



Co-product market report

March 2018

Beef Co-products

Beef offal prices were again generally lower than last month. Rumen pillars, despite some downside, remained very firm. Lips, tongues and halal tails were firmer for the same period.

Table 1: Beef co-product prices

	Average (Feb Data)	Range	Responses	Monthly Change	Annual Change
Beef Lips	\$3.75		2	11.9%	36.4%
Beef Lips - Halal	\$3.76	\$1.30	5	-2.0%	17.4%
Cheekmeat	\$5.49	\$1.35	4	-9.5%	-17.8%
Cheekmeat - Halal	\$5.88	\$1.57	4	1.9%	-14.9%
Diap. Membrane	\$3.79	\$2.60	5	7.7%	-4.7%
Hc Tripe	\$5.73	\$1.20	3	-6.8%	-4.6%
Hc Tripe - Halal	\$6.44	\$2.30	3	-7.2%	-2.2%
Heart	\$1.80	\$0.50	3	1.9%	5.9%
Heart - Halal	\$2.00	\$0.80	5	-1.6%	19.3%
Heart - Aorta	\$7.20		2	8.0%	13.4%
Heart - Aorta - Halal	\$6.80	\$0.80	3	5.4%	3.6%
Kidneys	\$0.90	\$0.20	3	-14.3%	-12.3%
Kidneys- Halal	\$1.39	\$0.52	3	27.5%	56.2%
Ligamentum	\$4.03	\$0.60	6	2.5%	0.2%
Liver	\$1.04	\$0.22	3	-1.0%	-9.6%
Liver - Halal	\$1.16	\$0.33	5	-8.8%	-7.4%
Lungs - Halal	\$1.56	\$0.19	3	-18.6%	-21.5%
Omasum	\$4.76	\$1.11	3	-14.2%	13.4%
Omasum - Halal	\$5.86	\$1.40	3	7.3%	8.2%
Rum.Pill - Halal < 500	\$8.68		2	5.8%	42.8%
Rum.Pill - Halal > 500 < 700	\$14.50		2	-1.4%	29.2%
Rum.Pill - Halal > 700	\$18.43		2	0.4%	24.3%
Rum.Pill < 500	\$8.97	\$2.75	3	18.2%	77.6%
Rum.Pill > 500 < 700	\$13.27	\$1.50	3	-4.3%	37.2%
Rum.Pill > 700	\$16.93	\$1.55	3	-1.0%	35.5%
Tail	\$8.78	\$2.25	3	-0.9%	11.7%
Tail - Halal	\$9.24	\$2.87	5	4.3%	16.4%
Tendons - Halal	\$7.34		2	7.1%	-7.2%
Thickskirt	\$5.71	\$2.96	4	-0.0%	-20.7%
Thickskirt - Halal	\$5.90		2	5.4%	3.5%
Thinskirt	\$5.42	\$1.29	4	-4.4%	-17.1%
Thinskirt - Halal	\$5.80		2	7.4%	-14.7%
Tongue Root Fillet	\$5.08		2	11.1%	-2.7%
Tongue Root Meat	\$2.08		2	-8.5%	3.8%
Tongue Root Meat - Halal	\$2.17	\$0.51	4	-6.2%	-6.6%
Tongue SW	\$10.35	\$2.90	4	12.1%	-37.0%
Tongue SW - Halal	\$9.81	\$1.90	4	-3.1%	-38.1%
Tripe Pieces	\$3.17	\$0.50	3	-0.8%	3.5%
Tripe Pieces - Halal	\$3.18	\$0.40	4	-1.4%	-1.8%

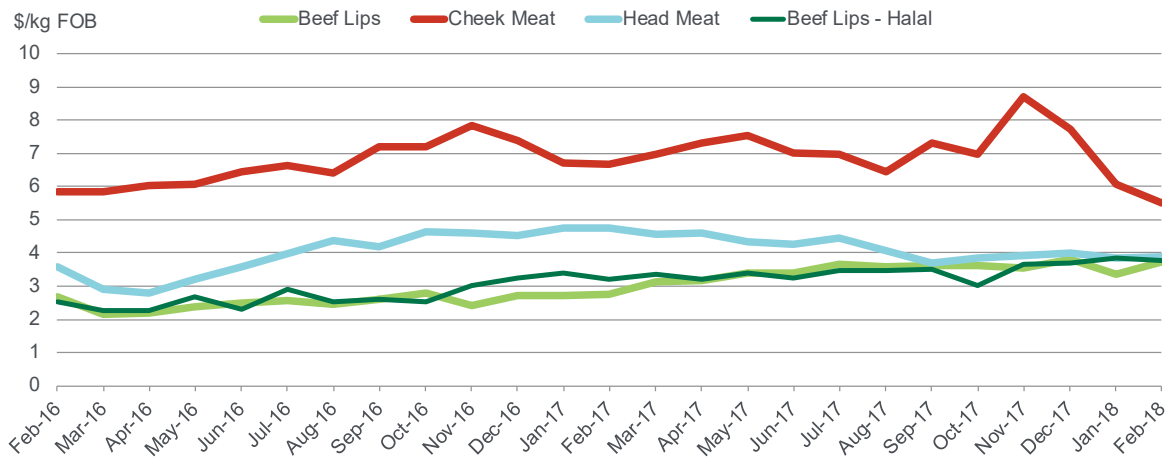
Price quoted is average price reported in \$/kg FOB Australian port.

