



# **MLA co-product market report**

**November 2016**

**Table 1: Co-products Prices**

<b>Product</b>	<b>Average</b>	<b>Range</b>	<b>Responses</b>	<b>Monthly Change</b>	<b>Annual Change</b>
<b>Beef</b>					
BEEF LIPS	\$2.43	\$0.80	3	-12.7%	-14.2%
BEEF LIPS - HALAL	\$3.02	\$0.65	3	19.9%	-7.5%
CHEEKMEAT	\$7.85	\$0.75	3	9.2%	53.2%
CHEEKMEAT - HALAL	\$7.80	\$1.10	4	0.9%	34.6%
DIAP. MEMBRANE	\$4.07	\$1.00	3	-5.6%	-0.8%
HC TRIPE	\$6.39	\$1.45	4	0.8%	4.3%
HC TRIPE - HALAL	\$6.78	\$1.05	3	1.2%	-7.3%
HEADMEAT	\$4.58	\$0.95	3	-1.1%	38.9%
HEADMEAT - HALAL	\$4.63	\$2.80	4	-8.7%	63.7%
HEART	\$1.76	\$0.50	4	3.7%	14.9%
HEART - HALAL	\$1.83	\$0.10	3	-4.4%	-8.8%
HEART -AORTA	\$5.37	\$2.80	3	-6.4%	-28.4%
HEART -AORTA - HALAL	\$6.37	\$2.90	3	1.1%	-23.8%
KIDNEYS	\$0.94	\$0.60	4	-14.8%	-12.8%
KIDNEYS - HALAL	\$1.00	\$0.35	4	1.3%	-19.2%
LIGAMENTUM	\$3.58	\$3.40	5	-6.5%	-9.7%
LIVER	\$1.04	\$0.25	4	-1.2%	-14.4%
LIVER - HALAL	\$1.12	\$0.15	3	-9.0%	-41.8%
LUNGS	\$1.38	\$0.90	3	-14.9%	53.7%
LUNGS - HALAL	\$1.68	\$0.40	4	-5.6%	45.7%
OMASUM - HALAL	\$5.42		2	1.2%	-46.2%
RUM.PILL < 500	\$5.53		2	11.6%	29.2%
RUM.PILL > 500 < 700	\$9.75		2	17.2%	79.7%
RUM.PILL > 700	\$12.25		2	6.8%	56.1%
RUM.PILL> 500 < 700 - HALAL	\$10.38		2	0.0%	39.3%
RUM.PILL> 700 - HALAL	\$13.48		2	0.6%	29.6%
TAIL	\$8.00	\$0.90	4	-1.4%	-11.8%
TAIL - HALAL	\$8.15	\$0.60	3	30.4%	3.6%
TENDONS	\$5.75		2	0.0%	64.3%
TENDONS - HALAL	\$7.17	\$2.20	3	3.4%	17.8%
THICKSKIRT	\$9.45	\$1.00	4	3.8%	-5.0%
THICKSKIRT - HALAL	\$8.93	\$1.70	3	-3.2%	-11.4%
THINSKIRT	\$9.40	\$1.00	4	3.0%	-16.4%
THINSKIRT - HALAL	\$9.48	\$1.50	3	-3.1%	-5.3%
TONGUE RT FILLET	\$5.18	\$1.50	4	-2.8%	3.0%
TONGUE RT MEAT - HALAL	\$1.95		2	2.6%	77.3%
TONGUE SW	\$17.43	\$4.35	4	-5.1%	29.3%
TONGUE SW - HALAL	\$17.73	\$5.20	3	-9.2%	56.0%
TRIPLE PCS	\$3.10	\$0.80	4	-1.1%	90.8%
TRIPLE PCS - HALAL	\$3.52	\$1.15	3	5.8%	14.4%

<b>Product</b>	<b>Average</b>	<b>Range</b>	<b>Responses</b>	<b>Monthly Change</b>	<b>Annual Change</b>
<b>Sheep</b>					
HEART SHEEP - HALAL	\$1.95	\$0.50	4	-0.6%	18.2%
KIDNEYS SHEEP - HALAL	\$2.18	\$0.85	4	8.7%	-29.8%
LIVER SHEEP - HALAL	\$1.07	\$0.10	3	1.6%	-30.1%
RUNNERS LAMB	\$3.78		2	32.5%	-40.1%
RUNNERS SHEEP	\$2.35		2	34.3%	-51.0%
TONGUE LC SHEEP HALAL	\$3.43	\$0.10	3	-1.9%	-7.8%
TRIPE SHEEP - HALAL	\$5.26	\$0.65	4	0.5%	-2.5%
<b>Pharmecuetical</b>					
FOETAL BLOOD	\$380.00	\$150.00	4	7.0%	78.8%
GALL CONCENTRATED	\$24.25		2	-1.7%	15.5%
<b>Rendered Products</b>					
BLOODMEAL 85	\$1,007.00	\$180.00	5	-0.8%	1.1%
MBM 50	\$618.57	\$50.00	7	0.1%	3.8%
TALLOW INED.<1FFA	\$965.00	\$105.00	5	3.2%	41.2%
TALLOW INED.<2FFA	\$950.00		2	3.4%	45.3%
TALLOW INED.<4FFA	\$900.00	\$110.00	3	-1.1%	45.2%
<b>Hides</b>					
HIDES NSW 141- 180	\$23.50		2	-13.0%	-19.0%
HIDES NSW 181 - 220	\$32.50		2	-3.5%	-8.9%
HIDES NSW 221 - 280	\$39.75		2	-2.7%	-9.7%
HIDES NSW 281 - 350	\$51.75		2	1.5%	-3.6%
HIDES NSW 351 UP	\$65.50		2	4.5%	4.5%
HIDES QLD TFA 141 - 220	\$27.13		2	0.5%	15.4%
HIDES QLD TFA 221 - 280	\$36.63		2	0.3%	18.1%
HIDES QLD TFA 281 - 350	\$46.08	\$10.00	3	0.2%	8.0%
HIDES QLD TFA 351 UP	\$55.67	\$14.50	3	2.1%	8.1%
HIDES QLD TICKY 281 - 350	\$39.50		2	0.0%	4.6%
HIDES QLD TICKY 350 UP	\$49.00		2	0.0%	4.8%
HIDES VIC 141-180	\$30.00		2	-7.2%	-11.8%
HIDES VIC 181-220	\$37.00		2	-12.6%	-16.9%
HIDES VIC 221 - 280	\$46.00		2	-7.1%	-16.7%
HIDES VIC 281-350	\$57.50		2	-3.4%	-11.2%
HIDES VIC 351 UP	\$72.25		2	-2.8%	-4.3%

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\$ eased against US\$ during November, starting at 76.53US¢, and traded within a range of 73.24 – 77.00US¢ before finishing the month at 74.74US¢ and averaging 75.36US¢.

