



Co-product market report

October 2017

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Beef Co-products

Beef offal prices were slightly dearer in September. Rumen pillars remained very firm and tongues rallied slightly whilst lungs, livers and kidneys were all easier.

Table 1: Beef co-product prices

	Average (Sep Data)	Range	Responses	Monthly Change	Annual Change
Beef Lips	\$3.63	\$0.30	4	0.7%	38.5%
Beef Lips - Halal	\$3.51	\$1.27	4	0.8%	34.6%
Cheekmeat	\$7.30	\$3.30	5	13.6%	1.7%
Cheekmeat - Halal	\$7.87	\$3.20	3	22.2%	2.3%
Diap. Membrane	\$4.22	\$1.60	5	-0.5%	4.0%
Hc Tripe	\$5.86	\$0.65	4	-1.1%	-6.2%
Hc Tripe - Halal	\$6.27	\$1.75	3	1.9%	-0.1%
Headmeat	\$3.70	\$0.30	3	-7.5%	-11.6%
Headmeat - Halal	\$4.20		2	2.9%	-3.8%
Heart	\$1.94	\$0.65	4	6.2%	16.2%
Heart - Halal	\$1.91	\$0.25	5	3.7%	4.7%
Heart - Aorta	\$6.82	\$0.55	3		34.1%
Heart - Aorta - Halal	\$6.25		2	-2.3%	-0.4%
Kidneys	\$0.88	\$0.25	4	-10.3%	-4.1%
Kidneys- Halal	\$1.10	\$0.79	4	17.6%	-1.1%
Ligamentum	\$3.63	\$1.65	8	-9.0%	-6.7%
Liver	\$0.86	\$0.30	4	-13.8%	-22.5%
Liver - Halal	\$1.10	\$0.30	5	-2.2%	-3.5%
Lungs	\$1.99	\$0.50	4	-30.9%	10.4%
Lungs - Halal	\$2.18	\$0.30	4	-0.7%	30.5%
Omasum	\$3.82	\$0.95	3	-15.2%	-13.3%
Omasum - Halal	\$5.07	\$1.30	3	19.9%	6.1%
Rum.Pill < 500	\$7.43	\$1.38	4	11.8%	47.7%
Rum.Pill < 500 - Halal	\$8.05		2	6.6%	47.1%
Rum.Pill > 500 < 700	\$13.18	\$3.50	4	38.3%	54.4%
Rum.Pill > 500 < 700 - Halal	\$13.20		2	1.4%	30.9%
Rum.Pill > 700	\$15.88	\$3.00	4	3.1%	34.2%
Rum.Pill > 700 - Halal	\$17.80		2	6.9%	31.5%
Tail	\$9.05	\$1.50	4	7.1%	12.2%
Tail - Halal	\$8.36	\$1.90	5	-2.1%	7.1%
Tendons	\$7.30	\$1.30	3	9.0%	25.9%
Tendons - Halal	\$7.05		2	1.1%	8.5%
Thickskirt	\$6.56	\$2.65	4	3.2%	-28.9%
Thickskirt - Halal	\$6.38		2	-1.9%	-30.5%
Thinskirt	\$5.38	\$1.80	4	-2.3%	-41.6%
Thinskirt - Halal	\$5.70		2	1.8%	-40.4%
Tongue Root Fillet	\$5.22	\$2.65	3	0.6%	-6.8%
Tongue Root Meat	\$2.78		2	-3.2%	48.7%
Tongue Root Meat - Halal	\$2.58	\$0.65	4	0.5%	
Tongue SW	\$9.95	\$4.05	5	2.8%	-49.9%
Tongue SW - Halal	\$10.00	\$2.00	4	0.0%	-50.5%
Tripe Pieces	\$3.08	\$0.50	3	-3.6%	-0.5%
Tripe Pieces - Halal	\$3.19	\$0.35	4	3.7%	5.5%

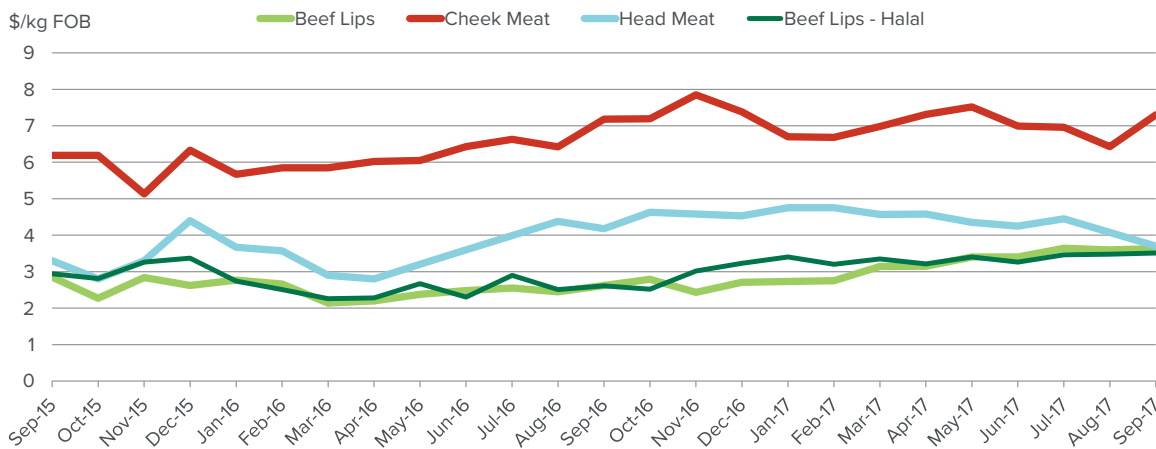
Price quoted is average price reported in \$/kg FOB Australian port.

