



CALAMCO PROGRESS

FALL 2006 ▶ A PUBLICATION OF CALAMCO

MESSAGE TO SHAREHOLDERS



Once again, 2006 is shaping up to be another strong financial year for your cooperative. Though nitrogen prices reached unprecedented heights earlier this year, we have finally seen some relief in world market pricing. The overall demand for nitrogen this past year was much less than expected due to an unusually wet spring, therefore it took much longer to move through

higher cost inventory purchased prior to our spring season. We expect the market to stay fairly stable throughout the upcoming fall season.

By mid-October we will be mailing the Shareholders Product Use Report Form. Please refer to the Rebatable Product List in this issue for qualifying products. You may also find this information on our website at CALAMCO.com. In addition, if for some reason you do not receive your Product Use Report, or it is somehow misplaced, you will now be able to download a form from our website. Please note that this is a blank form, therefore **you must fill in your relevant shareholder information**, including shareholder name, shareholder number, and a contact number in order for us to correctly determine who to apply the purchases to.

Please remember that **the deadline for reporting will be December 15, 2006, and will be strictly enforced**. We will be mailing a reminder post card in early December to all members whose reports have **not yet been received**. If you receive a postcard reminder and have mailed in your report, please feel free to contact our office at 800-624-4200.

Ensuring your use report is mailed to our office is **your responsibility**. Most fertilizer retailers are willing to provide CALAMCO members with their fertilizer purchase information. We would encourage you to keep a copy for your records, and mail the report yourself. This way you can be certain that the report has been mailed in a timely manner.

If you are still interested in purchasing additional stock, or know someone who may be interested, it is not too late, but please contact your CALAMCO sales Representative as soon as possible. Stock must be purchased prior to our year-end of October 31, 2006 in order to qualify.

BOB SMITH, PRESIDENT / CHIEF EXECUTIVE OFFICER

Please remember that the deadline for reporting will be December 15, 2006, and will be strictly enforced.

WHAT'S INSIDE

- 2 ▶ GATX AND CALAMCO DONATE 'LEAKING' TANK CAR
- 3 ▶ SHAREHOLDER FERTILIZER REPORTING INFORMATION
 - ▶ REBATABLE PRODUCT LIST
 - ▶ STOCK SALES
 - ▶ ELECTIONS TO BE HELD IN DISTRICT 3
- 4 ▶ THE UNEXPECTED IMPORTANCE OF SAFETY IN AGRICULTURE

*PRESIDENT AND
CHIEF EXECUTIVE OFFICER*
Bob Smith

EXECUTIVE VICE PRESIDENT
Barry Powell

VICE PRESIDENT OPERATIONS
Lee Gardiner

SALES REPRESENTATIVES
Alice Inderbitzin
Natalie Johnson

SAFETY DIRECTOR
Martin Jeppeson

BOARD OF DIRECTORS

CHAIRMAN OF THE BOARD
Alan Freese

VICE-CHAIRMAN
Case Van Steyn

Pat Avery

Brad Baltzer

Greg Dexter

Mark Grewal

Rick Rominger

GATX And CALAMCO Donate ‘Leaking’ Tank Car



The Stockton Fire Department’s new anhydrous ammonia training car, donated by CALAMCO and GATX Rail, provides first responders with the ability to simulate realistic emergencies, including leaking ammonia fumes, in an authentic environment.

GATX Rail and CALAMCO have teamed together to donate a fully outfitted anhydrous ammonia tank car to the fire department training center in Stockton, Calif.

“We must train for every potential event likely to occur in the region we serve,” said Stockton Chief Ron Hittle. “Located at the apex of shipping and transportation, we could be faced with just such a disaster on one of our highways, railways, or at the Port.” Stockton’s training facility serves first responders from throughout its region, and is a host site for the California Specialized Training Institute, which is under the direction of the California State Office of Emergency Services (OES).

CALAMCO donated the car itself, while GATX provided a wide range of authentic valves and fittings. CALAMCO leases approximately 50 jumbo pressure cars from GATX in anhydrous ammonia service.

According to Marianne Kuemper, GATX Rail account manager, the two companies enjoy a long-standing relationship. “We’ve worked closely with CALAMCO since the mid-1970s,” she explains. “With a partnership that spans four decades, GATX welcomed this opportunity to support their community readiness initiative.”

In keeping with its historical commitment to community safety and environmental stewardship, CALAMCO took the unusual step of launching joint-training programs with the Stockton Fire Department in 1978, the year before it opened its local terminal. The new training car represents a significant milestone in that partnership. “It is CALAMCO’s pleasure to donate a rail car to the Stockton Fire Department Training Division in

order to provide live training demonstrations to new recruits,” says Bob Smith, President and CEO. “CALAMCO has enjoyed this relationship with the Stockton Fire Department for the past 25 years and it has worked well for both parties.”

