



MLA co-product market report

January 2017

Table 1: Co-products Prices

Product	Average	Range	Responses	Monthly Change	Annual Change
Beef					
BEEF LIPS	\$2.73		2	0.5%	-1.5%
BEEF LIPS - HALAL	\$3.40		2	5.4%	24.3%
CHEEKMEAT	\$6.70	\$2.00	3	-9.3%	18.2%
DIAP. MEMBRANE	\$3.60		2	-27.4%	3.2%
HC TRIPE	\$5.63		2	-8.8%	-13.5%
HEART	\$1.63		2	-3.0%	-0.5%
HEART - HALAL	\$1.63		2	-1.5%	-1.0%
HEART -AORTA	\$6.50		2	15.0%	
KIDNEYS	\$1.13		2	15.4%	2.3%
KIDNEYS - HALAL	\$0.78		2	-22.5%	-22.5%
LIGAMENTUM	\$3.57	\$2.10	3	-0.7%	-5.4%
LIVER	\$1.03		2	-0.7%	-11.8%
LIVER - HALAL	\$1.20		2	9.1%	-17.7%
LUNGS	\$1.23		2	-5.8%	
OMASUM	\$3.63		2	1.2%	-42.5%
OMASUM - HALAL	\$5.70		2	3.6%	-16.2%
RUM.PILL < 500	\$5.30	\$0.60	3	1.0%	36.5%
RUM.PILL > 500 < 700	\$9.23	\$2.50	3	-5.1%	34.3%
RUM.PILL > 700	\$12.00	\$3.00	3	-4.7%	19.7%
TAIL	\$8.50		2	3.7%	12.2%
TAIL - HALAL	\$7.80		2	-1.9%	-2.7%
THICKSKIRT	\$7.68	\$1.50	3	-11.3%	-16.6%
THINSKIRT	\$7.50	\$0.70	3	-12.2%	-23.8%
TONGUE RT FILLET	\$4.65	\$0.95	3	-0.4%	-8.5%
TONGUE RT MEAT - HALAL	\$2.30		2	9.5%	43.8%
TONGUE SW	\$13.83	\$0.50	3	-17.1%	0.1%
TRIPLE PCS - HALAL	\$3.28		2	1.8%	7.4%
Sheep					
HEART SHEEP - HALAL	\$1.95	\$0.65	4	-1.9%	18.2%
KIDNEYS SHEEP - HALAL	\$2.08	\$1.30	4	8.5%	-7.4%
LIVER SHEEP - HALAL	\$1.10	\$0.20	4	6.0%	-19.1%
RUNNERS LAMB	\$3.68		2	2.1%	9.3%
RUNNERS SHEEP	\$2.10		2	-13.4%	13.5%
TONGUE LC SHEEP HALAL	\$3.30	\$0.50	3	-2.9%	-16.1%
TRIPLE SHEEP - HALAL	\$4.75	\$0.70	4	-9.3%	-0.6%

Product	Average	Range	Responses	Monthly Change	Annual Change
Pharmecuetical					
FOETAL BLOOD	\$375.00		2	-7.0%	54.1%
GALL CONCENTRATED	\$24.13		2	-0.5%	88.5%
Rendered Products					
BLOODMEAL 85	\$1,021.67	\$175.00	6	0.3%	3.9%
MBM 50	\$611.67	\$60.00	6	-1.3%	8.9%
MBM 50 SHEEP	\$912.50		2		
TALLOW INED.<1FFA	\$1,056.67	\$150.00	6	-1.4%	39.3%
TALLOW INED.<2FFA	\$1,037.50	\$170.00	4	-2.6%	40.2%
TALLOW INED.<4FFA	\$987.00	\$275.00	5	-3.2%	38.0%
Hides					
HIDES NSW 141- 180	\$23.50		2	0.0%	-23.4%
HIDES NSW 181 - 220	\$32.50		2	0.0%	-13.7%
HIDES NSW 221 - 280	\$39.75		2	0.0%	-16.1%
HIDES NSW 281 - 350	\$51.75		2	0.0%	-6.8%
HIDES NSW 351 UP	\$65.50		2	0.0%	0.3%
HIDES QLD TFA 141 - 220	\$27.13		2	0.0%	8.5%
HIDES QLD TFA 221 - 280	\$36.63		2	0.0%	11.0%
HIDES QLD TFA 281 - 350	\$47.42	\$10.00	3	1.4%	9.0%
HIDES QLD TFA 351 UP	\$56.67	\$15.50	3	0.6%	6.3%
HIDES QLD TICKY 281 - 350	\$41.00		2	2.5%	4.5%
HIDES QLD TICKY 350 UP	\$50.00		2	1.0%	2.6%
HIDES VIC 141-180	\$30.50		2	0.0%	-11.6%
HIDES VIC 181-220	\$37.50		2	0.0%	-14.8%
HIDES VIC 221 - 280	\$46.50		2	0.0%	-13.4%
HIDES VIC 281-350	\$58.00		2	0.0%	-10.4%
HIDES VIC 351 UP	\$72.25		2	0.0%	-3.7%

Table 1 shows the average price, reported as \$/kg FOB Australian port for offal; ex. works \$/tonne for rendered co-products and ex. works \$/each or \$/head for hides, skins and sheep runners.

The A\$ rallied against US\$ during January, starting at 72.34US¢, and traded within a range of 72.34 –75.76US¢ before finishing the month at 75.67 US¢ and averaging 74.53US¢.

