Roost Report

Cracking Open 2026

Trends and forecasts for the upcoming year and a look at events that shaped the end of 2025

Industry

- A recent analysis done by Farm Forward of the USDA inspection records over the last 5 years reveals continued violations of legal maximum Salmonella limits in poultry facilities.
- A new study has revealed a link between livestock manure used as fertilizer and the spread of antibiotic resistance genes.
- Hong Kong's Center for Food Safety of the Food and Environmental Hygiene Department announced at the end of 2025 that they were halting poultry imports from regions in the U.S. and Japan due to HPAI outbreaks.
- The current Trump administration was urged by a bipartisan group of U.S. senators in mid-December '25 to finalize a science-based plan for development of a livestock HPAI vaccine and strategy.
- Details on a $12 billion farm aid package was announced by the USDA in late December '25, but soybean growers are expressing concern that it will not be enough to help recover from low soybean prices and trade disputes.

What does this mean for the producer?

Recent industry developments suggest increasing regulatory pressure, ongoing disease risk, and mixed cost signals for poultry producers. Continued Salmonella violations identified in USDA inspection data are likely to drive tighter enforcement, more rigorous audits, and higher expectations for on-farm and processing-level food safety controls, potentially raising compliance costs. New research linking livestock manure use to the spread of antibiotic resistance genes strengthens the case for closer scrutiny of antibiotic stewardship and nutrient management practices, with possible implications for sustainability standards and environmental regulation. Export vulnerability remains a key concern, as Hong Kong's suspension of poultry imports from HPAI-affected U.S. regions highlights how even localized outbreaks can quickly disrupt access to high-value international markets. At the policy level, bipartisan pressure on the federal government to finalize a science-based HPAI vaccine strategy signals growing recognition that current depopulation-based responses are economically unsustainable, though questions around trade acceptance and implementation timelines persist. Meanwhile, uncertainty surrounding the adequacy of USDA's $12 billion farm aid package for soybean growers underscores continued weakness in oilseed markets, which may help moderate poultry feed costs in the near term but could create longer-term supply and acreage challenges heading into 2026.

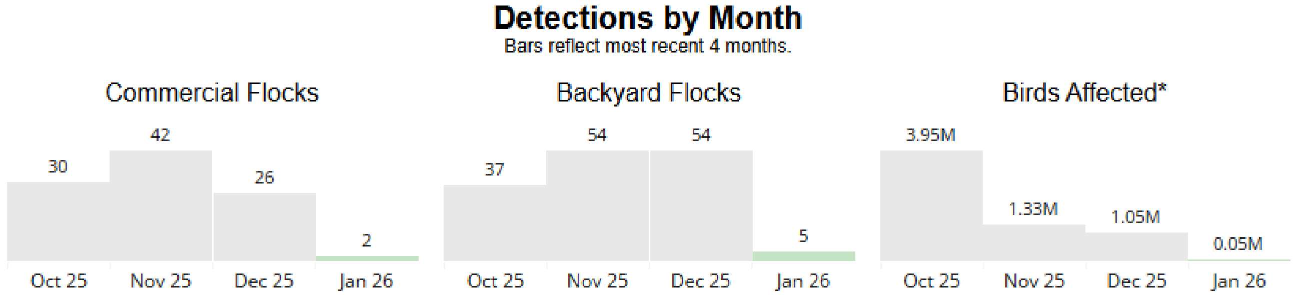
Health

- Between two operations from late September to early October, 5.04 million hens were culled due to HPAI detections in the two locations, which totaled 1.7% of the national flock size as of September 1st, 2025.
- HPAI outbreaks continued through late 2025, with approximately 6.33 million birds affected from October to December.
- The rise in HPAI cases with fall migration occurred earlier than historically seen.
- A spillover event of HPAI from wildlife to cattle, separate from previous outbreaks, has been detected in a Wisconsin dairy herd. The virus was identified as H5N1 clade 2.3.4.4b genotype D1.1.

What does this mean for the producer?

Recent HPAI developments underscore heightened disease risk and continued volatility for poultry producers heading into 2026. The culling of 5.04 million hens across two operations in late September and early October—representing roughly 1.7% of the national flock at the time—demonstrates how single, large-scale detections can quickly tighten egg supply and disrupt regional production planning. HPAI pressure persisted through late 2025, with a total of 6.33 million birds affected from October through December, reinforcing the reality that outbreaks are no longer confined to isolated seasonal windows and continue to erode flock stability. Notably, the rise in cases associated with fall migratory bird movement occurred earlier than historically observed, suggesting a shift in disease dynamics that may require producers to implement biosecurity measures sooner and maintain them for longer periods each year. Compounding these concerns, the detection of a spillover HPAI event from wildlife into a Wisconsin dairy herd—identified as H5N1 clade 2.3.4.4b genotype D1.1—highlights the expanding host range of the virus and raises broader biosecurity and surveillance implications for mixed-livestock regions. Collectively, these developments point to sustained disease pressure, increased operational risk, and a growing need for long-term solutions beyond stricter biosecurity practices and reactive depopulation strategies.

