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Broiler Economics
By Dr. Paul Aho

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CORN DOWN — SOYBEANS UP IN THE LAST TWO MONTHS

The WASDE report from the USDA in January surprised the market with a big increase in the projected US ending inventory of corn. As a result, the price of corn dropped significantly. The price of soybeans also declined with concern about US trade with China.

Now, toward the end of February, the price of corn has not fully recovered from the January decline and is a great bargain for the poultry industry. It appears that the price will be relatively low for the rest of this crop year given the huge US harvest last fall that is overhanging the market.

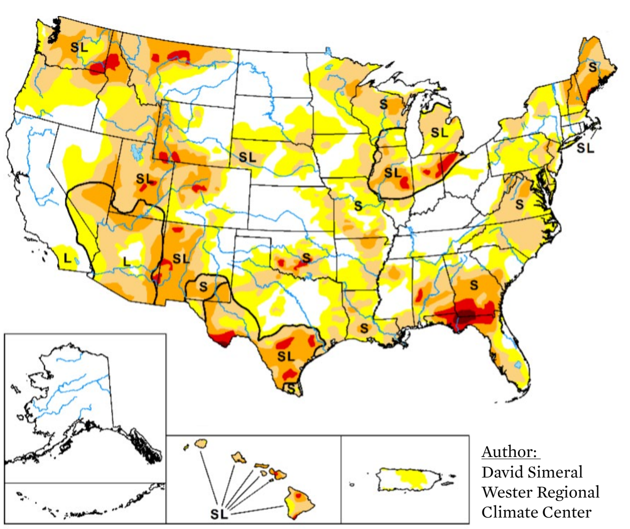
The story of soybeans is more difficult to predict. On the one hand there is a huge harvest being gathered in South America. On the other hand there is uncertainty about US sales to China and how that affects the benchmark prices in Chicago. Taken together it is volatility that can be expected in soybean prices.

When thinking about the long term, it is likely that the grain cycle will soon enter a bull market that will send prices higher over the next few years. At the end of a bear market there is great incentive to consume grain and less incentive to produce grain. The inevitable result is higher prices although the timing is, of course, difficult to determine. China may well play an increasing role in determining corn prices as well as soybean prices. China is likely to begin importing much larger quantities of corn in the coming years.

The Corn Belt in the US continues to be dry which could be become worrisome. Conditions in South America are expected to be relatively normal during their current growing season. Brazil has adequate moisture while crops in Argentina suffered some stress but conditions have improved lately.

U.S. DROUGHT MONITOR

December 2, 2025
(Released Thursday, Dec 4, 2025)
Valid 7 a.m. EDT



Author:
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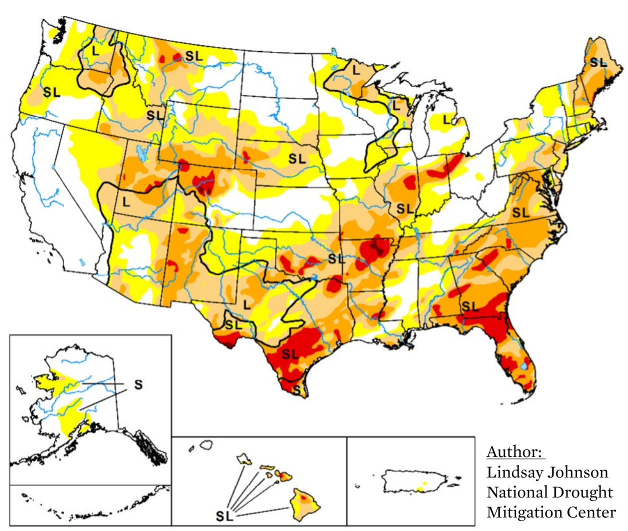
February 10, 2026
(Released Thursday, Feb 12, 2026)
Valid 7 a.m. EST



Author:
Lindsay Johnson
National Drought Mitigation Center

DROUGHT IMPACT TYPES:

∼ Delineates dominant impact

S = Short-Term, typically less than 6 months *(e.g. agriculture, grasslands)*

D = Long-Term, typically greater than 6 months *(e.g. hydrology, ecology)*

INTENSITY:

