

co-op connection

January
2016

Co-op Finishes a Strong Fiscal Year

by Tom Boland, General Manager



With many other co-op leaders, I recently attended a meeting of the Northwest Regional Cooperative Institute, held in Spokane. We heard Dr. David Kohl and CHS President & CEO, Carl Casale both project that the rural economy in the United States had entered a down cycle and that we should plan on tightening our belts to help weather the storm. When times are good, said Mr. Casale, we should reinvest in our businesses. When times are tight, we should control costs and protect our members' equity. It's good advice. We should always be thinking in those terms, because we won't know until after the fact that a downturn has come. It is similar to what you face in running the farm or in managing the family budget.

However, Skagit Farmers Supply finished a strong fiscal year at the end of September. As I reflect on what made us successful, I can't help but think that the

common-sense advice our parents gave us closely resembles what we heard in Spokane: "Tighten your belt." "Save for a rainy day." "Don't put all your eggs in one basket." Your co-op's earnings improved by almost \$1.8 million over 2014—a remarkable one-year improvement! Those results were exceptional and were attained only through the support of our many customers and the good efforts of our employees. They were driven by improved margins and reduced expenses. They were made possible because we are a diversified co-op. The improved margins were in the retail and energy departments. Expenses were reduced company-wide, even as we saw wages and employee insurance costs rise. That commonsense advice works.

It was a good year for Skagit Farmers, and your Board of Directors used this success to reinvest in the co-op. We put two larger TerraGators® in the field to replace older equipment and completed the expansion of our organic fertilizer plant in Conway. The board was also happy to return

cash to our members this past year, in the amount of \$3 million. We have heard there might be a rough patch ahead, but we'll do what we can to help support our members with good employees, good equipment, and a share of our earnings if the board decides our balance sheet and capital expenditures can support it. That's what differentiates us from our competitors. As always, these decisions are made locally, with our members in mind.

I've been watching the snow piling up on the mountains; I'm looking forward to pulling out my skis and enjoying the views from the top of a mountain trail. Kelly and I continue to take the kids out and explore all the area has to offer. We enjoyed Halloween and Thanksgiving with some new friends out here and flew back to the Twin Cities for Christmas with our moms and siblings. I hope you all spent the holidays with those closest to you. We here at Skagit Farmers Supply wish you a blessed new year filled with good health and happiness. 



Your COUNTRY STORE Everything FARM · PET · HOME

It's Time To Make Room In The Barn!

IT'S COMING!

JANUARY 12-18, 2016

STORE HOURS VARY BY LOCATION

Burlington 360-757-4055 <small>M-Sat, 9am-7pm / Sun, 9am-6pm</small>	Freeland 360-331-1970 <small>M-Sat, 9am-7pm / Sun, 9am-6pm</small>	Mount Vernon 360-424-4207 <small>M-Fri, 9am-7pm / Sat, 9am-6pm</small>	Oak Harbor 360-675-2277 <small>M-Sat, 9am-6pm / Sun, 9am-6pm</small>	Sedro-Woolley 360-856-6567 <small>M-Sat, 9am-7pm / Sun, 9am-6pm</small>	Stanwood 360-629-7033 <small>M-Sat, 9am-7pm / Sun, 9am-6pm</small>
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HAY OUTLOOK

Hay for 2016 looks favorable. Stock levels will hold well into the first cutting of 2016, due to the warmest fall in years and high eastern hay inventory levels.

Local hay growers experienced some early sell-through, however, because of the good quality produced in the valley this past year.

George Arnold, Retail Manager

SAVE THE DATE



March 3-4, 2016
Skagit Valley Inn and Conference Center
Mount Vernon, WA

- Regulations and How to Survive Them
- Innovation
- Water and Irrigation
- Labor
- Public Policy and Rule Making

Meet Our New Energy Representative



Ryan Nootenboom
 Energy Sales Representative

Ryan Nootenboom has been recently hired as the new energy sales representative at Skagit Farmers Supply. Ryan will focus his efforts on bulk fuel, propane, and lubricant sales to our cooperative members, as well as on expanding our efforts towards new sales growth. Please greet Ryan and make him feel welcome when he visits your farm.

The petroleum industry is always evolving as the designs and demands of the equipment and truck manufacturers change. Ryan will help you adapt to those changes.

