

Fed this Way

Non-GMO Certified Feed Company Making Gains



Scratch and Peck Feeds owner Diana Ambauen-Meade (top) and bagger Anna Bozinski.

by Andrea Watts

Being a connective is what defines Scratch and Peck Feeds. Farmers, consumers, retailers and employees are brought together by a shared vision: a sustainable non-GMO, non-soy feed product has a place in the market. The animals consuming Scratch and Peck Feeds are also an important part of this vision. "With a laying hen eating nearly one-third of a pound of feed per day, and with the amount of feed the company is selling, how many birds are being fed this way?," wonders Alex Ekins, the company's lead production manager.

"Fed this way" refers to two aspects of Scratch and Peck Feeds. It describes the triple bottom line business model that owner Diana Ambauen-Meade uses to run her company — people, planet and profit all have equal importance when making business decisions. But "fed this

way" also describes literally what the animals are eating. Ambauen-Meade describes her feed as real food, and when you look inside a bag, you can see the difference. Each component is identifiable: the individual kernels of barley, wheat and corn, and the round yellow field peas.

Scratch and Peck Feeds started informally in Kitsap County where Ambauen-Meade lived with her husband, Dennis Meade, and son, Bryon, on a semi-urban farm with chickens in 2008. She recalled being unhappy with the feed products on the market, so she decided to experiment with creating her own. With her early mixes meeting her chickens' approval, she realized the next step was creating larger batches. A mill in Oregon agreed to produce the feed, and with more product in hand, she tested whether there was local interest in her new chicken feed.

Early customer interaction was very one-on-one. "Customers found me through Craigslist ads, and I would deliver the feed to their homes, but this wasn't a sustainable business model," Ambauen-Meade said. She also questioned whether there was adequate interest in organic non-soy feed products, a niche she saw an opportunity to fill since the big feed players can't do organics well because they are too large and soy is a staple ingredient.

A feasibility study conducted in winter 2009 identified the questions that Ambauen-Meade needed answered. "I knew there was a need in the marketplace, but how to build a mill? Will the farmers sell to me? ... It takes a village to make chicken feed," she said. A series of cold calls to local organic farmers found them willing to sell, giving her another green light and prompting her to say in spring 2010, "Let's do this."

The city of Bellingham, located less than 25 miles south of the United States/Canada border and home to Western Washington University, became the company's new base of operations. "We knew we wanted to be in a community that supports our point of view," Ambauen-



Scratch and Peck Feeds officially opened in 2010, selling feed and grit for chickens and feed for turkeys, pigs and goats.

Meade said, “and living where we work is also important.” They found suitable warehouse space along the outer edge of the city and spent several months renovating the buildings to accommodate the on-site milling, ingredient deliveries staging area, feed awaiting bagging and pallets stacked with bags awaiting shipping. Dennis said that they found equipment online and, with the help of a consultant, refurbished it — an example being their mill that Ekins nicknamed “old blue streak.” With the company at that time only having four employees — Ambauen-Meade, her family and a part-time worker — they designed the warehouse’s layout to maximize efficiency.

Scratch and Peck Feeds officially opened in August 2010, selling feed and grit for chickens and feed for turkeys, pigs and goats. Ambauen-Meade said that because their products fill a niche market, she recognized it would be difficult to get their products onto feed store shelves without a significant demand, so she returned to the grassroots marketing that worked in Kitsap County. Customers’ homes served as distribution points, payment working on the honor system. These distribution points were spread throughout western Washington and even into California. When a distribution point had a large volume of sales, the customers and she approached the local feed store, asking if they would carry their products. Because she could prove her product was selling, stores were

willing to stock the feed and the pick-up site was closed.

RAPID GROWTH

At any given time, Ambauen-Meade is working with 10 different growers from Washington, Oregon, Idaho and Montana to procure the raw ingredients. She said that her experience working with the farmers has been amazing, especially with how often business is conducted on trust and by handshake. She visits the growers to get a feel of their farm, and some of them are excited about Scratch and Peck Feed’s mission, expressing a desire to be a part of it. “Some of our growers really like seeing their grain in our finished feed products and knowing where it is going,” she said.

Sustainability is carried not only into the feed products, but throughout the operations of the company. Ambauen-Meade explained that they recycle everything they can; even the dust created from cracking the peas is sold as supplemental feed, and the Scratch and Peck Feed’s bag contains no plastic so it can be recycled, but she has also heard of some customers using it as a weed barrier. They are moving away from storing the ingredients awaiting milling in tote bags because they don’t last as long as the storage bins.

