


New Bulk Fuel Discount Program

FOR IDAHO FARM BUREAU MEMBERS



**Members can save an
average of 10 to 12 cents
off per gallon of fuel.**

Farm Bureau Deal

Anyone who has a current Idaho Farm Bureau membership can purchase bulk fuel (using bulk tanks) for their farm, ranch, or business operation at significantly discounted prices. Program is most applicable for individuals purchasing a tanker full (8,000 gallons) or more. Also, Farm Bureau members are not locked into any agreement at any time.

All major fuel types include unleaded gasoline, diesel, dyed diesel, low-sulphur and premium diesel, bio-blends, aviation fuel, and heating oil.

How does it work? (Nutshell Version)

Step 1: Idaho Farm Bureau members call Al Freeman with Community Business Connection at (517) 853-5881 to get started. He can answer detailed questions and give you a free quote to compare with your regular distributor.

Step 2: Once Farm Bureau members identify their savings, they fill out a credit check application. Allow 2-3 for Community Business Connection to process this step. Members only have to do this step once!

Step 3: Once the credit approval is granted, Farm Bureau members simply call Al Freeman on any weekday, check the prices for that day to ensure savings, and purchase the desired fuel.



How is the Idaho Farm Bureau able to pull off this deal?

In the fuel business, all local wholesalers, even the ones you currently use, are getting their fuel from the same regional terminals. There are three major terminals in Idaho (Boise, Pocatello, and Burley), and a few others in surrounding states where your fuel comes from. When you place an order for fuel, the fuel is the same no matter which wholesaler you use, because it's all coming from the same source. Sometimes fuel leaving one of these regional terminals passes through several petroleum re-sellers before it gets to your business. Each additional middleman adds some cost to each gallon, so by the time it gets to you, the base fuel price can be inflated by as much as 80 cents!

One of the more significant factors determining how much wholesalers pay at the terminal for fuel is volume. For the most part, the more you buy, the cheaper the base price of fuel per gallon. The Idaho Farm Bureau has developed a bulk fuel program with Community Business Connection (CBC), a company that aggregates fuel gallons from many associations and their members, then negotiates deep discounts with refineries across the country. Since CBC represents huge fuel consumers such as travel centers, schools, public transportation, trucking companies, and filling stations, the total volume represented is significant enough to lock in discounted fuel pricing at all fuel terminals in the United States.

The usual savings per gallon averages between 10 and 12-cents per gallon, but has been known to save some businesses 25 to 40 cents per gallon on their fuel costs. The discount CBC offers is known in the fuel industry as "Low Rack plus 1.5 cents." All major fuel types are included in the discounting: unleaded gasoline, diesel, dyed diesel, low-sulphur and premium diesel, and bio-blends. We can also discount aviation fuel and heating oil.

Through the Idaho Farm Bureau program, you would get a discounted fuel account at all U.S. fuel terminals. As a service to their members, the Idaho Farm Bureau Federation covers CBC's fee to administer all accounts, provide customer services to its members, and to help with financing. You can choose to either keep your original fuel hauler or allow CBC and their partner refineries to set you up with a new hauler at a lower hauling rate. Many of the refineries that CBC works with have contracts with state haulers that provide lower freight charges that you can also take advantage of.

CBC can also set you up with next-day price quotes at 6:30 each evening so you can place an order with a refinery for the same day or the next day, whichever is cheaper. This feature is known as a 36-hour hedge and can prevent you from losing money on unexpected fuel spikes linked to global events.

Can I still use my same distributor to deliver my discount fuel?

The answer is yes, but you need to have a good relationship with your regular distributor. Remember, under this program you'll be purchasing your discounted fuel directly from a refinery set up for you by Community Business Connection. Because your previous

distributor is no longer selling the fuel, they may try to increase your delivery costs to compensate. Not to worry, you have some options:

- Community Business Connection can set you up with a hauler that the refinery has a relationship with in your area to deliver your fuel. In most cases, the refinery has a better hauling rate than most individuals can negotiate. Also, an order placed by a refinery has more importance than an order placed by a single business.
- You can tell CBC and the refinery that you would prefer to work with a small number of haulers, ones that you have had good relationships with in the past. This means that you can control who you work with if you want.
- You can designate that you want to keep your current hauler as your future hauler under this program and let CBC and the refinery lock in a fair market fee for hauling your fuel."

Who do I contact if I want to get started or just get a quote?

Idaho Farm Bureau members may call Al Freeman with Community Business Connection at (517) 853-5881 to get started. He can answer detailed questions, get an account set up, or just give you a quote.

**For general questions, members can also contact
Joel Benson at Idaho Farm Bureau at (208) 239-4289.**