

CALAMCO PROGRESS

SUMMER 2006 ▶ 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. Though February was warmer than usual, by March we returned to normal Winter weather. Unfortunately, the 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.

Fortunately, as we entered May the weather quickly turned warm and northern winds helped dry out soggy ground so that we were able to salvage a good portion of the season. The biggest problem we faced as an industry was that it ended up being such an incredibly busy, condensed season, that trucks had a difficult time keeping up with the heavy demand. This was compounded by the fact that the southern San Joaquin Valley’s fertilizer season kicked in by mid-May, adding additional demand to an already challenging season.

The end result was that CALAMCO ended up having an excellent month for fertilizer movement in May. Including all fertilizer received and shipped, we handled in excess of 150,000 tons; breaking a record for total product handled for your cooperative in a single month. Though May was an incredible month, it is virtually impossible to completely make up all of the product we would have moved in a “normal” season. Through the end of May, we are still behind budgeted tons year-to-date, as well as compared to product moved through the same time-frame in 2005.

BOB SMITH, PRESIDENT / CHIEF EXECUTIVE OFFICER

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Aimee Meidinger is This Year's Scholarship Recipient

We are pleased to congratulate Aimee Meidinger for being the recipient of this year's \$1000 scholarship awarded by CALAMCO. Aimee is the daughter of Donald and Vickie Meidinger of Lockeford. She is a 2006 graduate of Lodi High School and plans to continue her education at either Fresno State University, or Consumnes River College this Fall. She wishes to obtain a Bachelors of Science degree, and more importantly, her teaching credential, enabling her to pursue a career in Agriculture Education.

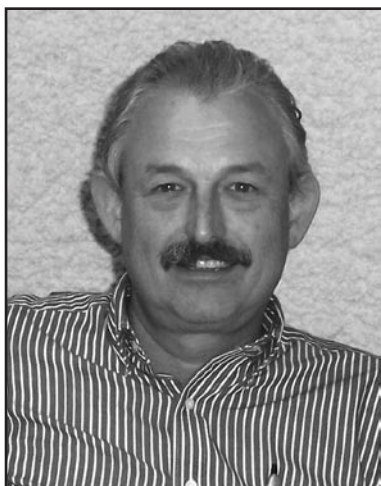
Aimee has been extremely active during her four years at Lodi High School. She was a member of the water polo team from 2002-2005, and in 2005 was a water polo team varsity letterman. She was also a member of the swim team, a 2002-2005 scholar athlete, Renaissance Award Winner and an honor roll student throughout high school. During her four years as a member of Lodi High School FFA, she won numerous awards, in addition to serving as a chapter officer. She has also been involved in a variety of community service projects.

Since she was a young girl, Aimee has had the desire to become a teacher; and she credits her desire to pursue a career in Agriculture Education to her years as a member of FFA in high school, as well as some of the amazing teachers and advisors that she had along the way. Aimee is extremely enthusiastic and dedicated and CALAMCO is truly proud to honor her with this scholarship.



CALAMCO is pleased to be one of the sponsors of a \$1000 scholarship awarded to students planning to continue their Ag studies in college. This year's recipients were recognized at the annual Agri-Business Luncheon at the San Joaquin County Fairgrounds on June 23, 2006.

Dale Thigpin Promoted to Terminal Manager



Long-time employee, Dale Thigpin was recently promoted to Terminal Manager of the Stockton facility. Dale began his career working at CALAMCO's Hanford plant in 1976, as an employee of Occidental Chemical. He was initially hired as a Loader, and was soon promoted to Nitric Acid Plant Operator. In 1982, Dale was again promoted to Assistant Plant Manager.

In 1984, the decision was made to close down the Hanford facility. Meanwhile, the J.R. Simplot Company purchased Occidental Chemical assets and as part of the new agreement, CALAMCO took over its own management. Dale was offered a position as a Loader at the Stockton terminal, and in 1985 he began working for CALAMCO at the ammonia facility. Once again, Dale's dedication and hard work soon had him assuming additional responsibilities and he became a full time Leadman, which is the position he held until his most recent promotion.

