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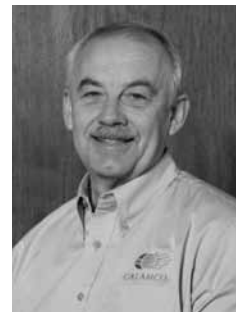
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MESSAGE TO SHAREHOLDERS

Here at CALAMCO, one of our key goals is to continually strive to provide the best possible service to you, our shareholders. We were encouraged to have a number of members take advantage of the new capability to report 2012 fertilizer use on-line and hope to see a significant increase in members utilizing this feature in the future. We would also like to thank those members that generously donated to CALAMCO's PAC fund. Rebate checks were mailed to participating members in mid-January for our 2012 fiscal year. It turned out to be another good year for your cooperative, with a dividend of \$48.09 per ton of ammonia equivalent. That equates to a 36% return on investment for those members that purchased their stock at \$20 per share this past year!

With the recent warm weather, it appears the spring season will begin earlier this year. Hopefully this will help to spread out the planting season so that it will not be as condensed as it has been over the past few years. In addition, this year, we have restructured our trucking schedule to better accommodate the needs of our customers and shareholders. As we approach this busy time of year, we have seen a small decline in the cost of anhydrous ammonia on the world market, which has come down slightly from where it was during the winter months. However, today's prices are still substantially higher than they were this time last year.

We would like to take this opportunity to thank you for your business and support, and look forward to continuing to supply your nitrogen needs in 2013.



BOB BROWN
PRESIDENT/CEO

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2013 Regional Shareholder Dinners



Dr. Robert Mikkelsen spoke to the audience about water issues.

Approximately 500 people attended this year's regional shareholder dinners, which were held in Maxwell, Visalia, San Luis Obispo, and Stockton.

Following dinner, the evening's presentation featured two guest speakers. The first, Matt Kastner, Manager of Scientific Programs for The Fertilizer Institute (TFI)

gave a brief presentation regarding the development of the 4R Nutrient Stewardship Outreach program, which highlights best management practices (BMP's) utilizing the 4R's; right source, right rate, right time, right place. The program was developed to meet a growing need by the agriculture industry to send a united, positive message following water quality issues that arose in various parts of the country.

Our second guest speaker, Dr. Robert Mikkelsen, Director of the International Plant Nutrition Institute (IPNI) spoke to the audience about the water issues that we are currently facing throughout California, and the role that the water coalition's play in various parts of the state. Implementation of the 4R Nutrient Stewardship Program is a key factor that the agriculture industry is using to promote best management practices and minimize the impact of nitrates in our water supply.

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 who were able to attend.

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 2013 or spring of 2014 (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 April 19, 2013. We will notify the recipient of the scholarship by May 6, 2013.



CALAMCO Receives Safety Award

We are proud to announce that CALAMCO was selected for the 2012 Terra Safety Award. Terra is the name of the insurance captive of which we are members; a group of 24+ other companies connected to agriculture. We were selected for our continued focus on safety, evident by completing 2012 without a recordable accident or injury. We would like to take this opportunity to congratulate each member of our team for a job well done!



*Craig Hinchman,
Manager EH&S for
CALAMCO accepting
safety award from Terra
Insurance Captive*

New CALAMCO Rebatable Product: Simplot ASN-26

With continued mandated regulation and voluntary Dealer self-regulation toward dry ammonium nitrate (AN) fertilizer grades, this important nitrogen source has become significantly less available in the marketplace. The opportunity for misuse of fertilizer grade AN is always present and yet there remains agronomic demand for this readily available form of nitrogen. The search for a safer AN fertilizer started with the concept of combining ammonium nitrate and ammonium sulfate thus capturing both products desirable characteristics, nitrate nitrogen and sulfate sulfur.

Circa 2005, Honeywell, the world's largest single-site producer of ammonium sulfate fertilizer, announces its new patented technology that chemically fuses ammonium sulfate with ammonium nitrate. This new product is not detonable or an oxidizer. **ASN-26** (ammonium sulfate nitrate 26-0-0-14s) is born.

In 2008, Honeywell declares further development of the technology and receives a "Certificate of Safety Act Designation" from the Department of Homeland Security.

In this certificate, it designates their process as a qualified anti-terrorism technology. The J.R. Simplot Company and Honeywell start discussions in 2008 around the feasibility to build a demonstration plant at the Simplot Lathrop, CA facility. The two companies quickly recognized the potential of this partnership. Honeywell has the new technology and the desire to prove their new process through a commercial scale production facility. Simplot has California dry fertilizer production capability and manufactures the required raw materials, ammonium nitrate liquor and ammonium sulfate. CALAMCO supplies the ammonia feedstock to manufacture these two essential raw materials.

Simplot **ASN-26** is a dry granular nitrogen fertilizer with an analysis of 26-0-0-14s. Half of the nitrogen is derived from ammonium nitrate and half from ammonium sulfate. Sulfur is in the sulfate form. This product will be a welcome addition to the rebatable list of agricultural fertilizers for CALAMCO Shareholders. The new production facility in Lathrop, California is currently under construction with start-up estimated to be mid-year 2013.

Simplot ASN-26 AMMONIUM SULFATE NITRATE
September 4, 2008

CERTIFICATE OF SAFETY ACT DESIGNATION

Green Markets
FERTILIZER NEWS, PRICING, REGULATION AND SUPPLY CHAIN

Honeywell, Simplot partner in safer AN product
December 5, 2011
VOLUME 35 NUMBER 49

Detonation Tests: Comparison

CALAMCO
A Partnership with Growers

Rebatable Product List

Product	N	P	K	S	AN
CALAMCO AirFusion Ammonia	82-00-00	00	00	00	100%
Simplot Ammonium Sulfate	21-00-00	00	00	24%	26%
CALAMCO AgriSulf Ammonia	20-00-00	00	00	24%	24%
Simplot Calcium Ammonium Nitrate 20% (CAN20)	20-00-00	00	00	24%	24%
BEST Ammonium Phosphate Sulfate	17-00-00	00	00	24%	24%
Simplot Urea Ammonium Nitrate Solution (UAN32)	16-20-00	00	00	24%	24%
Simplot AgriSulf Triple 18	18-00-00	00	00	20%	20%
Simplot AgriSulf Triple 12	12-00-00	00	00	20%	20%
Simplot AgriSulf Triple 10	10-00-00	00	00	20%	20%

Heat Illness Prevention

California Employers are required to take these four steps to prevent heat illness.

1. **TRAINING** – Train all employees and supervisors about heat illness prevention.
2. **WATER** – Provide enough fresh water so that each employee can drink at least one quart per hour, and encourage them to do so.
3. **SHADE** – Provide access to shade and encourage employees to take a cool-down rest in the shade for at least 5 minutes. *They should not wait until they feel sick to cool down.*
4. **PLANNING** – Develop and implement written procedures for complying with the Cal/OSHA Heat Illness Prevention Standard. Example procedures can be found on the website listed below.



This and additional information can be found on the Cal OSHA website at: <http://www.dir.ca.gov/dosh/heatillnessinfo.html>

Ammonia Storage Tank Compliance Checklist

The Western Plant Health Association (WPHA) has developed three regulatory compliance checklists for owners and users of anhydrous ammonia tanks. These lists are available on the WPHA website: www.healthyplants.org. These checklists will assist owners in ensuring that their tanks are safe for many years of continued use.

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

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