CALIFORNIA STATE UNIVERSITY
BAKERSFIELD

Grimm Family Center for Agricultural Business

To: KC Farm Bureau
Date: June 18, 2026
Re: Agriculture Trade Report
From: Aaron Hegde

<u>Executive Summary</u>: *The July 2026 Agriculture Trade Report finds that food inflation remains relatively modest, even as overall inflationary pressures persist in the broader economy. The BBB was unchanged from the previous month and remains 12% below its level one year ago, reflecting lower prices for eggs, bacon, and butter. Coffee continues to be one of the few breakfast items experiencing notable price increases. Nationally, food affordability remains a growing concern, as price increases for popular food baskets have outpaced wage growth in recent years. Almond and pistachio exports continue to outperform 2025 levels, providing positive momentum for key Kern County agricultural sectors. In contrast, grape and orange exports have lagged last year's pace due to supply constraints, stronger foreign competition, and softer demand in some export markets. Overall, the outlook for Kern County agriculture remains mixed, with improving consumer food costs and strong tree nut exports offset by challenges facing fruit producers and global trade conditions.*

<u>The Economy – Macroeconomic Conditions</u>

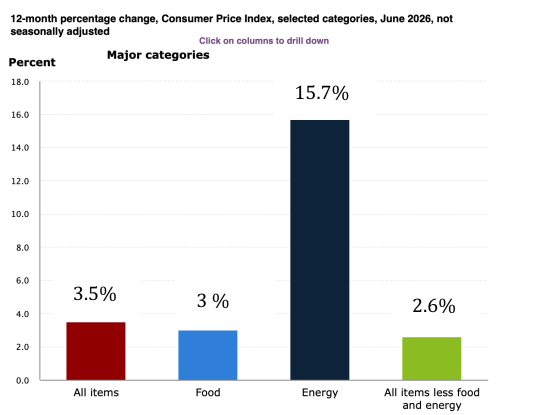

Figure 1 Twelve-month CPI Change. Source: BLS

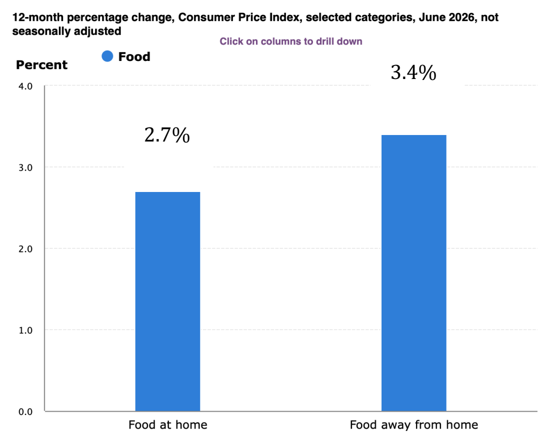

Figure 2 Change in Food CPI. Source: BLS

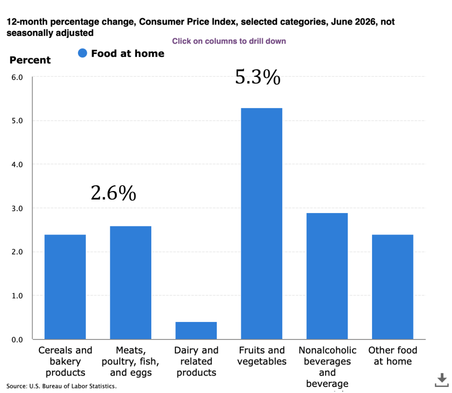

Figure 3 Food at Home. Source: BLS

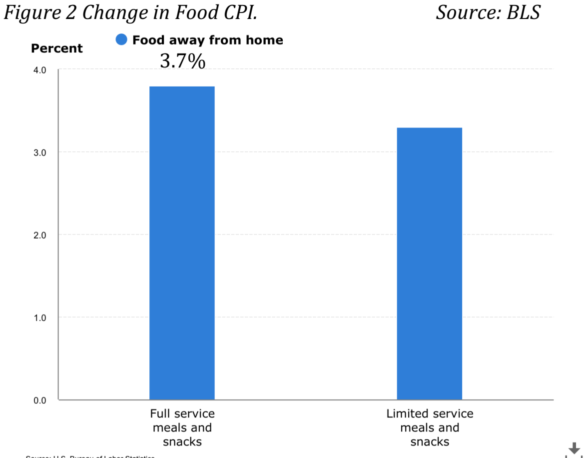

Figure 4 Food Away From Home. Source: BLS

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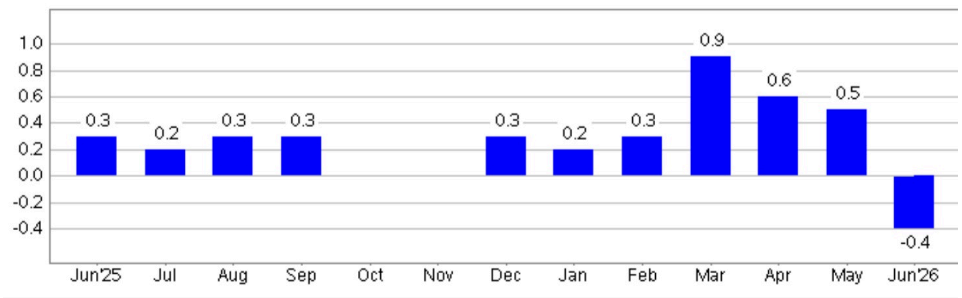

NOTE: The Oct and Nov 2025 data values are not available due to the 2025 lapse in appropriations.

Figure 5a One-month Percent Change in CPI (6/25-6/26) *Source: http://www.bls.gov*

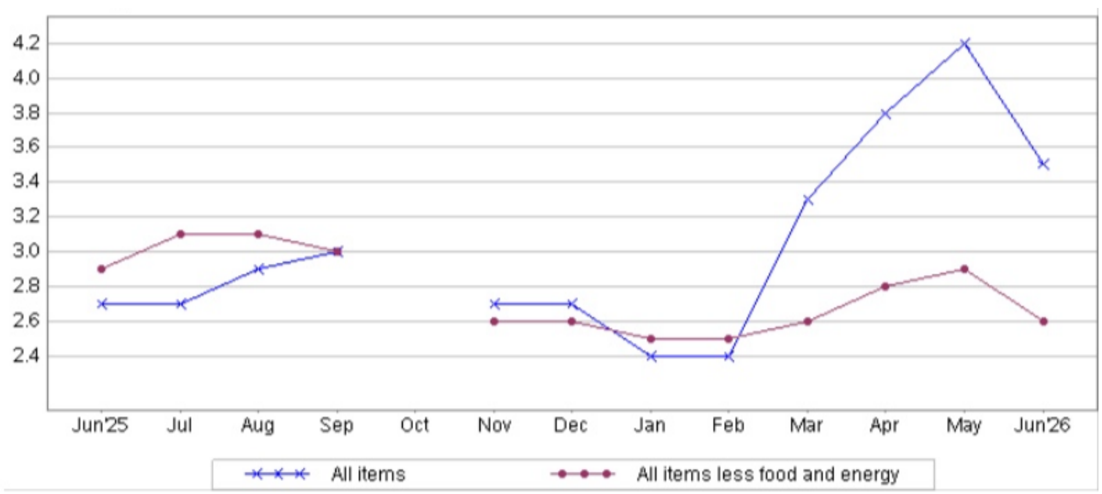

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Figure 5b Twelve-month % change in CPI *Source: BLS*

Bakersfield Breakfast Barometer – Consumer Food Costs

Item	Q	Price (Jul '26)	Cost	Percent Change (MoM)	Percent Change (YoY)
Toast	2	$5.04/ loaf	$0.63	0%	0%
Butter	1 tbs	$5.48/lb	$0.17	**+30%**	**-17%**
Egg	1	$5.73/dozen	$0.48	0%	-15%
Bacon	2 slices	$7.74/ 12 oz	$1.11	**-6%**	-25%
Orange Juice	8 oz	$5.31/ 52 oz	$0.82	+5%	0%
Coffee	8 oz	$23.34/33.7oz	$0.10	0%	**+21%**
Cream	0.4 oz	$4.03/ 32 oz	$0.05	0%	-6%
Total			**$3.35**	**0%**	**-12%**