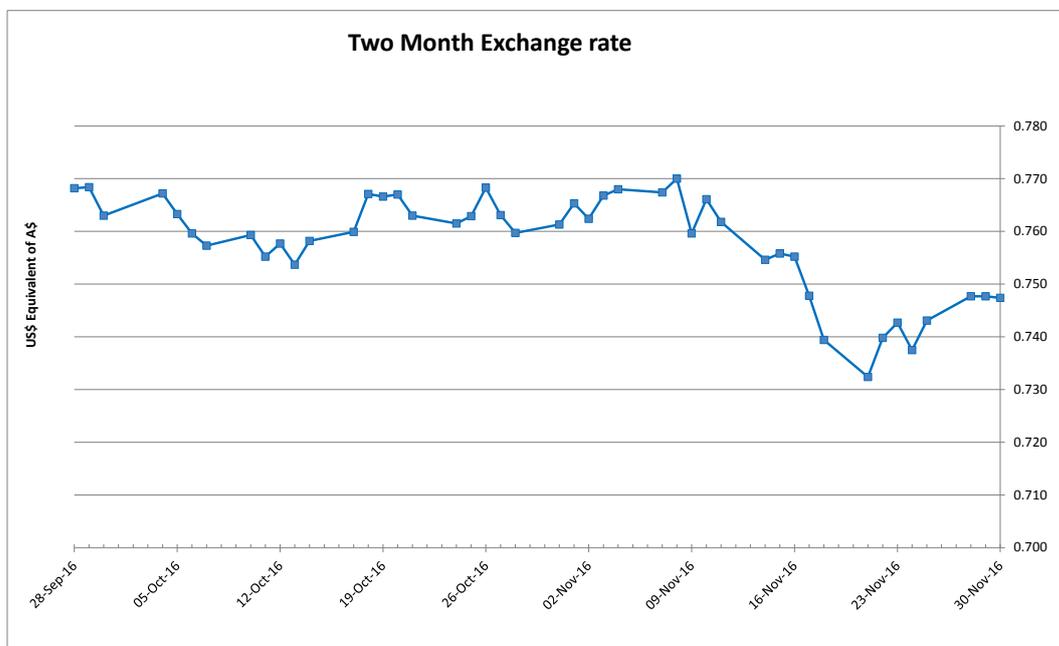
Beef offal prices generally were relatively stable, with beef tongues and beef lips easing whilst rumen pillars, halal tails and beef cheeks remained in demand.

Sheep offal prices were steady, whilst sheep kidneys lifted. Runner prices appear to be dearer and were well reported this month.

Foetal blood prices continue to increase on the back of reduced supply.

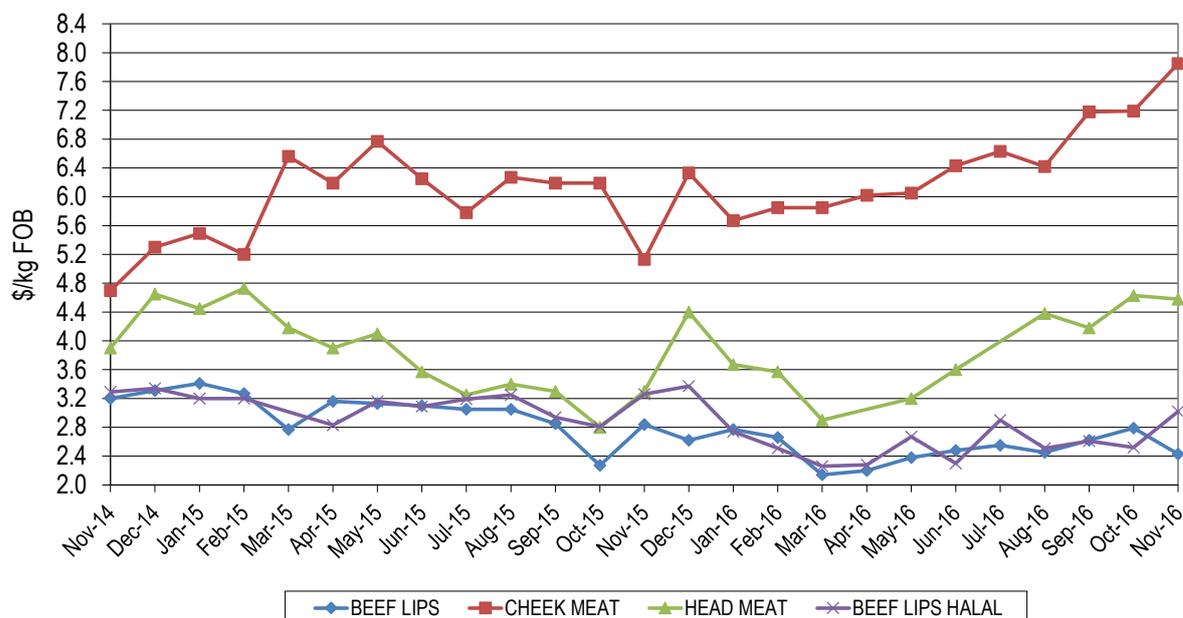
Blood meal and MBM prices were steady. Tallow prices trended dearer, assisted by lower production, stable demand from Singapore and dearer palm prices.

Hide prices remained steady to slightly easier, with poor demand for finished leather and strong supply from USA and Brazil to China, Australia's largest market. Demand for sheep skins improved as the tanneries were re-opened, however business has slowed as the holiday season approaches.



