

CALAMCO PROGRESS

WINTER 2009 ▶ A PUBLICATION OF CALAMCO

MESSAGE TO SHAREHOLDERS



Happy New Year! It's hard to believe we are already approaching the end of our first quarter for our 2009 fiscal year. Once again, we are happy to report that 2008 was another prosperous one for your cooperative, and we are currently working on processing members' 2008 fertilizer use reports. As usual, we plan to have checks in the mail by the end of January.

Over the past few years, we have continued to see a steady increase in fertilizer prices, with prices paid by farmers for the majority of fertilizer products reaching their highest levels on record during this past year, as U.S. farmers found themselves competing for fertilizer inputs against farmers from around the world. However, as the old saying goes, "What goes up, must come down!" The economic downturn that our nation is experiencing has had a rippling effect on a wide variety of industries and markets around the world, fertilizer being no exception.

By the end of 2008, we saw world market prices for anhydrous ammonia drop to levels not seen since 2002. Unfortunately, fall movement was minimal, and as a result, many suppliers and retailers throughout the U.S. are filled with higher priced inventory. This has prompted producers throughout the U.S., as well as in other parts of the world, to curtail production. Hopefully, the lower prices will hold long enough for CALAMCO to take advantage of receiving product at these lower levels for our customers and members.

As we enter 2009, it is once again looking to be a year unlike any other, with many uncertainties looming before us. We hope to have enough rainfall to allow farmers to farm, and with any luck, take advantage of what we hope will remain more normal and stable input costs in the year ahead. With that said, we wish you all a healthy and "prosperous" year in 2009!

BOB BROWN, PRESIDENT/CEO

**U.S. FARMERS
FOUND THEMSELVES
COMPETING FOR
FERTILIZER INPUTS
AGAINST FARMERS
FROM AROUND THE
WORLD...**

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*PRESIDENT AND
CHIEF EXECUTIVE OFFICER*
Bob Brown

EXECUTIVE VICE PRESIDENT
Barry Powell

VICE PRESIDENT OPERATIONS
Lee Gardiner

DIRECTOR OF MARKETING
Alice Inderbitzin

SALES REPRESENTATIVES
Natalie Johnson

DIRECTOR OF REGULATORY AFFAIRS
Martin Jeppeson

BOARD OF DIRECTORS

CHAIRMAN OF THE BOARD
Alan Freese

VICE-CHAIRMAN
Brad Baltzer

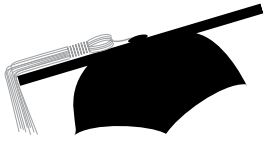
Greg Dexter

Mark Grewal

Jeff Roesler

Rick Rominger

Case Van Steyn



CALAMCO Offers \$1000 Scholarship

Once again, CALAMCO is 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 agriculture or 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, 212 Frank West Circle, Suite E, Stockton, CA 95206. The deadline to apply is May 1, 2009. We will notify the recipient of the scholarship by May 8, 2009.

Employees Honored in 2008



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:

Bobby Byers	Terminal Leadman	20 years
Davina Escalante	Customer Service	5 years

We would like to congratulate both of these employees, and thank them for their years of dedicated service at CALAMCO.

Bylaw Changes Approved By Shareholders

The proposed bylaw changes as recommended by CALAMCO's Board of Directors were approved by a majority of Shareholders by special proxy and have been adopted at a Special Meeting of the Board of Directors held on December 12, 2008.

As part of the bylaw changes, redistricting was necessary. With stock sales over the last several years, there was a fairly large discrepancy in the total number of shares per district, falling well out of bylaw requirements. In order to achieve a balance with minimal change, Solano, Marin, Napa and Sonoma Counties were moved from District 4 (the Coast and Imperial Valley) to District 1 (Northern California), and Fresno County was moved from District 3 (Southern San Joaquin County) to District 2 (Central San Joaquin County). In accordance with current bylaw changes, each district must now reflect 20-30% of total outstanding Class A shares and shall be reviewed every eight years.

2009 Regional Shareholder Dinners

We will soon be having our annual Regional shareholder dinners, which have been scheduled as follows:

Tuesday, February 10, 2008	The Maxwell Inn, Maxwell
Wednesday, February 11, 2008	Double LL Steakhouse, Visalia
Thursday, February 12, 2008	Madonna Inn, San Luis Obispo
Tuesday, February 17, 2008	Waterloo Gun & Bocci Club, Stockton

Please assist us by **sending in your reservations early**. 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!

Registration and cocktails will begin at 6:00 pm, and dinner will be served at 6:45 pm. The evening will conclude with a variety of door prizes, which have been donated by various fertilizer dealers. Please remember that guests are welcome and you are encouraged to bring a non-member. This is always an enjoyable evening for all, so please mark your calendars!

Candidates for Director in District 1

CALAMCO is pleased to announce that two candidates will run for the Class A Board of Director position in District 1, which represents Northern California from Yolo and Solano counties north.

Alan Freese has been serving as a Director in District 4 since 1989, and currently serves as Chairman of the Board. Due to re-districting, Alan, as a resident in Solano County, will now be running for the open seat in District 1.

Alan farms in the Rio Vista and Dixon areas of Solano County and has been a shareholder in CALAMCO since 1989. Prior to farming, Alan worked in the wholesale fertilizer industry for eight years, working for Shell Oil in their Ammonia Division, as well as for Norsk Hydro, which is now known as Yara. Those years provided a great background in the supply and distribution of ammonia and related fertilizer products, working with retailers and growers throughout California, as well as in the Pacific Northwest.

