

co-op connection

Spring
2019

Lessons from Lincoln



by Tom Boland, General Manager

In February, I was in snow-covered Omaha for the annual CEO Roundtable sponsored by

CoBANK, and by the Arthur Capper Cooperative Center at Kansas State University. This invite-only event is attended by co-op leaders from across the country, representing almost \$6 billion in cooperative assets and almost \$11 billion in annual sales.

The group is comprised of about 30 local co-op CEOs and board chairs, and results in a high level of thinking on diverse subjects.

This year, Dan Chase from Actualized

Performance Solutions presented on Lincoln's Leadership Legacy. This was a thought-provoking topic. It engaged us and caused us to think deeper about the missions of our diverse co-ops. Co-ops are a part of the fabric of local communities. They mean more as a healthy and vibrant part of a community than just their bottom line would indicate.

For President Lincoln, preserving the union was supremely important because all the states were stronger together. This is similar to farmers being in a co-op which gives them strength in a competitive marketplace.

There are advantages to having a


locally elected board, like Skagit Farmers Supply, that understands the challenges farmers face in western Washington. Those local board members might choose to build an asset that others from outside the area might choose to pass on. They understand the value of cash patronage and what that can mean to farmers, neighbors and businesses in western Washington and to the success of our communities.

Your board's decisions are made through that prism, and even as we've grown out of this local geography, the directors representing you return to how their decisions will impact things in this bountiful land under the Cascade Mountains. The mission of Skagit Farmers Supply is in support of the viability and profitability of our local agriculture.

A financial update

At our annual meeting in March, we shared the most recent financial results and the good news is the board has approved sending over \$4.4 million in cash back to our local patrons and members. This will be in the form of our 2008 stock retirement, as well as 50% cash from 2018 patronage.

We're very proud of those results. They underscore both our mission statement and what Mr. Chase challenged us to think about when he spoke on preserving these institutions that have value far beyond our asset list.

Thanks for your continued support. We wish you a safe and productive spring. 

Jeff Walker helps Abel Contreras of Urban Forest Nursery load crop protection products in his pickup at the Burlington Agronomy Plant.



Election and Financial Success


by Your Board of Directors

On March 13, 2019, we hosted the 85th Annual Meeting of Skagit Farmers Supply members in Mt. Vernon.

We are pleased to announce directors Jenn Smith and Spencer Fuentes were elected by the members to three-year terms.

With the success we're having in our diverse business units, we were also pleased to announce our 2018 cash patronage of \$2,675,000 will be paid in June. That is 50% of our total patronage. It's a record for us and the first time we've sent out 50% in cash. *NOTE: The percentage changes every year based on the current needs of your co-op's operations.*

Also in March, we retired the remaining 70% of patronage earned by our members in 2008. This, plus the 2018 cash patronage payment, totals \$4.4 million returned to farmers, businesses and residents of western Washington this year.

We're proud to still be a locally directed, member-owned cooperative, and we're pleased that all of our earnings remain in the same local communities where we live and do business. 




Nels Lagerlund, board chair, stands at the podium. Pictured from left to right, Spencer Fuentes (elected to a new three-year term) Cristina Waltner, Jenn Smith (treasurer and re-elected for three more years) and vice chair Jeff Boon.



2019 Youth Day

This year, the Skagit Farmers Supply Youth Day took place at our new Burlington Agronomy Center, at the intersection of Avon Allen Road and Highway 20.

On Saturday, March 23, 2019, we opened the plant and invited the public (families in particular) to tour our facility and hear about all the technology and innovation in modern agriculture. We had our trained agronomists speak on feeding growing plants, the progress agriculture has made in conserving our soil, water and air, and the size and scale of farms that produce many fresh, healthy fruits and vegetables in western Washington.

We almost doubled our attendance at our 2019 Youth Day. 

YOUTH OF THE YEAR

GRAND PRIZE WINNER

SECOND PLACE



Amelia Main
Stanwood FFA



Shelby Holmes
Medical Lake FFA

THIRD PLACE



Haley Neumiller
Bits N' Spurs 4H



Congratulations to our 2019 Youth of the Year Essay Contest winners, and thank you to all who participated!



Youth of the Year Named



by Michelle Schell, Director of Marketing

We are thrilled to announce our 2nd Annual Youth of the Year Essay Contest winners!

We asked our Youth Rewards Members to write an essay answering the following question: "Today, farming has become high-tech. To accomplish many tasks, farmers use iPads, laptops, drones, GPS, robots and more. How can these types of technologies be used in agriculture, and how do they affect the way a modern farm operates?"

It was a very difficult decision because we received so many great essays, but we narrowed them down to the top three!

A big 'congratulations' goes out to our grand prize winner, Shelby Holmes from the Medical Lake FFA Chapter. Skagit Farmers

Supply will sponsor Shelby's swine project animal this year.

