By Melissa Allison and Amy Martinez
Seattle Times business reporters

Cheap turkey is a blessing that grocery stores bestow on shoppers every November, but this year the bargains are especially meaningful.

Stores are paying 33 percent more for turkeys because of high feed prices and low inventory, according to The Food Institute, a trade association in New Jersey.

In the first eight months of this year, the U.S. slaughtered 157 million turkeys, down 3.4 percent from the same period in 2008; stocks of cold-stored birds are down 24 percent; and prices for wheat and other feed are high following a disastrous drought in Russia.

That means stores are paying more — an average of $1.05 a pound — for turkeys this holiday season, but many will sell them far below their cost.

Haggen and Top Food offers frozen turkeys for 27 cents a pound with a $25 purchase, although its turkey costs are up 10 to 15 percent from last year.

It sells three times as many turkeys during the two weeks before Thanksgiving as the whole rest of the year, said Becky Skaggs, a Haggen spokeswoman.

Turkeys are traditionally loss leaders at Thanksgiving, like soft drinks are in the summer. Because Thanksgiving is such a narrow window, turkey pricing remains highly secretive and is not discussed publicly until the birds arrive in stores and sale prices appear in advertisements.

For example, Haggen will not discuss how much it plans to charge for fresh turkeys this year, which are scheduled to arrive in stores next week.

"There's going to be a sale, but no one shows their hand until the ad," Skaggs said.

Costco Wholesale escaped the run-up in turkey prices this year by booking early. It contracted with vendors back in February and March to ensure it would have the turkeys it needs in November, which number "well over a million," said Jeff Lyons, Costco's senior vice president of fresh foods.

The warehouse club locked in prices before they spiked. "We're in a very good position, and I want to be humble about it, because we're lucky," he said.

Costco is selling fresh turkeys for 89 cents a pound on the West Coast this year, the same price it's offered for the past three years. That's not below cost — Costco says it never sells below cost unless it makes a mistake with inventory — but the profit for turkeys is "a couple pennies," Lyons said.

Field Roast Grain Meat, a Seattle company that makes nonmeat alternatives to Thanksgiving turkeys, said it has not been hit by the rising cost of wheat and other grains that are fed to turkeys and go directly into the food supply chain.

"There's going to be a sale, but no one shows their hand until the ad," Skaggs said.

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Retail Report is a look at the trends, issues and people who make up the dynamic and versatile retail sector throughout the Puget Sound region. Every Friday with Melissa Allison and Amy Martinez. Send tips or comments to mallison@seattletimes.com or amartinez@seattletimes.com.

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other grains that are fed to turkeys and go directly into its vegan products.

That's true even though one of Field Roast's main ingredients is wheat protein flour.

"The price of wheat has gone up, but the price of wheat protein flour has gone down or remained steady because of an oversupply in Europe," Field Roast owner David Lee said his Canadian supplier told him.

Sales of Field Roast's holiday products spike like any U.S. turkey farm in the fall.

The biggest boost comes with its two-pound stuffed celebration roasts, which are made from wheat protein and vegetable "meat" and filled with a stuffing made from butternut squash, apples and mushrooms.

Field Roast made 1,200 of them from January through August, and has ramped up to make 40,800 between August and early November.

The company, which operates from the old Lucerne Dairy building between the Central and Chinatown International districts, launched a new holiday product this year — a hazelnut cranberry roast — that Lee figures is the most expensive vegetarian roast on the market, at $17.99 to $19.99 for two pounds.

"It's worth it," Lee said.

He does not like the fact that turkeys are sold as loss leaders this time of year.

"It's an animal's life and should be sold for a premium," he said. "That's my personal view."

— Melissa Allison

Tidbits

Amazon.com appears to be taking a different approach to its Kindle e-reader TV ads this holiday-sales season. Unlike a previous ad that took aim at Apple's iPad, two new Kindle ads posted on YouTube make no reference to Amazon's competitors.

Instead, one ad promotes the Kindle's portability and durability by showing the device tucked into a pants pocket, carried around in a bike basket and being licked by a dog. The other ad shows a grandmother and young boy talking about an array of things he's reading on his new $139 Kindle. — AM

PocketBook, an e-reader company based in the Ukraine, plans to open a kiosk Monday at Westfield Southcenter in Tukwila, where it will sell five models ranging in price from $139 to $199. The kiosk is PocketBook's second U.S. retail location. The first opened Wednesday in Independence, Mo. — AM

Panera Bread has opened a cafe at the new Broadway Building, 1620 Broadway, on Capitol Hill. It's the chain's second shop in Seattle and its ninth in King County, with about 4,000 square feet. Panera owns and franchises 1,399 cafes. — MA

Cedarbrook Lavender and Herb Farm in Sequim has returned to Seattle's Northgate Mall with a holiday kiosk that sells handmade gift items, including scented lotions, candles and neck pillows. Cedarbrook last had a kiosk at the mall during the 2007 holiday season. — AM

Retail Report appears Fridays. Amy Martinez covers goods, services and online retail. She can be reached at 206-464-3312 or amartinez@seattletimes.com. Melissa Allison covers the food and beverage industry. She can be reached at 206-464-3312 or mallison@seattletimes.com.

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