

# CALAMCO

*progress*

SUMMER/FALL 2016

## CALAMCO EXECUTIVE STAFF

PRESIDENT AND  
CHIEF EXECUTIVE OFFICER  
Bob Brown

VICE PRESIDENT  
OPERATIONS  
Lee Gardiner

VICE PRESIDENT  
CHIEF FINANCIAL OFFICER  
Dan Stone

DIRECTOR OF MARKETING  
Alice Inderbitzin

REGIONAL MANAGER  
Natalie Foss

DIRECTOR OF  
REGULATORY AFFAIRS  
Martin Jeppeson

## CALAMCO BOARD OF DIRECTORS

CHAIRMAN OF THE BOARD  
Case Van Steyn

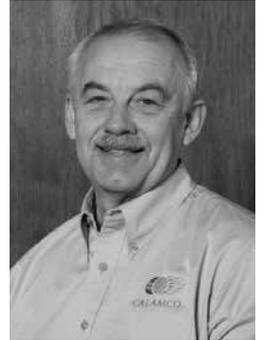
Brad Baltzer  
Doug DeVaney  
Alan Freese  
John Malinowski  
David Martella  
Darron Page

## MESSAGE TO SHAREHOLDERS

Throughout 2016, anhydrous ammonia prices have been on a gradual decline. It is not unusual for prices to soften over the summer when demand is down, though it typically tends to strengthen as we approach fall demand. This year, we do not anticipate strengthening prices, but believe the market will stabilize for the short term.

It will soon be time for year-end reporting of your fertilizer purchases for our 2016 fiscal year. Use Report Forms will be mailed to members the last week of October; however we encourage members to utilize the on-line reporting feature. Each year, we are pleased to see a growing number of you utilize this new feature, which is available by logging in via our website. Members must have an email address on file with us in order to log-in initially, and can then create a password. Once fertilizer use has been submitted, you have the ability to access your information and edit as needed prior to our December 1st dead-line. The on-line reporting system is secure. If you are unable to remember your password, just click on the "Forgot Password" link. You will receive an email with a link that will allow you to reset your password.

If you, or someone you know, are interested in purchasing additional stock, it is not too late, but time is quickly running out. Please contact your CALAMCO Sales Representative as soon as possible. Stock must be purchased prior to October 25th in order to qualify. ■



**Bob Brown**  
President / CEO

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A PARTNERSHIP WITH GROWERS

# 2016 CALAMCO SCHOLARSHIP

## Awarded to Gabrielle Ribeiro

We would like to congratulate Gabrielle Ribeiro of Tulare for being the 2016 recipient of CALAMCO's \$1000 Scholarship.

Gabrielle is a 2016 graduate of Mission Oak High School in Tulare, graduating with a 4.13 grade point average. She plans to attend the University of Nebraska-Lincoln this fall, majoring in Agriculture Economics. Her goal is to earn a Masters of Science Degree in Agriculture Economics with a Minor in Communications to eventually obtain a job in the agriculture industry. She hopes to become an advocate for agriculture and influence change in the way our culture perceives the farmer and the agriculture industry.



**Gabrielle Ribeiro**  
2016 CALAMCO  
Scholarship recipient

Because our top contenders for this years' scholarship were all so deserving, we decided to award a second scholarship for \$500. The recipient of this scholarship went to Caroline Van Ruiten of Robbins. Caroline is a 2016 graduate of Yuba City High School, graduating with a 4.0 grade point average. Caroline plans to attend California Polytechnic State University, San Luis Obispo this fall, majoring in Agricultural Business. She intends to pursue a career in advertising and marketing.



**Caroline Van Ruiten**  
2016 CALAMCO  
Scholarship recipient

We would like to thank all of the students that applied to CALAMCO for this year's scholarship. They have all worked very hard throughout their academic career, and plan to further their education in agriculture. **Our industry is extremely fortunate to have so many bright and ambitious students pursuing careers in our industry.** ■

## Changes to Patronage Payments Effective Fiscal Year 2017

Effective our 2017 fiscal year, CALAMCO is reducing the Simplot UAN32 payment rebate factor from 19% to 13%. All other payment rebate factors remain the same. This also does not impact the total rebate paid.

This means members will get **less** patronage rebates for UAN32 purchases and **more** patronage rebates for buying Ammonia, Aqua Ammonia, AN-20 and Simplot Produced Ammonia-Based products. (See the Simplified Patronage Rebate Example below.) Your total rebate, as before, will depend on your specific blend of UAN32 and non-UAN32 products.

The Board of Directors voted to make this change for two reasons:

- (1) CALAMCO does not produce nor procure UAN32, nor supply materials for Simplot's UAN32 business – but serves as a pay-for-service terminal. We do at least one of these for all of the other rebatable products; and
- (2) At the 19% payment rebate factor for UAN32, we were rebating **more** than what we made on our services on UAN32. That means we were rebating **less** than what we made on everything else. As a result, UAN32 customers were subsidized by all of the other customers. ■