Head offal

Head offal products were dearer month-on-month. Head meat averaged \$3.70/kg which was 48¢/kg lower than year-ago levels whilst halal product averaged \$4.20/kg which was 12¢/kg above last month. Cheek meat was 12¢/kg dearer compared to the corresponding period last year, averaging \$7.30/kg and was 87¢/kg stronger than August levels.

Lip export prices to the US and Mexico recovered 3¢/kg month-on-month, averaging \$3.63/kg and were \$1.01/kg higher year-on-year. Halal lips averaged \$3.51/kg to be up 3¢/kg month-on-month and 90¢/kg above year-ago levels.

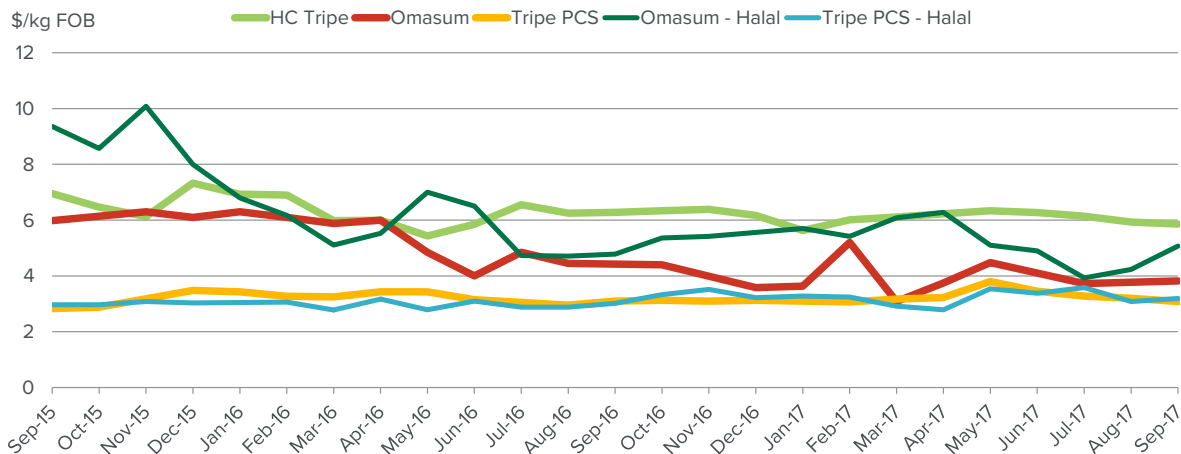
Figure 1: Trends in beef head offal prices



Beef offal trends

Omasum averaged \$3.82/kg for the month while halal omasum strengthened 84¢/kg month-on-month and 29¢/kg year-on-year to average \$5.07/kg. Halal tripe pieces averaged \$3.19/kg to be 11¢/kg firmer month-on-month and were up 17¢/kg year-on-year. Non-halal product averaged \$3.08/kg, which was 12¢/kg below last month. Honeycomb tripe eased 7¢/kg month-on-month, averaging \$5.86/kg. Halal product was reported to average \$6.27/kg, up 12¢/kg from last month.