Head offal

Head offal products had a mixed month for pricing. Head meat was not reported. Cheek meat was \$1.19/kg cheaper on year-ago levels, averaging \$5.49/kg, 58¢/kg lower month-on-month.

Lip export prices to the US and Mexico averaged \$3.75/kg, up 40¢/kg month-on-month, reversing last month's losses, and was \$1.00/kg higher year-on-year. Halal lips averaged \$3.76/kg, 7¢/kg lower month-on-month but 56¢/kg above year-ago levels.

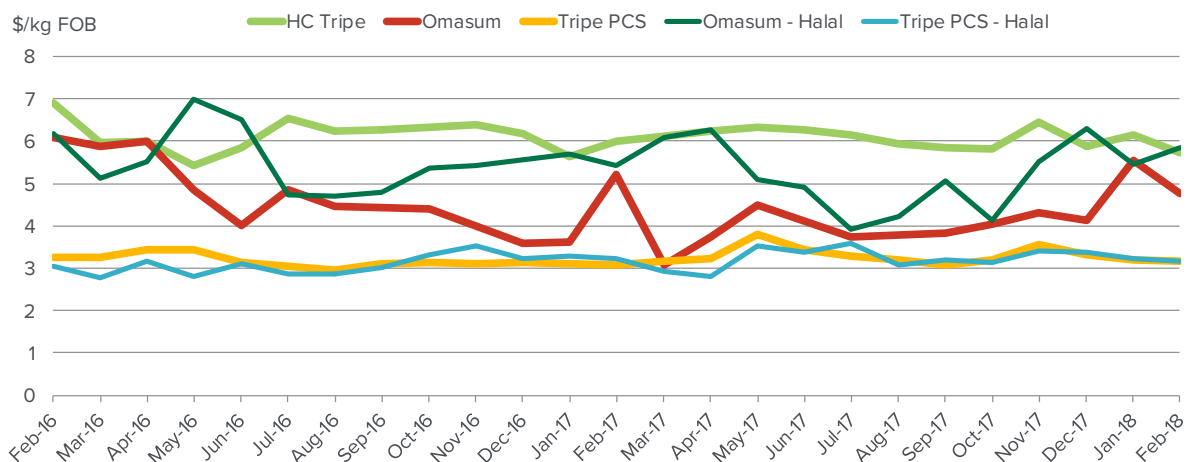
Figure 1: Trends in beef head offal prices



Beef offal trends

Omasum averaged \$4.76/kg, down 79¢/kg on last month and 44¢/kg from a year ago, while halal omasum averaged \$5.86/kg, up 39¢/kg month-on-month and 44¢/kg year-on-year. Halal tripe pieces averaged \$3.18/kg, 5¢/kg lower month-on-month and 6¢/kg lower year-on-year. Non-halal product averaged \$3.17/kg - 3¢/kg below last month. Honeycomb tripe fell 42¢/kg month-on-month, averaging \$5.73/kg.

Figure 2: Trends in beef tripe prices

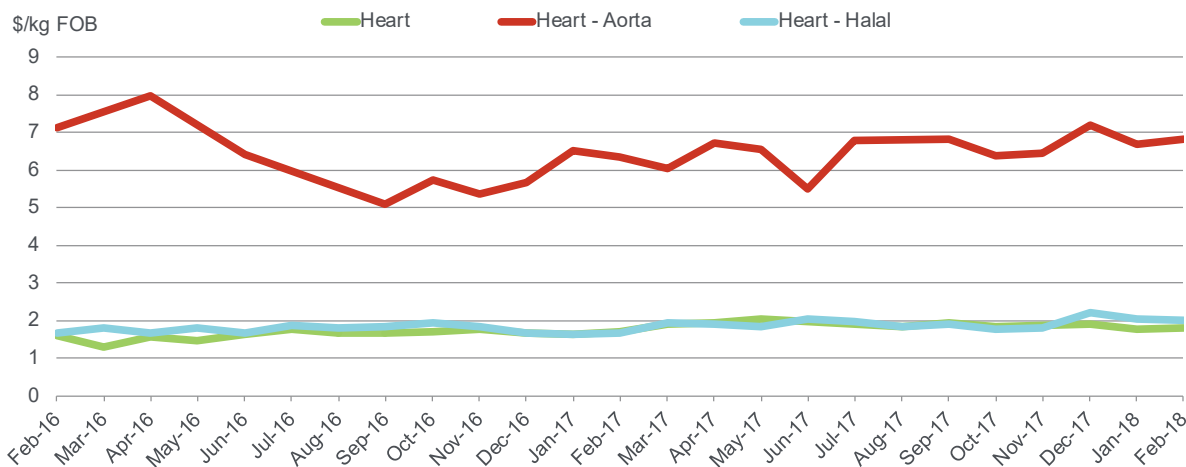


Beef offal trends continued...