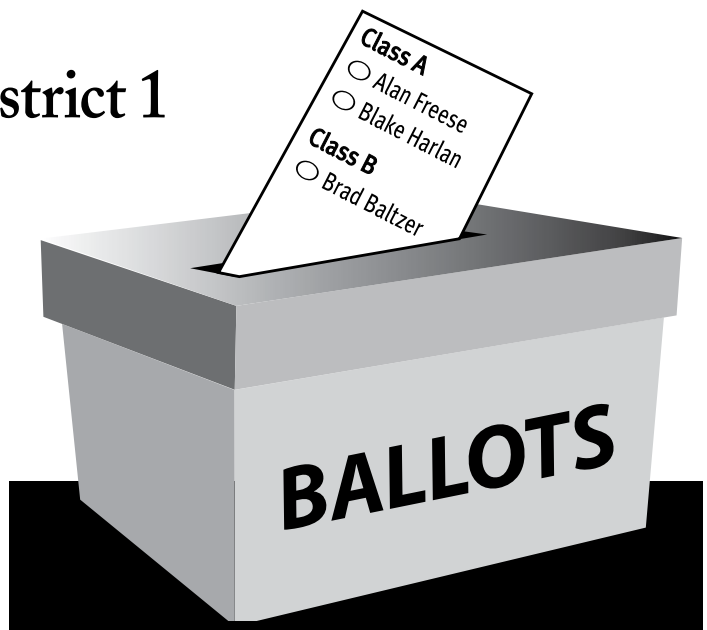
Alan attended U.C. Davis, served two years in the U.S. Coast Guard, and earned a B.S. degree from Chico State University. In addition to serving on the CALAMCO Board of Directors, Alan is active in the California Wheat Commission and the California Wheat Growers Association.

Alan and his wife Frankie have been married for 41 years and live in Rio Vista in the home built by Alan's grandfather. They have two adult children. Their daughter Nancy lives in Sacramento with her husband and twin sons, and their son Erik lives in Davis with his wife and two children and is a fifth generation farmer.

Blake Harlan is a sixth generation farmer from Woodland, California. He farms with his father, Bernell, managing the family farm that was established in 1850. Blake is the grandson of J. Bernell Harlan who served as a founding member and the first President of CALAMCO from its inception in 1957 through 1972.

Blake serves as President of Harlan and Dumars, Inc., which farms primarily processing tomatoes, alfalfa, oats, and wheat throughout Yolo County. In 2006 he started Harlan Feed to compliment their farming operation. Harlan Feed processes alfalfa and other hay and distributes alfalfa based cubes throughout northern California and Hawaii. In addition, Blake is also a partner in Wilson Bend Farms, which produces rice in Colusa County.

Blake and his wife Melissa have three children. He is a graduate of Cal Poly State University in San Luis Obispo with a degree in Ag Business Management. He currently serves as a Director



of Farm Credit West and has served as a director of the Yolo County Farm Bureau since 1990 as well as being on the executive committee 1992-2007 and President 1997-1998. He also served on the California Employment Development Department Small Business Employer Advisory Committee from 1993-1997. Blake was recently honored as the 2008 agri-business person of year by the Woodland Chamber of Commerce.

Brad Baltzer has been serving on CALAMCO's Board of Directors since 1994, and is seeking re-election to represent Class B stockholders, which consist of the J.R. Simplot Company as well as various fertilizer retailers throughout California.

Brad was born and raised in California and has lived and worked in the Southern, Northern, and Coastal areas of our State. He is married with two adult children and currently serves as a Senior Director for the J.R. Simplot Company at their corporate office in Boise, Idaho.

Brad is a graduate of California State University in San Luis Obispo, with a degree in Horticulture. He has over 25 years of diversified experience within the Simplot organization, including manager of Agricultural and non-Agricultural businesses. He has served multiple terms on various Boards, including the Western Plant Health Association (WPHA), California Department of Food & Agriculture Fertilizer Inspection Advisory Board, in addition to CALAMCO.

Proxies will be mailed to shareholders in early January. Only those shareholders residing in District 1 will be eligible to vote for the candidate of their choice to serve as a Class A Director on the CALAMCO Board. Proxies are to be returned to our office on or before our scheduled Annual Meeting, which is scheduled to be held in our corporate office on February 18, 2009.

Ammonia Refresher And Emergency Response Training

Two hundred and fifty seven people representing twenty three private companies, three fire departments, the Port of Stockton, San Joaquin County Environmental Health Department and the USCG attended training provided by CALAMCO and the Stockton Fire Department November 3-7, 2008.

This is the largest showing in the past twelve years that we have been conducting the classes, and possibly the largest group ever hosted by CALAMCO at the Stockton Fire Department training center over the past twenty years. In the past we have considered offering this training only on alternate years, but apparently the customers (you) are happy with what they are receiving and keep coming back for more.

CALAMCO will continue doing our part for as long as you, the customer, want it. We feel that the short period of time spent in our refresher training is extremely valuable and the payoff shows why: we are having very few incidents involving either anhydrous or aqua ammonia, and that, after all, is the goal.

We would like you all to remember that this training is not just for the front line troops, but also for supervisors, managers and owners. We say this because it is important that whatever message we put out to the employees be understood by those who direct them on a daily basis; we do not want to put conflicting ideas on the table, especially if they conflict with your policies and procedures.



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

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