Global poultry quarterly Q2 2026

Solid global chicken demand, rising geopolitical risks and volatility

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Strong chicken market, but Iran conflict changes the outlook

- The global poultry industry **outlook remains strong, with 2.5%-3%** growth expected in global consumption. Asia Pacific and Southern Asia continue to drive expansion, while Europe is seeing ongoing strong consumption. Market growth will occur in in a changing context, with weaker economic conditions, price inflation and more price-driven consumer demand. Poultry demand will benefit from poultry's price-competitive position, improved availability due to new greenfield investments, and ongoing product and market development.
- **The largest uncertainty is the conflict in the Middle East,** which could disrupt the global economy (especially Asia Pacific and Africa due to oil dependency), increase consumer price inflation, raise feed prices via fertilizer costs and trade disruptions, and affect poultry trade. The Middle East is a key import market for Brazil, the EU, Ukraine, and Russia. Asia-Pacific and Africa are also major import markets.
- **Another great risk lies in food security for Gulf nations** reliant on imports that pass through the Strait of Hormuz. This impacts chicken imports for Gulf region consumption and the trade of inputs for local production, like feed and genetics. Alternative routes or guided marine travel might become crucial to secure local food security if disruption persists.
- **Operationally, avian influenza remains the most significant biological risk,** with major outbreaks continuing in Northern Hemisphere countries and risks gradually shifting south. **Feed prices are expected to stay relatively stable**, although the conflict in the Middle East and uncertain Chinese corn and soybean purchases from the US introduce upward volatility risks.
- **The best-performing regions** include Europe, southeastern and southern Asia, and South Africa, while the US, Mexico, and Brazil struggle with oversupply and low prices, highlighting the need for stronger supply discipline. However, all regions, and especially Asia and Africa, might be impacted by the changing, more price-driven conditions, depending on duration of the conflict.
- **Global trade growth remains limited (1%-1.5%) and will be more price driven,** as many countries – including MEA markets, China, and parts of Asia – prioritize local production, while the conflict in the Middle East creates shifts in global trade flows and price volatility.

Main global themes for 2026

- Geopolitics will be a main theme to watch in 2026, especially the conflict in the Middle East and the impact it could have on global and local poultry markets through a weaker economy, higher feed-price volatility, changing trade flows, and rising food-security challenges in the Gulf region.
- The Mercosur-EU trade agreement will likely come into effect, which will increase chicken export volumes to the EU. The upcoming USMCA evaluation, scheduled for 1 July, may also influence North American trade.
- Avian influenza remains a key concern for the global poultry industry. As Northern Hemisphere countries gradually move into spring, the risk will shift toward Southern Hemisphere producers, including Brazil.
- Global trade flows are shifting, with China moving from a major net importer to a highly competitive exporter of chicken. This is particularly challenging for exporters such as Thailand and Brazil, as well as for local industries in markets where Chinese chicken is being imported. Brazil will need to diversify its export destinations to reduce the impact of the Middle East conflict and lower Chinese import demand. Turkey and Saudi Arabia could play an important role in supporting local gulf countries with food security challenges, but, for Turkey, chicken exports are currently blocked due to local price inflation concerns.

Source: *RaboResearch 2026*

Global poultry markets summary

US: Prices soft on higher production

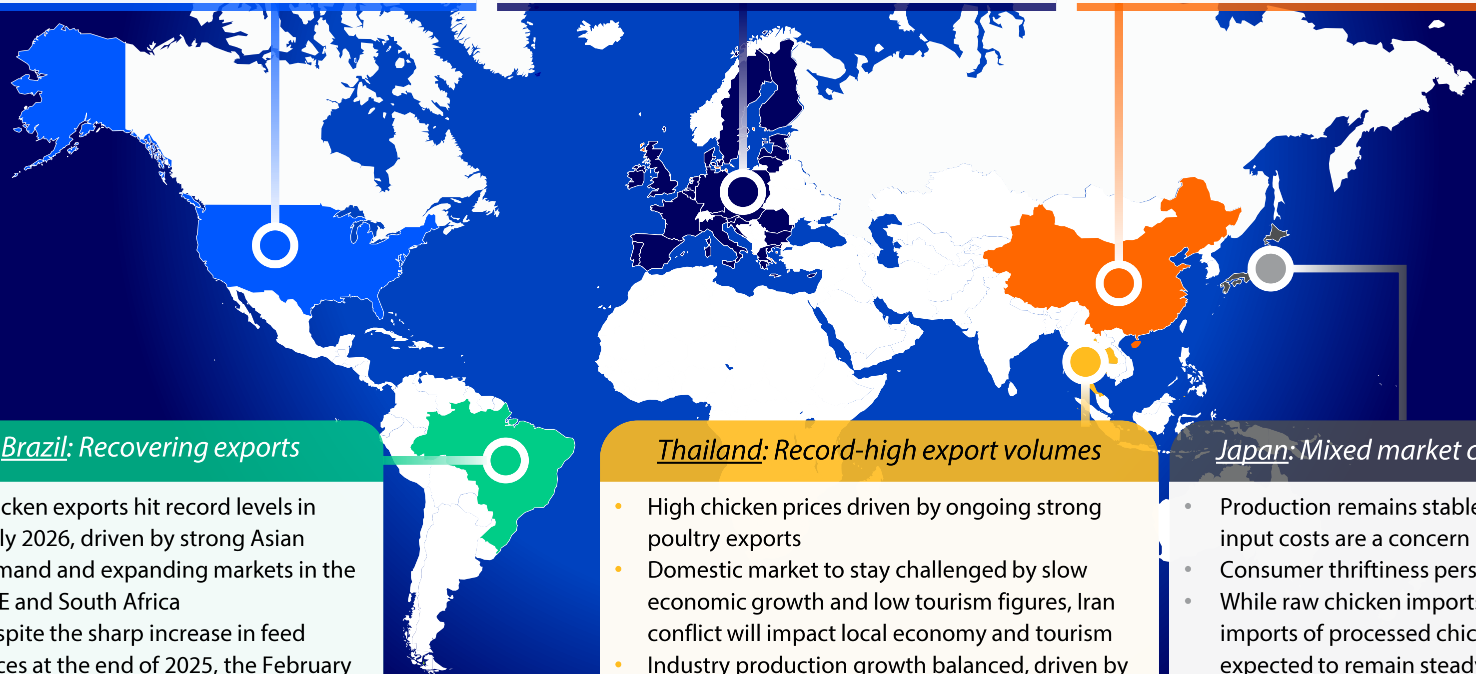
- Chicken production increasing on improved health and heavier weights; projecting larger supplies through 1H 2026
- Demand is still strong despite slightly softer foodservice sales; grocery sales also robust
- Exports end the year -3% in volume; expected to improve modestly in 2026

Europe: Strong chicken demand

- Ongoing strong chicken prices are driven by strong European chicken demand and tight hatching egg supply with rising prices
- There are bird flu challenges in northwest Europe and Poland
- Growth is mainly in southern and eastern Europe
- The Iran conflict will impact consumer purchasing power and feed prices may rise

China: Rapid growth in production

- Poultry supply remains high, depressing prices in the coming quarter
- Feed prices rose slightly, in response to rising geopolitical tensions
- Export suspension to the Middle East adds pressure to local inventory of export-oriented companies



Brazil: Recovering exports

- Chicken exports hit record levels in early 2026, driven by strong Asian demand and expanding markets in the UAE and South Africa
- Despite the sharp increase in feed prices at the end of 2025, the February 2026 price was still 10% lower YOY

Thailand: Record-high export volumes

- High chicken prices driven by ongoing strong poultry exports
- Domestic market to stay challenged by slow economic growth and low tourism figures, Iran conflict will impact local economy and tourism
- Industry production growth balanced, driven by ongoing relatively tight hatching egg supply

Japan: Mixed market conditions

- Production remains stable but rising input costs are a concern
- Consumer thriftiness persists
- While raw chicken imports are sluggish, imports of processed chicken are expected to remain steady

Source: *RaboResearch 2026*

Global market outlook

Ongoing high poultry market growth, but geopolitics and avian influenza is pushing up industry volatility

State of the industry: Strong consumption but rising volatility

Global poultry markets continue to benefit from strong global chicken consumption. Consumption growth in 2026 is heading toward 2.5%-3%, following a very strong 3.5% increase in the previous year – both above the historical average of 2.4%. Improving economic conditions, rising consumer confidence, and high beef prices are supporting demand. Most consumption growth is occurring in the Asia Pacific region, driven by strong increases in China, India, and Southeast Asia (most markets growing 3%-5%). Europe is also experiencing robust growth despite operational challenges caused by avian influenza and difficulties in farm expansion. The Middle East and Africa have been major growth engines as well, although the recent conflict in the Middle East and attacks in the Gulf region are expected to slow momentum.

