Roost Report

Changes *May* be Coming

Exploring potential impacts of evolving markets, disease responses, and research

Industry

- The U.S. Federal Trade Commission has been investigating fertilizer prices after spiking following conflicts in the Middle East.
- NDSU experts outlined what the Strait of Hormuz disruption could mean for fertilizer purchasing in the U.S. and potential risks for producers (Table 1).
- President Trump met with China's President Xi Jinping, resulting in a $17 billion purchase commitment of US agricultural products by China through 2028.
- A HPAI vaccination plan for laying hens has been finalized by the U.S. egg industry.
- New research by the Roslin Institute supports claims of improved chick health when exposed to light during incubation.

Table 1. Projected Wholesale NOLA Fertilizer Prices at Key U.S. Purchasing Windows Under Three Strait of Hormuz Scenarios

Product/Window	Quick Reopening ($/st)	Contested Transit ($/st)	Extended Conflict ($/st)
Urea (2025 avg. $398/st; pre-crisis $470/st)			
Fall prepay/post-harvest bookings (Oct-Dec 2026)	636	733	989
Winter fill/winter bookings (Jan-Feb 2027)	564	643	945
Spring spot/top-off (Mar-May 2027)	542	590	791
DAP (2025 avg. $685/st; pre-crisis $622/st)			
Dealer fill/farmer booking (Jul-Sept 2026)	838	855	907
Fall application (Oct-Nov 2026)	835	865	943
Spring application (Mar-Apr 2027)	809	840	910

Note: NOLA wholesale $/short ton. 2025 averages are from Bloomberg Terminal. Pre-crisis is defined as the NOLA spot on Feb 27, 2026. Scenario values are NDSU model projections averaged over each purchasing window. Source: NDSU using Bloomberg Terminal and scenario values reported in Arita et al. (2026c).

What does this mean for the producer?

Poultry producers are facing potential feed cost increases and volatility, especially with the ongoing scrutiny of fertilizer price spikes following geopolitical tensions in the Middle East and supply chain disruptions that include the closing of the Strait of Hormuz. However, supportive demand signals may offset some of this risk. The recent Trump-Xi agreement and China's commitment to purchase additional U.S. agricultural goods through 2028 (excluding soybean purchases) improves export outlooks for key poultry inputs and markets while indirectly supporting feed ingredient demand. Relating to animal health and production, the U.S. egg industry, led by industry professionals, has finalized a vaccination proposal for HPAI that centers around a "vaccination zone" approach. This approach, if approved by the USDA, would include a vaccine rollout that prioritizes and targets high-risk states and covers laying hens and potentially turkeys. Vaccination of broilers was explicitly excluded as potential trade implications in that segment of the industry are severe. Lastly, research on light conditions during incubation shows evolving incubation technologies that producers may benefit from.

Health

- University of Nebraska-Lincoln researchers developed a H5N1 vaccine that has demonstrated high efficacy in dairy calves.
- The Dutch government is working on a plan that would make vaccinating laying hens mandatory for farmers.
- UK researchers identified mutations in H5 avian influenza viruses that impact the efficacy of poultry vaccines.
- Three large, multistate Salmonella outbreaks have been linked to contact with backyard poultry and resulted in a human death.
- Following months of Newcastle disease (NDV) circulation across Europe, the UK government has raised their risk level from low to medium, reflecting migratory bird activity increases.
- New research supports the use of synbiotics to improve gut health and mitigate lameness caused by bacterial chondronecrosis with osteomyelitis (BCO), a challenge similar to kinky back, in broilers.

What does this mean for the producer?

The development of an avian influenza vaccine for livestock and potential mandated vaccinations for HPAI in the Netherlands shows the continued rise in attention surrounding HPAI vaccination and the importance of mitigating domestic risk resulting from the virus. However, even with support of a vaccine to be used in U.S. poultry, new research out of the UK shows that mutations in the virus could reduce the effectiveness of such a vaccine over time. Therefore, while conversations surrounding HPAI vaccination are important and support ongoing research and learning, it is also important that the industry consider risks of these vaccines to not only trade, but to future vaccine efficacy and virus spread.

Although HPAI remains a threat to the poultry industry, disease pressure related to Salmonella in the U.S. and NDV in Europe are seemingly on the rise. Over 180 human cases of Salmonella illness across 31 U.S. states have been reported recently across three multistate outbreaks, all of which are seemingly tied to contact with backyard poultry. The largest of the outbreaks had a notably high amount of people reporting contact with ducks. Salmonella impacts consumer perception even when outbreaks aren't associated with commercial poultry, and outbreaks like these underscore the importance of biosecurity and limiting employee interactions with outside poultry. Across the globe, NDV is continuing to spread throughout Europe, and is posing a serious risk to poultry production in countries such as Spain, Poland, and Germany. As persistent disease risks evolve, it is important for poultry producers to stay vigilant and proactive when it comes to protecting their flocks. Following strict biosecurity, vaccination, and management protocols are important to prevent disease spread and production loss. Products such as synbiotics, as proven by new research, can help further support bird health and immunity when certain challenges arise.

