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ConAgra Transformation Continues, Spins Off Lamb Weston

BY JOSH FUNK

AP Business Writer

OMAHA, Neb. — ConAgra is spinning off its frozen potatoes business and unloading a second major division as it works to intensify its focus on key name brand foods

The company said
Wednesday that it will split
off leading brands such as
Chef Boyardee and Healthy
Choice into ConAgra Brands
Inc. It will spin off its frozen
potato business under the
Lamb Weston name.

The split is expected to be complete by fall of 2016. Its shares jumped 4 percent in afternoon trading.

"The decision to separate into two pure-play companies reflects our ongoing commitment to implementing bold changes in order to deliver sustainable growth and enhanced shareholder value," said CEO Sean Connolly, in a printed statement.

There have been some big changes at ConAgra this year since Connolly became CEO in the spring. The company announced the sale of most of its private-label operations to TreeHouse Foods Inc. for about \$2.7 billion. It also plans to cut 1,500 jobs, about 30 percent of its office-based workforce, as it moves its headquarters from Omaha, Nebraska, to Chicago by next summer.

ConAgra has also felt pressure to make changes from activist investor Jana Partners, which disclosed a 7.2 percent stake in the food company in June and gained two seats on ConAgra's board in June.

Citi analyst David Driscoll

questioned how much will be gained by separating Lamb Weston from ConAgra's branded foods because the Lamb Weston unit has long operated independently within the company.

Driscoll said he expected Lamb Weston to be sold, not spun off, to take advantage of the roughly \$2.5 billion in capital tax losses ConAgra will record on the private brands sale. That suggests ConAgra may be thinking of selling some of their other brands, he said.

Conagra Brands Inc., with Connolly as CEO, will include Marie Callender's, Hunt's, ROTEL, Reddi-wip, Slim Jim, PAM, Chef Boyardee, Orville Redenbacher's, P.F. Chang's and Healthy Choice brands. It will also include several other businesses, such as Spicetec Flavors & Seasonings. The operations included in the restructured company comprised \$7.2 billion in revenue in fiscal 2015.

Lamb Weston's portfolio will consist of frozen potato, sweet potato, appetizer and other vegetable products, and will have a continued presence in retail frozen products under licensed brands and private brands. ConAgra said Lamb Weston generated revenues of approximately \$2.9 billion in fiscal 2015.

Leadership at Lamb Weston, which currently has offices in Kennewick, Washington, and Eagle, Idaho, will be determined at a later date.

Shares of ConAgra Foods Inc. rose \$1.64, or 4.2 percent, to \$41 in afternoon trading Wednesday.

Trooper Thanks Those Who Helped Recovery

PIERRE (AP) — A South Dakota Highway Patrol trooper recovering from injuries sustained during a traffic stop assault near Rapid City issued a statement thanking those who have helped him on his road to recovery.

The state Department of Public Safety says that 10-year veteran Zachary Bader was assaulted Oct. 24 while making a traffic stop on Interstate 90 east of Rapid City.

Four Washington state residents are charged in the incident. The most serious charges are against 33-year-old Donald Willingham, who's accused of attempted murder. Authorities say they recovered more than 50 pounds of marijuana, \$33,000 in cash and a handgun after the incident.

Bader thanked everyone who helped him at the scene, those who visited him in the hospital and those who have helped him since his Nov. 6 release.

Judge Deciding On Public Vote On Bypass

STURGIS (AP) — A judge is deciding if taxpayers should be able to determine whether Meade County helps fund a proposed highway bypass at Sturgis.

The group Meade County Taxpayers for Responsible Government sued earlier to try to force an election on the proposed Fort Meade Way.

proposed Fort Meade Way.
Judge Jerome Eckrich held a hearing Tuesday, and said

he'll issue a ruling Monday.

Bypass proponents say it could spur growth east of Sturgis and ease traffic during the annual motorcycle rally that draws hundreds of thousands of people.

Opponents worry about the effect of a bypass on local businesses. Voters in March overwhelmingly rejected a tax increment financing district to pay for it

increment financing district to pay for it.

The bypass could cost up to \$2.8 million. Buffalo Chip Campground owner Rod Woodruff has pledged up to \$1 million

Fantasy Sports Lobbyist Says Games Don't Qualify As Gambling

BY JAMES NORD
Associated Press

DEADWOOD — Speaking before state regulators in the historic gambling town of Deadwood on Wednesday, a representative of daily fantasy sports operators under scrutiny nationwide said the industry wants to make it clear: The contests don't constitute gambling under South Dakota law.

