



Leading The Way In Energy and Agronomy

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February 1, 2012



Today's Market News

Crude oil and the products on the NYMEX are inching higher this morning once again on positive economic reinforcement following improved manufacturing data in China and Europe. Also, the dollar is weaker this morning making commodities traded on the US dollar more attractive to investors.

Market Outlook

Chinese PMI readings came in stronger than expected at 50.5% versus expectations of 49.6% easing concern that China's economy is sputtering and increasing confidence in demand growth. Also stronger than expected were Euro-zone PMI readings at 48.8 versus expectations of 48.7. On the U.S. economic data front ADP employment change came in lower than expected at 170,000 jobs versus expectations for 172,000 jobs.

Around 6 pm last night the United Steel Workers union (USW) and Shell reached a tentative agreement, pending ratification by USW's membership, which avoids a labor shutdown at some refineries around the nation. The existing contract expired at midnight last night but a new three year contract is almost as good as done, extending agreements through January 2015. USW represents 30,000 oil workers at 168 production, refining, marketing, transportation, pipeline and petrochemical facilities, including 69 refineries that represent about 64% of the refining capacity in the U.S. The CHS refinery in Laurel Montana was affected by these labor agreements.

Market Fundamentals

API Inventory: Crude 2.067 mmbbl build vs. 1.525 build expectations, Distillate 0.970 mmbbl draw vs. 1.150 mmbbl draw expectations, Gasoline 0.222 mmbbl draw vs. 1.063 mmbbl build expectations.

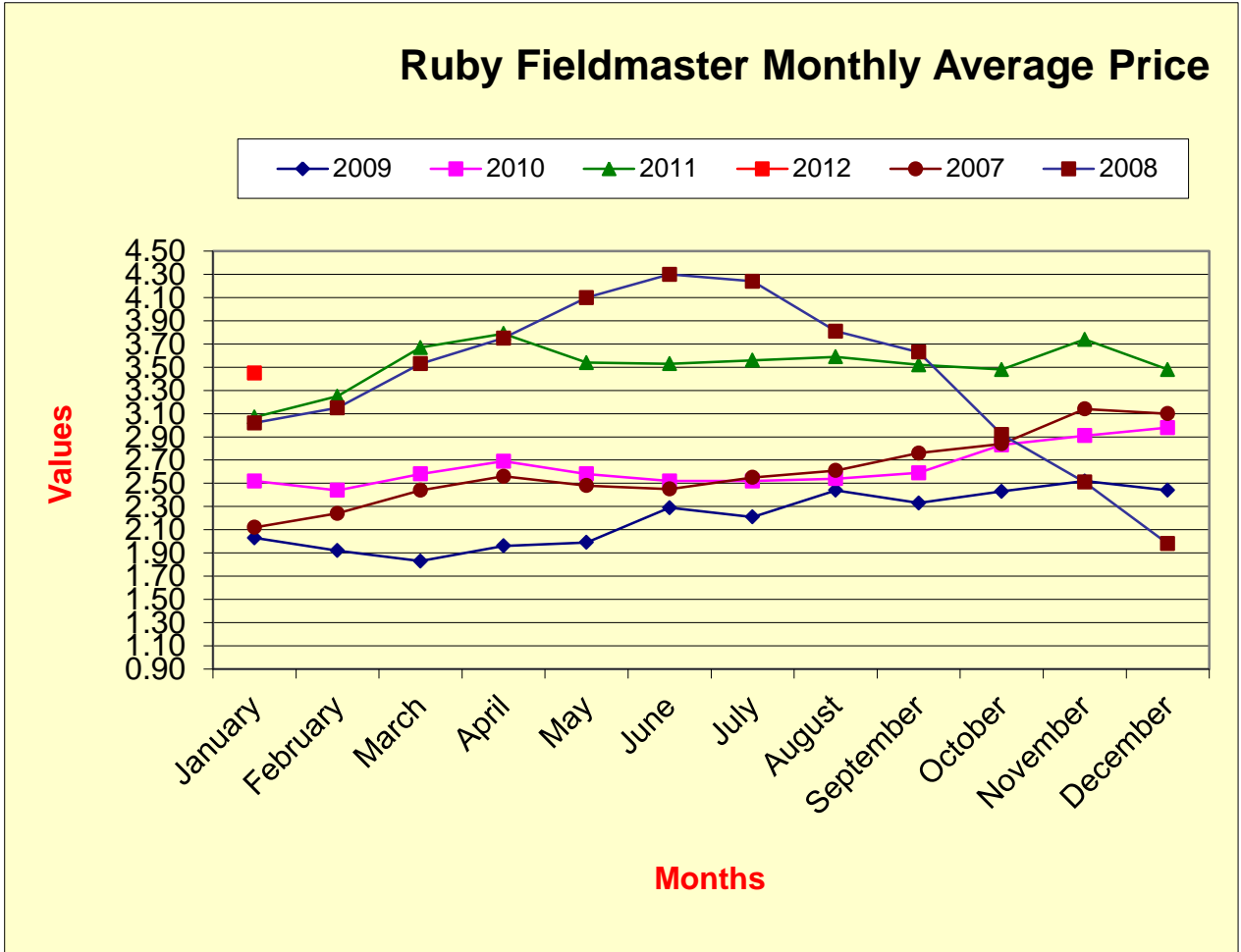
DOE Inventory: The DOE report due out at 9:30 today calls for a 2.363 mmbbl build in crude, a 1.388 mmbbl draw in distillates and a 1.006 mmbbl build in gasoline.

