



CALAMCO PROGRESS

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MESSAGE TO SHAREHOLDERS



I have now survived my first full year at CALAMCO, and what a year it has been! Over this past year, we have seen fertilizer prices soar to unprecedented levels. We are pleased to say that we have finally experienced some relief on world demand, easing the upward pressure on world market pricing. As a result, we have recently announced a slight decrease in ammonia prices to our customers, at least for the short-term. However, current prices still remain much higher than we have ever encountered in our company's history.

To date, your cooperative is once again experiencing another fantastic year. A warm Spring translated into an early season, which gave farmers plenty of time to work ground and plant crops. Unfortunately, the warm Spring also translates into lower than normal precipitation, which is resulting in drought conditions for growers in the Southern San Joaquin Valley, having a direct impact on acres planted.

Even though we may sustain a slight decline in demand for product movement in this area of the state, we still anticipate a great year overall. We kicked off our fiscal year with strong sales due to the demand for nitrogen on increased wheat acreage; we have had a busy Spring Season, and we anticipate another robust Fall as wheat prices and demand outlook remain strong.

This is a great time of year to review your fertilizer use and stock coverage to see if you are fully maximizing your returns. If your nitrogen demand has increased, please contact your CALAMCO Sales Representative to assist you in determining if the purchase of additional stock would be a benefit.

BOB BROWN, PRESIDENT/CHIEF EXECUTIVE OFFICER

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CALAMCO Awards First Annual \$1000 Scholarship to Danielle Hawes

We are pleased to announce that Danielle Hawes is this year's recipient of a \$1000 scholarship awarded by CALAMCO. Danielle is from Wilton, California and is a

2008 graduate of Pleasant Grove High School. She is planning to continue her education at California State University, Chico this fall, majoring in Agriculture Business.

Danielle grew up working in her family's feed store, Hawes Ranch and Farm Supply, in Anderson, California including working in the corn maze and pumpkin patch. In addition, she has been actively involved in both 4-H and FFA. She has raised Registered Columbia sheep since she was nine years old. She's attended the National FFA Conference three times and the California State

FFA Conference twice. Danielle received her State FFA degree and was awarded the Star Farmer in Central Region this year for her sheep project. She has also been awarded the champion and reserve champion ram and ewe at the Cow Palace, and was recognized as the Outstanding Sheep exhibitor for two years.

Over the years, Danielle has been actively involved in her community, participating at Elk Grove Lion's Club Crab and Shrimp Feed and the Harvest Festival. She's volunteered as a 4-H Camp Counselor, a Link Crew Leader and enjoys teaching kids the importance of non-drugs and non-violence.

CALAMCO is extremely pleased to award this year's scholarship to such an enthusiastic and dynamic young lady. We would like to congratulate Danielle on all her accomplishments thus far, and wish her all the best in achieving her dreams and goals.

Meet Your CALAMCO Administrative Staff

Since we have some new faces at our corporate office, we thought it would be nice to introduce our entire administrative staff to our customers and members. It's always nice to associate a face to the names that many of you speak to; whether it's once a year during shareholder accounting, or a customer, calling in to place an order. Therefore, we are pleased to introduce you to these employees that are here to serve you:

Our Administrative Staff:

Seated left to right is Bettie Stanford, Accounting Assistant, Vanessa Harris, Controller, and Pam Martin, Executive Assistant. Standing from left to right is Jennifer Thao, Receptionist, and Cindy Chanhnoy, Accounts Payable.

In our Customer Service Department are Davina Escalante (left) and Tanya Somera (right) who operate the order department and dispatch.



Our Administrative Staff



Customer Service Department

J.R. Simplot Dies At Age 99

Reported by the IdahoStatesman.com written by Tim Woodward

J.R. Simplot, Idaho's richest man and an Idaho icon for decades, died Sunday, May 25, 2008 at his home at age 99, with his wife, Esther at his side.

Simplot died suddenly following a bout of pneumonia from which he appeared to be recovering. His death occurred moments after he had invited a friend to his home to play cards. Despite his age, the news stunned many who knew him well, and had repeatedly been impressed with his vigor and zest for life.