'Congratulations' also goes to Amelia Main from the Stanwood FFA Chapter who won second place. Amelia will receive \$250 to spend towards her steer project this year.

Third place went to Haley Neumiller from the Bits N' Spurs 4-H Club in Colbert, Washington. Haley will receive \$150 to spend towards her horse project at any of our Country Stores.

With the continued growth of our Youth Rewards Program, we plan to attend 16 fairs/livestock shows this year to further support our Youth Rewards Members by providing monetary add-on awards, as well as purchasing market animals. See you at the fairs! 🏡



POTATOES

The Future of S & B Farms

Jennifer Smith grew up on a wheat and cattle farm in eastern Washington. So, how did she end up farming potatoes in the Skagit Valley in western Washington and serving on the board of Skagit Farmers Supply?

After high school and community college, Jenn earned a degree in general agriculture with a double minor in ag technology and business from Washington State University (WSU) at Pullman. After graduation, she moved to the Skagit Valley on the advice of her doctor who thought a less dusty, more humid climate might be better for her health.

"I started working at the WSU research station in Mt. Vernon and was later hired by a seed company," says Jenn. Through industry contacts, she knew of Brad Smith, but it wasn't until a mutual friend introduced the two that they began dating. Today, they've been married for nine-years.

Brad, on the other hand, grew up in the Skagit Valley. His father, Richard Smith, farmed in The Valley and his father's half-brother, Bob Burkland, joined what would become Smith and Burkland in the mid-1960s. They mostly grew vegetable crops like cauliflower, peas and carrots for the processors. In 1990, Smith and Burkland started growing potatoes. By the early 2000s they became S&B Farms.

Back then, Brad worked for Concrete Northwest, but he had always worked on the farm during his off hours. In the



'90s, Brad bought out Bob and started farming with his father. Then in 1998 they partnered with the Morrisons to build a packing shed. So, Brad and Richard became partners. The father-son duo soon started raising potatoes for the fresh market. They partnered with the Morrisons on the other side of the road to construct a packing shed and they would brand their potatoes "Skagit Valley's Best Produce," the main crop of S & B Farms today.

"We also grow spinach seed, grass seed, dry beans and wheat," says Jenn.

In 2010, Richard sold his interest to his son and daughter-in-law. S & B Farms is now owned and managed by Brad and Jenn. In August 2012, Jenn took over management of the farm office, which involves all of the accounting, HR, chemical records and food safety audits. In 2015, Skagit Farmers Supply was looking for board members and asked Brad to run. He was already on several boards and didn't have extra time, so Jenn decided to run. She was elected to a three-year term as a director in 2016. *Note: Jenn was re-elected to a three-year term on the co-op board at this year's annual meeting.*

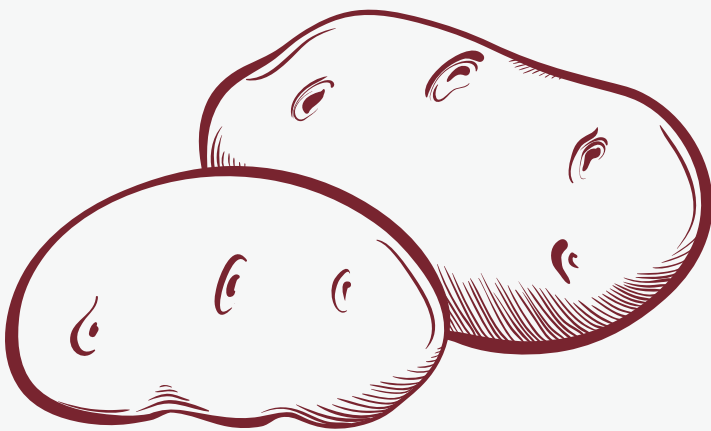
In fact, Jenn had prior experience with cooperatives. Her dad, Dennis "Duke" Deking, had managed the Ritzville, Washington,



S & B Farms worker unloads a truck of recently harvested spinach last summer.


Jennifer Smith digs up a potato plant on S & B Farms last summer.

“Skagit Farmers Supply is important to the success of S & B Farms which raises potatoes for the fresh market.”



cooperative when she was growing up, and Jenn worked for him when she was in community college, during the summer and on breaks. At WSU, she worked at Colfax Grange Supply. That's when she met Raelene Smillie, who was general manager at Colfax and now serves as company administrator for Skagit Farmers Supply.

Jenn describes Raelene as a mentor and is thrilled to reconnect with her when she attends board meetings at the cooperative's Burlington office. "I don't know that many people can say they have the opportunity to work with a mentor again — I'm so fortunate."

Jenn says she is also fortunate to have a good partnership with her husband Brad, as they guide S & B Farms into the future. "We work well together and make a good team," she states. 

