

CALAMCO

progress

SUMMER 2022

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MESSAGE TO SHAREHOLDERS

This year fertilizer prices across the board rose to unprecedented levels. As measured by the Tampa index, ammonia prices reached levels over four times higher than they were in January 2021. In early spring, just when we thought we would see a bit of relief in pricing, the global supply system had to deal with the impact of the Russian invasion of Ukraine, which created significant upward pressure on global prices.

CALAMCO purchases ammonia based on the Tampa index, and our cost of goods are priced at the time the vessel loads. The Tampa index rose 43% in April compared to the February/March price as a result of the Yuzhnyy Port closure. Since CALAMCO ammonia imports increase in the March/April/May time frame as we prepare for spring planting, we were directly impacted by this increase.

Our last vessel, which we received in early May, completely filled our 40,000 ton storage capacity. In a normal season, we would have ample room, and this vessel (which carried 23,000 tons), would bring enough product to get us through the remainder of the season. Unfortunately, the drought caused a dramatic decrease in rice acres planted, and we only moved a fraction of what we would in a typical year.

On a positive note, domestic plants have returned to production and lower natural gas prices in Europe have plants resuming operation. This eases the pressure on supply, resulting in a reduction in Tampa prices. Our next vessel is scheduled to arrive in Stockton in July bringing us lower priced product; giving us the ability to manage prices down to customers, while maintaining our target rebate of \$50 per ton. ■



Daniel Stone
President / CEO

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A PARTNERSHIP WITH GROWERS

CALAMCO AWARDS FIVE \$1000 SCHOLARSHIPS

This year we are pleased to award \$1000 scholarships to these five, well deserving, graduating seniors. Each of these scholarship recipients has demonstrated outstanding achievements throughout his/her academic years and has expressed a desire to further their education in order to pursue a career in agriculture.



ALEXANDRA ESAJIAN is a 2022 graduate of Mission College Preparatory Catholic High School with a 4.35 cumulative weighted grade point average. While in High School, Alexandra was active in volleyball for all four years, soccer, and co-founded the

beach volleyball club. She was also a member of student government and the agriculture club.

Alexandra plans to attend Cal Poly San Luis Obispo this fall, majoring in Agricultural Business. Her goal is to eventually manage their family farm.



HOLLY DOHERTY is a 2022 graduate of Woodland Christian High School, graduating with a 4.24 grade point average. While in school, Holly was active in basketball. She served as President of the FFA Chapter and Chairman of the Ag outreach committee. She

was also a teacher's assistant for her ag advisor. She is a member of the National Junior Angus Association as well as the National Honors Society. While in high school, Holly started her own beef business, where she would process steers from her herd and sell the meat within her local community.

Holly will be attending Oklahoma State University this fall where she will major in Agribusiness. Her plan after college is to help manage her family farm as well as expand her cattle business.



AHNA DAVIS is a 2022 graduate of Porterville High School, graduating with a 4.2 grade point average. While attending school, Ahna was active in water polo, swimming, band, FFA, and Fellowship of Christian Athletes (FCA).

Ahna will be attending Ventura Community College this fall majoring in Ag Business. Her goal upon graduating from college is to return to help manage the family farm.



LAURA MARING is a 2022 graduate of Central Catholic High School in Modesto. While in school, Laura served as Student Marketing President, FFA Chapter Officer, ASB class secretary, Varsity Cheer Captain, and Liturgy Club member.

During the recent Covid pandemic, Laura, along with her best friend, started a produce business "Harvest to Home", providing fresh produce to those in need within her community.

This fall, Laura plans to attend either Cal Poly majoring in Viticulture, or the University of Arizona, where her major will be Agriculture Business. Her goal is to gain new skills and knowledge for her future career in the agriculture industry.



JADE LASSAGA is a 2022 graduate of Marysville High School, graduating with a 3.9 grade point average. While in school, Jade was heavily involved in FFA, as well as in raising and showing beef cattle, receiving several awards. She was also involved in Prepared

Public Speaking competitions serving as Sectional President, and Chapter and Regional Vice President. Jade plans to attend Cal Poly, San Luis Obispo this fall, majoring in BioResource and Agricultural Engineering. Upon graduation, she plans to continue her education by attending Law School with the ultimate goal of advocating for farmers and agriculture as a water rights attorney. ■



CALAMCO HOSTS **EMERGENCY RESPONSE TRAINING**

On June 8th, CALAMCO hosted and participated with California National Guard Civil Support Team in a simulated ammonia leak on a rail car at the Stockton Terminal. This drill included participants from Port of Stockton Police Department, Stockton and Tracy Fire Departments, Stockton Police Department, San Joaquin County Sheriffs, and San Joaquin Office of Emergency Services (OES). The exercise objectives included performing initial emergency notifications and actions required for CALAMCO employees, evacuation actions and mitigation procedures. First responders performed lifesaving rescue in a chemical spill as well as leak mitigation. This exercise also helped many other emergency planning agencies prepare for other large-scale disasters such as wildfires, floods, and terrorist attacks. ■



SEASON UPDATE

Lack of rain last winter created yet another season of drought throughout California.

Water curtailments created a large reduction in rice acreage in the northern California region once again this spring. Acres planted in 2021 were down about 100 thousand acres from 2020 at 407 thousand acres. Early projections were that 348 thousand acres of rice would be planted in 2022. However, we estimate that we

will end up with only 200-220 thousand acres planted; approximately half of the rice acreage planted in 2021.

The northern California rice planting season is a huge market for CALAMCO, and the drastic reduction in acreage obviously had a direct impact on sales. March, April and May movement of ammonia (including aqua and AN20 sales) were down 27% from 2021, and down 37% compared to 2016-2020 average. ■

WILDFIRE PREPAREDNESS

The geography, weather patterns, lack of rain, and number of Wildland Urban Interface communities in California make it a state particularly threatened by devastating wildfire.

As catastrophic wildfires continue to increase each year, make sure to protect yourself and your family – plan, prepare, and stay aware.

BE READY: Create and maintain defensible space and harden your home against flying embers.

GET SET: Prepare your family and home ahead of time for the possibility of having to evacuate. Ensure you have a plan of what to take and where to go.

BE READY TO GO: When wildfire strikes, go early for your safety. Take the evacuation steps necessary to give your family and home the best chance of surviving a wildfire.

ACTIONS TO GET YOU STARTED:

- Remove vegetation or debris from your roof, vents, windows, deck and gutters.
- Inspect home for dry rot, gaps or cracks. Caulk gaps greater than 1/8-inch.
- Create and maintain the required 100 feet of Defensible Space.
- Cut or mow annual grass down to a maximum height of four inches.

FOR MORE DETAILED INFORMATION PLEASE VISIT:
<https://www.readyforwildfire.org/prepare-for-wildfire/>

Sources: National Fire Academy (NFA), Cal Fire

Questions or comments can
be forwarded to CALAMCO
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www.Calamco.com

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