



Co-product market report

June 2021

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Beef Co-products

Due to COVID-19 some of the usual respondents were unavailable to provide their data which may impact the veracity of some price averages.

Beef offal prices were firm across the range of products on the back of reduced supply with slaughter numbers depressed in Australia, Argentina and Brazil. Cheek meat, head meat and omasum trended down.

Table 1: Beef co-product prices

	Average (May Data)	Range	Responses	Monthly Change	Annual Change
Beef Lips	\$4.73	\$0.80	4	10.9%	64.8%
Beef Lips - Halal	\$4.61	\$0.85	4	4.4%	57.2%
Cheekmeat	\$8.08	\$2.50	4	-9.8%	14.8%
Cheekmeat - Halal	\$8.86	\$4.55	4	0.7%	13.1%
Diap. Membrane	\$6.00	\$9.00	4	37.0%	-30.2%
Hc Tripe	\$7.55	\$1.50	4	3.0%	-8.7%
Hc Tripe - Halal	\$7.57	\$1.70	3	-2.2%	-8.8%
Headmeat	\$5.37	\$1.60	3	-3.0%	7.3%
Headmeat - Halal	\$5.40		2		3.8%
Heart	\$3.95	\$1.00	4	5.1%	62.3%
Heart - Halal	\$3.99	\$1.05	4	4.6%	73.4%
Heart - Aorta	\$9.07	\$1.80	3	2.2%	12.4%
Heart - Aorta - Halal	\$8.25		2	-2.9%	5.1%
Ligamentum	\$3.96	\$2.45	4	38.4%	151.6%
Liver	\$1.75	\$0.50	4	-7.9%	36.4%
Liver - Halal	\$1.85	\$0.95	5	0.0%	19.4%
Lungs	\$4.10		2	44.9%	182.8%
Lungs - Halal	\$3.83		2	5.3%	96.2%
Omasum	\$7.15	\$3.10	4	-5.2%	-0.7%
Omasum - Halal	\$7.00	\$1.50	3	-21.9%	6.9%
Rum.Pill - Halal < 500	\$9.35		2		23.0%
Rum.Pill - Halal > 500 < 700	\$10.85		2		5.9%
Rum.Pill - Halal > 700	\$13.35		2		-0.4%
Rum.Pill < 500	\$6.83	\$4.00	4	52.8%	1.4%
Rum.Pill > 500 < 700	\$9.83	\$4.00	4	26.5%	1.6%
Rum.Pill > 700	\$13.30	\$5.50	4	18.8%	4.2%
Tail	\$16.00	\$2.50	4	32.0%	50.0%
Tail - Halal	\$15.29	\$3.50	4	23.8%	47.9%
Thickskirt	\$9.08	\$2.30	4	7.3%	-5.1%
Thickskirt - Halal	\$8.58	\$1.25	3	1.8%	-13.6%
Thinskirt	\$9.43	\$3.50	4	13.6%	9.2%
Thinskirt - Halal	\$8.58	\$1.25	3	6.8%	-11.2%
Tongue Root Fillet	\$5.65		2	5.6%	48.7%
Tongue Root Meat	\$3.25	\$1.00	4	6.6%	50.0%
Tongue Root Meat - Halal	\$3.36	\$1.25	4	4.0%	71.0%
Tongue SW	\$17.23	\$7.90	4	18.2%	99.5%
Tongue SW - Halal	\$16.67	\$3.00	3	10.0%	83.8%
Tripe Pieces	\$3.55	\$4.60	4	19.9%	12.7%
Tripe Pieces - Halal	\$2.83	\$0.70	4	-8.4%	-7.4%
Tripe Pieces - Halal	\$2.80	\$1.50	3	-6.7%	-20.0%
Tripe Pieces - Halal	\$3.00	\$0.80	3	0.6%	-27.4%
Tripe Pieces	\$2.80	\$0.30	5	-2.1%	-15.6%
Tripe Pieces - Halal	\$2.98	\$0.45	3	-4.8%	-12.3%

