

CO-OP CONNECTION

Our Mission: Support Local Agriculture

By Tom Boland, General Manager



Welcome to our new members who were eligible to join after doing business with us and purchasing a share of stock in Skagit Farmers Supply (SFS). Most of these new members are farming in Whatcom County and do business with us at our Lynden

Agronomy Center on Birch Bay – Lynden Road. We want to thank you for your business and especially for your interest in joining our (and now your) cooperative! Our mission is to support agriculture in western Washington.

The unceasing challenges of regulation and encroaching development are now being exacerbated by the high cost and scarcity of qualified labor. As our board and management looks to the future, we see the need to support agriculture from Snohomish County north to the border, and from the mountains west to the islands of Puget Sound. We even have members farming on the Olympic Peninsula. It helps all of us who work in support of agriculture to have profitable, sustainable farming throughout the region. Demographic trends

across our country show our population peaking in the 2050's and slowly decreasing after that. The west coast will always be a desirable place to live for many, but there seems to be no reason to rush to develop it all and lose our local base of fresh fruits, vegetables, seed crops, dairy and beef.

Our efforts to support local agriculture take different forms. One form was to open a facility in Lynden when a local competitor exited the market. This helped SFS move more product through our existing plant in Burlington, but it also offered a choice to farmers in the market. In our case, we offer a choice between conventional and organic fertilizers.

Another form is to search for future leaders in the boardroom. We've hosted more than 50 farmers in Leavenworth the past two winters for Land O' Lakes Leadership Development sessions, engaging a new generation of cooperative leaders. We've started an ag intern program, and we are active supporters of the Western Washington Ag Association and the Skagitonians to Preserve Farmland.

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Meet Our New Energy Sales Rep

SFS is excited to welcome Greg Fisher as the company's new outside energy sales representative. Greg will represent our refined fuel, propane and lubricant divisions. We see lots of open opportunities for growth to expand both residential and commercial propane service in Snohomish, Skagit, Island and Whatcom Counties. Greg will also work to supply our farmers with the refined fuels and lubricants they need.

Greg grew up in Stanwood and graduated from Stanwood High School. He worked at Boeing in the early 90s before moving into the motorcycle industry. He has been involved with Harley Davidson Motorcycles as a sales manager and general manager since 1998.

Greg has been married to his wife, Tracy, for 27 years. He and Tracy have two children, Brooke and Mason. In his spare time, Greg enjoys spending time with his family, playing golf and riding vintage motocross bikes.

Contact Greg at (360) 399-8908 or GregF@skagitfarmers.com. Welcome aboard, Greg! 🏡



Greg Fisher, Skagit Energy Sales



Rail cars full of propane, ready to unload at the SFS bulk plant in Burlington.



This SFS propane transport just crossed Deception Pass bridge after unloading 9500 gallons of propane at one of the SFS bulk plants on Whidbey Island. It is headed back to the refinery in Anacortes.

Support Local Agriculture

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To reach our Whatcom County agronomy location on Birch Bay – Lynden Road, call 360-755-3615.



To make SFS your propane supplier, call 360-757-6053.



We've also increased the cash we return to members to 50% the past two years. At SFS we do our best to live out our mission statement in all we do.

We want to give our new members a glimpse of who we are. We have 350 employees across four business units that have been put together by successful boards and managers charged with the same mission — to support local agriculture. We started in energy and retail but jumped into full-service agronomy as opportunities and need arose. Our diverse business units help us generate earnings, attract talent and avoid being too dependent on good ag cycles for our long-term success. Our focus is on customer service and operational efficiency. We need growth in sales and margins to cover the increased cost of business here in Washington.

Fiscal 2020 is now in the books. We don't have final numbers yet, but it appears we'll have new records in sales and earnings and good momentum heading into fiscal 2021. Our success is entirely due to good customers interacting with our engaged staff, and I'd like to thank all of you for your continued support. 🏡

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Pandemic Can't Stop Generosity



By Michelle Schell-Muir, Director of Marketing

Many 4-H or FFA auctions have been cancelled due to the pandemic; but SFS is still actively and proudly buying market animals raised by our Youth Rewards Members. Moreover, we're paying the processing fees and going with our YR members to donate the

meat to local food banks.

Your cooperative normally attends 14-15 fairs each summer to purchase the market animals of YR members who qualify. Our purchase price at these auctions guarantees the kids will make a profit on their project.

This year, because of COVID-19, we were only able to participate in three live events and four virtual events. That did not stop us. We bought many of our YR members' animals outright and paid to have them slaughtered and processed.

To date, we have purchased and processed over 12,000 lbs. of meat from the steers, pigs, lambs and goats raised by our youth rewards members. The beneficiaries of this meat have been food banks at Colville, Clayton, Deer Park, Elk, Sedro Woolley, Spokane Valley, Stanwood, Washington and Couer d'Alene and Post Falls, Idaho.

