

PROGRESS

SPRING 2011

A PUBLICATION OF CALAMCO

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Doug DeVaney

Alan Freese

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Message to Shareholders

The financial strength of your cooperative was again evident by the excellent return paid to members for our 2010 fiscal year. Patronage checks were mailed to participating members in mid-January. The final patronage dividend was \$48.20 per ton of NH₃ equivalent. A 36.2% return on investment for those members who purchased their stock at \$20 per share in 2010! Stock ownership has been a remarkable investment, regardless of when your stock was purchased. Those of you that have owned your stock for a number of years have not only seen your stock increase in value, but have also achieved a much larger return on your investment!

We have already seen a significant interest in stock sales this year, so if you are no longer farming or able to utilize your shares, please contact your CALAMCO Regional Manager for assistance in putting your stock on our stock for sale list. Our goal is to have a member base comprised of active participants, utilizing those products provided by CALAMCO along with our industry partner, the J.R. Simplot Company.

As reported to shareholders at our recent Regional Shareholder Dinners, we have been experiencing a strengthening in fertilizer prices as we approach our spring season, though we do not anticipate prices to reach the levels experienced in 2008. Concerns over tightened supply due to the political tensions in North Africa and the Middle East potentially effecting exports from these regions, along with shortfalls in supply from Trinidad, where producers have been faced with cutbacks in gas supplies, coupled with strong world demand are contributing factors.

Domestically, fertilizer markets are expected to remain strong through the spring season, with higher crop prices continuing to set the tone for demand outlook. All things considered, we are poised for another good season this spring – weather permitting! We feel fairly confident that we have seen the peak in nitrogen prices for the short-term, which should remain stable through spring. Once again, we would like to thank you for your business and support!



BOB BROWN, PRESIDENT/CEO

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A Partnership with Growers

Operations Update



During our peak operating season in 2010, there were items that we determined needed to be addressed and improved upon in order to improve loading efficiency at the Stockton terminal. First, a third load-out station at our UN32 terminal was added. In addition, a numbering system was put in place, which means that as trucks enter the gate, they are given a numbered service ticket identifying the truck. This service ticket is used to match trucks with the correct information before printing out Bills of Lading prior to exiting the terminal.

Until recently, all trucks entered the terminal utilizing the same entrance gate. During our busy season, this created potential congestion of trucks waiting to enter the terminal during peak demand. A separate entrance has now been created for trucks that are entering the terminal to loading anhydrous and aqua ammonia from those loading UN32, reducing traffic and wait time to enter the terminal. The new system has been in place since the beginning of March and we anticipate a significant improvement to our traffic flow this coming spring season.

CALAMCO Offers \$1000 Scholarship

Just a reminder that CALAMCO is offering a scholarship to our shareholders and their immediate family (children), that are graduating high school seniors and plan to continue on to college or university, majoring in agriculture or an ag-related field. This offer is valid to current high school seniors planning to attend a college or university in the fall of 2011 or spring of 2012 (the scholarship would not apply at any later enrollment).

The application is available in PDF format on our website at www.calamco.com under the news/events tab. Just print out the application and mail it back to our corporate office at: CALAMCO, 1776 West March Lane, Suite 420, Stockton, CA 95207. Applications must be postmarked by May 2, 2011. We will notify the recipient of the scholarship by May 13, 2011.



Doug DeVaney Elected to Serve on Board for District 3 Case Van Steyn Named New Chairman of the Board

We are pleased to welcome our new director, Doug DeVaney who was recently elected as the director for District 3, to represent growers in the southern San Joaquin Valley. Doug is a third generation farmer, and currently serves as a District Manager for the J.G. Boswell Company in Corcoran, which has been a shareholder of CALAMCO for the past ten years.

Doug was officially nominated as Director on February 16th, at the annual meeting which was held at CALAMCO's corporate

office in Stockton. In addition, Case Van Steyn, who serves as the Director for District 2 (Central San Joaquin Valley) was named Chairman of the Board. Case has been a director on the CALAMCO Board since 2000. Sig Christerson, who represents district 4 (Coast and Imperial Valley) was named Vice-Chairman.

CALAMCO's management and Board are pleased to welcome Doug as our new director and look forward to working with him in the years ahead.

2011 Regional Shareholder Dinners



Approximately 600 people attended this year's regional shareholder dinners, which were held in Maxwell, Visalia, San Luis Obispo, and Stockton.

Our guest speaker this year was Emily Rooney, President of Agricultural Council of California, which she joined in September 2008. Ag Council provides a unified voice for cooperatives and other farmer-owned businesses in the state legislative and regulatory arenas.

Emily spoke to guests at each of the dinners about the current atmosphere in Sacramento under our new Governor, Jerry Brown. In addition, she spoke about his newly appointed staff, current budget negotiations along with various regulatory issues, and how they may affect the future of California agriculture.

All in attendance found Emily's first hand insight to what is going on extremely interesting and relevant as we anticipate what we might expect in California, and the future of California agriculture, under Governor Brown's leadership.

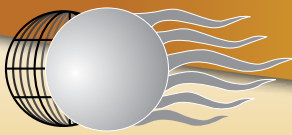
Prior to her work with Ag Council, Emily served as director of farm policy for the California Farm Bureau, representing the

interests and objectives of California's farmers and ranchers as they relate to farm policy, tax and biotech issues before the U.S. government and administrative bodies.

Emily also has legislative experience from public service in Washington, D.C. where she worked for two Members of Congress. As a Legislative Assistant, she advised the Congressmen on issues including agriculture, budget, taxes, and judiciary matters.

Emily comes from an agricultural background in San Joaquin County where her family owns a beef cattle and sheep operation just outside of Lodi. Her mother's side of the family farms tomatoes, beans and alfalfa in Tracy. She is a graduate of the University of California, Davis.

Following Emily's presentation, Alice Inderbitzin of CALAMCO gave a brief recap of our 2010 fiscal year and the outlook for fertilizer pricing this spring. As always, we concluded our evening by giving away a large variety of door prizes. We would again like to extend our sincere thanks to all the fertilizer dealers that donated a door prize for the dinner in their area, and we would like to thank all of you that were able to attend.



SAFETY

Congratulations are in Order

CALAMCO is receiving recognition from two organizations for our focus on safety. For the third consecutive year, Union Pacific has selected CALAMCO as a winner of the 2010 Union Pacific Chemical Transportation Safety Pinnacle Award. "Your company exhibited safe loading practices and had zero non-accident releases last year. This is an outstanding achievement and clearly demonstrates your great performance and commitment to the safe transportation of hazardous material."

The second is presented by the Central California Safety Council/San Joaquin Safety Council. We are being honored with the 2010 Company Safety Achievement Award. We had zero accidents or injuries during 2010, a statistic we fully expect to duplicate in 2011.

Thank you to our customers. We would like to thank our customers for their efforts towards providing a safe environment. We have experienced great participation and support for the ammonia awareness and safety presentations that we provide throughout the year.

Our thanks also for the immediate response that we receive in reference to the Unsafe Conditions Reports that are submitted from time to time by our drivers. These documents which are managed by WPHA assist us in communicating possible hazards at delivery locations. There were several examples this past year when a hazard that was identified using the report was quickly corrected. Through open communication like this, we all benefit.

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

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