## Head Offal Prices

Figure 1: Trends in beef head offal prices

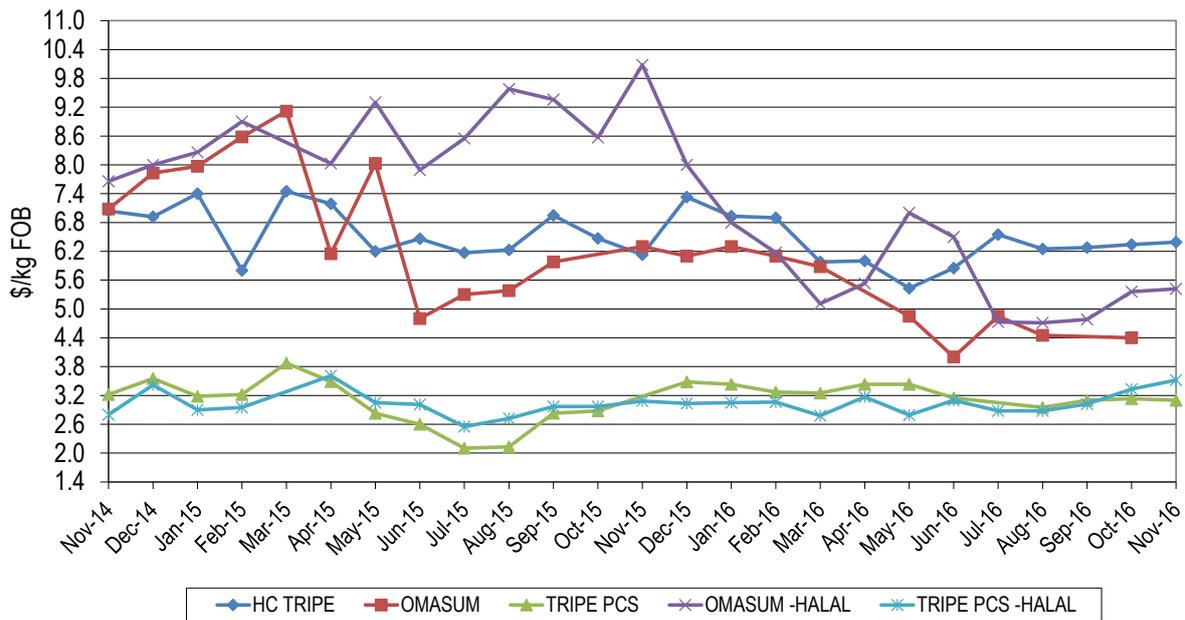


Head offal products averaged slightly higher month-on-month. Head meat averaged \$4.58/kg, down \$1.28/kg on year-ago levels and 5¢/kg lower than a month ago. Cheek meat was \$2.72/kg dearer compared to the corresponding period last year, averaging \$7.85/kg and was up 66¢/kg from last month.

Lip export prices to the US and Mexico eased this month, averaging \$2.43/kg which was 36¢/kg lower than last month and 41¢/kg weaker than November 2015. Halal lips returned \$3.02/kg, up 50¢/kg month-on-month but were 24¢/kg lower than year-ago levels.

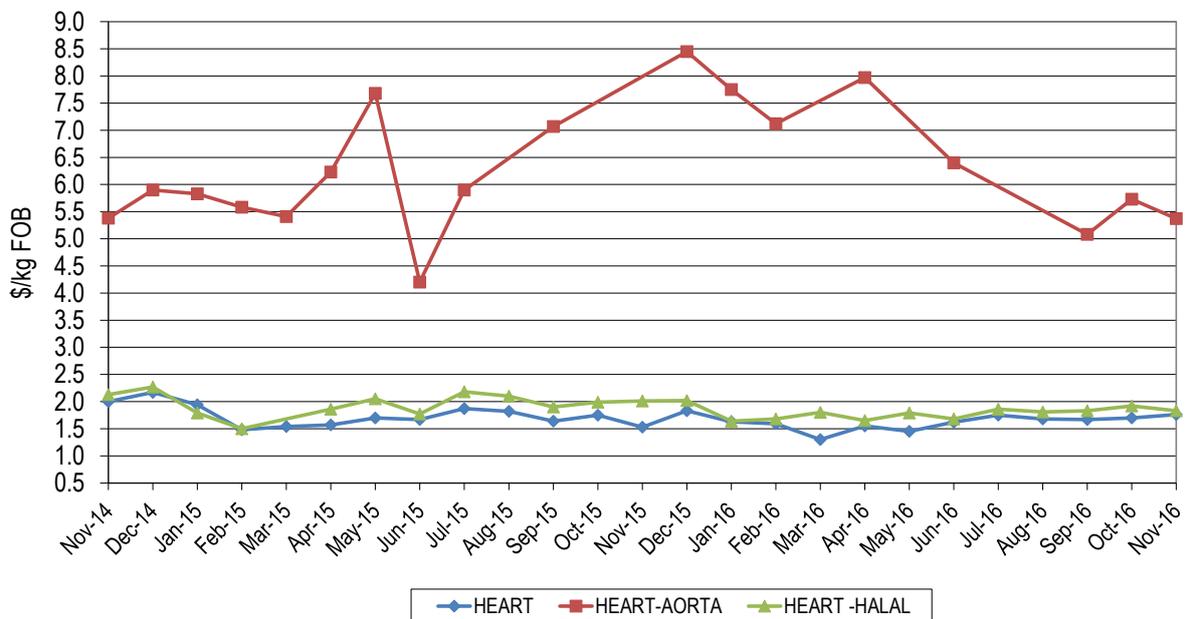
## Beef Offal Trends

### Figure 2: Trends in beef tripe prices



Omasum was not reported for November, whilst halal omasum prices improved 6¢/kg month-on-month to average \$5.36/kg which was \$4.66/kg lower year-on-year. Non-halal tripe pieces averaged \$3.10/kg to be 3¢/kg down month-on-month. Honeycomb tripe was steady during November, averaging \$6.39/kg, up 5¢/kg month-on-month and 26¢/kg above the corresponding period last year. Halal tripe pieces returned \$3.52/kg, up 19¢/kg on last month and 44¢/kg higher year-on-year.