Co-op Displays Vitality of Ag

Jennifer Smith, cooperative board member and partner with her husband Brad in S & B Farms, says Skagit Farmers Supply is important to the success of their farm.


"We purchase agronomy and energy products like fertilizer, chemical, propane and fuel from the co-op," she says. Jenn adds, "It's kind of a bad labor market and we're short-handed, so we've had the co-op apply some of the fertilizer and chemicals for us."

Jenn appreciates knowing that these technical aspects of crop production will be done "on time and correctly."

Having Skagit Farmers Supply keep track of tank levels and deliver propane to the farm's many locations is also an advantage. "We'll go through a lot of propane this year as we dry our wheat before putting it into storage," she states. "It's one less thing to worry about."

Besides the valuable products and service it provides area farmers, Jenn also believes the co-op is providing an important service by connecting the public with agriculture. "I don't think people understand how vital and important ag is to everybody's life," she states.

"Our Country Store manager in Mt. Vernon, Danica Lisle-Crawley, does a great job of bringing local farmers into the store on CSA (Community Supported Agriculture) Day, giving people an opportunity to buy shares in meat, vegetables and flowers produced in the valley," says Jenn. "When our stores do this, it brings the consumers and the farmers together."

Jenn also praises the open houses and Burlington Agronomy Center's Youth Day which shows kids and their parents the many vital agricultural careers. "I had no idea when I graduated from college that I could have a career in the seed industry," says Jenn. "I really enjoyed it and am thankful for the opportunities it led me to." 



The Mt. Vernon Country Store—a rallying point for consumers and farmers, especially on CSA Day, says Jenn Smith.

Growing Our Agronomy Business

Jon Jarvis and Molly Pershing recently joined our team of agronomists. Expanding our team allows us to deliver on our mission statement, “to preserve and enhance the viability of the local agriculture economy,” by helping farmers be as profitable as possible.

Jon Jarvis assumed his new role on Jan. 1, 2019, after working for four years at Skagit Farmers Supply as a commercial applicator. Jon grew up on a dairy farm in southern Idaho. He earned a bachelor’s degree in business management and managed crops for a 4,000-acre farm before relocating to Skagit County. Jon brings academic knowledge and practical experience to both organic and conventional growers.

Molly Pershing earned her bachelor’s and master’s degrees in food and soil science, and began working in the pest control industry. Pursuing her passion for sustainable agriculture, Molly moved from North Carolina to the Skagit Valley in February. She hit the ground running by meeting right away with area growers. Molly will focus on soil fertility and protecting crops from pests and disease.

Jeff Howe manages our agronomy department and continues to work with growers to determine their needs for producing quality crops. He just passed his 20-year anniversary with the company and spent many of those years working with long-time manager Will Cox. Jeff was instrumental in planning and supervising the construction of our new Burlington Agronomy Plant. Since it opened in 2018, this state-of-the-art facility has increased the efficiency of the co-op and the offerings available to our producers.

Steve Groen, a native of Whatcom County, worked for our cooperative briefly in 2012 and returned two years ago. He has said that Skagit Farmers Supply is much like a line from The Eagles’ iconic song, Hotel California: “You can check out any time you like, but you can never leave.” As our agronomy sales manager, Steve works closely with our agronomists and their customers.

His exuberance for and knowledge of agriculture and new products (like Nachurs, Weedslayer, etc.) is contagious and a real benefit to growers looking for new, sustainable solutions.

Skagit Farmers Supply agronomists, left to right: Charlie Anderson, Jon Jarvis, Dan Adamson, Jeff Walker, Molly Pershing, Steve Groen and Jeff Howe.

“We’ve added to our team of professional agronomists to help support agriculture in western Washington.”

Charlie Anderson is our in-house mentor on all things berry. He is continually learning. Charlie’s recent trip to Chile to study new innovations in blueberry production is reported on page 7. He grew up on a dairy farm in Pennsylvania where he earned his MBA in Ag Business. Charlie then moved west and spent time in vineyard production in the Willamette Valley. Later, he worked in crop management and regulatory compliance in Skagit Valley before joining our co-op in 2012. Charlie’s expertise and knowledge in berries, organic and conventional crops, and emerging markets provides a wealth of information and assistance to both long-established and newer growers.

Dan Adamson has been part of our agronomy team since the fall of 2015. Dan received a degree in Agronomy from Brigham Young University-Idaho. He also managed a small farm. He interned with Simplot and started his crop advisor career with the McGregor Company in Eastern Washington, with a focus

on row crops like potatoes, onions and sweet corn. He has spent the past three years learning the Skagit Valley and the crops raised here, while working with our agronomists and growers.