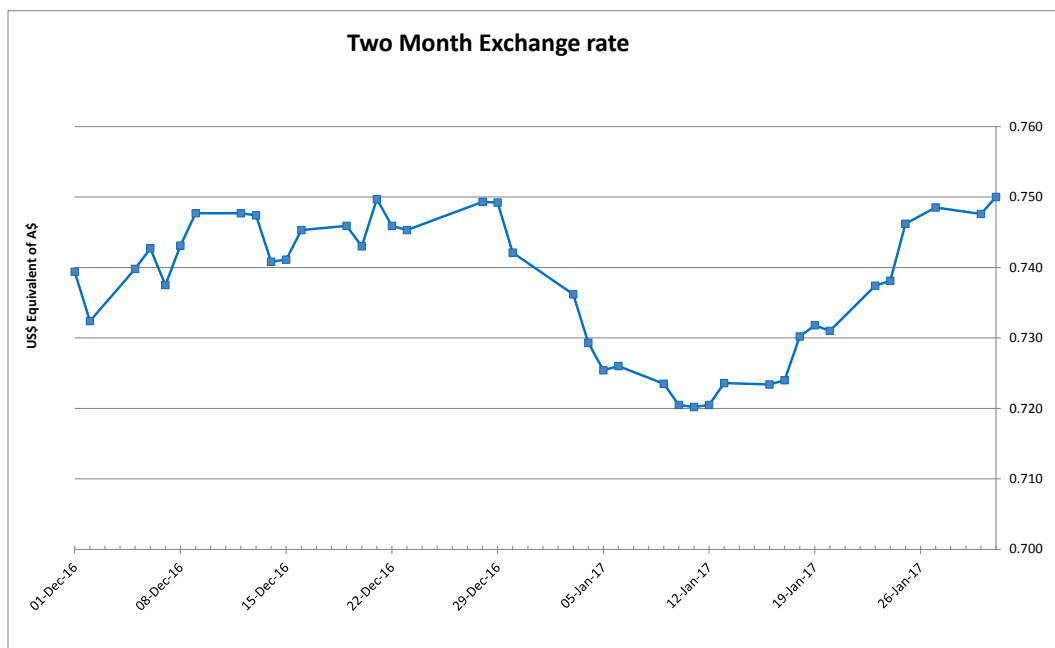
Beef offal prices generally were relatively stable, with tongues and skirts continuing to ease, whilst lips, aorta and kidneys increased.

Sheep offal prices remained steady across the board and, apart from runner prices, were well reported this month.

Foetal blood prices remain firm on the back of reduced supply.

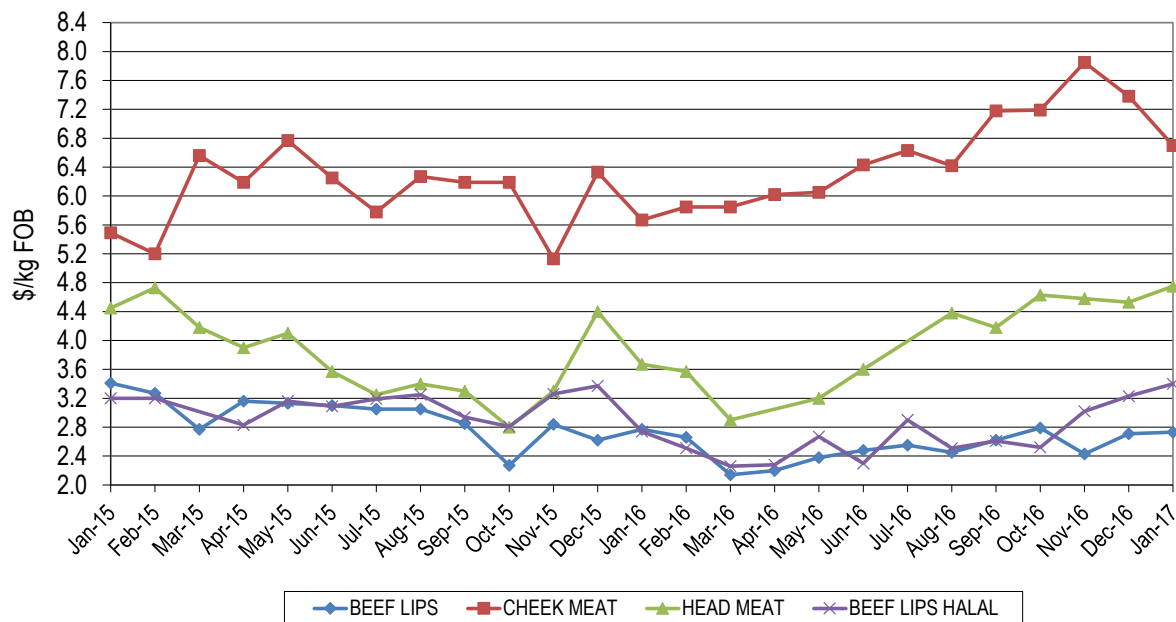
Rendered product prices were steady. Tallow prices were dominated by the strong demand from Singapore and palm prices remaining firm.

Hide prices remained steady, with most processors having locked up sales prior to the holiday break through to the end of January. Similarly sheep skins sales have slowed over the holiday season.



