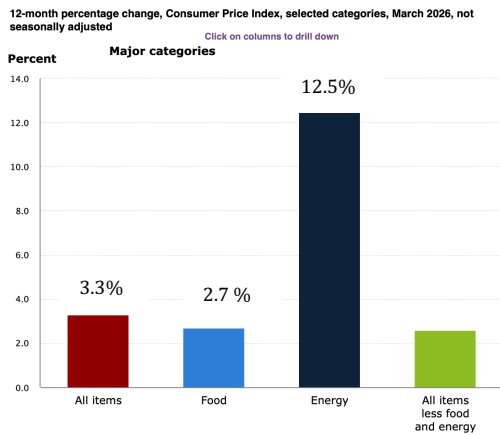




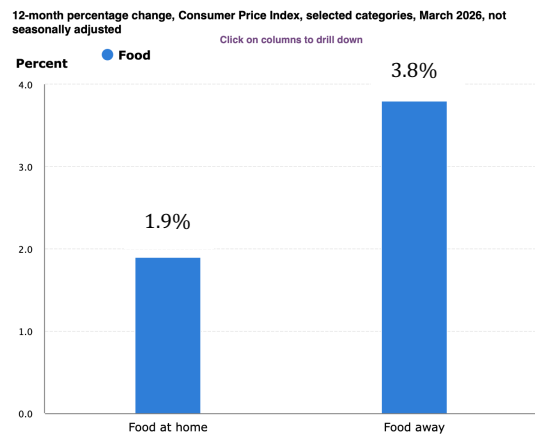
To: KC Farm Bureau
Date: April 16, 2026
Re: Agriculture Trade Report
From: Aaron Hegde

Executive Summary: *The Bakersfield Breakfast Barometer declined by 2.4% month over month in April 2026, primarily reflecting lower butter and orange juice prices. Despite this short-term easing, several breakfast staples remain significantly more expensive than a year ago, most notably coffee (+46%) and toast (+22%), underscoring continued pressure on household food budgets. At the same time, escalating conflict involving Iran—and disruptions to energy flows through the Strait of Hormuz—continue to pose substantial risks to California agriculture. Rising fuel and fertilizer costs are filtering unevenly across commodities in Kern County, with energy-intensive crops such as almonds facing the greatest exposure. While export volumes to key markets such as the UAE have remained relatively stable through early 2026, the economic effects of the conflict are likely to become more visible in the coming months as higher input costs weigh on farm margins and trade flows.*

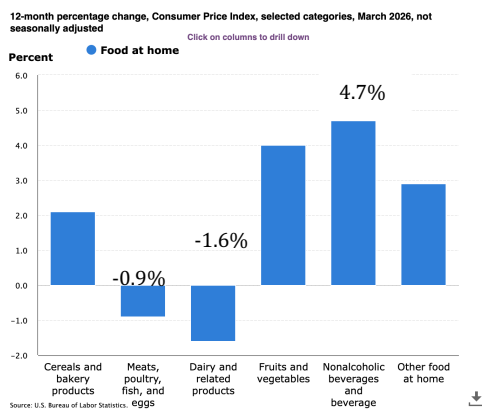
The Economy



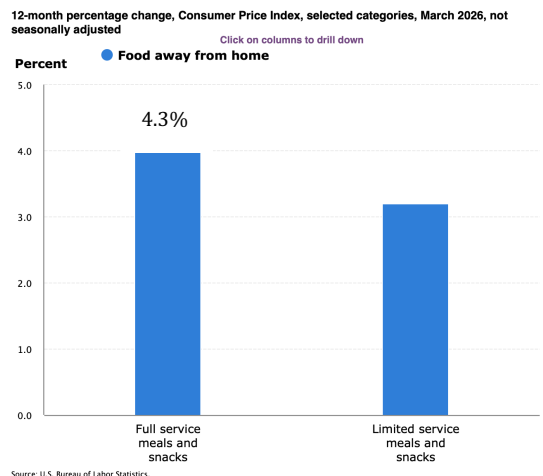
Source: U.S. Bureau of Labor Statistics. **Figure 1 Twelve-month CPI Change.** Source: BLS



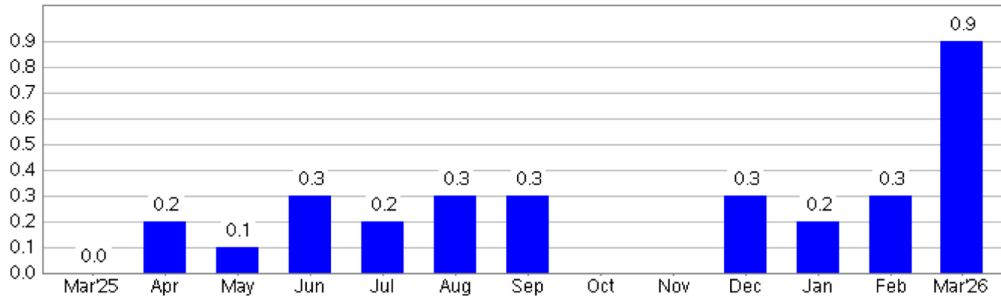
Source: BLS. **Figure 2 Change in Food CPI.**



