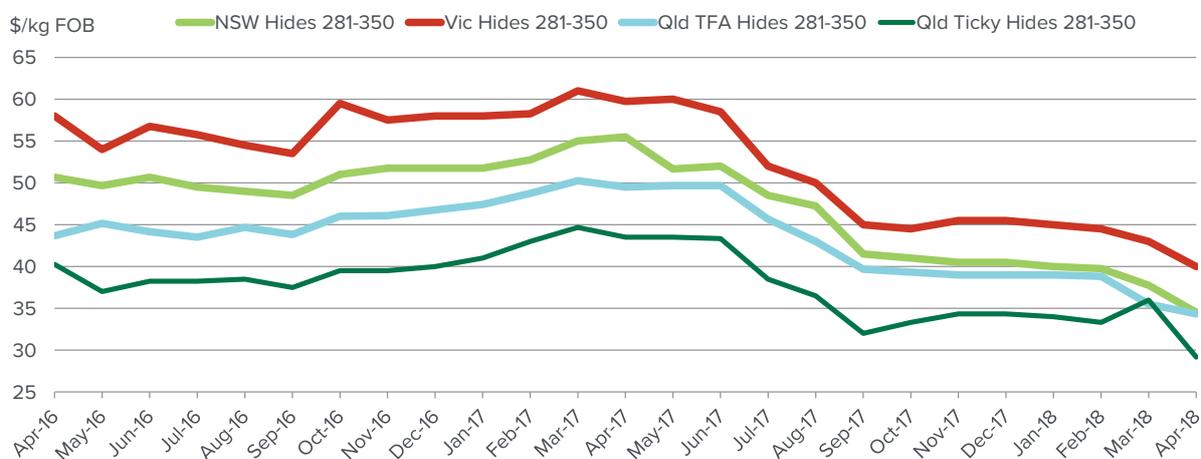
**Table 5: Hide prices**

	Average (Apr Data)	Range	Responses	Monthly Change	Annual Change
Hides NSW 141- 180	\$17.50		2	-10.3%	-30.0%
Hides NSW 181 - 220	\$21.25		2	-9.6%	-37.0%
Hides NSW 221 - 280	\$27.50		2	-9.1%	-32.9%
Hides NSW 281 - 350	\$34.50		2	-8.6%	-35.8%
Hides NSW 351 Up	\$45.50		2	-6.7%	-32.1%
Hides QLD TFA 141 - 220	\$17.50		2	-17.6%	-37.5%
Hides QLD TFA 221 - 280	\$26.00		2	-11.1%	-30.7%
Hides QLD TFA 281 - 350	\$34.33	\$11.00	3	-3.3%	-30.6%
Hides QLD TFA 351 Up	\$42.67	\$16.00	3	-3.4%	-28.5%
Hides QLD Ticky 281 - 350	\$29.17	\$7.00	3	-19.0%	-33.0%
Hides QLD Ticky 350 Up	\$36.67	\$10.00	3	-15.1%	-30.2%
Hides VIC 141-180	\$20.00		2	-11.1%	-34.4%
Hides VIC 181-220	\$25.75		2	-7.2%	-34.8%
Hides VIC 221 - 280	\$32.00		2	-9.9%	-34.0%
Hides VIC 281-350	\$40.00		2	-7.0%	-33.1%
Hides VIC 351 Up	\$49.50		2	-3.9%	-31.0%

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

Local prices for hides from all areas and weight ranges were down a further \$2.00~\$3.00/piece compared to last month.

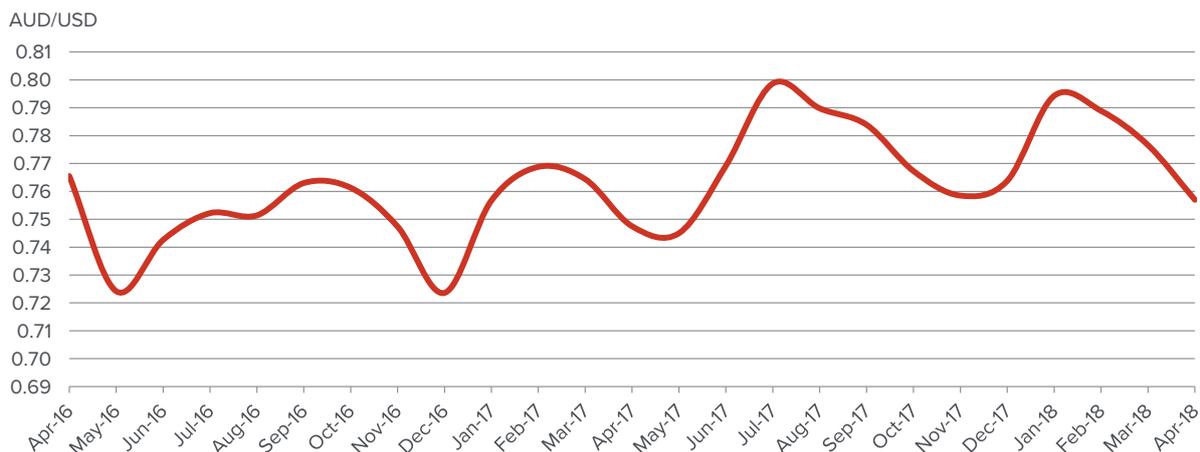
**Figure 13: Trends in hide prices (East Coast Ex Works)**



## Currency exchange

The Australian dollar eased against the US dollar, opening at 76.85US¢ and rallying mid-month to 78.04US¢, before easing to close the month at 75.70US¢, averaging 76.98US¢ for 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:

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  
May 2018

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