

WINTER 2024

# CO-OP CONNECTION

MAPLE VIEW FARM: STILL A  
FAMILY OPERATION *Page 8*

## MOVING FORWARD

– Tom Boland, President & CEO



The mild weather we experienced this fall was felt by many across the northern part of the United States. It should be easier on the home heating budget for most homeowners this fall. For Skagit Farmers Supply (SFS) that also means we aren't marketing as much propane, heating oil, and wood pellets as we did the prior year. Sometimes mother

nature can be the contributing factor to a positive or negative business cycle. We won't worry too much, as the moderate temps also kept our crew better rested this fall and kept propane inventories above normal for this time of year. Each year is different. We're fortunate to be diversified and to have different business units contributing to our success.

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“Over the past five years, our overall business is up 50%.”

In mid-December, the SFS Board met with representatives from Moss Adams to cover our annual audit. It was a good meeting. Our expenses were on budget but up a lot in Fiscal Year 2023. About two-thirds of the increase was in employee wages. We knew that was happening, and we focused on growing sales and margins to account for the higher business costs we're incurring with the larger inflation.

Our strategy was to retain staff and feed the positive momentum we've had, although the higher expense structure seems here to stay. Fortunately, in FY2023,

*Continued on page 2*





*The SFS refined fuels department was the co-op's first business unit in 1934. The board has started to retain some energy earnings in anticipation of the disruption in fossil fuel usage in Washington. This primarily impacts our home heating customers.*

we were able to grow sales and margins across our four business units, and our final results were close to our record 2022 numbers. The board will cover all the results in March at our annual meeting in Mount Vernon. That member event will be held at McIntyre Hall this year.

As we've discussed previously, the board has decided to retain some of our energy earnings this year as we continue to try to align SFS with voter preferences in our state. More specifically, as Washington State (and the west coast in general) encourages alternative energy sources at the expense of traditional fossil fuels, the board is concerned about having too much equity on the balance sheet related to a department that won't be contributing the same results in the future. It's anyone's guess how quickly that might happen. The replacement of proven technologies with ones that don't offer the same advantages over a large population base means no one really knows how fast the new technologies can be widely adopted. All that means is the board is being prudent with the balance sheet as we continue to monitor rules adopted by the state. The decision on equity largely impacts our home heat business.

We have a solid employee base that continues to bring great results on behalf of our membership and customers at large. About 350 employees work for SFS across our four business units. That number dipped during COVID, but it has remained largely the same over the past five years. Yet, over the past five years, our overall business is up 50%. With the investments we've made to do more with less, and our willingness to close a few unprofitable stores, we're more efficient than we used to be. That contributes to the bottom line in many ways.

The board shared their appreciation with more than 500 staff members and spouses the first two weekends of January at our annual holiday parties in Everett and Spokane. It's encouraging to work with and for so many who so easily share gratitude and appreciation. Even in the midst of a busy schedule, we get to experience much happiness that is based on those who acknowledge gratitude in their lives.

*A PERSONAL NOTE: Kelly and I experienced gratitude and appreciation despite both of us losing our mothers this fall. They'd both been experiencing health concerns that accompany humans as they reach their 80's and beyond. In both cases, they passed in the presence of loved ones, and they leave us many blessings to ponder. Their funeral Masses were celebrated in Minnesota with a large show of love and support.*

*My mom had great faith and lived a grace-filled life. In joy and sadness, she could offer words so profound and they will always bounce around in my mind. I was particularly moved by Kelly's eulogy for her mom. Anna had a passion for life that I rarely encounter. It was a blessing to have both of them be with us in thoughts and words right to the end.*

*Both of our fathers passed in their 60's, so Mom and Anna were the connection to that generation for the many grandkids they both had. They were both carried to their final resting place by their grandsons in Resurrection Cemetery in Mendota Heights, MN. They will be missed.*

# GROWERS CONSIDER INNOVATIONS

– Jon Jarvis, Agronomy Sales Manager



Skagit Farmers Supply (SFS) is thrilled to bring new thoughts, innovative products and services, and even some old friends to our membership each year. Our philosophy for the annual Grower-Vendor Conference is to introduce our farmer-guests to a line-up of speakers and ideas that might help on the farm, even if the ideas result in the use of less fertilizer and chemicals.

