Re-Built Plant Underscores Importance of Ag

by Tom Boland, General Manager



On a recent trip back to our home state of Minnesota, my wife Kelly and I spent a night with friends on Lake Minnetonka. As the evening progressed, I was struck by the number of people who said they are trying to eat healthy. They related

this to options such as organic food, local food, free range and grass fed. There are differing definitions on all of these options and even on the veracity of their claims to be *healthier*, but each friend was very sincere and content in their decisions on what that means to their health.

Agriculture is a leading industry in Washington State. Much of our food production contributes to feeding the U.S. population, but Washington ports also distribute to the Pacific Rim countries. Western Washington farmers grow more than 50 organic and conventional, fresh-to-market fruits and vegetables, as well as seed crops, and we have

a vibrant dairy and beef industry. These locally produced fresh fruits and vegetables are in high demand for many of the same reasons stated at the lake that night. The productive fields in western Washington are geographically located around Puget Sound where the large populations here desire fresh, locally grown food. They are farmed by growers large enough to be able to bring these crops to market at competitive prices.

Skagit Farmers Supply is an 83-year-old cooperative with members from Seattle to the Canadian border and from the Cascade Mountains to the many islands in Puget Sound. Our earnings are reinvested in the co-op and returned to our membership—all at the direction of our five-member board of directors. All five members must be active farmers and are elected by our farmer members. This keeps our cooperative thinking and acting for the benefit of our local communities where we live and do business.

Continued on page 2



Re-Built Plant Underscores Importance of Ag

Continued from page 1

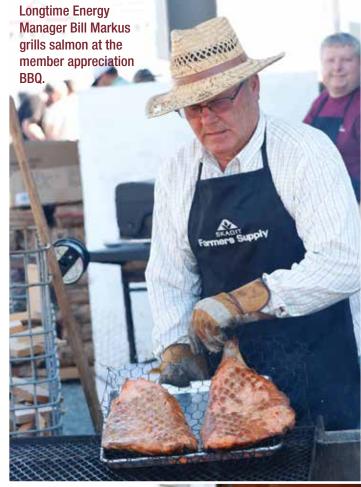
We've recently completed a major reinvestment project in Burlington with the replacement of a 50-year-old agronomy center purchased by the co-op ten years ago. General Manager Ken Kadlec and the board of directors made a strategic decision at that time for many reasons. Logistically, it was on rail and had easy access to the main east/west and north/south highways to better serve our members. Having a second site also allowed for future growth and the better separation of conventional and organic crop nutrients. This long-term thinking is oftentimes different from other public-traded businesses that operate on a quarterly sales report to determine short-term strategy.

Recently, we were pleased to welcome Washington State Department of Agriculture Director Derek Sandison and State Senator Barbara Bailey (among other elected officials) for a private tour of our new facility. We discussed our cooperative business and what it means to our local communities.

From there our guests were invited to our annual producer appreciation BBQ in Conway, Washington, for fresh salmon, oysters, steak and all the sides. It was a a nice opportunity for these government officials to visit with 600 of their constituents on a sunny afternoon.

That barbeque featured many of the same conversations that Kelly and I had on Lake Minnetonka half a country away. The quality and taste of the fish turned into stories of catching king salmon in Alaska and the merits of grass fed beef for grilling.

We humans have always used food as a way of celebrating our great moments together.







Skagit Farmers Supply is pleased to announce that Ryan Nootenboom has accepted the position of Energy Manager. Ryan grew up in the Skagit Valley and graduated from Mount Vernon High School. He graduated from Walla Walla Community College before joining the sales force at Hertz Equipment Rental. In 2007, he accepted the general manager position with Fastenal. He quickly became district manager, responsible for overseeing the operations of over a dozen locations. Ryan left Fastenal to become vice president of sales & marketing/operations manager at Skagit Speedway, working closely with the ownership.

In 2015, Ryan joined Skagit Farmers Supply (SFS) as an energy specialist. During his time with SFS, Ryan has achieved his Certified Energy Specialist certification and has gained knowledge about the company's energy products and services. He is familiar with many of the company's customers, including numerous producers and bulk fuel customers. His relationships with many of these people date back years before he joined our cooperative.

"I'm excited to take on the role of Energy Manager within our cooperative and look forward to continuing the legacy of serving our customers established by Bill Markus and the talented employees who work in the department," said Ryan.

On weekends, Ryan, his wife Sandra, and daughter Shay, enjoy supporting Carson, Ryan's six-year-old son, who races quarter midgets. Shay is continuing her elementary education studies at CWU this fall. Ryan is also president of the local Skagit Quarter Midget Racing Club and a member of Skagit County Search and Rescue. When he's not working or participating in race events, Ryan enjoys spending time with his family, camping, riding ATVs and fishing.

Ryan worked closely with Bill Markus prior to Markus' retirement in late September. Ryan can be reached at *RyanN@skagitfarmers.com* or (360) 840-4324.

A Note AboutWinter Heat

by Ryan Nootenboom, Energy Manager

Propane prices have risen throughout the summer. This is unusual and is related to reduced inventories, even in the mild summer weather. This is due to the U.S. exportation of so much propane and natural gas—mostly to Asian markets.

We expect this winter's propane prices to be a bit higher than last winter's prices. We're waiting to see what kind of a drying season there will be in the Midwest, as an indication of whether there will be a spike in propane prices this fall and early winter. If you are worried about cold weather or the potential for increased cost, you can order a fill now.

The refined fuels market

Fuel prices should moderate after the hurricane season, but locally we might have some supply disruption, as the larger of our two local refineries (Shell) has scheduled a major turnaround (planned refinery maintenance) this fall that could impact supply.

You may order both propane and refined fuels from Skagit Farmers Supply at skagitfarmers.com/energy/.

