

Thanksgiving dinner costs increased this year

Written by Linda Foster Benedict

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LSUAgCenter — Louisiana cooks shopping for Thanksgiving will find the costs of traditional dinner items up this year. The 2012 Thanksgiving market basket will average \$44.35 for 10 people, according to an LSU AgCenter survey.

“That’s an increase of \$5.16 from last year’s Baton Rouge average of \$39.19 – or an increase of 13.2 percent,” said LSU AgCenter family economist Jeanette Tucker.

The Louisiana survey was based on an American Farm Bureau Federation shopping list that includes turkey, stuffing, sweet potatoes, rolls with butter, peas, cranberries, a relish tray of carrots and celery, pumpkin pie with whipped cream and beverages of coffee and milk, all in quantities sufficient to serve a group of 10.

The cost of a 16-pound turkey at \$18.45, or roughly \$1.15 per pound, reflects an increase of 29 cents per pound or a total increase of \$4.58 per whole turkey.

"This is the largest contributor to the overall increase in the cost of the 2012 Thanksgiving dinner," Tucker said, adding that the latest U.S. Department of Agriculture numbers show that prices at the farm level for turkey are up about 5 percent in 2012 from 2011.

“This is likely a function of the much higher grain prices we have seen primarily as a result of the drought in 2012. The higher grain prices have definitely increased the costs of production for raising livestock, and it may be getting reflected in higher animal prices” according to Kurt Guidry, LSU AgCenter agricultural economist.

“While turkey production is expected to be relatively flat in 2012 compared to 2011, these higher prices do not seem to be a function of lower overall production. Per capita consumption of turkey is expected to be up slightly in 2012, which means that with stagnant supplies this slightly higher demand may also be helping to ease prices higher,” said Guidry.

Fuel costs have also risen. According to the U.S. Department of Energy, gasoline and diesel prices in the United States were up by about 3.5 percent in 2012 versus 2011 through the first 10 months of the year.

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"This higher energy cost is probably also being reflected in higher commodity prices," said Guidry.

While this year's price increase is substantial, Tucker said turkey is still a bargain for the frugal shopper. It's healthy and delicious and provides lean meat for around \$1 per pound. The AgCenter and Farm Bureau surveys both looked for the best possible prices without taking advantage of special promotional coupons or purchase deals.

Past research has shown that four out of five Thanksgiving turkeys are sold on a holiday special.

"This suggests that many consumers will probably purchase Thanksgiving turkeys for less than either survey reports," Tucker said. With projected holiday price decreases, wise shoppers may wish to purchase a second turkey to keep in the freezer for future low-cost meals.

Other items showing a price increase this year include one gallon of whole milk, \$4.54 (up 11 cents); 30-ounce pumpkin pie mix, \$2.84 (up 15 cents); 3 pounds sweet potatoes, \$2.86 (up 20 cents); and 12 ounces cubed stuffing mix, \$2.15 (up 79 cents).

Five items showing a price decrease include a 12-ounce bag of fresh cranberries, \$2.39 (down 11 cents);

12-ounce brown and serve rolls, \$2.22 (down 13 cents); 16-ounce frozen green peas, \$1.50 (down 32 cents); 8 ounces of whipping cream, \$1.62 (down 15 cents); and two 9-inch pie shells, \$1.92 (down 37 cents).

The Farm Bureau study didn't provide enough information to replicate the costs for a group of miscellaneous items such as coffee, celery, carrots, onions, eggs, sugar, flour, evaporated milk, butter and other ingredients necessary to prepare the meal. "Thus, the AgCenter used last year's national average of \$3.86," Tucker said.

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The USDA projects a 2.5 to 3.5 percent price increase in all at-home food from 2011 to 2012. Guidry said this increase is expected to be higher in the last quarter of 2012 and into 2013 as the market starts to fully reflect the effects of lower overall commodity supplies as a result of the 2012 drought.

The Farm Bureau survey was first conducted in 1986 when the average cost of a Thanksgiving meal for 10 was \$28.74. According to Consumer Price Index data, the 1986 Thanksgiving market basket would cost \$59.63 in 2012 dollars, indicating the real cost of the holiday meal has actually decreased over time.

“On average, American consumers have enjoyed stable food costs over the years, particularly when you adjust for inflation,” Tucker said.

Consumers can enjoy a wholesome, home-cooked turkey dinner for under \$4.50 per person – less than a typical fast food meal. “That’s a real bargain in these challenging economic times,” Tucker said.