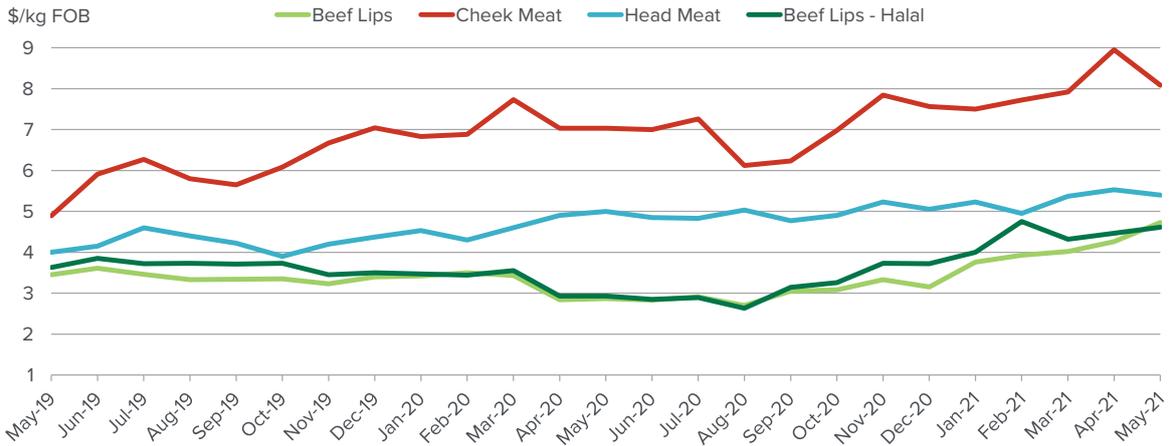
Price quoted is average price reported in \$/kg FOB Australian port.

Head offal

Prices for head offal products were mixed this month. Head meat averaged \$5.40/kg which was 40¢/kg higher year-on-year but 13¢/kg below last month. Cheek meat was \$1.05/kg dearer than year-ago levels, averaging \$8.08/kg, which corrected a spike last month by 87¢/kg.

Lip export prices to the US and Mexico firmed 47¢/kg month-on-month, to average \$4.73/kg and \$1.86/kg up on last year. Halal lips averaged \$4.61/kg to be \$1.68 firmer than May last year.

Figure 1: Trends in beef head offal prices

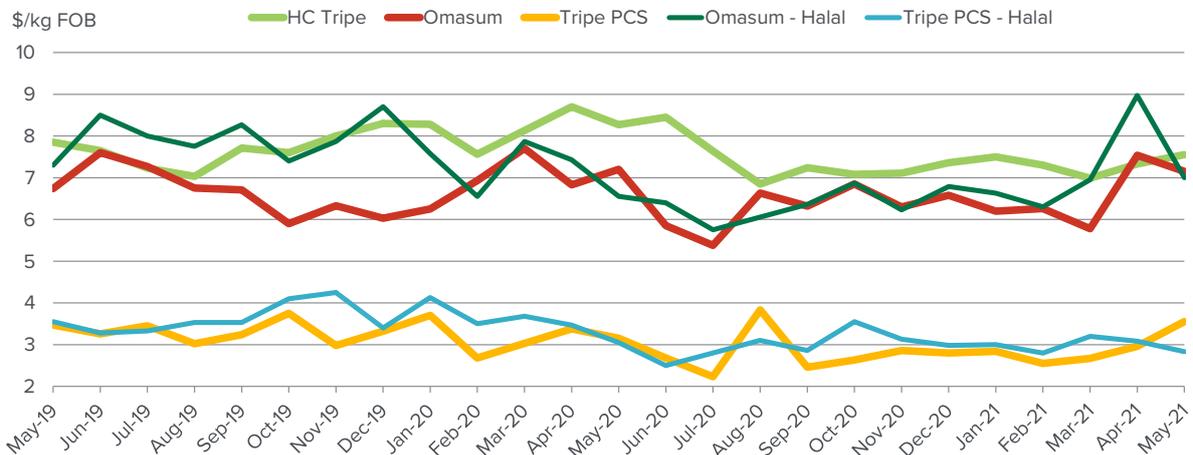


Beef offal trends

Omasum eased 39¢/kg from last month, to average \$7.15/kg, down 5¢/kg from year-ago prices. Halal omasum averaged \$7.00/kg, up 45¢/kg year-on-year but \$1.97/kg softer month-on month correcting a spike.

Halal tripe pieces averaged \$2.83/kg down 22¢/kg year-on-year and 25¢/kg down from last month. Non-halal tripe pieces were 40¢/kg up year-on-year and 59¢/kg higher than April to average \$3.55/kg. Honeycomb tripe averaged \$7.55/kg to be 72¢/kg below year ago prices but 22¢/kg above last month.