Source: BLS. **Figure 3 Food at Home.**



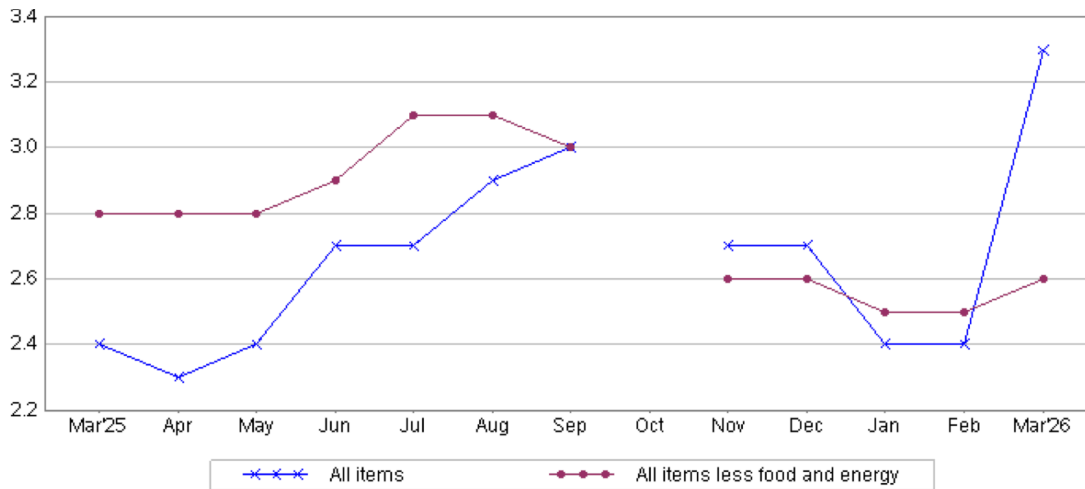
Source: BLS. **Figure 4 Food Away From Home.**



NOTE: The Oct and Nov 2025 data values are not available due to the 2025 lapse in appropriations.

Figure 5a One-month Percent Change in CPI (2/25-2/26)

Source: <http://www.bls.gov>



NOTE: The Oct 2025 data values are not available due to the 2025 lapse in appropriations.

Figure 5b Twelve-month % change in CPI

Source: BLS

Bakersfield Breakfast Barometer

Item	Q	Price (Apr '26)	Cost	Percent Change (MoM)	Percent Change (YoY)
Toast	2	\$5.04/ loaf	\$0.63	0%	+22%
Butter	1 tbs	\$5.48/lb	\$0.17	-4.4%	-10%
Egg	1	\$5.73/dozen	\$0.48	0%	-18%
Bacon	2 slices	\$9.64/ 12 oz	\$1.38	0%	+8%
Orange Juice	8 oz	\$4.79/ 52 oz	\$0.74	-9.8%	-6%
Coffee	8 oz	\$23.74/33.7oz	\$0.10	0%	+46%
Cream	0.4 oz	\$4.28/ 32 oz	\$0.05	0%	6%
Total			\$3.55	-2.4%	+2%