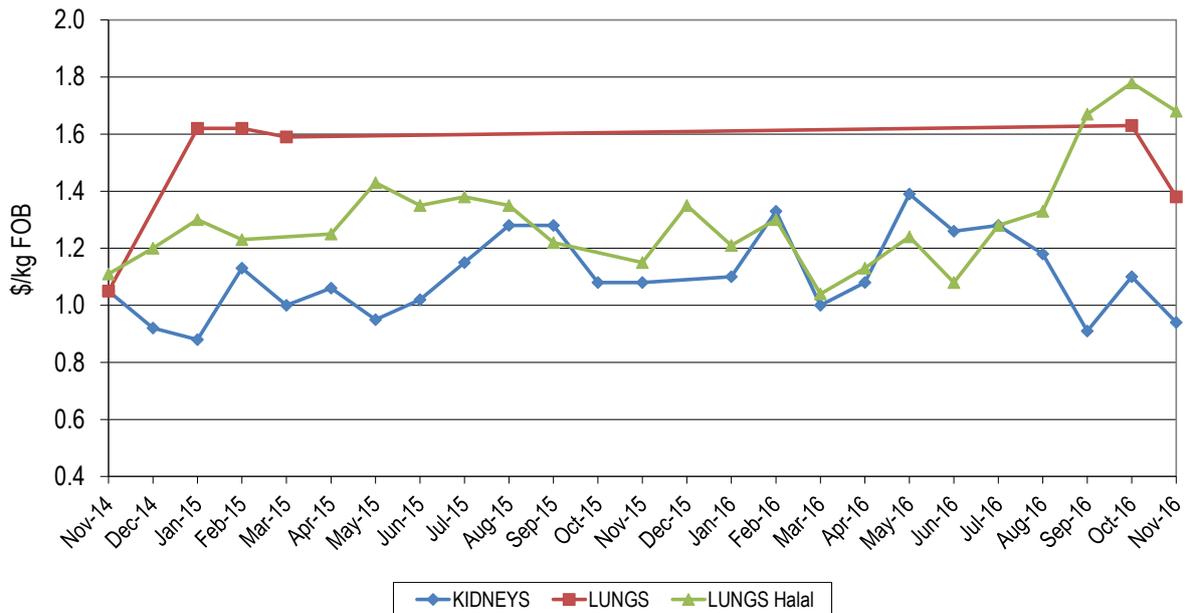
### Figure 3a: Trends in beef offal prices



Aorta averaged \$5.37/kg to be 36¢/kg lower than the October average, whilst halal product bounced back at \$6.37/kg, up \$1.01/kg month-on-month.

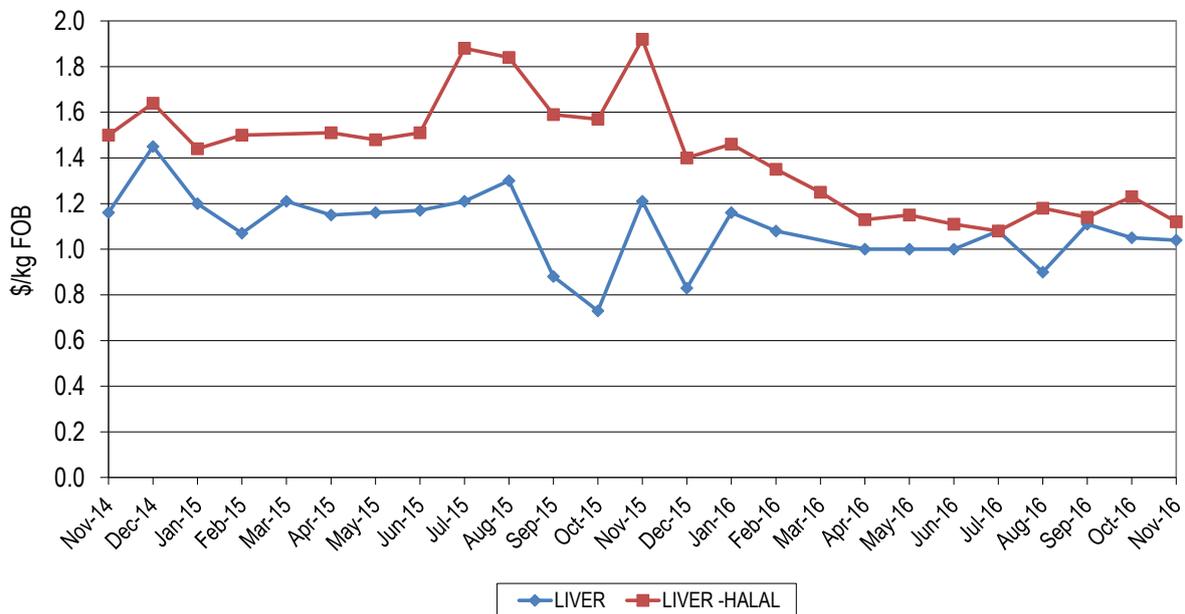
Heart prices were steady, averaging \$1.76/kg, up 6¢/kg for the month and 23¢/kg higher than November 2015. Halal hearts averaged \$1.83/kg, down 9¢/kg month-on-month and were 18¢/kg lower than year-ago levels.

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



Kidneys were reported at an average of 94¢/kg, down 16¢/kg on last month and 14¢/kg weaker than last year’s price. Non-halal lungs were reported at an average of \$1.38/kg down 25¢/kg on last month. Halal lungs averaged \$1.68/kg, down 10¢/kg on last month but were 53¢/kg firmer year-on-year.

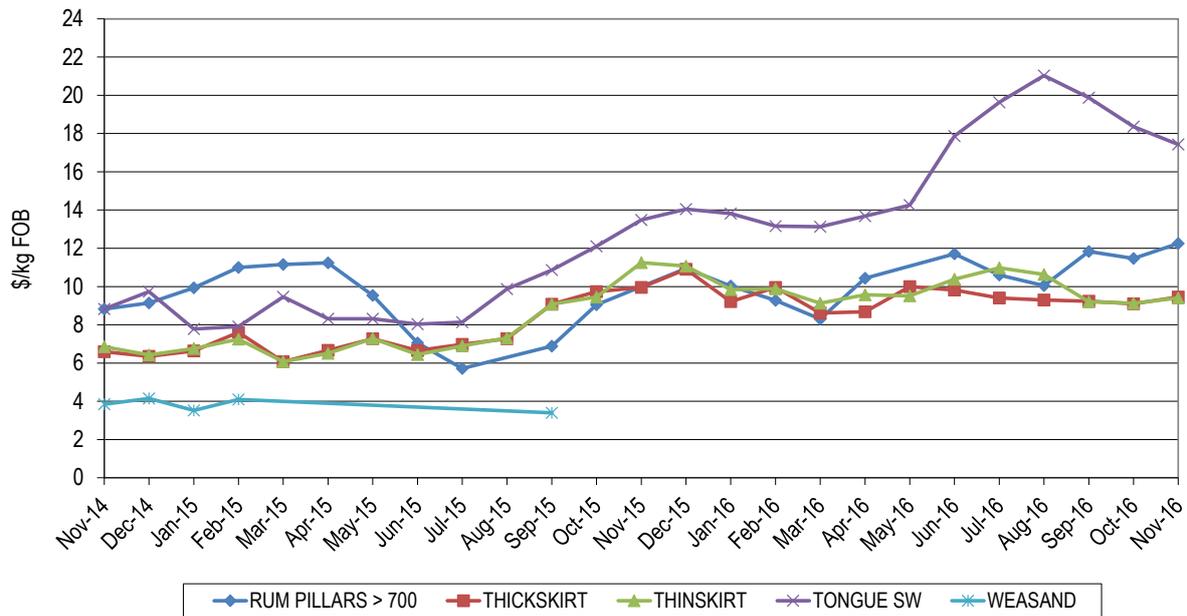
**Figure 3c: Trends in beef offal prices**