Dale and his wife Stephanie have been married for 30 years and have a son, and two grandchildren. In their spare time, they enjoy traveling or just working around their country home in Galt, taking care of their menagerie of animals.

Emergency Reporting Requirements



If you are a holder of bulk hazardous materials such as anhydrous ammonia, there are certain requirements for reporting if you have an unintentional release over one hundred pounds in a twenty four hour period.

Federal Environmental Protection Agency (EPA) requires that the release be reported within fifteen minutes to the

NATIONAL RESPONSE CENTER (NRC) in Washington, D.C.

Their phone number is **(800) 424-8802**

Their website is <http://www.nrc.uscg.mil> where more information is available, to include online reporting forms for incidents such as "Continuous Release", "Mobile", "Storage Tank", and "Fixed". You can print these to have an example of the information you will be asked for when you contact the NRC.

There are also local and State requirements; we recommend that you contact your local Fire Department, County Environmental Health Department, or County Office of Emergency Services to determine the contact numbers (both day and after-hours) and reporting procedures. In the State of California, the State Warning Center needs to be notified at **(800) 852-7550**.

Depending on where the spill occurs and what type of permits you have there may be other agencies such as the Department of Fish and Game, Regional Water Quality Control Board, or Air Resources Board.

Are you a member of **CHEMTREC**? Their number is **(800) 424-9300** and they have access to Material Safety Data Sheet (MSDS) information rapidly if needed.

Print a form at the NRC site now so you will know what information you should be prepared to provide; attempt to get as much information as possible prior to making your phone call. If you have 24-hour staff, make sure they have a copy of the form and can gather data for you to use when you make your report.

Being prepared up front can make all the difference when time is of the essence; remember, from the perspective of Federal EPA your time limit to report is fifteen minutes.

Power Plant Update

The new Power Plant at CALAMCO's Stockton facility has been operational since last Fall, and with only a few minor issues, has been functioning as intended. During our peak season it came to our attention that some redesign may be required on the passive heating system, though it is normal that minor adjustments are typically necessary on this type of project.

We are pleased to report that since December, we have no longer required utilizing the water from the San Joaquin Delta as a means of warming ammonia prior to loading trucks. This benefit, allowing us to eliminate potential environmental exposure has ultimately been the major purpose of this project, and your management is extremely pleased that this aspect of the Power Plant is performing as projected.

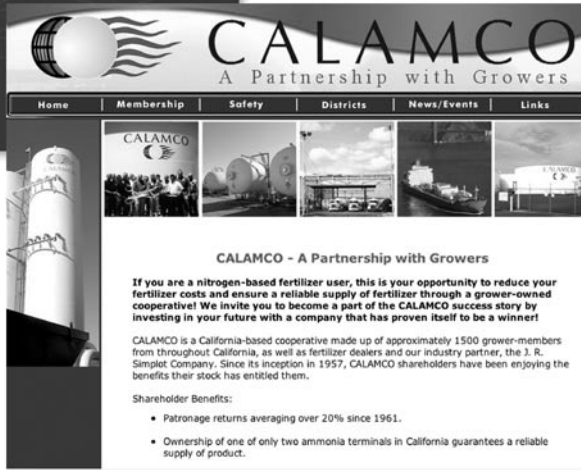
NEW WEBSITE

Check Out CALAMCO'S New Look!



Check us out at www.calamco.com!

Our website has recently undergone renovation, giving us a fresh, new look. The website gives you useful information such as rebateable products and rebate information, as well as links to past newsletters and annual reports. You can also look up your district map as well as board members representing each district.



In addition, we list authorized dealers throughout California, as well as links to their websites where available. Eventually, we hope to expand our website to include shareholder log-in features, giving members the ability to access their fertilizer use information.

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

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