

## Focus on our members

### Potato farmers face COVID-19 challenges

By Derrill Holly

The COVID-19 pandemic has disrupted the potato market, and farmers and processors say the economic damage could last through next year and beyond.

With more than a billion pounds of potatoes in storage just weeks away from spoiling, farmers served by electric cooperatives in several states wonder whether they will break even when they harvest their fields in August.

“With the COVID-19 outbreak, the food service sector completely shut down,” said Jim Ehrlich, executive director of the Colorado Potato Administrative Committee. “States like Washington, Idaho and North Dakota lost over 60 to 70 percent of their processed markets. They were scrambling, trying to find a home for potatoes that normally wouldn’t go into fresh market retail channels.”

What remains of the region’s 2019 crop is in cold storage, awaiting sales orders from large national grocery chains, said Ehrlich. The glut of potatoes has driven down prices and stuffed warehouses, raising the urgency to cut costs or reduce losses.

#### Cutting off distribution

With more than 200 varieties of potatoes commercially grown in the United States, the industry is segmented into four primary types of growers: fresh market, frozen processed, potato chips and seed.

Specific varieties are grown in 30 states, contributing

to an annual yield of about 23 million

Potatoes remaining from the 2019 season are kept in climate-controlled storage until they are needed for shipment.

Photo courtesy of CPAC



Photo by Scott Wolfe

Potato fields in the Valley will be ready for harvest beginning in August.

tons. More than \$1.8 billion of the \$4 billion crop—or nearly half of U.S. production—is slated for export.

“This pandemic is truly global in nature, especially when it comes to agriculture, because there isn’t any part of ag that isn’t touched by it,” said Pat Tolman, vice president of row crops at AgriNorthwest, which operates a Kennewick, Washington-based farm. The location has been served by Prosser-based Benton Rural Electric Association since it was carved out of Washington’s high desert in the 1970s.

In March, when restaurants suspended onsite dining and schools and sports venues closed across the nation, demand for processed potatoes, including french fries, plummeted. Shutdowns prompted by early COVID-19 mitigation efforts also stalled exports.

“When you cut off those distribution channels, all of the processors across the country had freezers packed full of product with nowhere for it to go,” said Tolman.

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# Member information



## REC resumes disconnects

To help members during the COVID-19 pandemic, in May SLVREC/Ciello temporarily suspended service disconnects due to nonpayment of bills.



Electric co-ops are built by, and belong to, the communities we serve. That community focus drives our co-op as we respond to evolving COVID-19 challenges and local concerns. Suspending disconnects was one of many steps we took to reduce stress on our members and provide local families and businesses with certainty during an uncertain time. Since the start of the pandemic, we've worked to support families and businesses throughout our community, including providing additional financial assistance to members.

We recognize the significant economic fallout from COVID-19 on local families and businesses. The economic health of SLV REC is directly tied to the wellbeing of our local communities. Not-for-profit electric co-ops like SLV REC have no shareholders and routinely return excess revenues to their members. Because of this structure and the desire to keep energy costs as low as possible, some co-ops have more limited reserve margins to sustain high rates of nonpayment. Nationally, the pandemic is projected to cost electric cooperatives \$10 billion through 2022, according to new research by the National Rural Electric Cooperative Association.

As our communities begin to recover from the COVID-19 pandemic, SLV REC has resumed disconnects for accounts with a past due balance. However, we will do what we can to help avoid disconnection of services.

The COVID-19 pandemic was unprecedented, and we know our members may be facing financial challenges and we understand you may have trouble paying your bills during this critical time. If you missed payments and have a past-due balance, we can help. Please contact us as soon as possible to discuss making a payment or setting up a payment plan. You can reach us at 719-852-3538.