ISM Manufacturing Index: Released at 9 am today with expectations to show a reading of 54.5.

Economic Reports: **Today:** DOE inventory report, ADP employment Report, Construction Spending, ISM Manufacturing index **Thursday:** Jobless Claims **Friday:** Employment Situation, Factory Orders, ISM Non-Manufacturing Index

Bottom Line – As crude oil continues to trade in its sideways range, both RBOB and heating oil continue to show signs of strength as they remain in their bullish patterns. There has not been much news out for the bears to run with, which has allowed the slightly bullish market to remain intact. Today the DOE inventory report will come out, which for the most part over the past several weeks has controlled the energy complex based on what we see from the products. For now, I would look for the market to remain in a sideways to bullish pattern until we can get some positive news from Iran to take out some of the risk premium that has been in place since they threatened to close the Strait of Hormuz.

Chart below shows the history of monthly average price since 2006 – current. As you can see the prices have averaged higher over the four years and also it shows some of the volatility in 2006. I will post this chart from time to time so you can see how the market reacts to different data.

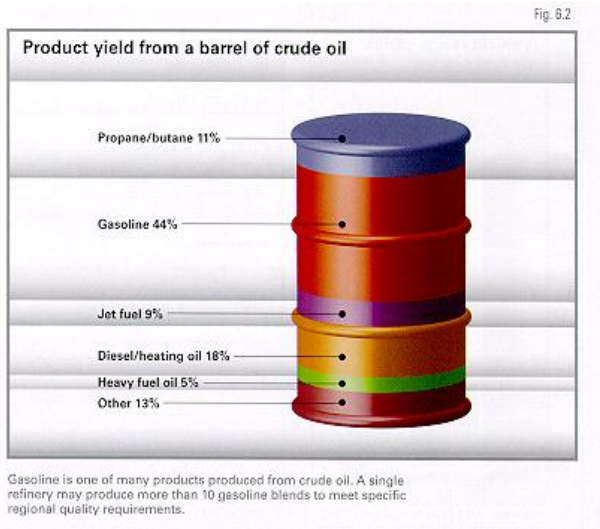


Tim's Thought

Real gentleness in a person is the power that sees, understands, yet never interferes.



How do we have an impact?



- 2004 Ford Excursion**
- Fuel Tank Capacity = 44 gal
 - 1 barrel Crude Oil = 42 gal
 - Avg amount of gas out of 1 barrel crude oil = 18 gals
 - One stop at a gas station (44 gallons) =

2.4 barrels of crude oil

- Tractor**
- Fuel Tank Capacity = 100 gal
 - 1 barrel Crude Oil = 42 gal
 - Avg amount of diesel from 1 barrel crude oil = 7.5 gal diesel
 - One fill (100 gals) =

13.3 barrels of crude oil

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Ruby Fieldmaster Field Tests Show **4.5%** more power/efficiency than conventional #2 Diesel

Fuel Price	Estimated CPG Savings	Cost over # 2	Net CPG Savings	Savings per 1,000 gal
\$2.25	\$0.1013	\$0.03	\$0.0713	\$71.25
\$2.50	\$0.1125	\$0.03	\$0.0825	\$82.50
\$2.75	\$0.1238	\$0.03	\$0.0938	\$93.75
\$3.00	\$0.1350	\$0.03	\$0.1050	\$105.00

Upgrade Your Current Fuel Tank

Tank Size	Tank Only	Tank Plus Pump, Gauge, Fill Cap, Filter & Extra Fittings
1000 Gallon	\$1,292.50	\$2,247.00
2000 Gallon	\$2,218.00	\$3,209.50

Payment Plans

Tank Only	Down Payment	Annual Payment for 3 years
1000 Gallon	366.36	\$365.00
2000 Gallon	\$628.72	\$628.00
Tank, Pump, Gauge, Filter & Extras	Down Payment	Annual Payment for 3 years
1000 Gallon	\$637.57	\$636.00
2000 Gallon	\$911.96	\$908.00



The information contained in this letter is the best information we have at hand on the subjects discussed, and is taken from sources we believe to be reliable, but is not guaranteed by us as to the accuracy or completeness and is sent to you for informational purposes only. Any prices indicated are subject to change with market conditions.

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