

BYPRODUCTS REPORT

ISSUE #28 – September 2024

Prices and commentary updated on **06/09/2024**. Price changes in table below reflect movement since the previous report **05/08/24**.

The following feed byproducts can be sourced from northern, western, and central Victoria, Gippsland, and Melbourne.

| 6 September 2024 | Indicative price | Price change | \$/kg DM | \$/100MJ ME | \$/kg CP | \$/kg NDF | \$/kg Sugar | \$/kg Starch |
|--|------------------|--------------|----------|-------------|----------|-----------|-------------|--------------|
| Cottonseed whole 2022 (Ex NSW Riverina) | \$460 | Steady | \$0.49 | \$3.68 | \$2.04 | \$0.97 | \$9.79 | \$48.94 |
| DDG dried (corn) loose (Ex NSW Riverina) | \$330 | Steady | \$0.36 | \$2.66 | \$1.49 | \$1.20 | \$8.97 | \$5.98 |
| Wheat millrun (Ex NSW Riverina) | \$315 | -\$10 | \$0.35 | \$3.10 | \$1.75 | \$0.95 | \$7.00 | \$2.33 |
| Almond Hulls (Ex NSW Riverina) | \$150 | \$10 | \$0.18 | \$1.65 | \$2.94 | \$0.46 | \$0.80 | \$13.57 |
| Canola Meal Solvent (Northern Victoria) | \$595 | Steady | \$0.66 | \$5.37 | \$1.65 | \$2.00 | \$6.61 | \$33.06 |
| Almond Hulls (Northern Victoria) | \$190 | \$35 | \$0.22 | \$2.09 | \$3.73 | \$0.59 | \$1.02 | \$17.19 |
| Citrus Pulp (Northern Victoria) | \$67 | -\$13 | \$0.37 | \$2.86 | \$5.32 | \$1.86 | \$1.43 | \$24.81 |
| Molasses (Central Victoria) | \$425 | Steady | \$0.61 | \$4.34 | \$20.24 | \$75.89 | \$0.87 | \$30.36 |
| Potato Blend (Western Victoria) | \$98 | Steady | \$0.54 | \$4.36 | \$5.73 | \$9.07 | \$13.61 | \$0.77 |
| Potato Blend (Gippsland) | \$98 | Steady | \$0.54 | \$4.36 | \$5.73 | \$9.07 | \$13.61 | \$0.77 |
| Palm kernel extract (Melbourne Port) | \$410 | Steady | \$0.44 | \$3.93 | \$2.73 | \$0.67 | \$10.90 | \$43.62 |
| Canola Meal Expeller (Melbourne) | \$575 | Steady | \$0.64 | \$4.99 | \$1.68 | \$2.13 | \$7.10 | \$31.94 |
| Canola Meal Solvent (Melbourne Port) | \$575 | Steady | \$0.64 | \$5.19 | \$1.68 | \$1.94 | \$6.39 | \$31.94 |
| Soya Bean Meal (Ex Melbourne) | \$780 | \$20 | \$0.87 | \$7.22 | \$1.81 | \$8.67 | \$6.19 | \$30.95 |
| Barley malt combings (Ex Melbourne) | \$398 | Steady | \$0.44 | \$4.02 | \$1.77 | \$1.11 | \$2.95 | \$4.42 |
| Biscuit Meal (Ex Melbourne) | \$500 | Steady | \$0.59 | \$4.36 | \$5.88 | \$7.35 | \$1.96 | \$3.92 |
| Lollies (Ex Melbourne) | \$350 | Steady | \$0.41 | \$3.05 | \$8.95 | \$1.37 | \$1.03 | \$2.75 |
| Bread (Ex Melbourne) | \$340 | Steady | \$0.50 | \$4.10 | \$3.33 | \$5.00 | \$4.55 | \$0.86 |
| Brewers sweet grain (Ex Melbourne) | \$250 | Steady | \$0.63 | \$6.25 | \$3.13 | \$1.56 | \$20.83 | \$4.17 |
| Brewers grain wet (Ex Melbourne) | \$110 | Steady | \$0.52 | \$5.24 | \$2.38 | \$1.16 | \$10.48 | \$10.48 |

Red: very limited/not available, price increase

Orange: limited availability

Green: Available, price decrease

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Commentary

Driving Prices Up

- Cereal Hay price increases, largely driven by dry conditions across the western portion of Victoria has led to increased prices in fibre based products such as Almond Hulls, which have increased approximately 45% since new seasons hulls became available in the Autumn.
- Tight balances on existing Canola Meal contracts remain an issue, with traders walking a tight rope of exhausting contracts in time, but not too soon as new seasons product becomes available. A short or early spring will likely lead to a run on protein-based products as conditions dry. Canola Meal being close to the cheapest protein source available may have increased demand, making that balance even more tenuous.
- Existing supply agreements have kept some of the more tightly held products such as Biscuit Meal and Malt Combing at higher prices for specific uses, such as grain free beef.

Driving Prices Down

- Across most of the Victorian Dairy regions, spring has hit, and cows are on peak pasture intake, meaning less purchased feed required.
- Citrus processing has ramped up with most processing plants needing to move on citrus pulp as quickly as possible, leading to somewhat of a buyers market.
- Local Breweries are running at high capacities in preparation for the Christmas rush on Alcohol.

Local News

- Victorian Ag Minister Ros Spence has just completed a tour of “Green Drought” affected Western Victoria, where dairy leaders met with her. Increased access to RIC loans and drought assistance were items put before the Ag Minister.
- The ACCC is examining a potential takeover of Namoi Cotton by Singaporean owned company Olam. Olam is also the largest grower and processor of Almonds in Australia. This would lead to Olam having significant influence on fibre-based byproducts throughout Southern Australia and Central New South Wales.

There can be a wide variation in quality of byproducts and prices can vary based on product quantity and quality. Nutritional content of reported byproducts can be found (<https://www.dairyaustralia.com.au/industry-statistics/industry-reports/byproducts-report>). The misuse of some feed byproducts can have adverse effects on animal health. Dairy Australia recommends you seek advice from a dairy nutritionist before incorporating byproducts into feed rations.

Byproducts quoted are indicative of supplier value, exclusive of GST and delivery. Prices quoted may not be the cheapest available and buyers are encouraged to evaluate all options. This report has been commissioned by Dairy Australia to provide an independent and timely assessment of the byproducts market. Whilst all reasonable steps have been taken to ensure the accuracy of the information contained in this report, Dairy Australia disclaims all liability to the fullest extent permitted by Australian law for any inadvertent errors and for any losses or damages stemming from reliance upon its content. Dairy Australia recommends all persons seek independent advice and, where appropriate, advice from a qualified advisor before making any decisions about changes to business strategy.