## Rate education

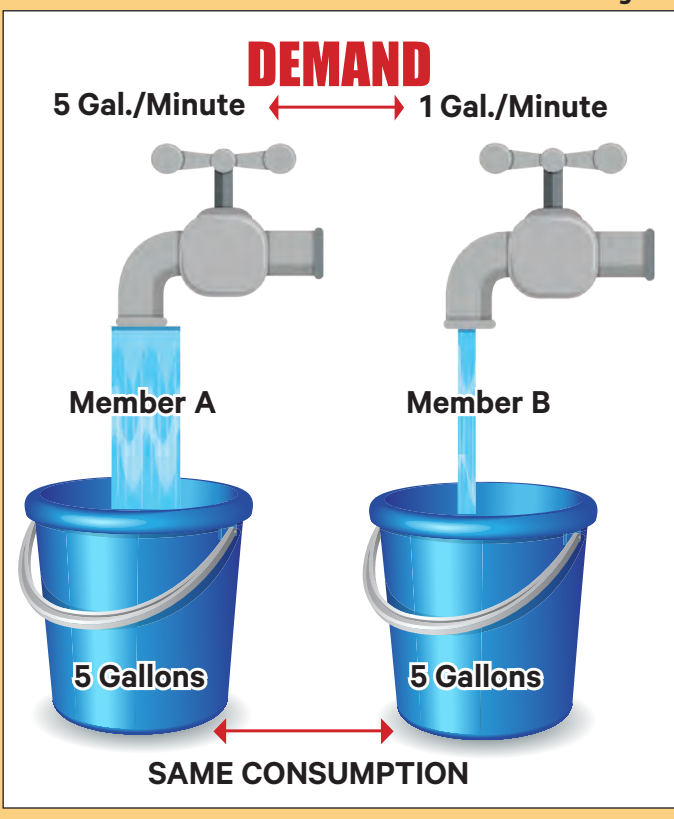
As discussed in previous issues of the *Newsboy*, the demand rate helps more accurately allocate cost based off how individual customers actually use the system. Prior to the new rate structure introduced in April 2019, members who require a much larger electrical system and put more "demand" or strain on the distribution system, were averaged in with members that require a smaller electrical system and utilize the distribution system in a more steady fashion.

To further clarify... A five-gallon bucket needs to be filled with water. Member A needs to fill the bucket in one minute, so his water line must have the capacity (in other words, must be able to supply the demand of five gallons per minute) to fill the five-gallon bucket in one minute.

*See the diagram below.*

On the other hand, member B is satisfied with filling the bucket in five minutes, so he only

**See DEMAND continued on Page 5**





**Loren Howard**

## Continuing pandemic challenges

As the governor of Colorado issued a new Executive Order, D2020 138, requiring masks in “Public Indoor Space,” SLV REC offices are once again closed. Managing the requirements of the executive order and keeping the doors open for all practical purposes are mutually exclusive. REC is still here to assist members with the billing and service needs of our members. While the executive order has been issued for 30 days, REC is ready if the requirements are extended. To that end, we would ask the following of our members and the general public during this time:

1. Please do not approach REC/Ciello crews out in the field as this will require the crews to don their masks and stop work. For safety reasons, the electric crews, and from time to time the telecoms crews, may not be wearing masks. Communication between personnel is critical when working on power and communication lines and equipment.

2. We know that sometimes you might need to pick up material from REC offices which obviously cannot be done virtually, so when you find it necessary to come to REC offices, please call ahead (719-852-3538) so we know you are coming and bring your mask. Masks are required in REC offices.

3. As the impetus to impose restrictions continues, demand for connections to the Ciello network

continues to be a hot request. Ciello and REC employees are working hard to get connections installed as soon as possible. As school starts up again in late summer and early fall, please be patient if your installation is taking longer than usual to complete.

Everyone at REC/Ciello is working to do their part to make these restrictive and frustrating times less so, but these rules on engaging each other in public spaces, and now even in private spaces, adds to the difficulty of doing our work as quickly and efficiently as is usually done. Some of our work plans and engagement with members and customers has, of necessity, been postponed. As soon as we are able, REC and Ciello will resume normal operations.

### **WE OFFER MANY CONVENIENT WAYS TO MAKE A PAYMENT:**

**CALL 877.760.7468  
(AVAILABLE 24/7)**

**DROP BOX located outside of  
REC headquarters**

**ONLINE AT SLVREC.com or  
Ciello.com**

**MAIL to PO Box 3625,  
Monte Vista, CO 81144**

**LOCAL BANKS:  
First Southwest, Community  
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Your email will be forwarded based on the direction you provide in your subject line.

