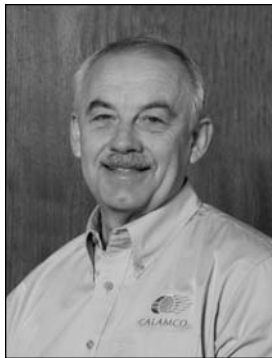


CALAMCO PROGRESS

SPRING 2008 ▶ A PUBLICATION OF CALAMCO

MESSAGE TO SHAREHOLDERS



It was a pleasure meeting with the many shareholders and customers that came to each of our four regional shareholder dinners. The dinners were well attended and we hope you found the evening informative as well as enjoyable.

In our last issue, as well as at our regional shareholder dinners, we reported on the dramatic impact that global demand is having on fertilizer prices. The cost for nitrogen, phosphate, and potash fertilizers have seen an unprecedented rate of increase. Since our last issue, we have continued to see those prices rise with global demand exceeding supply capacity.

One of the questions raised at each of our shareholder dinners was if we anticipate a potential shortage of fertilizer for the coming season. We do understand that many of the various fertilizer inputs may be in tight supply. Thankfully, our contract with Koch Nitrogen does guarantee us a reliable supply of ammonia, however our price is tied to the world market. Though we can neither predict nor control world pricing, we can assure shareholders that we will continue to provide the most economical source of product. Even though the cost for ammonia has hit record levels, ammonia and aqua ammonia remain the most cost-effective source of nitrogen on a per unit basis.

Patronage checks were mailed to participating members in mid-January for our 2007 fiscal year. The final patronage dividend was \$39.09 per ton of NH₃ equivalent. A 36.6% return on investment for those members who purchased their stock at \$16 per share! We were pleased to return such an excellent dividend back to our members, and are proud to conclude our 50th anniversary as one of the most profitable years in your cooperatives history!

BOB BROWN, PRESIDENT / CHIEF EXECUTIVE OFFICER

**CALAMCO
IS OFFERING
A \$1000
SCHOLARSHIP!
SEE ARTICLE
WITHIN THIS
ISSUE FOR
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DIRECTOR OF MARKETING
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VICE-CHAIRMAN
Brad Baltzer

Greg Dexter

Mark Grewal

Jeff Roesler

Rick Rominger

Case Van Steyn

Employees Honored in 2007



Pictured from left to right: Larry Luis, Carol Bowen, Pam Martin, and Vanessa Harris.

Each year CALAMCO honors those employees that reach milestones in their years of employment. This past year we were pleased to honor the following employees:

Gordon Patterson	03/06/67	40 years
Larry Luis	01/05/87	20 years
Pam Martin	05/26/92	15 years
Jorge Marquez	02/10/97	10 years
Ruben Bravo	05/04/02	5 years
Carol Bowen	12/09/02	5 years
Vanessa Harris	06/01/02	5 years

We would like to congratulate all of the above employees, and thank them for their years of dedicated service at CALAMCO.

CALAMCO Offers \$1000 Scholarship

Each year, CALAMCO participates as a sponsor for the Stockton Ag Expo's Agri-Business Achievement Award and Scholarship which is organized by the Stockton Chamber of Commerce and offered to graduating seniors in San Joaquin County that are planning to continue on to college or university and pursue a career in agriculture.

CALAMCO has decided to create a scholarship that we would offer to our shareholders and their immediate family (children), that are graduating seniors and plan to continue on to college or university, majoring in agriculture or an ag related field. This year's offer is valid to current high school seniors planning to attend a college or university in the fall of 2008 or spring of 2009 (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, 212 Frank West Circle, Ste. E., Stockton, CA 95206. The deadline to apply is May 9, 2008. We will notify the recipient of the scholarship by May 16, 2008.

CALAMCO Mourns the Loss of Isabel Gudino



We at CALAMCO are deeply saddened by the recent loss of our dear friend and long-time employee, Isabel Gudino who passed away on March 1, 2008 following a brief illness.

Isabel began her career with CALAMCO in 1985 after having been employed for several years with Occidental Chemical in Lathrop. She was affectionately known to her co-workers in the office as "Mama Isabel" because she offered kind and gentle guidance, caring for each of us in that motherly way that only Isabel could. She embodied every wonderful characteristic you can imagine, and our lives are richer for having known her. Her presence will be greatly missed by us all.

