

Annual News

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The 2018 loka Family unity event was held last May at the Union Hill Grange. This year's event showcased some old photographs and correspondence from loka Farms. Everyone enjoyed getting to browse over hundreds of items brought in by family members. Old videos were also shown that were taken from the 1960's through the 1980's of family and farming activities. Everyone participated in a "get to know you better" activity where family members shared some things about their lives which others may not have previously known. The evening was concluded with a meeting summarizing some of the highlights of the past year at loka.

Our Mission Statement

As stewards of this farm, our mission is to produce, process, and distribute high quality products and services to our customers in a manner that will assure:

-A fair rate of return on invested resources to our owners, landlords, and employees.

-A safe fulfilling environment to work and live in.

 -A farm capable of producing sustainable income for future generations.



Combining meadowfoam at the Warren King farm.

loka has been growing meadowfoam seed since the late 1970s, using it as an annual rotation for crop diversity and management purposes. We grow the seed as a member of the Oregon Meadowfoam Growers Association, which consists of 42 growers. The intent of the association is for the member growers to produce enough seed to provide a consistent supply of extracted oil into the market. The oil has unique properties that make it a valuable ingredient in products such as

cosmetics and skin care. In cooperation with this, Natural Plant Products helps the grower association as the marketing arm responsible for creating demand in the marketplace, finding buyers for the oil, and managing the supply chain.

Philosophy is one skincare brand that incorporates meadowfoam oil into their product formulations, such as face washes, moisturizers, and hand lotions. This spring they had a new product launch that consisted of various marketing strategies. Previous product launches have included a single spokesperson, with large print and media advertising purchases. This time their focus was to reach a younger demographic, so that meant including a social media component to help reach those consumers. Six social media influencers were invited to a 3 day tour to help introduce and promote the new product, Purity Made Simple moisturizer. More specifically, they wanted the influencers to see where the seed came from; how it was planted, grown and cleaned. Philosophy worked in conjunction with Natural Plant Products and the Oregon Meadowfoam Growers Association to make this happen.

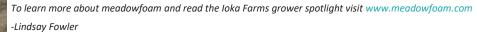


Raw seed, oil extract, Purity lotion.

loka Farms assisted with the tour as being the grower connection that they envisioned and host to the Philosophy team and social media influencers for a day. We showed them fields of meadowfoam in bloom, the equipment that it takes to plant and harvest the seed, the seed cleaner and how the seed is processed, and a demonstration of oil extraction. The day was fast-paced, busy and unlike anything we have ever been involved in. Everything was planned out to the minute and included many details. From the flowers and decorations, to the Farm-to-Table catered lunch menu, to the logo-wrapped tour bus, to the photo shoot backdrops. We were grateful for the opportunity to share the grower's story and be part in the whole process.

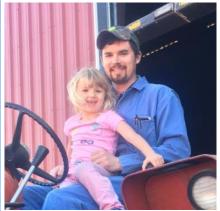
The influencers did have specific tasks they were asked to do and often times you found them on their phones connecting with their followers and sharing what was going on at that moment in time; that was the marketing strategy in action. Collectively, these influencers have over 1 million followers on social media and potentially could reach more consumers via their social media platforms than a single print advertisement! Much of our world is evolving as technology upgrades come about and marketing is definitely one of them. With more and more people turning to the digital age, we as marketers must find where consumers are spending their time and money, and go there to reach them. We also see this trend within the grass seed market as the younger generation replaces the older generation of farmers. It makes us reflect on how and where we can best communicate with our customers.

Hashtags used for their social media campaign: #simplenotbasic #lovephilosophy #puritymadesimple #oregon #skincare





G3 Introductions



Dillon is the youngest son Bruce and Karen Duerst. Dillon grew up on the farm watching his older brothers operate equipment, sparking his interest in agriculture. Dillon spent his summers throughout school years operating equipment during harvest. graduated from Silverton High School in 2010. After

attending Linn Benton Community College, Dillon returned to the farm full time in 2012. Dillon's primary duties include swathing, combine maintenance, driving straw truck, fertilizing, running Christmas tree shuttles and anything else that needs to be done. One of Dillon's favorite things about working on the farm is the variety of jobs to do throughout the year. When not working, Dillon enjoys spending time with his family and girlfriend Meghan, working on and riding his motorcycles, snowboarding, hunting and shooting. Dillon has learned a lot in the past 7 years and is committed to working on the farm for the rest of his career.



Alexa Duerst is the middle daughter of Rob and Mindy Duerst. Growing up she spent her summers riding in the combine with her cousin Emily and worked one summer as a paid employee. She then moved on to work retail, coffee shop and babysit. Throughout high school, she was very involved in Young Life and was a

Wyldlife leader for middle school kids. She graduated from Silverton High School in 2014 and moved to Los Angeles to attend the Dream Center Leadership School. There she began volunteering with the homeless population of skid row, as well as mentoring kids in the cities of Watts and Compton. After serving for a year and a half, she attained a paid position and is now the Director of "Adopt-A-Block", the largest outreach ministry at the Dream Center. On her off time she enjoys hiking, hanging out with friends, and visiting Mickey Mouse at the happiest place on earth!

Intern Update



loka Farms is proud to hire local high school and college students during the harvest season to help us bring in the crops that we work all year to grow. Many of these young people return annually and we enjoy watching them grow up as part of our loka Family. This fall, loka created a unique internship opportunity for Wyatt Qualey, who has worked on our harvest crew for the past 4 years.