However, strong demand has not automatically translated into improved market conditions. Oversupply is a key issue in several markets: China has expanded production by 7.5%, outpacing demand. The US and Brazil are also facing oversupply pressure, leading to lower prices and weaker margins. At the same time, global poultry trade is growing only 1.2%, limiting opportunities to balance local oversupply. Competition is increasing, particularly from China, which has now become a net exporter.

The best-performing markets continue to be Europe (EU/UK), South Africa, Thailand, India, Indonesia, and the Philippines – all benefiting from strong demand coupled with balanced supply growth.

Outlook 2026: More growth, but geopolitics-driven volatility is pending

The global poultry market outlook for 2026 remains moderately optimistic, but the industry is moving into a new phase of volatility, driven especially by geopolitics. The conflict in the Middle East is a major new risk factor (see also our note on the impact of the Iran conflict on the global and regional poultry industry). Its potential impact includes disruption to the global economy, higher fertilizer prices, affecting global grains and oilseeds, and increased food security risks in the Middle East and Africa. Poultry trade will likely be disrupted, as the Middle East is a key export destination. The scale of the impact will depend heavily on the duration and scope of the conflict. If the conflict remains contained, consequences may be limited. If more countries become involved or the conflict lasts for months, the impact could be significant.

Economic conditions are also expected to weaken worldwide but especially in several Asia Pacific and African countries that depend heavily on the Gulf region. This may make consumers more price-conscious, slowing consumption growth – although poultry and eggs will remain the most affordable proteins.

A major concern is the feed market. Gulf nations are important suppliers of nitrogen- and ammonia-based fertilizers, and prices have already begun to rise. This could push up feed costs, driven by rising prices of grains and oilseeds. Food security will be the main challenge. Both local MEA production and global poultry trade flows may face disruptions. Importing and exporting countries will feel the impact, particularly if shipping routes remain constrained.

Despite the uncertainty, poultry is expected to remain the winning protein, with global growth of 2.5%-3% projected for 2026. The strongest growth is expected in Asia Pacific, South Asia, Europe, Africa. In contrast, many countries in the Americas will likely need to rebalance supply to match slower and more volatile domestic demand.

Source: Bloomberg, IMF, Food and Agriculture Organization of the United Nations, OECD, RaboResearch 2026

Figure 1: Global meat and feed price monitor, Jan 2019-Feb 2026

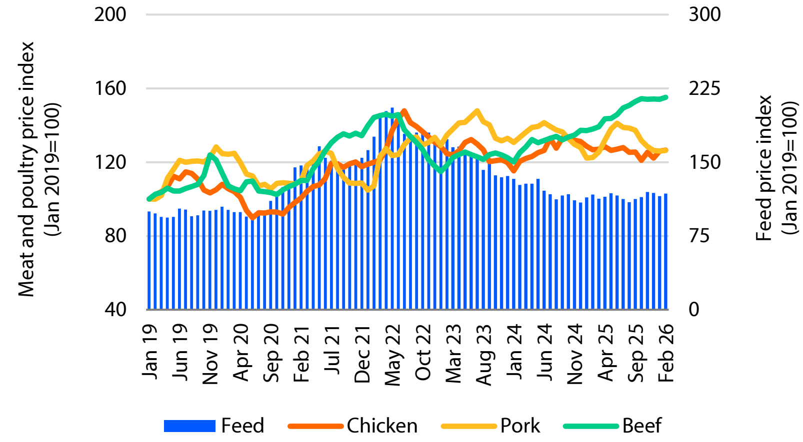
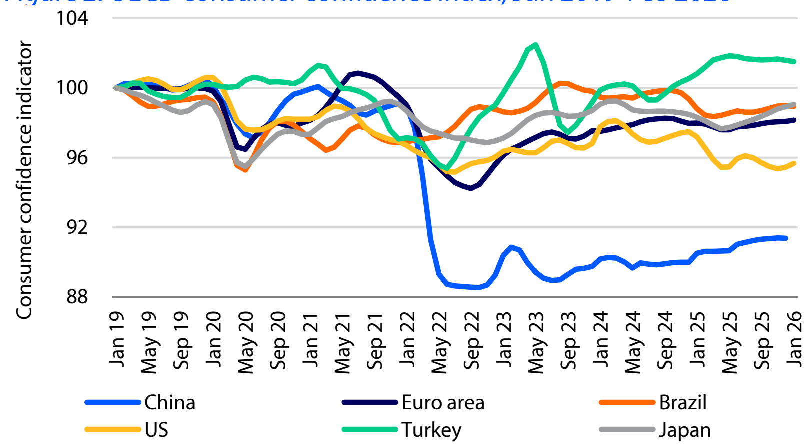


Figure 2: OECD consumer confidence index, Jan 2019-Feb 2026



Supply outlook 2026

Avian influenza remains ongoing challenge; the Iran conflict is leading to more bullish grain and oilseed markets

Feed: Grain prices up as major crops clash with geopolitical uncertainty

Corn, wheat, and soybean markets enter the coming months with mixed but closely connected dynamics, as abundant global corn supplies and steady South American production keep corn prices range-bound, while US exports remain strong but increasingly threatened by cheaper Argentine offers. Rising energy and fertilizer prices related to the conflict are currently adding bullish sentiments to global grains and oilseed markets. Meanwhile, the focus of fertilizer markets has evolved from anxieties about lost shipping time and ramped-up rates at now-idle production facilities to concerns about longer-term effects on production.

Wheat retains a mild upward bias as weather-related crop risks across the US, Europe, and the Black Sea region combine with heightened geopolitical uncertainty, including the conflict in the Middle East, which are influencing energy markets, fertilizer markets and risk premiums. Soybeans have faced a more bearish tone: Despite recent price gains driven by expectations of additional Chinese purchases, US export competitiveness remains weak, especially as Brazil advances through a large, well-expected record soybean harvest that continues to pressure global prices. The US-China trade relationship has been complicated by the Supreme Court's tariff ruling, adding uncertainty to US export commitments, but market focus has been shifting to the bullish impact of the conflict in the Middle East, especially due to rising fertilizer prices which might impact planting decisions and crop yields.

Across all three commodities, global supply strength is counterbalanced by geopolitical risks, particularly the evolving war, which is spilling over into a less bullish economic outlook with price inflation and currency and energy price markets, injecting volatility into agricultural prices.

Bird flu: High pressure in Europe/US, risks shifting to Southern Hemisphere

Global avian influenza pressures remained high through February and early March 2026, with outbreaks sustained across the Northern Hemisphere due to winter-season wild-bird activity and entrenched virus circulation. In the US, more than 4.8 million birds were affected (mainly layers) in early 2026, including 1.3 million hens culled in Colorado and 1.5 million in Pennsylvania, highlighting the continued production impact on commercial poultry operations. Europe has been similarly affected, especially Northwestern Europe and more recently also Poland, again culling over 2.8 million birds across multiple major outbreaks in January alone.

Globally, the FAO recorded HPAI outbreaks across 39 countries, underscoring the scale of the ongoing wave as it persisted into early 2026. Asia also reported heavy losses due to continued winter pressure across densely populated poultry regions. These losses, combined with widespread wild-bird detections, signal a virus behaving in an increasingly persistent, endemic-like pattern in both wildlife and production systems.

