

Simplot orders more fries in Manitoba

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Simplot will take some additional fries with its new Manitoba expansion order.

Today is St. Valentine's Day, not St. Patrick's Day.

Nonetheless, Manitoba's potato growers may have been blessed with the Luck O' The Irish because demand for potatoes may soon explode in the province.

This morning, J.R. Simplot announced it will spend \$460 million to expand its potato processing plant in Portage la Prairie, Man.

The expansion will more than double the capacity of the french fry plant, thus driving up demand for Manitoba potatoes.

“Simplot has been an outstanding corporate and community partner since establishing its operations in Manitoba,” said Ralph Eichler, Manitoba's agriculture minister. “This investment further cements their reputation as a pillar in Manitoba's agriculture and food processing sector. The plant's increase in capacity also presents a tremendous opportunity for Manitoba farmers to strengthen their partnership with a reliable local processor and increase potato production in Manitoba.”

Simplot chose to expand in Manitoba because of a number of factors, including the quality of potatoes produced in the province.

“(There's a) strong grower community, availability of highly skilled employees and distribution routes that continue to expand our footprint. We are convinced Manitoba's business-friendly environment made this the right decision for the J.R. Simplot Company,” said Mark McKellar, Simplot food group president, in a statement.

There may be another reason why Simplot chose to invest in Manitoba. The company operates two potato processing plants in Washington state and there have been reports of the private company building another facility near Pasco, Wash.

Kevin MacIsaac, United Potato Growers of Canada general manager, said the Simplot investment in Manitoba was a bit of a surprise. He regularly meets with U.S. potato industry reps and the Portage la Prairie expansion wasn't on the radar.

"I'm in the industry (and) fairly close to a lot of people. I wouldn't have heard anything about this until very, very recently," he said from his office in Charlottetown.

"There's more to the story as to why they're not going ahead with their original plan, with that one in the Columbia Basin. (That) expansion was announced, some time ago, for the Columbia Basin. And they've now postponed that.... Instead, Simplot has made this announcement to build a plant in Canada."

Regardless of how it happened, the investment is fantastic news for Canada's potato industry, MacIsaac added.

"We've had some years where the (industry) was pretty stagnant and pretty slow. But lately it's been straight up and ahead," he said.

"There's been a lot of expansions announced that have been going to the Pacific Northwest. This is our turn, again today."

Last fall Cavendish Farms broke ground on its \$360 million potato processing plant in Lethbridge. The Manitoba and Alberta investments are huge boosts for Western Canada's potato sector, as they could spur strong demand for potatoes over the next 15 to 20 years.

A Manitoba government press release said the expansion will increase the size of the Portage plant from 180,000 to 460,000 sq. feet.

When the construction is complete, scheduled for the fall of 2019, the plant will require many more potatoes from Manitoba growers. Possibly more than double the current supply.

Potato acres in Manitoba have declined slightly over the last four to five years, going from 70,000 in 2013 to 63,000 acres in 2017. Production, though, has actually increased as Manitoba growers have boosted average yields from 310 hundredweight per acre to more than 350 cwt. per acre.

The new and larger plant will need more employees. It's expected to create 87 full-time jobs at the facility.

The expansion of the Simplot french fry plant is the second massive investment in Manitoba agri-food processing in the last 13 months. Last winter, Roquette, a french firm, announced a \$400 million investment in a pea processing plant in Portage la Prairie.