Head Offal Prices

Figure 1: Trends in beef head offal prices

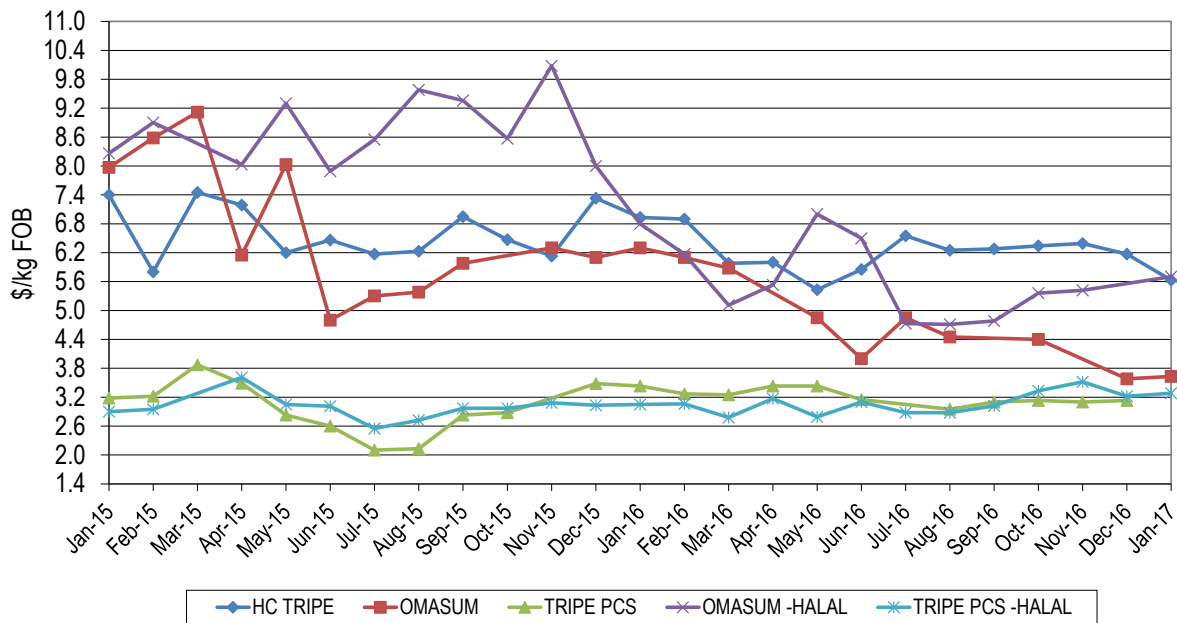


Head offal products were generally steady month-on-month. Head meat averaged \$4.75/kg, up \$1.08/kg on year-ago levels and 22¢/kg higher than a month ago. Cheek meat was \$1.03/kg dearer compared to the corresponding period last year, averaging \$6.70/kg but continued its downward trend, dropping 68¢/kg from last month.

Lip export prices to the US and Mexico were almost unchanged this month, averaging \$2.73/kg which was 2¢/kg above last month and 4¢/kg lower than January 2016. Halal lips returned \$3.40/kg, up 17¢/kg month-on-month and 66¢/kg above year-ago levels.

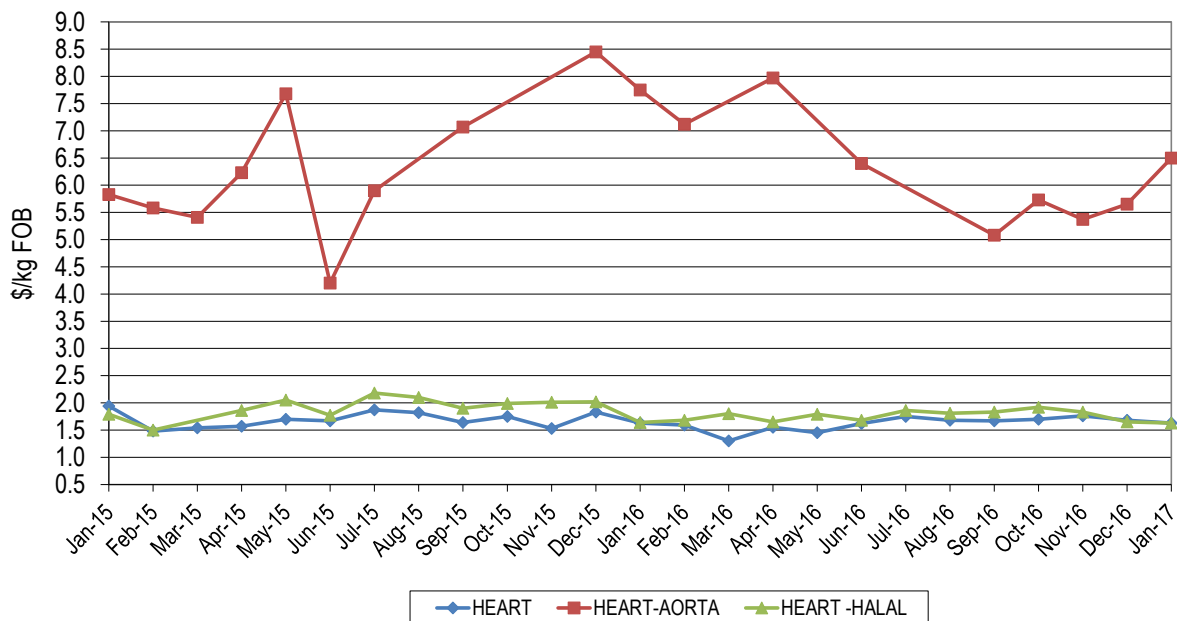
Beef Offal Trends

Figure 2: Trends in beef tripe prices



Omasum averaged \$3.63/kg for January which was \$2.67/kg lower year-on-year and 5¢/kg below last month, whilst halal omasum returned \$5.70/kg. Halal tripe pieces averaged \$3.28/kg to be 6¢/kg dearer month-on-month and 23¢/kg up year-on-year whilst non-halal product were not reported. Honeycomb tripe eased to average \$5.63/kg, down 54¢/kg month-on-month and \$1.30/kg below the corresponding period last year.

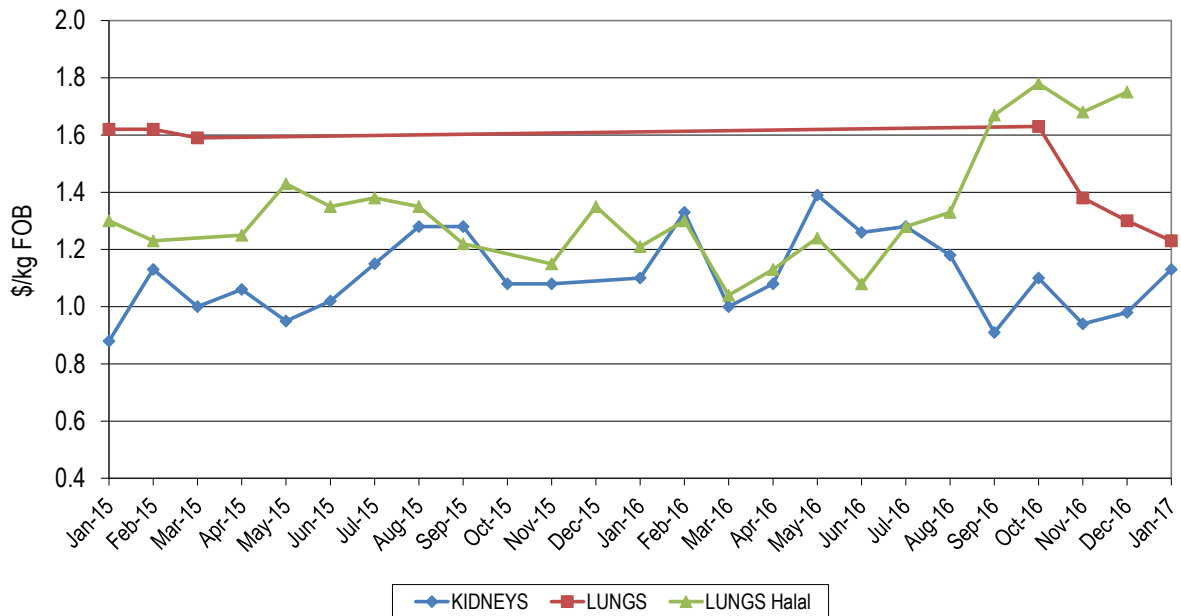
Figure 3a: Trends in beef offal prices



Aorta averaged \$6.50/kg to be 85¢/kg higher than the December average but was down \$1.25/kg year-on-year, whilst halal product was not reported.