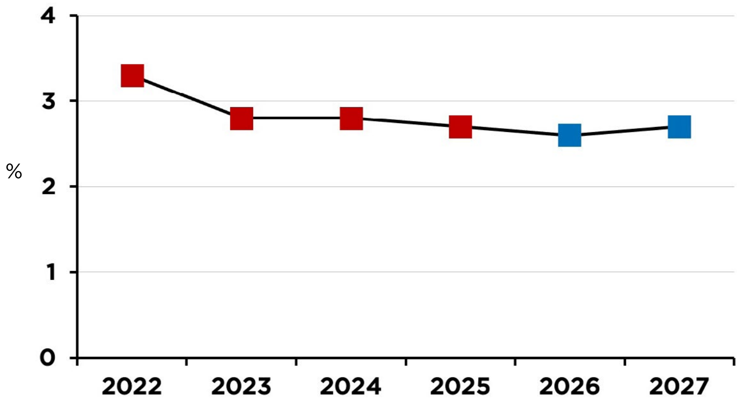
- None
- D0 Abnormally Dry
- D1 Moderate Drought
- D2 Severe Drought
- D3 Extreme Drought
- D4 Exceptional Drought

The Drought Monitor focuses on broad-scale conditions. Local conditions may vary. For more information on the Drought Monitor, go to https://droughtmonitor.unl.edu/About.aspx

droughtmonitor.unl.edu

The world economy has been growing at a slow pace in the last few years but has not fallen into a recession. Steady growth is expected in the coming years according to the World Bank as can be seen on the following graph.

World Economic Growth World Bank Blue is Estimated



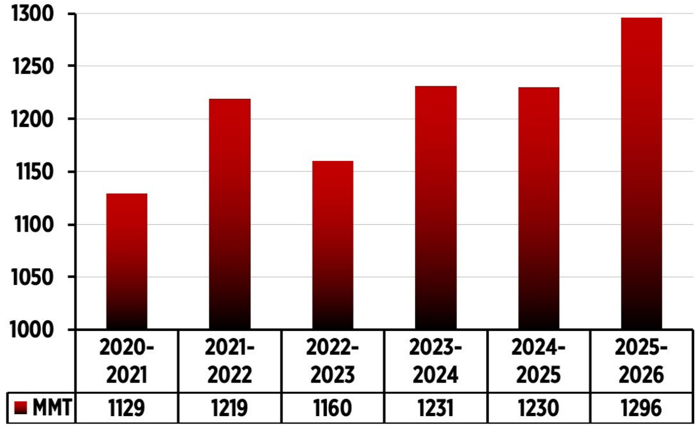
CORN

In the US, 7.9 million more acres (3.3 million hectares) were planted to corn this crop year compared to last. The increase in area planted combined with higher yields resulted in a much bigger harvest. The harvest was 14% higher.

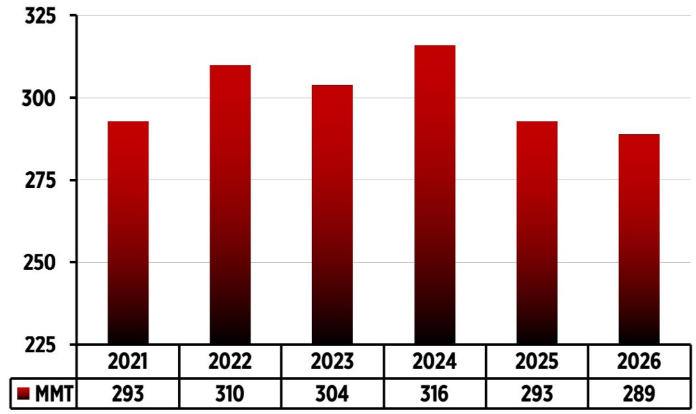
Thanks in part to the large harvest in the US, total world production of corn increased as well. This big harvest is keeping corn prices low. Corn is therefore likely to be a bargain for poultry producers for the rest of this crop year. Lower world ending corn stocks this crop year are not significant because they are primarily a result of a decline in China's ample reserves. US ending stock is expected to rise sharply.

