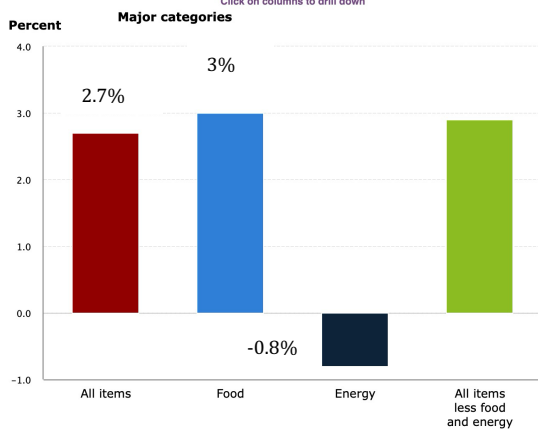




To: KC Farm Bureau
Date: July 17, 2025
Re: Agriculture Trade Report
From: Aaron Hegde

The Economy

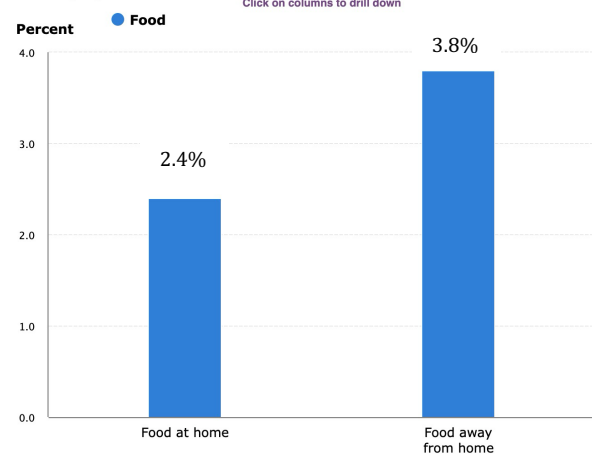
12-month percentage change, Consumer Price Index, selected categories, June 2025, not seasonally adjusted



Source: U.S. Bureau of Labor Statistics

Figure 1 Twelve-month CPI Change

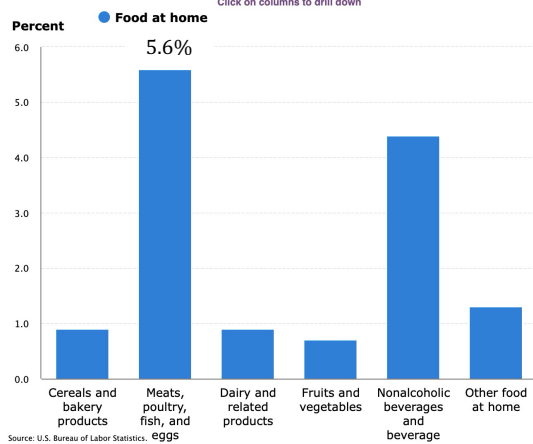
12-month percentage change, Consumer Price Index, selected categories, June 2025, not seasonally adjusted



Source: U.S. Bureau of Labor Statistics

Figure 2 Change in Food CPI

12-month percentage change, Consumer Price Index, selected categories, June 2025, not seasonally adjusted



Source: U.S. Bureau of Labor Statistics

Figure 3 Food at Home

12-month percentage change, Consumer Price Index, selected categories, June 2025, not seasonally adjusted

