To: KC Farm Bureau
Date: May 21, 2026
Re: Agriculture Trade Report
From: Aaron Hegde

Executive Summary: *The Bakersfield Breakfast Barometer declined 5% month-over-month in May 2026, driven by lower bacon and orange juice prices, while most other items remained stable. On a yearly basis, the total breakfast cost fell 13%, reflecting broad declines in eggs, butter, bacon, and orange juice, though coffee prices rose 20%. Despite this short-term relief in food prices, inflationary pressures persist. Energy costs—linked to ongoing conflict involving Iran—have risen sharply, increasing transportation and input expenses and contributing to broader inflation. For Kern County agriculture, these pressures are uneven. Energy-intensive crops such as almonds face elevated cost exposure, even as exports recover from pandemic-era declines. Citrus exports continue a long-term downward trend, while grape exports show signs of stabilization. Looking ahead, global demand remains supportive, with USDA projections pointing to continued growth in U.S. agricultural exports, particularly meat. Overall, while consumers are seeing modest price relief, rising input costs and global uncertainty are likely to continue weighing on farm margins and trade dynamics in the near term.*

The Economy

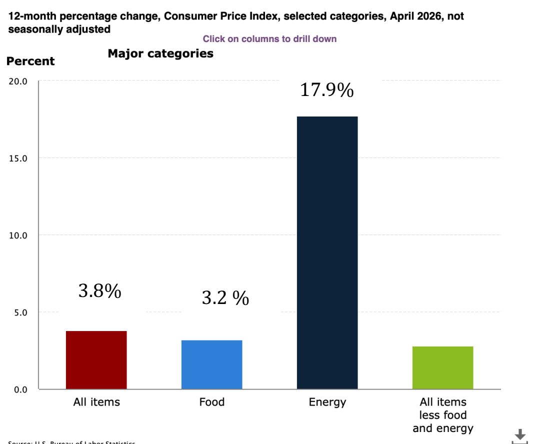
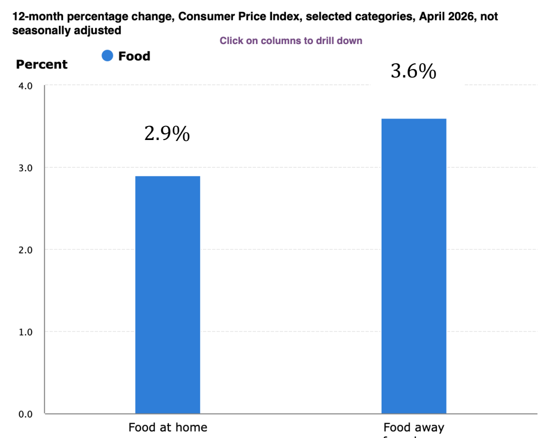
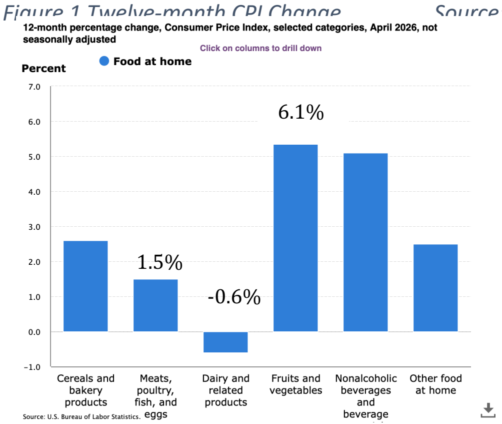


