

Subject: High Farm Fuel Prices

Story summary: Farmers face record high fuel prices for spring planting. Petroleum costs will cut into already thin profit margins, but may give a boost to production of renewable farm-raised fuels.

TRT: 1:59

Suggested lead: Thin farm profit margins are getting thinner. The cost of producing a crop is higher this year, but high-priced fuel may have a silver lining for farmers. Tom Steever reports.

Suggested supers : Livingston County, Illinois
@ :04

Michael Coyne
Farm Fuel Supplier
@ :12

Terry Francl
American Farm Bureau Federation
@ :18

Doug Wilson
Illinois farmer
@ :45

Tom Steever reporting
@ 1:47

High Farm Fuel Prices
Tom Steever, reporting
March 23, 2000

<p>Tractor start C/U muffler Tractor backing up Livingston County, Illinois</p>	<p>VO/ AS FARMERS START SPRING FIELDWORK THEY'RE ACUTELY AWARE OF ONE INPUT COST THAT IS SIGNIFICANTLY HIGHER THIS YEAR.</p>
<p>Michael Coyne Farm Fuel Supplier</p>	<p>SOT/ "From last year at this time, fuel prices are forty to forty-five cents higher."</p>
<p>Terry Francl American Farm Bureau Federation</p>	<p>SOT/ "We're talking about an increase of one to two percent in our production costs. That comes right out of net farm income, and obviously our net farm income is very low, given our prices at this point."</p>
<p>Fuel truck drives into yard Mike and Doug at truck</p>	<p>VO/ MOST YEARS PRODUCERS MANAGE FUEL COSTS BY LOCKING IN A PRICE ON A YEAR'S SUPPLY. THIS SEASON THAT'S NOT THE CASE.</p>
<p>Mike and Doug conversing at fuel truck</p>	<p>SOT/ "This year we're not going out a full year on our contracting. We're just going to get your needs through the spring."</p>
<p>Doug Wilson Illinois farmer</p>	<p>SOT/ "I'll probably be having a little bit more risk or a little more exposure because I may only be purchasing what I need at any given time hoping for a lower price on fuel."</p>
<p>Doug fuels tractor</p>	<p>VO/ WHAT COMES QUICKLY TO MIND IS THE COST OF KEEPING TRACTORS FUELED AND LUBRICATED BUT THAT'S ABOUT A QUARTER OF WHAT HIGH OIL PRICES MEAN TO FARMERS.</p>
<p>Ammonia tank Francl sot</p>	<p>SOT/ "Seventy-five percent of the cost of anhydrous ammonia is natural gas. That isn't affected today, but if these prices stay at current levels, certainly six months,</p>

	twelve months down the road, it will raise those prices also.”
Corn Planting Ethanol plant exterior Plant interior pan	VO/ FRANCL SAYS INCREASED FUEL PRICES ALONE COULD ADD TEN TO FIFTEEN CENTS A BUSHEL TO THE PRODUCTION COST OF CORN. ON THE OTHER HAND, THE COST OF PETROLEUM MAY GIVE A BOOST TO FARM-RAISED FUELS SUCH AS ETHANOL AND BIODIESEL.
Wilson sot Ethanol pump z-in	SOT/ “In a situation like this where people are very much aware of what their fuel prices are, where their fuel is coming from, it has to be positive for something that’s U.S.-grown, renewable and environmentally friendly. Timing is everything and I’m hoping that it’s ethanol’s time right now.”
Mike & Doug Mike writing Fuel truck drives out Tom Steever reporting	VO/ THAT MAY TAKE SOME THE STING OUT OF A PRODUCER’S NEXT FUEL BILL BUT THE BILL IS GOING TO BE CONSIDERABLY HIGHER THAN LAST YEAR. IN LIVINGSTON COUNTY, ILLINOIS, I’M TOM STEEVER.