Figure 2: Trends in beef tripe prices

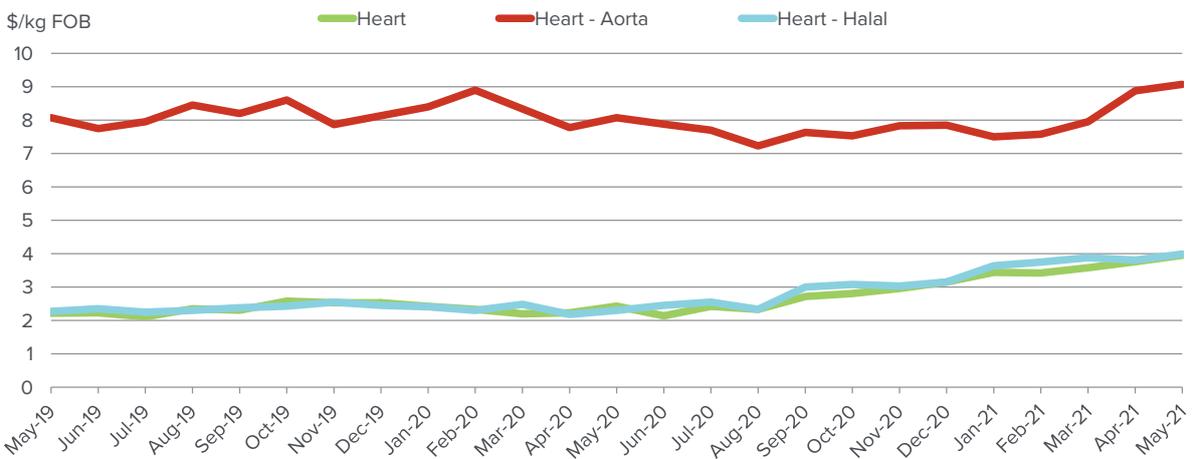


Beef offal trends continued...

Aorta traded stronger to average \$9.07/kg up 19¢/kg month-on-month and \$1.00 above the May 2020 price.

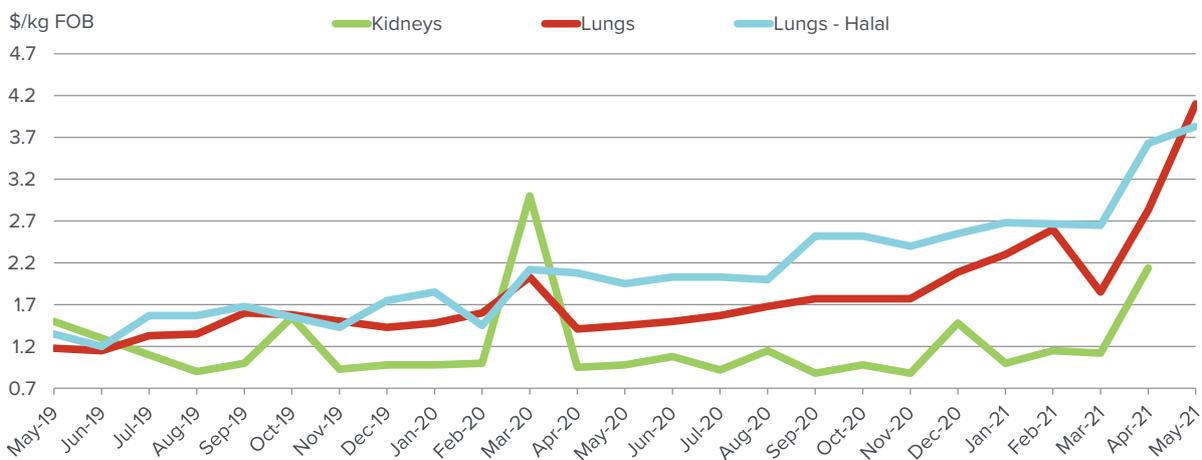
Heart prices were up from last month, averaging \$3.95/kg, to be \$1.52/kg above year-ago levels and 19¢/kg above April price. Halal hearts averaged \$3.99/kg, firming 18¢/kg month-on-month and up \$1.66/kg from May 2020.

