

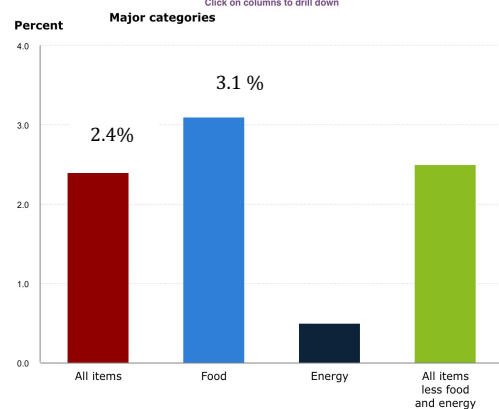


To: KC Farm Bureau
Date: March 19, 2026
Re: Agriculture Trade Report
From: Aaron Hegde

Executive Summary: *The Bakersfield Breakfast Barometer recorded a 2% month-over-month increase in March 2026, driven mainly by higher butter and bacon prices. Despite this increase, several items remain well below year-ago levels, particularly eggs (-40%), while coffee prices continue to pressure household food costs at 46% above last year. Escalating conflict in Iran and the closure of the Strait of Hormuz are affecting California agriculture primarily through higher energy and fertilizer prices, though U.S. fertilizer supplies remain broadly diversified. On the export side, Kern County commodities face uneven impacts: almonds are vulnerable to reduced access to Middle Eastern markets, especially the UAE, potentially weighing on prices. In contrast, pistachio producers may see price gains as disruptions to Iranian production tighten global supply.*

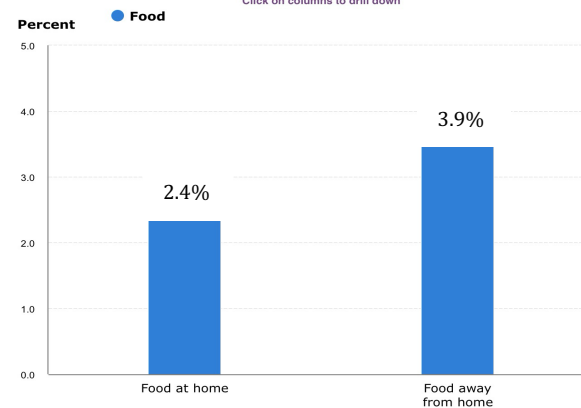
The Economy

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



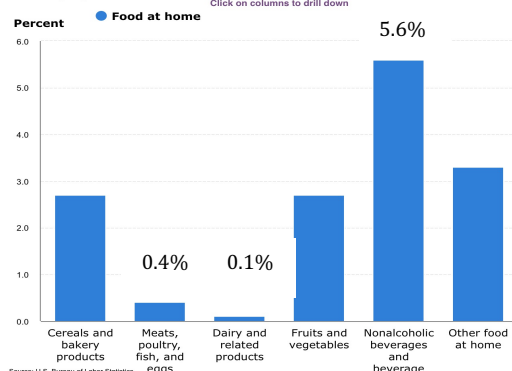
Source: U.S. Bureau of Labor Statistics. **Figure 1 Twelve-month CPI Change.** Source: BLS

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



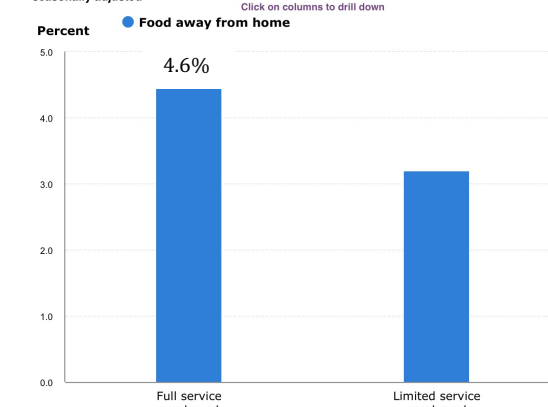
Source: BLS. **Figure 2 Change in Food CPI.**