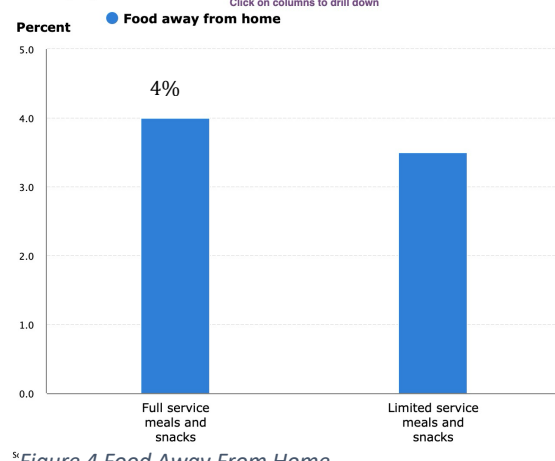
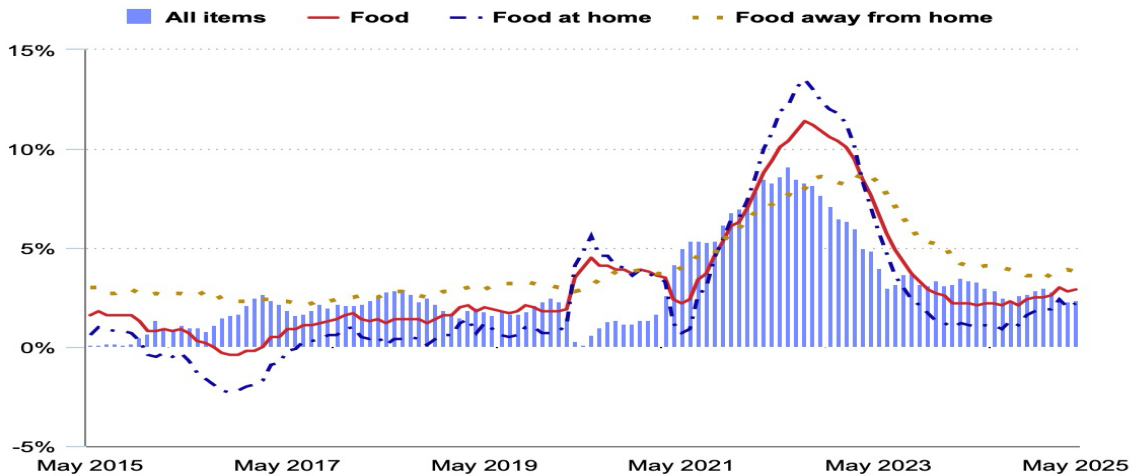


Figure 4 Food Away From Home

The CPI increased 0.3% in June, compared to 0.1% in May. The twelve-month period from June 2024 saw the CPI increase by 2.7% (Figure 1). Once again, the CPI for food increased by 3% year-over-year (YoY) in June 2025, more than any other category. Diving further into the food category, it can be seen in Figure 2 that food consumed away from home (3.8%) increased more than food consumed at home (2.4%), which is a reversal in the previous trend. Within food consumed at home (Figure 3), the largest increase remains the *meats, poultry, and eggs* category (5.6%), which is a lower increase than last month (6%). Figure 4 displays the breakdown between food consumed at *Full-Service Restaurants* (4%) and those consumed at *Limited-Service Restaurants* (3.5%).

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



Click legend items to change data display. Hover over chart to view data.
Source: U.S. Bureau of Labor Statistics.

Figure 5 12-month % change in CPI

Source: BLS

Figure 5 shows a YoY percent change from May 2025 of the various categories of the CPI. As can be seen, a big driver of the increase in CPI was *Food*, specifically *Food consumed at home*, more specifically *meats, poultry, fish and eggs*.

Bakersfield Breakfast Barometer

Item	Q	Price (Jun '25)	Cost		Percent Change
			July '25	June '25	
Toast	2	\$5.04/ loaf	\$0.63	\$0.63	0%
Butter	1 tbs	\$6.61/ lb	\$0.21	\$0.20	5%
Egg	1	\$6.78/dozen	\$0.57	\$0.57	0%
Bacon	2 slices	\$10.28/ 12 oz	\$1.47	\$1.53	-4%
Orange Juice	8 oz	\$5.30/ 52 oz	\$0.82	\$0.83	+1.2%
Coffee	8 oz	\$19.36/33.7oz	\$0.08	\$0.09	+12.5%
Cream	0.4 oz	\$4.28/ 32 oz	\$0.05	\$0.05	0%
Total			\$3.82	\$3.89	-2%

Table 1: Breakfast Cost

As displayed above in Table 1, the cost of *Food at home* in Bakersfield decreased by 2%, compared to the same time last year (YoY) much higher than the nationwide increase in the same. The primary driver here was the increase in the local price of eggs and bacon, which has been much higher than the average price nationwide.