Figure 2: Trends in beef tripe prices

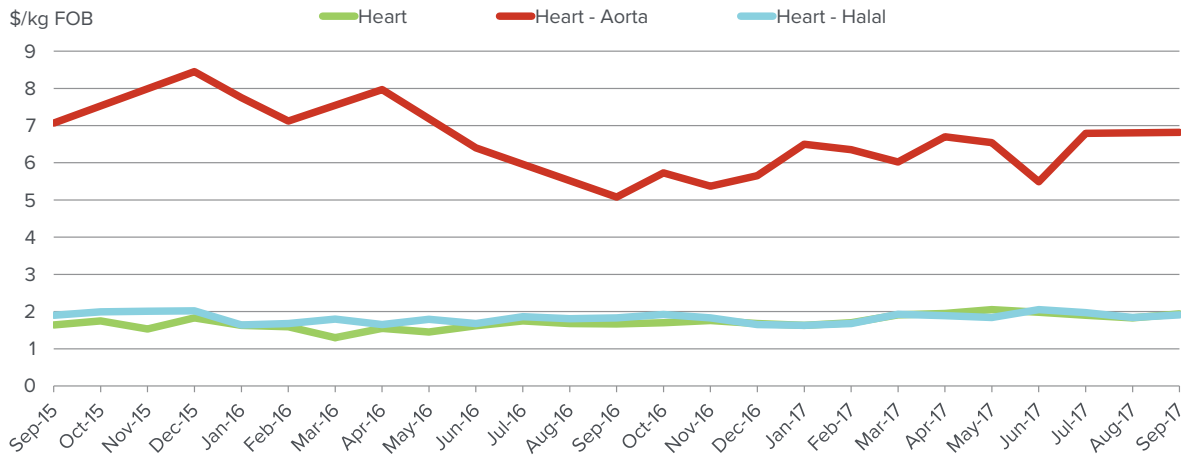


Beef offal trends continued...

Aorta averaged \$6.82/kg this month, up \$1.74/kg from year ago levels whilst halal product eased 15¢/kg to average \$6.25/kg.

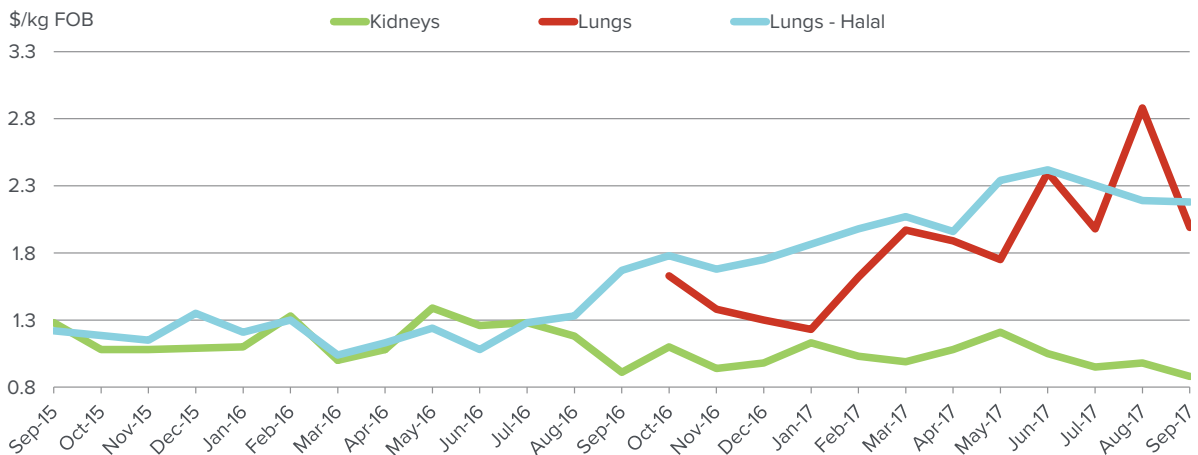
Heart prices were up 11¢/kg compared to last month, averaging \$1.94/kg and realised 27¢/kg above the year-ago average. Halal hearts averaged \$1.91/kg, trending 7¢/kg higher month-on-month and 8¢/kg dearer year-on-year.

Figure 3: Trends in beef offal prices



Kidneys were reported at an average of 88¢/kg, down 10¢/kg from last month and 3¢/kg lower year-on-year. Non-halal lungs were reported at an average of \$1.99/kg, down 89¢/kg on last month but returned to similar levels to that of recent months. Halal lungs averaged \$2.18/kg this month, settling 51¢/kg above year ago prices.

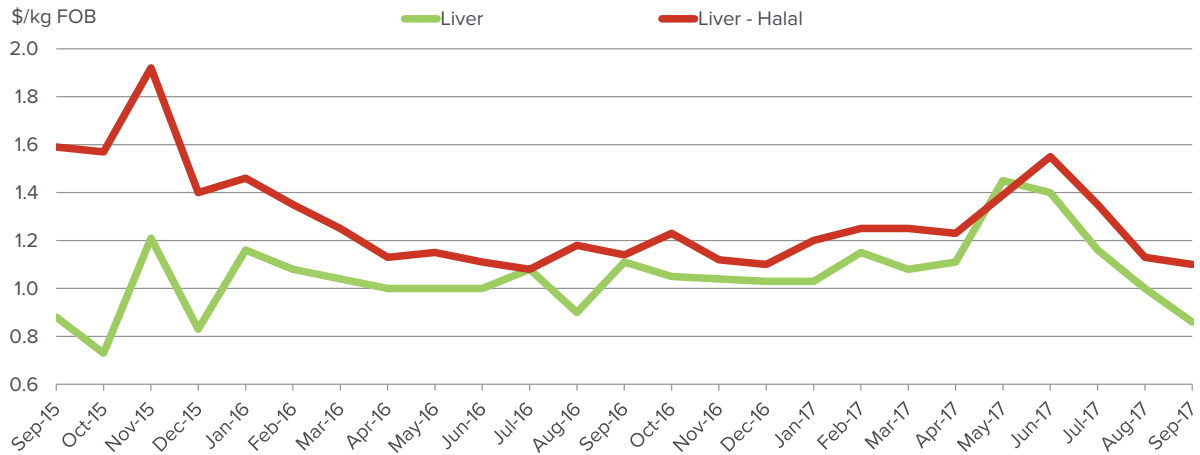
Figure 4: Trends in beef offal prices



Beef offal trends continued...