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



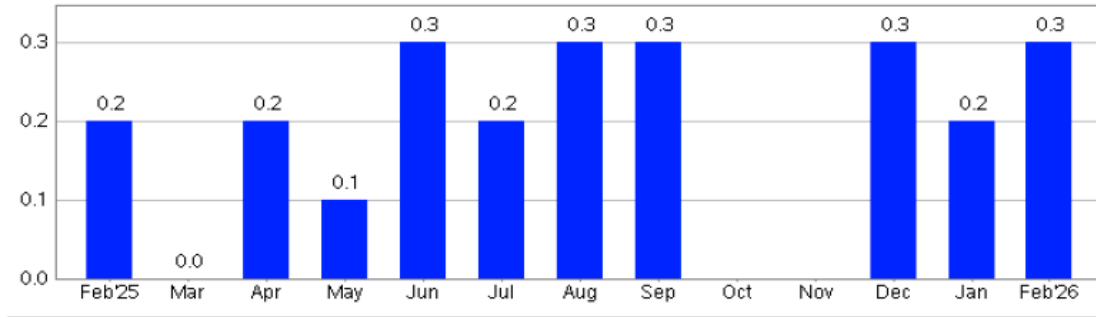
Source: U.S. Bureau of Labor Statistics. **Figure 3 Food at Home.** Source: BLS

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



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

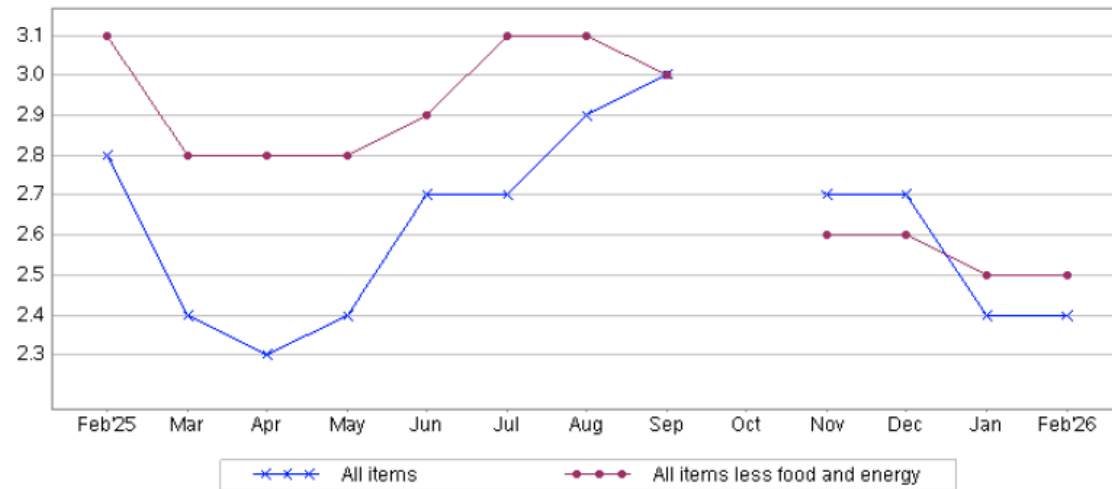
Grimm Family Center for Agricultural Business
California State University, Bakersfield
9001 Stockdale Hwy. • Mail Stop: 12 AE • Bakersfield, CA 93311



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 (Mar '26)	Cost	Percent Change (MoM)	Percent Change (YoY)
Toast	2	\$5.04/ loaf	\$0.63	0%	+22%
Butter	1 tbs	\$5.73/lb	\$0.18	21%	-15%
Egg	1	\$5.73/dozen	\$0.48	0%	-40%
Bacon	2 slices	\$9.64/ 12 oz	\$1.38	2%	+22%
Orange Juice	8 oz	\$5.31/ 52 oz	\$0.82	0%	+4%
Coffee	8 oz	\$23.74/33.7oz	\$0.10	0%	+46%
Cream	0.4 oz	\$4.28/ 32 oz	\$0.05	0%	0%
Total			\$3.64	+2%	+2%

