



\*\* This news release from K-State Research and Extension is available online at <https://ksre-learn.com/diesel-fuel-outlook-2025>

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### **Farmers may get summer break on diesel prices, says K-State economist**

Lower prices for oil is an early indication of direction for diesel

*By Pat Melgares, K-State Research and Extension news service*

MANHATTAN, Kan. – A year-over-year drop in oil prices is a sign that farmers may get a modest break in the price they will pay for diesel fuel this summer, says Kansas State University agricultural economist Gregg Ibendahl.

“Last year about this time, oil prices were in the \$70 range, but have since declined and now are in the \$60 range,” Ibendahl said. “That’s a good sign that diesel prices may be more moderate this year, compared to last year.”

Ibendahl notes that diesel is one of farmers’ major expense categories, since it fuels tractors and combines and other farm equipment. Farmers often buy diesel fuel annually, and store it on-farm for use throughout the year.

“And certainly there are times of the year that you can get a better price than at other times,” Ibendahl said.

This summer, he adds, is one of those times to save money on diesel fuel, indicated by the “softening” of oil prices.

“What we’ve seen the last two years is that the price premium for diesel kind of peaks in the winter time, and then it tends to go away or become very small closer to summertime,” Ibendahl said. “Once the summer midpoint has been reached, it starts to go back up again.

“So, that’s why I’m really seeing diesel prices probably declining between now and summertime.”

Ibendahl said a summer decline in the cost of diesel is not solely due to a lower price for oil. Refineries can affect the price of diesel based on their emphasis to provide fuel for gas engines, versus the demand for diesel engines.

“One of the main factors is our refinery capacity in the United States; we are very constrained by our refinery capacity,” he said. “It would be wonderful if we could get a new refinery built in the U.S., or do some expansion. Refineries do have some capability of adjusting from gas to diesel to some degree, but what we generally see in our country is more of an emphasis on meeting the demand for gas.”

Ibendahl said the price premium for gas and diesel can vary widely, sometimes causing diesel prices to rise as much as a full dollar per gallon over gas prices. Other times, the price difference is as low as five or ten cents per gallon.

For now, he says, there’s a good chance that farmers will see a good opportunity this summer to buy at a more affordable price.

“If you buy diesel for the fall harvest in October, when you’re using it, you’re probably going to pay a little higher price than if you buy it in the summertime,” he said. “Storage for diesel fuel, I think, pays for a lot of farmers because it does give you better options to buy when prices are lower.”

He adds: “I don’t think farmers are going to pay more for diesel fuel this summer than they did last year. That’s a positive for farmers and will definitely help their net farm income at the end of the year.”

Ibendahl’s full analysis of diesel fuel prices [is available online](#) and at <https://agmanager.info>.

-30-

**FOR PRINT PUBLICATIONS:** Links used in this story

Diesel Fuel Price Outlook for 2025, <https://agmanager.info/production-economics/prices-and-price-forecasts/diesel-fuel-price-outlook-2025>

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