Figure 1 Twelve-month CPI Change *Source: BLS*





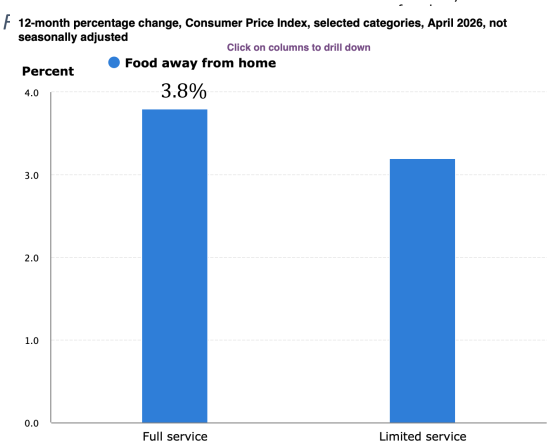
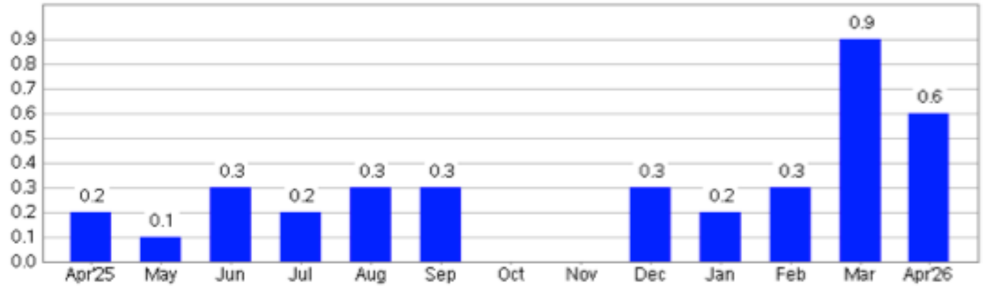


Figure 4 Food Away From Home. *Source: BLS*



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 (4/25-4/26) *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%	0%
Butter	1 tbs	$5.48/lb	$0.17	0%	-14%
Egg	1	$5.73/dozen	$0.48	0%	-15%
Bacon	2 slices	$8.64/ 12 oz	$1.23	-10%	**-19%**
Orange Juice	8 oz	$4.53/ 52 oz	$0.70	-5%	-11%
Coffee	8 oz	$23.96/33.7oz	$0.10	0%	**+20%**
Cream	0.4 oz	$4.28/ 32 oz	$0.05	0%	0%
Total			**$3.55**	**-5%**	**-13%**