Non-halal liver prices averaged \$1.04/kg, easing 1¢/kg month-on-month and were 17¢/kg cheaper than this time last year. Halal livers eased 11¢/kg month-on-month, with sales averaging \$1.12/kg and were 80¢/kg down on year ago prices.

## Japanese and Korean Offals

### Figure 4: Trends in Japanese offal prices



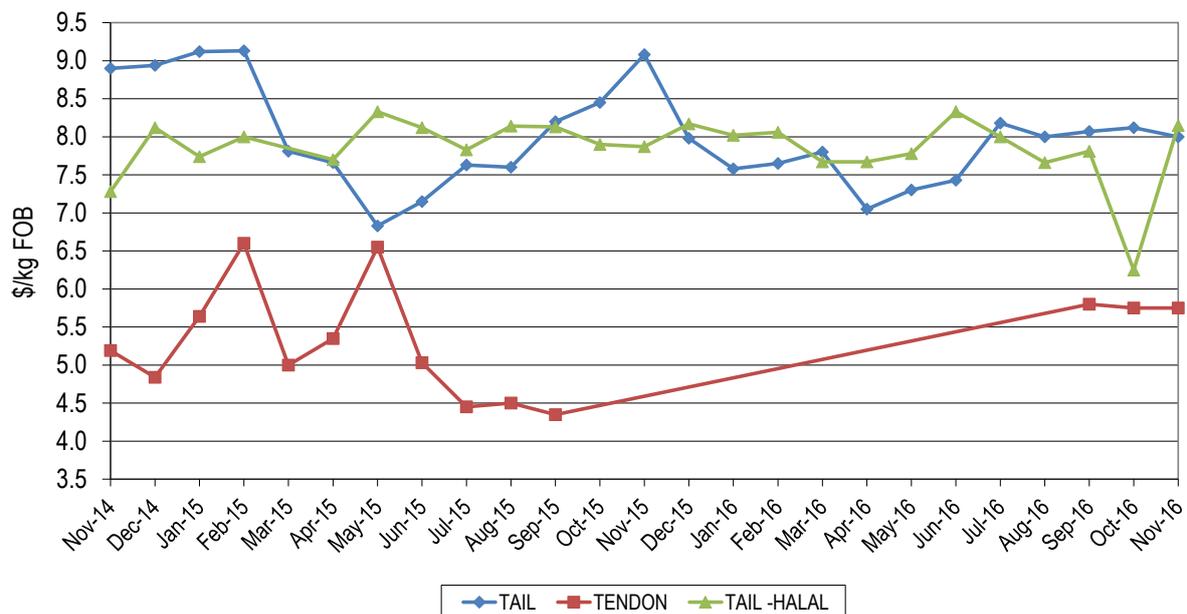
Tongue prices continued to ease, averaging \$17.43/kg, which was \$3.95/kg dearer from year-ago levels however 93¢/kg lower month-on-month.

Thick skirt was 50¢/kg easier on last year's price but 35¢/kg up month-on-month, averaging \$9.45/kg, while thin skirt prices were \$1.85/head lower than year-ago levels however were 27¢/kg higher month-on-month, realizing \$9.40/kg.

Rumen pillars remained firm this month, with heavy weight product making \$12.25/kg which was 78¢/kg up month-on-month. Halal 700gm rumen pillars returned \$13.48/kg, up 8¢/kg month-on-month.

## Tails and Tendons

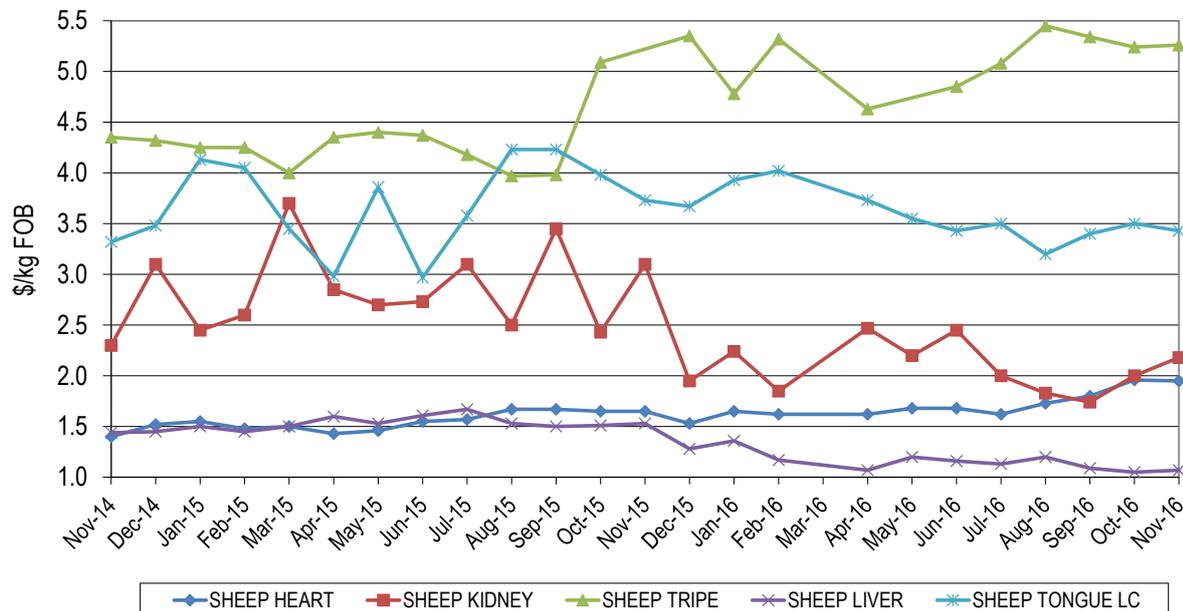
### Figure 5: Trends in tail and tendon prices



Tail prices into Japan averaged \$8.00/kg, down 12¢/kg from October and \$1.08/kg lower than same period last year. Halal tails were much firmer this month, up \$1.90/kg month-on-month and 28¢/kg higher year-on-year, at \$8.15/kg. Non-halal tendons averaged \$5.75/kg, on par with last month however halal tendons returned an average of \$7.17/kg, which was 67¢/kg above last month.