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## **PUBLISHER'S STATEMENT**

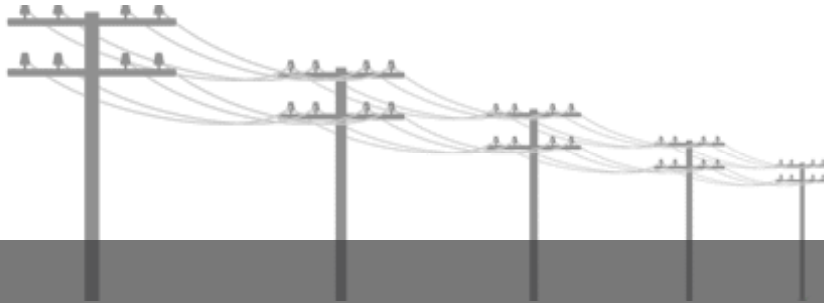
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## POTATOES

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### Disrupted plans

The timing of COVID-19 concerns and the pace of mitigation measures intensified just as many of the nation's potato farmers were preparing to plant their 2020 crops.

"Customers tell us what they will want for the year in the winter and we plant our acreage to meet their specific needs," said Tom Neumiller, whose family has operated Neumiller Farms in Illinois since 1974.

Having weathered the uncertainty of the early months of COVID-19, Neumiller remains concerned about a resurgence of the disease.

"Throughout our area, the restaurants, many of the tourist attractions, the movie theaters and bars, lost much of the spring, and could see even more losses this summer and fall," Neumiller said.

### Farm to market

But some producers have stepped up direct sales to regional and local supermarkets, helping meet demand prompted by families eating more meals at home.

"As COVID-19 concerns hit our area, our business

picked up," said Scott Wolfe, who grows about 240 acres of potatoes on his family's San Luis Valley farm.

Spikes in retail demand in late March and early April led to panic buying, Wolfe said. "We couldn't run fast enough to keep the grocery stores supplied."

As an elected director of San Luis Valley Rural Electric Cooperative, Wolfe is concerned about the impact that COVID-19 will continue to have on his community.

While social distancing for most farm chores is relatively easy, Wolfe worries about seasonal farmworkers. He said 18 relatives of the father and son who work for him regularly will come to help with harvesting in August.

"I'm concerned about warehouses in the area too, because you basically have 50 people inside of an enclosed building," Wolfe said, adding that ventilation systems in the warehouse buildings have been adjusted upward.

### New challenges

In Wisconsin, growers were looking forward to good, or at least stable, potato prices this year after

wet weather and frost hurt their crops during the last two years.

"The COVID-19 crisis has added many unknowns and risk, but most growers are committed to growing a crop based on past experience," said Larry Alsum, president and CEO of Alsum Farm and Produce.

The Alsum family has been farming in Wisconsin and northern Illinois for 47 years and planted 2,750 acres of potatoes this spring. They employ 200 people.

"About half of the potatoes we pack are from our farm and half of them are coming from other

farmers across Wisconsin and many other states," said Alsum.

"We are starting to see a rebound now that the restaurant industry is starting to open up, but we are not certain what the new normal will look like," he said. "People's eating habits and lifestyles could be different, and we will need to adjust accordingly... The COVID-19 pandemic has exposed how fast life can change and that we can't always control everything."

*Derrill Holly is a staff writer at NRECA (National Rural Electric Cooperative Association).*

## Conservation Corner

### Energy Efficiency Tip of the Month

Installing a smart power strip is a quick and easy way to start saving money while making your home more energy efficient. Smart power strips can actually cut power off to save energy since they are able to detect when a device is in standby mode.