As the Northern Hemisphere gradually exits winter, surveillance bodies warn that risk is shifting toward the Southern Hemisphere, where cooler months will again elevate transmission risk. Overall, early 2026 reflects a global poultry sector still under severe strain, with seasonal transitions merely relocating rather than reducing the HPAI risks.

Figure 3: Agri commodity price outlook

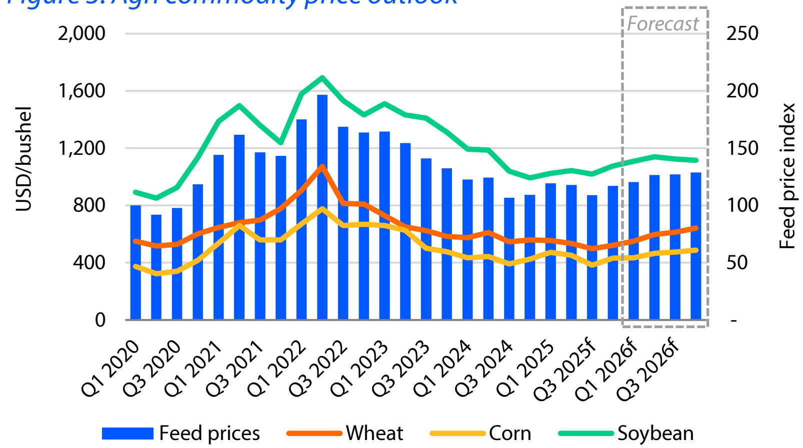
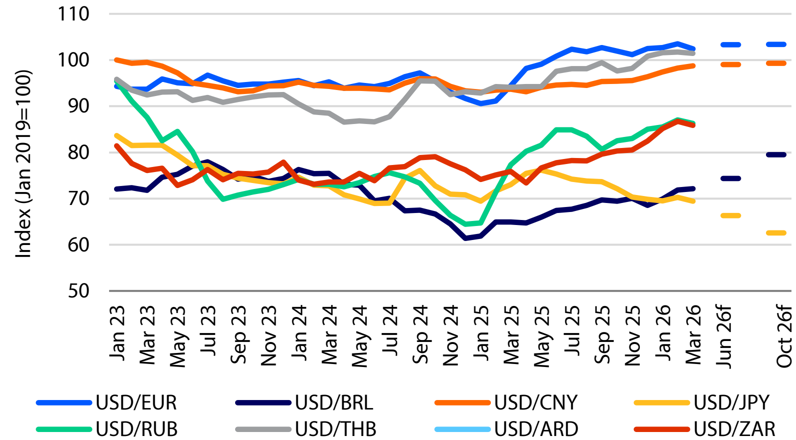


Figure 4: FX developments



Source: Bloomberg, national statistics bureaus, CBOT, MATIF, RaboResearch 2026

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Global poultry trade in 2026

Conflict in the Middle East: Short- and long-term potential disruptor for global trade

Chicken trade: Slight global growth, disappointing Brazilian exports

Global chicken trade increased in Q4 2025 by 1.2% YOY, reaching 3.8 million mt. Despite this modest growth, Brazil's export performance was unexpectedly weak. Brazil's Q4 exports were 12% lower YOY, 7% below Q3, and nearly equal to the avian-flu-affected Q2 levels. The main driver was continued low import demand from China, alongside reduced imports from Japan, Mexico, Egypt, and Oman, but some recovery has been seen in first months of 2026. European exports also declined, impacted by high domestic prices and avian-influenza-related export restrictions.

The standout performer in global trade was China, which increased its export volumes by 58% to 388,000 mt, surpassing Thailand (330,000 mt) to become the world's fourth-largest chicken exporter. Although China exports a wide range of products including dark meat and whole birds, growth is particularly driven by breast meat exports.

Processed chicken trade: China rapidly expands market share

Global processed chicken trade rose by 6% in Q4 2025, reaching 430,000 mt. Thailand remains the largest exporter, shipping 175,000 mt (+1% YOY). However, Thailand is facing intensifying competition from China, whose processed chicken exports grew 12% YOY to 110,000 mt in the same quarter.

Average global prices for processed chicken fell 3% to USD 4,500/mt, though they remain 5% higher than in Q4 2024. Thai suppliers typically sell near the global average, but Chinese products are priced significantly lower at around USD 3,500/mt. This aggressive pricing strategy is enabling China to gain market share quickly.

Global trade outlook: Impact of conflict and rising food security concerns

Geopolitics and avian influenza continue to drive rapid changes in global poultry trade. Recent dynamics have focused on the effects of US reciprocal tariffs, the ongoing war in Ukraine, instability in the Red Sea, and rising protectionist measures in multiple markets, while avian influenza outbreaks are still creating volatility in global trade.

The conflict in the Middle East now adds new risks, particularly for Persian Gulf markets and global supply chains. Gulf governments have strengthened food security over the past decade, making local industries more resilient. Still, most Gulf countries remain over 50% dependent on chicken imports and are even more dependent on breeding stock and grain ingredients. A prolonged conflict – especially if the Strait of Hormuz remains blocked – could create serious supply challenges.

The Middle East accounts for 15% of global poultry trade, making it a critical export region. Trade disruptions would particularly affect Brazil, which relies on the region for 35% of its poultry export value, and especially impacts the light whole-chicken market. Saudi Arabia may still be able to procure from western shipping routes.

If the conflict continues, markets outside the Middle East will also feel the effects. Products that cannot be sold in the region will move into other markets at discounted prices, putting downward pressure especially on dark meat. Demand for small whole birds is limited elsewhere, although new opportunities could emerge if prices fall sufficiently. In contrast, the breast meat and processed chicken export markets should remain relatively strong, with China likely strengthening its position further.

Finally, the Middle East crisis is another reminder of the growing importance of food security. More governments are expected to introduce trade restrictions, meaning fewer trade openings. Some progress is expected through negotiations – such as the US MDM quota expansion and the EU-Mercosur agreement, which may provisionally apply from 1 May – but protectionism will remain a defining trend.

Figure 5: Global poultry trade – record high export level

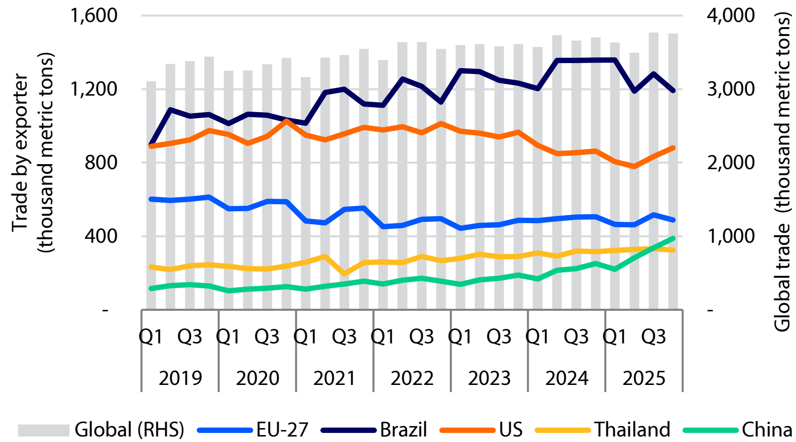
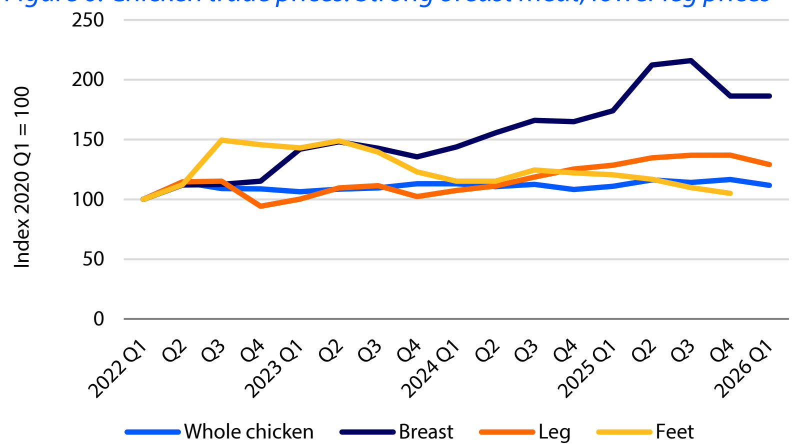


