

Thanksgiving Is Getting To Be An Expensive Habit

Inflation has spread to our holiday celebrations.

By Carl Tannenbaum

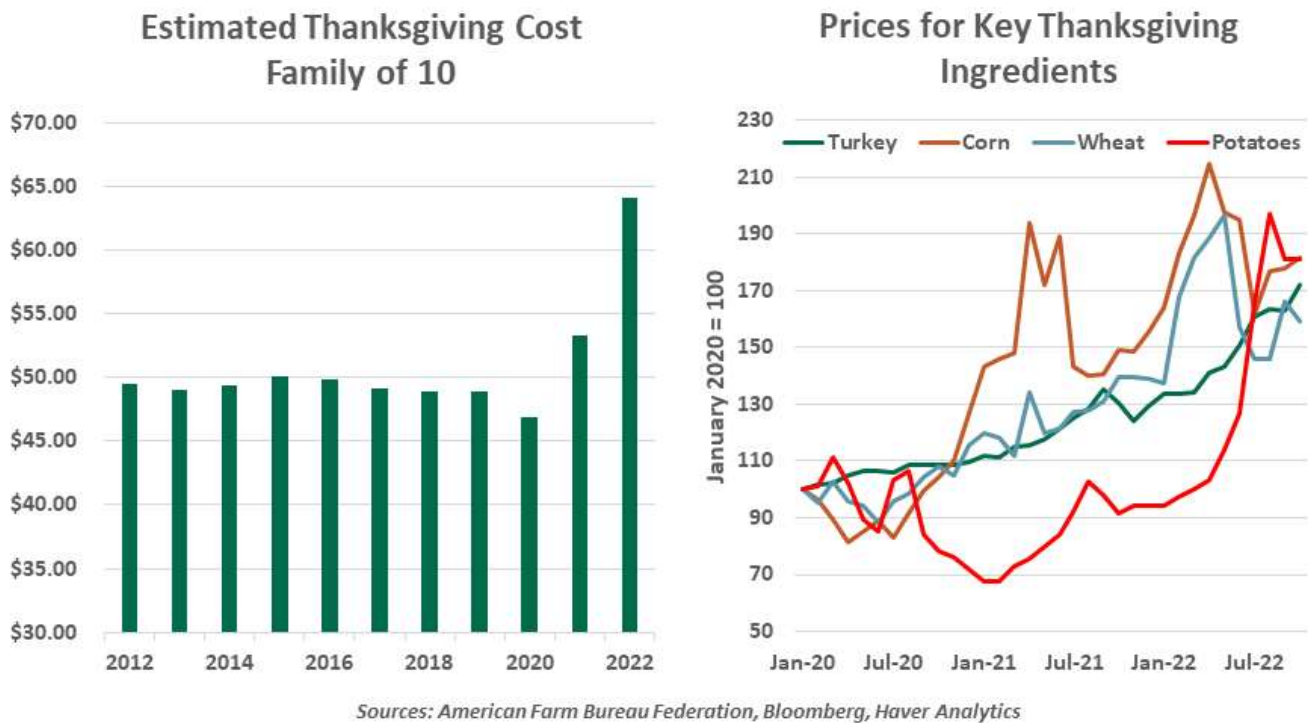


Editor's Note: We are publishing this abbreviated commentary in advance of Thanksgiving. For those celebrating, we hope you have a wonderful holiday weekend.

We like to avoid discussion of unpleasant topics at our Thanksgiving table, preferring to focus on food, family, and gratitude.

But I am afraid that if the topic of food comes up this year, it will be an unpleasant discussion. The cost of the holiday dinner is a full 20% higher than it was last year, according to the American Farm Bureau Federation. This outcome is the result of some of the same factors that have driven the consumer price index so much higher recently.

Prior to the pandemic, the cost of Thanksgiving dinner had been moderating. It was essentially stable for eight years, and then dropped by 4% in 2020 when family gatherings were reduced or cancelled. But since reaching bottom, the meal is costing a whopping 36% more to put on.



The main root cause (pun intended) is grains. Turkeys eat a combination of corn and soybeans when raised on farms; both of those grains are significantly more expensive than they were last year. The **price of fertilizer** has jumped, partly because of supply disruptions. Russia is the world's largest exporter of fertilizer; while agricultural exports from Russia have a sanctions exemption, sanctions on individuals and financial institutions in that country have made importing more complicated.

The cost of farm labor has also increased. One driver has been the reduced level of legal immigration. The gap between jobs certified for agricultural (H-2A) visas and visas granted has expanded during the pandemic.

The vast majority of the food found on Thanksgiving tables in the U.S. is produced domestically. Transporting it has become much more expensive, thanks to higher fuel costs and an acute shortage of truck drivers.

And finally, turkey farms have been dealing with an avian flu epidemic which has thinned flocks. Viral infections can be especially serious for livestock, who are raised in close quarters. This will be our first full-attendance Thanksgiving since 2019, so we are really looking forward to it. But we are going to limit portions to avoid breaking our budget.

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