Aorta averaged \$6.80/kg this month; firming 13¢/kg month-on-month, and 45¢/kg above year-ago levels.

Heart prices were up 3¢/kg compared to last month and 10¢/kg above year-ago levels, averaging \$1.80/kg. Halal hearts averaged \$2.00/kg, easing 4¢/kg month-on-month but 32¢/kg dearer year-on-year.

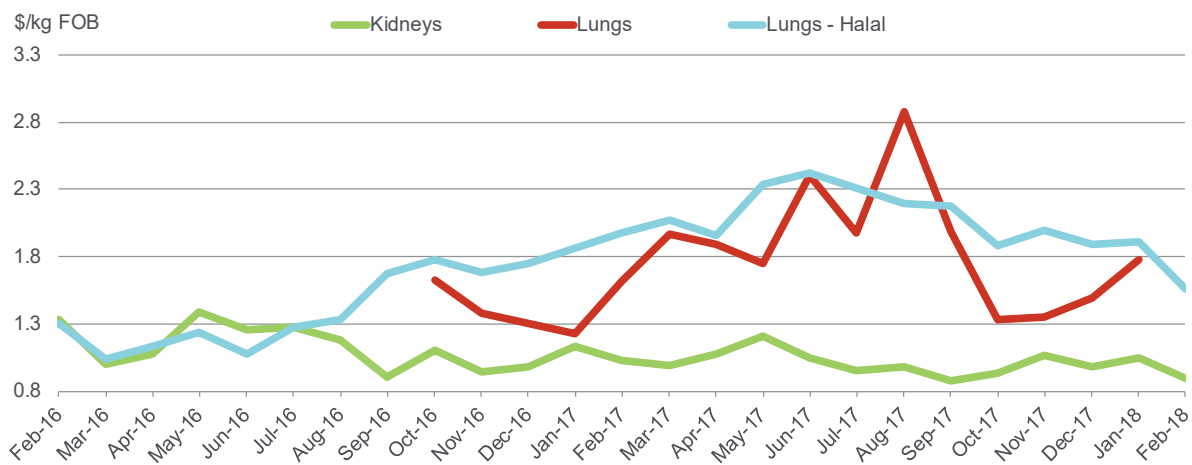
Figure 3: Trends in beef offal prices



Kidneys were reported at an average of 90¢/kg, down 15¢/kg from January, and back 13¢/kg year-on-year. Halal lungs were much weaker, averaging \$1.56/kg this month, down 35¢/kg month-on-month and 42¢/kg on year-ago prices, while non-halal lungs were not reported.

Liver prices averaged \$1.04/kg, easing just 1¢/kg month-on-month and 11¢/kg below year-ago levels. Halal livers eased 11¢/kg month-on-month and 9¢/kg year-on-year, with quotes averaging \$1.16/kg.

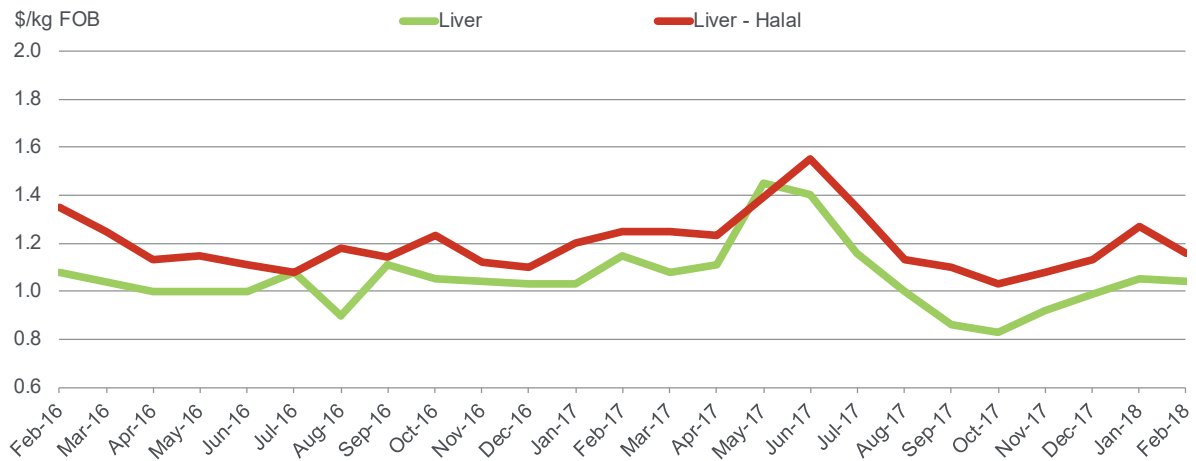
Figure 4: Trends in beef offal prices



Beef offal trends continued...

