

Food and Agribusiness Market Update

Industry Specialty Team | November 2024

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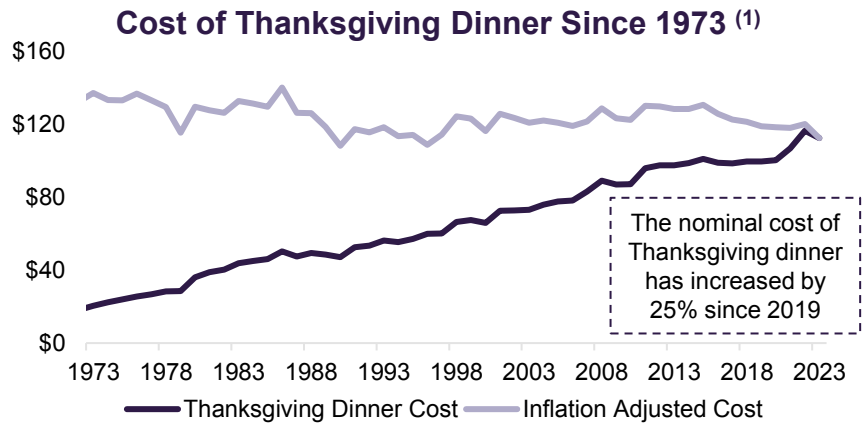
“We’ve got another holiday to worry about. It seems Thanksgiving is upon us.” – A Charlie Brown Thanksgiving

Highlights






- Rising food costs are causing the American consumer to adjust their food purchasing patterns leading up to this year’s feasts
- Broader trends in the food industry such as inclusion of global flavors and smaller portion sizes will be seen at the Thanksgiving table

Thanksgiving 2024

As Thanksgiving approaches, many of us look forward to gathering around tables full of food and sharing memories with loved ones. However, beyond the feasts and family moments, Thanksgiving also offers a glimpse into broader food trends that go beyond the fourth Thursday in November. Rising food costs remain at the front-of-mind for many Americans, and the cost of our Thanksgiving meals highlights this trend. Additionally, broader food trends will gain additional spotlights. Many are turning to new global flavors and untraditional feasts this year for reasons ranging from shifting preferences to cost dynamics.



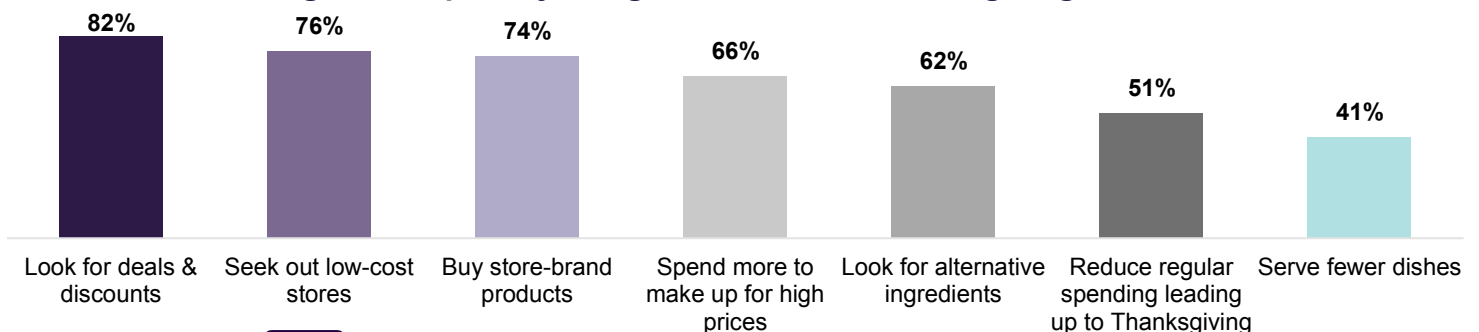
Thanksgiving Food by the Numbers

40 Million 	107% 	71% 	37% 	56% 
Number of whole turkeys eaten in the United States on Thanksgiving Day	Increase in the price of a whole turkey from 2018 to 2023	Increase in the average cost of Thanksgiving dinner since 2004	Percentage of Americans who plan to spend more than \$300 on Thanksgiving dinner	Percentage of Americans who prefer eating side dishes more than turkey

