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Thanksgiving dinner will cost a little more this year

The American Farm Bureau Federation (AFBF) issued its annual survey of the cost of a traditional Thanksgiving dinner, and this year, consumers can expect to pay a little more for the key ingredients. The nationwide survey said the average cost of items used to prepare a dinner for 10 people came to \$44.61 -- up \$2.35 from last year's survey.

The menu items in the price survey are turkey, bread 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 family of 10.

The largest contributor to the overall increase in the cost of the 2008 Thanksgiving dinner is the star of the dinner – the turkey. The cost of a 16-pound turkey, at \$19.09 or roughly \$1.19 per pound, reflects an increase of nine cents per pound, or a total of \$1.46 per turkey compared to 2007.

The survey shows prices rising compared to a year ago. That mirrors current trends. Food prices have been higher, due in large part to the energy cost of shipping foods to market passed on to consumers from the food processors, distributors and grocery stores. That's not necessarily the case for the farmer or rancher.

(more)

Most on-farm prices are set by the processors, grocery stores or buyers of the value-added products, and may not reflect increases in on-farm production costs.

By nature of the supply-and-demand markets that most farm commodities operate in, farmers end-up being price-takers, not price-setters. The prices farmers or ranchers receive depend on the market conditions the day they harvest their crops or livestock. Since it's driven mostly by supply-and-demand, it rarely takes into account increased input costs. Purchases of fuel and energy, water and irrigation costs, fertilizers and agricultural chemicals, insurance and taxes, equipment and repairs, environmental compliance, new technology, seed, and feed for livestock are all production costs that are absorbed by whatever the farmer or rancher receives.

“Food really is one of the more affordable necessities in our lives,” said FCFB Executive Director Ryan Jacobsen. “On average we spend less than 10 percent of our disposable income for food. That's the lowest in the world. And, here in the Valley, we have the added benefit of living close to some of the most productive farmland in the World, so we have a wide variety of food available to us that's grown nearby and more affordable,” he added.

“Despite recent retail price increases, American consumers have enjoyed relatively stable food costs over the years, particularly when adjusted for inflation. This year's average cost of \$44.61 is equivalent to \$20.65 in 20-year inflation-adjusted dollars. The real dollar cost of the Thanksgiving dinner has declined more than eight percent since 1988,” reports the AFBF.

This is the 23rd year American Farm Bureau has conducted the price survey. The survey can be found on-line at:

<http://www.fb.org/index.php?fuseaction=newsroom.newsfocus&year=2008&file=nr1113.html>

Fresno County Farm Bureau represents more than 4,600 members on air quality, land use, water, labor and agricultural-related issues. Fresno County is the nation's number one agricultural county, producing more than 350 commercial crops annually, totaling more than \$5.3 billion dollars in gross production value in 2007.

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