## Sheep Offals

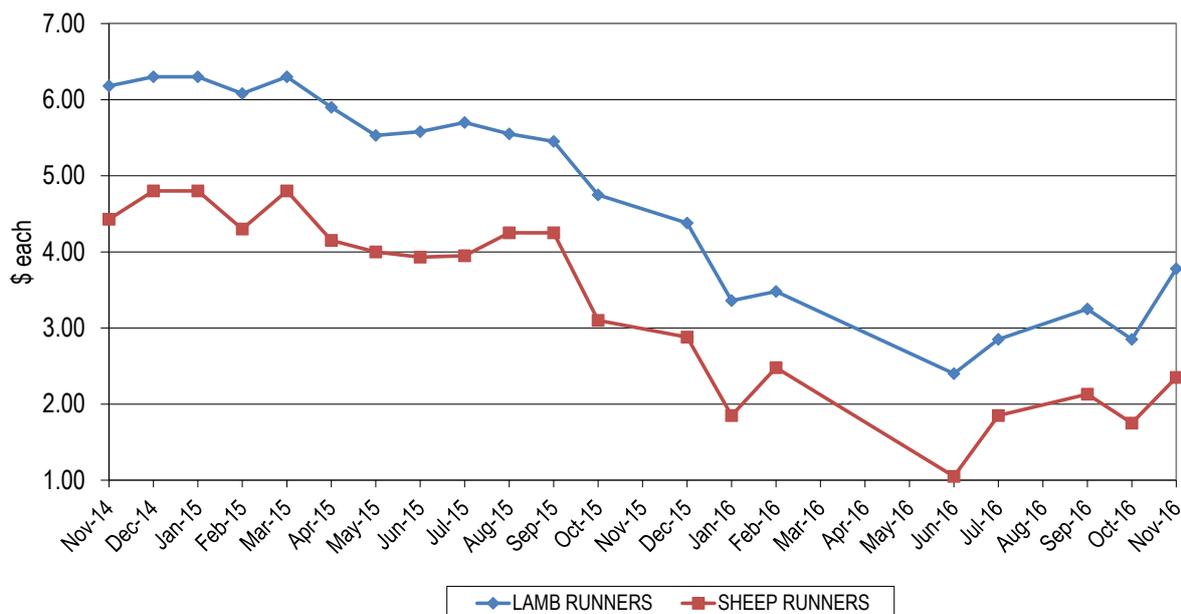
**Figure 6a: Trends in sheep offal prices**



Sheep offal prices remain relatively steady.

Hearts averaged \$1.95/kg, down 1¢/kg from October and were 30¢/kg dearer than last year. Livers steadied \$1.07/kg, which was 2¢/kg up month-on-month and 46¢/kg lower than year-ago levels. Kidney prices continued to rally to return \$2.18/kg, up 18¢/kg on October prices but remained 46¢/kg lower year-on-year. Sheep tripe averaged \$5.26/kg, up 2¢/kg month-on-month and was even with year-ago levels. Sheep long cut tongue averaged \$3.43/kg, down 7¢/kg month-on-month and was 30¢/kg lower than October 2015 prices.

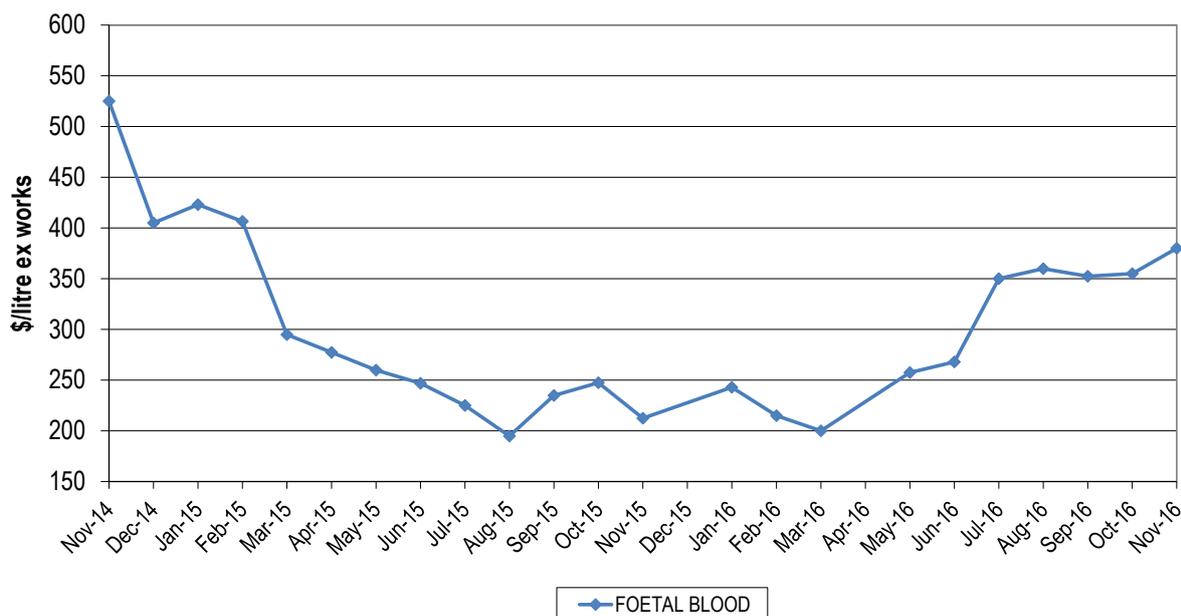
**Figure 6b: Trends in runner prices**



Lamb runners averaged \$3.78/piece which was 93¢/piece dearer on last month. Sheep runners returned an average of \$2.35/piece, up 60¢/piece month-on-month and indications are prices will improve going forward.