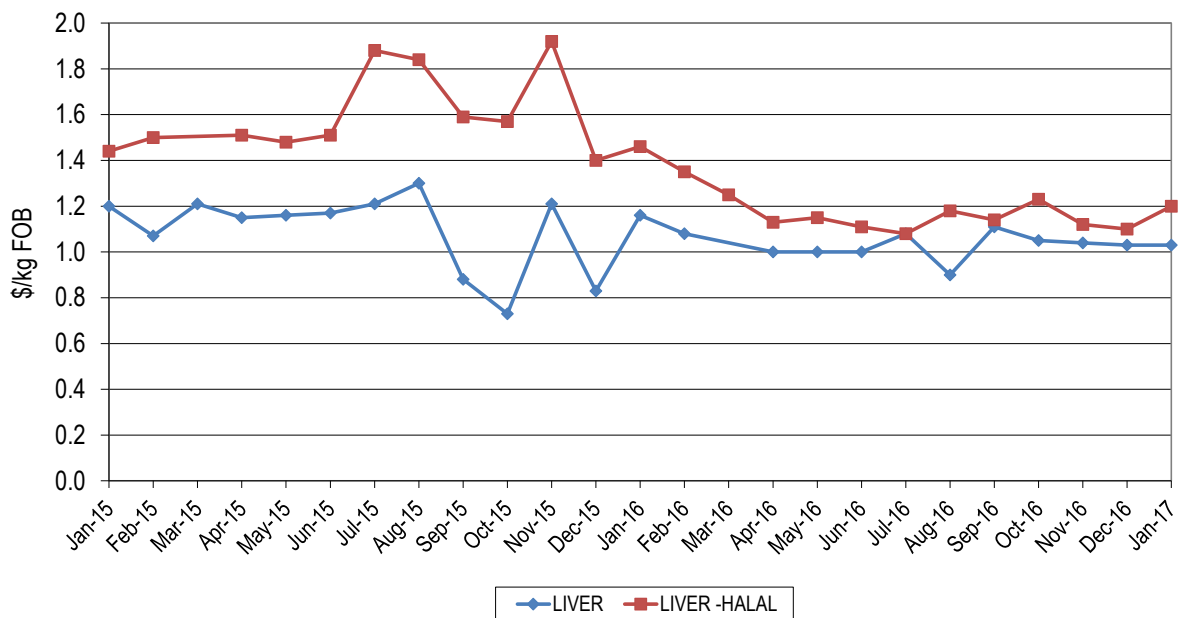
Heart prices eased, averaging \$1.63/kg, down 5¢/kg month-on-month however were even with the January 2016 price. Halal hearts also averaged \$1.63/kg, down 2¢/kg month-on-month and were 1¢/kg lower than year-ago levels.

Figure 3b: Trends in beef offal prices



Kidneys were reported at an average of \$1.13/kg, up 15¢/kg on last month and 3¢/kg firmer year-on-year. Non-halal lungs were reported at an average of \$1.23/kg, down 7¢/kg on last month. Halal lungs were not reported with the Lunar New Year keeping the market quiet.

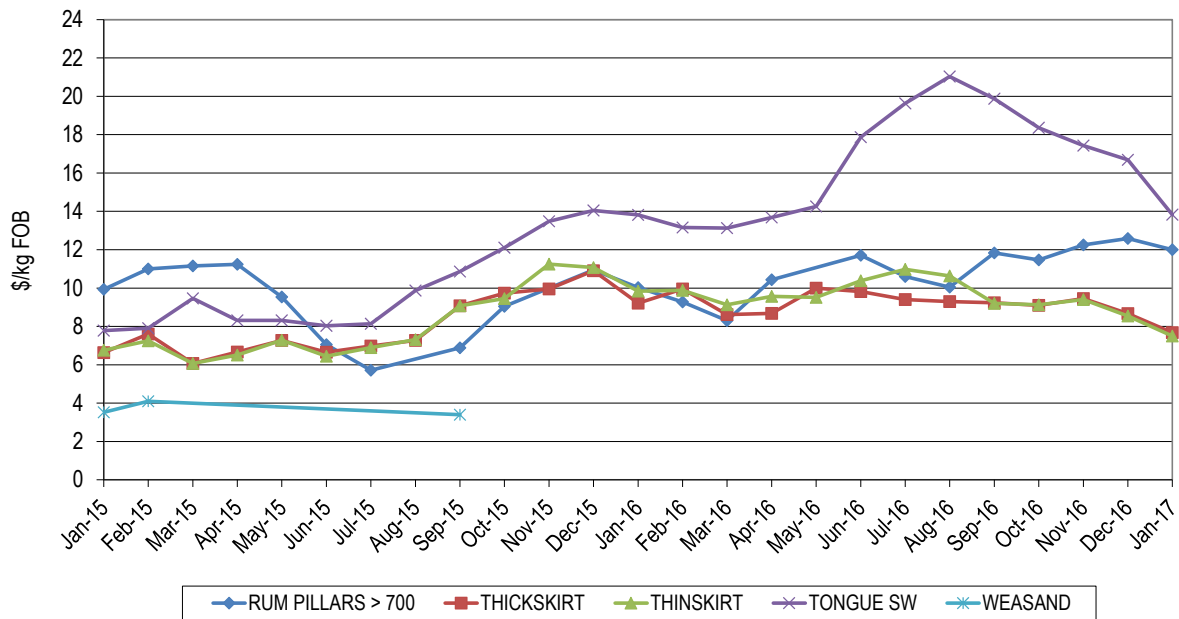
Figure 3c: Trends in beef offal prices



Non-halal liver prices averaged \$1.03/kg, on par month-on-month and were 13¢/kg lower than this time last year. Halal livers firmed 10¢/kg month-on-month, with sales averaging \$1.20/kg but were 26¢/kg down on year-ago prices.