Getting the same yields by using innovative solutions will benefit farmers, and that was the focus of this winter conference, held in 2023 on Dec. 13-14, at the Icicle Inn Village Resort in Leavenworth, WA.

We hosted two dozen vendors, over 70 SFS members, and our agronomy staff at the two-day event. We're happy to get so much positive feedback for the conference. The two things we hear the most are, "There isn't anyone else willing to bring these ideas to us!" and "Please invite me back again next year!"

There were too many vendor-speakers to list. We had sessions that focused on technology, sessions that covered innovative products, and sessions that brought needed reminders of best fertility practices. We're fortunate to have the budget and the mission statement to support all of the grower education conferences we do.

Don't forget to sign up for our Pesticide Renewal/Grower Meetings in February of 2024 at McIntyre Hall.



"SFS introduces growers to new ideas that may help on the farm, even if those ideas result in the use of less fertilizer and chemicals."



*Seth Elkington from Agro K spoke at the conference.*



*Conference attendees included, from left to right: SFS Agronomist Jose Rivera, Celerino Salgado (Haller Farm), Mauricio Soto (Viva Farm), Senaida Soto (Viva Farm), Jagjit Singh (Gills Berry Farm), and Jarnall Singh (Singh Whatcom Farm).*



# CO-OP FINISHES STRONG

– From the SFS Board of Directors

It's been busy on the farm, and busy at Skagit Farmers Supply (SFS) too. The board made its annual visit to Spokane in November to join other cooperative leaders for the Northwest Regional Cooperative Institute (NRCI) conference. The NRCI brings agricultural and cooperative thought topics to directors from Oregon, Idaho, Montana, Wyoming and Washington.

This year's meeting took place November 5-6, 2023, at the Davenport Grand Hotel. The topics are timely, and Ben Buchholz and his team at the Northwest Ag Cooperative Council always do a great job with the event. The trip also gives us an opportunity to tour our Aslin Finch Feed Mill and our AFCO Wholesale and Distribution department, and to monitor our retail presence in Spokane.

In November, we approved member patronage based on our fiscal 2023 results. SFS had another strong year, and we're happy to be able to approve patronage, including a non-qualified distribution for producer members. (Under the non-qualified distribution, SFS pays the taxes until the retained portion is paid out). We approved a 50% cash patronage payout.



*From the left, Board Chair Nels Lagerlund, Director Jennifer Jones, Board Secretary/Treasurer Mark Wesen, and Vice Chair Spencer Fuentes.*



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“We approved a 50% cash patronage payout.”

As we mentioned in past newsletters and at the 2023 annual meeting, we considered and then voted this year to retain some of the energy earnings on the balance sheet. This was done in consideration of future energy sources and policies that are being encouraged in Washington State. This will mostly impact home heat customers’ patronage. We’ll provide you with more info on that on Wednesday, March 13, 2024, at McIntyre Hall in Mount Vernon, at our Annual Meeting. Please watch your mail in February for an invite to that meeting.

The SFS Agronomy department has been busy with back-to-back member meetings in Leavenworth. We had board members attend each meeting, and we’re pleased to be able to provide that education for our membership. Those meetings are spotlighted elsewhere in this newsletter.

Producer members should have already received notice of the board election for 2024. The term of our Board Chair Nels Lagerlund is up this year. Nels is running for another three-year term. Depending on when this gets mailed and when you are reading this, we’ll know if the nominating committee has any other candidates.

Agriculture is important to most anyone reading this newsletter, and we believe that SFS is an integral part of the future of production agriculture in northwest Washington. We hope that you feel engaged and aware of your/our cooperative and what we do as a board. We encourage feedback, and we’re always looking for those who have an interest in serving the membership by running for the board of directors.