Tongue prices rallied, averaging \$10.35/kg, wiping off last month's losses, increasing \$1.12/kg month-on-month, but were still \$6.09/kg below year ago levels.

Figure 5: Trends in beef offal prices

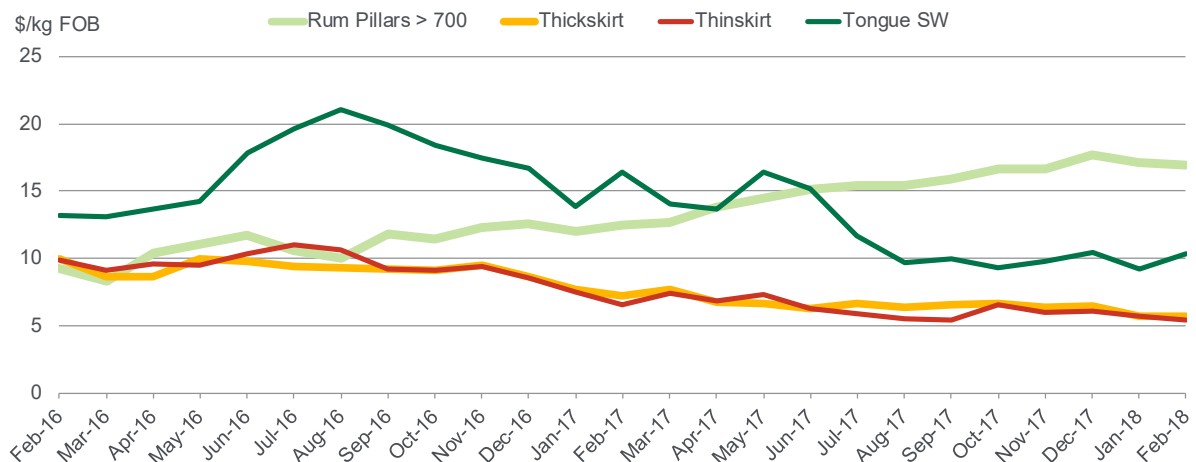


Japanese and Korean Offals

Thick skirt was \$1.49/kg lower year-on-year but even month-on-month, averaging \$5.71/kg. Thin skirt prices eased 24¢/kg from last month and were \$1.11/kg lower year-on-year, averaging \$5.42/kg.

Rumen pillars continued their strong performance this month, with heavy weight product averaging \$16.93/kg, down 17¢/kg month-on-month, but \$4.43/kg dearer than year-ago levels.

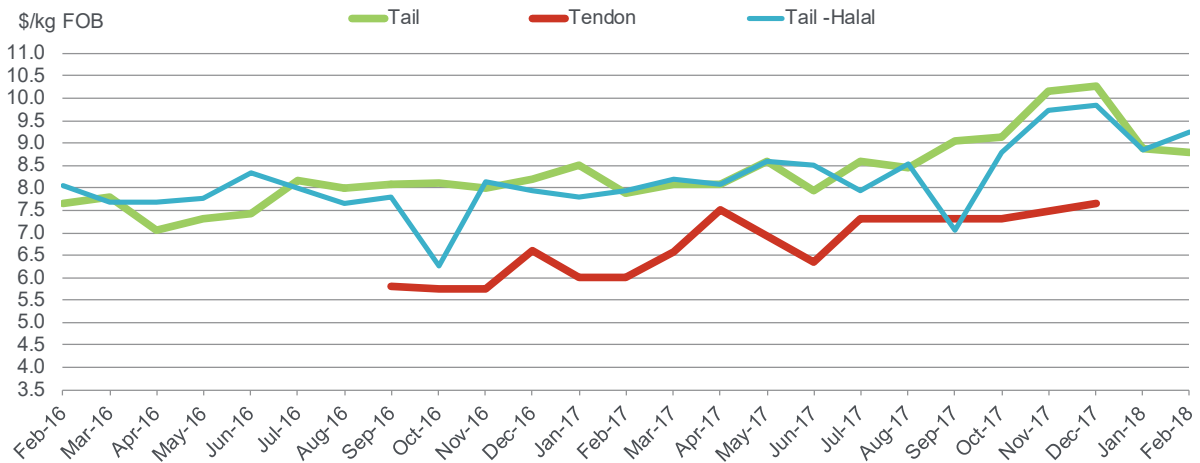
Figure 6: Trends in Japanese offal prices



Tails and Tendons

Tail prices to Korea remained soft, easing 9¢/kg month-on-month to average \$8.78/kg, however still 91¢/kg firmer year-on-year. Halal tails trended up, gaining 38¢/kg on January levels and \$1.30/kg year-on-year, to average \$9.24/kg. Tendons were again not reported however halal product was reported at \$7.34/kg, up 49¢/kg month-on-month.

