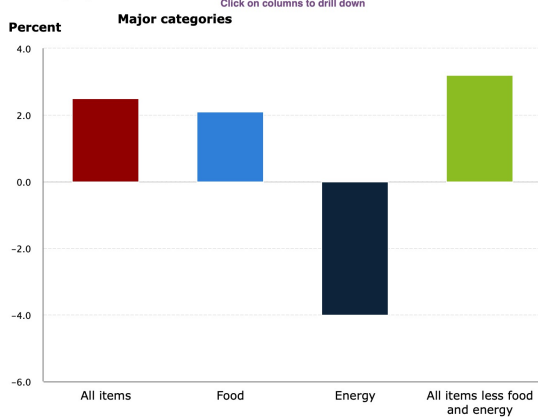




To: KC Farm Bureau
Date: September 16, 2024
Re: Agriculture Trade Report
From: Aaron Hegde

The Economy

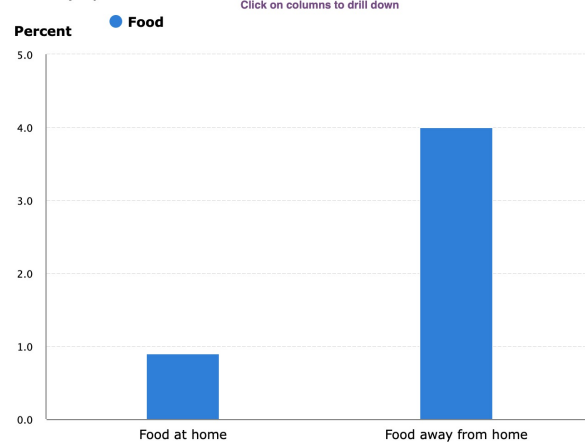
12-month percentage change, Consumer Price Index, selected categories, August 2024, not seasonally adjusted



Source: U.S. Bureau of Labor Statistics.

Figure 1 Twelve-month CPI Change

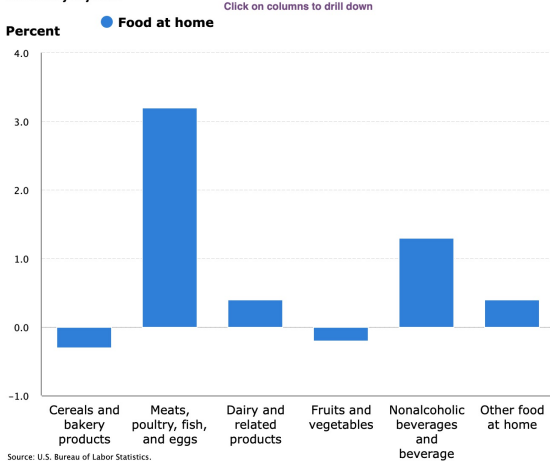
12-month percentage change, Consumer Price Index, selected categories, August 2024, not seasonally adjusted



Source: U.S. Bureau of Labor Statistics.

Figure 2 Change in Food CPI

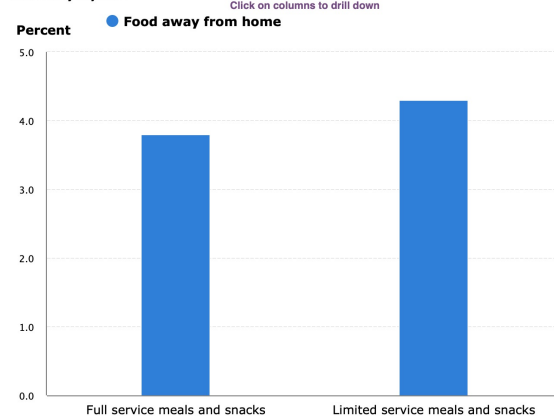
12-month percentage change, Consumer Price Index, selected categories, August 2024, not seasonally adjusted



Source: U.S. Bureau of Labor Statistics.