Table 1 Cost of breakfast in Bakersfield for 1 person

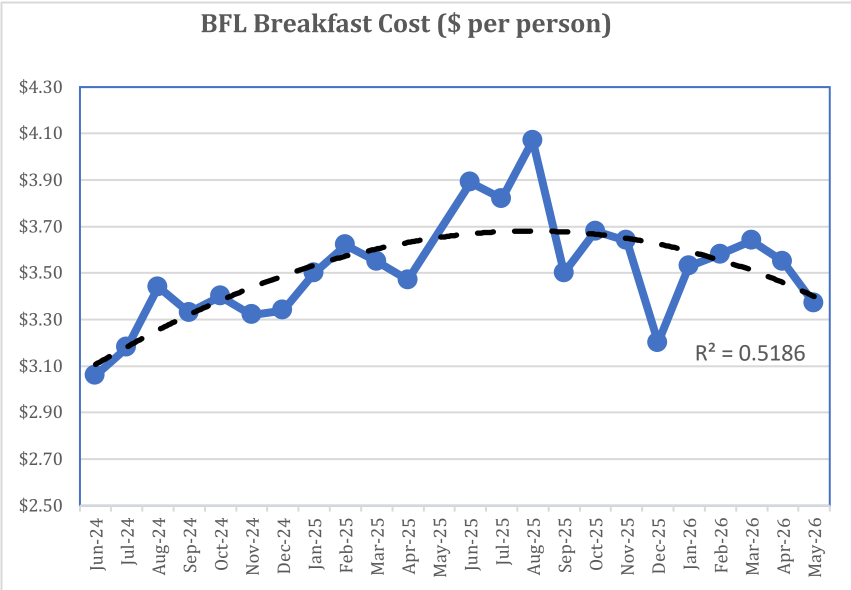


Figure 6 Breakfast cost over 12 months

The regularly tracked Bakersfield Breakfast Barometer showed a 5% decrease in the cost of a typical breakfast in Bakersfield for May, compared to the same in April. Butter prices did not decline in May yet remained 14% below year-ago levels. The price of eggs, while unchanged for May, was lower by 15%, compared to last year around the same time. Bacon and OJ were the only commodities to see a change in their prices (decrease of 10% and 5% respectively). For the year, coffee prices increased by 20%. However, the overall basket cost 13% less in May 2026 than it did around the same time in 2025.

Food Sales Patterns: The USDA recently published a report on food sales for food consumed at home (FAH) and food consumed away from home (FAFH)[1]. This report found seasonal patterns in food sales, even after adjusting for inflation (see figure 7). The patterns indicate an increase in food sales (both at home and away from home) in December, during the holiday season. The pattern is most evident in FAH sales, whCanich decline by 14-16% between December and January. They then gradually increase up through May of the following year.

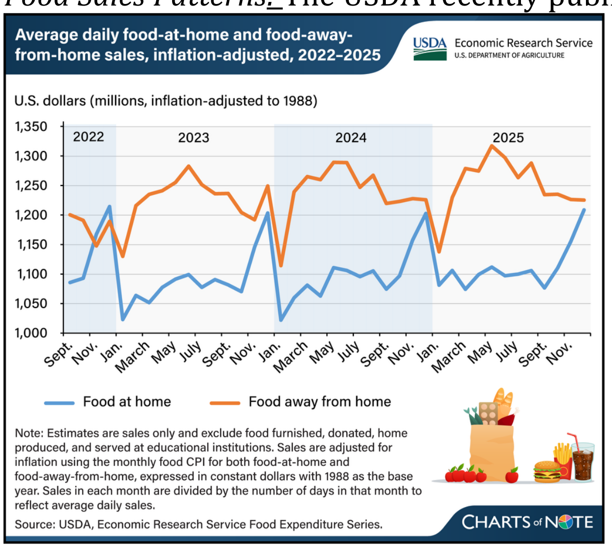


Figure 7 Food Sales, 2022-25

[1] https://www.ers.usda.gov/data-products/charts-of-note/chart-detail?chartId=114108

