

co-op connection

Winter
2020

A Meaningful Time with our Membership



By Tom Boland, General Manager

I had the great pleasure to be involved again this year with farmer couples representing the diverse agriculture in western Washington. This was at a cooperative conference at the Sleeping Lady Mountain

Resort outside of Leavenworth.

Skagit Farmers Supply (SFS) invited members from Skagit, Snohomish, Whatcom and Island Counties to participate in Land O'Lakes® "Cornerstone for Engagement." Our purpose at the Dec. 2-3 conference was to begin building the next generation of cooperative trailblazers by introducing younger growers to opportunities in agricultural and cooperative governance, advocacy and guidance.

Paul Hansen, Manager of Leadership Development with Land O'Lakes, facilitated the event. He did a great job of getting the couples to think about what talents they possess, how to engage those talents, and how to get training in areas they'd like to improve. Land O' Lakes may be primarily known as the "butter" company, but they are also the third largest cooperative in the country and supply local co-ops like SFS with Purina® feeds, WinField® United agronomy products and services, and opportunities for members to advocate on behalf of ag issues.


We often talk about investing in assets and employees to better serve current and future farmers. We also need to strengthen current and future cooperative and agricultural leaders, so we have good decision-makers guiding organizations like Skagit Farmers. The Sleeping Lady is a nice venue for doing this. It's out in the woods and gives attendees a chance to relax and reflect while still enjoying the holiday lights and the beauty of nearby Leavenworth. This is the 2nd year SFS has hosted this event, with more than 50 farmers attending. One thing we've come to realize is that there are more potential leaders out there than we realized. It's encouraging to work for an organization that values this type of engagement and is willing to budget resources to develop future cooperative leaders.

There is never a perfect time for meetings. Many growers expressed regret that they couldn't make it to Leavenworth because of

other conflicts. One nice thing about doing it late in the year is that it's a natural time for deep thought. Paul asked attendees to list personal and professional goals they'd like to achieve over the next year and 3-5 years. Then he helped attendees identify their natural talents, set SMART goals and follow up plan for them. When the calendar changes to another year, many of us think about what we'd like to accomplish with our limited time. This session and the tranquil mountain setting were conducive to those thoughts.

Kelly and I face many of the same time constraints as you do. Our oldest is due to graduate high school this year and is already taking classes at Northwest Career & Technical Academy. Our daughters are busy in St. Mary's youth group, robotics and sports, and our 4th grader is traveling to AAU basketball games. This is all good stuff to go along with the many challenges we all face in our daily lives.

We're finding our goals get simpler as we age. We look for time to take a quick, easy hike or have dinner at a beach. We set aside time for reflection and prayer. Oftentimes, a meeting just like the one at Sleeping Lady Mountain Resort just sets the table for a meal that will be consumed when the time is right.

Have a safe and happy new year, and thanks for your continued support. 



The opening night reception of Land O'Lakes' "Cornerstone for Engagement" at the Sleeping Lady Mountain Resort.

An Opportunity for Growth

On Sept. 18, 2017, Jay Renwick, manager of our Stanwood Country Store, headed into work. Instead of heading for the store, he drove to our main offices in Burlington for the annual Skagit Farmers Manager Retreat. During the drive, Jay thought about the Stanwood store and about his recent move, with his wife Danielle and their daughter Claire, to Danielle's family farm in Skagit County. [Danielle is the granddaughter of Claude Hoffman who farmed for many years in the valley.]

That morning, members of the co-op's leadership team assembled and heard Land O'Lakes recruiter Larry Wojchik speak about careers in agriculture and in cooperatives. As he listened, Jay started to form a different image for his future — an image that could bring him closer to the life he'd left behind in Walla Walla and the large farm fields that figured prominently in his youth.

Farming roots run deep in Jay's family. His great grandparents raised sheep in Harney County, Oregon. His grandparents ran a cattle ranch and grew hay in Council, Idaho. Jay's father left farming when he went to college but growing up in rural America gave Jay the opportunity to learn to work. Whether it was helping on a relative's cow/calf operation or hiring onto a wheat harvesting crew, Jay kept up his family's agricultural tradition. Jay's older brother, Neal, manages a fertilizer terminal in Saskatoon. Another brother, James, is general manager for Dunning Irrigation, which services large irrigated acres in Eastern Washington and Oregon. Jay's stepfather was a field man for Walla Walla Farmers Co-op.

