PROGRESS

FALL 2012 — A PUBLICATION OF CALAMCO

Message to Shareholders

Bob Brown, President/CEO

We are quickly approaching the end of our 2012 fiscal year, which looks as if it will be another good financial year for your cooperative. With that, it will be time once again for year-end reporting of your fertilizer use. As previously reported, we have been working on installing a new program for shareholder accounting. As always, we will be mailing out Use Report Forms to all members in early November; however this year, you will also have the option of reporting your purchases on-line by logging onto our website at www.calamco.com.

Please refer to the Rebatable Product List in this issue for qualifying products.

If you choose to mail in your Fertilizer Use Report Form, we 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. Reminder postcards are only mailed to those members who have not yet reported, therefore if you receive a postcard and your report has already been mailed to our office, please contact us to verify receipt.

If you are still interested in purchasing additional stock, or know someone who may be interested, it is not too late, but time is quickly running out. Please contact your CALAMCO Representative as soon as possible. Stock must be purchased prior to October 25th in order to qualify.

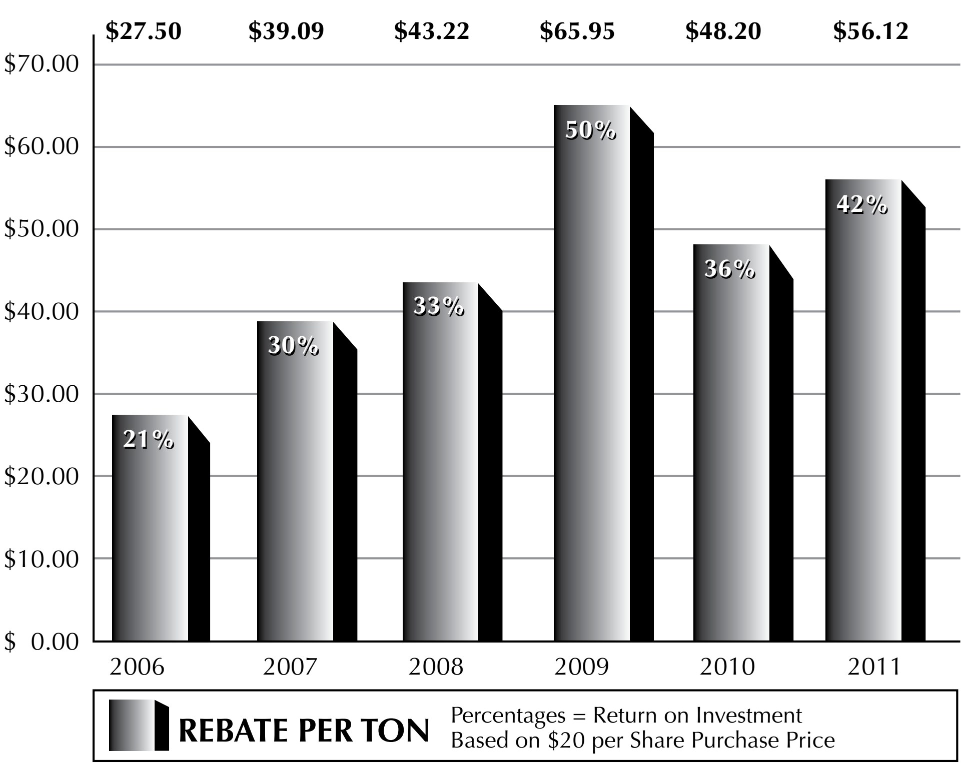
WHAT'S INSIDE

Rebatable Products

PRODUCT	NPK	NH3
Anhydrous Ammonia	82-00-00	100%
Ammonium Sulfate	21-00-00	26%
Aqua Ammonia	20-00-00	24%
Ammonia Nitrate 20% (AN20)	20-00-00	24%
Calcium Ammonium Nitrate (CAN 17)	17-00-00	21%
Ammonium Phosphate Sulfate	16-20-00	20%
Turf Supreme	16-06-08	20%
Urea Ammonium Nitrate Solution (UAN32)	32-00-00	19%
Agropell Triple 15	15-15-15	18%
Agropell Triple 12	12-12-12	15%
Agropell Tree N Vine	12-08-16	15%
Ammonium Polyphosphate Solution	10-34-00	12%
Agropell XB	06-24-24	7%

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.