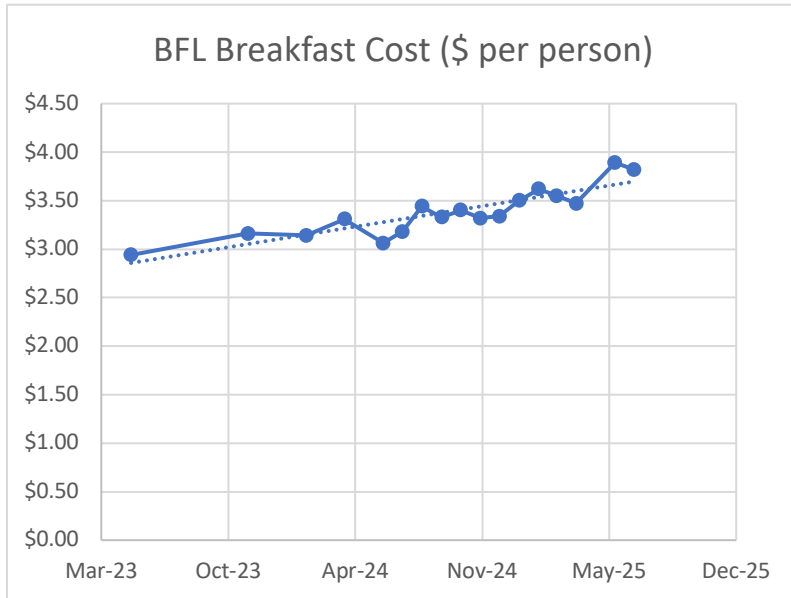
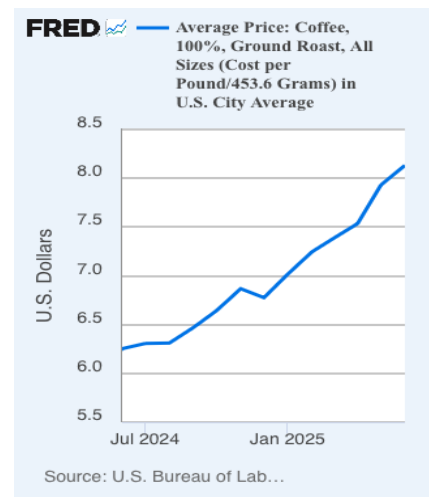
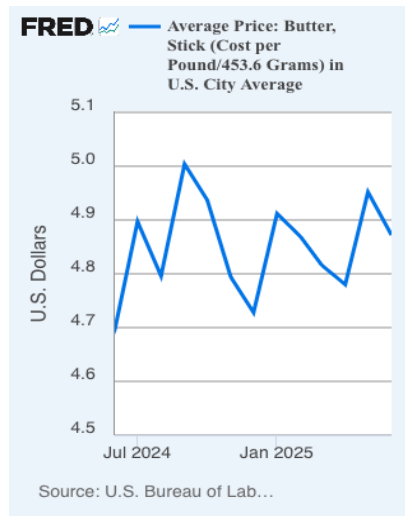
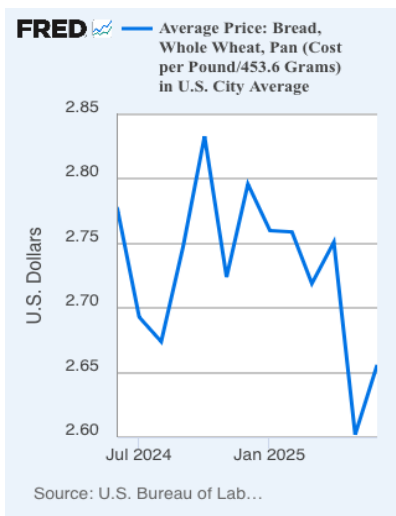
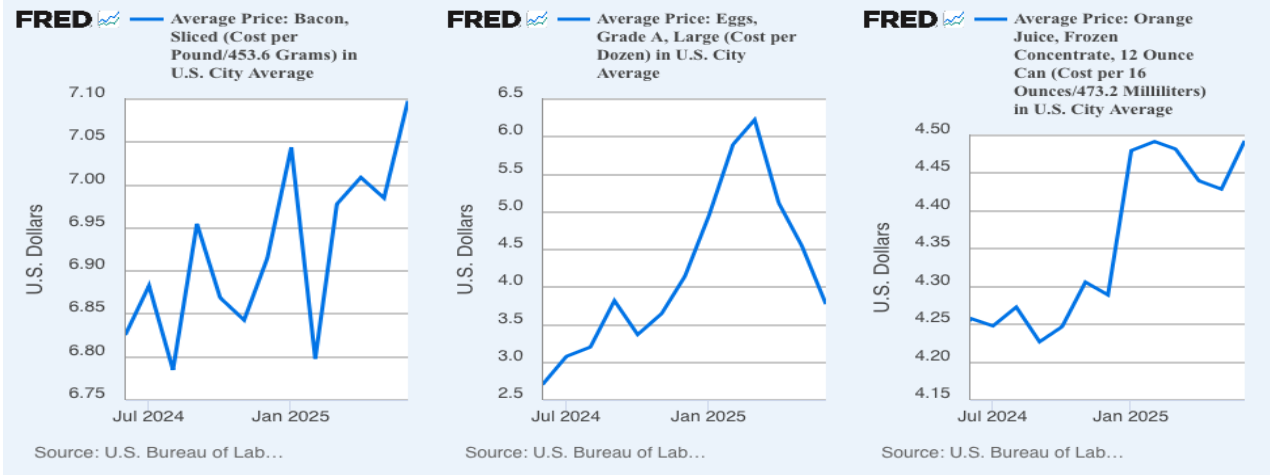