Figure 6: Chicken trade prices: Strong breast meat, lower leg prices



Source: *Bloomberg, national statistics bureaus, RaboResearch 2026*

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Global poultry market dashboard

Live chicken and chicken cut price monitor

Figure 7: Live chicken and grain and oilseed price monitor

		2024				**2025**				**2026**				**Change**	
		Q1	**Q2**	**Q3**	**Q4**	**Q1**	**Q2**	**Q3**	**Q4**	**Q1e**	**Q2**	**Q3**	**Q4**	**Q3-Q4**	**Q4-Q1e**
Live broilers USD/kg	*EU*	1.28	1.29	1.37	1.36	1.37	1.59	1.67	1.62	1.62				-3.2%	0.3%
	Brazil	1.03	0.93	0.97	0.94	0.94	1.06	1.04	1.10	0.97				6.4%	-12.3%
	China	1.10	1.05	1.04	1.05	0.95	1.02	0.96	1.00	1.09				4.3%	8.4%
	Thailand	1.15	1.20	1.24	1.12	1.19	1.19	1.23	1.15	1.25				-6.9%	9.3%
Grains & oilseeds	*Wheat (USD/bu)*	576	611	546	559	554	535	521	522	554	598	614	641	0.2%	5,4%
	Corn (USD/bu)	435	443	391	426	472	452	401	431	435	465	475	488	7.5%	0.9%
	Soymeal (USD/mt)	349	357	334	301	298	290	277	301	305	295	305	300	8.7%	1.3%

Figure 8: Chicken cut price monitor

		2024				**2025**				**2025**				**Change**	
		Q1	**Q2**	**Q3**	**Q4**	**Q1**	**Q2**	**Q3**	**Q4**	**Q1e**	**Q2**	**Q3**	**Q4**	**Q3-Q4**	**Q4-Q1**
Whole chickens	*Brazil wholesale*	143.1	131.1	125.0	135.4	142.6	146.2	135.9	146.2	138.3				7.6%	-5.4%
	EU wholesale	288.0	290.4	304.4	295.7	280.1	296.7	350.29	347.20	338.15				-0.9%	-2.6%
Breast meat	*EU breast meat price (PL)*	397.0	430.0	458.6	455.3	505.6	616.9	598.12	541.36	541.30				-13.7%	0.0%
Leg quarters	*US leg quarters, northeast*	99.7	112.5	115.2	113.9	113.6	119.4	121.8	104.8	108.6				-14.0%	3.6%
	Japan import price	178.3	175.2	192.0	210.3	219.4	229.2	232.14	249.70	225.26				7.6%	-9.8%
Feet	*China import price*	352.2	352.6	381.3	373.9	368.7	345.8	336.4	321.6					-4.4%	
Wings	*China import price*	367.6	343.9	313.894	311.855	312.2	314.9	308.6	333.7					8.1%	

Source: *Eurostat, USDA, UBABEF, local statistics, RaboResearch 2025*

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US

Chicken markets off to a slower start on production increase

Larger production to begin 2026, despite seasonal disruption

Producers responded to strong demand from retail and foodservice channels, with a 1% YOY increase in chicken production on an adjusted basis in January (see figure 9). Both higher slaughter levels and heavier weights contributed to the increase, with 0.5% increases in each. The impact of ice storms and supply chain disruptions were relatively modest. While production should remain ahead of year-ago for the balance of the quarter, limited growth in the hatchery supply flock and ongoing hatchability challenges (currently below 79% and 60bps. below the five-year average) are expected to moderate RTC chicken production growth over the balance of the year. RaboResearch currently forecasts 1.1% YOY growth in production, driven by growth in both birds slaughtered and heavier weights.

Chicken prices stabilize after seasonal decline

Composite chicken prices are moving seasonally higher but remain16% below year-ago levels and 14% below the five-year average on the increase in production. Boneless breast meat prices started the year a bit stronger on good retail interest but have since faded following weather-related disruptions and slower foodservice demand (see figure 10). We have also seen a gradual shift to boneless thigh meat in some channels, contributing to the weakness (see figure 10). We expect prices to rise seasonally in the coming weeks, tracking five-year historical trends. Prices for wings also continue to disappoint, with prices averaging near historic lows at -37% YOY. Consumers' shift to boneless wings in recent years is expected to continue to put pressure on these markets in the 2026. The prices of most dark meat items remain steady, on stable export demand and improved domestic disappearance as a good value protein alternative. We expect most items to average 10%-20% below year-ago levels for much of 2026.

Export volumes rebound in December, outlook challenging

Exports strengthened in December, up 3.2% while the value of chicken exports values dropped 8.3% YOY. Lower per-unit values at year-end helped boost shipments and helped reduce leg quarter inventories (down 28% YOY in January) to begin 2026. Strong exports along with good domestic dark meat demand (especially for chicken thighs) is expected to support better dark meat values in 1H 2026, despite the expected increase in production. For the year, the USDA reported a -3.4% YOY drop in export volumes to 3.1 million mt. Weaker shipments to China, Mexico and Vietnam more than offset the rebound in sales to the Philippines, Taiwan and Canada. Export value for the year was down 1.2% YOY.

Figure 9: Weekly broiler slaughter up sharply in February

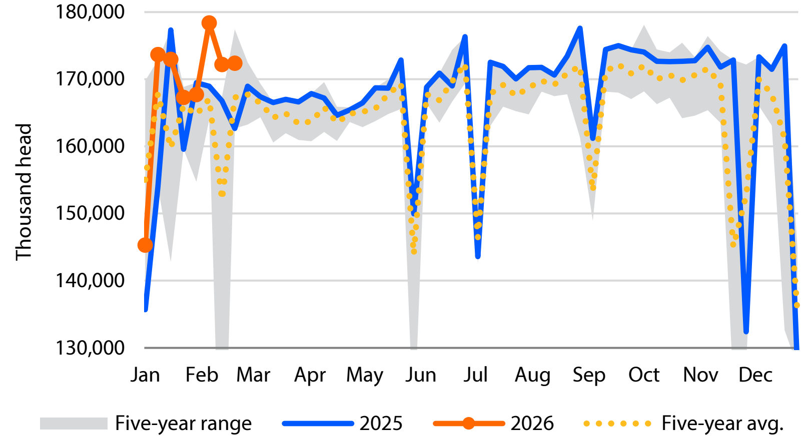
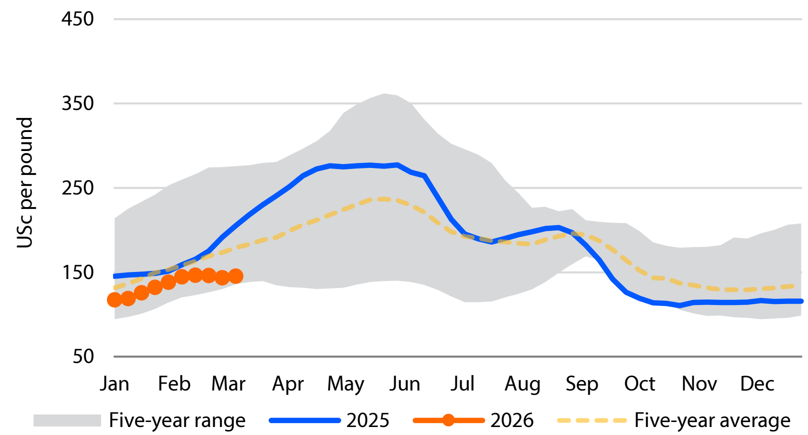


Figure 10: Breast meat prices off to a slow start on increased production



Source: *USDA, RaboResearch 2026*

Mexico

Increased production and imports pressuring near-term profitability

Ample chicken production to start the year

Mexico's poultry industry experienced a difficult start to the year, with producer prices and margins among the weakest seen in recent years. Chicken supply entering the market increased sharply during Q1, while domestic demand remained sluggish, resulting in clear oversupply conditions. In some weeks, birds were marketed at unusually heavy weights, highlighting the imbalance between production and offtake. Unlike other years, avian influenza has not materially disrupted Mexican production so far, allowing volumes to flow into the market largely uninterrupted through December, January, and most of February.