Our annual Board Planning Session is returning to Victoria, BC, Jan. 30 to Feb. 1, 2024. Meeting to plan with our SFS management team is always productive. Every year presents its own challenges, and we’re happy to have another strong year in the books. We appreciate your support.

## SAVE ANNUAL MEETING DATE

The 2024 Annual Meeting of the Membership of Skagit Farmers Supply will take place on Wednesday, March 13, 2024, at McIntyre Hall in Mount Vernon.

Watch your mail for more information.



*SFS Board Chairman Nels Lagerlund welcomed members to the 2023 Annual Meeting.*



# CORNERSTONE FOR ENGAGEMENT:

## Training Future Co-op Leaders

– Tom Boland, President & CEO

On Dec. 5, 2023, members and employees converged on the Sleeping Lady Mountain Resort in Leavenworth, WA to learn how they can support and participate in their local cooperative: Skagit Farmers Supply (SFS).

Why does SFS host this annual conference? Well, cooperatives are vibrant entities, often filling needs for their membership in ways that competitors won't. They are also a bit more complicated than their large privately held, publicly traded or private equity funded competitors. Co-ops require some level of involvement from their member-customers. Their structure and governance dictates that.

Cooperatives need members who are engaged and to consider running for boards of directors. From there, they employ a CEO and work through that position to govern the direction of the co-op. The members' role is vital for the future of the co-op and to keep it on track with its mission statement.

If your management and directors fail to pass on the governing principles of the co-op, we'd be negligent in our duties. If we don't keep an engaged membership, farmers may not get serviced in a timely manner or not at all.

If we pass on these governing principles, with a good board and a knowledgeable membership, there is no reason we can't continue to provide farmers in our area with the services required to succeed.

### GETTING TO THE CONFERENCE

To some, the term Pineapple Express might conjure up images of the tropics or strong winds over Hawaii. But to those of us on the slopes of the northern Cascades, this weather pattern suggests intense rains.

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“If we pass on these governing principles, with a good board and a knowledgeable membership, there is no reason we can't continue to provide farmers in our area with the services they need to succeed.”

In early December, we braced for rain and snow. Temperatures moderated, and the initial snow falling at higher elevations quickly melted. The snowmelt joined the rain as it stampeded down the mountain towards the sound. Unfortunately, some homes and farms were in the path of that stampede. The power of a runaway river usually wins.

As the weather system slowed, 28 members and employees of SFS headed up through Stevens Pass and beyond for a previously scheduled meeting. All but two made it to our meeting room in the woods. The white foamy rivers were the talk of lunch as we gathered in the Kingfisher Restaurant prior to the start of our two-day conference

### WHAT WAS THE CONFERENCE ALL ABOUT?

We invited Paul Hansen from Land O' Lakes (LOL) leadership development to present to our membership and employees. This was the third time Paul has led this conference.

“Why Land O' Lakes?” you may ask. “Aren't they the butter company?” Yes, they do market butter, and they have a thriving dairy business. Through Winfield United and Purina Animal Nutrition, they also sell agronomy and animal nutrition products and services to nearly half the farmers in our country.

LOL is also a major player in agriculture outside of our country. And, did you know, LOL is also a cooperative—the third largest in the U.S. SFS purchases and provides its members with many LOL products. *NOTE: LOL is not dissimilar to CHS, a major supplier of energy and agronomy products to SFS and the largest cooperative in the country.*





*Tom Boland presenting the mission and operations of SFS to the Cornerstone group.*

Again, “Why Land O’Lakes?” Well, LOL and SFS have a decades-long connection. Two SFS members, Oscar Lagerlund and Ron Muzzall, spent a great deal of time and energy serving on the LOL Board of Directors. Moreover, we’ve helped 50 young producers go through Paul’s “Cornerstone for Engagement” program. Over two days, Paul teaches us:

- How to tell our co-op’s story.
- How to advocate for agriculture and cooperatives.
- About cooperative governance and opportunities to serve farmers while representing co-ops at the board of director level.

After these conferences, we hear statements like, “We’re happy you do this; no one else is doing anything like this for us.” At SFS, statements like that make us feel good but they also bother us. We’re afraid of what happens to agriculture when farmers aren’t being connected with their suppliers and with each other—and aren’t being informed of why cooperatives continue to thrive for farmers in our country.

