



To: KC Farm Bureau
Date: September 11, 2025
Re: Agriculture Trade Report
From: Aaron Hegde

The Economy

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

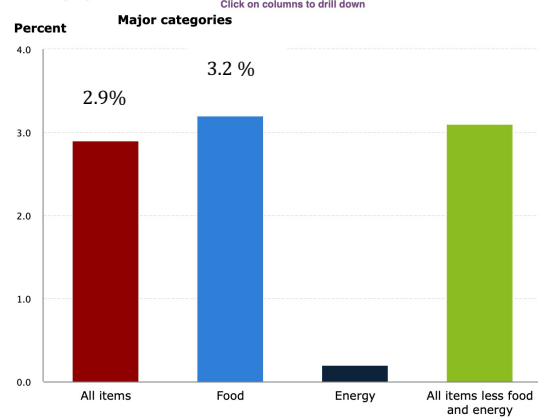


Figure 1 Twelve-month CPI Change

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

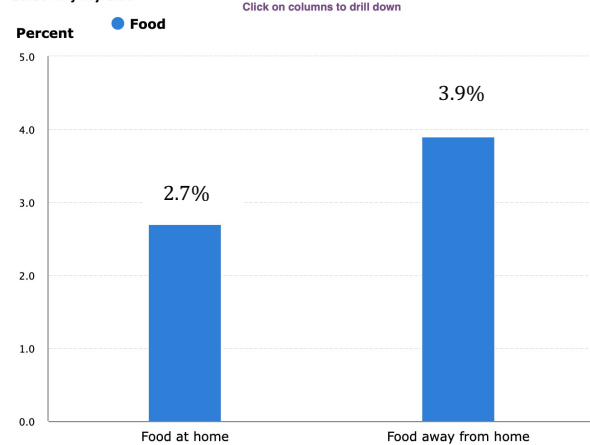


Figure 2 Change in Food CPI

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

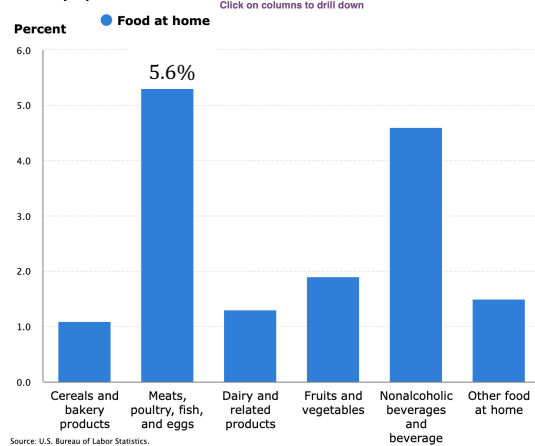


Figure 3 Food at Home

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

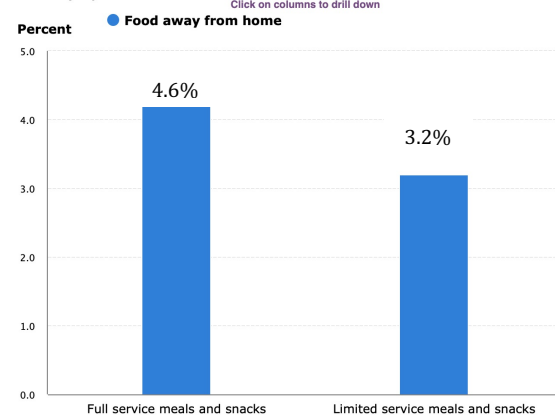


Figure 4 Food Away From Home

Grimm Family Center for Agricultural Business

California State University, Bakersfield
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The CPI increased 0.4% in August, compared to 0.2% in July. The twelve-month period since August 2024 saw the CPI increase by 2.9% (Figure 1). The CPI for food increased by 3.2% year-over-year (YoY) in August 2025, once again more than any other category. Diving further into the food category, it can be seen (Figure 2) that food consumed away from home (3.9%) increased more than food consumed at home (2.7%), continuing the trend from last month, though the cost of food consumed at home in August was higher than in July. Within *food consumed at home* (Figure 3), the largest increase remains the *meats, poultry, and eggs* category (5.6%). Figure 4 displays the breakdown between food consumed at *Full-Service Restaurants* (4.6%) and those consumed at *Limited-Service Restaurants* (3.2%), both stayed the same as the increase in July. The CPI components that led to this increase were the costs of shelter (largest factor), airline fares, automobiles (both new and used).



Figure 5 Monthly change in the CPI from Aug 2024 - 2025

Figure 5 shows the month-over-month (MOM) changes in the CPI for the past year. The stubbornness of these numbers speak to the challenge faced by the Federal Reserve with regards to their decision about interest rates, since inflation remains higher than the threshold of 2% that the Fed desires. Maximum employment is the other component of the “dual mandate” to the Federal Reserve from Congress. All the latest reports indicate that the labor market is cooling down with unemployment increasing, which might lead the Federal Reserve to lower interest rates to boost the economy. The consensus of economists (105 out of 107 surveyed) is that at the upcoming meetings during September 15-17, the Federal Reserve might move to lower interest rates by 25 basis points.