Liver prices averaged 86¢/kg, down 14¢/kg month-on-month and were 25¢/kg below year-ago levels. Halal livers eased 3¢/kg month-on-month and 4¢/kg year-on-year, with quotes averaging \$1.10/kg.

Figure 5: Trends in beef offal prices



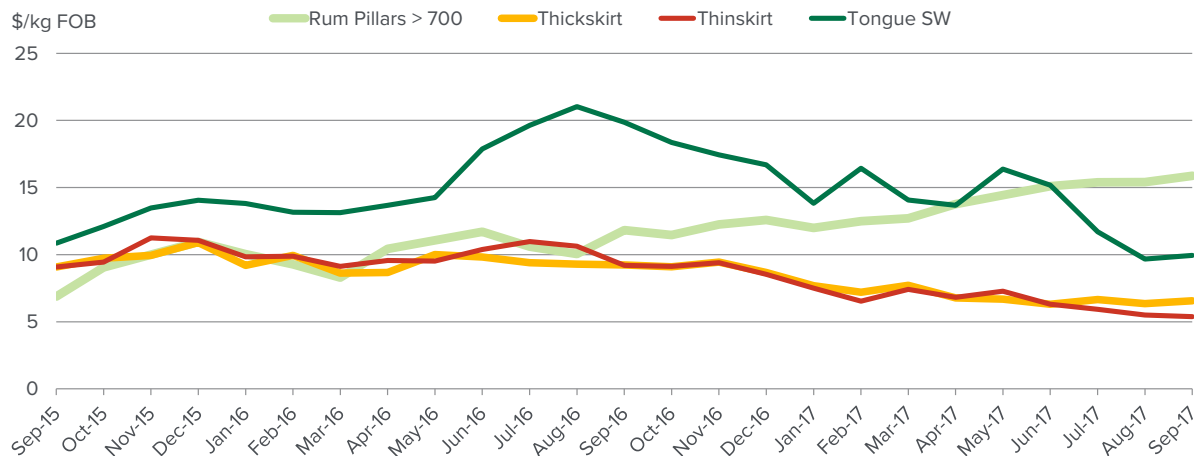
Japanese and Korean Offals

Tongue prices seemed to have found a floor with the month-on-month price rallying 27¢/kg to average \$9.95/kg which is down \$9.92/kg from last year’s price.

Thick skirt was \$2.67/kg lower year-on-year but 20¢/kg higher month-on-month, averaging \$6.56/kg. Thin skirt prices continued the downward trend to fall 12¢/kg from last month and \$3.82/kg year-on-year, averaging \$5.50/kg.

Rumen pillars continued their upward trend this month, with heavy weight product averaging \$15.88/kg, up 48¢/kg from August and \$4.05/kg dearer than year ago levels. Halal product averaged \$17.80/kg, up \$1.15/kg month-on-month.

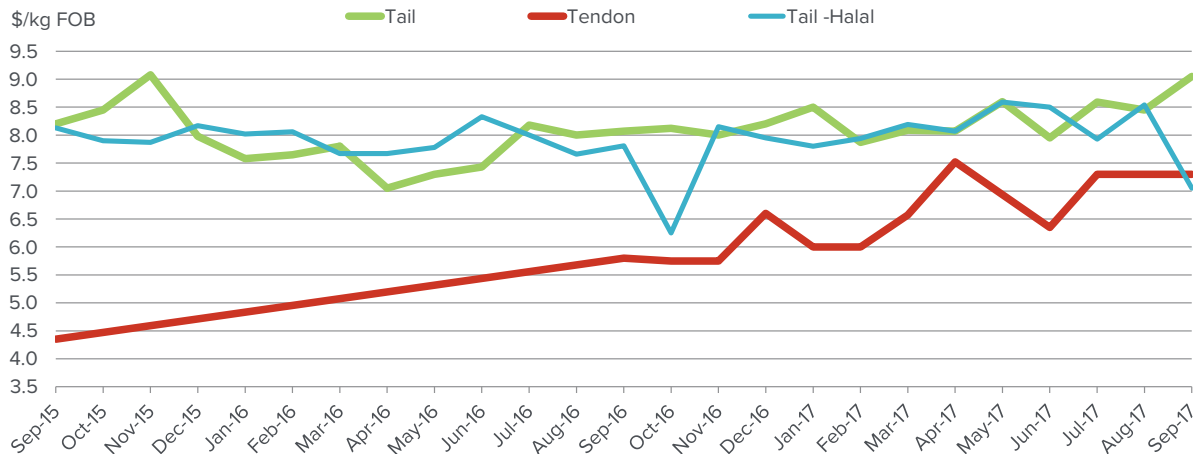
Figure 6: Trends in Japanese offal prices



Tails and Tendons

Tail prices into Japan strengthened 60¢/kg from last month and 98¢/kg from last year, to average \$9.05/kg. Halal tails were down a further \$1.49/kg on last month's price and were 76¢/kg easier year-on-year, averaging \$7.05/kg. Halal tendons were reported to average \$7.05/kg, up 7¢/kg month-on-month whilst non-halal product averaged \$7.30/kg.