Co-op participation can be a tough subject in a lot of ways. Focused on their own individual operations,

farmers struggle with what they are being asked to do—to vote for directors, to approve articles and bylaws, and to be active in directing their co-op. Some farmers have been part of a co-op that struggled or failed, and it might have led to hard feelings.

### **WHAT WE HOPE WILL HAPPEN**

At Skagit Farmers Supply, we’ll continue to tell our story. We’ll invite you to attend annual meetings and vote. We may even invite you to run for the board when there are openings. That invite can get lost when fields are being turned up in the spring, when berries are being harvested in the summer, or when potatoes are being dug in the fall.

But maybe...just maybe we’ve planted a seed over a few wet days at the top of the Cascades—a seed that will germinate in time. Maybe we’ve planted multiple seeds that will help farmers prosper by doing business with cooperatives like SFS and LOL—not just in this generation but in future generations as well.

Nothing good tends to grow when seeds aren’t planted.



# MAPLE VIEW FARM: Still a Family Operation

– Brianna Hackler, Graphic & Multimedia Specialist



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“Our family gets along really well. We respect each other and try to make this a great place to live, work and grow up. We’re very blessed to be able to do that.”

Maple View Farm and Enterprises in Sequim, WA has been in the same location for nearly a century. Troy Smith and his brother, Ben, are fourth generation producers working on the same land where their great-grandfather started a dairy farm in 1930.

The next generation of Smith farmers are already poised to join the family business. Troy’s son, Jake, is heavily involved in the operation and plans to take over when the fourth generation retires. A member of the sixth generation, Jake’s child and Troy’s grandchild, is due any day.

Troy says there’s no secret to keeping a farm in the family for so many years. Maple View’s generational success comes from always maintaining a respectful atmosphere.

*Maple View farms about 350 acres of grass for silage and hay, 175 acres of corn, 100 acres of barley, and about 100 acres of seed crops such as spinach, brussels sprouts, and cauliflower.*



"Our family gets along really well," he states. "We respect each other and try to make this a great place to live, work and grow up. We're very blessed to be able to do that."

Maple View Farm and Enterprises is located near Sequim on the Olympic Peninsula. The operation started as a dairy back in the 1930s when Troy's great-grandfather immigrated to the United States and traveled across the country to the peninsula. Today, the farm also includes a beef operation, a trucking company, and seed crop production.

Maple View has about 400 Holsteins on the dairy side, and the farm's trucking operation hauls raw milk to Dairygold in Chehalis several times each week.

Additionally, the farm has several hundred acres dedicated to crops, included about 350 acres of grass for silage and hay, 250 acres of pasture for beef cattle and heifers, 175 acres of corn, 100 acres of barley, and about 100 acres of seed crops such as spinach, brussels sprouts, and cauliflower.

Troy says one of the biggest benefits the operation has is the mild weather on the peninsula. Not only does it benefit the seed crops, but it also prevents cows from getting too cold or over-heated, assisting milk production.

On the flip side, he adds, being so far out means having to travel farther for supplies and machinery and having to pay extra in shipping costs. This last negative led the Smiths to create their own trucking operation to haul their products to customers.

Maple View gets its seed for crops from Skagit Farmers Supply.

One of the biggest challenges for Maple View in recent years has been land value. Because the area



*From left, Gary Smith poses with sons Troy and Ben, and grandson Jake. Troy and Ben currently co-own Maple View Farm and Enterprises, a dairy, beef and seed crop operation on the Olympic Peninsula.*

is a coveted retirement destination, land values are high and farmland was being developed into residential living to accommodate, Troy says. However, organizations like North Olympic Land Trust have worked with area farmers to conserve the peninsula's farms and forests. The organization raises money to purchase development rights for farmland and works with landowners to place easements on the land so it can never be developed.

Troy said Maple View was able to work with North Olympic Land Trust last year to retire the development rights for about 130 acres of the family's original farmland, as well as a few leased properties.