Figure 7: Trends in tail and tendon prices



Sheep Co-products

Sheep offal prices were softer this month; however livers and runner prices were firm.

Table 2: Sheep co-product prices

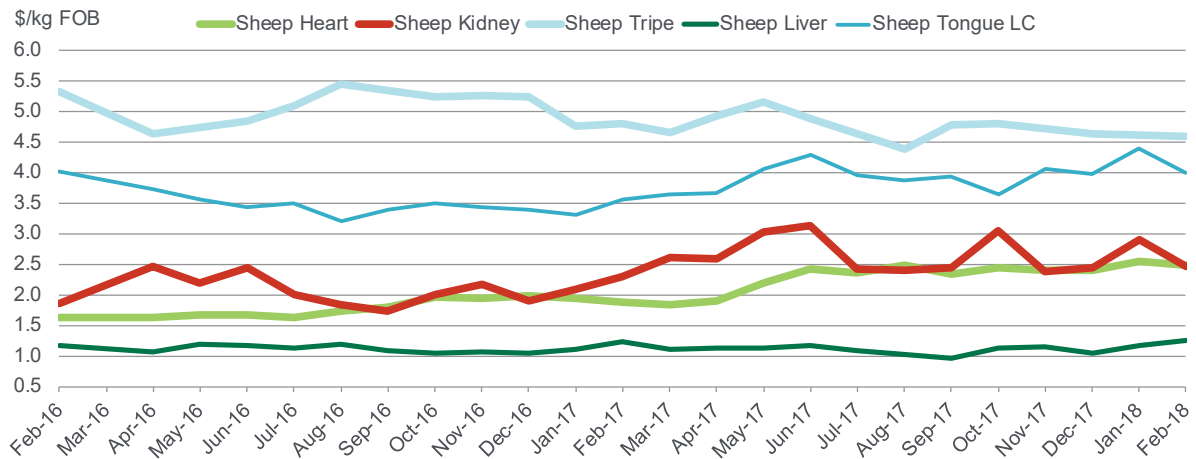
	Average (Feb Data)	Range	Responses	Monthly Change	Annual Change
Heart Sheep - Halal	\$2.48	\$0.70	3	-2.1%	33.0%
Kidneys Sheep - Halal	\$2.47		2	-15.0%	8.0%
Liver Sheep - Halal	\$1.25	\$0.25	3	8.0%	1.4%
Runners Lamb	\$6.35		2	-0.3%	62.8%
Runners Sheep	\$4.85		2	4.3%	131.0%
Tongue LC Sheep - Halal	\$4.00		2	-9.1%	12.7%
Tripe Sheep - Halal	\$4.60		2	-0.4%	-4.2%

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

Sheep offal

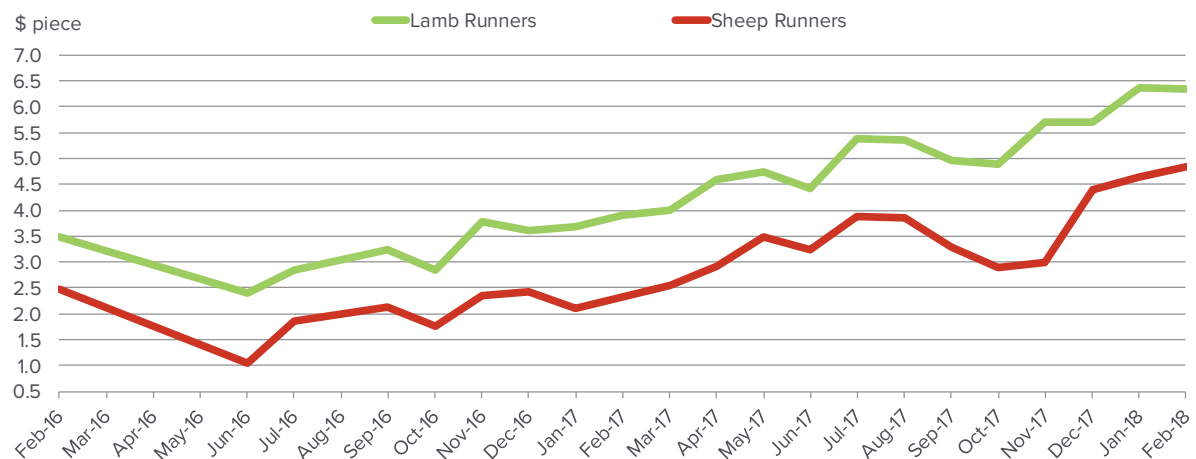
Sheep hearts averaged \$2.48/kg, 6¢/kg below last month but were 61¢/kg dearer than year-ago levels. Sheep livers averaged \$1.25/kg, up 9¢/kg month-on-month and 2¢/kg higher year-on-year. Kidneys returned \$2.47/kg, down 44¢/kg from last month but still 18¢/kg dearer than year-ago levels. Sheep tripe prices were reported at \$4.60/kg this month, 20¢/kg down on year-ago prices and 2¢/kg lower month-on-month. Sheep long cut tongue averaged \$4.00/kg, down 40¢/kg month-on-month but 45¢/kg dearer compared to last year.

