FOR YOUR INFORMATION 11/26/2014

<u>Idaho Business Review, Wednesday, Nov. 26, 2014 – by Brad Iverson Long</u>

Simplot brand is back on the grocery shelves

The J. R. Simplot Company has a broad reach in agribusiness, but there are relatively few items sold in grocery stores with the Simplot name. Now, the Boise-based company is testing a new frozen vegetable and grains line, called UpSides, in 97 Albertsons stores across Idaho and four other states in the Intermountain West. Simplot plans to expand the brand next year.

Simplot Retail Brand Manager Darren Dudley said the retail expansion is part of the company's plan for profitable growth and diversification. "Retail is a small segment for us, but a growth opportunity," he said. UpSides joins a limited retail line for Simplot. The company sells a frozen quinoa and kale product called Great Grains in Costco stores and has frozen sandwiches, bowls and entrees under the Maple View Farms name in the northeastern U.S., a line the company inherited as part of its acquisition of QDCP, which was finalized in February 2013.

Dudley said Simplot hasn't had a presence in grocery stores for more than 20 years. Its last line of products was frozen milkshakes, burgers, fries and pizzas under the MicroMagic name.

"They were so early on in frozen convenient that they were a struggle to distribute throughout the country," he said. However, Dudley said he recently unearthed a quote from company founder J.R. Simplot from 1992, saying the company would eventually get back into retail, saying "over time, we'll beat our way back into it because we're competitive and I think we'll grow in retail."

"He was a pretty visionary guy, and we're trying to capitalize on his vision that we'd jump back into retail," Dudley said.

The UpSides products are a blend of vegetables and all natural whole grains including quinoa, black barley, amaranth, and Khorasan. Those grains are sometimes referred to as ancient grains. Dudley said the frozen blends are targeted as a new product that could spark interest in frozen vegetables, which have had flat sales.

"It's really convenient and healthy and adds variety to the category. When we talk to consumers, they tell us that the value-added vegetable category is kind of boring. UpSides is something different," he said. Dudley said the products will expand to Albertsons stores in the Northwest within the next month, and that the company's goal is to expand the brand, including new product and wider distribution, in late 2015. "We continue to look strategically at what other types of products we could bring into the branded space," he said.

The UpSides products are made at a Simplot facility in West Memphis, Ark. where the company also produces vegetable and protein blends that are sold under other brand or store-brand names. The company has a similar facility in Pennsylvania that makes the Maple View Farms products. Dudley said other high sales growth items include frozen breakfast and breakfast sandwich items.