Figure 3 Food at Home

12-month percentage change, Consumer Price Index, selected categories, August 2024, not seasonally adjusted



Source: U.S. Bureau of Labor Statistics.

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

The August CPI numbers indicate that the inflation rate was 2.5% for the year ending August 2024. The figure increased by 0.2% for the month of July. The biggest factor contributing to the increase in the overall CPI was the *shelter* component, which includes the cost of home ownership as well as rental costs, and accounts for about a quarter of the overall CPI. Specifically contributing to that increase was the price of hotel rooms which increased by 1.8% in July, compared to 0.2% the previous month.

The CPI for food increased by 0.1% from July, and 2.1 from August 2023. Food away from home continues to be the largest contributor to this increase (4% from August 2023). While food consumed at home did not see an increase, some commodities within that group continued to see increases for August, specifically eggs, which increased 4.8% in August. The same narrative can be found in the Bakersfield Breakfast Barometer, which is a measure of the cost of food consumed at home.

The total cost for breakfast for September was \$3.33, which is a 2% decrease from August, when the cost was \$3.39. Egg prices increased by 5% in Bakersfield over the month of August which is similar to the increase in the national average of 4.8%.

Table 1 Bakersfield Breakfast Barometer

Item	Q	Price (Sept)	Cost		Percent Change
			August	September	
Toast	2	\$5.04/ loaf	\$0.61	\$0.52	-15%
Butter	1 tbs	\$7.08/ lb	\$0.21	\$0.22	+5%
Egg	1	\$5.31/dozen	\$0.40	\$0.42	+5%
Bacon	2 slices	\$7.92/ 16 oz	\$1.42	\$1.42	0%
Orange Juice	8 oz	\$4.47/ 52 oz	\$0.69	\$0.69	0%
Coffee	8 oz	\$14.72/33.7oz	\$0.06	\$0.06	0%
Cream	0.4 oz	\$4.03/ 32 oz	\$0.05	\$0.05	0%
Total			\$3.39	\$3.33	-2%

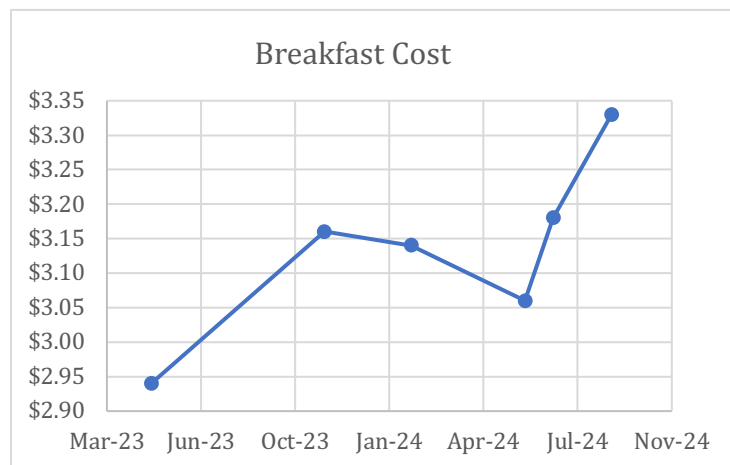


Figure 5 Breakfast Cost over 18 months

Figure 5 shows the cost of breakfast in Bakersfield over the last year and a half. The general trend in this cost has been increasing over this time period, reflecting the same situation nationwide.