Isabel leaves behind her loving husband Tony, daughter Gina, three grandchildren and one great granddaughter, as well as her parents and one brother. May she rest in eternal peace.

Board Votes To Increase Stock Price

Effective November 1, 2007 the Board of Directors voted to increase the price for stock purchases from \$16 per share to \$18 per share. Subscribers may pay for their shares in cash at \$18.00 per share or they may elect to pay 25% down in cash with the balance payable in three (3) annual installments including interest at seven (7%) percent.

The dollar factors shown below will remain the same regardless of the number of shares being purchased. Interest is included for determining both the amount of the note and the annual payment.

Example:

Down Payment:
100 shares at \$ 4.50 per share = \$450.00

Amount of Note:
100 shares at \$15.39 per share = \$ 1,539.00

Annual Payment:
100 shares at \$ 5.13 per share = \$513.00

100 Shares x .15 = 15 tons of NH₃ equivalent
 Returns - Based on last 6 years:

Rebate		
Tons	per ton	Total Rebate
2007 = <u>15</u>	x \$39.09	= \$ <u>586.35</u>
2006 = <u>15</u>	x \$27.50	= \$ <u>412.50</u>
2005 = <u>15</u>	x \$23.50	= \$ <u>352.50</u>
2004 = <u>15</u>	x \$27.00	= \$ <u>405.00</u>
2003 = <u>15</u>	x \$39.75	= \$ <u>596.25</u>
2002 = <u>15</u>	x \$37.15	= \$ <u>557.25</u>

The current price of \$18 per share will be in place through our year-end of October 31, 2008. At that time, the board will once again review the stock price.

Case Van Steyn Re-Elected

Case Van Steyn of Galt was elected to serve his third and final term on CALAMCO's Board of Directors at the annual meeting, which was held at the corporate office in Stockton on February 20, 2008. Mr. Van Steyn represents District 2, which encompasses the Central San Joaquin Valley.

CALAMCO's management and board would like to congratulate Case, and are pleased that he will continue to serve as a director.

New Environmental Health and Safety Specialist Joins CALAMCO



Craig Hinchman was hired on February 19, 2007 as our new Environmental Health and Safety Specialist and will be working with Martin Jeppeson, CALAMCO's Director of Regulatory Affairs. Craig's responsibilities include updating the company's safety process and policies. In addition, Craig will assist Martin in providing the Safety Training and Emergency Response courses offered by CALAMCO.

Craig was raised in Lodi where he currently lives with his wife, Tanya and their three children Annelise, John and Abigail. Following high school Craig attended U.C. Santa Barbara for two years and then moved to Japan to study and teach. Upon returning from Japan, he enlisted in the Army and served as a Russian linguist stationed in North Carolina. After eight years of active and reserve service, Craig returned to the local area and began working as a freight forwarder, transporting produce from the west coast to Asia.

For the past nine years Craig has worked in human resources, most recently as the regional HR Manager for a seafood distributor. It was in this position that he began to focus on employee health and safety, assisting in the development of the safety programs for facilities located throughout California, Texas, Nevada and Utah.

We are pleased to welcome Craig, and wish him a long and successful career as part of the CALAMCO team.

Preparing For The Busy Season

As we get ready to send our employees out for another busy spring season, we want to be sure that they are, in fact, prepared to go out there and accomplish what we want them to do. As I was thinking about the months ahead I remembered a quote that I have been using in my ammonia safety classes this year:

“We don’t work in a dangerous environment. We work in a hazardous environment that we make dangerous by not following safe work procedures and not wearing our personal protective equipment.”

How often do we as employers make sure that our employees are following safe work procedures and are wearing their personal protective equipment? OSHA requires us to have written procedures for many of the tasks we expect our employees to undertake; they also

require us to provide necessary personal protective equipment at no cost to the employee.

How often do we review our operational procedures to ensure that they are the appropriate procedures? Occasionally the needs at the job site will change, and we must make sure that our procedures are updated or modified as required by those changing conditions. How often do we review our choices of personal protective equipment to see if our decision some months or years ago was the correct decision to protect the employee from the hazards we are concerned about?

Now is the time to make sure we are up to date in all areas so that our employees can be assured of a safe and productive spring season.



QUESTIONS OR COMMENTS CAN
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