Figure 7: Trends in tail and tendon prices



Sheep Co-products

Sheep offal prices showed mixed results this month but cyclical averages across the year are on trend. Lamb and sheep runner prices were slightly cheaper .

Table 2: Sheep co-product prices

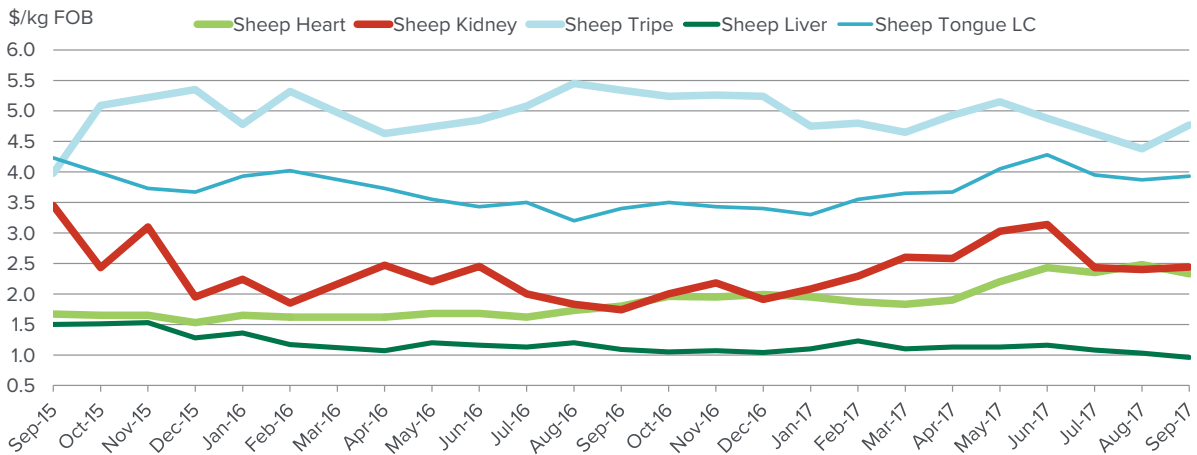
	Average (Sep Data)	Range	Responses	Monthly Change	Annual Change
Heart Sheep - Halal	\$2.33	\$0.35	4	-6.4%	29.2%
Kidneys Sheep - Halal	\$2.44	\$2.75	4	1.6%	40.1%
Liver Sheep - Halal	\$0.96	\$0.35	4	-6.9%	-12.0%
Runners Lamb	\$4.97	\$0.90	3	-7.2%	52.8%
Runners Sheep	\$3.30	\$1.50	3	-14.3%	55.3%
Tongue LC Sheep - Halal	\$3.93	\$0.10	3	1.7%	15.7%
Tripe Sheep - Halal	\$4.77	\$0.40	3	9.0%	-10.7%

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

Sheep offal

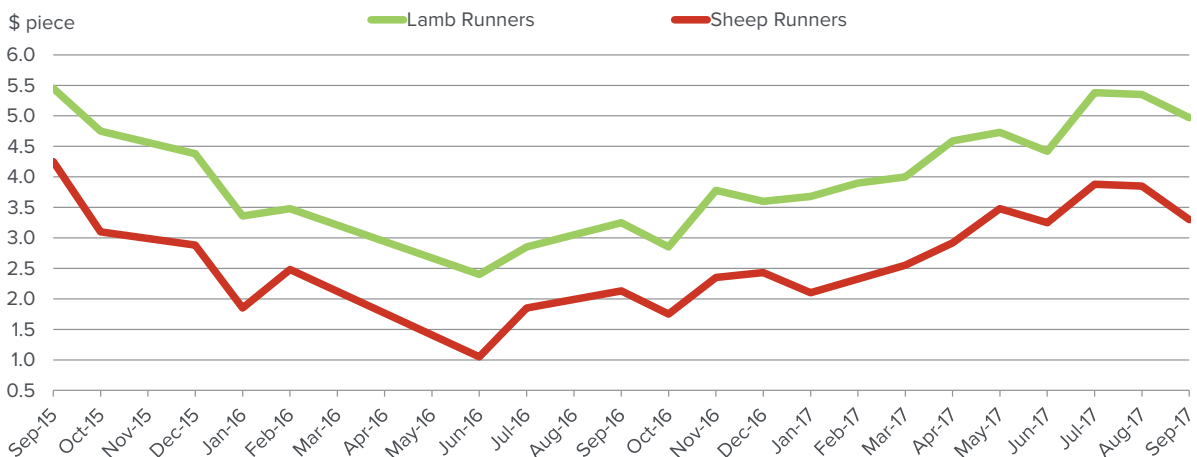
Sheep hearts averaged \$2.33/kg, down 15¢/kg month-on-month but were 53¢/kg dearer than September last year. Sheep livers averaged 96¢/kg, which was back 7¢/kg month-on-month and 13¢/kg lower year-on-year. Kidney prices returned \$2.44/kg, up 4¢/kg on August’s price and 70¢/kg dearer than year-ago levels. Sheep tripe prices recovered some ground this month to average \$4.77/kg, up 39¢/kg month-on-month but down 57¢/kg compared to last year. Sheep long cut tongue averaged \$3.93/kg, up 6¢/kg month-on-month and 53¢/kg dearer than a year ago.

