

Rural Municipality of Portage la Prairie

Presentation to the
Manitoba Clean Environment Commission
Regarding the Proposed
Simplot Canada Limited Potato Processing Plant
Portage la Prairie, Manitoba

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Introduction

The Rural Municipality of Portage la Prairie is deeply committed to the principles of sustainable development. As a municipality that consists primarily of agricultural producers, we recognize the importance of maintaining a balance between economic development and the environment. Farmers have first hand experience in understanding the relationship between their environment and their livelihood; development that does not give consideration to sustainable development principles materially affects their ability to grow high quality crops in sufficient, viable quantities.

The economic future of the municipality is dependent both upon diversification of the agricultural base and the development of additional employment opportunities.

For that reason, the municipality has been very intentional in developing a strategy to encourage secondary processing of locally grown specialty crops – a strategy that meets both objectives.

It is the RM of Portage la Prairie's belief that the proposed Simplot potato processing plants fits within the municipality's long term economic development objectives and is a sustainable project from an environmental perspective.

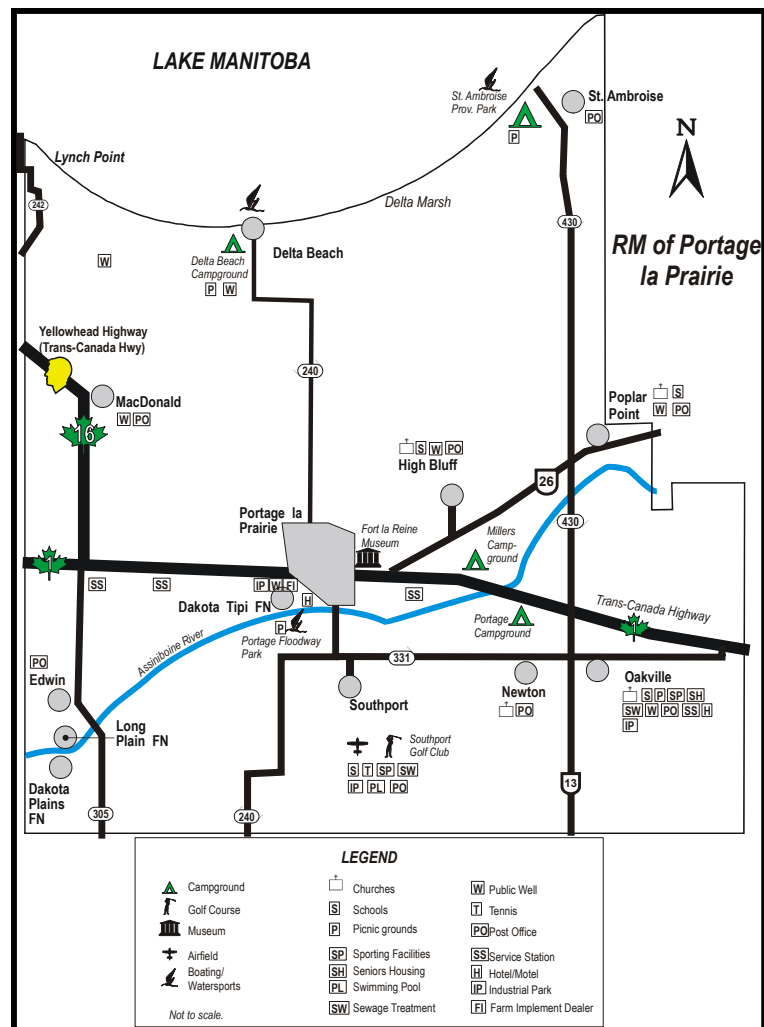
History and Background

Evidence of human activity in the Portage la Prairie area goes back over 8,000 years. During the past 2,500 years, the region has been home to a number of nomadic aboriginal peoples, with indications of more permanent settlements developing along the major waterways.

European settlement of the area began around 1738 with the establishment of Fort la Reine by Laverendrye. The Rural Municipality of Portage la Prairie was incorporated in 1879. It is the largest land area municipality in Manitoba.