Inflation Redux

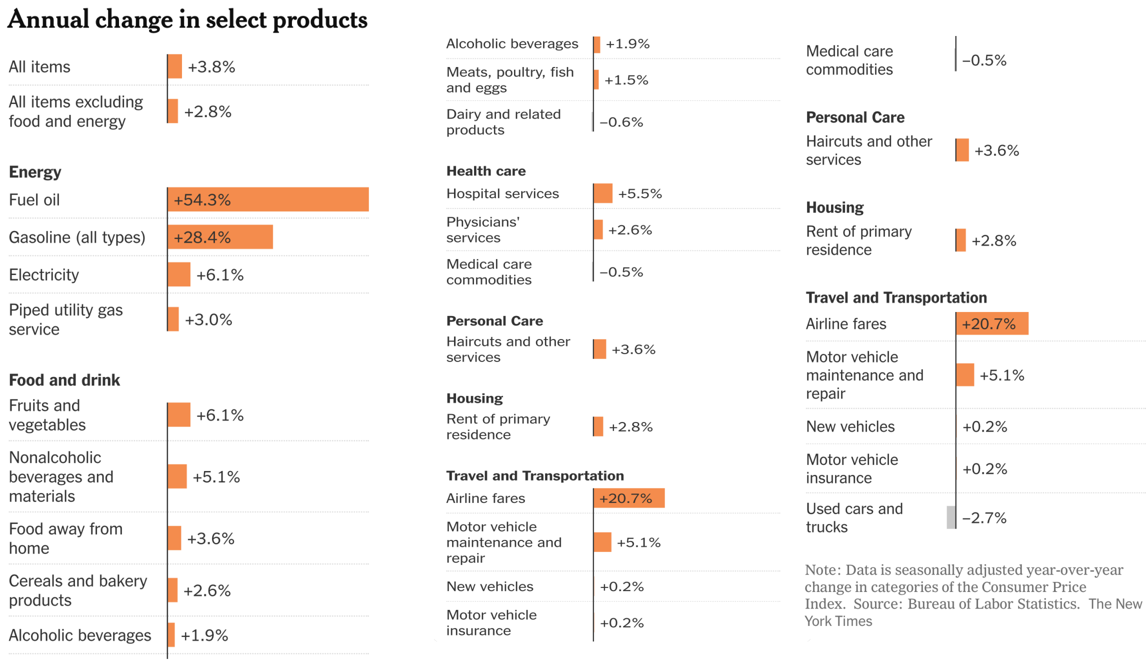


Figure 8 Inflation select products *Source: NY Times*

Figure 8 shows the continuing inflation in some select goods. The largest increases in the past twelve months are related to the Iran war – oil and its derivatives. One of the derivatives to see an increase is airline fuel (see figure 9), which has led to an increase in airline fares. Health care costs have also increased along with food and drink costs. The energy price spike has resulted in the overall inflation also increasing to its highest level in some time.

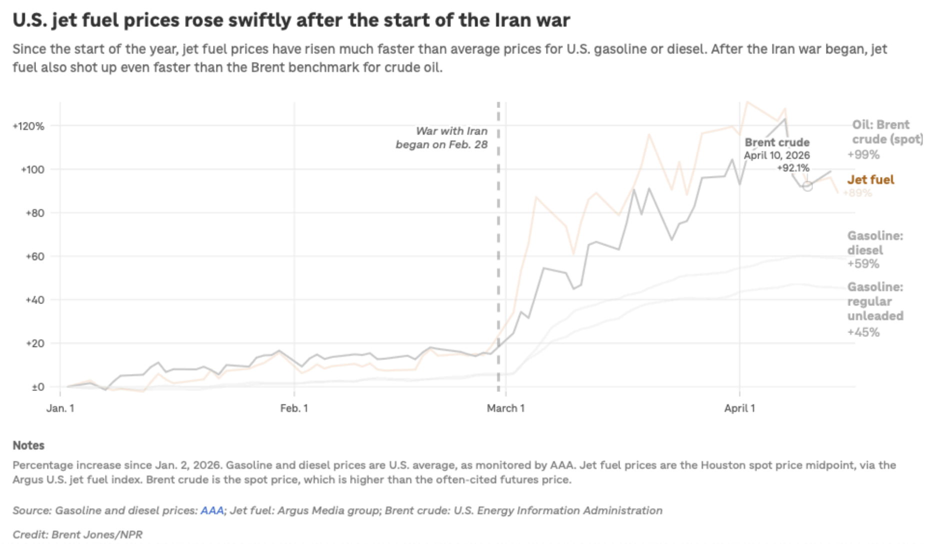


Figure 9 shows the 89% increase in jet fuel prices since the start of the war in Iran. This has led to the increase in airline travel fares of 20.7%. For agriculture in Kern, this implies higher operating costs.

