

CALAMCO

progress

SPRING 2021

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CHIEF EXECUTIVE OFFICER
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MESSAGE TO SHAREHOLDERS

Since last fall, the global anhydrous ammonia market has been steadily strengthening due to various gas curtailments at production facilities. In the past two months, we have experienced a large spike in ammonia prices both internationally and domestically due to planned and unplanned outages, creating a supply shortage on top of seasonal demand.

Since CALAMCO is not a producer/manufacturer but an importer of anhydrous ammonia, our cost for material has increased significantly. We held the price stable for as long as we could, however effective March 1, 2021 our price to customers has increased by +50% to reflect the increase in our cost.

As a cooperative, we make \$0 profit on our patronage business over the year. Any money we make during the year is paid out in a dividend to our members at the end of the year. Patrons and non-patrons pay the same upfront prices. ■



Daniel Stone
President / CEO

what's inside

- 2 • Virtual Safety Training
- Terminal Safety Orientation Video
- \$1,000 Scholarship
- 3 • CALAMCO is Prepared for Spring
- 2020 Financial Results
- 4 • Agricultural Safety Basics

A PARTNERSHIP WITH GROWERS

VIRTUAL SAFETY TRAINING

For over 25 years, CALAMCO has been providing Ammonia Safety Training to First Responders and customer employees throughout the region. Safety training has typically been held at Stockton Fire Department Station #2. CALAMCO provides 3-hour training sessions on various topics over four to five days. Annual participation typically ranges from 160-210 participants.

With the COVID-19 pandemic and the statewide lockdown in full effect, CALAMCO management elected to attempt a virtual self-paced ammonia safety training session. CALAMCO partnered with Vector Solutions and Ammonia Safety Training Institute (ASTI) to provide training on 4 topics:

- Hazard Communications & HazMat Transportation
- Chemical and Physical Characteristics of Ammonia
- Emergency Response Guide (ERG) Training
- Personal Protective Equipment

Considering this virtual option was a prototype training model, we were very pleased with the results. Over 1290 hours of training were completed by 324 individuals. Thank you to all of the organizations and partner agencies who helped make this 2020 Virtual Ammonia Safety Training a success! ■

CALAMCO TERMINAL SAFETY ORIENTATION VIDEO

In 2020, CALAMCO Management, with the assistance of a local marketing team, designed an informational "Site Security and Safety Orientation Video" for all outside contractors, drivers, and visitors to the Stockton and Sycamore facilities. This 6-minute video provides each person visiting the terminal a basic understanding of terminal access requirements, basic facility operations, safe work requirements, and emergency procedures. By delivering this information to each person entering the facility in a consistent format, CALAMCO's focused effort on safe and secure operations becomes the foundation for how we operate, and visitors' expectations.

View the link by visiting our website and clicking on "Safety Orientation Video" under the Safety tab. ■



CALAMCO OFFERS \$1000 SCHOLARSHIP

Just a reminder that CALAMCO is offering a scholarship to our shareholders and their immediate families, who are graduating high school seniors and plan to continue to college, majoring in agriculture or an ag-related field. This offer is valid to current high school seniors planning to attend college in the fall of 2021 or spring of 2022.

The application is available in PDF format on our website at www.calamco.com, under the news/events tab. Mail the completed form to our corporate office: CALAMCO, 1776 West March Lane, Suite 420, Stockton, CA 95207. **Applications must be postmarked by April 23, 2021.** We will notify the recipient of the scholarship by May 3, 2021. ■



CALAMCO IS PREPARED FOR SPRING

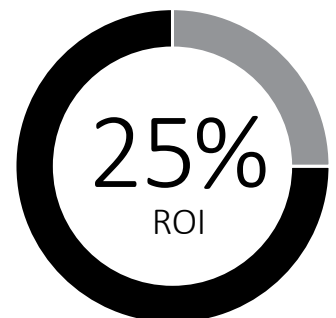
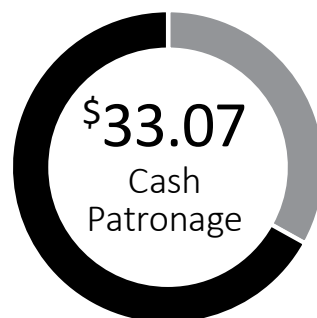
CALAMCO has received all 25 new anhydrous ammonia C-Grade (commercial or “Ag” grade) trailers. This brings our ammonia trailer fleet to a total of fifty trailers. All of the new trailers have been registered and certified. This investment demonstrates CALAMCO’s commitment to ensure a reliable and steady supply of product to our customers and members for the long term.

CALAMCO currently owns six tractors, while Chavez Trucking, who sub-hauls for CALAMCO on a year-round basis, has an additional four tractors. Between us we have a total of twelve drivers. CALAMCO has contracted with eight additional carriers that have signed Sub-Hauler Transportation Agreements to transport anhydrous ammonia during our busy Spring season. This will add an additional 24 trucks/tractors and 42 additional drivers to assist us, with the ability to provide product to customers 24/7. ■

2020 FINANCIAL RESULTS

Rebate checks were mailed to participating members at the end of January for our 2020 fiscal year. We paid out a dividend of \$33.07 per ton of ammonia equivalent.

An additional \$1 per ton was paid to those members that reported their annual fertilizer purchases using our online access portal instead of physically mailing a fertilizer use report form. Another additional \$1 was paid to those members that opted for direct deposit for their dividend. Growers that opted for both realized a dividend of \$35.07 per ton of NH₃ equivalent. A return on investment of 25% for stock purchased at \$20 per share.



We paid a base dividend of \$33.07 per ton of NH₃ equivalent this past year (up to \$35.07 per ton to those members that reported online and signed up for direct deposit). We are targeting a similar rebate for 2021. ■

AGRICULTURAL SAFETY BASICS

Below are some essential agricultural safety topics for supervisors and employees.

SAFE MACHINERY AND EQUIPMENT OPERATIONS:

- Make sure all equipment has proper guarding on rotating parts to prevent entanglement
- Eliminate loose clothing near rotating equipment
- Make sure the equipment operator can see all people working near equipment
- When equipped, make sure the seatbelt is tightly fastened, and cab doors are closed
- Train equipment operators on the dangers of rollovers and how to prevent them.

CHEMICAL HANDLING:

- Be sure chemicals are stored in the original container with the attached label
- Never store chemicals near food or drinking water
- Control access to chemical storage areas
- Check storage containers for leaks, corrosion, or breaks

- Clean up spills immediately
- Stand upwind from the product, so dust and fumes are blown away from the body
- Follow First Aid procedures on the chemical label if exposure occurs

PERSONAL PROTECTIVE EQUIPMENT (PPE):

Employees must understand:

- When PPE is necessary and what type of PPE is required.
- How to wear and take off PPE properly

Employers must:

- Ensure PPE is maintained in good working condition
- Provide an adequate supply of PPE to replace damaged or misplaced items
- Document employee PPE training and retraining when necessary.

Be safe and have a great growing season! ■

Questions or comments can
be forwarded to CALAMCO
at (800) 624-4200
www.Calamco.com

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