The most prominent geographic feature of the municipality is the flat, fertile plains that represent some of the most productive agricultural land in the province. Bisecting the municipality, is the Assiniboine River, which flows east-west through the municipality and is a critically important resource for agriculture, industry, tourism, recreation and residential services.

For the past 100 years, the municipality has depended

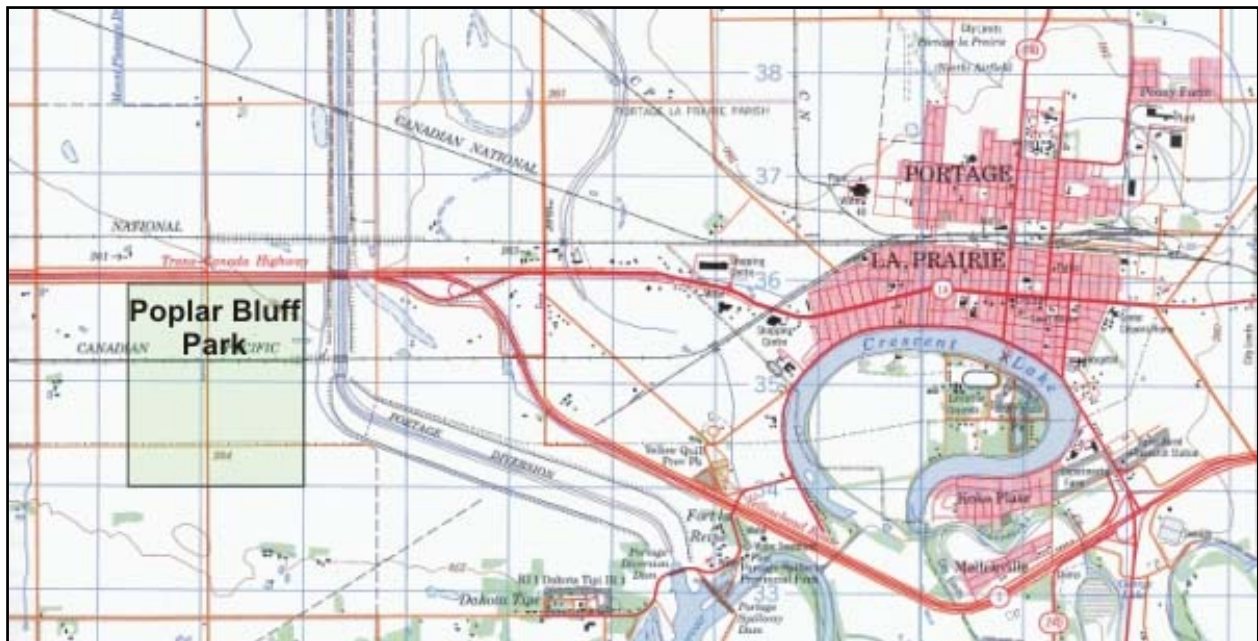


primarily on agricultural production to sustain its population. During the past 40 years, a concentrated effort has been made to diversify agricultural production from traditional cereal grains into more sustainable and profitable specialty crops, sparked by the location of Campbell Soup in the late 1950s. While the location of the McCain Foods potato processing plant in the 1970s was a further boost to this initiative, the closing of the Campbell's plant in 1991 was a significant setback.

Diversification has become increasingly important with the overall deterioration of the cereal and oil crop markets and prices. This aspect is detailed in the presentation that Central Plains Inc. is making to the Commission, so will not be repeated here.

Development of the Poplar Bluff Industrial Park

Recognizing the need to support not only agricultural diversification, but to encourage the development of secondary processing, the RM of Portage la Prairie set about developing the Poplar Bluff Industrial Park in 1998.



Understanding the principles of sustainable development, the RM worked closely with Manitoba Environment, investigating a number of potential development sites before settling on the existing Poplar Bluff park site.