Figure 3: Trends in beef offal prices



Kidneys were not reported this month. Non-halal lungs were reported at \$4.10/kg up \$2.65/kg from year ago levels and \$1.27/kg firmer month-on-month, while halal lungs averaged \$3.83/kg, up \$1.88/kg year-on-year and 20¢/kg dearer than last month.

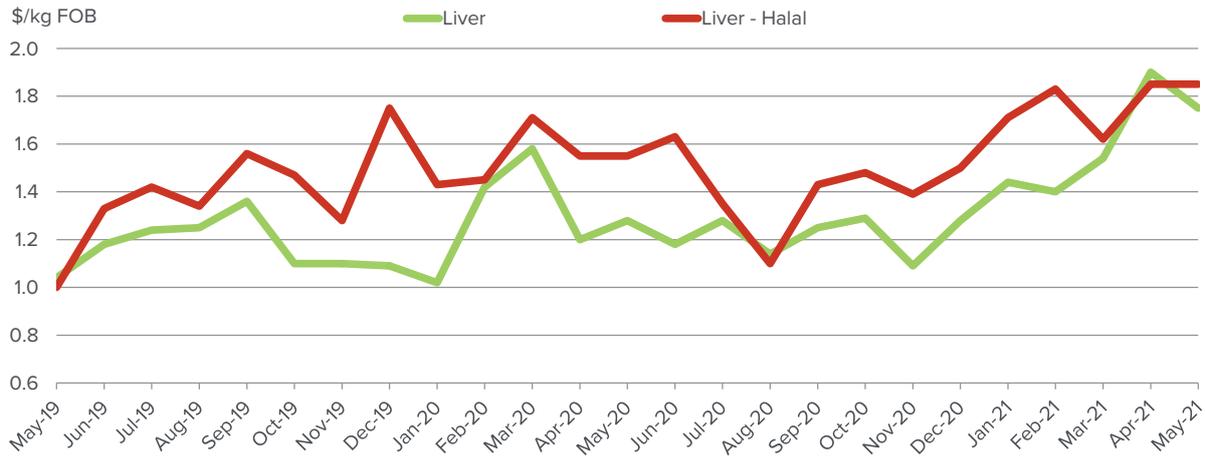
Figure 4: Trends in beef offal prices



Beef offal trends continued...

Liver prices averaged \$1.75/kg, down 15¢/kg month-on-month but 47¢/kg firmer than year-ago levels. Halal livers were even with last month's price to average \$1.85/kg, up 30¢/kg on last year prices.

Figure 5: Trends in beef offal prices



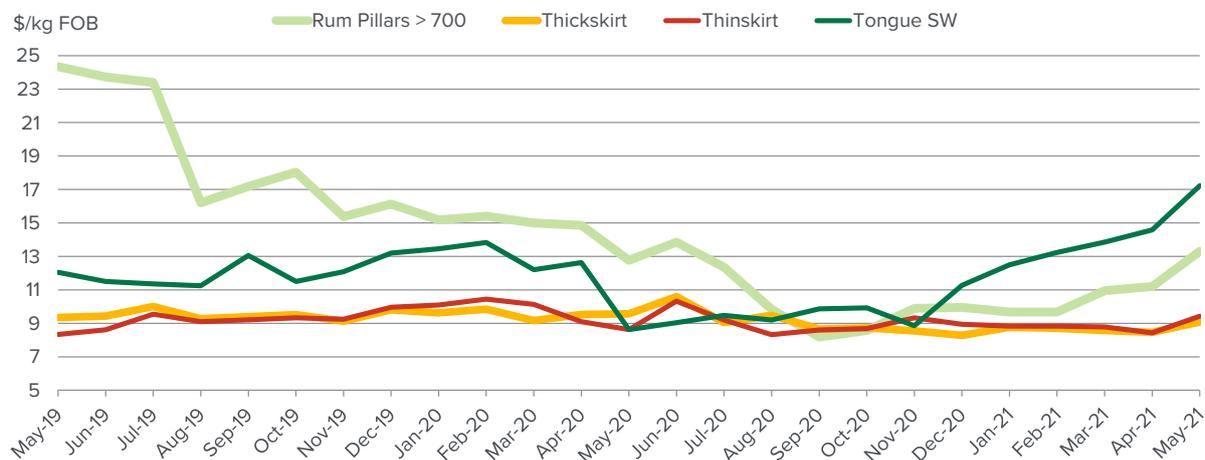
Japanese and Korean Offals

Tongue prices were \$2.65/kg up from April to average \$17.23/kg, and \$8.60/kg above year-ago levels.