In many cases, our Youth Rewards Members helped to deliver the meat to their local food banks. Despite having to wear masks and social distancing while donating their animals, the members and their families have loved being part of giving back.

We've tried to schedule these meat donations on "service" days, so our young members saw firsthand all the people coming to shop at the food bank. Our YR members have raised most of these animals

from birth, and they all tell me how impactful it is for them to see their market animals come full circle and benefit their communities.

The parents of our Youth Rewards Members like it, too. They have been so supportive of the program. Read the letter we received from the mother of one of our members, printed on page 9.

Would you believe we had 522 members of 4-H and FFA sign up at our Country Stores to be Youth Rewards Members in 2020? The application period for our 2021 program is fast approaching. I urge you to go to www.skagitfarmers.com or countrystore.net to read about the benefits, and apply. 🌱



Left to right, Joshua Demmick, Samantha Demmick and Ashlynn Blankenship donate meat from their animals at the Spokane Valley Partners Food Bank.

Jaelynn and Lyndee Vanvalkenberg donate meat at the Helping Hands Food Bank in Sedro Wooley.





Just this year, the Lums decided to expand their agricultural products to include goat milk and several types of cheese.



The Lum Farm Store features meats, fresh vegetables, goat milk and cheese, eggs, and sheep products.



Eric Lum works with the farm's dairy goats.



MEMBER SPOTLIGHT – Lum Farm

By Brianna Hackler, Marketing Assistant

For Eric and Amy Lum, 2020 has been a year filled with lots of new beginnings. They moved their farm to new land, opened a dairy operation, and started their first online store — all while dealing with a pandemic.

The couple, who have been farming on Orcas Island for more than 20 years, recently took on a lease with the San Juan County Land Bank. The leased land is designated as farmland in a conservation easement. As such, it must be used for agricultural production.

The owners of Lum Farm, Eric and Amy previously leased land all over Orcas Island. They sometimes drove more than 100 miles a day to check on their flocks. So they were excited to move all the farm's operations to the 200-acre plot on Crow Valley Road at the end of last year.

On this property, they opened the Lum Farm Store where locals and tourists could pick up meats, fresh vegetables, eggs and sheep products. The store became one of the main sources of income for the farm. Until then, Eric and Amy sold their agricultural products mainly at the farmers market and to local restaurants and grocery stores.

As the couple and their two daughters, Martha and Rachel, got settled on the new property, Lum Farm acquired 15 dairy goats from a local farmer who was downsizing. With this purchase, the Lums decided to expand their meat and fresh veggie operation to include a dairy.

The pandemic hit just as the family transferred the goats to their new property and started the process of getting a dairy license. School stopped for Martha, a high school senior, and for Rachel, a sophomore, and the community was instructed to social distance and cease interactions.

"If we can't go to school, people can't come to the farm store," Martha pointed out to her mom. Amy admitted, "I didn't know how to do a farm store without people coming in." But Martha did. She set up an online store.

Amy was amazed how fast her daughter was able to adapt and build a new virtual store for Lum Farm. People could place orders online and pick up their meats, vegetables, and cheeses through a contactless system at the farm stand.

"It really took off," Amy said. "The locals are loving the online order system."

Amy and Eric worried that their farm would suffer because of the pandemic; but they soon realized it was the opposite. People have become



Although they had been farming on Orcas Island for more than 20 years, Eric and Amy Lum only recently moved their farm to a 200-acre plot on Crow Valley Road.



Eric and Amy Lum, owners and proprietors of Lum Farm.

increasingly interested in learning about where their food comes from.

“People on Orcas have really turned to buying more local food, so we’ve been busier than ever,” said Amy.

Also due to the pandemic, the Lum’s dairy got a delayed start. Their license was issued three months late. The inspector could not get out to the farm due to COVID-19 restrictions. Eventually, however, they were issued a provisional license, and they soon received their permanent license. They now create several types of goat cheeses — including tomme, chevre and feta — to sell in their farm store. The Lums are also experimenting with new varieties.

While local demand for their products has increased, Amy and Eric have been able to help their community throughout the pandemic. This spring, the Lums received a grant to raise additional animals for the local food bank. So far, they have been able to donate one and a half steers, two hogs, a lamb and extra cuts from other sales.

The Lums hope to stay on the Land Bank land for years to come. Their current lease extends through Dec. 2021, but the couple hopes to work out a long-term lease with the county.

“This is a very unique property,” Eric said. “It’s the only one like it in the county, so everyone is trying to figure out how to move forward.”

The Lums plan to introduce outreach and public education to the farm as well. They have already held some successful programs for 4-H students on the farm, and Washington State University is completing forage research and classes on the property. The Lums have also teamed up with a local school to host one day of classes per week at the farm.