“We are very grateful to our community partners,” continued Chief Hittle. “This is a system that we could never afford to put together on our own, and it is essential to our professional development. Having this at our own backdoor, allows us to continue to practice and hone our skills. You can’t put a price tag on the benefits that it provides the region and the lives that may be saved.”



Representatives of CALAMCO, GATX Rail, and the Stockton Fire Department dedicated the new training car in June.

Shareholder Fertilizer Use Reporting Information

Since it is almost time to report your fertilizer purchases for this past year, we thought it would be timely to once again list those products that qualify for patronage reporting purposes. For future references, as well as other relevant shareholder information, may be found on our website.

Please note that if you are using a special blend that you do not see on this list, it is best to check with your fertilizer dealer to see if a rebatable product was used in producing the blend. Some dealers are already set up to cover a portion of the nitrogen in those blends that contain rebatable products. However, just because a product contains nitrogen, does not automatically mean it qualifies.

Rebatable Products

PRODUCT	NPK	NH ₃
Anhydrous Ammonia	82-00-00	100%
Aqua Ammonia	20-00-00	24%
Ammonium Nitrate 20% (AN20)	20-00-00	24%
Ammonium Sulfate	21-00-00	26%
Ammonium Sulfate Granular	20.5-5-0	25%
Calcium Ammonium Nitrate (CAN 17)	17-00-00	21%
Mono-Ammonium Phosphate	16-20-00	20%
Complete Fertilizer (turf supreme)	16-06-08	20%
Urea-Ammonium Nitrate Solution (UAN32)	32-00-00	19%
Triple 15 Complete Fertilizer	15-15-15	18%
Triple 12 Complete Fertilizer	12-12-12	15%
Complete Fertilizer	12-08-16	15%
Ammonium Poly Phosphate Solution	10-34-00	12%
Complete Fertilizer XB	06-20-20	7%

Stock Sales

Once again, Sales Representatives are busy calling on growers in an effort to put inactive stock on the stock for sale list, as well as meeting with growers who are interested in purchasing additional stock to cover their annual fertilizer usage.

If you are no longer able to utilize your stock, or if you are interested in purchasing additional stock to cover your annual fertilizer use, please contact your Sales Representative as soon as possible. You only have a few more weeks to sell or purchase stock for it to still qualify this year.

In addition, if you know of a grower who is not yet benefiting from being a member of CALAMCO, please have them contact us for more information. As a satisfied member, your testimony is the best advertisement we could ask for!

VOTE Elections to be Held in District 3

CALAMCO is currently accepting nominations from Shareholders in District 3 who are interested in serving on the CALAMCO Board of Directors. District 3 encompasses the Southern San Joaquin Valley from Fresno county through Kern county.

Your current Director in District 3 is Mark Grewal from Lemoore, who will be running for re-election. Proxies will be mailed in mid-January and are due back in our office prior to our Annual Meeting, which will be held on February 21, 2007.

Service on the CALAMCO Board of Directors does require a certain amount of time and commitment from Directors who are expected to attend all meetings. The meetings are held on the last Friday of the months of June, August, October, December and the third Wednesday in February, which is the annual meeting. If you have any questions or are interested in submitting your name to our nominating committee, please contact our corporate office at 800-624-4200.

The Unexpected Importance of Safety in Agriculture

Martin Jeppeson
CALAMCO Safety Director

I recently attended a funeral service for an old friend who had unexpectedly passed away from the ravages of cancer; cancer from an unexplained source that targeted all organs. The service program highlighted one of his favorite passages by Reinhold Neibuhr: "God grant me the serenity to accept the things I cannot change; courage to change the things I can; and wisdom to know the difference."

It made me reflect on the importance of safety, and the importance of really looking at what we face in the agricultural industry. Things such as: What do we expose employees to daily that we have no control over (the things I cannot change)? What do we do to make a difference and appropriately protect our employees (change the things I can)? Do we really know the difference between the two (wisdom to know the difference)?

There are many situations in our industry over which we have little control: weather, natural disasters, terrorist activities, and many more. We can prepare ourselves and our employees for the worst case by educating them; sending them to seminars or training sessions, or conducting the training ourselves. For those of you who may not be able to conduct training sessions, CALAMCO has an answer. Send your employees to our annual session on Anhydrous Ammonia Safety and Emergency Response in Stockton on either October 31st, or November 1st, 2nd, or 3rd.

These four-hour sessions cover the health and safety aspects of working with both anhydrous ammonia and aqua ammonia, as well as the required regulatory requirements of emergency response. Please join us and engage in a two-way discussion that is designed to keep us all safer on the job.



WWW.CALAMCO.COM
AT (800) 624-4200
BE FORWARDED TO CALAMCO
QUESTIONS OR COMMENTS CAN

CALAMCO
212 FRANK WEST CIRCLE, SUITE E
STOCKTON, CALIFORNIA 95206



PRESORT STANDARD
U.S. POSTAGE
PAID
PERMIT # 2840
SACRAMENTO, CA