Thick skirt was 49¢/kg softer year-on-year but 62¢/kg higher than last month, averaging \$9.08/kg. Thin skirt averaged \$9.43/kg, up \$1.00/kg from April and also \$1.00/kg above year-ago prices.

Rumen pillars firmed with heavy weight product averaging \$13.30/kg, up \$2.10/kg month-on-month and 53¢/kg dearer than May 2020 levels.

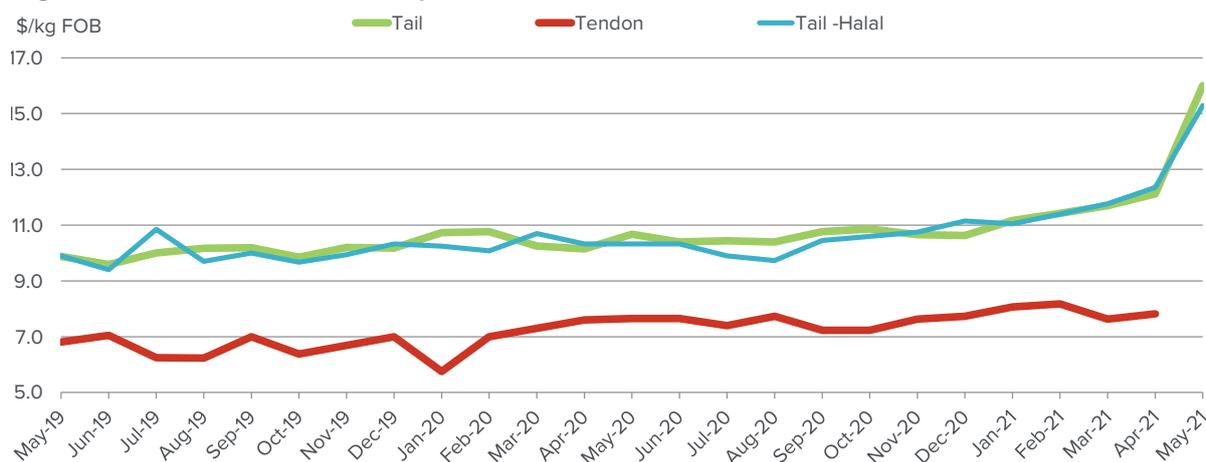
Figure 6: Trends in Japanese offal prices



Tails and Tendons

Tail prices to Korea firmed \$3.88/kg from last month, averaging \$16.00/kg, to be \$5.33/kg above year-ago levels. Halal tails averaged \$15.29/kg, up \$2.94/kg from last month and \$4.96/kg above year-ago prices. Tendons were not reported.

Figure 7: Trends in tail and tendon prices



Sheep Co-products

Sheep offal prices were firm for May.

Table 2: Sheep co-product prices

	Average (May Data)	Range	Responses	Monthly Change	Annual Change
Heart Sheep - Halal	\$4.15	\$1.15	3	9.7%	25.8%
Kidneys Sheep - Halal	\$6.08		2	20.3%	-9.8%
Liver Sheep - Halal	\$2.10		2	18.3%	-11.3%
Runners Lamb	\$8.33	\$3.50	3	26.6%	105.8%
Runners Sheep	\$7.18	\$3.05	3	33.0%	193.2%
Tripe Sheep - Halal	\$5.42	\$1.85	3	0.6%	-6.6%