Jeff Walker has worked at Skagit Farmers Supply for the past four decades. He grew up in Mount Vernon and completed college at John Brown University in Arkansas. Managing in the retail division for most of his career, Jeff joined the agronomy division in 2010. His knowledge of the area, our grower base and the turf and ornamental product lines makes Jeff a valuable resource for our nursery customers. Employees and customers alike consider Jeff the go-to person for many other aspects of Skagit Farmers Supply.

Our agronomists are joined by an outstanding group of teammates including office personnel, applicators, plant operators, delivery and mechanical personnel. All are geared up and ready to provide you with the best in products and service for spring planting. 🌱



Growing Blueberries in Chile



by Charlie Anderson, Agronomist

While participating in a World Agricultural Tour of Chile sponsored by CNI, I took a side-trip. I hired a car and went to visit Dr. Jorge B. Retamales, widely considered the authority on growing blueberries in Chile. Dr. Retamales developed the sectorial pruning technique at

the Universidad de Talca, in which inexperienced farm workers learn to prune blueberries quickly and efficiently.

Dr. Retamales explained how workers are taught to view the blueberry bush from above, using sticks to divide the plant crown into “slices” like a pie. All canes in a slice will be cut and removed the first year (see cut canes in the picture at right). Following



Sectorial pruning involves dividing the plant crown into “slices” like a pie, and cutting all the canes in one slice the first year.

the second season, all canes in the adjacent slice will be removed. Canes in the third slice or section will be pruned the third year, and pruning will continue by section in subsequent years.

Productivity of a blueberry cane declines after five years, so sectorial pruning maintains the bush in a productive state with a good balance of cane age and diameter.”

According to Dr. Retamales, the sectorial method reduces the need for highly skilled pruners and yields a quality job superior to mechanical options currently available.

Thanks to Dr. Jorge Retamales for his time and willingness to share his expertise. Want to know more about what I learned? Call me at the Conway Agronomy Plant: 360-445-5015. 🌱



Dr. Jorge B. Retamales, Chilean authority on growing blueberries.



Strong Attendance at New Winter Meetings

by Jeff Howe, Agronomy Manager, and Steve Groen, Agronomy Sales Manager

Over winter, Skagit Farmers Supply (SFS) brought some innovation and leadership experts to western Washington to support our members.

Our first Potato Fertility Summit was held in Skagit County in early March. It focused on good nutrient practices and the latest science in support of potato production. Speakers from Nachurs, Yara and SQM presented the latest thinking on products

that support a growing crop all season long.

February was a busy month, too. The annual SFS Grower Recertification Meetings were held in McIntyre Hall at Skagit Valley College. An extra day was added this year to include organic presentations.

We also flew in Dave Heimkes from DEKALB® Seed to Burlington for a presentation on corn silage and best practices for growing a strong corn crop.

Off-season meetings well-attended and members found them valuable.

These winter meetings were on the heels of Land O’Lakes® Leadership Development Training for Young Producers, discussed in the previous newsletter.

We at SFS are encouraged. The feedback from these winter meetings has been good and attendance was higher than expected. We plan to continue these meetings and host more of them next winter. We invite your feedback. 🌱

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 - Safety - Community

Directory

Main Office—Burlington
360.757.6053

AFCO Distribution & Milling
800.538.8700

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
Coeur d'Alene	208.772.2715
Colville	509.684.2232
Freeland	360.331.1970
Mount Vernon	360.424.4207
Oak Harbor	360.675.2277
Oroville	509.560.7088
Sedro Woolley	360.856.6567
Spokane Central	509.534.1412
Spokane Valley	509.926.6603
Stanwood	360.629.7033
Stevensville (Montana)	406.777.5527



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Left to right, Jesse Taylor (Executive Director for Washington FFA), Lance Carsten (SFS Director of Retail), Tom Boland (SFS General Manager), George Arnold (SFS Director of Retail Operations) and Wendy Ringhouse (SFS Marketing Assistant), presented Washington FFA with the fundraising check at the Burlington offices of Skagit Farmers Supply.

FFA Fundraiser Raises \$25,000

by Michelle Schell, Director of Marketing

This past February, Skagit Farmers Supply and the Country Stores tried something new, and words cannot describe how excited we are with the outcome!

We wanted to find a new way to allow customers to help support youth in agriculture in their own communities. During the month of February, the Country Stores, in partnership with Washington FFA, conducted a fundraiser in our Washington State Country store locations. We asked customers to contribute whatever they wished as they checked out at the register. Through this fundraiser, our stores collected more than \$22,000! You heard me right — \$22,000 in 28 days! Skagit Farmers Supply generously rounded that up to \$25,000!

The funds raised will help the Washington FFA Foundation provide scholarships, fund trips and activities, and help our local FFA youth to better their agriculture education.

According to the foundation, “FFA makes a positive difference in the lives of students by developing their potential for premier leadership, personal growth and career success through agricultural education.”

We're so thrilled to be a part of the FFA's mission while supporting our own mission of fostering agricultural education for youth! 