

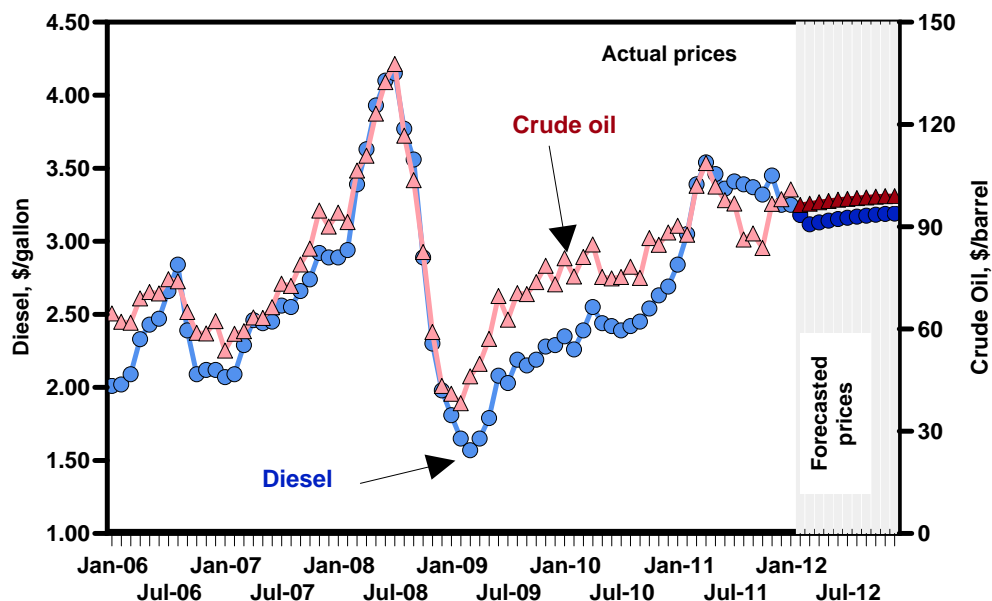
Futures-Based Price Forecasts for Non-taxable Diesel Fuel

Kevin Dhuyvetter --- kcd@ksu.edu (785-532-3527)

The following graph and tables represent monthly forecasted prices for off-road (i.e., farm) diesel fuel based on the crude oil futures market. The forecasted prices are based on the February 2, 2012 futures contract closing prices for crude oil, as traded on the New York Mercantile Exchange (NYMEX). Crude oil futures contracts are for 1,000 barrels. The actual prices for diesel fuel (\$/gal) are monthly average bulk delivered prices in southwest Kansas.

Price change from previous year, %	
Month-Yr	Diesel
Sep-11	37.6%
Oct-11	30.7%
Nov-11	31.2%
Dec-11	20.8%
Jan-12	14.4%
Feb-12	4.3%
Mar-12	-8.1%
Apr-12	-11.6%
May-12	-9.2%
Jun-12	-6.2%
Jul-12	-7.3%
Aug-12	-6.5%
Sep-12	-5.8%
Oct-12	-4.2%
Nov-12	-7.6%
Dec-12	-1.8%

Monthly diesel prices, Southwest Kansas basis.



Crude Oil and Off-road Diesel Fuel Prices

Year	Crude oil /1	Year-to-year change \$/barrel	percent	Diesel fuel /2	Year-to-year change \$/gal	percent
2007	\$70.09	\$2.02	3.0%	\$2.52	\$0.11	4.4%
2008	\$114.19	\$44.10	62.9%	\$3.68	\$1.16	46.0%
2009	\$62.49	(\$51.71)	-45.3%	\$1.96	(\$1.72)	-46.8%
2010	\$78.90	\$16.41	26.3%	\$2.45	\$0.49	25.2%
2011	\$95.63	\$16.73	21.2%	\$3.41	\$0.96	39.0%
2007-2011 avg /3	\$84.26	\$39.16	86.8%	\$2.80	\$1.24	79.3%
2012 (F)	\$97.92	\$2.29	2.4%	\$3.15	(\$0.25)	-7.4%
2012 (F) - 2007-2011 avg		\$13.66	16.2%		\$0.35	12.6%