Wyatt is in his senior year at Oregon State University, majoring in Ag Business Management with a minor in Animal Science. He had a variety of responsibilities while on our harvest crew, such as combine driver, tractor and bale loader operator. In September, he

started "school" at loka so he could learn more about the seed cleaning, accounting, inventory control and marketing aspects of our business model. Having worked with the Production team first, this gave him background for a better understanding of what else it takes to get the seed to market and get paid. Wyatt also has some of his own cattle so he had direct experience relating to our forage seed sales goals.

Highlights of Wyatt's experience included social media advertising, scheduling for Kansas City sales meetings, email marketing campaign creation, production planning meetings, inventory control cycle counts and reconciliation, seed sampling and testing, export shipment budgeting and file creation, accounting using QuickBooks, sales order processing, Eastern Oregon field day tour hosting and on-farm visits, and much more. Wyatt made a great addition to our Cleaner and Marketing team this fall, and we are glad he asked us to create this opportunity. An internship is a requirement for his degree completion and we expect him to be a positive addition to the agriculture industry no matter what role he chooses in the future.

-Mindy Duerst



Pictured in this photo is Alexander Doerfler (David's father) crossing one of his several fence bridges in the mid 1920's. He built these bridges over fences that held his Duroc hogs. Notice in the background young walnut trees. He was always fighting crows that would take the walnuts. These bridges allowed him to get close to the orchard quickly to shoot, or haze the crows away.

The crop growing in between the trees is bent grass. This was not harvested for a seed crop, like we do now in between our hazelnut rows with fine fescue. It served as cover crop and was then disked in. No mechanical harvesters were available at that time so every nut was picked by hand. David grubbed out this walnut orchard in the early 1960's.

Commodity Commissions



Alex, Doug, Trevor, and Don pictured in their commission jackets.

The State of Oregon is home to a diverse range of agricultural crops and commodities. Twenty-three of these, ranging from grass seed to seafood, are represented by a commodity commission. Each commission is made up of volunteers and a paid executive director. Volunteers, including growers, handlers, and public members are appointed to each commission by the director of the Oregon Department of Agriculture. Each director serves a 3 year term, and is able to serve 2 consecutive terms.

The purpose of the commissions is to facilitate and direct promotion, research, and education for each specific crop or commodity. Commissions are

non-profit groups and funding is provided through grower assessments. These assessments are deducted out of the payment to the grower from the company they contract with. These dollars are then paid to each specific commission by the contracting company. Meetings occur around 6 times per year. Commissioners often travel to trade shows throughout the US to promote and educate consumers about their product.

Grass seed commissions are broken out into 4 specific species of seed; tall fescue, fine fescue, ryegrass, and orchard grass. The largest portion of the grass seed commission's budget goes to funding of the Oregon Seed Council, which is the lobbying and advocacy group for the Oregon grass seed industry. Other budget items of the commissions go towards crop research projects, promotion, production and market research.

loka Farms has been involved with the ryegrass, tall fescue and fine fescue commissions since their creation in the mid 1960's, and we currently have a representative on all three of these commissions. Through volunteering our time, we have had a constant voice in helping to further promote the uses of, as well as public education, of the crops we grow on the farm.

Marketing Report

A year ago, our economy was starting to charge forward and movement of all seed sales was starting to improve. Forage and turf seed sales are the strongest we have seen in 4-5 years. Our challenge going forward is where to find more seed, as our off farm production yields were down due to our shortage of normal rainfall this spring, which affected just about all crops.

In November the loka team had productive meetings at the 119th Western Seed Association Convention in Kansas City, MO. Immediately after, Mindy and I represented loka on a trip to South Korea as one of 49 companies that took part in a USDA Trade Mission. We have been producing and selling seed to S. Korea for the past 30 years and appreciate the relationships we have made so far. We enjoyed meeting new and existing colleagues there, touring a Korean farm that we watched plant our seed, finding new market opportunities and gaining a better understanding of Korean culture and import processes. The FAS reported the average farm size in the U.S. is 440 acres, compared to S. Korea where it is 4 acres, and only 18% of the land is farmable. With a country of 51 million people to feed, U.S. agriculture is an important trading partner. Did you know that about 20% of all U.S. Agriculture products are exported?

In May Lindsay, Mindy and I attended the International Seed Federation (ISF) conference in Brisbane Australia, which we have not done since 2007, when it was in New Zealand. This gave our team the ability to tour around with our colleagues at PGG Wrightson Seeds in Melbourne, and meet seed companies from around the globe. Producing Ag products that can be sold in international and domestic markets helps loka build toward a strong future.

-Rob Duerst

Production Report

2018 can be considered another season of extremes. Not the wettest, not the hottest, but one of the driest late spring, summer and fall seasons we have had on record. Sometimes I feel like a broken record talking about the weather, but it is one of the most significant things that affects us. Spring fine fescue seeding's struggled to establish, with some not surviving.

Harvest began slightly ahead of normal caused by the drier conditions. Early maturing and younger fields yielded well, while late and older fields tended to be light. Overall the seed crop averaged out and prices are steady. The hazelnut crop looked to be a record setting year with the amount of nuts set on the trees. We started to harvest early while it was dry, thinking each time the rain was coming. We ended up picking three, and some four times to get them all. Nut size was smaller this year, so the crop ended up not quite as large as expected. We just completed planting another 25 acre section of McDonald's, a kernelling nut variety that is primarily used in chocolates and similar confectionary products.

The year is not over yet and at this time still lacking rainfall, but overall it has been a good year. We are blessed with a great team to get the job done and look forward to 2019.

-Don Doerfler

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