Figure 8: Trends in sheep offal prices



Lamb runners averaged \$4.97/piece which was 38¢/piece below August prices but \$1.72/piece above last year’s price. Sheep runners also eased, averaging \$3.30/piece for September, down 55¢/piece month-on-month but an improvement of \$1.17/piece year-on-year.

Figure 9: Trends in runner prices



Pharmaceutical products

Pharmaceutical product remained firm during August with European eligible foetal blood in demand however concentrated gall eased slightly.

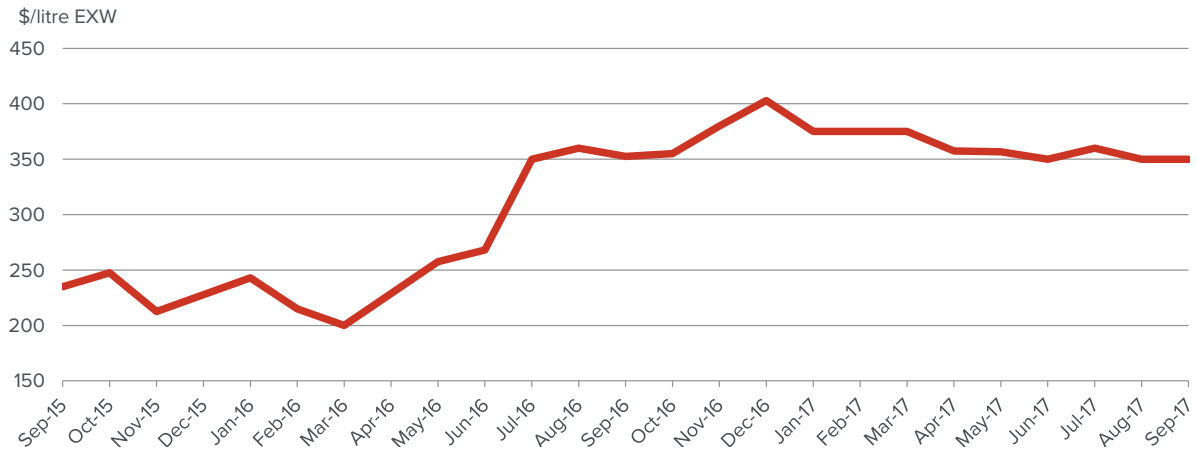
Table 3: Pharmaceutical prices

	Average (Sep Data)	Range	Responses	Monthly Change	Annual Change
Foetal Blood	\$350.00		2	0.0%	-0.7%
Gall Concentrated	\$27.00	\$5.50	3	-4.4%	8.7%

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

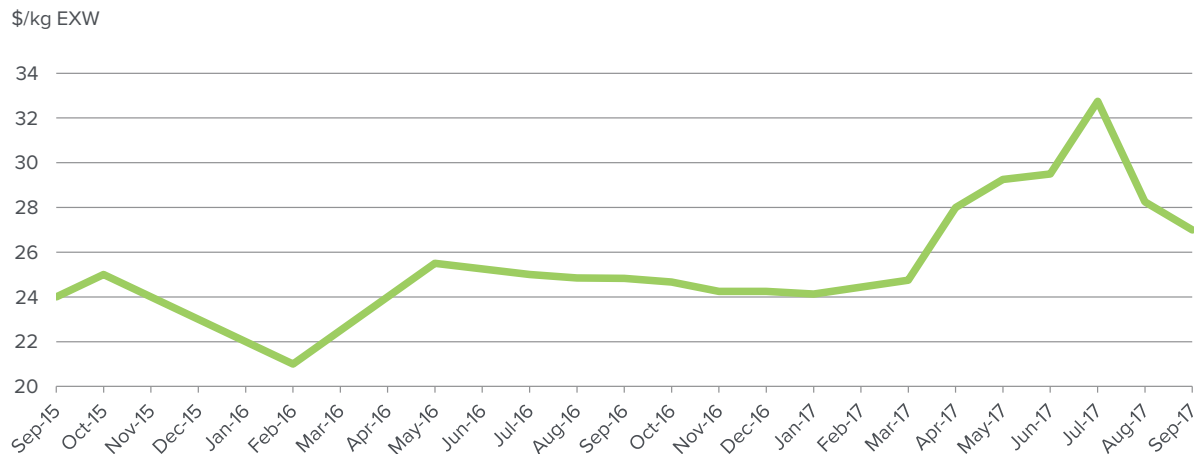
Foetal blood averaged \$350/litre, in line with buyer price bids.