Looking ahead, if current sanitary challenges ease and avian influenza remains contained, Mexico could see strong production growth later in the year, supported by persistently low feed costs that continue to provide a favorable cost environment for producers.

Industry margins under pressure on supply-demand imbalance

Price pressure began in December and extended through the early part of the year, as low market prices significantly compressed producer margins (see figure 11). Market dynamics started to shift toward the end of February, as live bird placements and meat production began to decline. Wet and cold weather earlier in the year triggered additional sanitary challenges, negatively affecting bird performance, weights, and meat quality. As supply tightened, prices rebounded sharply. Live bird, fresh meat (across most cuts), and rotisserie chicken prices have increased markedly in recent weeks, with chicken meat prices in Mexico City rising by around 20% during the last week of February.

Brazilian imports gaining market share; adding further market pressure

Imports continue to play an important role in the Mexican market. Total chicken meat imports in 2025 remained broadly stable year-over-year at approximately 1.02 million mt. The US remains the dominant supplier, but shipments declined by 5% YOY, signalling some loss of market share. In contrast, Brazil recorded strong growth of over 24% YOY, significantly increasing volumes and displacing a part of US supply, while Chile remained stable and other origins remained marginal (see figure 12). This gradual rebalancing of import origins adds competitive pressure to the domestic market, particularly during this period of oversupply.

Figure 11: Chicken prices weak to start 2026; showing seasonal improvement

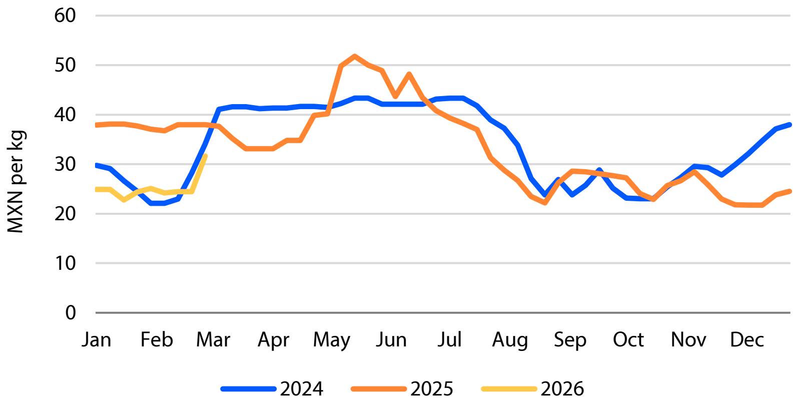
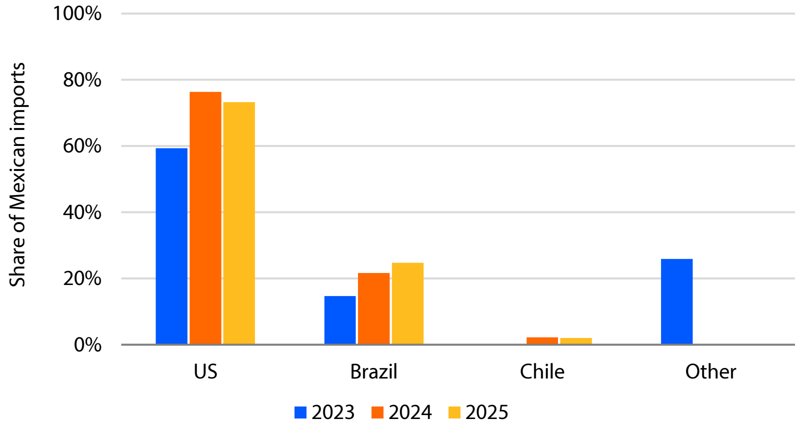


Figure 12: Brazil chicken gains share of Mexican import market



Source: *SNIIM, GCMA, TDM, RaboResearch 2026*

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Brazil

Record chicken exports contrast with domestic price pressure and logistical challenges

Chicken exports hit record amid strong demand and regional disruption

Brazil's chicken exports kicked off another year by breaking records, with February 2026 posting the strongest performance ever for the month and, for the eighth consecutive February, setting a new high. Volumes reached 493,000 mt (+8% YOY), while value increased to USD 945m (+9% YOY). Combined January-February shipments reached 940,000 mt, generating USD 1.8bn in revenue – increases of 6% and 9% YOY, respectively. Market diversification remained solid mainly in Asia. The UAE remains the leading destination, increasing volumes by 14% YTD, followed by China (-12% YTD), while the standout is South Africa, which raised its purchases by 31% and moved into third place.

The conflict in the Middle East has been the main concern, causing delivery delays and limiting new negotiations. Some shipments already at sea have managed to be redirected to other regions, but a significant portion is still awaiting authorization to unload. Alternatives such as bringing forward discharge operations in Saudi Arabia and Oman have also been used, since several countries in the region depend heavily on Brazilian chicken meat, making it in the interest of both sides to ensure that the cargo is delivered. Partial shipment data for March 2026, covering up to the second week, indicate a 1.8% YOY decline in average daily export volumes, while the average value increased by 2% over the same period.

Fuel costs and export instability pressure chicken sector

Live broiler and chicken-meat prices began 2026 in a downward trend, a typical pattern for this time of year, though more intense due to distortions caused by the temporary suspension of exports, which resulted in oversupply in some regions. Price volatility is expected to persist through Q2 2026 amid uncertainties linked to the conflict in the Middle East. The impact is not only on the demand side – since the region accounted for roughly 9% of total exports during the first two months of the year – but also due to its logistical importance as a key route toward Asia. On the supply side, rising fuel prices are already increasing freight costs in the south, affecting both the transportation of animals to slaughterhouses and the delivery of inputs. The World Cup event in June and July should bring local demand and be a factor in price recovery.

Figure 13: The UAE remains as top destination amid China decline

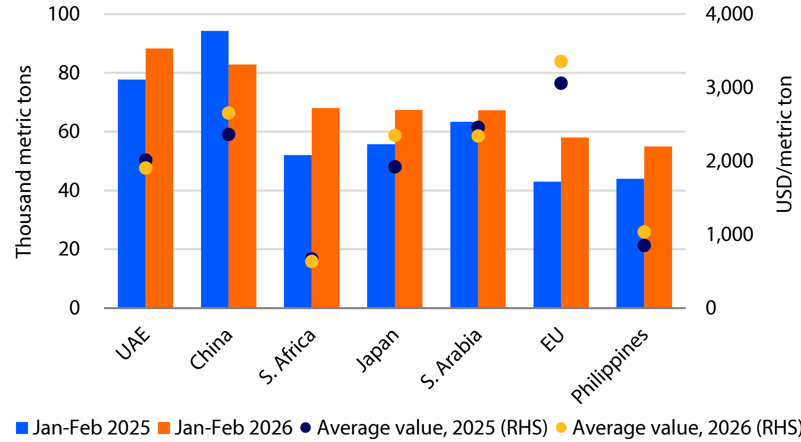
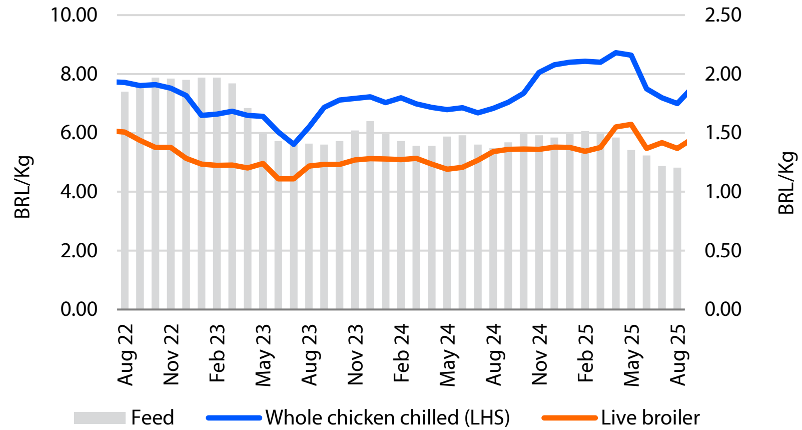


Figure 14: Broiler and chicken prices ease while feed costs hold steady



Source: *Secex, Cepea, IBGE, RaboResearch 2026*

Europe

Another strong year expected, but with rising market uncertainty

Prices at lower level, but markets better in balance than Q4 2025

The European poultry industry had a strong year in 2025. Poultry consumption grew again by almost 3%, while supply remained tight in the first three quarters due to avian influenza outbreaks in Central Europe (especially Q1/Q2 2025) and Northwest Europe (Q4/Q1 2026). Production gradually recovered in the second half of the year, mainly due to expansion of chicken production in Spain, Italy, Greece, Romania, and Hungary. The UK also expanded production by 30,000 mt despite several major retailers shifting stocking densities from 36 to 30 kg/m^2.

