

CALAMCO PROGRESS

SUMMER 2010 ▶ A PUBLICATION OF CALAMCO

MESSAGE TO SHAREHOLDERS



It seems that there is no such thing as a “normal” season and, once again, this past spring proved no exception. Unusually cold, wet weather continued throughout April, which is typically one of our busiest months for spring fertilizer movement, especially in northern California’s rice country.

As we entered May, warmer weather and northern winds helped to dry out soggy ground enabling growers to plant their crops and thankfully, salvage a good portion of the season. However, sporadic storms throughout the month hampered an already condensed planting season. The southern San Joaquin Valley’s fertilizer movement kicked in by mid-May though cooler than normal temperatures did create some delays.

Though April put us behind our normal budget for sales, CALAMCO did end up having an excellent month for fertilizer movement in May. However, it is virtually impossible to completely make up for the product we would have moved in a “normal” season. We are still slightly behind budgeted tons year-to-date, as well as product moved through the same time-frame in 2009. That being said, your cooperative is still experiencing a strong financial year.

BOB BROWN, PRESIDENT/CEO

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CALAMCO Awards Two \$1000 Scholarships

Once again, we were extremely pleased to receive a large number of applications for this year's scholarship and were very impressed by the applicants. They were all very deserving individuals that have worked very hard throughout their academic career, and plan to further their education in agriculture at a variety of universities. Our plan was to award one graduating senior with a scholarship, however two applicants were so outstanding, we decided to award them both.



Jacqueline Van Ruiten of Robbins is a 2010 graduate of Yuba City High School, graduating with a 4.14 grade point average. She has been very active throughout high school, holding a position as class officer all four years of school. She was a member of the California Scholarship Federation, and Jacqueline received the Girl Scout Silver Award in 2007. She was active in softball and volleyball, and was a volunteer for a variety of organizations and foundations, in addition to helping out on their family farm.

Jacqueline plans to further her education at California Polytechnic State University, San Luis Obispo this fall majoring in Agribusiness. Her ultimate goal is to achieve a marketing position with a company within the agricultural industry.



Jason Colombini of Linden is a 2010 graduate of Linden High School, graduating with a 4.14 grade point average. Jason held a wide variety of offices throughout his high school years including serving as student body President his senior year. He was active in cross country, track, and basketball in addition to 4-H and FFA, serving as President (as well as holding other offices) for both organizations. He is very interested in politics, having served as Treasurer and President of the Young Republican's Club as well as being a Student Trustee on the Linden Unified School District.

Jason will attend California Polytechnic State University, San Luis Obispo this fall, majoring in Agricultural Business and Political Science. After attending college, Jason plans to return to the family farm in Linden, and would also like to pursue a position serving in the California State Legislature one day.

We would like to congratulate both Jacqueline and Jason for all of their achievements thus far, and for being this year's scholarship recipients! We wish them much success as they continue to pursue their future goals!

CALAMCO Receives Pinnacle Award From Union Pacific Railroad

For the second straight year, CALAMCO is proud to be honored as one of Union Pacific Railroad's Pinnacle Award recipients for 2009.

In 1996, Union Pacific initiated the Chemical Transportation Safety Pinnacle Award as part of their non-accident release (NAR) reduction program. The award was designed to increase shipper awareness of NARs by recognizing those shippers who take an instrumental role in preventing NAR incidents. The award program is open to all chemical shippers, and annually honors those companies which have successful prevention and corrective plans and a rate of zero NARs for shipments of regulated hazardous materials.

Based on UPRR's car handling statistics, customers are divided into four different categories, which are based on the number of cars shipped per year. Approximately 1100 eligible customers were judged based on safe-loading techniques, securement of the shipments and no non-accident releases.

Board Votes To Raise Stock Price

At the Board of Directors meeting held in Stockton on June 10, 2010, the board voted to raise the price a grower or dealer will pay for CALAMCO stock (Class A and B) from \$18 per share to \$20 per share effective immediately. In addition, the board voted to set the price that CALAMCO will pay a shareholder that is wishing to sell his stock from \$17 per share to \$18 per share.

Stock at \$20 per share still remains an outstanding investment for those growers that are using nitrogen. The past six year average return on investment based on a \$20 per share purchase price would have been an amazing 29%. There are not many investments available today that have achieved that level of a return! Members have not only realized great dividends over the years, the value of stock has also grown.

Greg Dexter Honored For Years of Service on CALAMCO Board Joel Barker of J.R. Simplot Company Named New Director

CALAMCO's Board of Directors and management presented Greg Dexter with a special plaque to signify his ten years of service as a director on CALAMCO's board. Greg was first elected as a director representing the J.R. Simplot Company in April of 2000. Greg announced his retirement from the J.R. Simplot Company after 35 years of employment which will be effective August 31, 2010. CALAMCO's management and staff along with the Board of Directors would like to thank Greg for his years of dedication and service.

In January of this year, Joel Barker was promoted to Vice President/Controller for the J.R. Simplot Company Agribusiness Division, replacing Greg Dexter's position. Joel has also been appointed to replace Greg's position as a Class B Director on the CALAMCO Board.