Table 1 Cost of breakfast in Bakersfield for 1 person

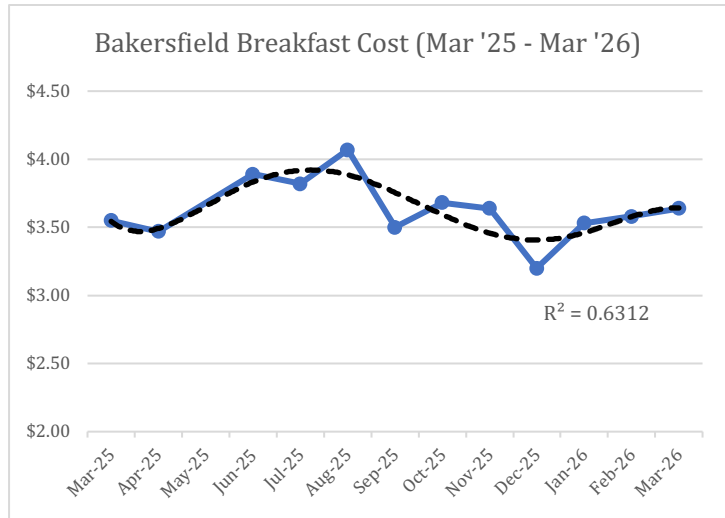


Figure 6 BFL breakfast cost (Mar '25 – Mar '26)) same time in 2025.

The regularly tracked Bakersfield Breakfast Barometer indicated a 2% increase in the cost of a typical breakfast in Bakersfield for March, compared to the same in February. Butter prices rose in March but remain 15% below year-ago levels. While the price of eggs stayed the same in March, they are still down 40% compared to this time last year. Coffee did not cost any more in March than it did the previous month, however, it is still about 46% more expensive compared to the

War and Trade

Inputs: The Iran war is starting to have an impact on California agriculture, even if it is not through direct trade channels. The impact is through both imports and exports, i.e. the cost of inputs and perhaps the exported outputs. California's top 10 export destinations include a few in the Western Asia/ Middle East region of the world, with the United Arab Emirates (UAE) receiving 3% of our total ag exports and Turkey importing 2.3% of our total exports, both in 2024.

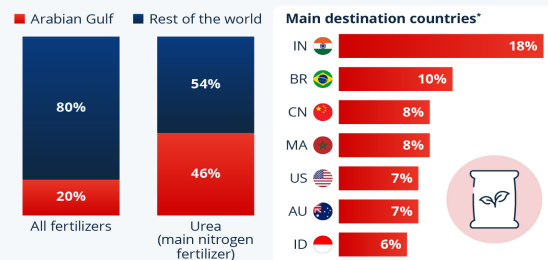


Figure 7 Middle East Map

The closure of the Strait of Hormuz has had an impact on oil prices (increasing 48% since Feb 28), as well

Gulf Disruption Puts Global Fertilizer Supply at Risk

Share of global seaborne fertilizer trade originating from the Arabian Gulf in 2025 and destination breakdown



* Share of maritime fertilizer exports from the Arabian Gulf (figures rounded).
Shown: countries above 5 percent.
Source: The Signal Group

Source: **statista**

Figure 8 Global Fertilizer Exports

as some agricultural input prices, specifically fertilizer¹.

Urea Prices Climb Above \$500 per Ton

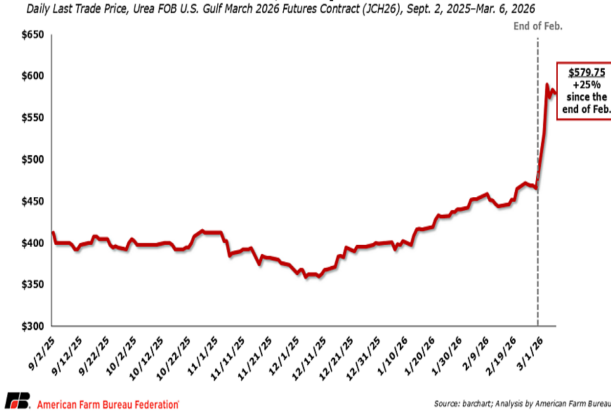


Figure 9 Fertilizer Price and Export.

