



**COVID-19 Impacts on Arkansas' Agricultural and Rural Economies**

**UPDATE:  
Fall Turkey Market Update**

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## Fall Turkey Market Update

In the first week of November in America, all other issues fade to irrelevance as the public's attention is focused on a single question with great significance for the future: how much is a Thanksgiving turkey going to cost? As family and friends gather (in masks and socially distanced, probably via Zoom) over a special meal to give thanks that this year is finally almost over, it looks like the main course may cost a bit more than it did last year.

Like everything else, the turkey market has been significantly disrupted by this year's unprecedented events. According to USDA's *Livestock, Dairy, and Poultry Outlook* report from October, 2020 turkey production will be down about 1.5% from 2019. This decline is largely driven by a sharp drop in second quarter production coinciding with the processing plant disruptions associated with the COVID pandemic. Second quarter production was estimated to be down almost 6% year over year.

The year-to-date decline in turkey production shows up as smaller stocks of frozen turkeys in cold storage. The October *Cold Storage* report showed the supply of frozen turkeys (both toms and hens) to be 12% lower than a year ago. Stocks were drawn down by 4% just between the end of August and the end of September. Part of this may also be a positive demand side effect. Turkey is more of an at-home food than beef and chicken. It may well be that turkey sandwiches made at home were a frequent substitute for fast food burgers and chicken sandwiches while food service outlets were closed.

With this support in the market, wholesale and retail turkey prices have been consistently higher than a year ago. In October, the average wholesale price of frozen tom turkeys (16 – 24 pounds) was 18% higher than a year ago. Retail prices are also mostly higher. The most recent USDA *National Retail Report - Turkey*, reported a national average retail price of 99 cents per pound. This is about 10% higher than at the same time last year.

It is worth noting that 99 cents per pound is still a really inexpensive protein. Retailers typically feature turkey aggressively as a special promotional item at this time of year. Customers who come into the store for a really cheap turkey will also probably pick up their sweet potatoes, cranberries, corn, green beans, etc. while they are there: it's a great marketing strategy that pretty much every store deploys during the holiday season. That will also be the case this year, though featuring activity is off to a bit of a slow start. USDA's current retail activity report shows about 2,500 reporting stores featuring turkeys in their sale promotions at the end of October. For the same week a year ago, about 8,500 stores were featuring turkey. Turkey featuring activity will pick up as Thanksgiving draws nearer. Since all but the most obnoxious over-achievers haven't purchased their Thanksgiving turkey yet, most consumers will still get the benefit of these sale prices.

There is no doubt that 2020 has been a challenging year for everyone. Despite the challenges, safe and high-quality food has remained consistently available in an almost unimaginable variety at remarkably affordable prices. Most Americans will be able to enjoy a special holiday meal that would have been considered a wildly unattainable luxury by most people throughout human history. With all that has gone on this year, that is something worth pausing to give thanks for.

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