Confirmed HPAI Detections as of January 5th, 2026



https://www.aphis.usda.gov/livestock-poultry-disease/avian/avian-influenza/hpai-detections/commercial-backyard-flocks

RALCO

Market

(data from USDA, Economic Research Service and National Agricultural Statistics Service)

Broilers

- Q3 production of '25 reached 12,436 million lbs, 3.6% up year over year. Q4 production of '25 is projected to total 12,200 million lbs, 2.5% up from Q4 of '24. Total production for '25 is projected at 48,086 lbs, 2.3% up from '24 production.
- Production projections for 2026 are adjusted up for November and December of the year on predicted lower feed costs and favorable margins.
- The final prediction for 2026 production is 48,550 million lbs, which would be 1% up from '25
- The national composite whole broiler average price was 121.89¢/lb in Q3 of '25. There was a downward weekly average price trend that continued through Q4, resulting in an average price in October of 107.8¢/lb, which is 21.12¢ down year over year.
- The 2026 projected average price was adjusted down 6¢/lb to 125¢/lb.
- 2026 exports are expected to increase 1% year over year, which would total 13.8% of total U.S. broiler production.

Table Eggs and Egg Layers

- August '25 table egg production reached 632.2 million dozen, 2.2% down from August '24, largely due to a 1.5% smaller laying hen inventory year over year of 299 million and a 0.7% year over year decline in lay rate of 81.8 eggs/100 hens/day.
- The November WASDE production projections for Q4 of '25 is adjusted down by 10 million dozen eggs to 1,915 million dozen, resulting in a total '25 projection of 7,388 million dozen, down 4.5% from '24.
- The production projection for 2026 is unchanged at 7,950 million dozen, which would be 7.6% higher than '25 production. However, this number assumes there will be no further HPAI cases in commercial lay flocks.
- October's data shows egg prices were down 149.8¢/dozen year over year after a peak in inventory in late September. This downward price trend is reflected in the November WASDE where the '25 Q4 price prediction was lowered to 215¢/dozen, and the 2026 average price prediction was lowered to 195¢/dozen. These predictions were unchanged in the December '25 WASDE.

Turkeys

- Turkey production projections for '25 are raised in the December WASDE to 4,822 million lbs from November's projections of 4,807 million lbs. Production projections for Q4 specifically were decreased by 10 million lbs because of expected HPAI losses, though fewer birds were affected in November '25 than November of '24.
- Wholesale frozen whole hen turkey price projections for Q4 '25 are raised 1¢/lb to 170¢/lb, largely due to elevated prices leading up to and following the weeks surrounding Thanksgiving when prices fell to 167.57¢/lb, resulting in a 2025 average of 135.2¢/lb. The 2026 price projection is raised 3¢/lb for the first half of the year to an average 143¢/lb.

Corn

- No changes were made to the USDA's estimates for the 2025/26 U.S. corn supply in December '25 from November '25. The January production update from USDA's NASS will include updates based on data from the final stages of harvest.
- While supply predictions remain unchanged, the demand forecast for 2025/26 U.S. corn exports are increased by 125 million bushels to 3,200 million bushels based on data from the U.S. Bureau of the Census and USDA, Agricultural Marketing Service.
- December '25 price reports no change in season-average farm price at $4.00/bushel after a 10¢ increase in November.

Soybeans

- The ending stocks forecast for 2025/26 of U.S. soybeans remains unchanged in December '25 at 290 million bushels.
- Soybean price projections also remain unchanged from November '25 numbers at $10.50/bushel, which is higher than the $10/bushel price we saw during MY 2024/25.
- Due to unchanged supply and demand forecasts, soybean meal and soybean oil prices remain at $300/short ton and $0.53/lb, respectively.

What's ahead for these markets?

While broiler production is strong and egg supplies show upward potential, turkey supplies remain tight. The ongoing risk of HPAI and international demand trends will likely be key price drivers of poultry meat and eggs as we head into 2026. The corn market is going into 2026 with a large supply backed by a strong export demand. However, higher carryout stocks and cost pressures could potentially constrain any bullish price moves absent any major demand changes or severe weather implications. The U.S. soybean market will likely remain relatively stable in 2026 with adequate supplies. Export demands, while stronger year over year in late '25 in markets outside of China, are still being impacted by low purchases from China following trade disruptions. Soybean exports to China are expected to be higher for 2026, but competition from Brazil could impact export volume negatively. There are, however, opportunities for the U.S. to mitigate some potential losses in the market largely due to strong domestic crush activity, but also considering lower projected soybean output from Argentina.

Questions?

Ask a member of Ralco's poultry team.

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Sources available upon request