Corn prices dropped in January in reaction to the last WASDE report showing increased ending inventory in the US. The price dropped from $4.50 ($150 per ton) to $4.15 ($135 per ton). Since then, the price has remained low. However, it is likely that prices will return to at least $4.50 per bushel or $150 per ton later in this crop year.

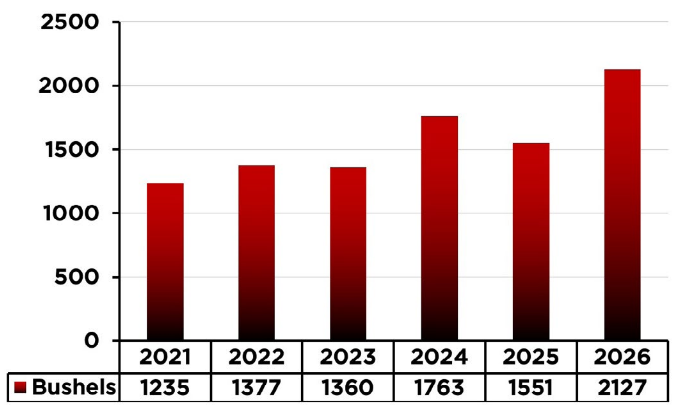
World Production of Corn Million Metric Tons – USDA



World Ending Stock of Corn Metric Tons – USDA



U.S. Ending Stock of Corn Millions of Bushels – USDA



Argentina Corn Supply and Demand WASDE February – Million Metric Tons				
	2022–2023	2023–2024	2024–2025	2025–2026
Harvest	35	51	50	53
Imports	0	0	0	0
Exports	24	36	35	37
Ending Inventory	1	3	3	6

Brazil Corn Supply and Demand WASDE February – Million Metric Tons				
	2022–2023	2023–2024	2024–2025	2025–2026
Harvest	137	119	130	131
Imports	1	1	1	1
Exports	56	38	43	43
Ending Inventory	10	8	6	3

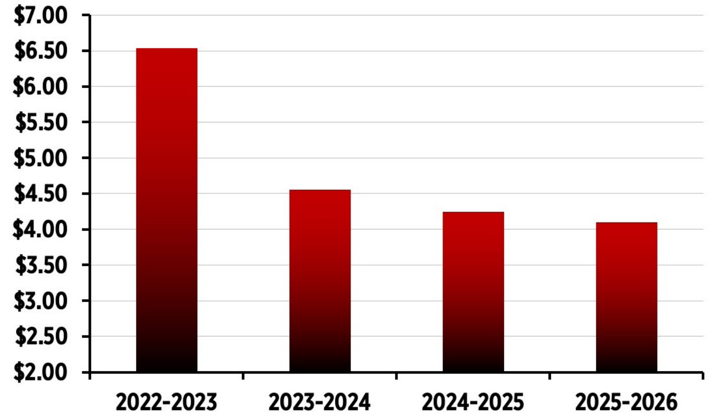
Ukraine Corn Supply and Demand WASDE February – Million Metric Tons				
	2022–2023	2023–2024	2024–2025	2025–2026
Harvest	27	32	27	29
Imports	0	0	0	0
Exports	27	29	22	23
Ending Inventory	2	2	1	1

China Corn Supply and Demand WASDE February – Million Metric Tons				
	2022–2023	2023–2024	2024–2025	2025–2026
Harvest	277	288	295	301
Imports	19	23	7	8
Exports	0	0	0	0
Ending Inventory	206	211	197	180

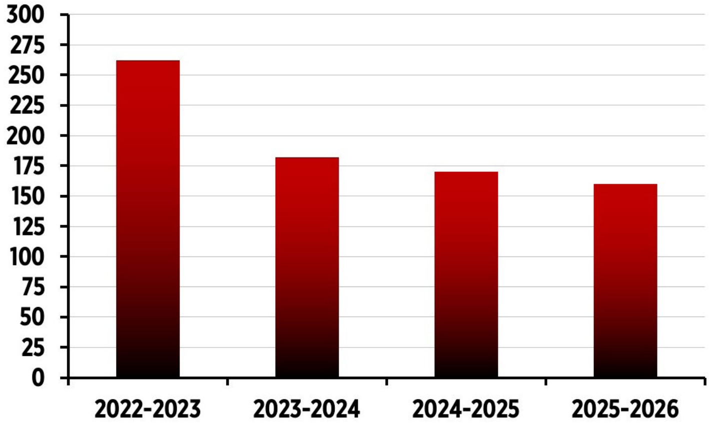
U.S. Corn Supply and Demand WASDE February – Million Metric Tons				
	2022–2023	2023–2024	2024–2025	2025–2026
Harvest	346	390	377	432
Imports	1	1	1	1
Exports	42	58	67	84
Ending Inventory	34	44	35	54