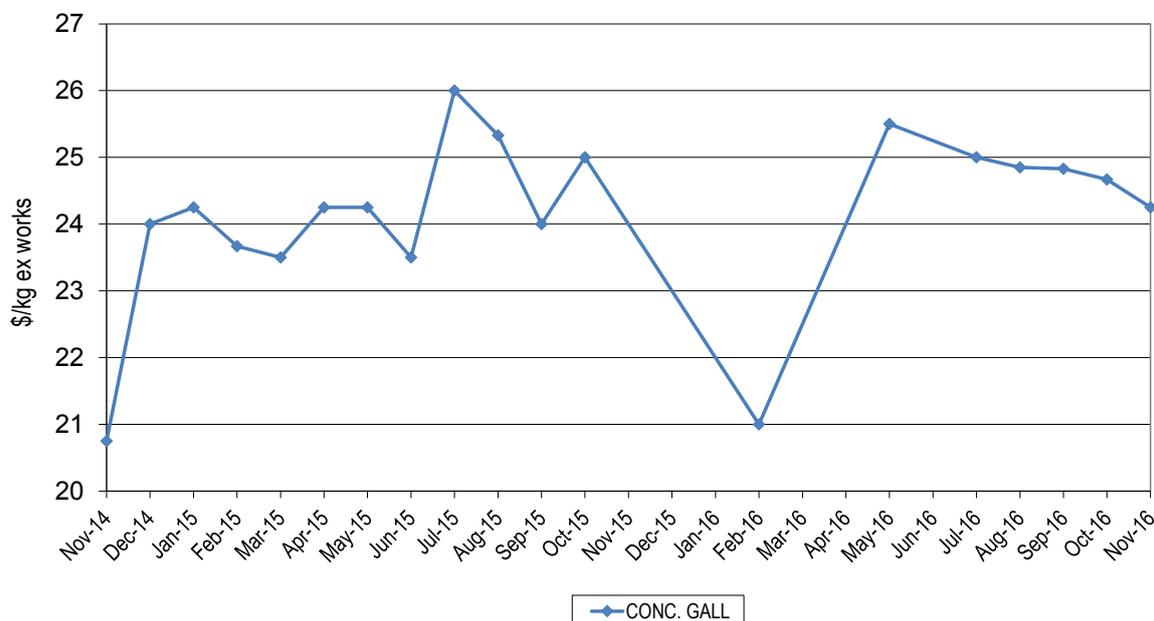
## Pharmaceutical products

Figure 7a: Trends for foetal blood prices



Foetal blood averaged \$380/litre, up \$25.00/litre month-on-month and \$167.00/litre dearer than year-ago levels. The combination of strong demand and on-going lower female slaughter numbers, maintaining reduced supply, is pushing prices up.

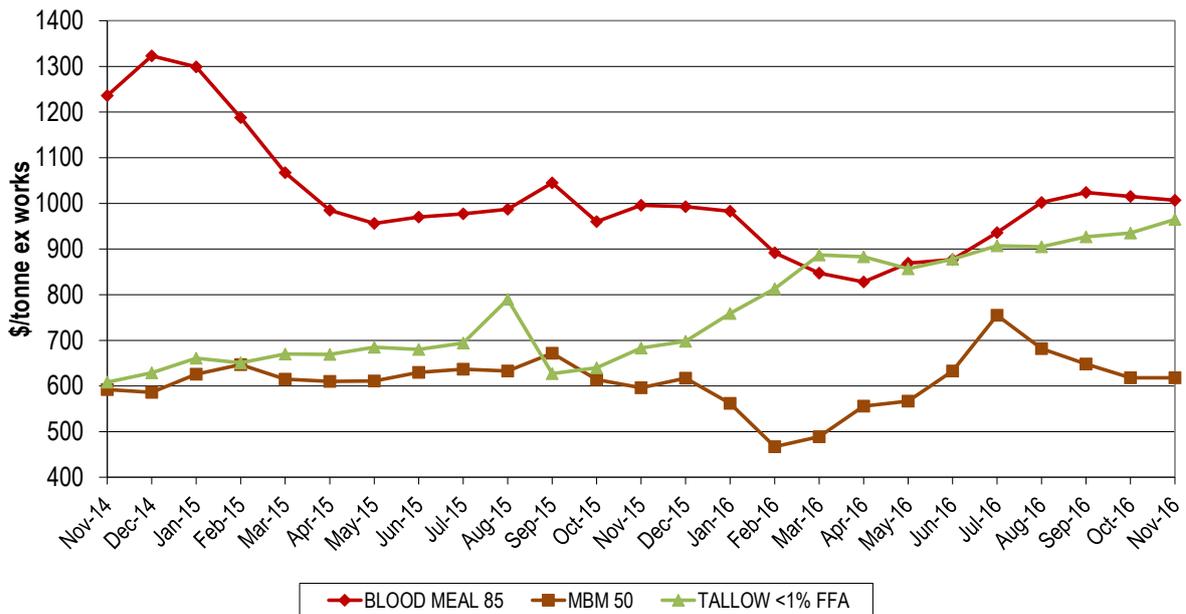
Figure 7b: Trends for concentrated gall prices



Concentrated gall averaged \$24.25/kg in November, which was down 42¢/kg from October, however it was lightly reported.