Figure 8: Trends in sheep offal prices



Lamb runners averaged \$6.35/piece which was 2¢/piece down on January prices but \$2.45/piece higher than year-ago levels. Sheep runners averaged \$4.85/piece for February, up 20¢/piece month-on-month and an improvement of \$2.50/piece year-on-year.

Figure 9: Trends in runner prices



Pharmaceutical products

Pharmaceutical product showed mixed results for the month, with European eligible foetal blood feeling some downward pressure and concentrated gall trending firmer.

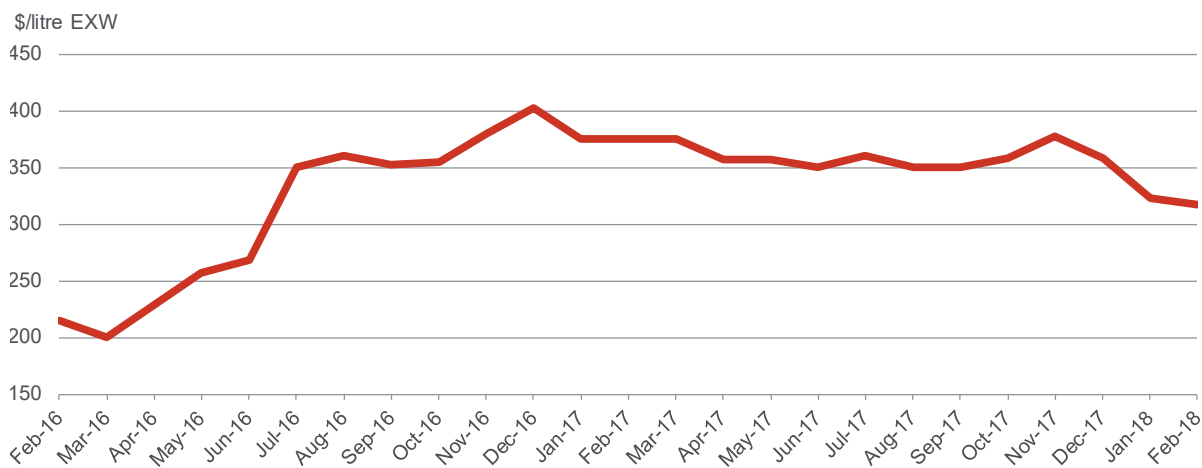
Table 3: Pharmaceutical prices

	Average (Feb Data)	Range	Responses	Monthly Change	Annual Change
Foetal Blood	\$317.50	\$25.00	4	-1.8%	-15.3%
Gall Concentrated	\$29.25		2	14.7%	17.0%

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

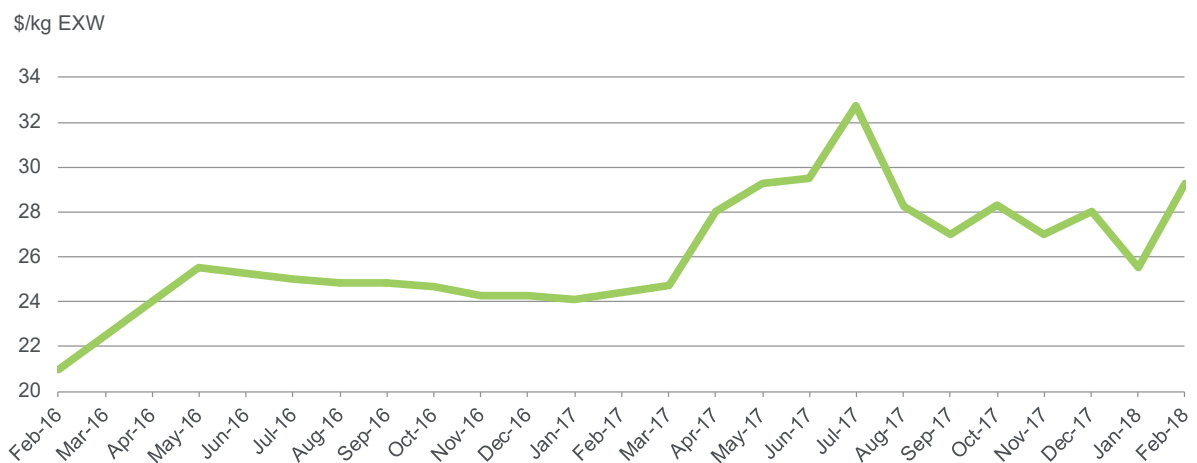
Foetal blood averaged \$317.50/litre, down \$5.83/litre from last month's price, and was \$57.50/litre below last year's price.

