

CALAMCO PROGRESS

SPRING 2009 ▶ A PUBLICATION OF CALAMCO

MESSAGE TO SHAREHOLDERS



Patronage checks were mailed to participating members in mid-January for our 2008 fiscal year. The final patronage dividend was \$43.22 per ton of NH₃ equivalent. A 36% return on investment for those members who purchased their stock this past year at \$18 per share! Once again, it was a great year with product

movement through our Stockton Terminal at the highest level in several years. Since we have a fixed cost to operate the terminal, the more tons that we are able to ship out annually directly effects the average cost on a per ton basis. This means that we are able to return a better dividend back to you, our members.

As you are aware, the outlook for 2009 is still uncertain, however we do know that farmers in the Central and Southern San Joaquin Valley are facing the prospect of zero allocation for federal and state water deliveries. This will impact hundreds of thousands of acres which will likely lay idle this year due to water shortages. Farmers will need to abandon plans for planting annual crops in order to divert whatever water they have to maintain permanent crops. This will obviously have a direct impact on fertilizer inputs.

With this in mind, we have adjusted our outlook for the coming year. As previously mentioned, since we have a fixed cost to operate the terminal, the prospect of less tons moving through our Stockton facility, will slightly increase our cost per ton to handle product. Even so, we have seen a tremendous drop in fertilizer prices over the past few months as the economy woes have had a direct impact on global markets. With that said, current fertilizer inputs are now much lower than they were this past year, and we anticipate that prices should continue to remain lower throughout the coming year.

Thank you for your business and support in 2008 and we look forward to continuing to serve you in 2009!

BOB BROWN, PRESIDENT/CEO

ONCE AGAIN, IT WAS A GREAT YEAR WITH PRODUCT MOVEMENT THROUGH OUR STOCKTON TERMINAL AT THE HIGHEST LEVEL IN SEVERAL YEARS.

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CHIEF EXECUTIVE OFFICER*
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CHAIRMAN OF THE BOARD
Mark Grewal

VICE-CHAIRMAN
Brad Baltzer

Greg Dexter

Alan Freese

Jeff Roesler

Case Van Steyn



Kenneth Graff, President and CEO of Farm Credit West

2009 Regional Shareholder Dinners

Approximately 600 people attended this year's regional shareholder dinners, which were held in Maxwell, Stockton, Visalia and a new location on the coast, the Madonna Inn in San Luis Obispo, which turned out to be a great success.

Our guest speaker this year was Kenneth Graff, President and CEO of Farm Credit West. Ken has spent 35 years working in the Farm Credit System in various management positions and has served as President and CEO of Farm Credit West and/or one or more of its predecessor associations since 1987. They currently provide just over \$6 billion in both operating and real estate loans to farmers, ranchers, processing and marketing entities and agribusinesses. Ken spoke to members about the events that transpired leading up to, and ultimately, culminating in the current credit situation our country is experiencing, and how this has changed the way we as consumers are able to obtain credit.

Following Ken's presentation, Alice Inderbitzin of CALAMCO gave a brief presentation and overview of the driving factors behind the rise in fertilizer prices in 2008 as well as the recent downturn, and our outlook for 2009. As always, we conclude our evening by giving away a large variety of door prizes. We would again like to extend our sincere thanks to all the fertilizer dealers that donated a door prize for the dinner in their area. Of course, everyone always leaves with a CALAMCO hat.

Your management strives to make this a fun as well as informative evening. So, if you haven't attended one of these meetings in the past, please try to attend in the coming year!

CALAMCO Offers \$1000 Scholarship

Just a reminder that CALAMCO is once again offering a scholarship **to our shareholders and their immediate family** (children), that are graduating high school seniors and plan to continue on to college or university, majoring in an ag-related field. This offer is valid to current high school seniors planning to attend a college or university in the fall of 2009 or spring of 2010 (the scholarship would not apply at any later enrollment).

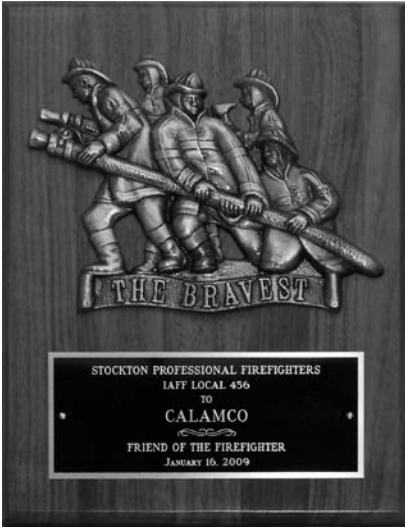
The application is available in PDF format on our website at www.calamco.com under the news/events tab. Just print out the application and mail it back to our corporate office at: CALAMCO, P.O. Box 7275, Stockton CA 95267-9901. **The deadline to apply is May 1, 2009** so please submit your applications as soon as possible! We plan to notify the recipient of the scholarship by May 8, 2009.

