



CALAMCO

PROGRESS

FALL 2007 ▶ A PUBLICATION OF CALAMCO

MESSAGE TO SHAREHOLDERS



It has been a great ride these past 46+ years, and I am sorry to see my time with CALAMCO come to an end. Your cooperative is being left in great hands; with the current management team and staff, you should feel very comfortable that CALAMCO is fully prepared to succeed far into the future.

I feel that I have truly lived the American dream during my years at CALAMCO. I began my career in 1961 at the Lathrop plant in an entry level position. My journey took me through Lathrop, Hanford, and finally to Stockton where I was appointed as Executive Vice President/General Manager in 1993, and then as President/CEO in 2000. It was a dream come true for me. CALAMCO has

provided me with many opportunities to travel, and to meet many wonderful people. I will always be grateful for those times and memories.

Over the past 15 years, CALAMCO's image has grown tremendously from within our business community, our dealer network, our suppliers, and with you, our shareholders. Early in my career, a shareholder said to me, "Whatever you do, just make sure that CALAMCO has product; that is more important to us than a rebate." I am proud to say that this has been accomplished, along with the rebates!

Year	1996	1997	1998	1999
Rebatable Tons	121,9200	129,748	118,072	103,052
Rebate Per Ton	\$15.71	\$17.00	\$7.24	\$2.02
Year	2000	2001	2002	2003
Rebatable Tons	115,079	126,923	140,104	163,540
Rebate Per Ton	\$14.49	\$49.40	\$37.15	\$37.75
Year	2004	2005	2006	
Rebatable Tons	150,208	147,996	138,805	
Rebate Per Ton	\$27.00	\$23.50	\$27.50	

I would also like to take this opportunity to thank my wife, Peggy, for all of the support and understanding she has given me through my journey. It truly has made my job at CALAMCO much easier. In addition, I would like to thank our family and all of the people that have influenced me and contributed to my growth. It is because of you that I have achieved the level of success for which I am truly grateful. There are too many to name, but you know who you are – thank you!

I am truly looking forward to my retirement; however it is very difficult to leave such a great job, so many wonderful employees, and all of the friends that I have made throughout the years. It is the people that make our industry so strong and connected and I will truly miss each and every one of you!

BOB SMITH, PRESIDENT / CHIEF EXECUTIVE OFFICER

PRESIDENT AND
CHIEF EXECUTIVE OFFICER
Bob Smith

PRESIDENT / CEO INCOMING
Bob Brown

EXECUTIVE VICE PRESIDENT
Barry Powell

VICE PRESIDENT OPERATIONS
Lee Gardiner

DIRECTOR OF MARKETING
Alice Inderbitzin

SALES REPRESENTATIVE
Natalie Johnson

DIRECTOR OF REGULATORY AFFAIRS
Martin Jeppeson

BOARD OF DIRECTORS

CHAIRMAN OF THE BOARD
Alan Freese

VICE-CHAIRMAN
Case Van Steyn

Pat Avery
Brad Baltzer
Greg Dexter
Mark Grewal
Rick Rominger

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Shareholder Fertilizer Use Reporting Information

By early November we will be mailing the Shareholders' Product Use Report Form. Please refer to the Rebatable Product List for qualifying products. You may also find this information on our website at calamco.com. In addition, if for some reason you do not receive your Product Use Report, or it is somehow misplaced, you will now be able to download a form from our website. Please note that this is a blank form, therefore you must fill in your relevant shareholder information, including shareholder name, shareholder number, and a contact number in order for us to correctly determine to whom to apply the purchases.

Please remember that the deadline for reporting will be December 15, 2007. Once again, this deadline will be strictly enforced. We will be mailing a reminder post card in early December to all members whose reports have not yet been received. If you receive a postcard reminder and have mailed in your report, please contact our office at 800-624-4200.

Ensuring your usage report is mailed to our office is your responsibility. Most fertilizer retailers are willing to provide CALAMCO members with their fertilizer purchase information. We would encourage you to keep a copy for your records, and mail the report yourself. This way you can be certain that the report has been mailed in a timely manner.

Rebatable Products

PRODUCT	NPK	NH ₃
Anhydrous Ammonia	82-00-00	100%
Aqua Ammonia	20-00-00	24%
Ammonium Nitrate 20% (AN20)	20-00-00	24%
Ammonium Sulfate	21-00-00	26%
Ammonium Sulfate Granular	20.5-5-0	25%
Calcium Ammonium Nitrate (CAN 17)	17-00-00	21%
Mono-Ammonium Phosphate	16-20-00	20%
Complete Fertilizer (turf supreme)	16-06-08	20%
Urea-Ammonium Nitrate Solution (UAN32)	32-00-00	19%
Triple 15 Complete Fertilizer	15-15-15	18%
Triple 12 Complete Fertilizer	12-12-12	15%
Complete Fertilizer	12-08-16	15%
Ammonium Poly Phosphate Solution	10-34-00	12%
Complete Fertilizer XB	06-20-20	7%

Please note that if you are using a special blend that you do not see on this list, it is best to check with your fertilizer dealer to see if a rebatable product was used in producing the blend. Some dealers are already set up to cover a portion of the nitrogen in those blends that contain rebatable products. However, just because a product contains nitrogen, does not automatically mean it qualifies.

Elections to be Held in District 2

CALAMCO is currently accepting nominations from Shareholders in District 2 who are interested in serving on the CALAMCO Board of Directors. District 2 encompasses the Central San Joaquin Valley from Merced county through Sacramento and Yuba counties.