Figure 10: Trends for foetal blood prices



Concentrated gall price trends reversed slightly from the dearer trend of the last quarter, averaging \$27.00/kg. This was \$1.25/kg lower month-on-month but \$2.17/kg higher than last year.

Figure 11: Trends for concentrated gall prices



Rendered products

Rendered products were still easier across the board, with blood meal trending upwards along with tallow. Traders continue to work with more traditional tallow markets however Singapore is showing some more interest in product within their specification.

Table 4: Rendered product prices

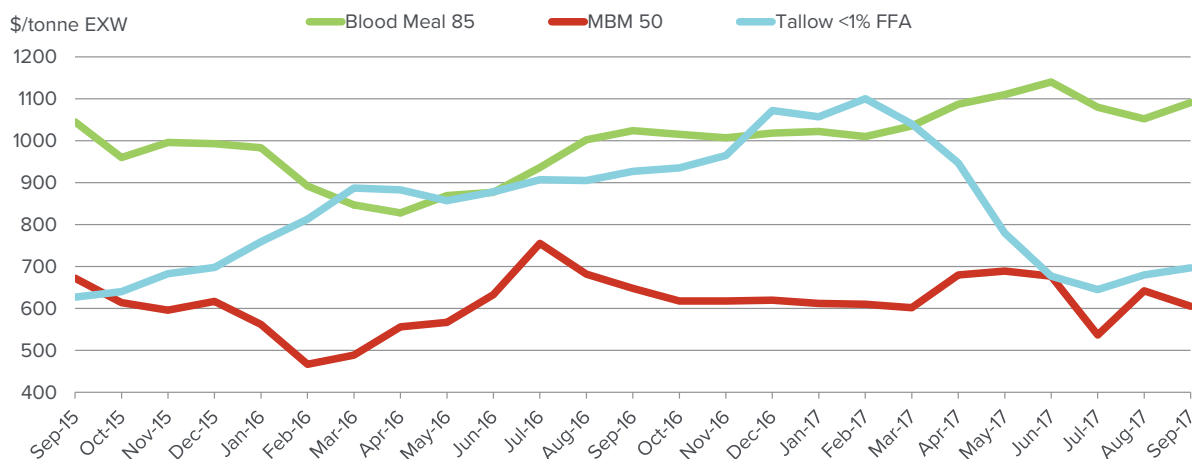
	Average (Sep Data)	Range	Responses	Monthly Change	Annual Change
Bloodmeal 85	\$1,090.83	\$135.00	6	3.6%	6.6%
MBM 50	\$605.00	\$90.00	7	-5.8%	-6.6%
Tallow Ined.<1FFA	\$697.33	\$68.00	3	2.5%	-24.7%
Tallow Ined.<2FFA	\$690.00	\$70.00	3	7.4%	-22.9%
Tallow Ined.<4FFA	\$680.00		2	9.0%	-23.6%

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

Meat and bone meal (MBM) eased on the back of other origin material (USA) at cheaper prices in the export market. The price for 50% protein averaged \$605/tonne, \$37/tonne below the price last month and \$43/tonne lower year-on-year. Reduced production and strong demand continued to support blood meal prices. Prices firmed slightly, averaging \$1,091/tonne ex-works, which was up \$39/tonne on last month's price and \$67/tonne stronger than last year.

Tallow prices also recovered slightly as steady trade resumed in the oleo and industrial markets and the interest from Singapore kept sales ticking over. August prices for 1% FFA tallow averaged \$697/tonne, up \$17/tonne on last month price but have slipped \$230/tonne below the price a year ago.

Figure 12: Trends in rendered co-product prices



Hides

Hide prices have continued to suffer the difficult market conditions. The increased supply of USA hides are still being offered at sharply reduced prices has created a challenging market for Australian traders. Europe and Brazil are also continuing to offer at lower prices. Local prices for hides were again from \$1.00/hide to \$4.00/hide lower than last month, particularly for the lower quality end. With slaughter numbers overseas continuing