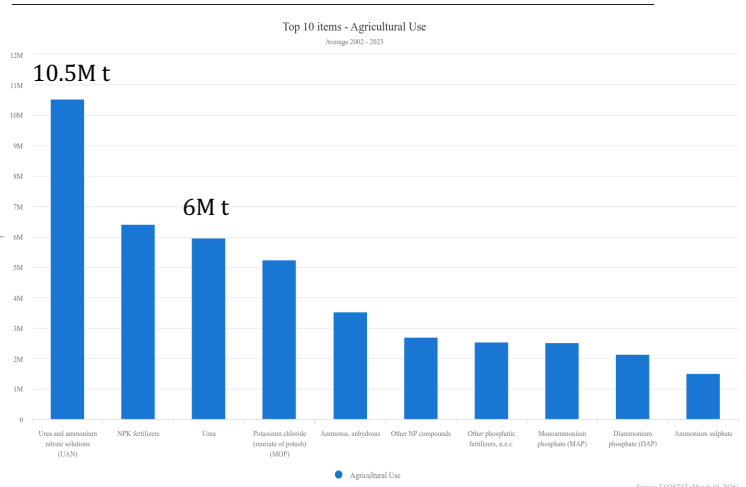


Figure 10 Fertilizer Usage, US (2002-2023). Source: FAO

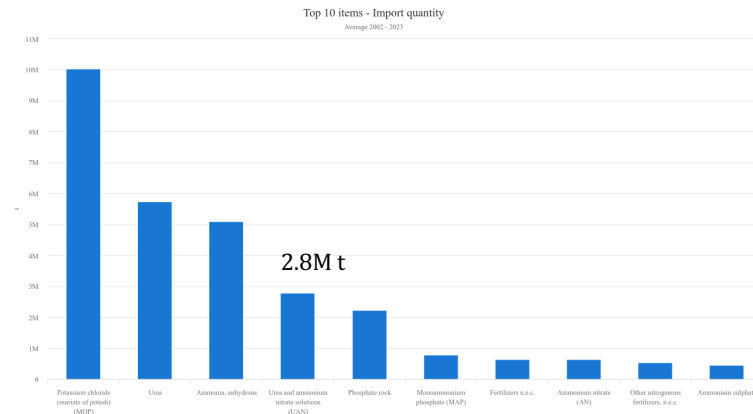


Figure 11 Urea-Ammonia Nitrate Imports.

The most used fertilizer in Kern County is Urea-Ammonia Nitrate. Over the last two decades, the US has used an annual average of approximately 10.5M t of Urea-Ammonia Nitrate solutions. It has imported an average of 2.8M t over the same time (Figure 11). However, most of the imports do not come from the Middle East

region. As seen in Figure 12, the top exporter of the fertilizer is Russia, followed by Trinidad and Tobago, and Canada. While the prices of fertilizers are increasing because of the war, this is more a global phenomenon than one impacting US long-term.

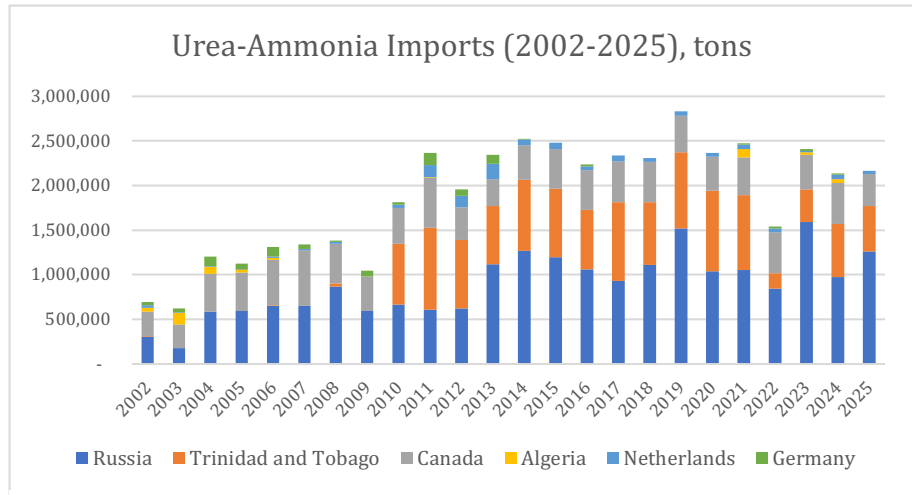


Figure 12 Countries exporting to US (2002-2025)

¹ https://www.farmweeknow.com/profitability/all-eight-retail-fertilizer-prices-higher-with-four-up-significantly/article_7d6eb658-0977-4a0e-8e2b-d45450198d7f.html#:~:text=The%20price%20of%20UAN28%20saw,to%20a%20Dow%20Jones%20article.