Lobbyist Griffin Finan told the state Commission on Gaming that fantasy sports is predominantly based on skill rather than chance, which makes it legal for players in South Dakota. Finan spoke for the Fantasy Sports Trade Association and DraftKings and FanDuel, two companies that are the target of the New York attorney general's office.

"Winning or losing doesn't come down to the spin of a wheel, the roll of the dice, or the turn of a card," Finan said. "Despite superficial similarities, fantasy sports differ greatly from sports betting"

Finan said more than 25,000 South

Dakota residents are estimated to participate in daily fantasy sports contests each year. The industry may pursue legislation in South Dakota that would clarify that fantasy sports is exempt from state gambling law and impose consumer protection measures on operators, he said.

Mike Rodman, executive director of the Deadwood Gaming Association, said the group wants to be part of discussions with lawmakers and regulators. He said the fantasy sports industry should be regulated in South Dakota.

A spokeswoman for Gov. Dennis Daugaard said in a statement that the governor would "consider any legislation, but is very concerned about allowing gaming in South Dakota that is unregulated and that competes with gaming that generates state revenue."

Attorney General Marty Jackley said he would await potential guidance from the Commission on Gaming before deciding whether to take action. Members of the commission said the panel lacks jurisdiction over online fantasy sports.

"We're kind of in the ether here,"
Commissioner Harry Christianson said.
"There's really nothing that we could do to assist you or to harm you, quite frankly."

Jackley said he also believes it's prudent to wait for a National Association of Attorneys General gambling committee to potentially weigh in on the subject. In raising the issue of fantasy sports, Jackley said he wants South Dakota residents to remember that they may run afoul of other states' laws depending on the jurisdiction where the wager is received.

Daily fantasy has exploded in popularity after both Boston-based DraftKings and New York-based FanDuel unleashed a flurry of on-air, online and billboard ads promoting the games to casual sports fans.

A DraftKings employee winning \$350,000 in a contest on rival Fan-Duel earlier this year — beating more than 200,000 other players — raised questions about possible insider trading.

says the maximum can be

fully funded.

was 104 percent.

granted when the system is

30 end of the 2015 fiscal year

The status as of the June

The 3.1 percent increase for benefit payments takes effect July 1, 2016.

Suspect Sentenced For Defendant Attack

HURON (AP) — A Cavour man convicted a year ago in a staged armed robbery of a Huron convenience store is going to prison for using a tire iron to assault his co-defendant in that case

KOKK radio reports that 28-year-old Donell Williams was sentenced to seven years behind bars in the Aug. 24 assault of Sidney Malone.

Williams is on probation for the fake armed robbery in January 2014 at the store where he and Malone worked. Authorities say Williams brought a handgun into the store and

pointed it at Malone, and the two took more than \$3,100. Malone eventually pleaded guilty to theft, and Williams was convicted by a jury after a trial in which Malone testified against him. Williams denied attacking Malone because Malone testified against him.

County Tells Cattle Feeder To Trim Herd Size

GRAND ISLAND, Neb. (AP) — Hall County supervisors are backing efforts to combat what the county attorney says are violations by a Dannebrog cattle feeder who had too many animals at his location.

The *Grand Island Independent* reports that the board voted 7-0 on Tuesday to back Jack Zitterkopf as he demands that Ken Kohlhof reduce his herd at C & I Cattle Co. and comply with country regulations. Otherwise, Zitterkopf says, Kohlhof could be fined \$500 a day and his business could be closed. According to Hall County zoning regulations, feedlots of

1,000 head or fewer must be at least one-quarter mile away from any residences.

Zitterkopf says that under county regulations, Kohlhof has

too many cattle too close to neighbors, who have complained about the smell and the growing size of the feedlot.

"It is my duty as county attorney to enforce the rules and

regulations of the county, including zoning regulations," Zitterkopf told the board.

Zitterkopf said he first became aware of the matter when Kohlhof applied for a county conditional use permit to operate the feedlot after his neighbors complained about the smell and size of the feedlot. Kohlhof was never issued the permit because Regional Planning Director Chad Nabity said it was

quickly apparent that the county couldn't issue a valid permit

— the feeding operation was already in violation.

Supervisor Steve Schuppan, who chairs the county's conditional use permit committee, said the herd was already in

excess of 2,000 head of cattle over the summer.