/1 Mar-Oct average of NYMEX futures

/2 Mar-Oct average for Southwest Kansas

/3 Year-to-year changes are calculated from the previous 5-year average (i.e., 2002-2006)

F = forecast based on 02/02/2012 futures prices

Month-by-Month Crude Oil and Off-road Diesel Fuel Prices /1

Month-Year	NYMEX	Percent change /2		SW KS	Percent change	
	Crude oil	Y-o-Y	M-o-M	Diesel	Y-o-Y	M-o-M
Jan-10	\$80.74	96.8%	10.4%	\$2.35	29.8%	2.6%
Feb-10	\$75.41	97.3%	-6.6%	\$2.26	37.0%	-3.8%
Mar-10	\$81.15	75.9%	7.6%	\$2.39	52.2%	5.8%
Apr-10	\$84.80	70.4%	4.5%	\$2.55	54.5%	6.7%
May-10	\$75.24	31.8%	-11.3%	\$2.44	36.3%	-4.3%
Jun-10	\$74.84	7.4%	-0.5%	\$2.42	16.3%	-0.8%
Jul-10	\$75.26	19.9%	0.6%	\$2.39	17.7%	-1.2%
Aug-10	\$78.28	11.0%	4.0%	\$2.42	10.5%	1.3%
Sep-10	\$74.97	6.7%	-4.2%	\$2.45	14.0%	1.2%
Oct-10	\$86.68	17.5%	15.6%	\$2.54	16.0%	3.7%
Nov-10	\$84.68	7.8%	-2.3%	\$2.63	15.4%	3.5%
Dec-10	\$88.32	20.8%	4.3%	\$2.69	17.5%	2.3%
Jan-11	\$90.30	11.8%	2.2%	\$2.84	20.9%	5.6%
Feb-11	\$87.66	16.2%	-2.9%	\$3.05	35.0%	7.4%
Mar-11	\$102.00	25.7%	16.4%	\$3.39	41.8%	11.1%
Apr-11	\$108.69	28.2%	6.6%	\$3.54	38.8%	4.4%
May-11	\$101.76	35.2%	-6.4%	\$3.46	41.8%	-2.3%
Jun-11	\$97.80	30.7%	-3.9%	\$3.36	38.8%	-2.9%
Jul-11	\$96.81	28.6%	-1.0%	\$3.41	42.7%	1.5%
Aug-11	\$86.22	10.1%	-10.9%	\$3.39	40.1%	-0.6%
Sep-11	\$88.02	17.4%	2.1%	\$3.37	37.6%	-0.6%
Oct-11	\$83.75	-3.4%	-4.9%	\$3.32	30.7%	-1.5%
Nov-11	\$96.73	14.2%	15.5%	\$3.45	31.2%	3.9%
Dec-11	\$98.07	11.0%	1.4%	\$3.25	20.8%	-5.8%
Jan-12	\$100.92	11.8%	2.9%	\$3.25	14.4%	0.0%
Feb-12	\$96.36	9.9%	-4.5%	\$3.18	4.3%	-2.2%
Mar-12	\$96.74	-5.2%	0.4%	\$3.12	-8.1%	-2.0%
Apr-12	\$97.17	-10.6%	0.4%	\$3.13	-11.6%	0.4%
May-12	\$97.57	-4.1%	0.4%	\$3.14	-9.2%	0.4%
Jun-12	\$97.91	0.1%	0.3%	\$3.15	-6.2%	0.4%
Jul-12	\$98.16	1.4%	0.3%	\$3.16	-7.3%	0.3%
Aug-12	\$98.39	14.1%	0.2%	\$3.17	-6.5%	0.2%
Sep-12	\$98.60	12.0%	0.2%	\$3.18	-5.8%	0.2%
Oct-12	\$98.80	18.0%	0.2%	\$3.18	-4.2%	0.2%
Nov-12	\$98.97	2.3%	0.2%	\$3.19	-7.6%	0.2%
Dec-12	\$98.98	0.9%	0.0%	\$3.19	-1.8%	0.1%

/1 Shaded range below line are forecasts, values above line are actuals

Forecasts are based on 02/02/2012 futures prices

/2 Y-o-Y is percent change from previous year and M-o-M is percent change from previous month.