Your current Director in District 2 is Case Van Steyn, a dairyman from Elk Grove. Proxies will be mailed in mid-January and are due back in our office prior to our Annual Meeting, which will be held on February 20, 2008.

Service on the CALAMCO Board of Directors does require a certain amount of time and commitment from Directors who are

expected to attend all meetings. The meetings are held during the months of June, August, October, December and the third Wednesday in February, which is the annual meeting. If you have any questions or are interested in submitting your name to our nominating committee, please contact our corporate office at 800-624-4200 by December 14, 2007.



Stock Sales

Once again, Sales Representatives are busy calling on growers in an effort to put inactive stock on the stock for sale list, as well as meeting with growers who are interested in purchasing additional stock to cover their annual fertilizer usage.

If you are still interested in purchasing additional stock, it is not too late, but please contact your CALAMCO Sales Representative as soon as possible. Stock must be purchased prior to our year-end of October 31, 2007 in order to qualify.

In addition, if you know of a grower who is not yet benefiting from being a member of CALAMCO, please have them contact us for more information. As a satisfied member, your testimony is the best advertisement we could ask for!

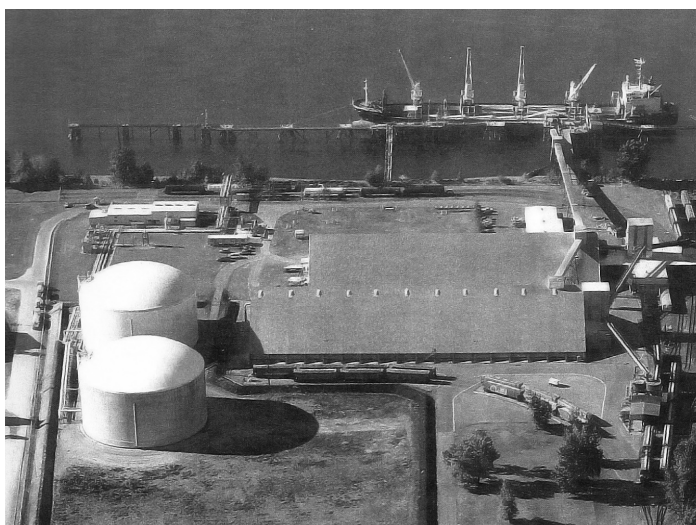


Board of Directors Tour J.R. Simplot Company Rivergate Terminal

CALAMCO management along with the Board of Directors held their August meeting in Portland, Oregon. The meeting was followed by a tour of the J.R. Simplot Company Rivergate Terminal, located on the Willamette River. The terminal consists of approximately 25 acres, purchased in two parcels from the Port of Portland in the late 1960's, and is one of the few privately owned deep water terminals in the Portland area. The J.R. Simplot Company purchased the facility in October 2000, which consists of two, twenty-five thousand ton anhydrous ammonia storage tanks as well as two bulk urea warehouses with capacities of 30,000 tons and 40,000 tons, respectively.

The Rivergate Terminal is designed to receive anhydrous ammonia from gas tanker ships, which travel approximately two miles upstream from its confluence with the Columbia River. The terminal also receives urea from bulk transport marine ships and barges, which are offloaded using the ships' cranes to move the urea from product holds to onboard conveyors. Transferred by conveyor and telescoping chute to a shore-side belt hopper, the urea is moved by conveyor belt to the two storage warehouses.

The majority of anhydrous ammonia received at the Rivergate Terminal is shipped by rail to the J.R. Simplot Company's Don Plant, in Pocatello Idaho for manufacturing purposes. The Don Plant is a major phosphate fertilizer manufacturing plant, and is one of five fertilizer manufacturing plants in the J.R. Simplot Company's Mining and Manufacturing Group.



Top: CALAMCO Board of Directors at J.R. Simplot Rivergate Terminal. Bottom: Simplot Rivergate Terminal, Portland, Oregon.

What You Really Need to Know About Safety (You already know this, but are you doing it?)



1. People don't want to get injured – we all know that none of our employees come to work and say to themselves: “This is the day for the big one. I guess I'll just have to have a good accident today, get the rest of the day off, and maybe the week too!” No, they all want to go home in the same condition that they arrived to work that morning, and it's our job to see they do.
2. Patience – a monstrous amount of patience. We need to communicate with our employees the reasons for working safely; why is it good for them, why is it good for their family, why is it good for their company, and we need to do this regularly.
3. You (we) have to do safety constantly:
 - a. Talk about it,
 - b. Talk about it some more,
 - c. Train about it,
 - d. Recognize it,
 - e. Reward it,
 - f. Then talk about it some more.
4. Most people with the right training, the right skills, and the right tools will behave safely. It's our responsibility as supervisors, managers and owners to give them those things they need so that they can do the right things safely all the time.
5. Most important of all – management has to buy-in proactively, and not just with “lip service”. Safety professionals, supervisors and team leaders get nowhere fast without buy-in from the top on down. Buy-in should come in several forms with the most important being “setting the example”; principals in the company must lead by example. Other forms include providing the resources needed (money, time, and personnel) to get the job done safely and efficiently. At no time should safety be compromised for the bottom line.
6. We are fast approaching the second “season” of the year and our employees will be out in the fields, on the highways, working the terminals – let's make sure they have all the tools they need for another safe season.

QUESTIONS OR COMMENTS CAN
BE FORWARDED TO CALAMCO
AT (800) 624-4200
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