Table 1 Cost of breakfast in Bakersfield for 1 person

The regularly tracked Bakersfield Breakfast Barometer showed no change in the cost of a typical breakfast in Bakersfield for July, compared to the same in June. However, butter prices increased, while the price of bacon decreased, as did the price of orange juice. Compared to a year ago July, butter prices were 17% lower, while egg prices were 15% lower. Bacon also cost 25% less than a year ago. Coffee prices were still 21% higher in July, compared to the same month in 2025. Nationwide, the cost of food was higher by 2.5% in June, while the cost of breakfast at home for the same duration in Bakersfield was 14% lower. The Bakersfield Breakfast Barometer measures changes in food prices over time, but consumers ultimately experience inflation through its effect on affordability. One way to evaluate affordability is to compare the cost of a typical food basket with prevailing wages, an approach recently used by *The Economist* to evaluate the cost of a Fourth of July barbecue.

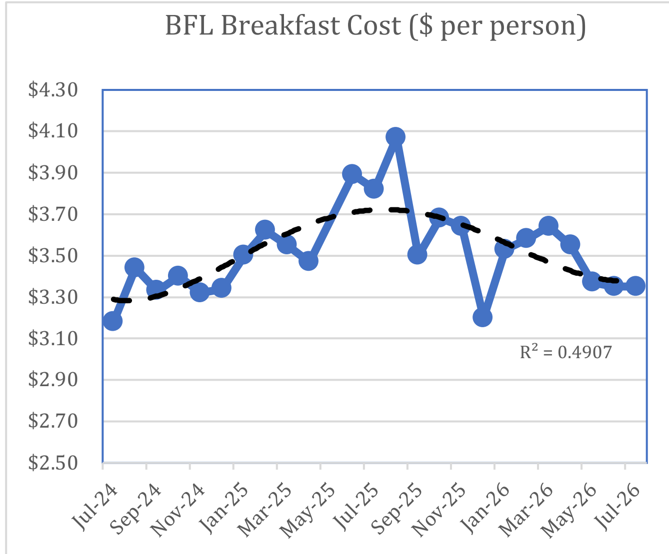


Figure 6 Breakfast cost over 24 months

Food Affordability

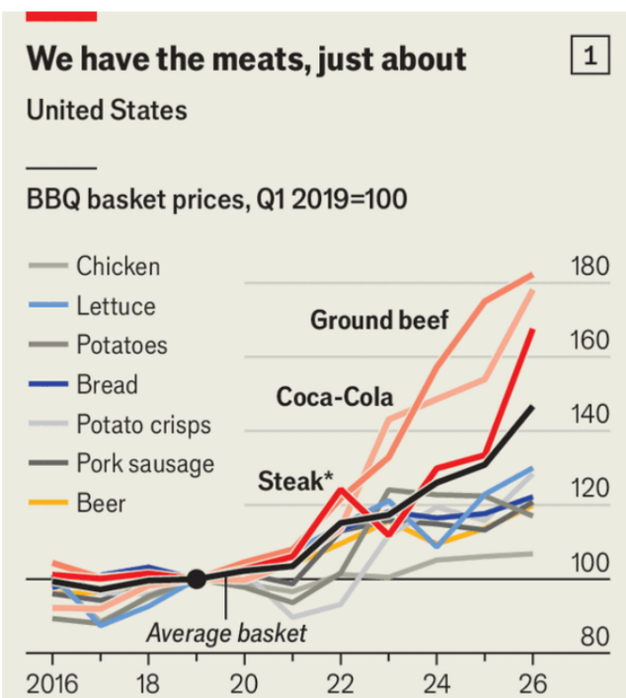