U.S. Corn Supply and Demand – WASDE February Millions of Bushels				
	2022–2023	2023–2024	2024–2025	2025–2026
Harvest	13,651	15,341	14,892	17,021
Supply Total	15,066	16,729	16,677	18,597
Ethanol	5,176	5,478	5,436	5,600
Exports	1,661	2,292	2,650	3,300
Feed	5,487	5,805	5,466	6,200
Total Use	13,706	14,966	15,145	16,470
Ending Inventory	1,360	1,763	1,532	2,127
Farm Price	**$6.54**	**$4.55**	**$4.24**	**$4.10**

Average U.S. Farm Price of Corn $/Bushel USDA



Average U.S. Farm Price of Corn $/Metric Ton USDA

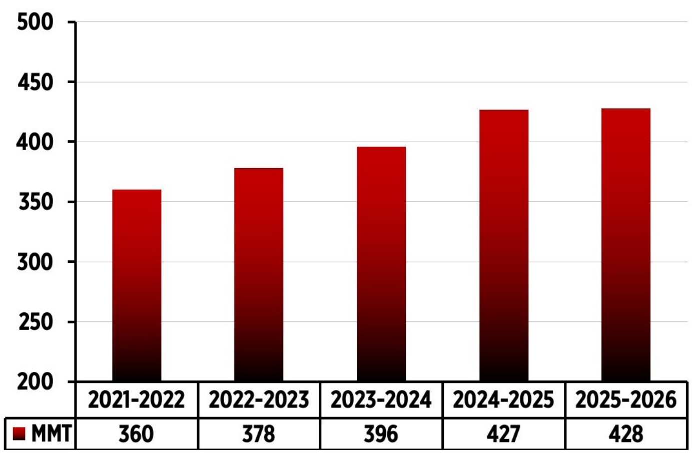


SOYBEANS

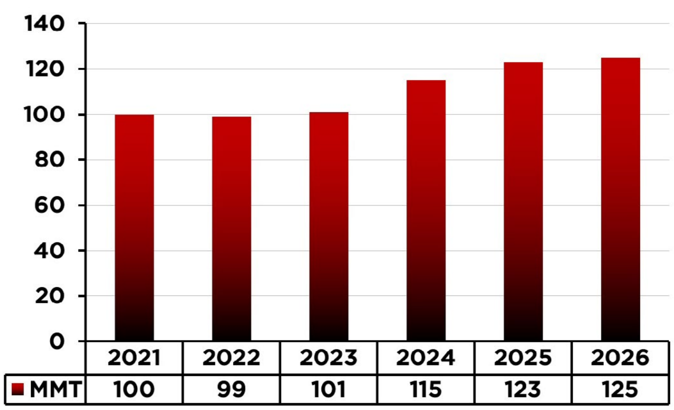
In contrast to corn, the US planted 6.2 million fewer acres of soybeans this crop year (2.6 million hectares). That would seem to have been bullish news for soybean prices. However, two factors reduced the impact. First, yields were higher in the US and second, it is Brazil combined with Argentina that dominate the world soybean market, not the US. South American production was higher this crop year.

Increases in production in South America offset totally the lower production in the US. World production of soybeans increased slightly this crop year and world ending inventory also increased. Early in the crop year, sales to China from the US were halted causing soybean meal prices to reach a low of just $290 per short ton ($320 per ton) in January. From here the price of soybeans and soybean meal will depend on the willingness of China to import soybeans from the US and the outcome of the Brazilian crop which appears to be huge.