Walking around the 200-acre farm to check on their herds, Amy and Eric call to the animals as they climb over fences. Up to 50 goats or sheep in a group come running when they hear the Lums call, excited to interact with their owners.

“You have to really love farming to do a job like this,” says Amy, as she pets the head of a sheep named Freckles.

“Right, you don’t do it for the money,” Eric says with a laugh.

“No,” Amy agrees. “You do it because you love the animals, and you love what you do.” 🐏



Part of the sheep on Lum Farms.

Sales Up but Shelves Empty—or Close to It

By Lance Carsten, Skagit Retail Director

The COVID-19 pandemic produced a large increase in sales for the SFS retail division, but it also disrupted much of our supply chain. A combination of stimulus money, extra unemployment benefits and having many people out of school or work early in the pandemic caused categories that had anything to do with home repair, gardening, chickens and local recreation to explode in sales volume.

Some of our country store and hardware locations recorded double or triple their normal sales in these product categories. This resulted in many supply chain issues for which no one could have prepared.

Manufacturers were having trouble keeping up as COVID-19 caused a lack of available work force and closures at some facilities. Raw materials were simply not available to many manufacturers. Sometimes the product was sitting in a warehouse ready to go, but the distribution network faced a higher demand for transportation while experiencing the same lack of work force as the manufacturers. Even prior to COVID-19, we were having

supply chain issues related to tariffs on most of the product coming out of China.

The result of these compounded issues is that many SFS suppliers could fill only 60% of our orders when fill rates of over 90% are the norm. Occasionally, no product at all was available in certain categories. These categories included garden seed, slug bait, garden sprayers, canning jars, potting soil, BBQs, rolls of fencing, fishing gear and much more. All too frequently, our employees stood in nearly empty aisles explaining to customers why we were out of a particular product.

While the boost in sales is beginning to level off as we head into fall, we expect supply chain issues to last much longer. It will be well into next year before most of our suppliers are able to return to their normal fill rates.

One advantage SFS has in operating a mill in Spokane and having a distributor relationship with large pet food manufacturers is that we have experienced little disruption in our core pet food and feed categories. Despite the uncertainties, 2020 will go down as our busiest year ever in retail. 🏠

The SFS Country Store in Colville, Wash. is set in a unique location: a 130-year-old flour mill.



Empty shelves in the lawn care section of the Country Store at Sedro-Woolley. Sales are up 15% at this store and they will finish with their best year ever in sales dollars and earnings.



Ace Hardware shipping containers ready to be unloaded at an SFS Country Store.



SFS employee Lauren Johnson works in retail support at the Sedro-Woolley Country Store.



More shipping containers waiting to be unloaded at Country Stores with nearly bare shelves.

Scholarship Increase Is Good News

By Raelene Smillie, Company Administrator

The Board of Directors of SFS has awarded a record number of scholarships for the 2020-2021 academic year. Eight “Careers in Agriculture” scholarships, in the amount of \$1,000 each, were awarded in this most unusual school year. Some of the students are continuing their education virtually from home. Others are on campus but attending class remotely. A few can attend classes in person.

The beginning or continuation of their college experience is not what they had expected. No one knows what the educational landscape will look like in coming months; but these students are determined to continue their studies by any means, and we are glad to assist them.

SFS has been awarding scholarships in support of agriculture since 1991. Each year, fewer children grow up with a direct link to agriculture; but each year the number of applications SFS receives is growing. These young people express a passion for the industry and the lifestyle agriculture can offer. That, along with their strong desire to contribute to the success of the industry, bodes well for agriculture and this cooperative.

Scholarships were awarded for the current school year to Julianne Dickinson, Shauna Flores, Jonathan Garfia, Julia Layland, Holly Lenssen, Martha Lum, Mason Rutgers and Mitchell Wesen.

IMPORTANT NOTE: Students can qualify for a scholarship each year of their two- or four-year education by submitting an application by April 1 of each year. Applications may be obtained at www.skagitfarmers.com. 🏡

The SFS Board has a long history of support for careers in agriculture and the SFS scholarship program is an example of that.



Julianne, daughter of Drue and Kristi Dickinson, will study at Washington State University (WSU), majoring in Agricultural Education. She graduated from Lynden Christian High School this past spring and would like to return to Lynden after college to teach agriculture and advise FFA students.

The daughter of Chris and Lori Flores, **Shauna** graduated from Sedro-Woolley High School and is now attending WSU, studying Agricultural Biotechnology. Shauna plans to influence agricultural through the research of plant genetics.



Julianne Dickinson

Shauna Flores



Jonathan Garfia

The University of Washington campus will be home base for **Jonathan** as he continues his education in Ag Business. The son of Reynaldo Garfia and Lucia Molina, Jony is a 2020 graduate of Lynden High School. He plans on earning a degree in finance and helping agricultural businesses operate profitably.

