Engaging Our Youth Makes Us Optimistic

by Tom Boland, General Manager



My father was a high school teacher for over 40 years. Even with that hectic job, he'd find time to come out to some of my track meets after school. I was a distance runner, so I didn't spend much time with the "weight men." Between my events, I'd climb the bleachers to see my parents, and my dad

would be entertaining and engaging two or three of these "weight men." He didn't know my teammates (and I didn't really either), but he would be joking around with them nonetheless. I think those interactions with youth helped him be more hopeful for the future.

I'd guess that's true for a lot of people. I find that to be true in the co-op world I've settled into. As part of their mission, many co-ops take on the responsibility of engaging the next generation that will support agriculture. Some, in that next generation, will take over a family farm. Others might work for a cooperative like Skagit Farmers Supply. Still others will end up working at one of our land

grant universities doing research in agriculture (my brother Michael is enjoying that career.)

Skagit Farmers Supply recently handed out its 100th scholarship to a deserving young man whose family shops at our Country Store in Stevensville, Montana. Engaging the next generation makes us all more optimistic about our own future. So, we try to help, teach and mentor our youth.

Youth Day 2017

Recently, Skagit Farmers Supply invited the 4-H and FFA groups from Skagit, Island, San Juan and Snohomish Counties to tour our new agronomy center in Burlington, Washington. Our tour and presentation was oriented around teaching our youth about the positive impact soil health and plant nutrition have on feeding animals and maintaining a healthy diet.

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2018 Deferred Payment Plan Available



by Shannon Perkes, Credit Department

We continue to update our records by asking each farmer and patron to periodically complete an updated credit application. This application provides us with your current information, which

we need to disburse patronage or stock retirement checks. Thanks for assisting us in collecting this information.

The 2018 crop year will be here before we know it. We are happy to again offer a Deferred Payment Plan. This plan offers eligible producers deferred payment terms on the purchase of agronomy inputs such as chemicals, fertilizer, seed and application services. If approved, you will be able to purchase all of your agronomy needs to make your crops a success, while

holding off finance charges and payment until Sept. 30, 2018.

NOTE: Deferred terms must be approved prior to purchases. A 2018 Deferred Payment Agreement must be completed, signed and accompanied by a copy of your current crop plan and financial statements (if requested). Please return to our credit department by March 31, 2018. Those items and your payment history will determine your eligibility for the Deferred Payment Plan.

Our Credit Department is open Monday-Friday, 8 a.m. to 5 p.m. We are happy to answer any questions. We work closely with all departments to ensure we are meeting our patrons' needs.

Engaging Our Youth

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Our agronomists discussed their jobs and background to get the kids thinking about a career in agriculture. We demonstrated the technology that goes into supporting agriculture. We let them climb into our TerraGators and hear how the GPS tracking capabilities in these machines help with field applications. We also explained how each crop nutrient impacts a growing plant, and about the many micronutrients used in our complex blends for fresh-to-market fruits and vegetables grown in western Washington.

We fired up the automated bagging line and explained that fertilizers manufactured in our production facility are spread on crops in Hawaii and on fields in Alaska, in addition to being sold through our local retail stores and wholesale distribution network. The demand for fresh, locally grown, healthy food is increasing. Our farmers are already meeting that demand with sustainable organic and conventional crops produced near large population bases in the western United States.

Our youth usually interact with Skagit Farmers Supply when buying feed and supplies at our Country Stores. It was fun to bring them into our agronomy center on a cold October morning and have them see another side of agriculture.

We all know that our stores don't make the feed, and grocery stores don't make our food. It happens on farm fields across our country and beyond. Here, parents and grandparents find optimism and energy in showing their children and grandchildren the best practices they've learned while successfully growing food and transitioning their farm to the next generation.





Top: Operations Manager Tom Roorda custom blends crop nutrients for the group. **Bottom:** Agronomist David Youngquist discusses the importance of good soil health for a productive crop.

Newest Investment Supports Agriculture in West

On Friday, Sept. 29, Skagit Farmers Supply invited its membership, vendors, employees and representatives of our local business communities to our new Burlington Agronomy Center for an open house.