### SIMPLIFIED PATRONAGE REBATE EXAMPLE FOR TOTAL CALAMCO

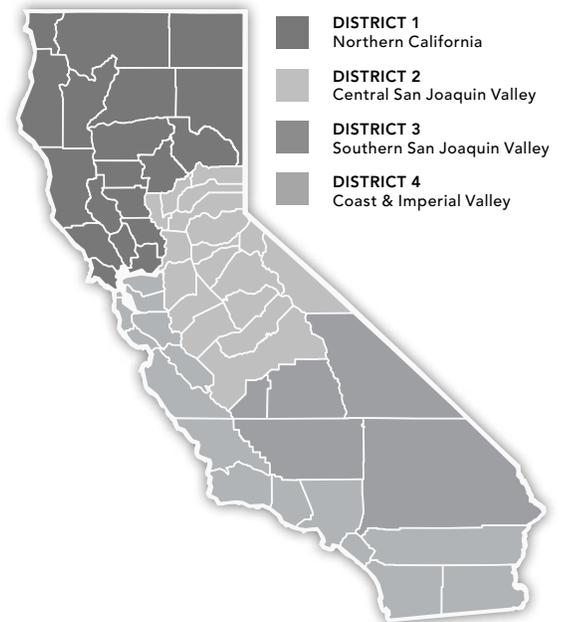
OLD METHOD: Product	Tons	Factor	Adjusted	Rebate/Ton	Rebate	
Ammonia	100	100%	100	\$50.00	\$5000.00	
UAN32	100	19%	19	\$50.00	\$ 950.00	
Total		19		\$50.00	\$5950.00	
NEW METHOD: Product	Tons	Factor	Adjusted	Rebate/Ton	Rebate	Change
Ammonia	100	100%	100	\$52.65	\$5265.00	+ \$265
UAN32	100	13%	13	\$52.65	\$ 685.00	- \$265
Total		113		\$52.65	\$5950.00	\$0

## 2016 REBATABLE PRODUCTS

PRODUCT	N-P-K	NH <sub>3</sub>
Anhydrous Ammonia	82-00-00	100%
Ammonium Sulfate	21-00-00	26%
Aqua Ammonia	20-00-00	24%
Ammonia Nitrate 20% (AN-20)	20-00-00	24%
Calcium Ammonium Nitrate (CAN 17)	17-00-00	21%
Ammonium Phosphate Sulfate	16-20-00	20%
BEST Turf Supreme	16-06-08	20%
Urea Ammonium Nitrate Solution (UAN32)	32-00-00	19%
Agropell Triple 15	15-15-15	18%
Agropell Triple 12	12-12-12	15%
Agropell Tree N Vine	12-08-16	15%
Ammonium Polyphosphate Solution	10-34-00	12%
Agropell XB	06-24-24	7%

If your fertilizer dealer has filed your Fertilizer Use Report in previous years, we are requesting they no longer fill out those reports, but provide growers with a print-out of purchases instead. Members can ensure that purchases are reported accurately and in a timely manner.

Please report **actual tons** (not gallons or pounds) of product purchased. 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 blends that contain rebatable products. ■

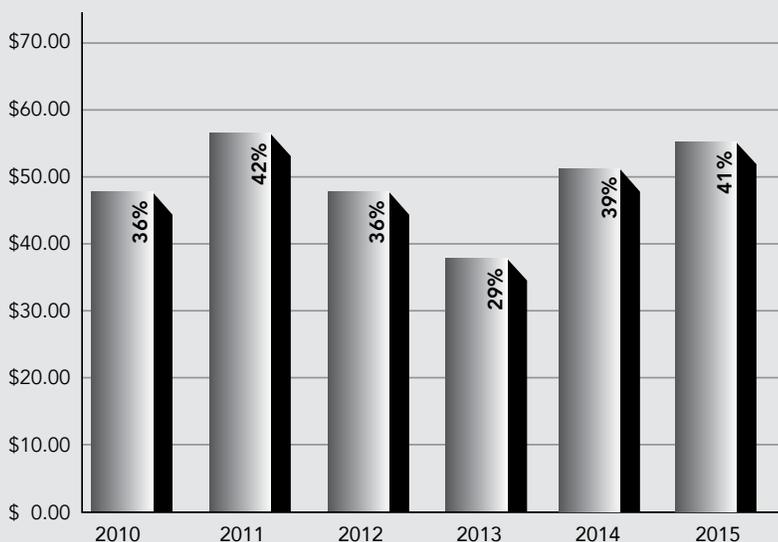


## Elections to be held in District One

Elections for the Director to serve on CALAMCO's Board will be held this coming year in District 1, which encompasses Northern California counties. Proxies will be mailed to all members in early January and are due back to our office by early February. Only Class A shareholders in District 1 are eligible to vote for the director in that district. The current director representing District 1 is Alan Freese, who will be seeking re-election.

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 third Thursday of the months of June, August, October, December and the third Wednesday in February which is the annual meeting. If you are a shareholder that resides in this district and are interested in more information or in submitting your name to our nominating committee, please contact our corporate office at 800-624-4200 by December 1, 2016. ■

## SIX YEAR AVERAGE RETURN: 37%



REBATE PER TON

PERCENTAGES = RETURN ON INVESTMENT  
BASED ON \$20 PER SHARE PURCHASE PRICE

## Anhydrous Ammonia Refresher Training

CALAMCO has scheduled Anhydrous Ammonia training for October 11-14, 2016 at Stockton Fire Department Company Two.

Training runs from 8am until noon and then we'll provide you with lunch before you head back to work. You should be receiving an invitation in the mail soon.

We'll discuss the important safety aspects of working with and around anhydrous ammonia, and stress that the same concerns apply if you are working with aqua ammonia. This year we will have a presentation from the Stockton FD Hazmat Team regarding their approach to an ammonia emergency and the importance of a strong relationship between fire and industry.

CALAMCO has found that sometimes you have to reach out to your local Fire Department and invite them to visit your facility. Offer tours, joint training opportunities, and

discussions regarding possible areas of concern. Find out what their capabilities are and explain where your expertise lies; the goal is to end up with a joint effort if you ever need their assistance.

If we have visited your facility within the past year for training, there is no need to repeat it in October. If you cannot make it in October be sure to contact us for scheduling in the spring prior to the busy season. ■



**"CALAMCO has found that sometimes you have to reach out to your local Fire Department and invite them to visit your facility."**

Questions or comments can  
be forwarded to CALAMCO  
at (800) 624-4200  
www.Calamco.com

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