There has been an ongoing move to convert turkey and parent stock farms to broiler production due to historically higher profits in the broiler sector. However, this shift has been so strong that, combined with lower capacity and recent avian influenza outbreaks, parent stock and turkey supply has become very tight. As a result, both turkey and hatching egg prices have reached historic highs in Europe, while hatching egg and DOC availability remain tight, restricting industry growth.

High EU prices and avian influenza lead to some net-trade losses

EU exports dropped 3% in 2025 due to relatively high EU prices compared to global prices and export restrictions related to the many avian influenza outbreaks. Especially exports to African markets like DRC, Congo, Benin was low due to increased Brazilian competition. On the other hand, imports increased by 3% over the year, fully attributed to 1H 2025 – exports in Q3 were 6% down YOY and levels in Q4 2025 returned to same quarter 2024 level. Especially Thai and Chinese chicken imports increased while Brazil was down due to avian influenza restrictions, but recent months have seen a fast rebound in Brazil exports to Europe.

Market: Ongoing strong chicken consumption levels, supply challenges

The outlook for the European poultry industry remains strong but likely slightly less bullish than in 2025. A lot will depend on how avian influenza develops in the coming months as bird migration crosses Central Europe in March-May. Especially the egg sector has been hit recently. If the number of outbreaks in poultry remains limited, some price erosion can be expected. If we again see major outbreaks in Q2, prices will go up again. Biosecurity will therefore be key as the industry is still in high-risk season. Beef prices are still high and this provides chicken with an ongoing strong position in the market.

The Middle East crisis will lead to more pressure on consumer wallets due to higher energy prices. Exports might also be somewhat impacted by the Middle East crisis – Saudi Arabia is a major export market, but most can be transferred to the Western ports.

From a cost perspective, corn and soybean supply still look good and despite some drought in Southern European markets, the early corn and wheat crop harvest projections look positive, which should support ongoing relatively low prices.

Figure 15: Chicken prices in Poland are peaking

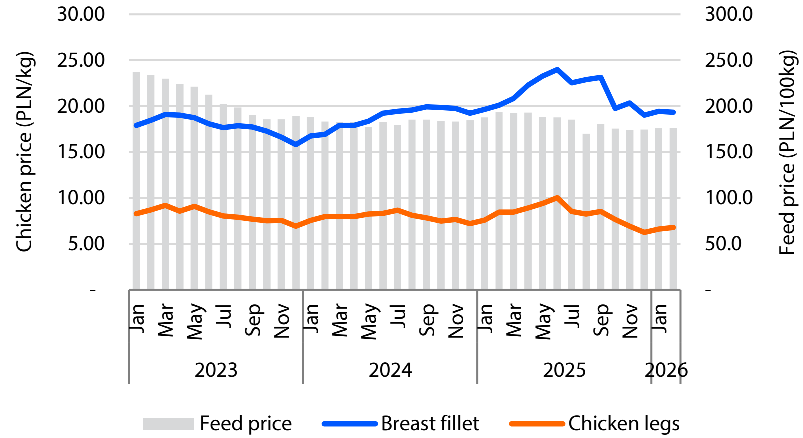
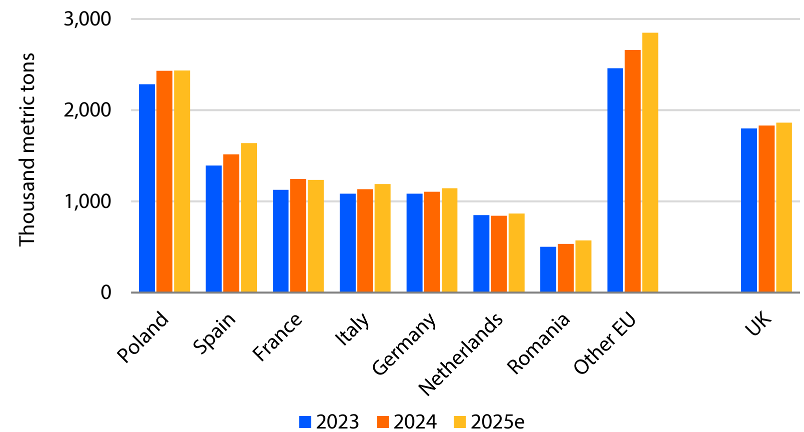


Figure 16: European chicken production, 2023-2025e



Source: *Eurostat, RaboResearch 2026*

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South Africa

Peaking local chicken supply with strong margins – but risks of oversupply rise

Strong local market conditions with peaking local supply

The South African poultry market has remained well in balance despite a historic peak in supply in Q4 2025. Prices have increased in 2025 Q4 and 2026 Q1 to ZAR 38.5/kg for frozen chicken (see figure 17). This is 10% above the level of Q4 2024. Since this quarter, prices have continuously been rising, while feed prices dropped due to a strong 2024/2025 South African corn and soybean crop harvest and bearish global grains market conditions. Profitability of the industry has therefore been rising after a few difficult years.

Massive recovery in Q4 2025 after Brazil chicken returns to the market

Supply has been relatively tight most of the year, especially in Q2 and Q3 2025, when Brazil exports were on hold due to the May 2025 Brazil avian influenza outbreak. This changed in Q4 2025, when imports peaked to 145,000 mt, the highest quarterly import level since 2019. At the same time, local production peaked at 490,000 mt (+9% YOY).

Poultry is – despite rising prices – still the most affordable protein for consumers currently, especially as beef markets are affected due to low supply after FMD outbreaks.

Ongoing strong outlook, but more supply growth discipline needed

The outlook for the South African poultry industry remains relatively strong, but increased risks for stagflation due to the conflict in the Middle East could impact consumer spending power.

From a cost perspective, feed prices have been expected to drop slightly due to positive crop conditions for corn and soybean, but the war is turning this view to more bullish prices in line with global price parity for corn and soybean. The upcoming soybean crop harvest in South Africa looks strong, with another 5% growth expected, to 2.9 million mt. Corn crop conditions are also good, but a small 2%-3% drop to 16.1 million mt is expected, but still at historic high levels and a significant supply compared to domestic demand. Global corn and soybean prices also show limited upside, which will justify an ongoing low feed price outlook. Ongoing high fertilizer prices could impact crop decisions and yields for the next crop season.

The other big worry for the industry will be on the supply side. The sudden 18% YOY increase in supply in Q4 will likely be inflated by the tight conditions and Brazil export restrictions in earlier quarters. However, a longer period of such high growth will negatively impact prices and margins. Some supply growth discipline will be needed, either from local producers and/or from imports.

The other ongoing worry is avian influenza – some cases have been found recently and the massive outbreaks in 2024 demonstrated how important ongoing biosecurity is.

