

CALAMCO

progress

SPRING 2023

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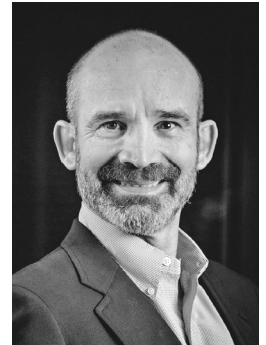
MESSAGE TO SHAREHOLDERS

We are looking forward to a strong 2023 spring season, as both supply and demand factors are favorable.

On a supply basis, product is plentiful and prices are down across the board with Tampa ammonia prices at about half of last year. Industry sources also expect further declines over the next few months, which are primarily driven by lower natural gas prices.

On a demand basis, high commodity prices combined with historic snowfall and replenished reservoir levels should lead to a strong recovery in planted acreage. We anticipate rice farmers, for example, will plant somewhere around 400,000 - 450,000 acres (weather permitting) - almost double versus 2022.

Taking all of that into consideration, we are targeting a 2023 patronage payout of \$55 per ton. As before, patronage is payable on CALAMCO supplied products (anhydrous ammonia, aqua ammonia, and AN20) and any upgraded products which contain CALAMCO-supplied anhydrous ammonia. Please refer to the interior table to see the expected rebates by product. ■



Daniel Stone
President / CEO

what's inside

- 2 • 2023 Shareholder Dinners
• Product Rebate per Ton

- 3 • Sycamore Facility Update
• CALAMCO Offers \$1000 Scholarship
• CALAMCO Trucking Gears Up for Spring

- 4 • Working Safe During the Busy Season

A PARTNERSHIP WITH GROWERS

2023 SHAREHOLDER DINNERS



This year's Regional Shareholder Dinners were held at The Maxwell Inn in Maxwell, the Madonna Inn in San Luis Obispo, and the Heritage Dining and Provisions at the Waterloo Gun & Bocce Club in Stockton.

Following dinner, guests were presented with a brief overview of the past year by CALAMCO's President and CEO Dan Stone, who also gave a brief outlook of

some of the changes coming in the coming year and addressed various questions by our members.

As always, we ended the evening by giving away a large assortment of wonderful door prizes. We would like to extend our sincere thanks to the fertilizer dealers that donated door prizes for the dinner in their area. CALAMCO's management always looks forward to meeting with customers and members at these events. Thank you to all who were able to attend. ■

2023 TARGET REBATE PER TON BY PRODUCT

Our rebate per ton is based on a per ton of Anhydrous Ammonia (NH₃ equivalent) basis. Please find below a breakdown by product, using our Rebatable Product List, with those products that are manufactured using CALAMCO ammonia. ■

PRODUCT	NPK	NH ₃	\$55 REBATE
Anhydrous Ammonia	82-00-00	100%	\$55.00
Ammonium Sulfate	21-00-00	26%	\$14.30
Aqua Ammonia	20-00-00	24%	\$13.20
Ammonia Nitrate 20% (AN20)	20-00-00	24%	\$13.20
Calcium Ammonium Nitrate (CAN17)	17-00-00	21%	\$11.55
Ammonium Phosphate Sulfate	16-20-00	20%	\$11.00
BEST (Turf Supreme)	16-06-08	20%	\$11.00
Agropell Triple 15	15-15-15	18%	\$9.90
FUSN Fused-Safe Nutrients	26-00-00	16%	\$8.80
Agropell Triple 12	12-12-12	15%	\$8.25
Agropell Tree N Vine	12-08-16	15%	\$8.25
Ammonium Poly Phosphate	10-34-00	12%	\$6.60
Agropell XB	06-20-20	7%	\$3.85

SYCAMORE FACILITY UPDATE

In preparation for our 2023 spring season, mass flow meters have been installed to our load-racks at our Sycamore Aqua facility located in Colusa County. The addition of these meters is expected to streamline and expedite the loading process for aqua trucks by programming and loading the precise amount of product into the truck, and alleviating the need to re-weigh the truck after loading. This process is expected to save at least 10 minutes in total load-time per truck, saving valuable time for drivers, while increasing efficiency for CALAMCO staff. ■

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 2023 or spring of 2024.

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 21, 2023.** We will notify the recipient of the scholarship by May 5, 2023. ■

PLEASE UPDATE YOUR CONTACT INFORMATION



Please verify that the contact information we have on file is **correct**. It has come to our attention

that phone numbers, addresses, and more specifically email addresses that we have on file may have changed, and the information we have is no longer valid. You can email our office with any updates or changes to info@calamco.com. We prefer to have any changes or updates submitted to us in writing. ■



CALAMCO TRUCKING GEARS UP FOR SPRING

Assembly Bill 5 (AB5) redefined the criteria for determining whether a worker is an employee or an independent contractor in California.

Under AB5 a worker is presumed to be an employee unless they satisfy certain conditions. With the passage of AB5, it has been challenging to comply with the law and obtain drivers for our busy spring season.

Currently, we are using the Business-to-Business exemption of AB5 to hire motor carriers who have their own authority and insurance to haul for the spring planting season. This is no easy task, but we are geared up and ready to go along with 15 other trucking companies that have been contracted by CALAMCO to assist with the spring season demand.

Additionally, CALAMCO has increased its fleet size from 6 tractors and drivers to 14 tractors and drivers. We intend to continue to expand our trucking fleet, allowing us to rely less on third-party trucking companies, and will hire additional drivers to service our customers. At present, CALAMCO has a total of 55 trailers (50 ammonia trailers, 2 R-Grade trailers, 2 liquid trailers, and 1 stainless steel insulated trailer). With this expansion, we are available to haul other fertilizers and chemicals for our customers, and keep drivers busy during the off season. ■

WORKING SAFE DURING THE BUSY SEASON



When it comes to safety, an upswing in production volume and delivery schedules can offer new challenges. As our work demands increase, we need to be vigilant to ensure that our workplaces remain safe for our employees.

During peak and busy times, a rise in production demand generally leads to longer work hours and more overtime. When long hours occur for extended periods, employees often come to work tired and can become careless and less alert to hazards. Increasing pressures translate to high stress, which also can be detrimental to a safe work environment. People under stress tend to make quick, poorly thought-out decisions and have less patience with fellow workers. When production and delivery demand increase, it is natural and necessary for our work pace to increase as well.

It is important to remember that there are no shortcuts when it comes to safe work practices. Taking shortcuts simply creates hazards and invites accidents. As we enter the busy season, please be aware of these circumstances and potential safety issues that may arise. Have a safe season! ■

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

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