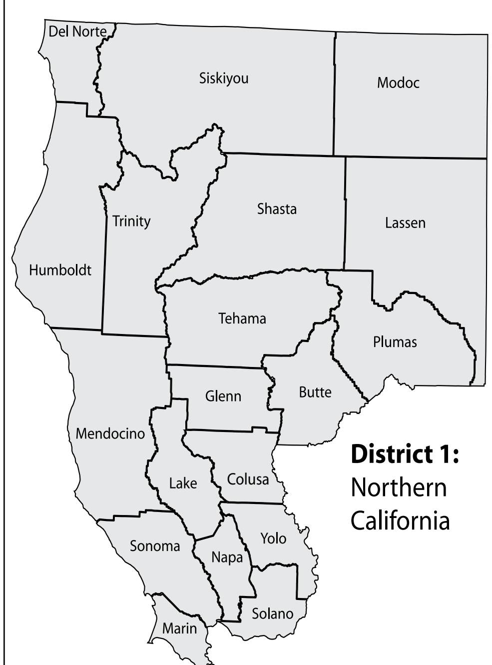
Average Six-Year Return = 31%



Elections to be Held in District 1

Elections for the Director to serve on CALAMCO's Board will be held this coming year in District 1, which encompasses Northern California counties from Sacramento north.

Your current Director in District 1 is Alan Freese, who will be seeking to serve another term. 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 on the third Thursday of the months of June, August, October, December, and the third Wednesday in February, which is the annual meeting. If you are a shareholder that resides in this district and are interested in more information or in submitting your name to our nominating committee, please contact our corporate office at 800-624-4200 by December 1, 2012.



CALAMCO Becomes a 4R Partner

4R nutrient stewardship is being embraced by organizations around the country who are working to bring you the most current information about Fertilizer Best Management Practices. 4R Partners 1) embrace the 4R framework within their organization and messaging as a recognizable strategy for economic, social, and environmental sustainability; 2) create awareness and provide outreach for the initiative within their organization, to their stakeholders, to policy developers and to the public; and 3) as applicable they implement services or practices consistent with the 4R scientific principles.

The 4R philosophy is an innovative and science-based approach that offers enhanced environmental protection, increased production, increased farmer profitability, and improved sustainability. The concept is to use the **right fertilizer source**, at the **right rate**, at the **right time**, with the **right placement**. Implications of the 4R nutrient stewardship system will spread far and wide through agriculture and society as a whole.
For fertilizer use to be sustainable, it must support cropping systems that provide economic, social, and environmental benefits. Enhanced understanding, adoption and promotion of 4R stewardship is the goal.

nutrient stewardship

The 4R Mission

Fertilizer is a component of sustainable crop production systems, and the fertilizer industry recognizes the need to efficiently utilize these nutrients. The 4R Nutrient Stewardship website (www.nutrientstewardship.com) provides information on fertilizer best management practices that benefit the environment and the producers bottom line. The site is a collaborative effort of the fertilizer industry to send a united message to the public.

The guidelines for the 4R principles are endorsed and suppoprted by the International Plant Nutrition Institute, The Fertilizer Institute, The Canadian Fertilizer Institute, and the International Fertilizer Industry Association. CALAMCO is proud to be recognized as a partner to the 4R initiative.

Notice to Inactive Shareholder

The following shares of California Ammonia Co. DBA CALAMCO ("**CALAMCO**") stock are now subject to redemption. This notice is being published since CALAMCO did not receive a response to the initial notice mailed to you at your address in CALAMCO's records.

Our records show that the following shareholders hold shares of the Class A Common Capital Stock (the "Shares") of CALAMCO as of the date of publication of this notice. Pursuant to Article IX, Section 3 of the Bylaws of CALAMCO, the Board of CALAMCO has approved the redemption of your Shares at the market value per share set by the Board (the "**Redemption Amount**").

Please contact us immediately at: info@calamco.com or 209-982-1000 to obtain additional information regarding the redemption of your Shares (including the specific Redemption Amount). You must deliver certain documents and your original stock certificate(s) to CALAMCO at 1776 W. March Lane, Suite 420, Stockton, California 95207 within four (4) years of the date the initial notice of redemption was first sent to you by CALAMCO (the "**Redemption Period**") in order to redeem your Shares. If you do not take such actions within the Redemption Period, your Shares shall automatically be cancelled upon the expiration of the Redemption Period and you will have no further rights to the Redemption Amount.