Julia, a second-time recipient of a SFS “Careers in Agriculture” scholarship, graduated from Sedro Woolley High School in 2019 and has just begun her second year at WSU. The daughter of Kimm Layland, Julia is continuing her studies in Agricultural Education.



Julia Layland



Holly Lenssen

Also enrolled in Agricultural Education is **Holly**, daughter of David and Heather Lenssen. Holly is continuing her studies at WSU. A past graduate of Lynden High School, Holly will complete her studies at WSU in the fall of 2021 and plans to teach agriculture to high school students as well as serve as an FFA advisor.

Martha, daughter of Eric and Amy Lum, is a spring 2020 graduate of Orcas Island High School. WSU is the college she has chosen to further her education. Martha has several career paths in mind, including farm and ranch management and a career with an agricultural company. Martha knows her chosen field of Agricultural Economics will offer her many opportunities to remain in the agriculture industry she values.



Martha Lum



Mason Rutgers

Kurt and Roseann Rutgers are the parents of **Mason**, a graduate of Lynden Christian High School. Mason has started his college freshman year on campus at the University of Nebraska-Lincoln. He is studying Agribusiness with an emphasis on crop commodity markets and hopes one day to have a farming operation of his own.

Mitchell is beginning his junior year of studies at California Polytechnic State University and is majoring in Agricultural Business. He is the son of Mark and Barbara Wesen of Bow, WA. He has several career paths in mind including teaching agriculture to high school students, working in the finance side of the agricultural industry, or running the family farming business.



Mitchell Wesen

Grateful for Youth Rewards

The letter below was written by mom Angie Neumiller and posted to her Facebook account in appreciation of The Country Store's Youth Rewards (YR) program. Angie's children Haley, John, and Heidi (left to right in the photo below) are members of YR and are pictured here with Bryant Grenz, outside salesman at our Spokane Central Store and Christine Greene, our Central Store manager.


[The Spokane] Country Store has been so generous to my family and community! As part of their Youth Rewards, they discounted feed and then purchased the kids [4-H] market projects. With the generous purchase price and additional support money, the kids will have enough to fund next year's projects, spend some and give some.

This year, rather than turning their purchases to meat buyers, The Country Store will cover all costs to donate the meat to local food banks. Incredible. They are constant supporters of local agriculture and 4-H events and always willing to contact experts for feed questions we have.

Yes, I have closer and more convenient locations for my farm needs, but none who gives back to the community in such significant ways. Besides, Bryant makes ordering easy.

Thank you, Angie.



To find out more about the SFS Youth Rewards program and to sign up for 2021, go to www.skagitfarmers.com or countrystore.net. 



Newly painted mill and LMF feed logo as seen from the south.



Most of the upgrade involved the façade of the building, but a new boiler was also installed.



The new entryway/vestibule at our Spokane mill creates a more professional and welcoming atmosphere.



Our newly painted Aslin-Finch feed logo facing north.

Booming Mill Gets Make-Over

By Kyle Morgan, Mill Manager




Our Aslin-Finch mill in Spokane only rarely stops the manufacturing of feed. In the past five years, the bagging line has only been halted for maintenance work. Even then, much of that routine work is done without stopping production.

The demand for LMF®, AF, Earth First and our other proprietary brands keeps growing, and this past February we added our largest export customer, a Japanese company, to the customer base of our Spokane mill.

We're excited to share these pictures of our latest completed project at the mill, as the tired façade was updated in contemporary colors and logos. The scope of the project included the removal of old conduit runs and light fixtures, and the patching of openings that are no longer needed. In addition, workers primed the entire building and applied a fresh coat of paint.

The large Aslin-Finch logo was hand painted and is visible to west bound travelers on I-90. The LMF logos are new to the building, as is the entryway/vestibule. We've wanted to get this major project done for a few years, and we're thrilled with the results.

Internally, a new boiler was installed, and we replaced the molasses application system and an auger in the basement. 



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Burlington, WA 98233-0266

360.757.6053 // 888.757.6053
www.skagitfarmers.com

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Bobtails parked in front of the SFS office at Burlington, ready to deliver propane on a snowy winter day.

Winter Propane Safety Tips

Observe these tips and confidently enjoy clean burning propane gas, supplied by SFS, as a reliable heating source.

- 1.** Make sure you have an adequate supply of propane.
- 2.** Make sure your heating system and gas appliances are running efficiently.
- 3.** Create and share an emergency preparedness plan with everyone in your family.
- 4.** Install a carbon monoxide detector in your house.
- 5.** If you smell propane, call your propane supplier immediately.

Call 360-757-6053 or toll-free 888-757-6053 to reach the propane department at SFS. Unless your need is urgent, you may also write us at Propane@skagitfarmers.com . 

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—Lynden

360.755.3615

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 (Idaho)	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