Figure 9 Jet fuel prices *Source: NPR*

Trade

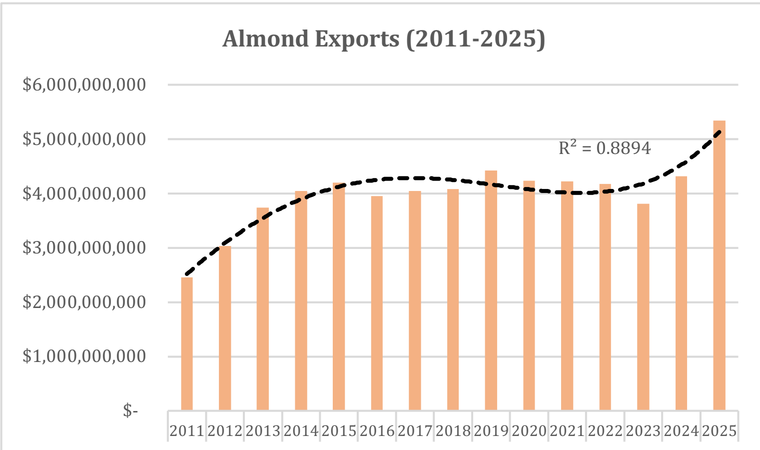


Figure 10 Almond exports (2011-25), US Dollars

Considering key Kern County commodity exports, one can notice a trend, especially around and after the pandemic. Almonds are typically among the top 5 Kern County commodity exports. Since 2011, the exports were increasing at a steady rate (figure 10). However, there was a drop in exports around the pandemic. This seems to have rebounded and we have noticed an increase in the last couple of years.

The trend in citrus exports over the last two decades peaked around 2015 and has been declining since.

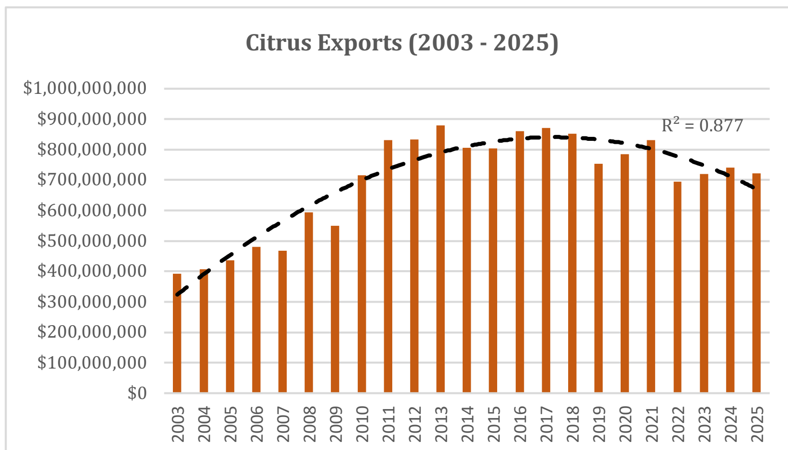


Figure 11 Citrus Exports (2003 - 25), US Dollars

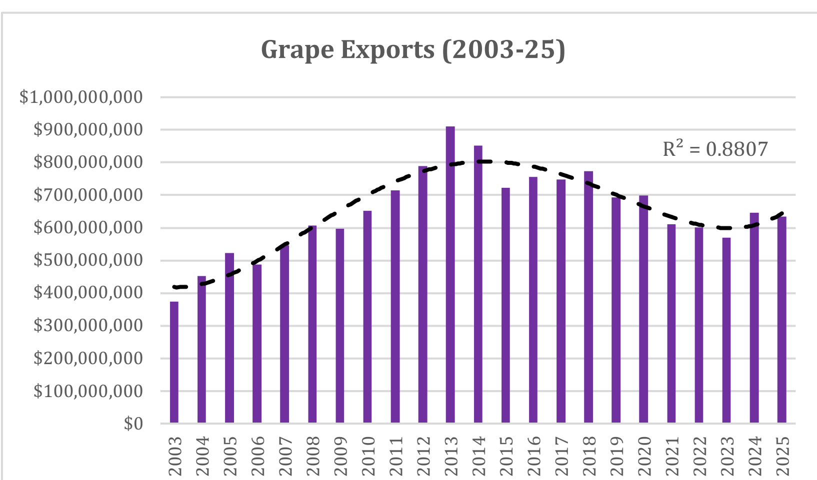


Figure 12 Grape Exports (2003-25), US Dollars

Finally, grape exports follow a similar pattern to almonds and citrus and peaked between 2012-2014, but unlike citrus and similar to almonds, seem to be rebounding.