We wanted to highlight the size and speed available in the latest technology supporting production agriculture in the 21st century. Many of these improvements will help farmers and the environment by getting the nutrient to the plant where and when it is needed, while limiting the amount of nutrient loss.



Vice Chair Rick Williams visits with U.S. Congressman Rick Larsen.

Special features of the new plant

- Storage for more than 7,000 tons of crop nutrients.
- A conventional crop nutrient facility—our organic production facility is in Conway.
- The ability to unload a truck in 8 minutes and a rail car in 40 minutes—4 times faster.
- The ability to thoroughly blend a batch in under 30 seconds—over 200 tons per hour.
- Precision blending to ensure our growers receive the correct ratio of nitrogen, phosphorous, potash and micro nutrients required by their soil analysis.
- Integrated coating technology to increase the effectiveness of crop nutrients on growing plants, maintain the integrity of nutrients during blending and distribution, and reduce dust and loss of product.
- Automated bagging line with robotic palletizing allowing employees to bag 12 bags per minute, with full pallets built in 4 minutes—most bagged fertilizer is bound for Hawaii.
- Use of the latest technology to improve safety of our employees and customers.
- Energy efficient motors and 100% LED lighting to reduce power consumption.
- Engineering the site to contain 100% of storm water.
- Exclusive use of nonexplosive crop nutrients.



ern Washington



Skagit Farmers Supply

in 2017. 🔨

- Is an 83-year-old, member-owned cooperative with annual sales of over \$100 million.
- Is owned by farmers, businesses and homeowners in western Washington who purchase everything from propane and fuel to corn seed, fertilizer and feed from us.
- Is governed by an elected board of five active farmers serving three-year terms.
- Provides support for production of over 40 organic and conventional, freshto-market fruits and vegetables, and seed crops, as well as the beef and dairy industry.
- Operates four business units: agronomy, energy, retail (Country Stores) and wholesale distribution and milling.
- Reinvests earnings in the business or returns them to member-owners over \$3 million was returned to customer accounts in western Washington

Another Good Year!

We are pleased to announce that, based on our strong fiscal 2017 results, we have been able to approve \$6.3 million in patronage allocations to our patrons and members. We will once again pay 40% in cash (in June 2018) and 60% to their equity accounts.

That means we'll be sending \$2.5 million in checks to our membership in Western Washington. If you include the stock retirement checks going out in March, it means our co-op will return over \$4 million in cash in 2018. As of June 2018, our three-year total cash returned to patrons and members will be \$11.7 million.

We're very proud of the efforts of our Skagit Farmers Supply employees, and we wish to thank our members for their continued support.

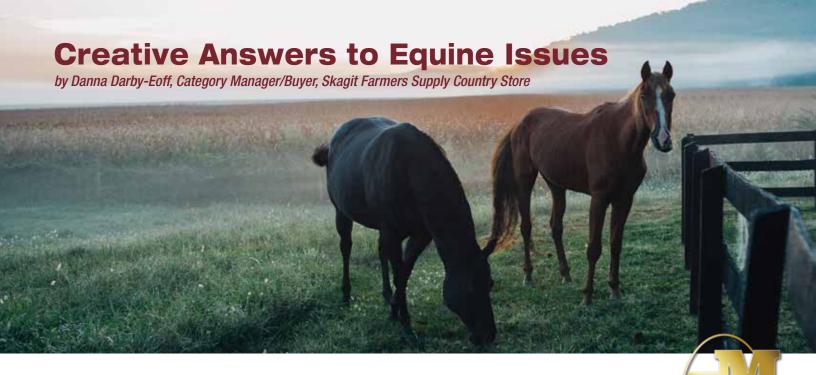
The annual meeting will once again be held in Mount Vernon in March. More details will follow. In the meantime, watch your mailbox for our director nomination notice.

The term of Board Chair Nels Lagerlund is up for election this year. Nels is running for reelection. If you would like to nominate someone, follow the instructions in the notice being mailed out.

We look forward to seeing you at the annual meeting.