Japanese and Korean Offals

Figure 4: Trends in Japanese offal prices



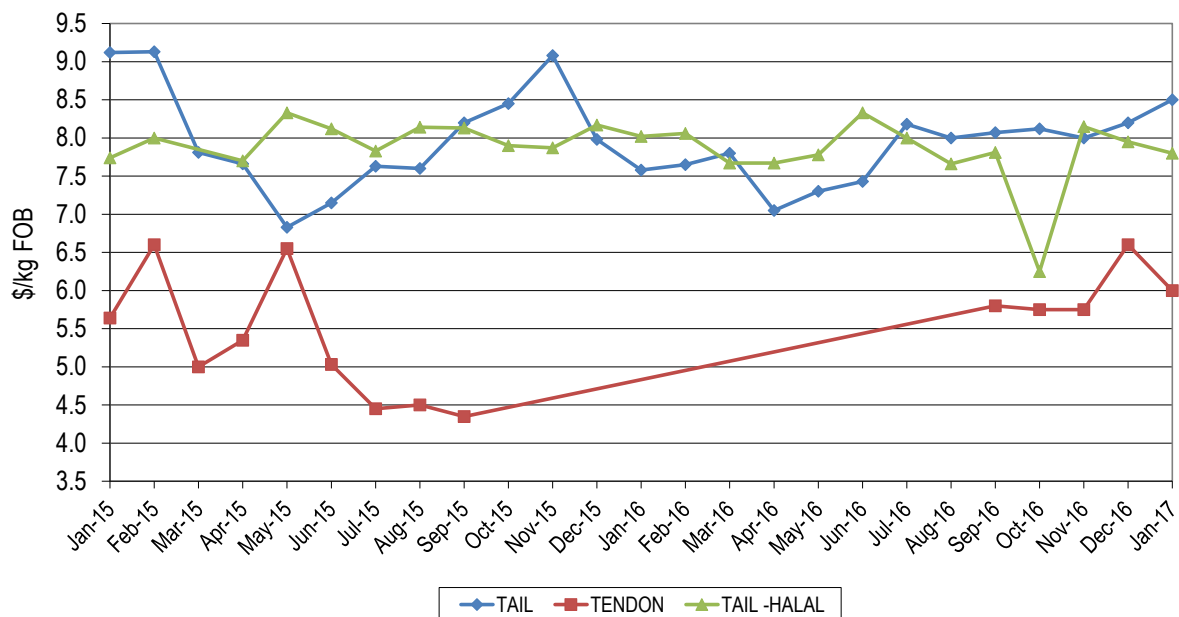
Tongue prices continued to ease, averaging \$13.83/kg, which was just 1¢/kg dearer from year-ago levels however \$2.86/kg lower month-on-month.

Thick skirt was \$1.53/kg easier than last year's price and 99¢/kg down month-on-month, averaging \$7.68/kg, while thin skirt prices were \$2.34/kg lower than year-ago levels and \$1.04/kg lower month-on-month, realizing \$7.50/kg.

Rumen pillars remained firm this month, with heavy weight product making \$12.00/kg which was 59¢/kg down month-on-month but \$1.97/kg dearer than last year prices.

Tails and Tendons

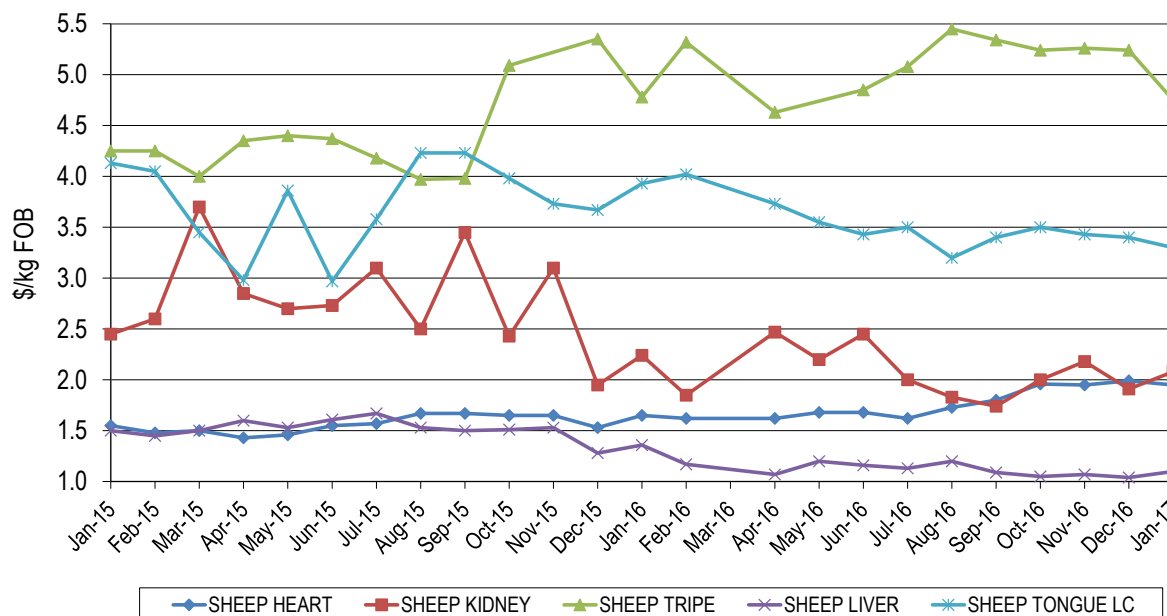
Figure 5: Trends in tail and tendon prices



Tail prices into Japan averaged \$8.50/kg, lifting 30¢/kg from December and were 92¢/kg dearer than same period last year. Halal tails eased slightly this month, down 15¢/kg month-on-month and 22¢/kg weaker year-on-year, at \$7.80/kg. Tendons averaged \$6.00/kg, down 60¢/kg compared with last month.

