

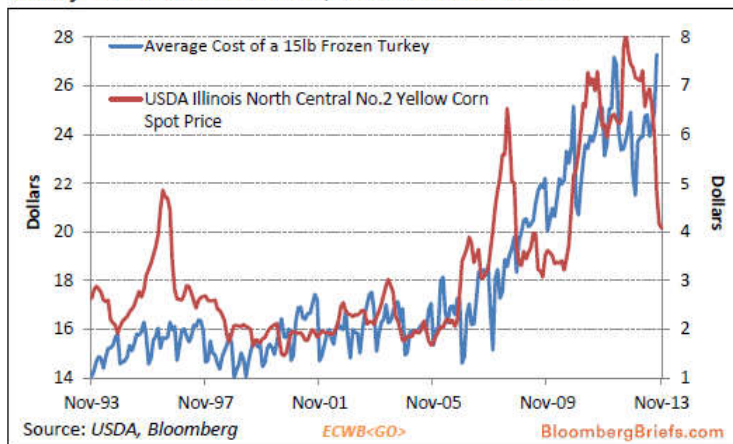
Inflation Watch: Thanksgiving Dinner Edition



by Tyler Durden
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While shoppers will perceive the discounts on Black Friday as 'saving' them fortunes, the cost of the **2013 Thanksgiving Day dinner may be the most expensive ever**. As the gorging commences, despite an entirely benign inflation in the eyes of the Federal Reserve, the prices of everything from chocolate chip cookies to ice cream are on the rise. But it is the centerpiece of the meal that is weighing on pocket-books. As Bloomberg's Michael McDonough notes, Americans are **paying the most for whole frozen turkeys since the Bureau of Labor Statistics began publishing data on the series in 1980**.

Turkey Prices Reach Record, Corn Prices Plummet



The U.S. city average price per pound for frozen turkeys climbed to \$1.819 in September, up from \$1.433 at the end of last year and \$1.621 a year prior. September's price implies an **average 15 pound Thanksgiving turkey will cost Americans \$27.29 this year, compared to less than \$25 dollars last year.**

Frozen turkey prices have risen substantially during the past decade, probably due to rising input costs. Turkey prices averaged just \$1.071 per pound between 2000 and 2004, compared to \$1.579 per pound since 2010. This price increase is nearly double the rise in overall inflation during the same period. **Corn prices, a major source of turkey feed, rose by nearly 200 percent during the same period helping boost the cost of the final product.**

There is a silver lining though - potentially...

It may come as some relief for turkey farmers that as prices continue rising, corn prices have plummeted about 50 percent since September 2012.

Source: Bloomberg's Michael McDonough (@MMcDonough)