Figure 17: Industry sees higher chicken prices, lower feed costs

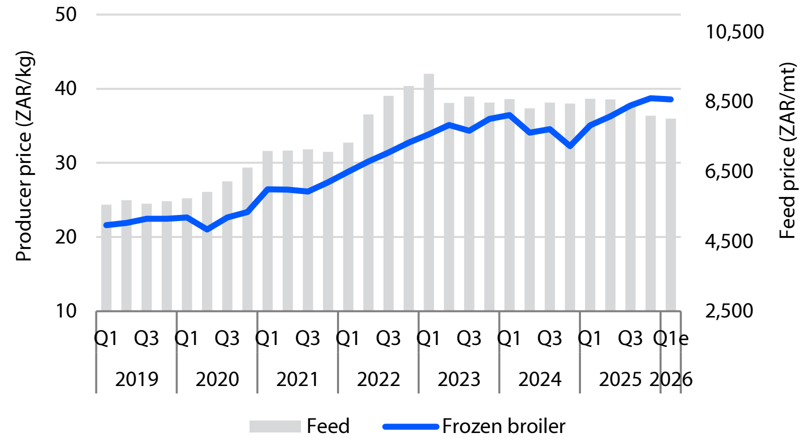
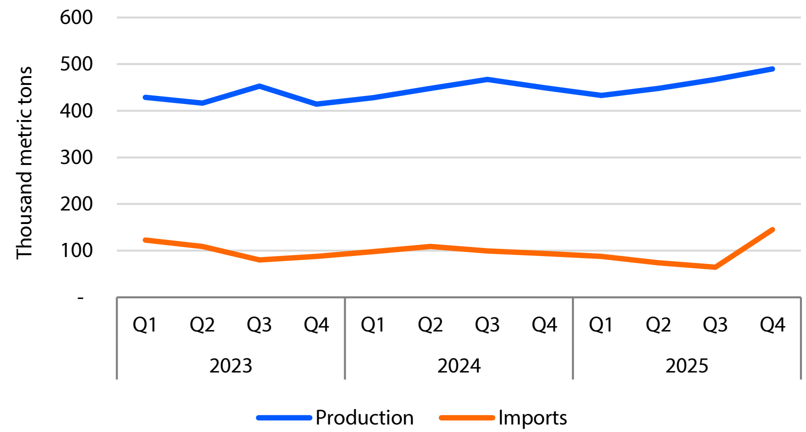


Figure 18: Historic high supply growth in Q4 2025



Source: SAPA, News24, SAFEX, RaboResearch 2025

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China

High supply adds downward pressures on short-term prices

Strong supply pressures prices

Poultry production grew 6.7% in 2025, reaching a record high of 28.3 million mt. The strong growth reflects capacity expansion in recent years, efficiency improvements and good control of diseases. We expect production to continue growing in 2026, based on the high inventory of breeding herd. China updated 1.55 million sets of grandparent stock in 2025, slightly lower than the level of previous year. This would support strong bird production through 2026, although the speed may slow down from the previous fast growth in 2024 and 2025. Imports of breeders dropped in 2025, but the decline was offset by local production, which has developed rapidly in recent years.

Poultry supply levels are expected to pressure prices in the coming quarter, though live broiler prices rebounded modestly to above RMB 7/kg entering 2026, reflecting a seasonal movement. The potential of further efficiency gains and cost reduction has drawn continuous investment into production expansion. Poultry demand remains stable, due to seasonal demand as total retail sales grew by 4% and food service sales were up 4.3%YOY in the first two months of 2026.

Feed costs have increased slightly on a year-on-year basis entering 2026, in response to rising geopolitical tension. Yet high soybean inventory and a strong corn harvest in 2025 suggest that a feed price increase, if any, would be modest in 2026. In addition to local inventory, the US-China trade truce would likely enable more grain shipments from the US to China in 2026.

Poultry imports expected to recover in 2026

Poultry imports dropped significantly in 2025, down 31% YOY, following the import ban on Brazilian poultry in May due to HPAI cases. Brazil exports dropped 42% in 2025, while US exports plunged 70% amid trade tensions. With the return of Brazil imports since November 2025, we expect Chinese poultry imports to rebound strongly in 2026.

Meanwhile, Chinese exports have increased strongly, up 50% YOY in 2025, driven by strong exports of breast meat products. This trend will likely last in 2026, given China's competitive prices and strong processing capacity. However, exports to the Middle East are suspended due to the closure of the Hormuz Strait. The Middle East accounts for around 12% of China's total exports in 2025, so the suspension leads to a temporary increase in Chinese local inventory.

Figure 19: Broiler prices under pressure from oversupply

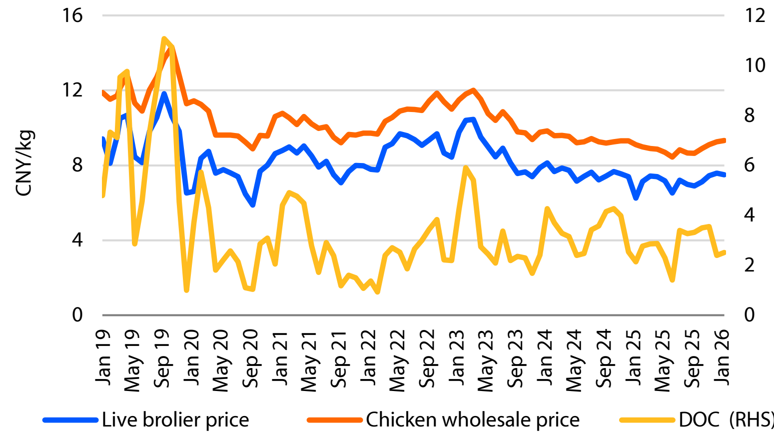
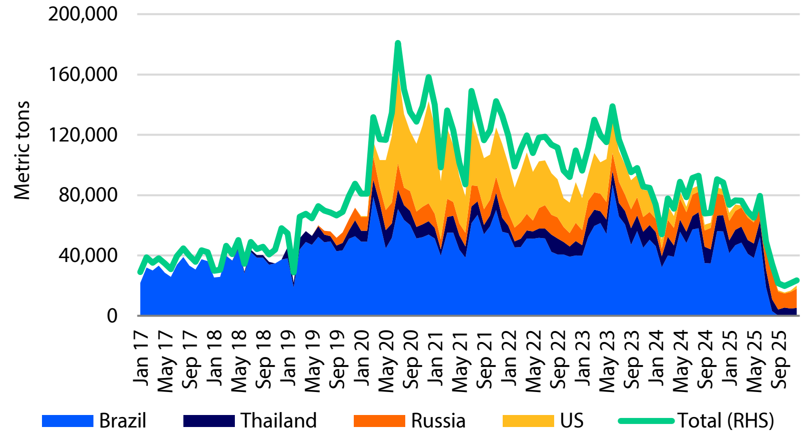


Figure 20: Imports dropped significantly in 2025



Source: MARA, China Customs, Boyar, RaboResearch 2026

Japan

Demand shift from imported to domestic chicken expected to continue

Q2 output expected to be flat or rise slightly

Q4 2025 chicken production including culled hens grew slightly by 0.8% YOY. Although some farms experienced reduced growth rates due to cold weather, we have not seen big troubles in production. The number of avian influenza outbreaks at broiler farms has also been low. Q1 2026 production is expected to be slightly lower by 1.6% YOY and Q2 production will be flat to slightly up due to tight chick supply. In addition, there is rising concern over soaring crude oil prices stemming from the conflict in the Middle East, which could further increase already high feed costs and utility expenses, potentially pressuring producers' operations.

Procurement of raw chicken has become difficult

Q4 raw chicken import volume fell by 11.2% YOY and by 3.6% compared to the past five-year average. The decline in imports from Brazil was particularly significant due to rising prices caused by increased demand from other countries and a reduced production of cuts meeting Japanese specifications. Since September 2025, estimated ending stocks for raw chicken have continued to decline MOM. Inventories at the end of December were 17.3% lower YOY and transaction prices for imported raw chicken in Japan have risen. While imports in February and March are expected to rise YOY to help restore inventory levels, imports during Q1 2026 are projected to remain flat YOY. Difficulties in procuring raw chicken are likely to continue for the time being.

Meanwhile, Q4 import volumes of processed chicken expanded by 5.1% YOY mainly due to a significant increase from China. Imports are projected to remain flat to slightly increased in Q1-Q2, driven by strong demand for ready-to-eat foods.