Figure 10: Trends for foetal blood prices



Concentrated gall price trends firmed, averaging \$29.25/kg, which is \$5.00/kg higher than last year and up \$3.75/kg month-on-month.

Figure 11: Trends for concentrated gall prices



Rendered products

Rendered meals were easier across the board with the stronger Australian currency lowering FOB prices. The widespread rain event in Queensland could reverse this trend by shortening supply. Singapore maintains a steady demand for tallow, however lower priced US product will continue to keep a lid on prices.

Table 4: Rendered product prices

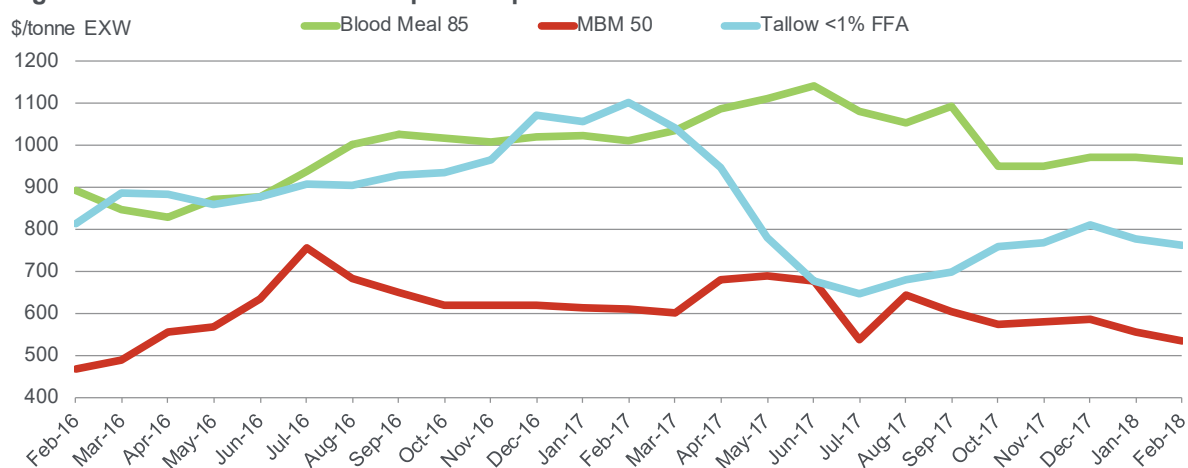
	Average (Feb Data)	Range	Responses	Monthly Change	Annual Change
Bloodmeal 85	\$960.0	\$70.0	5	-1.2%	-5.0%
MBM 50	\$533.0	\$135.0	5	-4.1%	-12.6%
Tallow lned.<1FFA	\$759.8	\$155.0	5	-2.3%	-30.9%
Tallow lned.<2FFA	\$772.0		2	-1.0%	-29.8%
Tallow lned.<4FFA	\$732.5		2	0.3%	-28.5%

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

Export meat and bone meal (MBM) prices improved in markets however a stronger dollar lowered the export return. The price for 50% protein averaged \$533/tonne, back \$23/tonne on January and \$77/tonne lower year-on-year. Blood meal averaged \$960/tonne ex-works, down \$12/tonne on last month's price and \$50/tonne lower year-on-year.

Tallow prices also eased on the back of the dollar, as steady trade continues in the oleo and industrial markets and interest from Singapore kept sales ticking along. Price for 1% FFA tallow averaged \$760/tonne, down \$18/tonne on last month's price and \$340/tonne below year-ago prices.

Figure 12: Trends in rendered co-product prices



Hides

The hide market remains subdued, currency having a negative impact and poor demand and plentiful supply keeping prices under pressure through the lunar new year holidays. The strong supply out of the Americas is driving down the price of lower quality hides in particular and often they are just filling warehouses awaiting a buyer.