The rise of sales proved Ambauen-Meade needed more full-time employees to meet demand. She found employees who shared the company’s mission: in

January 2011, Ekins joined the company as the lead production manager and Christin Clawson as a marketing and customer service representative. Later that year in October, Anna Bozlinski was hired as a miller. There are now 10 full-time and one part-time employees, including Ambauen-Meade and her family.

One of the reasons that Scratch and Peck Feed has seen rapid growth in a controlled manner, as Ambauen-Meade described it, is the announcement that their feed is non-GMO, the first feed company in North America to attain that designation. Ambauen-Meade said she wasn’t originally aware of the Non-GMO Project, though it too is based in Bellingham. Its director, Megan Westgate, was one of their customers, and she thought it would be fantastic to have a feed company listed as a verified product. The certification process started in 2011 and took nine months to complete. Ambauen-Meade remembered the process “opening my eyes to how foggy the whole food system is.”

To obtain certification, each ingredient must be traceable from when it is grown at the farm to when it is brought to the mill to when it is sent to the consumer. Ingredient samples also undergo testing to ensure the crops are non-GMO. This process did require Ambauen-Meade to switch suppliers to meet certification requirements.

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Alex Ekins is Scratch and Peck Feeds' lead production manager.

The company added to its non-GMO certification by receiving USDA organic certification in June 2013. Clawson expects that with this certification they may see more small to mid-level farmers purchasing their feed. She explained that mid-level farmers sell to farmers' markets while most of their current customers are backyard farmers or small operations. One of these small operators is G & H Pastured Poultry, based in McCleary, Washington. Co-owner Joan Hurst has purchased Scratch and Peck Feed because their niche is selling chickens grown on a non-soy diet. Hurst said she and co-owner Terry Gentry have visited Scratch and Peck Feed twice to pick up feed, and "it was a great operation ... everything looked very professional." She also "appreciated Diana and Dennis coming down to McCleary and talking about their company and its products."

For those whose local feed stores do not carry Scratch and Peck Feed, products are available for sale via their website, Amazon ("we are the number one chicken feed sellers," Ambauen-Meade said), and Azure Standard, a home-delivery service. What this means is that every

day, 25- and 40-pound bags are being shipped across the United States. Ambauen-Meade said sales along the West Coast are doing well, and while sales are increasing along the Eastern Seaboard, she recognizes the cost of shipping can be nearly the price of the feed itself. Because of this, she recommends people getting together to place a larger order to receive wholesale pricing. A 4-H group in Michigan purchased a ton of feed, while a feed store in Chicago bought five tons. Though one might not expect there to be a high demand for feed in Chicago, there are lots of chickens in the city, she said.

Like other feed companies, Scratch and Peck Feed is vulnerable to the weather and harvests that affect prices. Ambauen-Meade acknowledged having to raise prices three to four times this year, but she said her products' price point is in line with the rest of the industry.

Bryon, who recently graduated from Western Washington University with a B.A. in business, relies heavily on the coursework, especially the triple bottom line that he learned in school, to help manage the company alongside his mother. The holistic approach that is

taken to create their products extends to Ambauen-Meade's relationship with the growers and the company's employees. Ambauen-Meade considers their model of purchasing directly from farmers as similar to fair trade since the exchange is "fair to both of us," she explained. On-site, she created an environment where everyone is paid fairly for their work, receiving health insurance and sustainable wages. "All our employees are invested in the company, and they help us stay on track," Bryon said.

What Ekins appreciates about Scratch and Peck Feeds is the difference the company is making in producing feed that is sustainable. He finds value in the connection of the growers to the feed that is sold; "the growers can see where their produce is going and that's as good as gold," he says.

As production manager, he has seen an average growth of 10 percent a month, and he and Bryon are developing ways to improve efficiency. The average 10 tons of mix that is produced every day trickles down to the 25- or 40-pound bags being shipped. Each bag you purchase was likely touched by Bozliniski, the lead bagger. By herself she can bag 400 to 500 bags a day, and with the help of another employee, 700 bags are readied for shipping. She too appreciates the value of sustainable farming and shares the company's mission of creating a product that is making a difference.

Seeing the growth of their sales, distributors have approached Ambauen-Meade but she turns them away, preferring to retain a personal connection with the retailers. She explained that she strives to create a one-on-one relationship with retailers, educating them about her company's products and she believes this wouldn't happen if she went through a distributor. Clawson said she receives calls from across the country from people trying to find their product, and online sales are steadily increasing, with each week seeing an increase by a dozen or more.

Though the increase in sales means more customers share Ambauen-Meade's vision, she recognizes that "not everyone wants my type of food." But what she is doing, as Clawson describes her reason for working at Scratch and Peck Feeds "is being part of something that is changing a process."

For more information on Scratch and Peck Feeds visit www.scratchandpeck.com.