Rising Food Costs: Impact on the Thanksgiving Table

Consumers and businesses alike have felt the pressure of rising food costs in 2024, and Thanksgiving is no exception. Inflationary pressures, supply chain challenges, and climate-related events have driven up prices across the board. The average total cost of a Thanksgiving dinner for 10 people last year was \$112.60, down from \$116.54 in 2022, primarily due to lower turkey prices. Despite the decrease in cost from 2022 to 2023, Thanksgiving dinner costs have risen sharply since 2019, increasing by 25% over 5 years. The perceived rise in prices has led to many Americans making different choices at the Thanksgiving dinner table. According to a 2022 survey done by Morning Consult, 74% of consumers surveyed stated that they are buying store-brand products to cut costs, a trend that is also seen throughout the year. Additionally, 62% of consumers are looking for alternative ingredients, with many opting for untraditional meals, with “small turkey,” or chicken, as the main protein due to its lower price. Campbell’s “State of the Sides” report notes that 56% of Americans prefer side dishes over turkey, further shifting the plate away from Thanksgiving’s traditional centerpiece and allowing for lower cost fillers such as stuffing and mashed potatoes to take center stage.

Percentage of People Adjusting to Increase in Thanksgiving Food Prices (2)



Sources: Statista, Morning Consult, American Farm Bureau Federation, Campbell’s State of the Sides Report, USDA, Advantage Solutions, US Bureau of Labor Statistics

(1) Inflation adjusted data set to November 2023 equivalent. Represents average cost of a Thanksgiving dinner for 10 people

(2) Statista Survey: Shopping adjustments made by Thanksgiving hosts to accommodate prices in 2022

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Bold and Global: Shifts Toward Diverse Flavor Profiles

One trend that will be highlighted at the dinner table this Thanksgiving is the shifting preference toward bolder, more global flavors. Asian and Hispanic flavors have become particularly popular, with more consumers seeking out spicy foods than ever before. Jason Katz, VP of Strategic Planning for Advantage Unified Commerce, says to “Expect to see Thanksgiving menus that feature spices like harissa, gochujang, and sumac, infusing new life into classic recipes like roasted vegetables and stuffing.” The growing populations in Hispanic and Asian communities have stimulated demand for new flavors that will now carry over into even the most traditional Thanksgiving dishes. Americans on Thanksgiving will also see drastically different flavor profiles depending on the region they live in. The Southeast, prefers sweet and smoky flavors, while the Northeast prefers sweet flavors like maple syrup. The Midwest enjoys cheesy and creamy dishes, while the Southwest prefers spicy and smoky flavors, and the West Coast prefers creamy and savory foods with modern twists.

