
NEWS RELEASE



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UNITED POTATO GROWERS OF IDAHO FORMS JOINT VENTURE CREATES NATION'S SECOND LARGEST DEHYDRATOR

IDAHO FALLS, Idaho – March 30, 2007 – United Potato Growers of Idaho has formed a joint venture in the dehydrated potato industry that will create the nation's second largest dehydrator. United, a cooperative of potato growers based in Idaho Falls, Idaho, joins with Idaho Fresh-Pak Corporation also known as Idahoan and the R.D. Offutt Company to form this merger, together creating a broad network of potato processing plants with convenient access to markets and customers.

“Since forming two and half years ago, United has proven its ability to manage fresh potato supplies, meet and match demand, and improve grower returns,” said Jerry Wright, United president and chief executive officer. “This new venture will not only lead to a more stable dehy industry but also serve as an important tool for growers to balance their fresh crop and fresh industry marketing pipelines, all with the objective of improving grower returns. As a result, potato growers, our communities, and the entire industry will benefit.”

Under the terms of the agreement, United has formed United II, a new grower cooperative that will be involved in the new company with Idahoan and Offutt. Idaho potato growers who are members of United or who join United, can opt to join United II. By investing in United II, potato growers will have ownership of the new company, will receive dividends, and have a guaranteed market for their dehy grade potatoes.

“This new venture is another in a series of strategic initiatives by United to improve potato grower returns,” said Wright. “The fresh and dehy industries work hand-in-hand. By maintaining a fair dehy price, fresh grower returns also improve. This new dehy company also provides United with an outlet for surplus potatoes.”

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Wright said, “Through United, growers have access to market data and facts that are crucial to their marketing. Through United II, growers who invest will have the opportunity to earn dividends while having a reliable market for their dehy grade potatoes.”

Members of United II will be the sole potato suppliers for the new company. “Potato growers will now be integrated vertically into the overall industry system,” said Wright. “Through United II, we will create efficiencies from the development of seed to production to marketing. We anticipate greater long-term stability and no more boom or bust cycles.”

More about the new joint venture

United is a cooperative of Idaho potato growers that focuses on matching supplies with demand. Approximately one-third of fresh potatoes in the country are grown in Idaho.

Idaho Fresh-Pak Corporation (Idahoan) is a nationally recognized and distributed retail, food service and club brand of potato products with plants located in Idaho.

R.D. Offutt Company is the largest potato grower in the country with dehydrated potato plants in Idaho, Nevada and North Dakota.

The J.R. Simplot Company, currently under contract for national sales and distribution of Idahoan branded food service products, is the national food service sales arm for the new venture.

The formation of this new venture is subject to government approvals.

Potato growers interested in joining United and investing in United II can contact a United field man or call the co-op office at (208) 535-8500.

About United Potato Growers of Idaho

United Potato Growers of Idaho is a member co-op of the United Potato Growers of America, which was formed in March 2005 by growers to match supply to demand. The mission is to reverse years of declining and unprofitable prices for growers, which has caused many independent growers to go out of business. UPGA is a federated cooperative currently with eight member co-op chapters.

UPGA was created under the protection of the Capper-Volstead Act that was enacted in 1922 by Congress to allow growers to work collectively to market their products.