Evo Coehlo & Betty Coelho; James R. Kells & Gina C. Kells; Kathy H. Brown; Marcie H. Chinchen; John L. Deree & Patricia M. Derre; Elva Niles; Sara Niles; Steidlmayer Bros.; Walter Zwald; Sherrilyn Sciabica; Sciortino Ranches; Scott T. Frisch; Earl Giacolini; Kataoka Brothers; C.G. Kozuki & Hisaye Kozuki; Morito R. Nakata; John Van Curen & J.L. Van Curen; Herman R. Walls & Ann L. Walls; Yosuba Farms Inc.; L. H. Baldwin; Joe S. Esnoz; Laurence Handel; Joseph E. Kurtz; Dorothy K. Neufeld; Kenneth L. Wedel & Larry Wedel; Elvin Haworth; Ardell Hooper; Albert Lam & Marina T. Lam; David Lee Hauff & Terry Ellan Hauff; Husman Farms Inc.; Cyril L. Lawrence & Andrea S. Lawrence; Joe Lopes & Adelene Lopes; C.L. Nordman & Sons; Franscioni Brothers Inc.; Josepine Duncan; Gerald C. Moss & Marjorie J. Moss; Aileen R. Olson; Richard D. Silva; William Yamano; Dean Witter Reynolds Inc.; Melvin D. Barosso; Michael J. Carnahan; Bruce H. Clendenin; A.E. Dixon, Robert W. Dixon, Ernest L. Dixon & Leslie E. Dixon; Ferrari Farms Inc.; Harper B. Gabrielson Family Trust; Albert E. Ghio; Josephine Ish; Amedeo Nicora dba Nicora Ranch; John T. Norman; K. Sasaki & K.M. Sasaki; The John & Virginia M.Vallerino 1991 Trust; Simon G. Weststeyn; Pete Winters & Florence Winters; Mervin A. Rotta; V. Muzzi & Son; Celia Setsu Tani; Jerome Cortese, Donnie Cortese, Vince Cortese Jr., & John Cortese; F. R. Miller; Pete B. Banovac & Pauline Banovac; Shimuka Bros; Edward F. Lum & Charles F. Lum; Mildred Rachael Heintz; Frank D. Bavaro & Nick P. Bavaro; Albin P. Bettencourt & Adelia D. Bettencourt; Antonio A. Felix Jr.; David Goubert & Shelley Goubert; James Mahaffey Jr.; Louis P. Mendonca & Miriam J. Mendonca; Raymond Rohn Jr. & Janet Lynn Rohn; Wendal Torrison; Richard Amato; Tony Amato; Mahenga S. Bhatti & Surjit K. Bhatti; George T. Kochi & Mark Kochi; Veronica A. McFadden; David Fricke & Richard A. Fricke; Loretta Macedo; W.S. Kimmel; John B. Anderson & Henry H. Stone; George Franke; Donald H. Frazer; Kilkenny Brothers.

SAFETY

Hazardous Energy Control

Lockout/blockout means that any energy source — whether electrical, hydraulic, mechanical, compressed air, or any other source that might cause unexpected movement—must be disengaged or blocked, and electrical sources must be de-energized and LOCKED or positively sealed in the OFF position.

But even a locked-out machine may not be safe if there are parts of the machine that are not BLOCKED to prevent inadvertent movement. Potential energy that may need to be blocked can come from suspended parts, subject to gravity, or may be energy stored in springs. In a U.S. Bureau of Labor Statistics study on injuries related to servicing equipment, 80 percent of the workers surveyed failed to even turn off the equipment before performing the service work.

There is a difference between turning off a machine and actually disengaging or de-energizing a piece of equipment. When you turn off a control switch, you are opening a circuit. There is still electrical energy at the switch, and a short in the switch or someone inadvertently turning on the machine may start the machine running again.

To prevent these kinds of lockout/blockout accidents, General Industry Safety Order **3203**—in Title 8 of the California Code of Regulations —requires every employer to inaugurate and maintain an accident prevention program which shall include but not be limited to the following:

1. A training program designed to instruct employees in general safe work practices, plus specific instruction with regard to hazards unique to any job assignment.
2. Scheduled periodic inspections to identify and correct any unsafe conditions and work practices that may be found. The employer shall correct unsafe conditions and work practices found as a result of the required inspections.

Cal OSHA has sample procedures available on their website where this article was found.

Reminder – CALAMCO Annual Ammonia Awareness and Emergency Response at Stockton Fire Department Training Center scheduled for October 8 – 12. Information and registration materials have been mailed.

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

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