The first factor considered was the soil and sub-soil composition. The Poplar Bluff site was selected because it is somewhat unique in the area, having a heavy clay base, which ensures the protection of groundwater and neighbouring businesses or residences. The second consideration was proximity to residences or other businesses and the ability to have a kind of “buffer zone” to ensure a minimum of conflict between future and existing developments. The selected site is nearly a mile away from its closest neighbour. Other considerations included its closeness to road, rail, electrical, gas and other services.

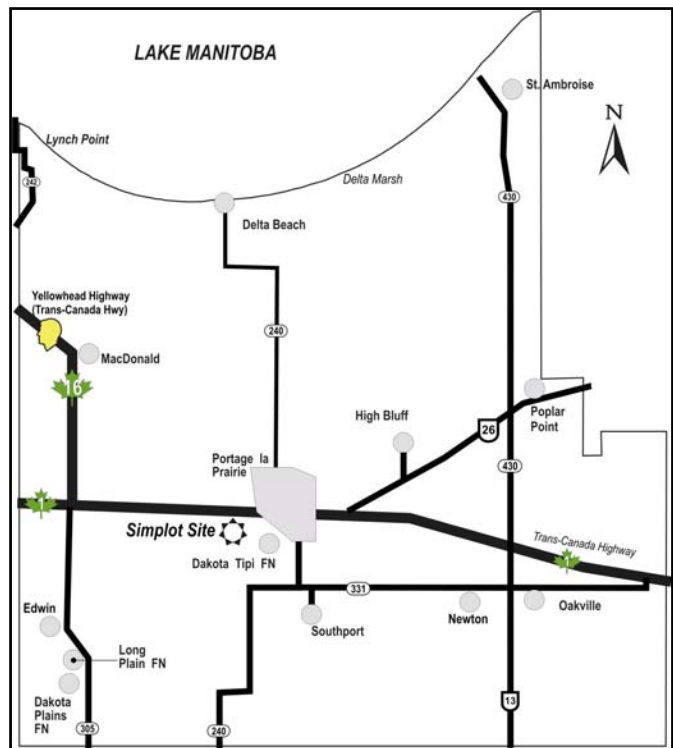
The Park has been established and zoned to accommodate development. The first business to locate in the park was K & G Mushrooms, who are developing a \$6 million facility south of the proposed Simplot site. Infrastructure, such as expanded roadways, drainage, and fire protection, have been constructed.

Simplot Proposal

When Simplot made its initial inquiry, the RM of Portage la Prairie gave careful consideration to the suitability of the project for the area.

It was evident that:

1. The project fit our long term, strategic objective of agricultural diversification;
2. The new plant would build on



existing knowledge and expertise of producers in the area – growers have been producing potatoes for McCains and Midwest for almost 30 years;

3. The project would build on proven technology – potato production is not new or unfamiliar technology, again it is something that has been done in the region for a long time;
4. The project would fit within the scope of the new Poplar Bluff park – it was an ideal fit for the environmental considerations that were part of the park's original selection process;
5. The project could be undertaken in cooperation with the City of Portage la Prairie, utilizing the city's experience and expertise in the provision of infrastructure, such as sewer and water;
6. The new facility would provide a significant boost to the economy of the municipality and would also have a positive economic impact on neighbouring communities and the province as a whole.

It was with these factors in mind that the RM joined with the City of Portage la Prairie and the regional development corporation, Central Plains Inc., in pursuing the project.

Conclusion

The Rural Municipality has given careful consideration to the material provided by J.R. Simplot in its environmental application and supporting documents.

It is the opinion of the municipality, that:

1. The proponent will develop a facility that will have a major, positive economic impact on the surrounding community;
2. The proponent is fully aware of the nature of the environment of the surrounding community and will take all appropriate steps to ensure that the project proceeds in an environmentally sustainable fashion;
3. The project is consistent with the traditional and fundamental economic activity of the region – agricultural production – and is building upon known, proven practices and technologies; and,
4. The project will aid the long term, sustainable objectives of the community in that it involves secondary processing of raw materials from the region.