



Roost Report



March(ing) Into Spring

2026 has brought global conflicts, record disease pressure, evolving domestic policies... and March isn't even over yet.

Industry

- Reports of increasing mycotoxin prevalence, severity, and co-contamination are sparking concerns and conversations about potential causes and the need for improved regulatory framework surrounding the issue.
- Cobb-Vantress has introduced a new genetic line of broiler breeder, the Cobb800.
- A new bio-technology technology developed by a group of Kazakh scientists is able to triple shelf life of chilled poultry.
- Costco is facing a class action lawsuit regarding Salmonella presence in their rotisserie chicken after claims of a processing plant in Nebraska failing safety standards for salmonella contamination were made by an animal rights nonprofit.
- USDA has proposed raising poultry processing line speeds to up to 175 birds per minute for young chickens and 60 for turkeys, aiming to improve efficiency and lower costs while maintaining inspection oversight, though the changes have raised concerns about worker safety and food safety risks.

What does this mean for the producer?

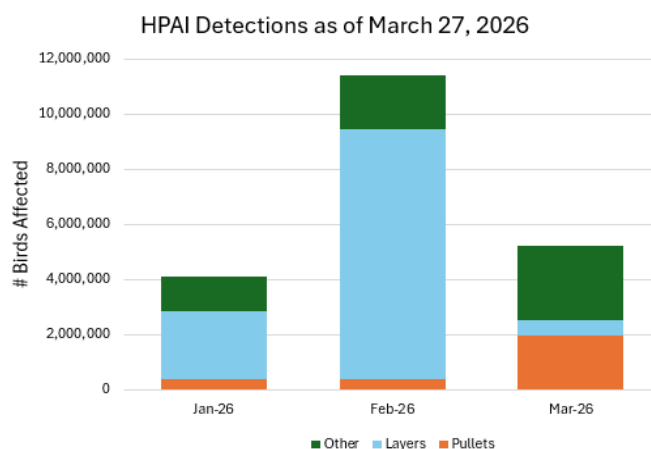
Recent developments across nutrition, genetics, processing, and food safety highlight both innovation and increasing scrutiny within the poultry industry. Rising reports of mycotoxin prevalence, severity, and co-contamination are elevating concern among producers and nutritionists, potentially driving greater demand for improved testing, mitigation strategies, and a more defined regulatory framework as feed risk becomes more complex. At the same time, the introduction of the Cobb800 by Cobb-Vantress shows continued genetic advancement aimed at improving breeder performance and overall production efficiency, offering potential gains but also requiring careful management to maximize benefits. On the technology front, new biotechnology capable of tripling the shelf life of chilled poultry could have significant implications for reducing waste and expanding distribution opportunities, though adoption, costs, and scalability will determine its real-world impact. Meanwhile, legal and food safety pressures remain high, as evidenced by a class action lawsuit involving Costco over alleged Salmonella contamination, reinforcing the importance of strict compliance and risk management throughout the supply chain. Finally, USDA's proposal to increase poultry processing line speeds is part of a broader strategy to strengthen the supply-chain, lower food costs for consumers, and increase domestic meat-processing capacity. This proposal would update existing requirements that are largely outdated for facilities operating under modern inspection systems, but it also raises ongoing concerns around worker safety and food safety oversight.

Health

- Over 20.5 million birds have been affected by HPAI so far this year, as of late March.
- Newcastle disease is spreading further into Europe, affecting several countries. Poland is seeing the worst outbreak as of mid-March.
- Researchers from The Pirbright Institute collaborating with six other organizations have found mutations in the polymerase genes of the B3.13 genotype of H5N1. These genes are required for viral replication after a spillover event, and the mutations provide evidence of the virus's adaptation to mammals which, according to Dr. Thomas Peacock at The Pirbright Institute, "...improves the virus's ability to replicate in cattle and heightens the risk of zoonotic spillover."
- A study from the University of Hawai'i found that as laying hens age, changes in gut health reduce nutrient absorption and egg production, and genetic and nutritional strategies could improve productivity by 1–2% and help stabilize the egg supply.

What does this mean for the producer?

The continued spread of Newcastle disease across Europe, with a particularly severe outbreak in Poland, underscores the persistent threat of transboundary diseases and reinforces the importance of vaccination programs, surveillance, and biosecurity—even for U.S. producers monitoring global risk signals. At the same time, new research from The Pirbright Institute identifying mutations in the polymerase genes of the H5N1 B3.13 genotype suggests the virus is adapting to mammals, potentially increasing replication efficiency in species like cattle and raising concerns about future zoonotic spillover and evolving disease dynamics. Complementing these risks, research from the University of Hawai'i shows that age-related declines in gut health are a key factor limiting egg production in laying hens, with targeted genetic and nutritional strategies offering a potential 1–2% productivity improvement—an incremental gain that could have meaningful impacts on supply and profitability especially given the pressure HPAI is putting on laying hen and pullet inventories. As of mid-March, HPAI has affected over 20.5 million birds, nearly 40% of the total birds lost to HPAI all of 2025. Considering spring migration season is just getting started, and fall migration season will bring another spike in cases, the U.S. could potentially see historic losses due to HPAI this year, which would have severe implications on domestic supply and demand, costs, and exports.