Figure 6 shows the cost of breakfast in Bakersfield over the last couple of years. The YOY increase in the barometer is 20%. The general trend in this cost has been increasing over this period, however at a slower rate, reflecting the same situation nationwide.

The following graphs indicate the change in price for various commodities included in the BBB (Source: Fed Res, STL).





The price of coffee, orange juice, and butter has increased over the last 12 months, as can be seen in the above figures. While the price of eggs is also higher, it has been decreasing over the last few months. Finally, the price of bread has also been decreasing over the last few months.

Trade

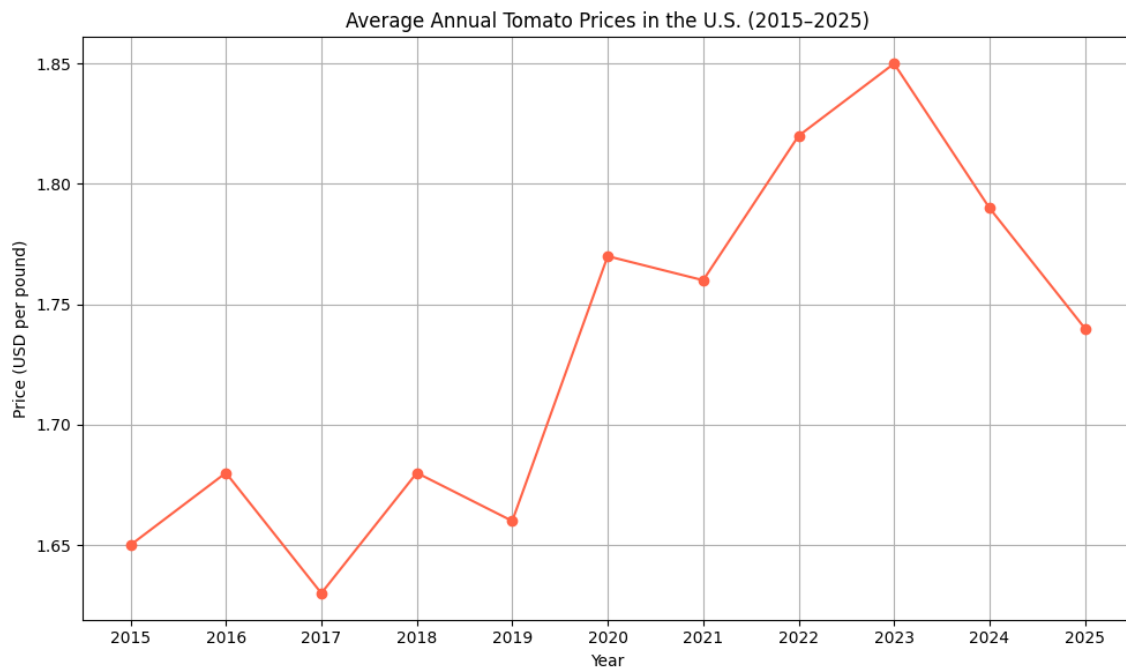
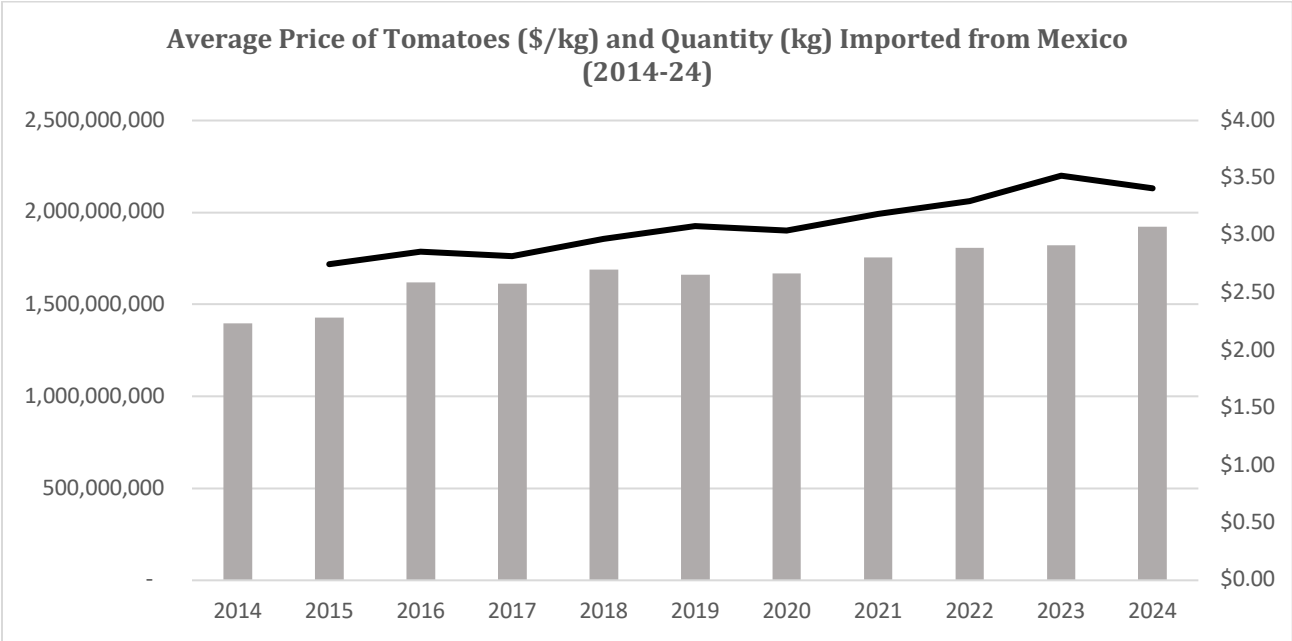


Figure 7 Price of Tomatoes (2015 - 25)

Source: USDA, FRED

The above figure displays the average price of tomatoes over the past decade. The US imports approximately 70% of the fresh tomatoes from Mexico (WSJ). The current administration has imposed a 17% tariff on these imports. While it is difficult to estimate the full impact, the

increase in the average price of tomatoes might be as much as 10%. As per Figure 7, the average price of tomatoes has been declining for the last couple of years. Any decrease in imported tomatoes can be made up by those grown in Florida, which are grown in open fields, unlike majority of those grown in Mexico, which are grown in greenhouses. The figure below shows the amount of tomatoes imported from Mexico over the past decade, as well as the average price of tomatoes in the US over the same period.



Domestic production of tomatoes has also decreased over the same period, primarily to increasing temperatures in the growing areas. Labor shortages in the US, and supply chain issues during the pandemic have also led to increased reliance on imports from Mexico. In California, the tomato production season generally runs from May through December.

CA Tomato Production		
Year	Acres	Production Value
2016	30,000	\$278.5 M
2024	17,000	\$342.3 M

Over the last few years, the number of acres in CA dedicated to fresh tomatoes has almost been cut in half as the country relied more on imports from Mexico.