Jay's career led him into retail store management, where hard work and good supervisory skills were sought after. After working for Hershey's and Walmart, Jay moved west and applied with Skagit Farmers Supply. Jay was hired to take over the Stanwood County Store when Larry Pipkin retired. Despite new competition in the market, 2019 proved to be a record year for Jay and his employees. For the first time ever, the store hit \$7 million in sales! Success is infectious, and Jay was already looking ahead to 2020. Then, a position in the agronomy department opened, and Jay remembered what he heard from Larry Wojchik a few years earlier.

Larry had told the group to work in as many different departments as possible. "Keep learning and be open to starting from the bottom," said the Land O'Lakes recruiter. "Many of our youth graduating from college these days think some jobs are beneath them. Don't think that way."

"You stand a better chance of long-term success and advancement if you have a variety of experiences to build from," said Larry. That lesson resonated with Jay. Now, two years later, the Stanwood manager decided to apply for an agronomy position. He was accepted.

We will miss Jay in retail, our agronomy department is anxious to get him into their department and put him to work. The plan is to start Jay in operations and transition him into sales over the next few seasons. The fields in Skagit Valley aren't as big, and they don't slope quite as much as the fields where he grew up, but Jay looks forward to continuing his family tradition in agriculture. 🌱



Jay and his dogs, left to right: Buddy (a Brittany), Gus (the black lab), and Bear (also a Brittany).



Left to right, Jay, 3-year-old Claire and Danielle Renwick. In addition to Claire, the Renwicks have another child on the way.



Jay with his daughter Claire.



Six service technicians and 22 certified bobtail drivers travel the roads every day providing service to our propane customers.


Propane Marketing

By Ryan Nootenboom, Energy Manager

When 3,000 workers from Teamsters Canada walked off the job on Nov. 19, 2019, it reminded us of how integral the rail is to commerce on our continent. It also reminded us how important Alberta is in energy production and in supplying propane to western Washington this time of year. We take in two-thirds of our total propane gallons by rail. The west coast has very efficient logistics for the movement of commodities, but that assumes that product is moving smoothly across Canada. Fortunately for Skagit Farmers Supply and our customers, we have other means of getting propane when there are hiccups with supply.

The SFS propane department prepares itself for the winter demand eight months in advance. When March comes along each year, we meet with multiple propane suppliers and negotiate a competitive rate for the year to supply SFS's 15,000 customer-owned and leased propane tanks. This is a process that has taken years to perfect using historical weather patterns, a five-year look back at propane volumes, and the Farmer's Almanac to estimate what each year's demand will be.

The winter of 2017 was very cold and long for the PNW. It tested the limits of many propane companies and their propane supplies. SFS stayed on top of the demand with its large network of storage facilities to bring the propane to you from our six facilities and over 300,000 gallons of storage. During a busy winter month, our propane department will unload 40 rail cars that contain 31,000 gallons each at two rail storage facilities, to meet the demand. Our propane transport is on the road every day, delivering gas sourced from our local refineries to our four other plants. Servicing Skagit, Island (both Camano and Whidbey), and Snohomish Counties takes the efforts of 22 certified propane bobtail drivers and six service technicians who travel the roads every day to provide great customer service to our propane customers.

As our society moves toward cleaner energy sources, propane fits nicely as a clean burning, portable heat source for the many homeowners who live in the foothills and on the islands of northwest Washington. Skagit Farmers Supply continues to be a market leader in propane delivery. 

Our Aslin-Finch & LMF Story

*By Lloyd Campbell, Director of Wholesale & Distribution, and
Tiffany Towne, LMF & Feed Brand Manager*

Time, science, and teamwork are all components of creating high quality animal feed. For Skagit Farmers Supply, the process begins when a seed is planted in a furrow in a PNW field. The process continues as the crop is harvested, processed and sold as a component in a finished feed at the counter of a feed retailer.

When it comes to our feed products, we strive to support our agricultural communities by keeping everything local — from the sourcing of ingredients to the actual milling of the feed. Crops included in our feeds are typically grown within a 200-mile radius of our mill. These crops include beet pulp from Idaho, wheat and peas from the Palouse region, corn from the Columbia Basin, and other ingredients sourced regionally. Our farmer partners are an integral part of our business. They supply the knowledge and expertise to grow the high quality crops that meet our standards.

Once the crop is grown and harvested, it begins the journey to our AFCO mill in Spokane, Washington. This mill has supported local agriculture since 1937, when Fred Aslin and Jack Finch first began the business. A lot has changed since then, including the purchase of the mill by Skagit Farmers Supply in 2013, but the vision of making the highest quality products with locally sourced grains is as strong as ever.