Left to right: Secretary/Treasurer Jenn Smith, Board Chair Nels Lagerlund, Vice Chair Rick Williams, Director Jeff Boon and Director Cristina Waltner.



Did you know? LMF Feed is sold to one of the largest stables in Japan and is fed to champion horses at the Hong Kong Jockey Club!

I find joy in bundling the passion I have for horses with my job as a buyer.

So, I was overjoyed when, in October, I was able to make farm calls with our outside salesman, Bryant Grenz, and Dr. Stephen Duren, Ph.D., with Performance Horse Nutrition®. Dr. Duren is the nutritionist and formulator for LMF Premium Equine Feeds, which Skagit Farmers Supply markets through our Country Stores.

Dr. Duren is an absolute wizard in performance horse nutrition. He travels all over the world consulting with owners on maximizing the performance of their equine athletes. Because our co-op manufactures LMF feeds at our Spokane mill, we were able to offer a few clients on the east side a personal consultation with Dr. Duren. The conversations were "mind-blowing" for these horse enthusiasts!

Our first visit was with Dr. Kathy Grimes. She has been a longtime customer of Bryant's and feeds LMF to her horses. Dr.



Left to right: Dr. Grimes, Danna and Dr. Duren discuss performance horse nutrition.

Grimes runs a breeding operation out of her home in Medical Lake, Washington. She's known as one of the top embryo transfer vets in the equine industry.

These days, she's better known as a 2017 Wrangler National Finals Rodeo Qualifier. In the sport of rodeo, this is the Super Bowl! Hundreds of women try every

year, but only 15 make it to Las Vegas—Dr. Grimes is one of them.

HORSE FEEDS

Pairing these two doctors was a wonderful experience. The care and detail Dr. Grimes takes in keeping her two amazing athletes fit and healthy is a full-time job. She has utilized the simplicity of LMF Super Supplement and good quality hay, proving her results at the highest level. She recently became an LMF branded rider!

Our next stop was a customer in Cheney, Washington, who had a multitude of high quality horses, each with metabolic issues. The LMF formulations of Low Carb Stage 1 and Gentle Balance have been her go-to solutions. Dr. Duren reviewed each issue and confirmed the feeding program Bryant had recommended, utilizing good-quality, lowsugar hay and specialty LMF feeds. Though this customer was not competing at a national level, her concerns for her horse's health and nutrition were no less heartfelt.

Our third visit for the day was head trainer at a boarding facility. She had a range of barrel horses, western pleasure horses and pasture pets. We spent time with the trainer and her clients discussing a variety of metabolic, behavioral and stress-related issues. Again, it was about keeping the feeding program simple, with LMF as the foundation.

Our final stop was an evening nutrition clinic held at the Central Spokane Country Store. Almost 40 attendees were on hand for the the presentation by Dr. Duren, followed by an autograph signing with Dr. Kathy Grimes.

The whole day was a huge success. There is no better feeling than knowing you had an opportunity to help an owner and their equine athlete or simply their four-legged baby. We hope to put on a similar event on the west side of the state in 2018, and I am more than excited about the future for LMF feeds and the Country Store.

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 (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 North 509.466.1300 Spokane Valley 509.926.6603 360.629.7033 Stanwood Stevensville (Montana) 406.777.5527



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VISTACOMM

Save These Dates:

Grower Meetings Feb. 20 & 21

Skagit Farmers Supply has scheduled its grower recertification meetings for Tuesday, Feb. 20, and Wednesday, Feb. 21. The meeting on Feb. 20 will focus on production agriculture and the meeting on Feb. 21 will deal with greenhouse, ornamental, nursery, turf and vegetation management.

NOTE THIS CHANGE IN LOCATION: This year, we will hold our meetings at McIntyre Hall on the campus of Skagit Valley College.

These meetings will begin at 8 a.m. and will conclude by 3 p.m. each day. Skagit Farmers Supply will provide lunch and door prize drawings for both meetings.

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

Save these dates for the 2018 grower recertification meetings. We'll contact you with more details as we move closer to the dates.