Outputs: Next, we consider the impact on outputs, i.e. agricultural export commodities. There are two very important Kern County commodities likely to be impacted by the war in Iran – almonds and pistachios. The almond market might be impacted as the demand for the commodity would be affected from the supply side by the closure of the Strait of Hormuz.

Almonds – Over the recent months, prices for almonds have been increasing, mostly due to reduced available supply. Research from Strata markets indicate that the most recent price of almonds is about \$2.70 per pound. Given potentially increasing prices of inputs, the war will translate into possible lower returns for growers, unless prices increase to match. Market access will be impacted, which might lead to lower revenue for growers. The UAE is the third largest importer of almonds (8% of total). This might lead to a 7% decline in the price, assuming no rapid market substitution, if US almonds are not able to be sent to the UAE. Markets are beginning to see declines in monthly shipments due to the war.

Pistachios – The UAE is not a significant importer of the second largest exported crop or neither is any country in the region directly impacted by the closure of the Strait of Hormuz. However, Iran is a top global producer of pistachios, which as impacted by the war will see lowered production and export. Current prices for pistachios are approximately \$2.70 per pound. With Iran controlling 20-25% of the global exports, a complete shutdown might increase the price by approximately 15-20% in the short to medium-term.

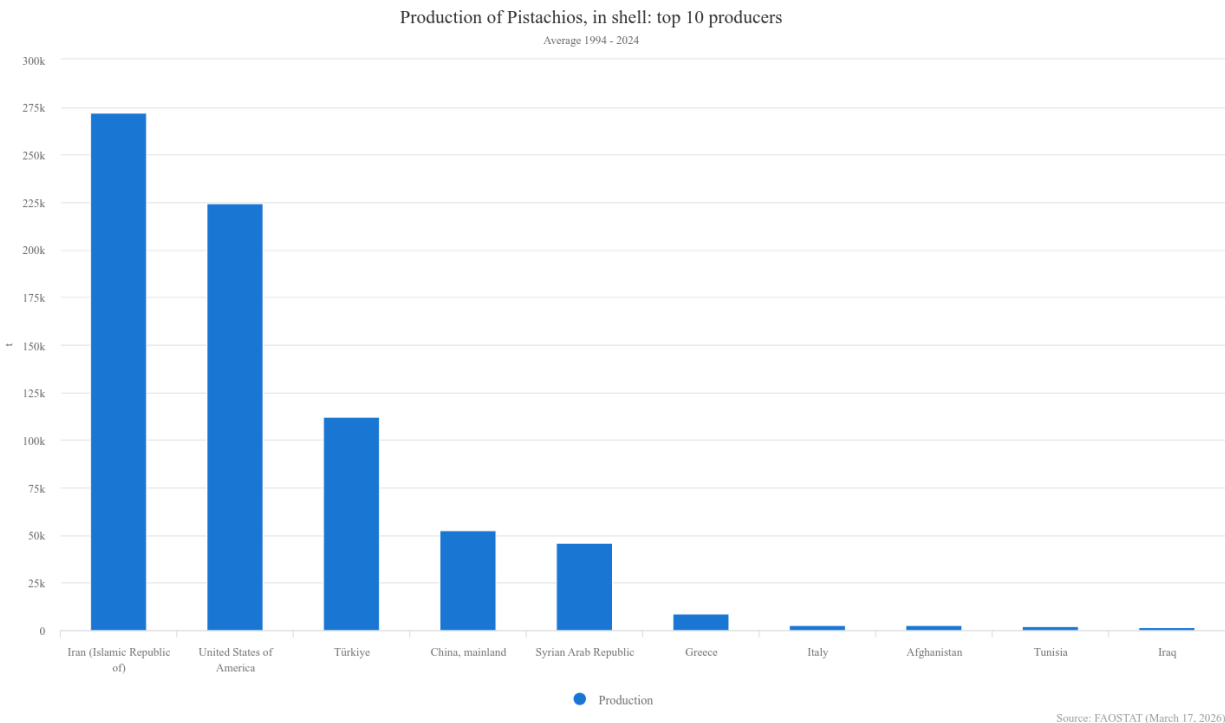


Figure 13 Global Pistachio Top 10 Producers (average)

