

SMOKY CANYON PRESS RELEASE – FINAL

JUDGE WILLIAMS RULES AGENCIES MADE CORRECT DECISION

AUGUST 5, 2009

U. S. District Court Magistrate Judge Mikel Williams ruled yesterday that the U. S. Forest Service and Bureau of Land Management made the correct decision June 6, 2008, when they upheld the Simplot Company's right to expand Smoky Canyon mine in southeastern Idaho.

It was the fourth consecutive court ruling in favor of mine expansion since special interest groups filed suit in September 2008 in opposition to the federal agencies' decision that expansion could proceed. Many city and county governments and other organizations have joined the legal proceedings on behalf of the agencies and in support of Simplot's right to open the new sections of the mine.

"We are delighted to receive a well-reasoned ruling in our favor," said Larry Hlobik, Simplot president and CEO. "I want to thank everyone who has worked so hard on this project for us, including the local communities, counties and cities, and local citizens who have helped us in this long process. It appears at this time that we will be able to begin mining ore in one of the new sections in the fall."

In his ruling, Judge Williams supported the contention of the federal agencies and the Simplot Company that expansion of the mine is environmentally viable and that extensive efforts have been made to get comprehensive input from the public and other sources.

“... expansion of the Smoky Canyon mine 800 yards from its existing mine into an adjacent portion of the known phosphate leasing area of southeastern Idaho appears to strike a reasonable balance between Simplot’s mining efforts and the employees, farmers, communities, and other stakeholders affected by the expansion,” the Judge wrote.

Judge Williams added that the Forest Service and BLM “performed exhaustive studies over several years, soliciting comments, including Plaintiffs’, and re-analyzed areas of their stated concerns.”

Simplot has less than a year’s worth of phosphate ore reserves remaining in the existing sections of Smoky Canyon. The mine is the sole source of raw material utilized by the company’s Pocatello plant in producing essential plant nutrients that are necessary in supporting crop growth that is critical to addressing the global food crisis, according to Garrett Lofto, Simplot AgriBusiness Group president.

“Failure to open the new Smoky Canyon sections would lead to closure of the mine and our plant in Pocatello, resulting in the direct loss of about 560 jobs,”

he said. “We have been working on this project more than nine years and have demonstrated beyond any doubt that all safeguards are in place to allow the mine expansion to move forward.”

A 2009 economic impact study conducted by Idaho Economics, a 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 \$171 million per year across 12 counties in Eastern Idaho and Wyoming.

According to the federal government’s General Accounting Office, phosphate is an essential plant nutrient for which there is no substitute. A GAO report titled “Phosphates: A Case Study of a Valuable, Depleting Mineral in America,” suggests that the government should place limits on exporting phosphate ore to protect the U.S. supply. Simplot does not sell any of its phosphate rock outside the United States.

About Simplot

The J.R. Simplot Company, a privately held agribusiness firm headquartered in Boise, Idaho, has an integrated portfolio that includes phosphate mining, fertilizer manufacturing, farming, ranching and cattle production, food processing, food brands, and other enterprises related to agriculture. Simplot’s major operations are located in the U.S., Canada, Mexico, Australia, New Zealand and China, with products marketed in more than 40 countries worldwide. The company’s primary mission is responsibly *Bringing Earths Resources to Life*.

For more information about the Simplot Company, log into www.simplot.com