Joel is a graduate of Oral Roberts University and is a 25+ year member of the American Institute of Certified Public Accountants. He was recognized as an outstanding young "Accomplished under 40" businessman by the Idaho Business Review in 2000, and is a recipient of the Simplot President's

Achievement Award.

In his twenty-one years with the J.R. Simplot Company, Joel has seen the company grow from many different angles. Joining

the company in a corporate financial capacity, Joel moved into management positions working within the Dairy Division, Turf & Horticulture (T&H) Division, and most recently, helped play a major role in the growth of Simplot's agricultural retail business.

Joel and his wife Donna have been married for twenty-four years and have two teenage sons. He is an avid sports fan, and in his spare time, he enjoys coaching community youth athletics. He also serves as church treasurer for his local congregation.

CALAMCO's management, staff, and Board of Directors are pleased to welcome Joel as a new Director and would like to congratulate him on his recent promotion within the J.R. Simplot Company



Gordon Patterson Retires



After 43 years of service, Gordon Patterson announced his retirement, effective June 14, 2010. Upon graduating High School, Gordon served in the Navy on the flight deck of an aircraft carrier in Vietnam. When he returned

home, his first job was working at the Holly Sugar Plant in Tracy before taking the position with Occidental Chemical Company at the Lathrop plant in 1967. Gordon (nicknamed "Pat" by his fellow employees) first began working in the sulfur and phosphate plants, eventually working his way up to the position of Chief Operator of the Ammonia Plant in 1977. He transferred to CALAMCO's Stockton Terminal in 1979, becoming a Leadman at the facility in 1981.

Gordon was considered the most knowledgeable employee when it came to working with anhydrous ammonia and understanding all aspects of operating an ammonia facility. We are extremely sorry to lose such a valued and well respected employee.

In his spare time, Gordon enjoys working on cars, electrical work, as well as wood working. We would like to wish Gordon all the best in his well deserved retirement.

Evacuation/Shelter-in-Place Procedure

At CALAMCO we have long had a shelter-in-place (SIP) procedure in response to an ammonia leak. This procedure incorporates a decision tree to decide whether to SIP or evacuate. In order to make that decision, two fundamental questions must be answered:

1. Will shelter-in-place provide adequate protection?
2. Is there enough time to evacuate?

The answers to these two questions will determine whether to evacuate or SIP. On the right is the decision tree

To successfully SIP, a second set of determinations must be made. These should have been made ahead of any emergency, but circumstances may dictate a re-evaluation of any SIP decision.

For SIP to work, the shelter must be adequate. There must be enough space for all individuals, and there must be materials to seal off the area from outside hazardous atmospheres.

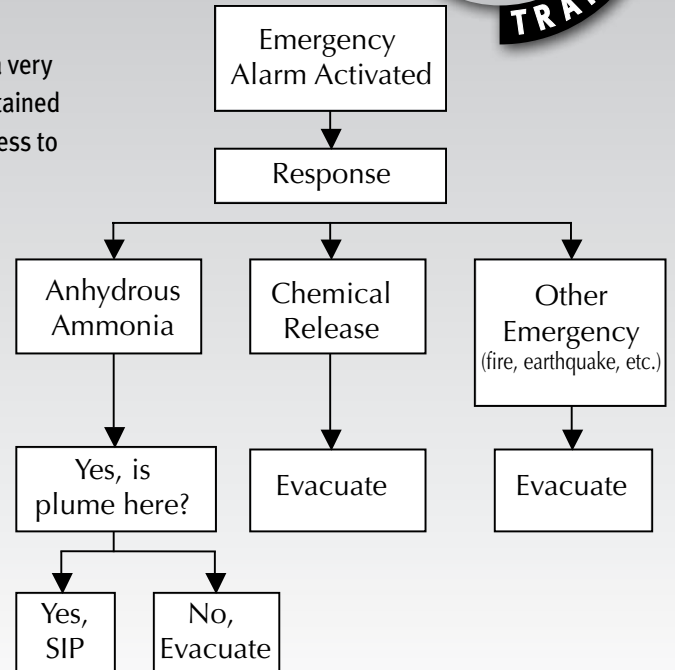
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The shelter may be compromised if the ventilation system cannot be shut off in time, or sealed off from the plume. Finally, there is a time limit of about two hours for a successful SIP. All of these considerations must be taken in when the decision is made to SIP. The alarm will say to go to your assigned SIP area, but there may not be time for that. There will be several options for individuals. These include:

- Using PPE to evacuate the area. The full-face cartridge respirator is a very good way of getting away from the plume. There are also 4 Self-Contained Breathing Apparatus (SCBA) at the terminal. For those who have access to these, they should be used to evacuate upwind of the plume.
- If rooms cannot be sealed off, and other SIP locations are not available, alternative routes of evacuation need to be set up.
- For SIP,
 - Shut off ventilation.
 - Close the door.
 - Seal openings.
 - Place material into the cracks around doors, windows, etc.
- Establish and maintain communications with the "outside".
- Wait for the "All Clear" from emergency responders or a person of authority.



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