Table 1 Cost of breakfast in Bakersfield for 1 person

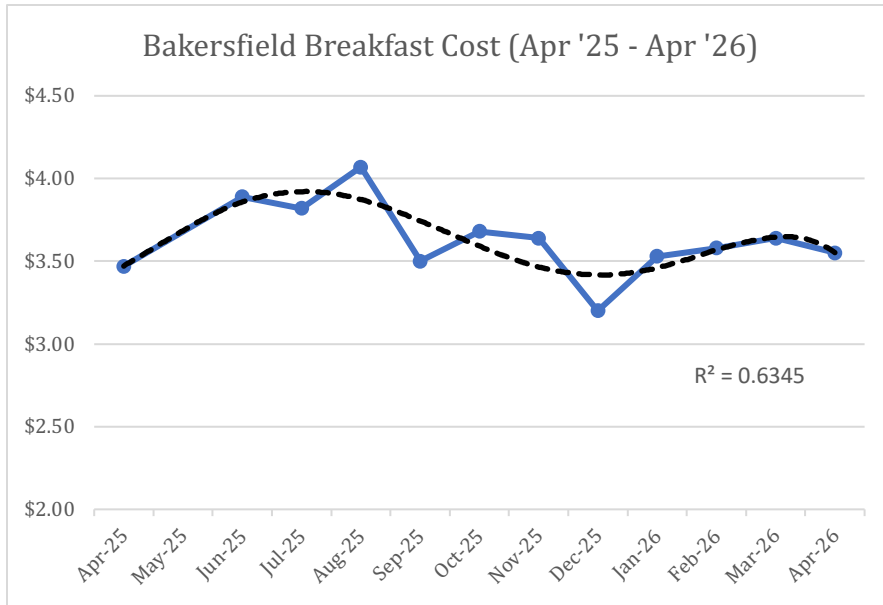


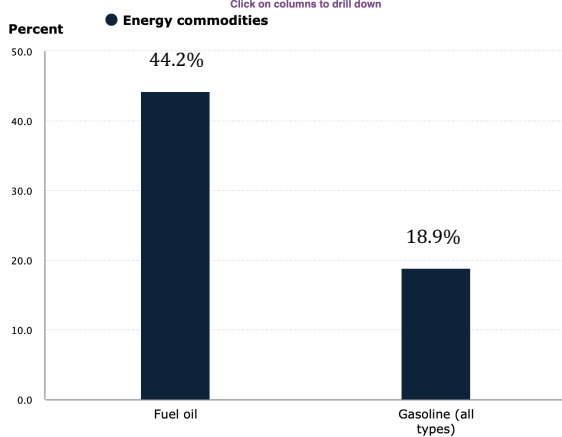
Figure 6 Breakfast cost over 12 months

The regularly tracked Bakersfield Breakfast Barometer showed a 2.4% decrease in the cost of a typical breakfast in Bakersfield for April, compared to the same in March. Butter prices decreased in April and remained 10% below year-ago levels. While the price of eggs stayed the same in April, they are still down 18% compared to this time last year.

Coffee did not cost any more in April than it did the previous month, however, it is still about 46% more expensive compared to the same time in 2025.

War and Trade

12-month percentage change, Consumer Price Index, selected categories, March 2026, not seasonally adjusted



Source: U.S. Bureau of Labor Statistics.

Figure 7 Energy Commodities Inflation (3/25 - 3/26)

The CPI for energy increased 12.5% in March (compared to same month in 2025), the largest monthly increase in the index since September 2005 according to the BLS. The gasoline inflation was 18.9% compared to 2025, the largest monthly increase since 1967. This is the direct impact of the war in Iran, and particularly the oil traffic through the Strait of Hormuz. This higher cost of fuel has varying impact on the total operating costs per acre for agricultural commodities in Kern County. Fuel, as a percentage of total operating cost per acre varies by the commodity being grown. It can range from as low as 0.005% of operating cost (table

grapes) to 3.5% for almonds¹. For Kern County producers, prolonged elevation in fuel prices would compound already tight margins, increasing sensitivity to both price volatility and policy interventions affecting energy and transportation costs.

¹ <https://coststudies.ucdavis.edu/current/commodities>

Exports to UAE: Beyond domestic cost pressures, geopolitical instability also raises downside risk for key export markets. The United Arab Emirates (which is directly impacted by the Iran war – see figure 8) is 8th largest importer of California agricultural commodities. In the most recent year (2024), they imported \$612.8M worth of agricultural commodities (24.7% increase compared to 2023). Of this, approximately \$409M were almonds (a 60% increase compared to 2023).



Figure 8 Map of UAE and Strait of Hormuz

Figure 9 below displays monthly almond exports to the UAE for 2025 and part of 2026. More recent numbers will be available in a month or two. The limited

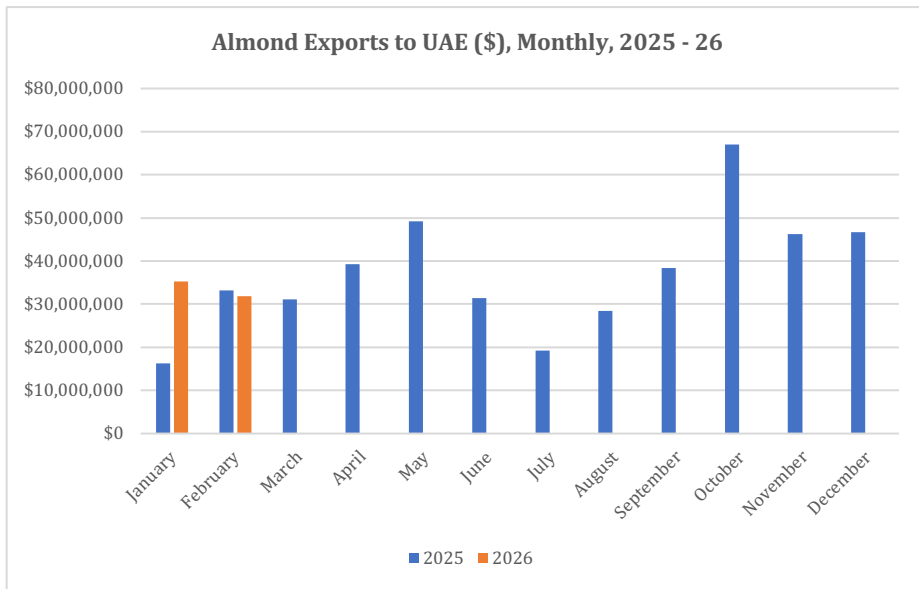


Figure 9 Almond Exports to UAE (2025 - 26)

Source: USITC

data for 2026 indicates that shipments in 2026 are consistent with 2025, at least through February. The impact of the war (which started towards the end of February) will probably be seen when figures for March and April are available (probably sometime in early summer 2026). The question for now is not whether we will see a decrease in

these shipments, rather by how much will they decrease.