The petroleum business of Skagit Farmers Supply includes:

- **Non-ethanol gas**—available at all four of our fuel locations: Burlington Business Park, Burlington Boulevard, Oak Harbor Country Store, and Grandy Creek. Diesel Exhaust Fluid (DEF), an emissions control liquid required by modern diesel engines, is available at our fuel stations and at our country stores. *NOTE: Bulk fluid solutions are also available.*

- **Genex® lubricants**—formulated for superior performance in a full range of applications such as engines, transmissions, hydraulics, and gear cases for construction and agricultural applications.
- **Propane**—a clean burning and efficient form of heat for your home, shop, or business. We offer regularly scheduled delivery trucks to meet your needs.

Ryan was raised in Skagit Valley on a small beef farm near Mount Vernon and worked on local dairy farms throughout high school. He belonged to both 4-H and FFA while growing up.

“I have a lot of respect and appreciation for our farmers who work hard every day to keep the local agriculture going strong for another generation,” says Ryan.

Ryan welcomes you, too: “I look forward to working with you on all your bulk fuel, propane, and lubricant needs.”

Ryan’s contact info: cell 360-840-4324/ email ryann@skagitfarmers.com.

2016 Grower Meetings Scheduled

by Jeff Walker, Specialty Products Manager and Dave Youngquist, Agronomist

Skagit Farmers Supply has scheduled its 2016 Recertification Meetings, to be held at the Cottontree Inn & Convention Center in Mt. Vernon, WA.

Wednesday, Feb. 17, 2016, will be the meeting for ag growers. Thursday, Feb. 18, 2016, will be the meeting for turf, ornamental, and greenhouse growers, as well as for industrial and government applicators.



Recertification meetings will again be held at the Cottontree Inn & Convention Center in Mt. Vernon, WA.

The first day will focus on new chemistries and changes in the labeling of pesticides used in the growing of conventional crops in the valley (such as berries, potatoes, and seed crops).

These meetings will begin at 8 a.m. and will conclude by 3 p.m. Skagit Farmers Supply will supply lunch and door prize drawings both days.

As always, growers attending these meetings will receive credits toward the recertification of their Washington State Department of Agriculture applicators licenses.

The agendas are still being finalized; however, we expect representatives from major chemical manufacturers to present at both meetings and to be available to talk with you one-on-one in the display area.

Save these dates for the 2016 Recertification Meetings. We'll contact you with more details as we move closer to these meetings. 



Jeff Walker (left) with Dave Youngquist.

Welcome, Dan Adamson

by Jeff Howe, Agronomy Manager



It is my privilege to announce that we have hired Dan Adamson as field man. Dan is working out of our Conway facility and will call on many of the customers I called on before my mid-August appointment to agronomy manager.

Dan comes from Pasco, WA, where he worked for the McGregor Company as a field man. Dan is a Certified Crop Advisor and started in his position with Skagit Farmers Supply on Dec. 1, 2015.

Dan and his wife, Hailey, have three daughters—the youngest are twins. He graduated from Brigham Young University with an agronomy degree. He has achieved the rank of Eagle Scout. He is fluent in Portuguese and conversational Spanish.

Please welcome Dan as he makes calls in the countryside on behalf of Skagit Farmers Supply.

Organic field signs

To minimize the chances of commercial fertilizers and pesticides being applied on the wrong fields, Skagit Farmers Supply will provide organic growers with field signs to post during the 2016 growing season. Everyone will be provided with these organic field signs.

The signs will be available in February, before the crop season starts. Stop by our Conway office or ask your Skagit Farmers Supply field man. 



Replacing equipment on a regular basis assures our customers of reliable service. Last fall, Skagit Farmers Supply replaced older, smaller spreaders with the two new TerraGators® on the left and on the right.

Skagit and LOL Partner to Improve Life

by Dave Needham, Marketing Manager



Skagit Farmers Supply has partnered with Land O'Lakes, Inc. in funding an initiative called "Feeding Our Communities." This initiative matches local funds with regional funds to support community projects and aid in hunger relief.

The Land O'Lakes Foundation Member Co-op Match Program matches the cash donation of member cooperatives dollar-for-dollar, thus doubling the funds available for hometown projects. By matching funds for selected projects, the Land O'Lakes Foundation and Skagit Farmers Supply are continuing to support the communities we do business in.

In 2015, Skagit Farmers Supply and Land O'Lakes teamed up with the Sedro-Woolley Little League and donated \$1,000 towards



Construction at Sedro-Woolley Memorial Field.



