

# WFS Energy Update

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## Refined Fuels

- We are contracting farm diesel at \$2.389 for spring. You may want to consider locking in a portion of your needs, as this price can vary day to day, please contact as soon as possible if you are interested.
- Markets have been moving in both directions. As we get closer to spring planting, we believe values are more likely to go up than down. We have a crude oil graph on the bottom of the page. It shows how crude has been stuck in range from \$65 to \$85. A breakout of that range is not expected anytime soon, unless a major headline would move it.
- Market Fundamentals for this week:
  - Greece is still struggling with budget cuts and needs to cut more. This is a sign that European markets are still struggling.
  - Japan got good news that their economy grew faster than expected.
  - A chief economist with BP expects crude values to stay in the \$69-\$84 range for 2010.
  - Markets are not paying attention to current supplies of crude oil, diesel, and gasoline in the U.S, which are over 5 year highs. They are focusing on headlines, the dollar, and the stock market.
- The State of Minnesota took away the mandate for bio-diesel in just #1 diesel. This will go through the end of March, when the mandate will be re-instated. Number 2 diesels will continue to be mandated to have 5% bio year around.
- Bio-fuels are good quality fuels, but will require a little more maintenance. I recommend doing your best to restrict water entering the fuel and look at doing tank cleanings, yearly if possible. This can be as simple as letting the level get down and draining off any water or residue, or having a local tank cleaning service clean your tank.

## Lubricants

- We will be starting our farm spring fill –ups the first week in March. Cards were sent out with details.
- CHS is going to be delivering our bulk oils for us. We see very little impact to our customers. If you have any questions, please call one of us.
- The oil industry has seen some major oil producers (Shell, Mobil, etc.) announce price increases. We have not yet received any from Cenex®, but I will keep you informed if that changes.

## Propane

- Propane values continue to be high, compared to previous years. This is mainly due to a huge dryer season, immediately followed by a cold winter. Terminals continue to struggle to keep up with demand and that is evident in propane prices.