World Production of Soybeans Million Metric Tons – USDA



World Ending Stock of Soybeans in MMT – USDA



Argentina Soybean Supply and Demand WASDE February – Million Metric Tons

	2022–2023	2023–2024	2024–2025	2025–2026
Harvest	25	48	49	49
Imports	9	7	6	7
Exports Beans + Meal	25	32	34	37
Ending Inventory	18	24	25	23

Brazil Soybean Supply and Demand WASDE February – Million Metric Tons

	2022–2023	2023–2024	2024–2025	2025–2026
Harvest	162	153	169	180
Imports	1	1	1	1
Exports Beans + Meal	116	127	128	139
Ending Inventory	37	27	32	38

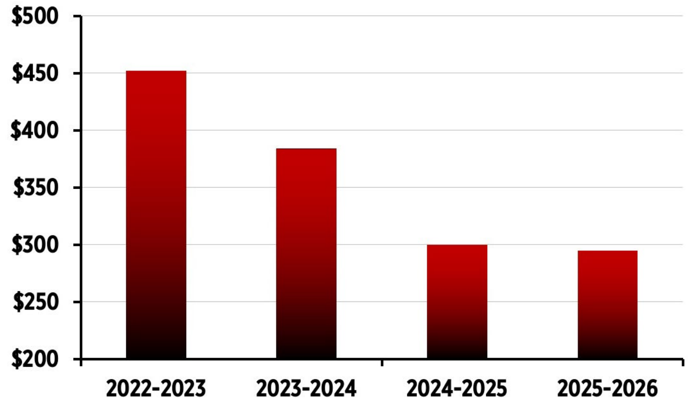
US Soybean Supply and Demand WASDE February – Million Metric Tons

	2022–2023	2023–2024	2024–2025	2025–2026
Harvest	116	113	119	116
Imports	1	1	1	1
Exports Beans + Meal	67	60	66	62
Ending Inventory	7	9	10	10

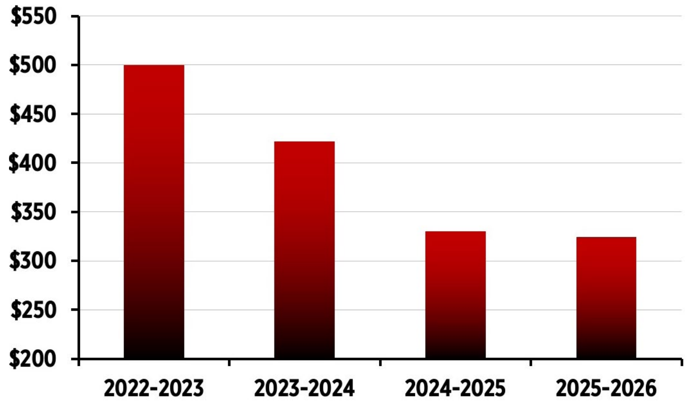
US Soybeans – USDA – WASDE February Millions of Bushels

	2022–2023	2023–2024	2024–2025	2025–2026
Harvest	4,270	4,162	4,374	4,262
Total Supply	4,569	4,447	4,746	4,607
Export	1,992	1,695	1,882	1,575
Total Use	4,305	4,105	4,429	4,257
Ending Stock Inventory	264	342	316	350
Meal Price short ton	**$452**	**$384**	**$300**	**$295**