Demand for affordable chicken expected to remain steady amid inflation

The estimated marketing quantity of chicken (excluding imported processed chicken) in Q4 declined by 0.6% YOY, with a slight decrease projected for Q1. Considering the increase in processed chicken imports, overall chicken demand can be regarded as robust.

While wage revisions are expected mainly among large companies in April, consumer thriftiness will persist into Q2 amid prolonged inflation. Therefore, the demand for affordable chicken is projected to be relatively firm compared to pork and beef, although growth in demand for chicken would be limited. Given the ample supply of domestic chicken, the shift towards domestic products is expected to continue while import inventories remain low.

Figure 21: YOY % change of import volumes of raw and processed chicken: Processed chicken has been growing for two years

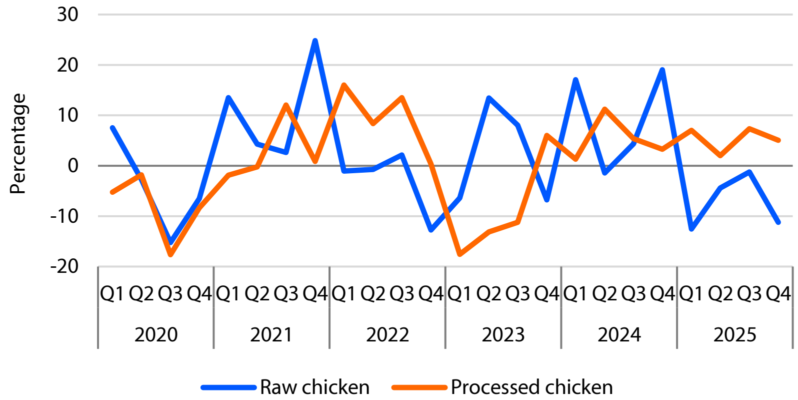
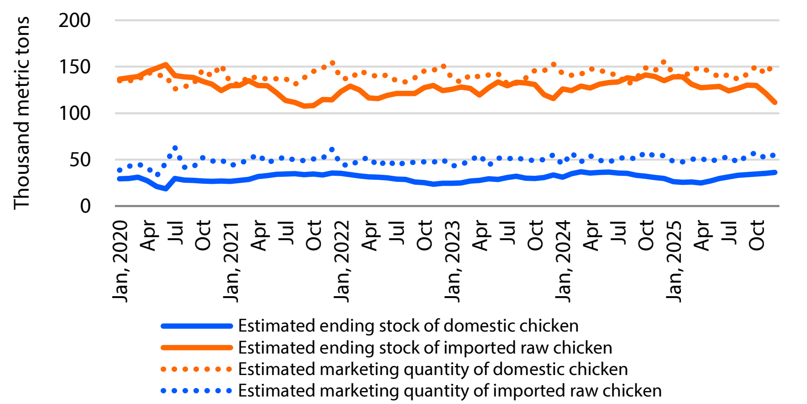


Figure 22: Estimated ending stock trends: Domestic chicken inventory has risen, while imports have declined since October



Source: *ALIC, RaboResearch 2025*

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Thailand

Ongoing positive industry outlook, but rising feed cost and labor availability worries

Solid export growth is driving ongoing positive industry performance

The first quarter of 2026 has seen a slight improvement in broiler prices after a drop at the end of 2025. This was mainly driven by some increased supply on global poultry markets with falling global prices in Q4. Thailand has been able to increase processed chicken (+3%, 180,000 mt) and raw chicken exports (+2%, 125,000 mt) slightly. The strongest export market was salted breast to Europe which has grown 18% due to ongoing high prices in Europe. Thailand is still experiencing fierce competition from China in global processed poultry markets, with a falling market share since Q1 2023 (45%) to 41% in Q4 2025.

Thai poultry exports to China declined by 45% in 2H 2025 due to a suspension of 17 export plans by Chinese customs. Exporters are relocating these exports to other markets, like Malaysia (+70% in exports) and South Korea (+35%). Positive is that besides the ongoing strong exports to Europe of raw and salted chicken, Japan's import demand has recovered (+7% YOY) in Q4.

Disciplined supply growth, domestic market more pressured

Thai poultry production grew slowly in 2025, with only 1% growth, to 3.4 million mt. This growth can be completely attributed to the growth in export demand of 6% to 1.3 million mt. Most of this growth was achieved in 1H 2025 (+9% YOY), while growth in 2H 2025 has slowed to 3% YOY. The domestic market has been affected by disappointing tourist arrivals, especially from China this year. Furthermore, prices of competitive proteins, especially pork and shrimp have been relatively low for most of the year, making them more price-competitive alternatives for consumers.

Outlook: Strong export markets, feed price and labor availability worries

The outlook for the industry remains strong. Rabobank foresees a growth potential of 1.5%-2%, driven by ongoing strong global trade conditions in Europe and to a lesser extent Japan. Thailand will benefit from its export diversification program with ongoing strong sales to South Korea, Malaysia, but the small Middle-East exports will be impacted by the crisis.

Although government expected some recovery in tourism numbers this year, the Iran war could have significant impact on local economy and tourism figures this year.

Prices of pork might stabilize further due to the government's current price stabilization program. Although the domestic corn crop conditions for the second harvest look positive, some worries have arisen in Thailand about recent burn-free certification requirements for imported corn, making imports from Myanmar and Laos more difficult and potentially lifting corn price levels. The ongoing tension between Thailand and Cambodia has challenged producers in finding labor but this has increasingly been solved by hiring more workers from Myanmar and Laos.

Figure 23: Strong chicken prices, lower feed costs

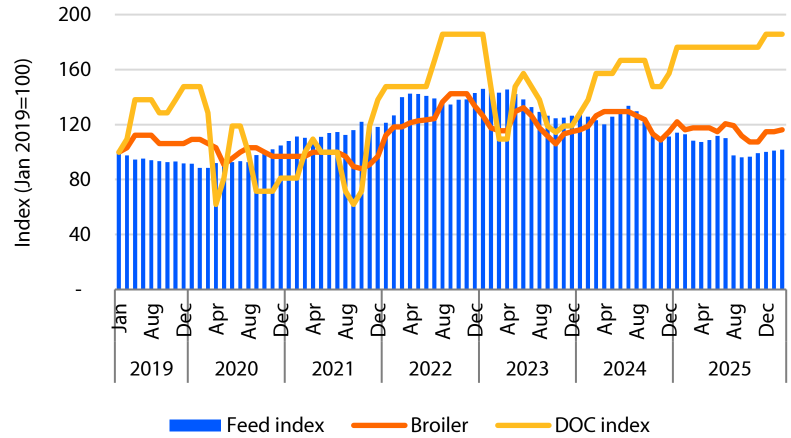
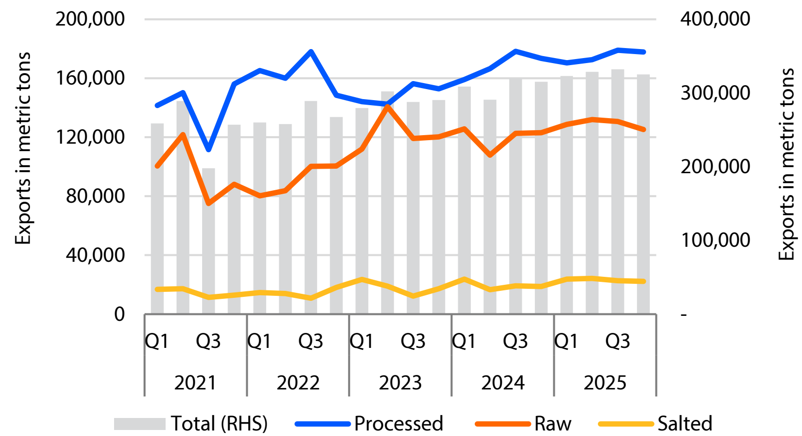


Figure 24: Historic growth volumes – but slower growth in H2 2025



Source: *Bloomberg, Thai Feed Mill Association, RaboResearch 2026*

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Global poultry quarterly

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