Heidi Hamblin, Sedro-Woolley Country Store Manager (left), and George Arnold, Director of Retail Operations (right), present a \$1,000 donation to a new ball field to Little League officers Elena Roppel, Dave Carlson, and Mike Harward.

a new Little League field. With the help of the Sedro-Woolley Rotary, the City of Sedro-Woolley, and several other community partners, a new field is being constructed from the ground up. The field will be complete with sunken dugouts, concession stands, new restrooms, and a digital scoreboard.

For the hunger relief portion of "Feeding Our Communities", Skagit Farmers Supply and Land O'Lakes are donating to each of the following organizations: the Skagit Valley Neighbors in Need, the North Whidbey Help House, the Stanwood Camano Food Bank, and the Helping Hands Food Bank in Sedro-Woolley. These donations total \$2,900. Skagit Farmers Supply is committed to helping our local communities and we are proud to partner with Land O'Lakes. 🏠

Deferred Payment Terms Available

by Shannon Perkes, Credit Department



Our 2016 crop year is right around the corner. Get a head start on your crop inputs with the Skagit Farmers Supply deferred payment

program.

This program offers eligible grower members deferred payment terms on agronomy purchases such as chemicals, fertilizer, seed, and application services. Payment for

these purchases will not be due until Sept. 30, 2016.

**No payment until
Sept. 30, 2016 on
approved purchases.**

By deferring payment, you do not have to think about that bill until harvest, when you have revenue coming in from the crop.

You'll also avoid finance charges and be able to purchase all you need to make your 2016 crop a success.

Deferred terms must be approved prior to purchases. The first thing you need to do is to fill out a Deferred Payment Agreement for 2016. Your payment history, crop plan, and financial statements will be reviewed to determine if you are eligible.

If you are interested, please contact me at 360-757-6053 (ext. 118) or shannonp@skagitfarmers.com. 🏠

Returning Everyone Home Safely

by Don Parker, Fleet and Safety Manager



Allow me to introduce myself: my name is Don Parker. I was born and raised in Sedro Woolley. In high school, my mother moved us up to Concrete, where I still reside today.

I have been married to my wife, Meghan, for five years, and our son, Brantley, is two years old. Together, we enjoy spending time outdoors—running, hiking, camping, etc. We have two dogs and two cats to complement the family. I spent eight years in the United States Marine Corps Reserves and am very active in the Concrete community where I proudly serve as a volunteer firefighter.

I started my career as a safety professional in 2007, working as a traveling site safety officer for Snelson Companies, Inc. in Sedro-Woolley. Over time, I began to take over more safety-related responsibilities, including claims management, fleet safety, operator qualifications, and program management. I started at Snelson in 2003 as warehouse manager and worked for the company a total of 10½ years. From there, I moved on to Southeast Directional Drilling,

an Arizona-based sister company to Snelson, where I served as director of safety. I spent just over a year there before deciding the desert was not for me. I needed to get back to the Skagit Valley.

I began my current job as your fleet and safety manager in August. I am excited and honored to have joined this team. It's clear to me that Skagit Farmers Supply is committed to safety.

As your fleet and safety manager, I will provide overall leadership in the areas of company and fleet safety, compliance, and accountability. We will take baby steps as we move towards improving our safety culture and reportable safety statistics, and achieving the ultimate goal of zero incidents or injuries. My goal is to send every employee home in the same (or better) shape than when they came in to work.

I have a lot to offer both our employees and our members, who face many of the same responsibilities and regulations. If you would like to discuss something, my door is always open. Thanks to everyone. I look forward to many good things to come! 🏠

Keep Fuel Tanks Clean

by Bill Markus, Energy Manager



Winter is upon us, and now is the time to do your fuel tank maintenance. Changing the filters on your storage tanks at least once a year is always a good practice. Also, check for water at the bottom of each tank, using water-finding paste on a measuring stick. If you need assistance, contact your Skagit Farmers Supply driver.

Water can accumulate from condensation on the walls of the fuel tank as the tank breathes during the drawing of fuel. Keeping your tank full will help lessen the condensation. Broken vents and leaking pipes can also be a water source, so inspect your tanks on a regular basis.

If sludge or slime plugs a filter, you will likely have bacterial growth occurring between the fuel and the water, typically on the bottom of the tank. Pump off the bottom of the tank and remove as much water and sludge as possible. Using a biocide treatment will also help correct this issue.