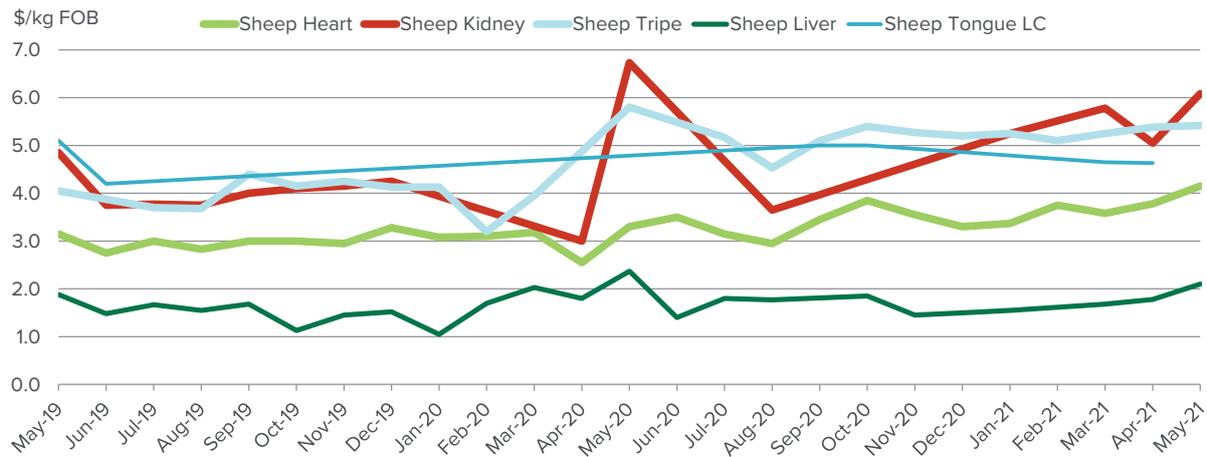
Price quoted is average price reported in \$/kg FOB Australian port and runners as \$/piece.

Sheep offal

Sheep hearts averaged \$4.15/kg, up 37¢/kg month-on-month and 85¢/kg dearer than year-ago levels. Sheep kidneys were reported at \$6.08/kg which was 65¢/kg below last year price but \$1.03/kg above April price. Sheep liver averaged \$2.10/kg to be 27¢/kg down year-on-year but 32¢/kg firmer month-on-month.

Sheep tripe averaged \$5.42/kg, which is 38¢/kg below year ago prices but up 4¢/kg month-on-month, Long cut tongues were not reported.

Figure 8: Trends in sheep offal prices



Lamb runners averaged \$8.33/piece firming \$1.75/piece month-on-month while sheep runners were reported at \$7.18/piece, up \$1.78/piece from April.

Figure 9: Trends in runner prices



Pharmaceutical products

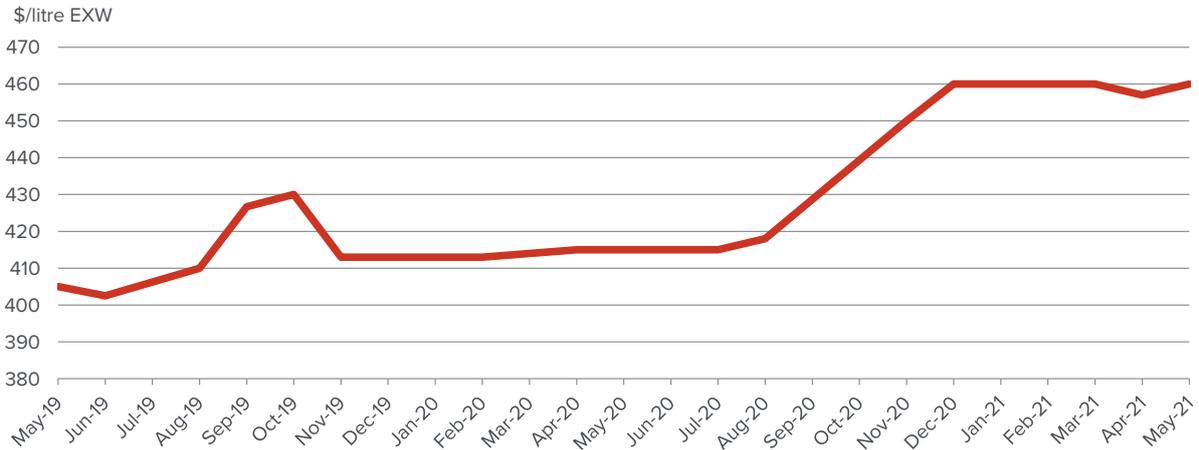
Table 3: Pharmaceutical prices

	Average (May Data)	Range	Responses	Monthly Change	Annual Change
Foetal Blood	\$460.00		2	0.7%	10.8%

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

Foetal calf blood has firmed \$45/litre year-on-year to average \$460/litre up \$3.00/litre month-on-month.

Figure 10: Trends for foetal blood prices



Concentrated gall was not reported.

Figure 11: Trends for concentrated gall prices



Rendered products

Rendered meals and tallow prices remained firm on the back of reduced production.