Figure 7 Food affordability

CHART: THE ECONOMIST

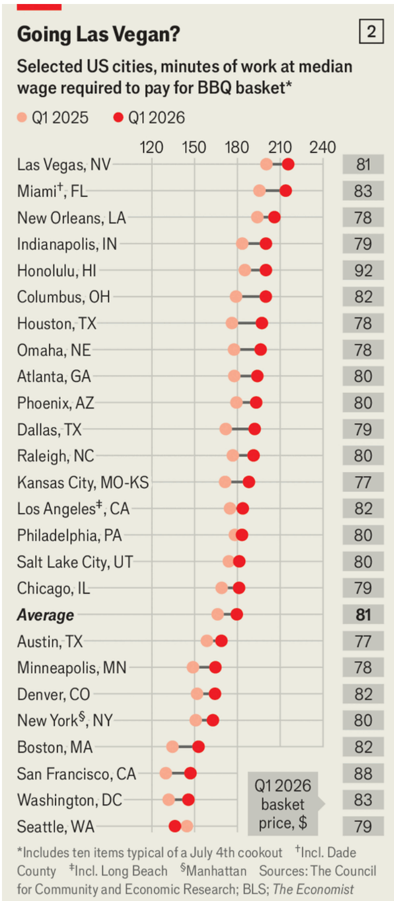


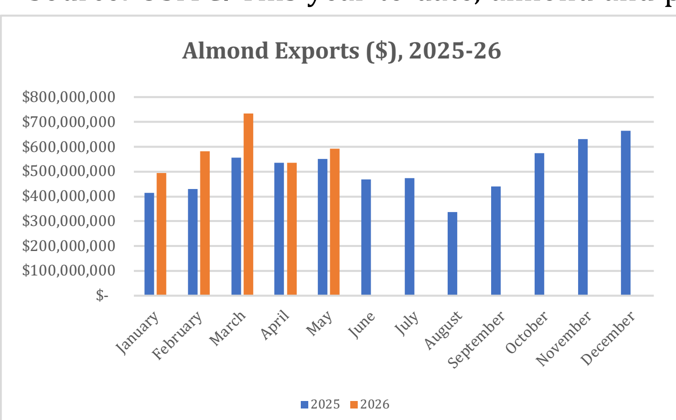
Figure 8 Cost by city

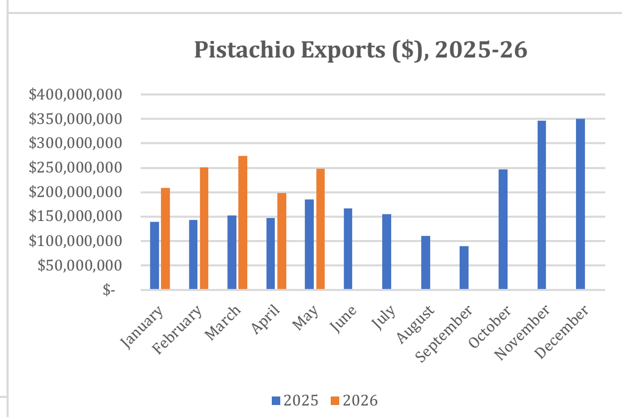
Earlier this month, the *Economist* magazine, published an article about the affordability of a typical 4th of July BBQ. They stated that while the overall increase in food prices since 2020 was 30%, which added an extra $1,600 per year to a typical household's grocery bill, wages have also increased so that they typical household could still afford groceries. However, since the prices have not uniformly increased, especially with regards to some staples, the affordability varies. To this end, they calculated the cost of a typical 4th BBQ ("Summer BBQ Index") for four people, consisting of steak, hamburger, chicken, pork, chips, bread, and some beverages, including a 6-pack of beer. Figure 7 shows the cost of each of these items in the index since 2019. They then calculated how many minutes, at the median wage, someone would have to work to be able to afford that basket. As seen in Figure 7, the increase in prices of this basket outpaced the increase in wages since 2022.