The mill currently supplies the AFCO distribution network, which ships to more than 800 independent retail stores in eight Northwest states. One thing that sets our mill apart is that we focus solely on bagged feed for retail customers. Over the last 18 months, we've invested a significant amount of money in our mill to ensure safety and efficiency. Improvements include a newly paved lot, interior and exterior paint, a new dust collection system, and the purchase of a specialized pellet die.

The mill produces our own private label brands, such as the Aslin-Finch line of feed, which is made exclusively for our Country

Stores. We also produce LMF — the Skagit Farmers Supply-owned brand of horse feed. The LMF feed brand was acquired in 2017 and is formulated specifically for the Northwest with world-renowned nutritional science from Performance Horse Nutrition. As backyard poultry businesses continue to grow, we have also added Earth First poultry feeds to meet consumer demands. These and other high-quality feed products keep our stores competitive with large national retailers.

With our own transportation fleet and warehouses, the products manufactured at the Spokane mill contribute mightily to the success of our overall distribution system. After the feed is made and bagged, AFCO trucks deliver it to stores for customers to purchase. Since our own company trucks deliver 95% of the feed products we manufacture, the drivers understand our vision and strive to provide excellent service to all sizes of customers. These customers include large chain stores to small boutique pet stores in locations varying from large urban communities to remote rural areas. Having our finger on the pulse of the region allows us to supply them all in a way that builds trust and partnership.

Our AFCO sales team, is also customer-focused. Our team members live and work in the markets we serve, and they are passionate about animal ownership and care. They act as ambassadors of our product lines, as well as examples of the lifestyle to which we cater. They log countless hours visiting stores,



Founders Fred Aslin and Jack Finch.



AFCO truck full of LMF feed crosses the Columbia River near Vantage, WA. Our trucks deliver feed products manufactured at Spokane to over 800 stores in eight Northwestern states.

Feeding Success from Field to Farm Store

attending shows and expos, and offering nutritional advice and guidance to large and small customers. Those customers are unique in their animals and in their needs, with varied species, size of herd, and preferences for organic, grain free or conventional products. We strive to provide a variety of options to customers so that we address what is most important to each of them.

Our involvement in the entire process of feed manufacturing, all the way from field production to farm store transaction, means that we can provide to animals across the Northwest high quality nutrition from start to finish. Whether it's a 4H or FFA member learning how to raise a market animal, a dog mom looking for the best treat for her pooch, or a professional barrel racer seeking a feed that will support an equine athlete, we are proud to help them on their journey of feed and care. Our customers may be diverse, but they all hold a deep affection for the animals they feed, house, and love. We are privileged to be a part of that connection. 🏡

Fun Feed Facts

In 1942, Fred Aslin and Jack Finch decided to flip a coin to see who would enter the service and who would stay home to “mind the store.”

Country Stores sell over 1,200 tons a year of our private label poultry feed!

In addition to shipping feed via our AFCO distributor network, LMF horse feeds are also shipped overseas to Japan, Hong Kong, and China.

Spokane County has 2,502 farms, the second highest number in Washington State. Yakima County has the most.



Bagging feed at Spokane.



Manufacturing pelleted feeds at the Spokane mill.



LMF equine feeds provide high quality nutrition to horses of all types.



Our Country Store in Freeland, WA, on the south side of Whidbey Island. Feed manufactured in Spokane is sold all over the PNW, including the islands in Puget Sound.

Notice from the Board

Watch your mailbox for information on the upcoming director election. We're continuing the mail-in ballot voting we started a few years ago. Nomination forms are being sent to voting members.

The seats held by Cristina Waltner and Jeff Boon are up this year. The results will be announced to the membership on March 11, 2020, in Mount Vernon at the Annual Meeting. At that meeting, we'll also share our Fiscal 2019 financial results.

In brief, we finished Fiscal 2019 with record sales of \$125 million and with record earnings. Again this year, the board approved 50% cash patronage. This means we have record cash going back in June 2020 to members and patrons who did business with us in 2019. We will reinvest in our facilities and in our people in an effort to continue these strong results.

We appreciate your on-going support. 



Skagit Farmers Supply board members, left to right: Spencer Fuentes, Cristina Waltner, Jeff Boon (Vice Chair), Jenn Smith (Secretary/Treasurer), and Nels Lagerlund (Chair).

Directors Attend Winter NRCI Meeting

Skagit Farmers Supply (SFS) directors are required to keep current on the industry and attend educational events during the year. One of the best opportunities for education and networking with other directors is the Northwest Regional Cooperative Institute's Annual Meeting and Educational Seminar, held in Spokane in mid-November.