The USDA recently released a report on meat exports along with projections for the next decade (see figure 13). According to this report[2], the volume of meat exports in expected to grow over the next decade. They reason this is due to increasing incomes abroad and a weakening US dollar. Pork exports are expected to outpace chicken exports, previously the largest meat export for the US. This is attributed to "…increasing slaughter weights, rising number of pigs per litter, and higher inventories…" (USDA).

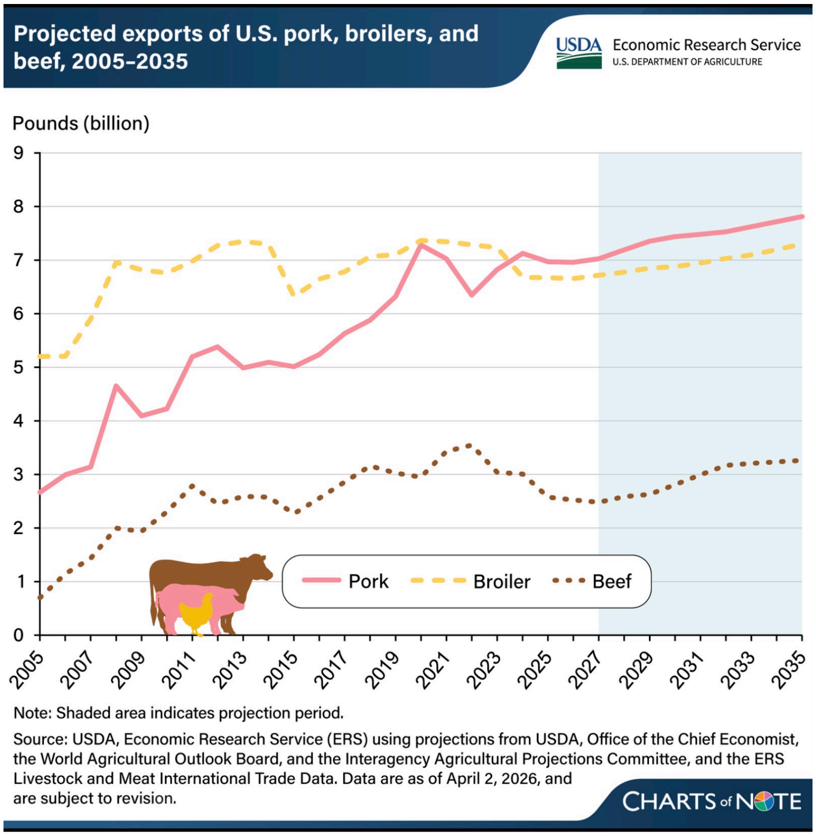


Figure 13 Meat exports, current and projected *Source: USDA*

Key Takeaways:

- Price relief is being driven by a narrow set of items: The decline in breakfast costs is concentrated in a few volatile goods (eggs, bacon, OJ), rather than broad-based food deflation.
- Food and energy are moving in opposite directions: Falling retail food prices are occurring alongside rising energy costs—creating mixed signals in inflation data.
- Cost pressures are shifting upstream: Even as consumers see lower prices, input-side pressures (fuel, fertilizer, transport) are increasing within the supply chain.
- Agricultural risk is becoming more external: Global factors—especially energy markets and geopolitical instability—are playing a larger role in local farm economics.
- Export performance is diverging by commodity lifecycle: Mature sectors (citrus) show structural decline, while others (almonds, grapes) are cyclical or stabilizing.
- Higher energy costs are raising production expenses, limiting gains from lower food prices.
- Export trends differ by commodity, requiring crop-specific expectations.
- Global energy and trade conditions will drive near-term outcomes.
- Margins are likely to remain under pressure.

[2] https://www.ers.usda.gov/data-products/charts-of-note/chart-detail?chartId=114093