Sheep Offals

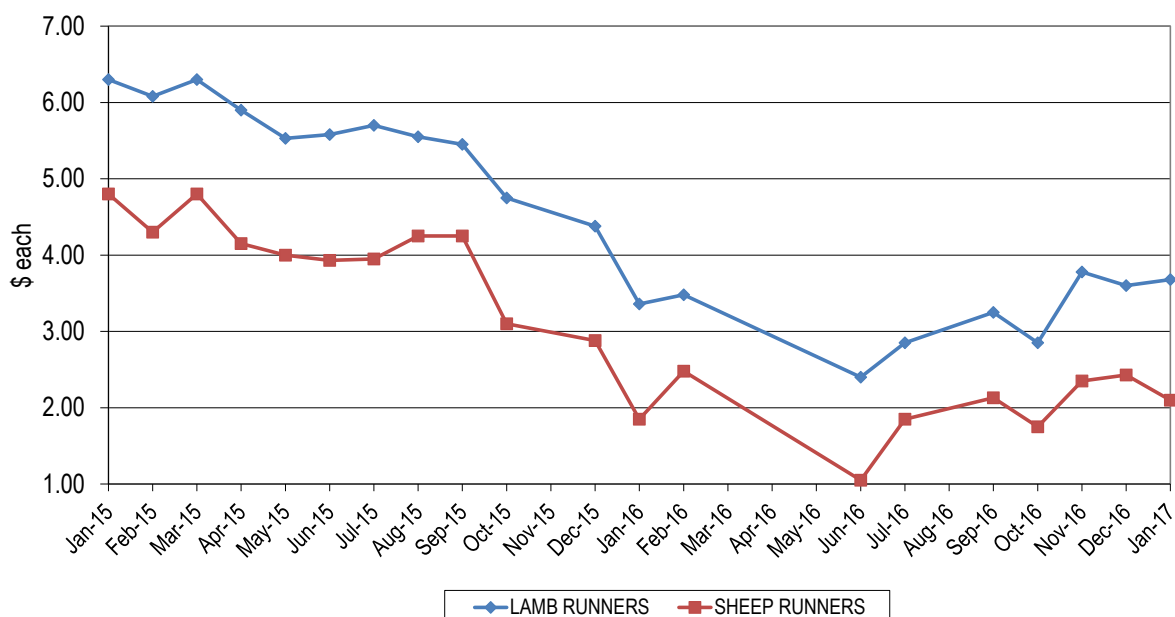
Figure 6a: Trends in sheep offal prices



Sheep offal prices remain relatively steady and continue their cyclical pattern.

Hearts averaged \$1.95/kg, down 4¢/kg from December and were 30¢/kg dearer than last year. Livers averaged \$1.10/kg, which was 6¢/kg up month-on-month but 26¢/kg lower than year-ago levels. Kidney prices saw returns of \$2.08/kg, up 17¢/kg on December prices but 16¢/kg lower year-on-year. Sheep tripe averaged \$4.75/kg, down 49¢/kg month-on-month and 3¢/kg below year-ago levels. Sheep long cut tongue averaged \$3.30/kg, down 10¢/kg month-on-month and was 63¢/kg lower than same time last year.

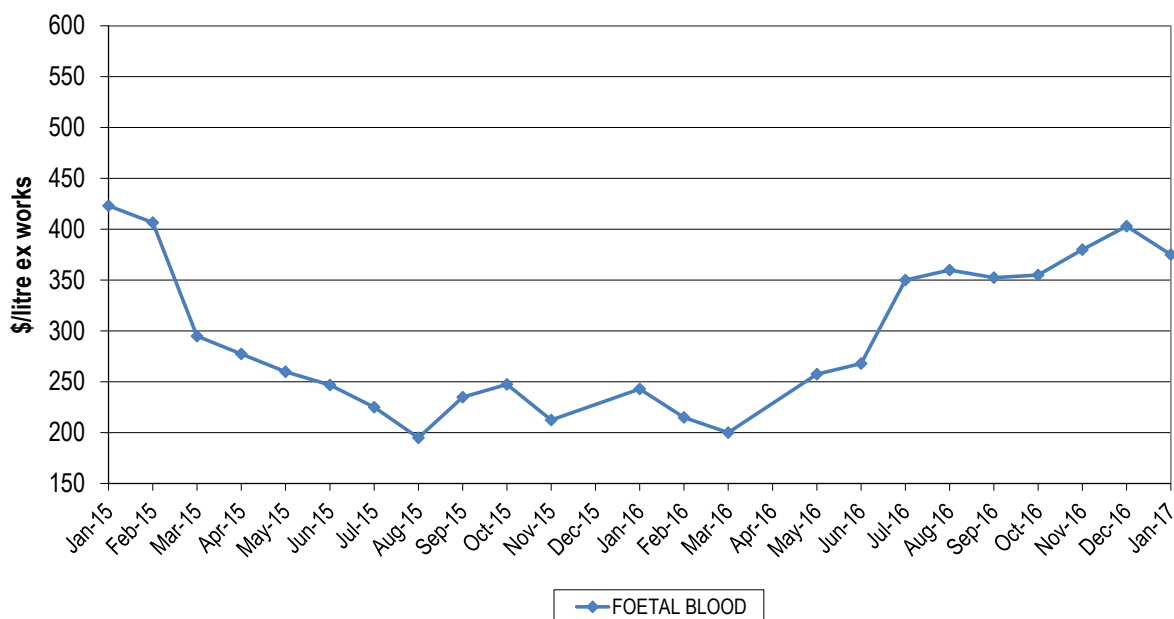
Figure 6b: Trends in runner prices



Lamb runners averaged \$3.68/piece which was 8¢/piece above the price last month and 32¢/piece higher year-on-year. Sheep runners returned an average of \$2.10/piece, down 33¢/piece month-on-month but 25¢/piece higher than January 2016 prices.