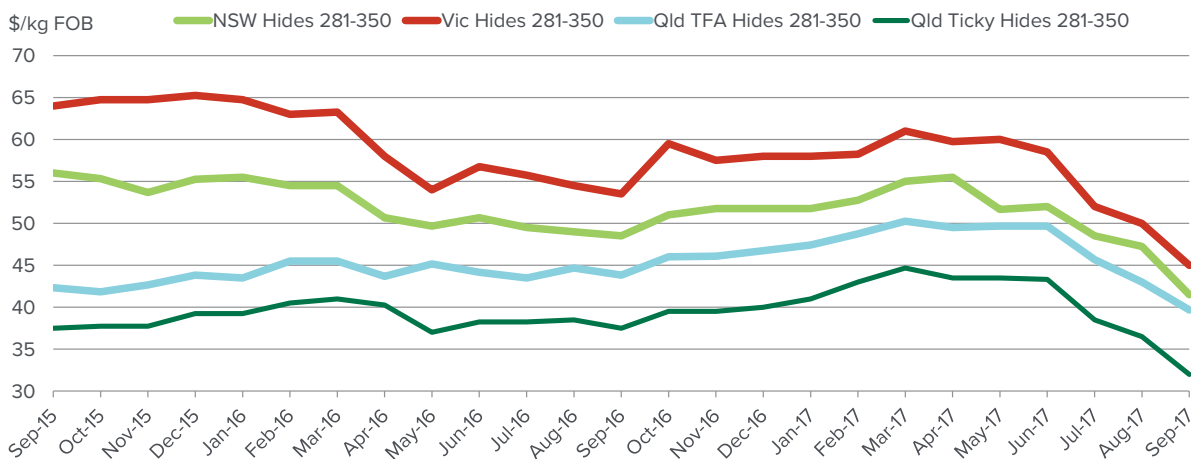
Table 5: Hide prices

	Average (Sep Data)	Range	Responses	Monthly Change	Annual Change
Hides NSW 141- 180	\$21.50		2	0.0%	-6.5%
Hides NSW 181 - 220	\$27.00		2	-3.6%	-8.5%
Hides NSW 221 - 280	\$32.75		2	-7.7%	-13.8%
Hides NSW 281 - 350	\$41.50		2	-12.2%	-14.4%
Hides NSW 351 Up	\$53.00		2	-9.4%	-16.5%
Hides QLD TFA 141 - 220	\$22.50		2	-3.2%	-11.8%
Hides QLD TFA 221 - 280	\$30.75		2	-3.1%	-10.9%
Hides QLD TFA 281 - 350	\$39.67	\$12.00	3	-7.8%	-9.5%
Hides QLD TFA 351 Up	\$48.00	\$18.00	3	-6.5%	-9.4%
Hides QLD Ticky 281 - 350	\$32.00		2	-12.3%	-14.7%
Hides QLD Ticky 350 Up	\$39.00		2	-11.4%	-17.5%
Hides VIC 141-180	\$25.50		2	-3.8%	-1.9%
Hides VIC 181-220	\$30.75		2	-6.8%	-10.9%
Hides VIC 221 - 280	\$38.00		2	-8.4%	-10.1%
Hides VIC 281-350	\$45.00		2	-10.0%	-15.9%
Hides VIC 351 Up	\$58.00		2	-5.7%	-14.7%

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

to remain at current levels the hide market will be under continued pressure to reduce prices. Tanneries are only buying against confirmed orders for leather.

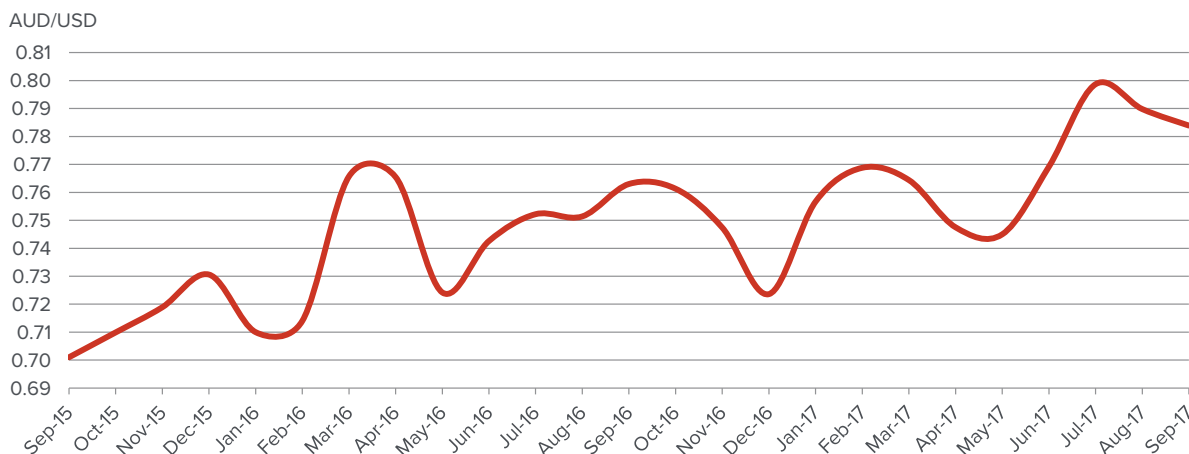
Figure 13: Trends in hide prices (East Coast Ex Works)



Currency exchange

The Australian dollar rallied early against the US dollar during September, opening at 79.34US¢ and trading up to a level of 81.21US¢ before dipping to a low of 78.13US¢ and finishing the month slightly lower than last month at 78.39US¢.

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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