Market

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

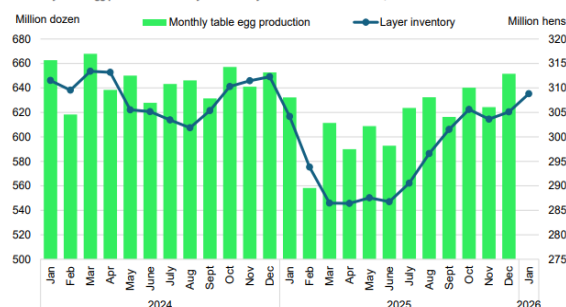
Broilers

- 2025 production totaled 48,006 million lbs, ~2.1% greater than 2024 production.
- Slaughter and average live weight totals from 2025 were up year over year by 1.3% and 0.9%, respectively.
- Q1 and Q2 production projections for '26 were adjusted up, but projections for the rest of the year remain unchanged, resulting in a projected '26 total production of 48,700 million lbs, which would be a 1.4% increase year over year.
- Projected '26 average price was adjusted slightly down to 124¢/lb based on recent price trends.

Table Eggs and Egg Layers

- The average layer inventory in '25 was 307 million hens with an average lay rate of 82.2 eggs/hen/day. Inventory as of Jan '26 was 311.3 million hens, up ~1% year over year.
- 2025 table egg production totaled 7,497 million dozen, a 3.8% decrease year over year.
- U.S. laying hen losses due to HPAI in '25 totaled 41.8 million hens, and the laying hen inventory in April '25 was the lowest it has been since 2015 at 286.4 million hens.
- Due to HPAI losses early this year, Q1 and Q2 egg production projections were each lowered 10 million dozen, resulting in a '26 total projection of 7,855 million dozen. This would be a 4.8% increase year over year but assumes no further HPAI losses.
- Daily NY wholesale price in January '26 was the lowest average price for a dozen large shell eggs since June '21. However, prices steadily increased through February as HPAI losses began increasing. Nearly 9.5 million laying hens were lost in February of this year.
- Q1 and Q2 price projections were each adjusted down by 10¢/doz, resulting in a new average price prediction for '26 at 117.5¢/doz, down 25¢/doz from '25 average. Lower prices have increased projected egg consumption by 12.5 eggs/person in '26.

Monthly table egg production and layer inventory on the first of the month, 2024-26



Source: USDA, Economic Research Service calculations using data from USDA, National Agricultural Statistics Service.

Turkeys

- 2026 estimated turkey production has been decreased to 4,930 million lbs, higher than the estimated 4,844 million lbs in '25.
- Predicted prices in Q1 and Q2 of '26 were raised 2¢/lb and 5¢/lb, respectively, increasing the estimated average price for '26 to 155.5¢/lb for frozen whole hen turkeys.

Corn

- Ending stocks for the '25/'26 marketing year are down 100 million bushels to 2.127 billion bushels due to increased export projections.
- The revised stocks-to-use ratio for '25/'26 is 13%, which the USDA compared to the 5-year average of just under 10%.
- The season average price for corn is unchanged in February at \$4.10/bushel.

Soybeans

- Supply and demand projections for U.S. soybeans saw no change in February's domestic outlook.
- The season average price received by farmers is \$10.20/bushel, while the ending stocks for the current MY are at 350 million bushels.
- The forecasted season average price of soybean meal for the current MY is also unchanged at \$295/short ton.

What's ahead for these markets?

Moving further into 2026, U.S. poultry production is expected to continue seeing growth as strong consumer demand for chicken and eggs partnered with relatively competitive prices support higher output. The USDA is projecting moderate increases in broiler, egg, and turkey production in 2026 compared to last year. Corn supplies in the U.S. are ample and exports have been strong, resulting in prices staying around the \$4-\$4.50 range despite solid global demand, which helps limit feed cost increases for livestock and poultry operations. Soybean markets present a more mixed picture with high U.S. production and increasing ending stocks weighing on prices. Soybean meal prices are remaining moderate, supporting feed affordability in the near future. However, trade tensions, particularly with China, and competition with countries such as Brazil continue to put pressure on soybean markets while long-term oilseed consumption is being supported by strong domestic processing demand and biofuel policies. These outlooks suggest that poultry producers may benefit from relatively favorable feed costs and strong demand, but profitability will likely continue depending on export markets, disease risks such as HPAI, and global trade conditions.

Impact of Current Global Conflict

The ongoing conflict involving Iran is creating significant ripple effects across energy, feed, and agricultural markets, with both short- and long-term implications for U.S. poultry producers. In the short term, disruptions to the Strait of Hormuz, a critical global trade route, have driven sharp increases in oil, fertilizer, and freight costs. Diesel prices are up over 40% and fertilizer prices are rising as much as 20-40%, directly increasing production and feed costs across the poultry supply chain. At the same time, rising corn prices and higher shipping costs are already being observed globally, signaling upward pressure on feed costs, which could tighten margins for producers and integrators. Over time, continued disruptions to supply chains could reduce crop output and shift planting decisions, leading to tighter grain supplies and more variable feed costs into 2026. In the long run, this conflict could raise costs across the board and increase worries about food availability, while encouraging businesses to shift supply chains closer to home and rely more on domestic production. For poultry producers, this environment suggests continued cost uncertainty, greater emphasis on feed efficiency and risk management, and potential opportunities if global protein supplies tighten—though overall profitability will depend heavily on how long energy and input market disruptions persist.

Questions?

Ask a member of Ralco's poultry team.

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Sources available upon request