Table 4: Rendered product prices

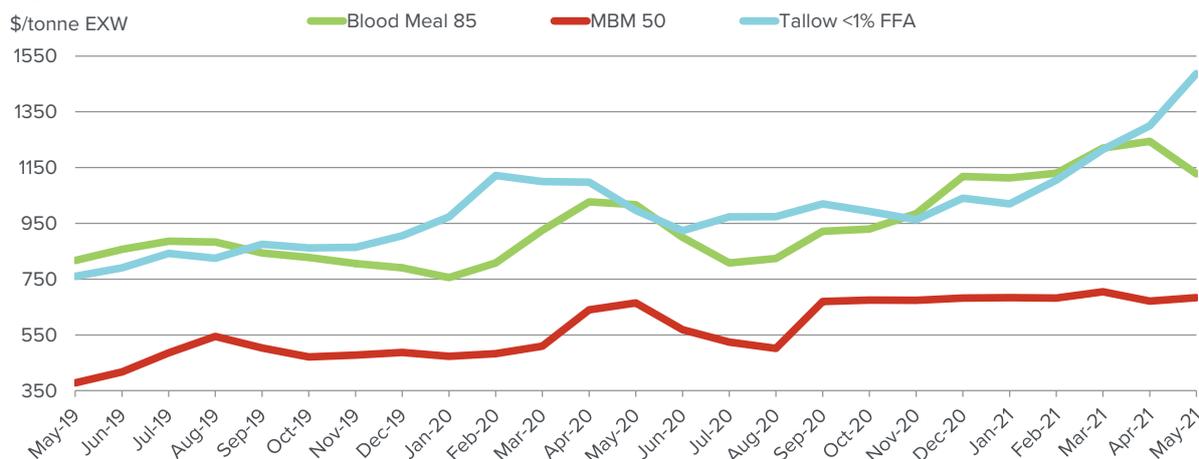
	Average (May Data)	Range	Responses	Monthly Change	Annual Change
Bloodmeal 85	\$1,128.25	\$318.00	4	-9.3%	10.9%
MBM 50	\$683.75	\$75.00	4	1.8%	2.8%
MBM 50 Sheep	\$1,040.00		2		6.7%
Tallow Ined.<1FFA	\$1,487.50		2	14.4%	49.1%
Tallow Ined.<2FFA	\$1,305.00		2	6.1%	39.3%
Tallow Ined.<4FFA	\$1,255.00		2	13.6%	39.2%

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

The price for 50% protein MBM firmed \$13/tonne from last month, averaging \$684/tonne which was \$19/tonne above May 2020 levels. Blood meal averaged \$1128/tonne, up \$111/tonne compared with last year's price, but \$116/tonne softer month-on-month.

Tallow prices were firmer, with the price for 1% FFA tallow averaging \$1487/tonne, up \$490/tonne from May 2020 and \$187/tonne above last month prices.

Figure 12: Trends in rendered co-product prices



Hides

The hide market remained steady with the upholstery and automotive sector showing strong demand with short supply however leather customers are pushing back on further price rises.