Market

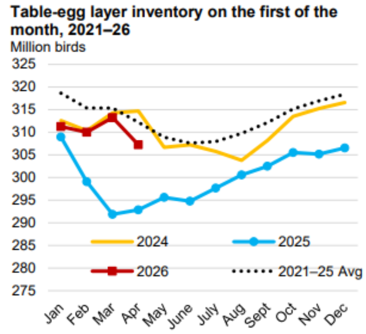
(data from USDA, Economic Research Service and National Agricultural Statistics Service)

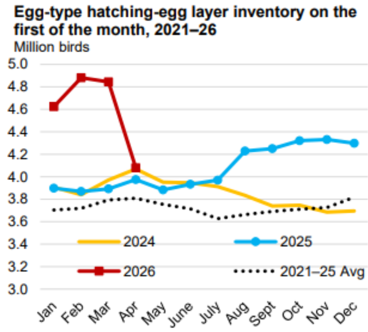
Broilers

- Broiler production in March was up 9.5% year over year, largely due to an 8.3% increase in slaughters and a 0.9% increase in average weights.
- Q1 broiler production is up 3.7% year over year, with Q2 and Q3 predictions raised 50 and 100 million lbs, respectively, increasing the projected production for the year to 49,146 million lbs, a 2.4% increase from 2025.
- Production projections for 2027 show a 0.9% increase from 2026. This would be the slowest growth rate since 2023, but the 15th consecutive year that production has grown.
- Broiler price projections are lowered through the rest of the year, leading to an annual average price prediction of 121.9¢/lb for national composite wholesale broilers in 2026. The projected 2027 average price is estimated at 124¢/lb.

Table Eggs and Egg Layers

- March table egg production was up 5.6% year over year, largely due to a 6.1% increase in laying hen inventory, resulting in a Q1 average production that was 4.2% higher than Q1 of 2025.
- Projected production through the rest of 2026 is lowered based on inventory data, but is still 4.4% up from 2025 production.
- Daily NY wholesale egg prices in April averaged 68.1¢/doz eggs, down 87¢/doz month over month.
- Due to recent price data, projected prices through Q3 have been lowered, leading to a new projected 2026 yearly average of 97.6¢/doz.
- Price projections for 2027 show a yearly average wholesale table egg price at 110¢/doz.





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

Turkeys

- Turkey production in March was up 13.6% year over year, largely based on a 7.3% increase in slaughter numbers and a 5.6% increase in average weights.
- The number of turkey eggs in incubators on April 1 was 2% higher year over year. Due to this improvement in data coming from the hatchery, the annual production projection is increased to 5.055 million lbs, 4.3% higher than 2025 but still lower than pre-2022 production.
- Average turkey price projections were increased through Q2, but remain unchanged in Q3 and Q4, resulting in a new annual price projection of 160¢/lb. Average wholesale price for frozen whole hen turkeys in 2027 is projected at 130¢/lb.

Corn

- Supplies are expected to tighten in '26/'27 with a forecasted 6% smaller corn crop, 3.5 million less corn planted acreage, a 4% lower corn harvested acreage, and 3.5 bushels/acre less in yield compared to record '25/'26 production. Despite this, projected '26/'27 production would still be the second highest on record, as would the total supply considering elevated beginning stocks (highest level since '19/'20) and marginal import contributions.
- Ending stocks-to-use ratio is expected to decrease to 12.1% in '26/27 from this season's projected 13%.
- The season-average farm price for '26/'27 corn is projected at $4.40/bushel, up 25¢/bushel from the '25/'26 forecasted price.

Soybeans

- U.S. production is projected 4% higher for '26/'27, largely due to increases in planted acreage and trend yield.
- Ending stocks of soybeans for '26/'27 are projected 30 million bushels less than '25/'26 numbers, largely due to high demand both domestically and internationally.
- The season-average farm price for '26/'27 soybeans is projected at $11.40/bushel, up $1,00/bushel from '25/'26.

What's ahead for these markets?

Based on the USDA outlooks, poultry production is expected to continue growing modestly. This is supported by strong broiler production data and stable consumer demand, although prices could remain under some pressure and export growth may be limited due to global competition, slower demand in certain export markets, and domestic market strength. Cage free egg producers may be feeling some strain due to high supplies resulting from a large layer inventory, but recent data shows these numbers may be on the decline which would bring balance back to that market. On the grain side, corn supplies are projected to tighten as production drops from the record '25/'26 crop. This is likely going to result in a lower ending stock and an increase in corn prices, which could, in turn, raise the cost of finished feed for poultry producers. This increase in finished feed cost will likely be exacerbated by soybean prices, which are also expected to rise. The projected price increase of U.S. soybeans is driven by record domestic crush demand driven by soybean oil and biofuel consumption, strengthening export prospects, and lower ending stocks, despite a larger expected crop. Overall, despite the slightly higher expected feed costs due to corn and soy markets, improvements in production data and demand should help offset some of those cost pressures, resulting in a relatively stable outlook for poultry producers and the industry as a whole.

Questions?

Ask a member of Ralco's poultry team.

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Sources available upon request