A Delco farm boy who never attended high school, Simplot built a personal fortune recently estimated at \$3.6 billion. He and the company he founded all but reinvented the humble potato, creating the first successful frozen French fries and partnering with McDonald's to sell them worldwide. The private company he began became one of the largest agribusiness conglomerates in the world. In Idaho, Simplot was a larger-than-life figure who helped bankroll the startup costs for Micron Technology, donated millions to colleges, universities and other causes, and drove a Lincoln with "MR SPUD" license plates.

As a philanthropist, he gave so much money to so many Idaho causes that no one was able to keep track of it all. In his later years, he was a familiar figure on the streets of Boise, driving a motorized cart from his penthouse at the Grove Hotel to his beloved gin-rummy games at the Arid Club. He was seen less around town, however, after a head injury suffered during a fall at the 2006 Fiesta Bowl. "J.R. Simplot was a wonderful man and

a great mentor who embodied what Idaho is all about," said Governor C.L. "Butch" Otter, who was married to Simplot's daughter, Gay, and fathered four of Simplot's grandchildren. "He had a huge impact on my life for over 30 years, and I shall miss him."



Simplot's son, Scott, said his father's life story also was the tale of a generation that revolutionized Idaho. "He was fortunate to be part of a huge transition taking Idaho from a raw state and converting it to the homeland we have today," Scott Simplot said.

Former Governor, Phil Batt, who knew Simplot well, said he was among the most important figures in the state's history. "We're sad, but we can revel in his accomplishments," Batt said. "I think he did more to build Idaho than any other one person."

Operations Update

Since December 2005, we have no longer required utilizing the water from the San Joaquin Delta as a means of warming ammonia prior to loading trucks. This benefit, allowing us to eliminate potential environmental exposure was ultimately the major purpose for installing the Power Plant at the Stockton Terminal a few years ago.

During our peak season last year, it came to our attention that some redesign may be required on the passive heating system. Anhydrous ammonia is stored in our tanks at -28 degrees Fahrenheit, however, the ammonia must be warmed to 32 degrees or higher to load into trucks for transit.

Insufficient heating capacity slows down the loading process in peak demand, which is when greater heating capacity is required.

In order to keep up with demand, as well as maintain our compliance with the Regional Water Board, we have commissioned two six-million BTU capacity hot water generators, which supply an alternate source of heat as a redundancy to our co-generation system. This back-up heat source was installed prior to our Spring season, and has enabled us to provide adequate ammonia load-out capacity for both truck and rail.

Heat Illness Prevention

As we move into the summer months, the opportunity for heat illness to occur to our workers becomes more likely. The California Division of Occupational Safety and Health (CAL/OSHA) provides guidelines to help employers and employees understand what heat illness is, and some steps to prevent it.

As the temperature rises, the body's inability to cope with heat and cool itself may result in heat illness, with potentially deadly results. The four steps of training, water, shade, and planning are key to a successful season without heat illnesses.

Training is mandatory; individuals need to know about risk factors, the employer's plan and procedures, the requirement for frequent water intake, adjusting to high heat exposure, types of heat illness and symptoms, reporting signs and symptoms, employer's

procedures for responding to symptoms and contacting emergency medical services, and employer emergency communications.

In 2005 safety and health data showed that all surviving victims of heat illness had access to some shade (i.e. blockage of direct sunlight) during work periods, lunch or breaks. At least five minutes at a time of shade must be provided for those who desire it.

At least one quart of fresh, cool water is required per hour. CAL/OSHA data reveals that 96% of those who succumb to the heat suffered from dehydration, even when water was available at most jobsites. Employees must be encouraged to drink water frequently as a preventative measure.

Written procedures are also required. Information must include information on

how the employer will comply with the standard; how one should respond to symptoms of possible heat illness; how to contact emergency medical services, and how employees will be transported to where they can be reached by medical service providers; and how clear and precise directions to the worksite will be provided to emergency responders.

It's up to us to ensure that we implement the provisions of the Heat Illness Prevention Standard to protect the workers from heat illness and, as a result, promote a healthier and more productive workplace.

More specific information is available in the California Code of Regulations, Title 8, Section 3395.



QUESTIONS OR COMMENTS CAN
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AT (800) 624-4200
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