Energy business booming

Our propane department is in full swing with 17 trucks delivering daily to our large customer base throughout Skagit, Island, Snohomish, King, and Whatcom counties.

The rest of the propane crews have been unloading railcars, painting, refurbishing tanks, and performing safety checks on residential and commercial propane storage systems.

Our four fuel trucks are staying busy with delivering heating oil, as well as with

supplying stations and local farms with gas, diesel, and lube supplies.

Ryan Nootenboom, our new energy salesman, is calling on new and existing customers. He is a great resource for anything petroleum-related, such as Cenex lubricants, grease, tanks, pumps, propane, fuels, and more.

Read his story on page 2. Ryan can be reached at 360-840-4324 or email ryann@skagitfarmers.com. 🏠



Four Skagit Farmers Supply trucks deliver heating oil to residences, gasoline and diesel to stations for resale, and energy products to farms.

Mission Statement

To preserve and enhance viability of the local agriculture economy through cooperative profitability.

Vision Statement

To be the premier cooperative in the Pacific Northwest by being:

- The producers' first choice
- The consumers' first choice
- The employees' first choice

Core Values

Customer Commitment
People - Integrity - Performance
Quality - Community

Directory

Main Office—Burlington
360.757.6053

Agronomy—Conway
360.445.5015

Agronomy—Burlington
360.757.7870

Energy—Main Office
360.757.6053

Petroleum & Propane Delivery
360.757.6053 // 888.757.6053
Emergency: 360.209.0310

Country Stores *Farm · Pet · Home*

Burlington	360.757.4055
Freeland	360.331.1970
Mount Vernon	360.424.4207
Oak Harbor	360.675.2277
Sedro Woolley	360.856.6567
Stanwood	360.629.7033



1833 Park Lane | P.O. Box 266
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www.skagitfarmers.com

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Pet-a-Palooza Boosts Sales

by George Arnold, Retail Manager



Your retail division's fiscal year began with a bang. Our Oak Harbor and Mount Vernon Country Stores hosted a Pet-a-Palooza event with record-setting volumes.

Mount Vernon posted 19.5% growth and Oak Harbor posted 16.9% growth over last year.

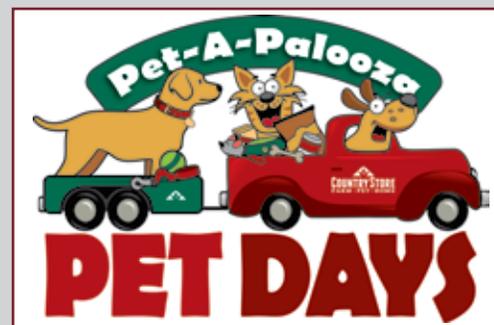
Pet-a-Palooza, our biggest pet sales event, is spearheaded by category manager Judee High. This fun event draws the biggest crowds of the year and offers our best values on pet food and supplies, while giving customers the opportunity to ask our category experts all of their pet-related questions.

High attendance resulted from the joint efforts of many people: the preparation work by store personnel, the work of the distribution teams at AFCO, the participation and support of vendors, and the energy and vision of the buying group. It's a wonderful representation of the great teams at Skagit Farmers Supply.

Prepare for dryer months

Your Country Store stands ready to assist with seasonal concerns like drought, rebuilding after a fire, and preparing for spring. Our buying teams have secured inventory, established relationships with suppliers to enable fast fulfillment on special products, and otherwise ensured that our stores will be well-stocked.

We offer a large selection of repair compo-



nents to recondition hoses after the long winter. You may also choose to replace equipment by selecting from the many hoses, spray nozzles, and sprinklers in our stores.

We have many freshwater tanks in stock for immediate delivery—from 55-gallon rain barrels to 2,500-gallon tanks. In addition, we can special order tanks up to 20,000 gallons.

We also have easy-to-follow design layouts to assist you in setting up your garden watering system or larger projects.

Spring is a perfect time to treat your driveway or other gravel areas with Casoron®, which delivers up to 12 months of weed control on these surfaces.

Annual feed sale

Your chance to fill the barn with feed is coming this month with our annual Truckload Feed Sale, scheduled for **Jan. 12-18, 2016**. Clean out your barn and visit your local Country Store to place your feed order. We will even deliver it. 