Timely topics covered at this year's seminar included "Keys to Being a Highly Effective Board," "Legal Issues Facing Cooperatives," "Marketing to Millennials," and "The Impacts of Tax Reform." Chuck Conner from NCFC and Congresswoman Cathy McMorris Rodgers gave updates from Washington, D.C., and Director Derek Sandison

brought the perspective of Washington State's Department of Ag.

Interest has never been higher. Attendance at the meeting once again set a record, with directors from Oregon to Montana meeting and investing their time to stay current on issues. As with any good meeting, we left thinking about things we weren't thinking about on the drive there!

A special moment for SFS occurred at the banquet at the end of the first day. Raelene Smillie, our Director of Administration, was inducted into the NRCI Hall of Fame. The induction honored Raelene's more than 30 years of work in cooperatives in Washington State!

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Raelene managed the Colfax Grange Supply prior to becoming one of SFS's senior leaders. Former General Manager Ken Kadlec and former CHS Director Jim Kyle attended the event. Ken Kadlec is also a member of the Hall of Fame.

While we were in Spokane, we spent time visiting SFS employees at our feed mill, at our Country Store in Central

Spokane, and at our AFCO Distribution Center. In visiting with other cooperatives, it became apparent that, despite the many challenges that faced farmers this year, those co-ops that are operationally strong, have diverse business units and are committed to service remain integral to agriculture in their communities. 🌱



SFS directors and employees visit the Country Store in Central Spokane.



SFS Board & management at our feed mill in Spokane.



Tom Boland and Raelene Smillie during her induction into the NRCI Hall of Fame.

Hawaiian Market Opportunities

The agronomy department of Skagit Farmers Supply (SFS) began the new fiscal year in Hawaii! The Hawaii Ag Conference's theme this year was "AGdaption: Hawaii's Growing Opportunity." That probably sounds familiar to our many members in western Washington who embrace the often-misused concept of sustainable agriculture.

SFS has a long history of supporting innovation, which led us to greatly expand our organic blending capabilities. We've added Agro Research International's (ARI) line-up of organic solutions in agriculture, and we're seeing tremendous growth in the sales of those products. SFS also bags conventional fertilizer and markets

that through Nutrien Ag Solutions™ in the Hawaiian Islands.

Those somewhat disparate categories — organic and conventional — came together at the Honolulu Convention Center on October 15th and 16th as we marketed ARI, Weed Slayer, Nutrien and SFS Organics to growers in the islands. The conference had over 30 educational sessions, and we were able to get ARI's Dominique Depaz on the agenda in one of those sessions. Many of the same issues that affect farming for us locally in Washington are also top-of-mind for growers in Hawaii.

We're hoping to expand sales into that market. 🌱



Dominique Depaz of Agro Research International talks about the use of essential oils in large scale production agriculture.



SFS staff members Jeff Howe, Shannon Perkes, Raelene Smillie and Steve Groen at the Honolulu Convention Center.

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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SFS Winter Meeting Calendar

- **2nd Annual Potato Fertility Summit:** Beau Lodge, Jan. 8, 2020, 10:00 a.m.-4 p.m. Lunch provided. Visit <https://www.beaulodge.com>. 17581 Wood Road, Bow, Washington 98232
- **2nd Annual Corn Silage Fertility Summit:** Beau Lodge, Feb. 12, 2020, 10 a.m.-4 p.m. Lunch provided. Visit <https://www.beaulodge.com>. 17581 Wood Road, Bow, Washington 98232.
- **Grower Recertification Meetings:** Potato, small fruit, silage, organic, turf and ornamental grower credits available.
 - **Organic & Food Safety:** McIntyre Hall, Feb. 17, 2020, 8:00 a.m.-4 p.m. Lunch provided.
 - **Agriculture:** McIntyre Hall, Feb., 18, 2020, 8:00 a.m.-4:00 p.m. Lunch provided.
 - **Turf & Ornamental:** McIntyre Hall, Feb. 19, 2020, 8:00 a.m.-4:00 p.m. Lunch provided.

Visit <http://www.mcintyrehall.org>. 2501 E. College Way, Mt. Vernon, Washington 98273. RSVP required. Please contact Shannon Perkes at 360-757-6053 or shannonp@skagitfarmers.com.

For more information on any of these events, contact:
Shannon Perkes at 360-757-6053, shannonp@skagitfarmers.com
Steve Groen at 360-708-2123, steveg@skagitfarmers.com 



Off-season meetings are well-attended and members find them valuable.