Source: [energy.gov](http://energy.gov)





## Recipe of the month

### INGREDIENTS

- 2 large eggplants, cut into 1/4" rounds
- Kosher salt
- 2 T. extra-virgin olive oil
- Freshly ground black pepper
- 2 c. cooked, shredded chicken
- 1 (14-oz.) can black beans, drained and rinsed
- 1/2 c. corn
- 1 tomato, diced
- 1 avocado, cubed
- Juice of 1 lime
- 1 tsp. taco seasoning
- 1/2 c. shredded cheddar
- 1/2 c. shredded monterey-jack
- 2 T. freshly chopped cilantro, for garnish

### EGGPLANT TOSTADAS

1. Preheat oven to 400°. Line a baking sheet with paper towels and lay eggplant rounds on top. Salt heavily on both sides to draw out moisture. Let sit 30 minutes then dab excess salt off with paper towels.
2. Toss eggplant in oil and season with pepper. Bake until crispy, 25 to 30 minutes.
3. In a large bowl toss chicken, black beans, corn, tomato, avocado, lime juice, and taco seasoning together and season with salt and pepper.
4. Spoon mixture on top of eggplant and sprinkle cheeses on top. Return to oven to let cheese melt, approximately 5 minutes. Garnish with cilantro.

Recipe by Delish, [www.delish.com](http://www.delish.com)

# #POWERON

## DEMAND

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needs a water line that has a smaller capacity.

Clearly, member A requires a bigger water line and puts much more demand on the system supplying the water, but both customers only require five gallons of water.

With the old rate structure, the charge for the five gallons of water would be the same for both customers.

Now relating the example back to electrical service: member A's service has a bigger transformer, meter loop, and lines to supply the electricity. In fact, every component in the electrical distribution system has to be just a little bigger to serve member A, or as in the water analogy, they need a bigger pump, water line, etc. When member A uses their electrical service, they turn everything on at once, as there is a lot of work that needs done and limited time to get it done. So again, referencing the water analogy, they

need five gallons per minute.

Member B, on the other hand, can manage their electrical needs or simply does not have as much electrical need. Therefore, member B does not need as big a service: smaller transformer, smaller wire etc.

As your electric cooperative, we are more than happy to provide service to both members. We want to do our best to help each member by only collecting the revenue needed to cover their fair share of costs. Overall, REC's goal is to keep the rates revenue neutral per rate class.

Many SLV REC members are already familiar with demand components, as they have been included in rates for irrigation and commercial power services for many years.

With roughly 7,500 members, SLV REC is focused on fair and equitable rates while keeping the best interests of all members in mind.



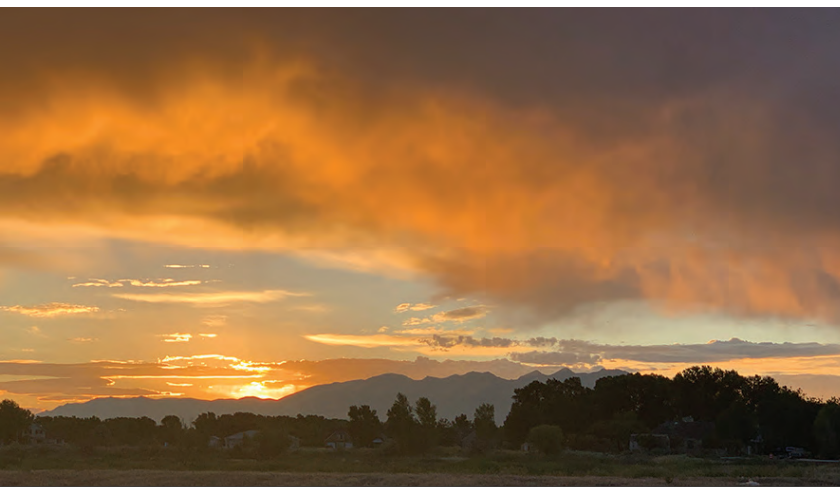
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August 2020



## POWERING OUR COMMUNITY

SLVREC's office is open from 7 a.m. to 5 p.m. Monday through Thursday.

### ENERGY ASSISTANCE

866-HEAT HELP (866-432-8435)  
[www.energyoutreach.org](http://www.energyoutreach.org)

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Cooperative 

### SCHEDULED MEETINGS

Board Meeting: Tuesday, Aug. 25, 9:30 a.m.  
The REC Board of Directors meets the last Tuesday of each month unless otherwise stated. Members are welcome; advance notice is required.

This institution is an equal opportunity employer.

