



Food Prices Up for Holiday Meals

Food prices holiday meals--like the Thanksgiving dinner that's right around the corner--are expected to be up. American families will pay more for dairy, eggs and wheat products. Turkey, however, will cost about the same.

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Conventional turkey prices expected to stay about the same, while dairy, wheat and eggs are up.

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Not Your Typical Turkey

Interested in serving a heritage breed of turkey at your holiday meal--or any meal? Read about STAR Farm's success with Kentucky's Bourbon Red turkey. Click to continueHoliday meals--like the Thanksgiving dinner coming right up!--will probably cost American families a bit more in 2007.

"Food prices in 2007 are up across the board due to increasing energy costs and world food demands," said Purdue University agricultural economist Corinne Alexander.

She reports that food prices this year are up 4.4 percent, which is well above the 10-year average of 2.6 percent.

On top of the overall increase, some food items have seen even larger price hikes. According to Alexander these include: Dairy--up 15 percent from last year Eggs--up 45 percent.

Turkey Prices Predicted to be Steady

For turkey lovers, however, the news is good; most likely, the costs will be about the same as last year.

Alexander says demand for turkey is driving up wholesale turkey prices, but retailers will often take a profit-loss on the traditional holiday bird so consumers buy the entire holiday meal at their store.

The USDA predicts that turkey wholesale prices will be between 90 and 94 cents per pound. The final price depends on the individual retailer's pricing decisions, says Alexander.

Possible Causes of the Food Price Increases

Factors behind the increases:Rising energy costs related to manufacturing and transportation. Food retailers pass this cost on to consumers. According to Alexander, is "a worldwide wheat shortage (that) has adds to the cost of wheat-based foods boosting prices for wheat products up as much as 10 percent." She explains,"The world's wheat supplies are at the tightest level since the 1975-76 crop year, and of course the world's population has grown since the 1970s." The generally strong economic growth around the globe that results in higher demand for American agricultural products. "people worldwide have more money to spend on food," Alexander said.

Have Any Prices Gone Down

In addition to steady turkey prices, expect prices to be down on white potatoes (down as much as 5 percent), sweet potatoes and and cranberries (the same as last year).