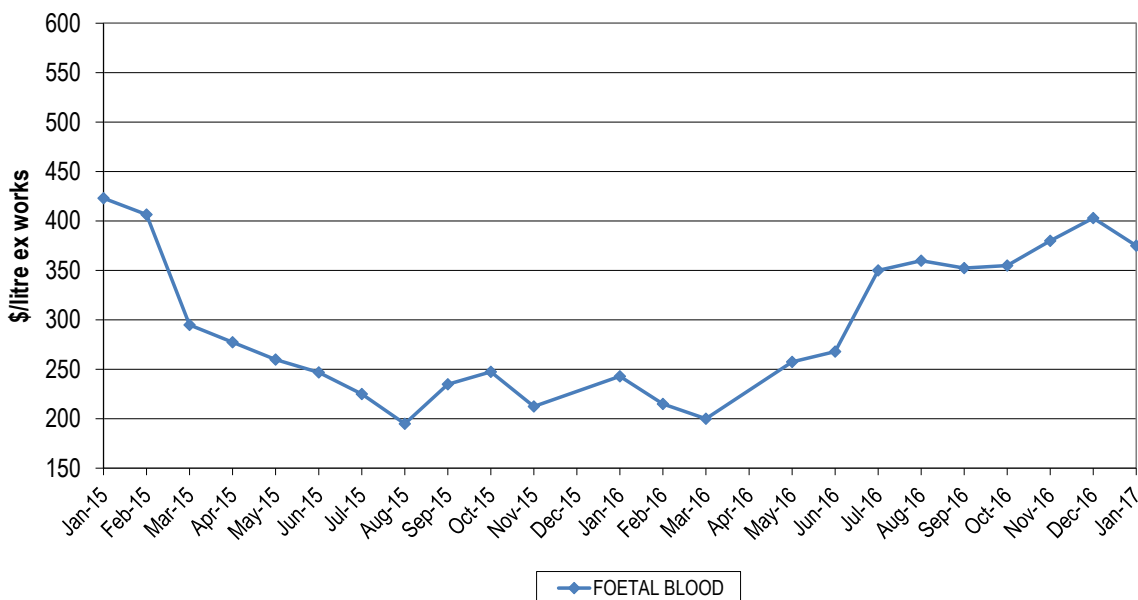
Pharmaceutical products

Figure 7a: Trends for foetal blood prices



Foetal blood averaged \$375/litre, down \$28.00/litre month-on-month but was poorly reported. The combination of strong demand from Europe and on-going lower female slaughter numbers, maintaining reduced supply, continues to keep prices firm with this price \$132/litre above the same period last year.

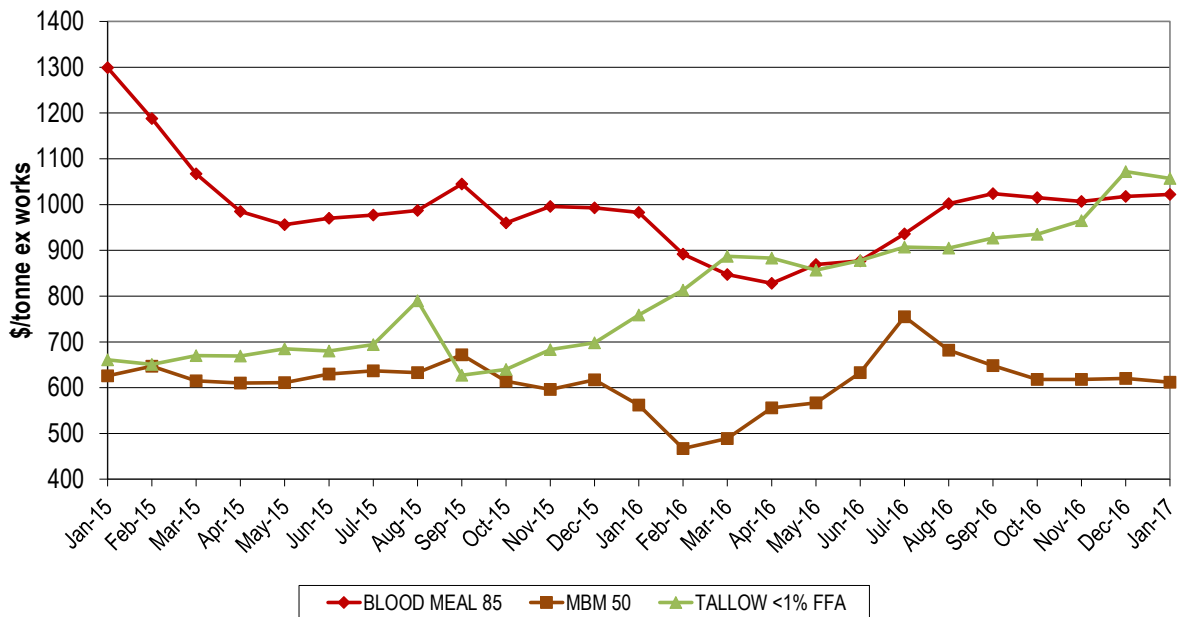
Figure 7a: Trends for foetal blood prices



Concentrated gall averaged \$24.13/kg in November, on par with last month, however it was lightly reported.