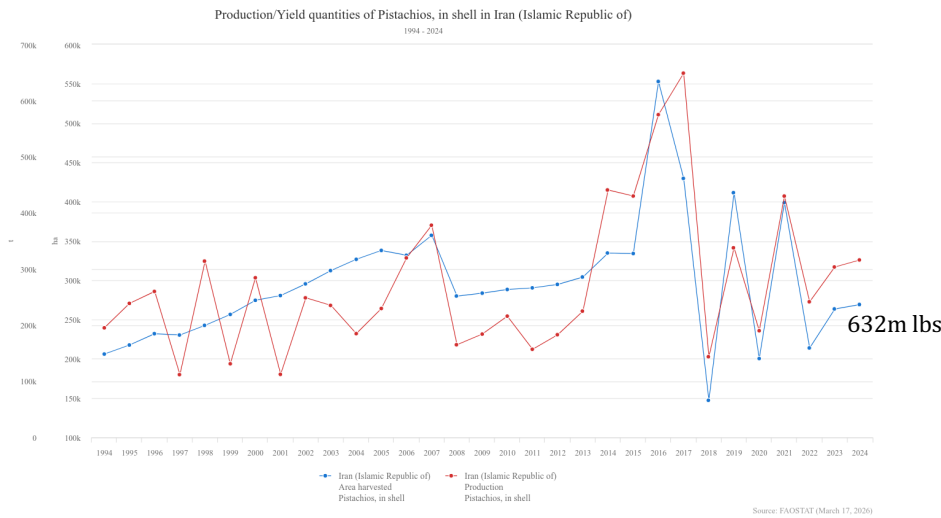


Figure 14 Iran - Pistachio production and harvested acres

Figures 14 and 15 show the harvested acreage and the production of pistachios both in Iran and the US, the world's top 2 producers.

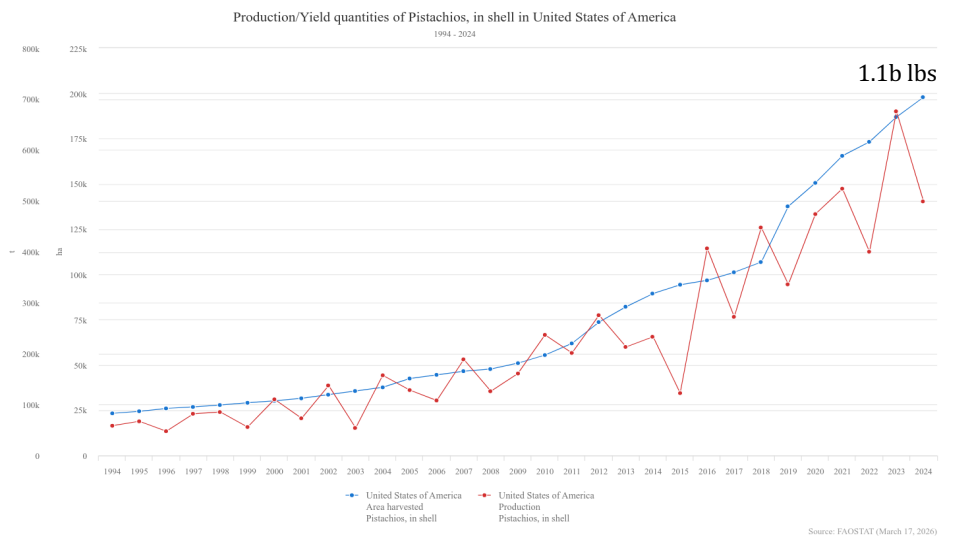


Figure 15 US - Pistachio production and harvested acres