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*Maple View is located near Sequim on the Olympic Peninsula, an ideal location for both cows and crops due to mild weather.*



*Maple View also has a beef operation called Sequim Valley Angus and Simmentals, run by Jake and Emma Smith.*

"It's really important for farmers, so you know the rug can't be jerked out from under those of us farming that property," Troy states.

Both Troy and his brother attended college and briefly had careers away from the farm. Ben received a nursing degree from University of Washington, and Troy completed the dairy science program at Washington State University--so friendly rivalry often arises. Both brothers returned to the family farm in the early 1990s after college to partner with their parents in running the operation.

In the early 2000s, the brothers began the process of purchasing the farm from their parents and adding the crop farm. Troy says the farm is still a family operation.

"My parents are 82 and 83, and they're both still going strong," he states. "It's awesome."

In addition to the dairy and crop operations, Maple View also has a beef operation called Sequim Valley Angus and Simmentals, run by Troy's son, Jake, and Jake's wife, Emma.

"He's a true beef guy," Troy says with a laugh. "He has been since he was eight years old, buying his own animals to show."

Sequim Valley markets grass-fed beef direct to consumers, and it sells heifers and bull calves to other producers. The operation also does some AI and embryo transplant work.

Troy sees Maple View staying its current course until he and Ben retire. At that time, he hopes his son will take over and continue the Smith family farm.

To learn more about the Smith family and the beef operation, visit: [www.sequimvalleyangusandsimmentals.com](http://www.sequimvalleyangusandsimmentals.com).

# ORDER PROPANE ONLINE

– Ryan Nootenboom, Energy Manager



Skagit Farmers Supply (SFS) continues to offer great customer service for all your propane needs. That includes the option for online ordering through the web page at [WWW.SKAGITFARMERS.COM](http://WWW.SKAGITFARMERS.COM) or by scanning our QR code. (Try scanning the code at the end of this article with your cell phone.) This simple, online process works great for our customers who want to place a quick online order and don't have any other questions for our customer service reps.

We are halfway through January and experiencing a mild El Nino winter here in the PNW. The temperatures have only dropped below freezing a few times, but winter has only started, and it can change quickly. Mother Nature is always going to have the final say.

For this reason, SFS has invested in over 5,000 cellular propane tank monitors that attach to our customers' tank gauges. These gauges provide our dispatch team and drivers with a real-time look at each customer's tank levels.

Our investment in this technology is meant to ensure minimal tank run outs, optimize propane deliveries, and provide the best service to our propane customers all year long.



# SAVE PESTICIDE RENEWAL DATES

Keep up to date on your pesticide credits. Skagit Farmers Supply is happy to provide this service to our membership.

The Pesticide Renewal/Grower Meetings will be held on Wednesday and Thursday, Feb. 7 - 8, 2024 at McIntyre Hall in Mount Vernon. Ag Day is on Feb. 7th and T&O Day is on Feb. 8th.

Please register in advance by contacting our sales staff or Kristine Black at [kristineb@skagitfarmers.com](mailto:kristineb@skagitfarmers.com).



*Last year's Pesticide Renewal/Grower Meetings were held in February at McIntyre Hall.*



# A PEEK AT STANWOOD STORE

Our Stanwood Country Store has undergone a major remodel in the past 18 months. We're planning to spotlight the project in the spring newsletter, but here is a little preview of some of the upgrades.

Pictured below are both the old and the new exteriors of the store. Our new Stanwood exterior awaits the Country Store and True Value signage.

Our Country Store has added a self-serve dog wash and pet grooming to our flagship location. Pictured below is a freshly cleaned Gunner; he's a boxer lab mix with a little pit bull.