Alan Freese Elected to Serve on Board For District 1

Alan Freese, who has been serving as a Director in District 4 since 1989, has now been elected by growers in District 1 to represent them on the CALAMCO Board. Due to re-districting, Alan, as a resident in Solano County, now resides in District 1.

Since there was one year left on Alan's term as a Director in District 4, which is up for election in 2010, management along with Class A Directors have been interviewing potential candidates to appoint to that position for the interim period.

CALAMCO's management and Board would like to congratulate Alan on his recent election and are pleased that he will continue to serve as a director for the next four years.



CALAMCO Receives Safety Awards

CALAMCO has been recognized by three separate groups over the past three months for activities that we have done exceptionally well.

award recognized the annual training we have been providing for ammonia awareness and emergency response at the Fire Department Training Center in Stockton, as well as the equipment donations we have provided for fire fighter training. CALAMCO is now considered a "Friend of the Firefighter".

In mid-January, following two months of auditing, CALAMCO received a "No violations noted" report card from the

At the beginning of March our insurance provider, Alternative Risk Underwriting, recognized us for having the best loss ratio out of the seventeen members in our insurance captive during 2008. Loss ratios range from CALAMCO's 2% (within our captive) up to an insurance industry acceptable rate of 60%; this is an enviable record, and we intend to keep up the good work for the foreseeable future. CALAMCO is also a very active participant in the captive's Safety Committee.

Cal-OSHA Process Safety Management audit team. Considering the high volume of anhydrous and aqua ammonia we handle, the fact that we operate 24/7, and the large number of non-CALAMCO employees we oversee at the terminal, this is a huge testimonial to our safe operations.

A few days after this we were invited by the Stockton Fire Department to their annual awards ceremony where we received an award for our contributions to the community. This



Board Votes to Maintain Stock Price for 2009

The Board of Directors has voted to keep the price for stock purchases at \$18 per share for our 2009 fiscal year. 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.

We're moving!

Effective MARCH 30, 2009,
CALAMCO will have a new office.
Our new physical address is:

CALAMCO
1776 W. March Lane, Suite 420
Stockton, CA 95207

Our mailing address is:
CALAMCO
P.O. Box 7275
Stockton, CA 95267-9901



Our phone, fax and web addresses are staying the same:
Phone: 209.982.1000
Toll-Free: 800.642.4200 (Inside California)
Orders: 800.942.2222
Fax: 209.983.0822
Web: www.calamco.com

Please update your records accordingly!

Respirators: Tips for a Good Fit

It goes without saying that no one respirator type or style will fit everyone. Full facepieces, half masks, quarter masks, and even the different brands of the same type of respirator have different fit characteristics. Because of these variations, you will find it advantageous to purchase several brands of each respirator type in different sizes to assure proper fit for all workers who must wear them.

Although respirators are designed for maximum efficiency, they can't provide protection without a tight seal between the facepiece and wearer's face. Consequently, beards and other facial hair will substantially reduce the effectiveness of a respirator. Also, the absence of dentures may seriously affect the fit of a facepiece. To assure proper respiratory protection, a facepiece must be checked each time the respirator is worn. This is done by performing either a positive-pressure or negative-pressure check.

Qualitative fit testing

To conduct qualitative fit testing on an

atmosphere-supplying respirator, do one of the following:

- Temporarily convert the user's actual facepiece into a negative pressure respirator by installing the appropriate filters. If you are not sure how to do this, check with the respirator manufacturer or your supplier.
- Use an identical negative pressure facepiece (size, make, model).

Quantitative fit testing

To conduct quantitative fit testing on an atmosphere-supplying respirator, you have to temporarily or permanently install a sampling probe or adaptor inside the facepiece. Prior to the test, contact the respirator manufacturer or supplier for information on whether a sampling adapter can be temporarily installed in the facepiece. Any modifications made to a respirator for testing purposes must be removed before use.

If it's not possible to make temporary modifications, you will need to permanently convert the facepiece to allow for testing. But, when you permanently convert it — for

example, by drilling a hole in the facepiece to insert the probe — you can't repair the hole and put the respirator back in service. Once a hole is drilled in the facepiece, the respirator can only be used for fit testing purposes. It is no longer approved for workplace use.

Maintain an effective program

Fit testing is just one element of an effective respiratory protection program. To ensure your workers are adequately protected from harmful dusts, mists, fumes, gases, and vapors, always:

- Select the right respirator for the job,
- Provide a medical evaluation,
- Fit test the respirator for a tight seal,
- Train on how to use and care for the equipment, and
- Routinely evaluate the program for continued effectiveness.

The health and safety of your respirator-wearing employees depends on it



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

P.O. Box 7275
STOCKTON CA 95267-9901

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