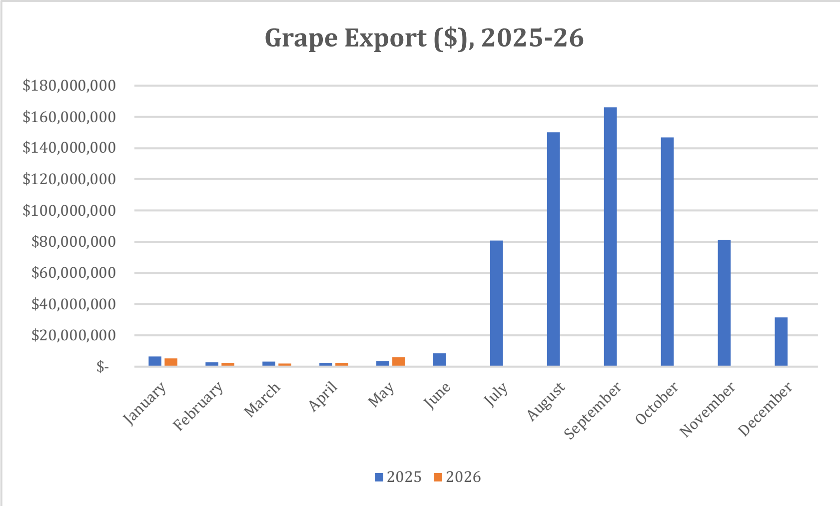
The magazine did the same analysis across selected cities (see figure 8). They used the cost of the basket in each city and used the respective median wage in that city to calculate the number of minutes it would take the median person to work to afford a 4th of July BBQ basket. When they compared this analysis to 2025, they found that on average the basket cost 12% more, which is much higher than overall food inflation of 3%.

Trade

The following are exports for major commodities in Kern County for the years 2025-26. Source: USITC. This year to date, almond and pistachio exports are higher for each month than in 2025.

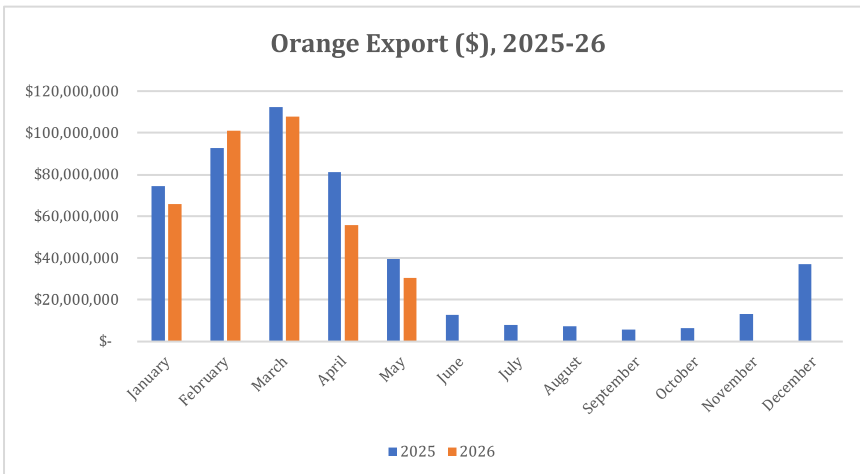






There is a seasonal element to grape exports, with peak exports between the months of July and October. However, year to date, grape exports have been lower each month except in May.

U.S. grape exports likely declined in 2026 versus 2025 because of reduced exportable supply from California, which produces nearly all U.S. table grapes, alongside lower table-grape acreage. At the same time, stronger production and exports from competitors such as Peru and China increased pressure in global markets, while U.S. domestic demand and import competition influenced how much fruit was available for export.



The orange export season typically runs from November through April. This year to date, the value of orange exports, has been lower each month, compared to the same time in 2025.

U.S. orange exports likely declined due to weaker demand in key markets such as Canada, South Korea, and Hong Kong, combined with trade-policy friction affecting shipments to Canada. Supply and quality constraints from citrus greening, weather impacts, and higher U.S. orange prices also reduced competitiveness, while stronger exports from countries such as Egypt and South Africa increased competition in global markets.

Among Kern County's major export commodities, tree nuts continue to outperform while fruit exports face increasing headwinds. Almond and pistachio exports have exceeded 2025 levels, reflecting strong international demand and providing an important source of stability for the region's agricultural economy. By contrast, grape and orange exports have lagged last year's pace due to reduced supplies, heightened competition from foreign producers, and softer demand in key export markets. These divergent trends underscore the importance of export diversification within Kern County agriculture.