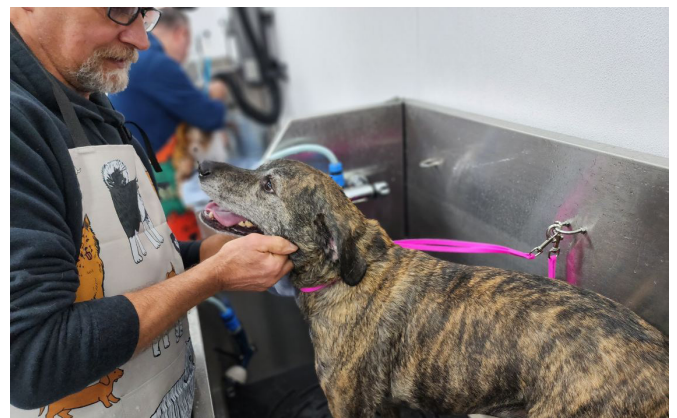
See our next newsletter for a full overview of the changes to our Stanwood Country Store.



*New Stanwood storefront awaiting signage.*



*Old Stanwood storefront.*



*Gunner.*

# AFCO GAINS MARKET SHARE

– Lloyd Campbell, Director, AFCO Wholesale and Distribution



Freight flow continues to be the backbone of commerce in the United States. The over-the-road CDL drivers that navigate storm systems, construction and regulatory hurdles are to be commended. It's oftentimes only when the shelves are empty that consumers must think about what happens when production and transportation aren't working.

Our AFCO Wholesale and Distribution department continues to gain market share against our competition and our drivers are one of the reasons why. Our drivers focus on our wholesale customers so they can service their retail customers with the many great brands we distribute. That was the message delivered to our drivers and supervisors at the Ruby River Hotel on the beautiful Spokane River on Friday Nov. 3, 2023.



*Safety Director Sally Merenz covers several safety topics prior to dinner.*



*CEO Tom Boland gives AFCO drivers a company update including financial results and growth opportunities. He expressed SFS's appreciation for the employees who bring those results to our members.*

## 2024 FINANCING

A reminder to all farmer members ahead of the 2024 growing season. If you are seeking deferred terms or operating on our farm budget program, you must apply and be approved by our credit department. Please e-mail [credit@skagitfarmers.com](mailto:credit@skagitfarmers.com) to start the process.



# SFS HOSTS LEGISLATOR

– Tom Boland, President & CEO

US Congressman Rick Larsen met with Skagit Farmers Supply (SFS) Directors Mark Wesen and Spencer Fuentes, Energy Manager Ryan Nootenboom, and CEO Tom Boland on Tues., October 31, 2023, at our main office and bulk propane plant in Burlington, WA to discuss propane marketing and logistics.

Congressman Larsen represents Washington District 2 in Washington D.C. That district is at the heart of our cooperative's propane and agronomy market. SFS has the largest propane marketing fleet and customer base in his district, and we appreciated the congressman's time and interest in the efficiency and cleanliness that propane continues to offer to residents, farmers and businesses--even as other clean energy sources come online.



*Left to right: Congressman Rick Larsen, Energy Manager Ryan Nootenboom, CEO Tom Boland, Director Mark Wesen, and Director Spencer Fuentes.*





*Matt Turnberg and Jose Castro grilled the meat.*



*John Allison and Ashley Norberg.*



*Scott Bedlington and Mike Hawley.*



*Drone view of Lynden Agronomy looking north.*

These photos were taken at our Member Appreciation Dinner at our Lynden Agronomy location on September 29, 2023. Members were also invited to our Annual Customer Appreciation Barbecue at Burlington in July, but many Lynden area growers were harvesting berries at that time. So, we offered them another event to show our gratitude.



*Jeff Hemnes and Blake Carson.*



*Skagit employees Lisa Giedraitis, Courtney Pocock, Kris Black, and Crystal Olesen.*



*Drone view of Lynden Agronomy looking south.*





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## 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

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### EMERGENCY

360.209.0310

### COUNTRY STORES

Burlington.....360.757.4055  
Colville.....509.684.2232  
Freeland.....360.331.1970  
MountVernon.....360.424.4207  
OakHarbor.....360.675.2277  
Oroville.....509.560.7088  
Sedro Woolley.....360.856.6567  
SpokaneCentral.....509.534.1412  
Stanwood.....360.629.7033  
Stevensville(MT).....406.777.5527