Bakersfield Breakfast Barometer

Item	Q	Price (Aug '25)	Cost		Percent Change (YoY)
			Aug '24	Aug '25	
Toast	2	\$4.29/ loaf	\$0.61	\$0.54	-12%
Butter	1 tbs	\$6.61/ lb	\$0.21	\$0.21	0%
Egg	1	\$7.28/dozen	\$0.40	\$0.61	+53%
Bacon	2 slices	\$12.28/ 12 oz	\$1.42	\$1.75	+23%
Orange Juice	8 oz	\$5.31/ 52 oz	\$0.69	\$0.82	+19%
Coffee	8 oz	\$22.12/33.7oz	\$0.06	\$0.09	+50%
Cream	0.4 oz	\$4.28/ 32 oz	\$0.05	\$0.05	0%
Total			\$3.44	\$4.07	+18%

Table 1 Cost of breakfast in Bakersfield for 1 person

As displayed above in Table 1, the cost of *Food at home* in Bakersfield increased by 18%, YoY from August 2024 to Aug 2025. much higher than the nationwide increase in the same (3.2%). The primary local increase drivers were the price of eggs and coffee, which have been much higher than the average price nationwide.

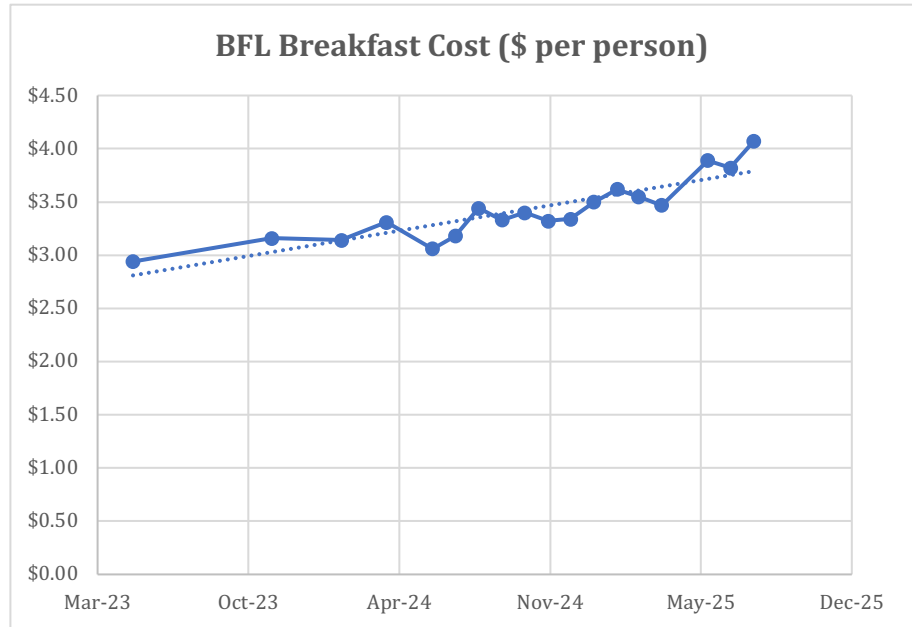


Figure 5 shows the cost of breakfast in Bakersfield over the last couple of years. The YOY increase in the barometer is 18%. The general trend in this cost has been increasing over this period, however at a slower rate, reflecting the same situation nationwide.

Figure 6 Total Cost Breakfast (Bakersfield)

Trade



Figure 7 Ag Trade supported jobs

The figure on the left is from the USDA and shows the total full-time jobs supported by US agricultural exports (1.05 million). The top 10 export commodities hired almost half of all those employees. Commodities that employ large numbers of people are not prominent in CA. However, the almond industry which is primarily in CA is the 9th largest commodity employer and employs 14,904 people. The following table shows the number of people employed in the various ag industries in CA.

Industry (A)	Avg Monthly Employment (B)	Avg Weekly Pay (C)	Percent Exported (D)	Export Related Employment (E)	Econ Impact (F)
Grape Vineyards	5,480	\$785	35%	1,918	\$785.28
Tree Nut Farming	4,287	\$1,002	45%	1,929	\$1,003.04
Dairy Cattle and Milk Production	1,454	\$1,172	33%	480	\$1,172.06

Table 2 Agriculture employment in CA (4Q, 2024)

Source: QCEW, EDD

Table 2 displays the average monthly employment (column B) for various agricultural commodities (column A) produced in CA, including average weekly pay (column C) from the Quarterly Census of Employment and Wages (QCEW) published by the Employment Development Department (EDD) of CA. Historically, about half or less of the CA ag production is exported to other countries. The above table lists the percent of CA ag production that are exported for the listed commodities based on historical calculations. Using those estimates we can calculate the approximate number of jobs in those industries that are supported by exports (column E). Finally, using generally accepted multipliers, we can estimate the economic impact on other labor income in the region (column F). The multipliers calculate the impact of a \$1 of labor income from each of the industries on labor income in the rest of the economy. Based on these calculations, the state of CA economy benefits by approximately \$208 M each year due to employment as a result of agricultural exports of grapes, tree nuts and dairy. This figure excludes the value of the exports themselves.