Average US Crop Year Price of SBM Short Ton USDA



Average US Crop Year Price of SBM Metric Ton USDA

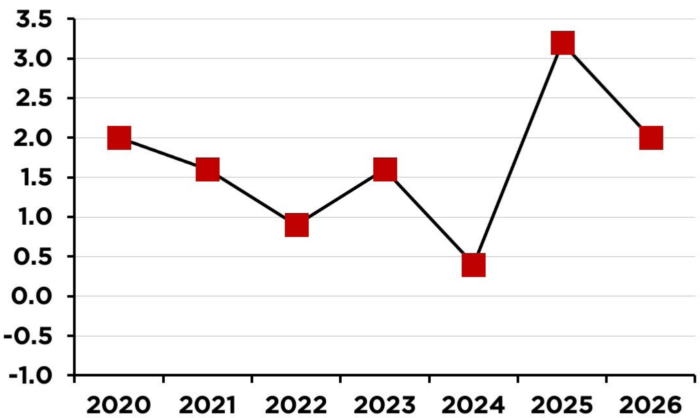


CHICKEN INDUSTRY

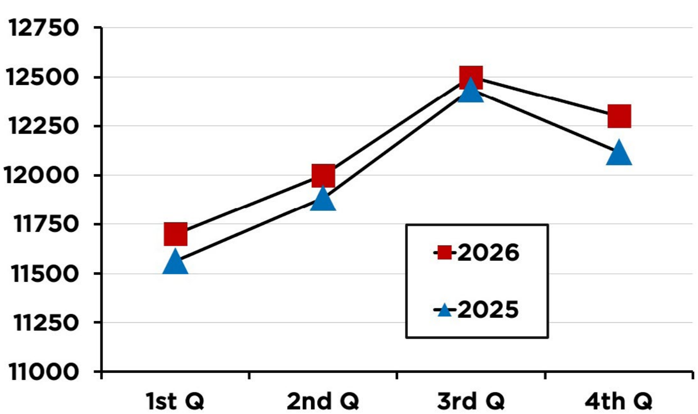
World chicken production surged last year, rising from an increase of only 0.4% in 2024 to an increase of 3.2% in 2025 according to the USDA Livestock and Poultry World Markets report. Last year there were robust increases in China, Brazil and the US. This year, growth is expected to fall back to 2%.

In the US chicken production is expected to grow by only 1%. Prices will be supported by this relatively modest growth. Increased imports of beef from Brazil and Argentina will make red meat supplies more ample but red meat prices will still be supportive to chicken prices.

Increase in World Broiler Chicken Production in % – USDA

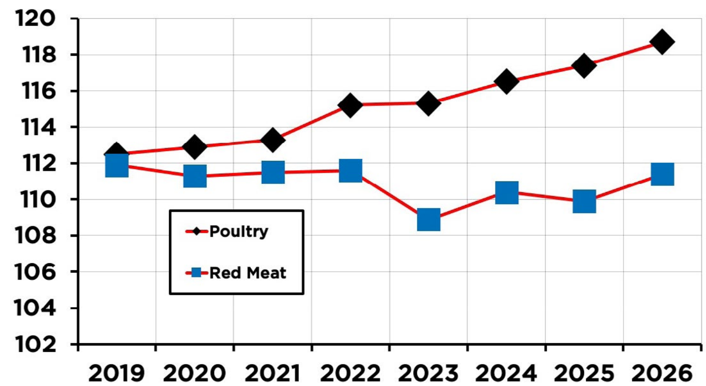


US Quarterly Broiler Production – Million Pounds – USDA



Poultry per capita consumption in the US continues to increase while consumption of red meat is stable. Between 2019 and 2026, red meat per capita consumption is flat at best while poultry consumption is projected to rise by 6 pounds (2.7 kilos).

US Per Capita Consumption of Red Meat and Poultry lbs.

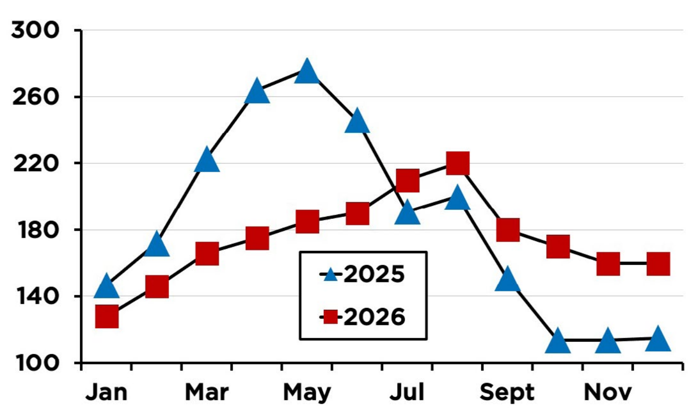


USDA

DEBONED BREAST

The spot price of deboned breast in the US rose remarkably fast in the first four months of 2025 and then fell at the end of the year. This year, prices are likely to be lower compared to last year at the beginning of the year and higher at the end of the year. In other words, 2026 is likely to be a more normal year for the price of deboned breast.

