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Simplot Challenges Environmental Groups' lawsuit

BOISE, ID - The JR Simplot Company has filed a Motion to intervene in Idaho Federal District Court opposing a lawsuit filed last week by the Greater Yellowstone Coalition and other environmental groups. Their lawsuit, filed last Friday in Boise, seeks to reverse decisions by the US Forest Service and BLM which approved Simplot developing the next phase of its Smoky Canyon phosphate mine in eastern Idaho.

The phosphate mine is located along the Idaho-Wyoming border in Caribou County, and has been in continuous operation since 1984. There are two remaining panels, or sections, to be mined at Smoky Canyon which are estimated to provide another 15-years of phosphate ore to the company's fertilizer plant in Pocatello. The mine is the only source of ore for the Pocatello plant, and current mining operations will keep the plant supplied for approximately two more years.

Phosphate ore is transported from the mine to the plant via an 87-mile buried slurry pipeline. Approximately 210 employees work at the mine, and another 350 work at the Pocatello facility.

Bill Whitacre, president of Simplot's Agribusiness Group, says the agencies' decision to approve the mine's next phase came after five years of study, decisions, appeals, and public comment.

"Tens of thousands of public comments have been submitted at different stages of this five-year permit process," Whitacre stated. "The agencies have reviewed each

comment, held it up to their own scientific review process, and have approved the plan we submitted.”

According to Whitacre, the unusually lengthy decision and approval process was important to ensure exhaustive review and public involvement, but has left the mine dangerously low of remaining ore to supply the Pocatello plant, and has put 560 highly-skilled employees at risk.

“Unless this approval is upheld, we will put immediate contingency plans in place to curtail production, resulting in a loss of production, a loss of jobs, and the ultimate closure of both the mine and the plant,” he said.

Whitacre estimates it will take well over a year to build the roads, power lines, and remove the overburden before phosphate ore can be shipped from the two new approved panels.

The approval decisions from both the U.S. Forest Service (USFS) and Bureau of Land Management (BLM) came after a very technically rigorous examination of mining practices and environmental impacts from the proposed project. This included state-of-the-art scientific studies, collections of thousands of pieces of data, and the utilization of latest science to determine the best mining engineering methods available. When the BLM issued the final Environmental Impact Statement in October of 2007, their announcement stated that mining and reclamation practices are held to an extremely high standard, and Simplot’s “Smoky Canyon will be a trendsetter”.

An economic impact study conducted by Idaho Economics, an economic research firm in Boise, Idaho, concluded that if the phosphate mine and fertilizer plant were to close, it would have a combined economic impact of \$131 million per year across 11

counties in Eastern Idaho and Lincoln County, Wyoming. The two facilities have a large impact on three Idaho counties and one in Wyoming. While the mine is located in Idaho's Caribou County, most workers live in Lincoln County, Wyoming. The fertilizer plant is located in Power County, but most workers live in Bannock County. The buried pipeline between the two facilities passes through all three of the Idaho counties.

The study also concluded that in addition to the 560 jobs in jeopardy from closing the mine and plant, the phosphate operation creates another 1,066 jobs in the region and over \$6.3 million in Idaho tax revenue.

According to Whitacre, the local economic impact of closing the mine would be staggering, as well as the impact on Western U.S. agriculture.

“We are all suffering with the higher food prices stemming from the global food crisis” he stated. “The food shortage has created an unprecedented need for fertilizer products around the world, particularly here in the Western U.S. which is one of the most fertile and productive regions in the world.”

The Smoky Canyon Mine produces enough ore to manufacture over a million tons of various fertilizer products, which are distributed in every state west of the Mississippi river.

Whitacre predicts that if fertilizer products from Simplot's operations are suddenly removed from the market, it will have a significant impact on Western U.S. agriculture.

“It would create an additional hardship for family farms who are already struggling at today's costs for fertilizer, fuel and seed,” he said.

J.R. Simplot started his phosphate business in the early 1940's after experimenting with crude phosphate from bat and bird guano from Pacific islands. He was surprised how phosphate improved the quality and yield of crops, particularly potatoes. He built a small fertilizer plant in Pocatello with the promise that phosphate rock would be provided by a company from Montana. When that source failed to deliver, he learned of large phosphate reserves in Southeast Idaho, and developed Idaho's first open pit mine on the Shoshone-Bannock Indian reservation 25 miles north of Pocatello. That mine supplied ore to both Simplot and FMC until it was closed in 1990, and mining operations shifted to the Smoky Canyon mine.

The J. R. Simplot Company is a global agribusiness corporation serving markets in the U.S., Canada, Europe, Mexico, Australia, Japan, China and the Pacific Rim. Founded in 1923, it is ranked by Forbes Magazine as one of the largest privately-owned companies in the nation. Based in Boise, Idaho, it is a leading producer of phosphate-based plant nutrients in the western United States and frozen potato products worldwide. With over \$3.4 billion in revenue, its businesses span the production and distribution of agricultural fertilizers, food processing, farming, horticulture, and ranching.