Trade

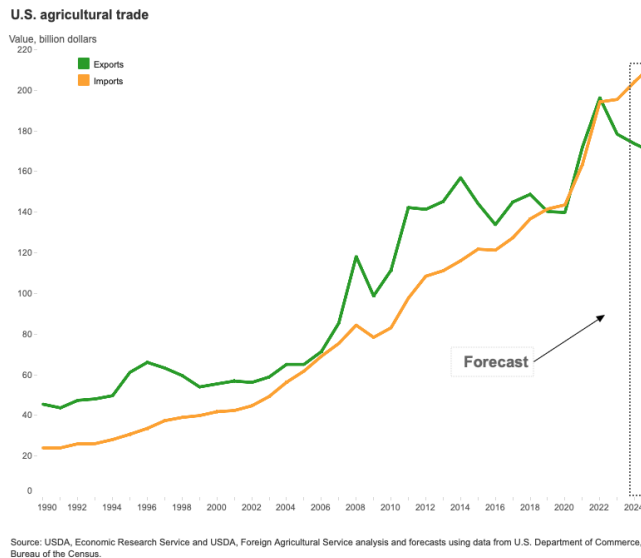


Figure 6 US Agricultural Trade

The USDA's Economic Research Service (ERS) released the August 2024 outlook for U.S. agricultural trade, forecasting exports for the fiscal year 2025 to be \$169.5 billion, which is \$4 billion less than the forecast for 2024. Agricultural imports were forecasted to be \$212 billion, which is \$8 billion more than the forecast for 2024, forecasting a trade deficit of \$42.5, which would be the largest such value going back at least the last fifty years. In fact, the first year that the US had an agricultural trade deficit was 2022. The agricultural trade deficit only increased in 2023, to \$20.7 billion from \$2.6 billion in 2022. While exports

for many commodities are expected to decrease, those for horticultural products, fruits, and vegetables are however expected to increase through FY 2025. Of particular interest is the fact that India recently removed retaliatory tariffs it had placed on tree nuts and apples in 2019. Overall, horticultural exports are forecasted to increase by \$1.2 billion, while fruits and vegetables are forecasted to increase by \$100 million, and tree nuts exports are forecasted to increase by \$400 million.

Figure 7 shows the value of exports of four major commodities in CA. During July 2024, compared to 2023, export values for almonds (-4.6%) were lower, while those for the other three commodities were higher – grapes (25.6%), oranges (32.8%), and pistachios (3%). This is a reversal from June 2024.

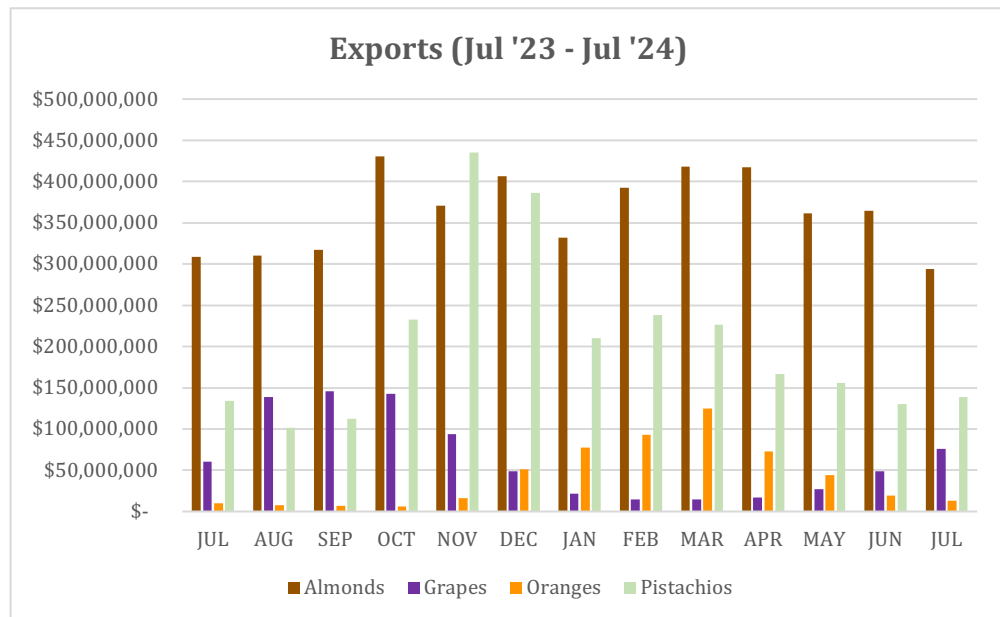


Figure 7 Exports