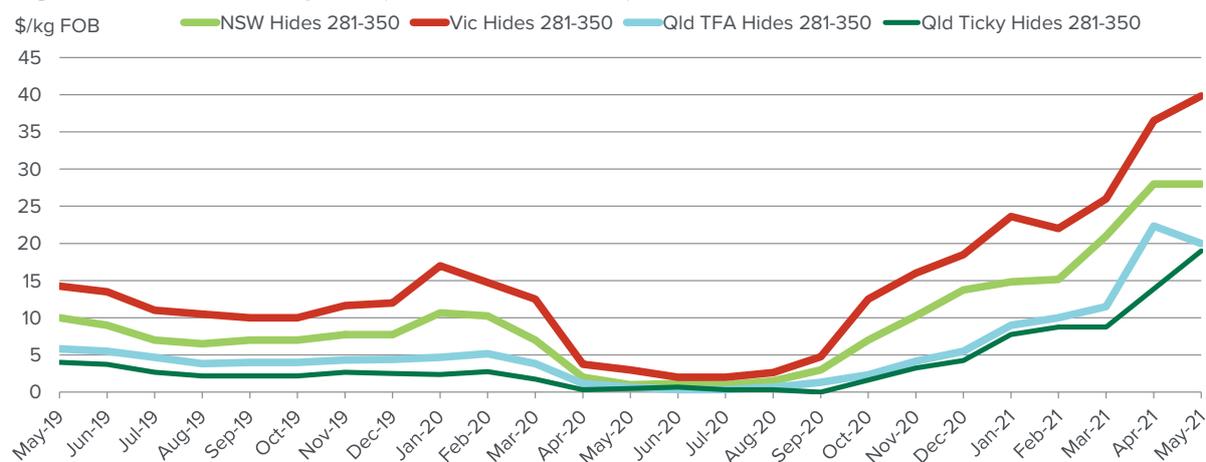
Table 5: Hide prices

	Average (May Data)	Range	Responses	Monthly Change	Annual Change
Hides NSW 141- 180	\$7.00	\$3.00	3	16.7%	
Hides NSW 181 - 220	\$13.00	\$2.00	3	8.3%	
Hides NSW 221 - 280	\$20.50	\$7.50	3	7.9%	8100.0%
Hides NSW 281 - 350	\$28.00	\$8.00	3	0.0%	2700.0%
Hides NSW 351 Up	\$37.00	\$12.00	3	-1.3%	1380.0%
Hides QLD TFA 281 - 350	\$20.00		2	-10.4%	2899.9%
Hides QLD TFA 351 Up	\$27.50		2	-1.8%	1841.1%
Hides VIC 141-180	\$9.17	\$2.50	3	14.6%	
Hides VIC 181-220	\$19.67	\$4.00	3	9.3%	3833.3%
Hides VIC 221 - 280	\$31.33	\$9.00	3	9.9%	1988.9%
Hides VIC 281-350	\$39.83	\$8.00	3	9.1%	1227.8%
Hides VIC 351 Up	\$49.00	\$15.00	3	11.4%	790.9%

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

Local prices for hides continued to improve slightly with prices for better quality product up \$20 to \$30 per piece above year ago levels.

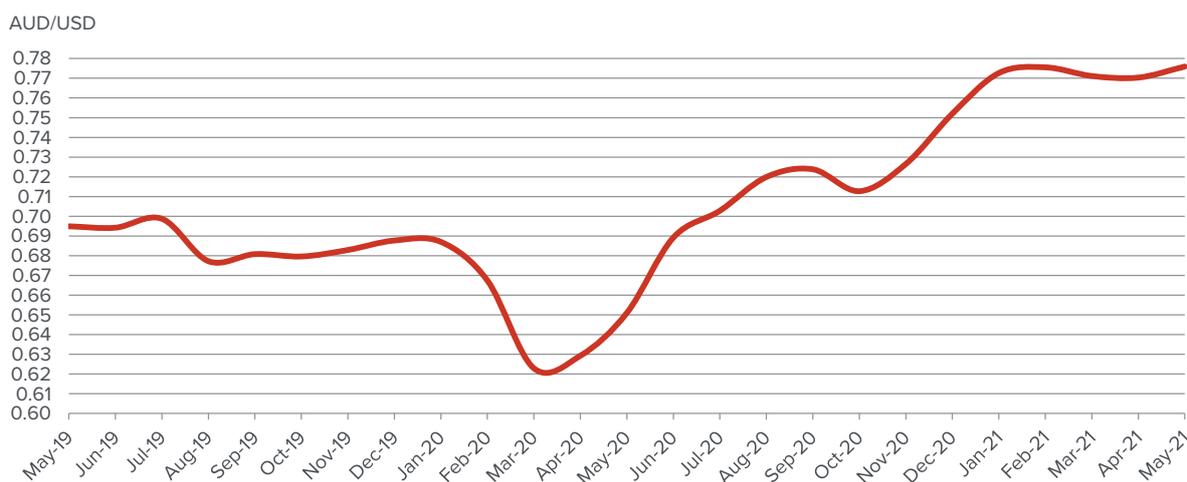
Figure 13: Trends in hide prices (East Coast Ex Works)



Currency exchange

The Australian dollar was fairly steady against the US dollar during May. It opened the month at 77.14US¢ to trade up to 78.56US¢ before easing to finish the month at 77.25US¢ to average 77.59US¢, up 0.56US¢ month-on-month, and up 12.49US¢ from May 2020.

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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Published by Meat & Livestock Australia Limited
 ABN 39 081 678 364
 June 2021

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