Kohlhof told the newspaper that he is working toward compliance with the Nebraska Department of Environmental Quality

"We're in the process of getting permits with DEQ and Hall County to keep our operation going," Kohlhof said. One of Kohlhof's neighbors, K.C. Hehnke, says that he has

One of Kohlhof's neighbors, K.C. Hehnke, says that he has contacted an attorney who may take action against the county for not enforcing its existing zoning regulations.

New "Generational" Retirement Plan Could Start In South Dakota Mid-'17

BY BOB MERCER

PIERRE — Trustees for the South Dakota Retirement System took two more steps Wednesday toward adding a second plan.

They decided the current plan should be called "Foundation" and the new plan should be called "Generational."

The current plan would remain in effect indefinitely for current members and for people newly hired through June 30, 2017.

The new plan would start

July 1, 2017, and cover people newly hired on that date and after. SDRS covers state government and state universities as

ment and state universities as well as any counties, cities, school districts and special units that choose to participate.

The new plan needs pas-

and agreed to take a final look during their Dec. 3 meeting.

The new plan features a different approach to calculating benefits, offers a

variable retirement account benefit and adds two years to retirement ages of 67 for most employees and 57 for public

safety employees.
People who join SDRS
under the new plan won't be
subsidizing members of the

current plan.

"We needed to take steps to be more sustainable in whatever kind of weather," Rob Wylie said.

He is the SDRS administra-

The second plan is for the next generation of employees, he said. It is based on longer life expectancies and doesn't include various special benefits that apply to some people at a cost to others in the current plan.

An outside legal consultant is reviewing the proposal for the new plan.

The proposal includes a sentence that leaves retirement ages open to change at a later date.

The current plan uses

The current plan uses retirement ages of 65 and 55. Lt. Gov. Matt Michels, one of the trustees, said he had

hoped the new design could

start sooner than mid-2017. Wylie said a massive technology-update is underway, a key person on the project left SDRS recently and the July 1, 2017 start allows more leeway.

Michels suggested the legislation could set a "no later than" date.

But Jacquelyn Storm, the general legal counsel for SDRS, said a hard date needs to be pinned down, because people's rights are affected. "That's fair," Michels replied.

The trustees struggled through several rounds of motions, substitutes, withdrawals and several sets of roll calls on choosing names for the two plans.

The final versions passed

"Toughest vote I can remember in 10 years," state Supreme Court Justice Steve Zinter, who is a trustee and chaired the meeting, quipped

quipped.
Wylie was upbeat as
the teleconference meeting ended. "We're ready for
foundation and generational

members," he said.

The trustees also voted 14-0 to set the cost of living adjustment for next year at the maximum 3.1 percent.

A formula set in state law

The 2015
Yankton Citizen

Nomination Deadline: Monday, November 30

Of The Year

Please Mail Your Nominations To:

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or visit www.yankton.net/coy

BY GRANT SCHULTE
Associated Press

LINCOLN, Neb. — The developer of the Keystone XL pipeline remains committed to completing the final leg of the project even though President Barack Obama denied the Canadian company's request for a federal permit, a spokesman said Wednesday.

TransCanada's announcement came as the company withdrew its application for route approval through Nebraska. Even before Obama rejected the permit Nov. 6, Nebraska had been a major roadblock because of lawsuits filed by landowners and environmental groups.

Company officials were scheduled to meet with the

Nebraska Public Service Commission on Thursday to discuss the application process.

"Although we are with-

"Although we are with-drawing the application at this time, we are reserving the right to reapply to the (Nebraska Public Service Commission) at a later date and remain committed to completing the final leg of the Keystone Pipeline system," TransCanada spokesman Mark Cooper said in a statement, noting that the company was still considering

what to do next.

The pipeline is likely to factor into the 2016 presidential election, because all of the leading Republican candidates who support the project as a job creator and Democratic hopefuls oppose it because of

environmental concerns. The

pipeline was projected to carry 800,000 barrels a day of crude from Canada and North Dakota to Nebraska, where existing pipelines would bring the oil to Gulf Coast refineries.

TransCanada's latest

TransCanada's latest move is unlikely to halt the debate in Nebraska anytime soon. Landowners who oppose the project have said they are worried the company still has legal rights to large stretches of land along the pipeline's proposed route and could sell those easements to another pipeline company.

"Let's close this chapter in our state once and for all," said Jane Kleeb, director of the anti-pipeline group Bold Nebraska.

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This person	should be the	Citizen of the Year	· becau
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