Rendered Products

Figure 8: Trends in rendered co-product prices

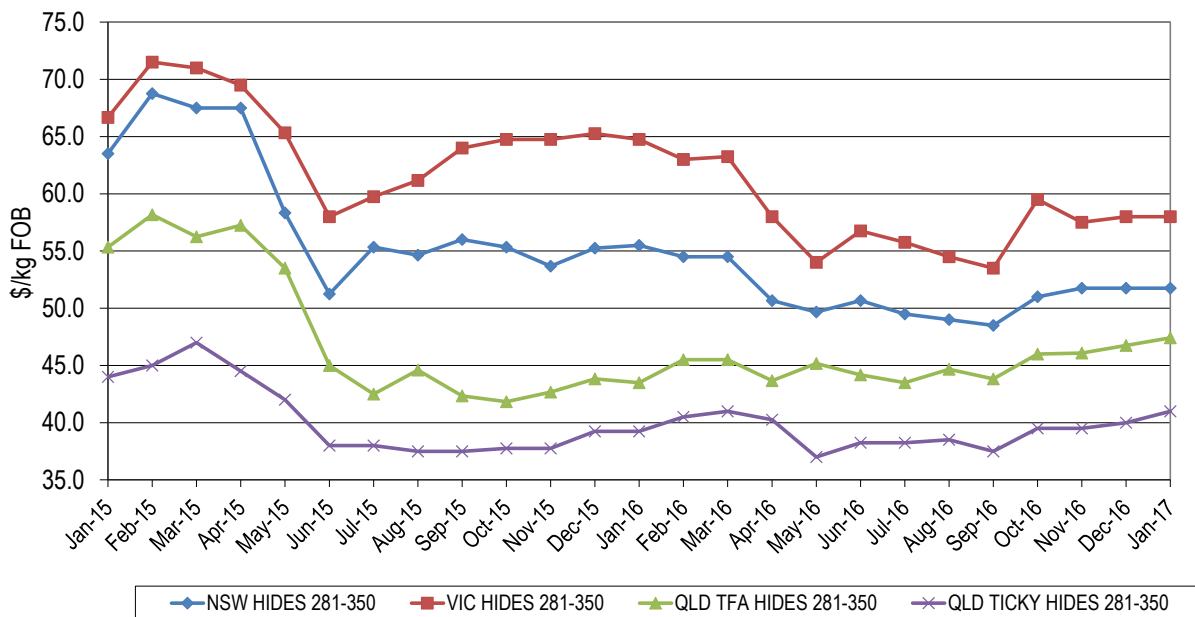


Meat and bone meal (MBM) prices were steady this month, with the price for 50% protein averaging \$612/tonne, \$8/tonne below the price last month and \$50/tonne dearer year-on-year. Blood meal prices remained firm on the back of improved aqua demand and short supply, averaging \$1,022/tonne ex-works, which was up \$4/tonne on last month's price and \$39/tonne higher than last year. The reduced production of rendered product continues to assist rendered protein meal price.

Tallow prices remain firm, with Singapore keeping up steady demand for bio-diesel production. The price of palm stearin continued its strong performance, also assisting the tallow market. December prices for 1% FFA tallow averaged \$1057/tonne, down \$15/tonne on last month but \$298/tonne higher year-on-year.

Hides

Figure 9: Trends in hide prices (East Coast Ex Works)



Local prices for hides remained steady during the month, with all respondents reporting their prices were close to identical with December prices.

Beef and veal offal exports (tonnes swt)					
Destination	Jan-16	Dec-16	Jan-17	Monthly change	Annual change
KOREA	1,151	2,604	1,233	-53%	7%
JAPAN	1,064	1,743	1,186	-32%	11%
INDONESIA	794	1,720	1,086	-37%	37%
HONG KONG	1,158	1,590	1,003	-37%	-13%
SOUTH AFRICA	728	1,265	924	-27%	27%
MIDDLE EAST	893	637	708	11%	-21%
MALAYSIA	249	569	393	-31%	58%
THAILAND	331	273	272	-1%	-18%
US	202	351	182	-48%	-10%
OTHER	1,086	1,351	880	-35%	-19%
TOTAL	7,656	12,103	7,868	-35%	3%
Offal cut	Jan-16	Dec-16	Jan-17	Monthly change	Annual change
LIVER	1,359	1,667	1,578	-5%	16%
TRIBE	1,630	2,658	1,571	-41%	-4%
SKIRT	711	1,088	631	-42%	-11%
TONGUES	650	882	583	-34%	-10%
HEART	553	843	531	-37%	-4%
MANUFACTURING	454	973	480	-51%	6%
INTESTINES	235	683	447	-35%	90%
TAIL	339	665	335	-50%	-1%
CHEEK MEAT	313	634	317	-50%	1%
HEAD	267	274	284	4%	6%
LIPS	410	379	268	-29%	-35%
LUNGS	166	368	265	-28%	60%
TENDON	253	531	228	-57%	-10%
KIDNEY	244	289	189	-34%	-22%
SPLEEN	71	163	158	-3%	124%
OTHER	2	6	3	-56%	63%
TOTAL	7,656	12,103	7,868	-35%	3%

Destination	Offal cut	Jan-16	Jan-17	Annual change
Korea	INTESTINES	136	295	116%
	CHEEK MEAT	273	266	-3%
	SKIRT	256	229	-11%
	OTHER	485	444	-8%
Japan	TONGUES	410	452	10%
	SKIRT	387	347	-10%
	INTESTINES	97	150	56%
	OTHER	171	237	39%

Source: DAWR

Destination	Offal cut	Jan-16	Jan-17	Annual change
Indonesia	MANUFACTURING	226	311	38%
	HEART		210	-
	LIPS	222	191	-14%
	OTHER	347	374	8%
Hong Kong	TRIPE	1,140	998	-12%
	OTHERS	18	5	-70%

Mutton, lamb and goat offal exports (tonnes swt)					
Destination	Jan-16	Dec-16	Jan-17	Monthly change	Annual change
HONG KONG	714	889	652	-27%	-9%
SAUDI ARABIA	635	621	645	4%	2%
SOUTH AFRICA	55	240	277	15%	406%
PAPUA NEW GUINEA	103	268	236	-12%	129%
US	38	48	139	186%	267%
CHINA	59	148	120	-18%	104%
SRI LANKA	61	63	79	25%	28%
OTHER	682	630	364	-42%	-47%
TOTAL	2,347	2,908	2,513	-14%	7%
Offal cut	Jan-16	Dec-16	Jan-17	Monthly change	Annual change
LIVER	872	985	925	-6%	6%
TRIPE	834	1,112	909	-18%	9%
HEART	230	344	266	-23%	16%
TONGUES	123	114	163	43%	33%
KIDNEY	95	166	122	-27%	28%
HEAD	83	70	72	2%	-14%
OTHER	109	115	56	-51%	-49%
TOTAL	2,347	2,908	2,513	-14%	7%

Destination	Offal cut	Jan-16	Jan-17	Annual change
HONG KONG	TRIPE	713	652	-9%
	OTHER	1.0	0	-92%
SAUDI ARABIA	LIVER	613	547	-11%
	OTHER	22	99	349%

Source: DAWR

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For further information please call Jennifer Peart 02 9463 9240 or <jpeart@mla.com.au>

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