Smaller Portions and a Focus on Value

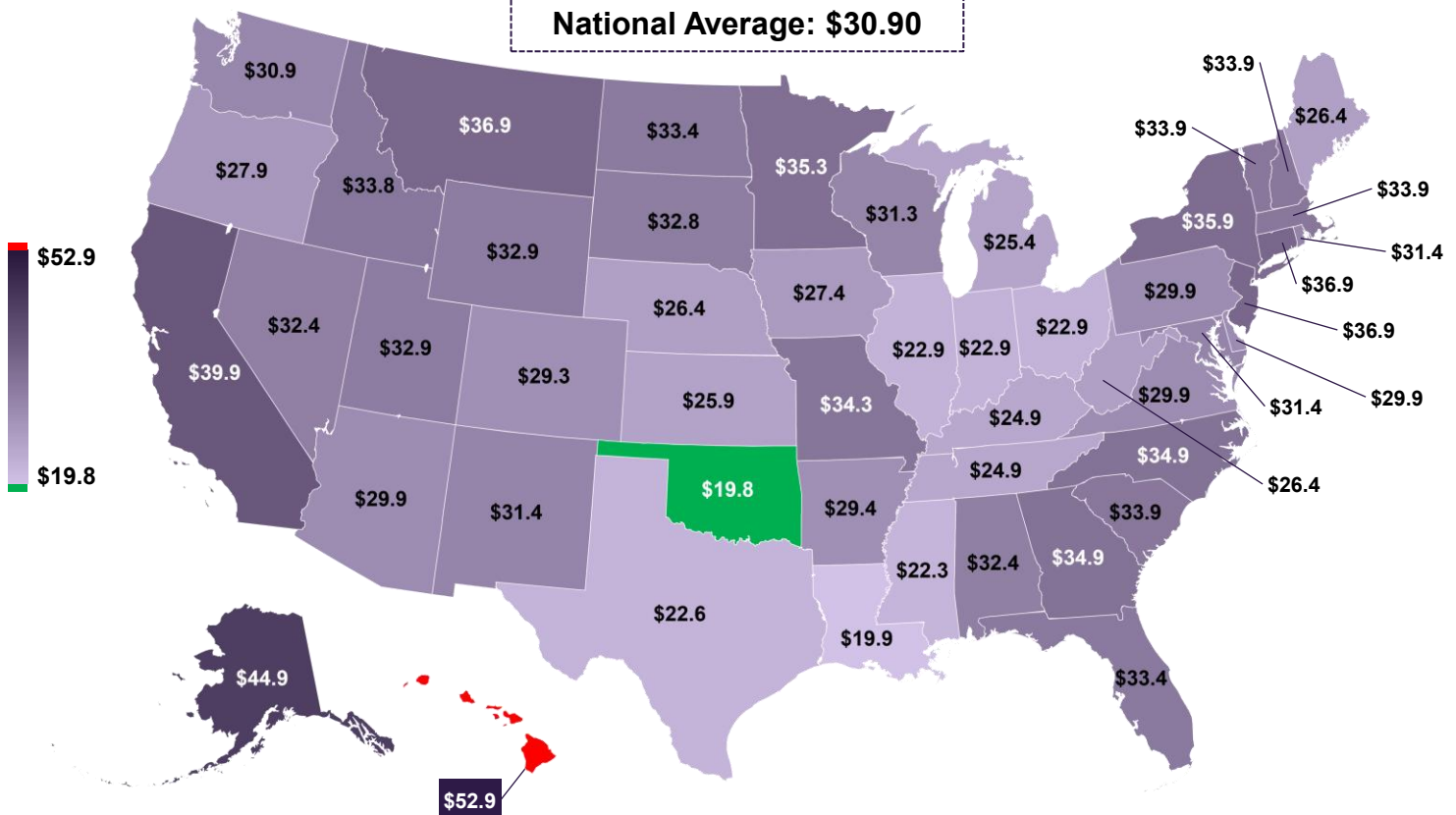
With food costs on the rise, many consumers are adjusting their portion sizes and carefully managing their budgets. Smaller portions and value-conscious meal planning have become the norm as shoppers seek to maximize how far their dollar goes. Discount hunting is playing a major role as consumers seek to find ways to save without sacrificing quality. Consumers have consistently transitioned away from traditional grocery channels in favor of discount grocery stores, private-label goods, and warehouse stores. Those same strategies will be seen this November as price-conscious consumers fill their shopping carts leading up to Thanksgiving. Stu Plush, executive chef at Bardstown Bourbon Company, says plainly, “Food is expensive. Cooks are scaling back on the number of dishes and are focusing on the quality of the traditional basics.”

Bundles: Not Only for Insurance

An additional strategy being utilized by retailers is the Thanksgiving bundle. Several retailers such as Walmart, Aldi, Target, and The Honey Baked Ham Company are attempting to give consumers exactly what they need in one convenient and value-packed location. These retailers are seeking to appeal to consumers’ appetite for convenience as they provide “everything you need” for Thanksgiving dinner. Target, Walmart, and Aldi provide shoppers with more budget-conscious options, while Honey Baked Ham offers a more premium feast at a premium price. Both the high and low-cost options attempt to appeal to broader consumer preferences seeking more convenience and value in food.

Average Price of a 15 Pound Frozen Turkey in 2024

National Average: \$30.90



Sources: Better Home and Gardens, Finance Buzz, Taste of Home