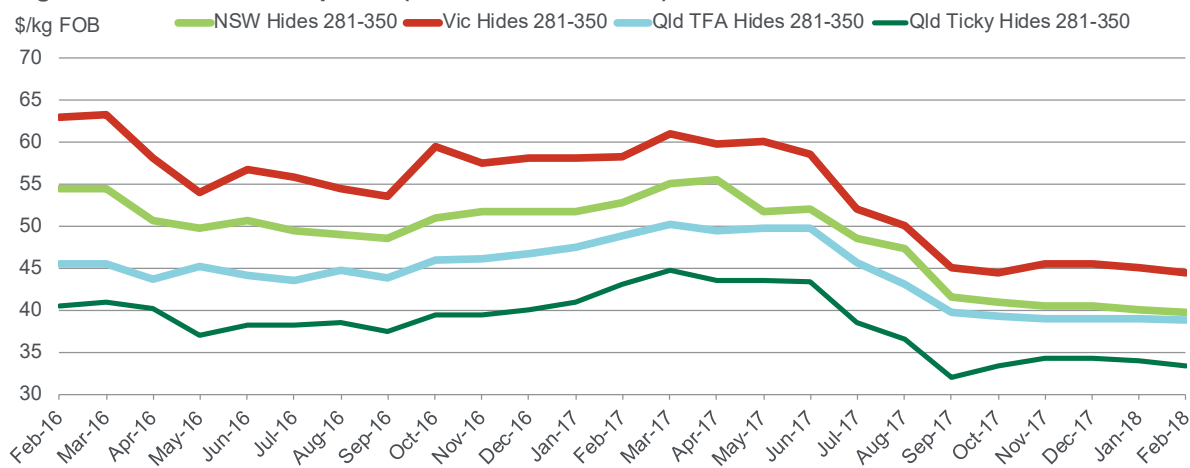
Table 5: Hide prices

	Average (Feb Data)	Range	Responses	Monthly Change	Annual Change
Hides NSW 141- 180	\$20.50		2	0.0%	-14.6%
Hides NSW 181 - 220	\$24.25		2	-1.0%	-26.0%
Hides NSW 221 - 280	\$31.75		2	-0.8%	-20.6%
Hides NSW 281 - 350	\$39.75		2	-0.6%	-24.6%
Hides NSW 351 Up	\$51.25		2	-0.5%	-22.3%
Hides QLD TFA 141 - 220	\$21.75		2	-1.1%	-19.8%
Hides QLD TFA 221 - 280	\$30.00		2	-0.8%	-18.1%
Hides QLD TFA 281 - 350	\$38.83	\$10.00	3	-0.4%	-20.3%
Hides QLD TFA 351 Up	\$48.33	\$15.50	3	-0.3%	-17.4%
Hides QLD Ticky 281 - 350	\$33.33	\$4.00	3	-2.0%	-22.5%
Hides QLD Ticky 350 Up	\$42.00	\$9.00	3	-0.8%	-19.2%
Hides VIC 141-180	\$23.50		2	-2.1%	-21.7%
Hides VIC 181-220	\$29.00		2	-1.7%	-22.7%
Hides VIC 221 - 280	\$37.00		2	0.0%	-20.4%
Hides VIC 281-350	\$44.50		2	-1.1%	-23.6%
Hides VIC 351 Up	\$53.75		2	-0.9%	-24.0%

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

Local prices for hides were down around a further 50¢/piece compared to last month and there is no obvious signs of an improvement in the market in the foreseeable future.

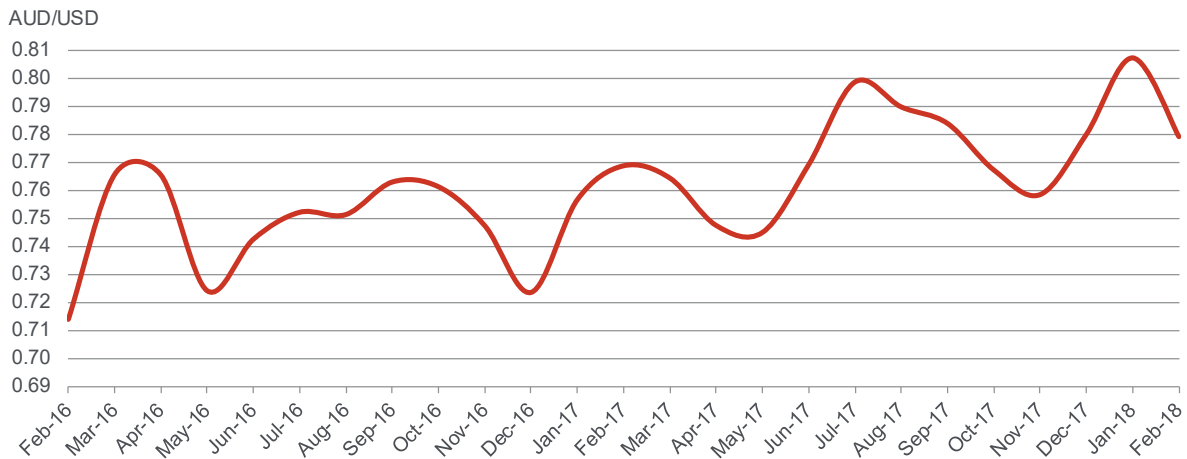
Figure 13: Trends in hide prices (East Coast Ex Works)



Currency exchange

The Australian dollar eased against the US dollar across the month opening at 80.44US¢ and rallying to 80.73US¢, then easing to 77.79US¢ before finishing the month at 77.92US¢ to average 78.89US¢ across 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:

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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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