## Rendered Products

Figure 8: Trends in rendered co-product prices

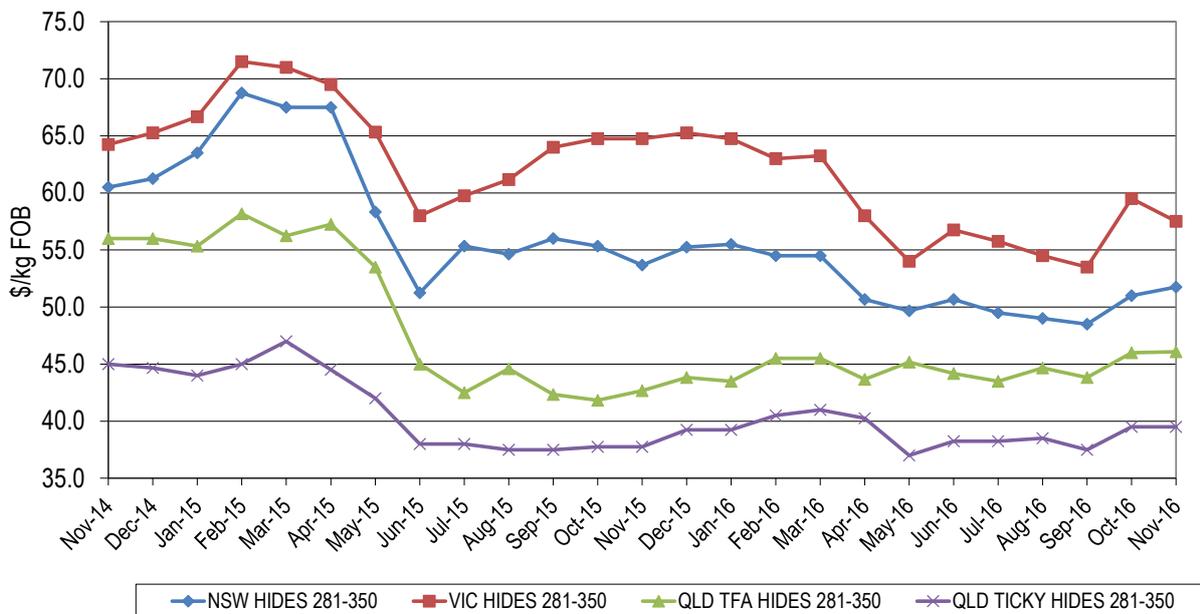


Meat and bone meal (MBM) prices steadied this month, with the price for 50% protein averaging \$618/tonne, on par with last month and \$4/tonne dearer than the same time last year. Blood meal prices remained firm on the back of improved aqua demand and short supply, averaging \$1,007/tonne ex-works, which was down \$8/tonne on last month's price but \$11/tonne higher than last year. The reduced production of rendered product continues to assist rendered protein meal price.

Tallow prices strengthened again, with Singapore keeping up steady demand for bio-diesel production. The price of palm stearin continued its strong performance, also assisting the tallow market. November prices for 1% FFA tallow averaged \$965/tonne, up \$30/tonne on last month and \$282/tonne higher year-on-year.

## Hides

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



Local prices for hides eased slightly with increased production during the month, however overseas markets remained reluctant to commit on the back of strong supply from USA. Lower grades remain difficult to sell while demand remains for the quality end. The environmental issues remain a key issue in China tannery business.

## Beef and veal offal exports (tonnes swt)

Destination	Nov-15	Oct-16	Nov-16	Monthly change	Annual change
SOUTH KOREA	2,063	1,923	2,519	31%	22%
INDONESIA	95	2,175	2,316	7%	2332%
JAPAN	1,550	1,725	1,968	14%	27%
HONG KONG	2,106	1,166	1,844	58%	-12%
SOUTH AFRICA	1,293	1,001	1,053	5%	-19%
MIDDLE EAST	1,664	721	956	33%	-43%
EGYPT	1,467	460	711	54%	-52%
MALAYSIA	371	460	556	21%	50%
THAILAND	494	488	440	-10%	-11%
OTHER	1,773	964	1,212	26%	-32%
<b>TOTAL</b>	<b>12,877</b>	<b>11,083</b>	<b>13,577</b>	<b>23%</b>	<b>5%</b>
Offal cut	Nov-15	Oct-16	Nov-16	Monthly change	Annual change
TRIPE	3,113	2,389	2,935	23%	-6%
LIVER	2,409	1,721	2,277	32%	-5%
SKIRT	1,092	963	1,177	22%	8%
MANUFACTURING	717	920	1,153	25%	61%
HEART	1,128	814	1,098	35%	-3%
TONGUES	758	863	960	11%	27%
TAIL	627	487	694	42%	11%
INTESTINES	403	527	676	28%	68%
CHEEK MEAT	653	421	519	23%	-21%
TENDON	505	412	440	7%	-13%
LIPS	399	464	409	-12%	2%
LUNGS	253	345	376	9%	49%
HEAD	256	276	291	5%	14%
KIDNEY	382	239	284	19%	-26%
SPLEEN	177	236	278	18%	57%
OTHER	4	5	10	108%	169%
<b>TOTAL</b>	<b>12,877</b>	<b>11,083</b>	<b>13,577</b>	<b>23%</b>	<b>5%</b>

Destination	Offal cut	Nov-15	Nov-16	Annual change
Korea	SKIRT	412	647	57%
	CHEEK MEAT	566	417	-26%
	TRIPE	403	365	-9%
	OTHER	682	1090	60%
Indonesia	MANUFACTURING	20	788	3837%
	HEART		455	-
	TONGUES	38	282	-
	OTHER	37	792	2047%

Source: DAWR

Destination	Offal cut	Nov-15	Nov-16	Annual change
Japan	TONGUES	536	664	24%
	SKIRT	607	481	-21%
	INTESTINES	200	309	54%
	OTHER	207	514	148%
Hong Kong	TRIPE	2,003	1,795	-10%
	OTHER	103	50	-51%

### Mutton, lamb and goat offal exports (tonnes swt)

Destination	Nov-15	Oct-16	Nov-16	Monthly change	Annual change
HONG KONG	1,020	901	898	0%	-12%
SAUDI ARABIA	686	670	656	-2%	-4%
PAPUA NEW GUINEA	278	364	341	-6%	23%
UAE	118	92	235	155%	99%
SOUTH AFRICA	111	72	177	147%	60%
CHINA	141	101	113	12%	-20%
US	133	40	74	84%	-44%
OTHER	573	462	483	5%	-16%
<b>TOTAL</b>	<b>3,059</b>	<b>2,702</b>	<b>2,977</b>	<b>10%</b>	<b>-3%</b>
Offal cut	Nov-15	Oct-16	Nov-16	Monthly change	Annual change
LIVER	873	873	1,081	24%	24%
TRIPE	1,203	1,064	1,070	1%	-11%
HEART	386	339	324	-5%	-16%
TONGUES	168	136	156	14%	-7%
KIDNEY	192	159	155	-2%	-19%
HEAD	100	46	101	117%	1%
OTHER	136	84	91	8%	-33%
<b>TOTAL</b>	<b>3,059</b>	<b>2,702</b>	<b>2,977</b>	<b>10%</b>	<b>-3%</b>

Destination	Offal cut	Nov-15	Nov-16	Annual change
HONG KONG	TRIPE	1,008	897	-11%
	OTHER	11.6	1	-89%
SAUDI ARABIA	LIVER	640	579	-10%
	OTHER	46	77	69%

Source: DAWR

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