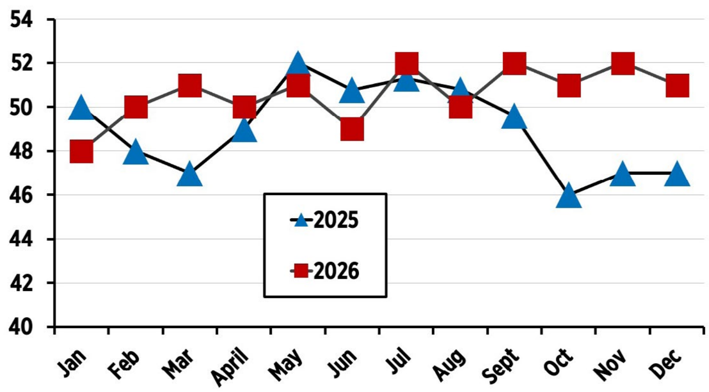
Breast B/S - 2025–2026 USDA – National Price – Cents/lb. – Future Months Estimated



FROZEN LEG QUARTERS FOR EXPORT

Mexico is the number one destination for US leg quarter exports, taking 25% of all exports. Despite contentious and ongoing tariff negotiations, leg quarters continue to flow to Mexico. For now, the price of leg quarters this year looks like it will be similar to last year baring some geopolitical or tariff event.

Leg Quarter Price – 2025–2026 – Cents per Pound – USDA Frozen Bulk Export

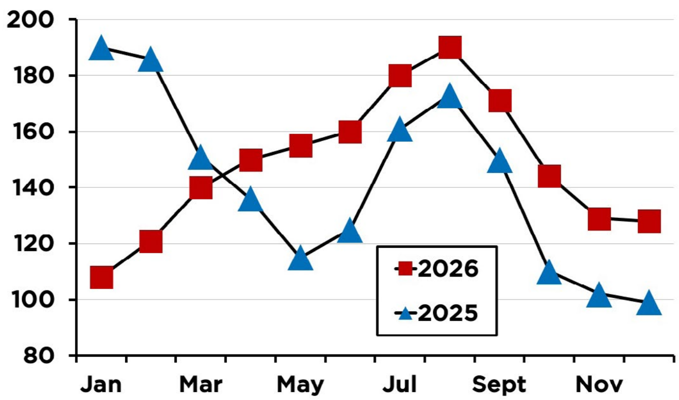


Price series started by USDA in October of 2022

WINGS

Similarly to deboned breast, wing prices this year are likely to experience a more “normal” year. They are starting off lower than the extremely high prices of early 2025 and are likely to end this year at a higher level than the extremely low prices of 2025.

Whole Wing Prices - 2025–2026 - USDA - National Price - Cents/lb - Future Months Estimated



When calculated using spot prices, and when selling commodity chicken parts (not value added or further processed) chicken production is currently profitable. The recent increase in the wholesale price for deboned breast and wings is responsible for the current profitability. Seasonal increases this spring will likely increase profitability.

U.S. Broiler Chicken Industry Profitability February US Measure	
Frozen Leg Quarters	$0.50 / pound
Deboned Breast	$1.46 / pound
Wings	$1.21 / pound
Chicago Corn	$4.36 / bushel
Soybean Meal	$303 / short ton
Total Wholesale Cost per pound	$0.99
Revenue per pound (spot price)	$1.05
Gain (Loss) per pound	**$0.06**

U.S. Broiler Chicken Industry Profitability February Metric Measure	
Frozen Leg Quarters	$1.10 / kilo
Deboned Breast	$3.21 / kilo
Wings	$2.66 / kilo
Chicago Corn	$172 / ton
Soybean Meal	$334 / short ton
Total Wholesale Cost per kilo	$2.18
Revenue per kilo (spot price)	$2.30
Gain (Loss) per kilo	**$0.13**

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Dr. Paul Aho is an international agribusiness economist specializing in projects related to the poultry industry and has been a prolific writer in trade journals in both the United States and in Latin America. Dr. Aho now operates his own consulting company called "Poultry Perspective". In this role, he works around the world with poultry managers and government policy makers.