Retreats Help Generations Work Together

by Raelene Smillie, Company Administrator



In late August, we held our annual employee retreats at the historic Lincoln Theater in Mt. Vernon.

Each year, we get all of our non-management staff (retail, energy drivers, administrative, wholesale and agronomy employees) together for updates on our company's financials, safety and HR. The opportunity to ask questions and provide feedback to management helps employees grow in their

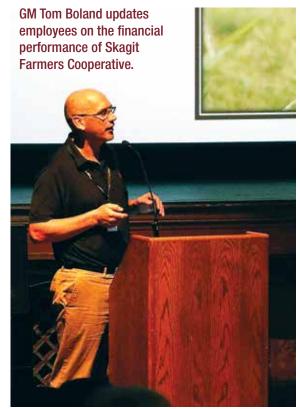
careers and helps us all improve the services we provide our members.

"The retreat was a wonderful opportunity for departments that seldom cross paths to spend time together."

Again this year, we were fortunate enough to get Jan Harrison from JHarrison Solutions to talk about communication in the workplace as it relates to different generations working together. In her talk, "Why Are We Like That?," Jan gave her diverse audience many hilarious character examples of baby boomers, millennials and Gen Xers, as well as the tools we all need to work well together.

After the classroom session, it was time to grab box lunches and head for Island Adventures for a wonderful afternoon of whale watching and the opportunity for departments that seldom cross paths to spend time together. We were thrilled to have over 140 employees participate.

Skagit Farmers Supply holds retreats for our "east side" and "west side" employees on an alternating cycle. Last year we were at Silverwood Amusement park north of Coeur d'Alene, Idaho.







Skagit County Fair youth participants.

Youth Rewards Praised by Customers

by Danica Lisle-Crawley, Manager, Mount Vernon Country Store

As the 2017 fair season comes to a close, our Mount Vernon store customers are still thanking us for the energy and support Skagit Farmers Supply showed at the Skagit County Fair and Livestock Sale. Feedback regarding our new, improved Youth Rewards Program is so positive. Even better, we have heard our 4-H customers say repeatedly that their experience with us *blows away the competition*. Skagit Farmers Supply has done such a great job making our 4-H and FFA kids *feel* supported that parents are actively promoting our Youth Program for us!

We are happy to report we have over 70 applications ready and waiting for 2018 enrollment! This is a healthy increase over last year's pre-enrollment, and represents 15% of our annual goal — much of which has been achieved via word of mouth from one 4-H parent to another.

Skagit Farmers Supply Youth Rewards Program is an important and effective tool for building strong, lasting relationships within our communities. But as with any tool, it's essentially useless until there's some energy and effort put into using it. We work to foster that feeling of continued support throughout the project year by hosting public presentations, offering space for club meetings at our main office and at our Country Store locations, and showing genuine interest in our kids' projects throughout the year. As we offer new experiences/learning opportunities to our 4-H and FFA Rewards Members, our reputation for dedication to the "preservation and enhancement of the local agricultural economy through cooperative profitability" will also grow and deepen within each community we touch.

Visit your local SFS Country Store or sign up at *countrystore.net* today to enroll for the Youth Rewards Program.



WHEN

October 21 9 a.m. - 11:30 a.m.

WHERE

Skagit Farmers Supply Agronomy Center Burlington 12939 Avon Allen Rd, Burlington, WA 98233

Interactive Facility Tour

Agronomist Plant & Soil Health Presentation

Agriculture Question & Answer Session

Lunch & Raffle

EXCLUSIVELY FOR 4H AND FFA MEMBERS





PLEASE BRING

Closed-toed Shoes Warm Jacket Lots of Questions!

PLEASE RSVP TODAY

Contact Bailie Welton
Community Outreach
& Marketing Coordinator
360-757-6053

Railiew@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

SKAGIT Farmers Supply

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VISTACOMM

Champion Hogs Fed Aslin-Finch

Skagit Farmers Supply (SFS) & Country Store congratulates both Hayden Main and Amelia Main for their Skagit County Jr. Livestock Show award-winning hogs! The blue butt hogs were purchased as recently weened piglets from Toth Family Genetics in Anacortes, Washington. The Mains started the 40-lb. piglets on Purina Hog Starter Grower. When it came time to really grow, the two chose to feed our Country Store's Aslin-Finch Hog Show and Grow.

In just a few months' time, the two hogs were market ready! Amelia placed Grand Champion with her hog, weighing in at 268 lbs., while Hayden took home the Reserve Grand Champion with his hog, weighing in at 305 lbs.

"The Aslin-Finch feed performed phenomenally," said Darryl Main, Hayden and Amelia's father. "Our hogs made weight, stayed healthy and performed well. We never had to feed additives to make weight, and the price point was great, too."

Both Hayden and Amelia plan to save the money they raised from the sale for future projects and college. Amelia, 16, is hoping to further grow her personal cattle herd and attend college for animal genetics. She is passionate about agriculture and wants to join a collegiate livestock judging team. Hayden, 12, said he is really enjoying raising hogs. He would like to use some of the money from this year's sale to purchase four new hogs for next year.



Left to right: Bailie Welton, SFS marketing assistant, with 4-H member Amelia Main and her grand champion hog.

With the amount of hard work, invested interest and time commitment Hayden and Amelia put into their projects this year, it is no surprise they did so well at county fair.

"The support from the Country Store has been amazing," Darryl said. "They are there at shows and really know the kids well. We look forward to working with them in the future."

Aslin-Finch feed is manufactured by SFS at our mill in Spokane. We use ingredients grown in the northwest for animals being raised in the northwest. This brand is only available at our Country Stores.

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

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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
Stanwood	360.629.7033
Stevensville (Montana)	406.777.5527