

Quarterly Report to Stockholders

*Farm Credit of
Western Oklahoma, ACA
Woodward, Oklahoma*

June 30, 2009



The shareholders' investment in the Farm Credit of Western Oklahoma, ACA (Association) is materially affected by the financial condition and results of operations of U.S. AgBank, FCB, (AgBank). The 2008 U.S. AgBank Annual Report to Shareholders, the 2008 U.S. AgBank District Annual Report to Shareholders, the U.S. AgBank quarterly shareholders' reports and the U.S. AgBank District quarterly shareholders' reports are available on AgBank's web site, www.usagbank.com, or may be obtained at no charge by visiting or contacting the Association at 3302 Williams Avenue, Woodward, Oklahoma 73801 or 580-256-3465, or may be obtained at no charge by contacting U.S. AgBank at 245 N. Waco, P.O. Box 2940, Wichita, Kansas 67201-2940, or calling 800-322-9880.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

(Dollars in Thousands, Except as Noted)
(Unaudited)

The following commentary summarizes the principal aspects of the financial position and results of operations of Farm Credit of Western Oklahoma, ACA for the six months ended June 30, 2009, with comparisons to prior periods. You should read these comments with the accompanying financial statements and footnotes, along with other disclosures contained in this report and the 2008 Annual Report to Shareholders. The accompanying financial statements were prepared under the oversight of our Audit Committee.

Commodity prices have remained flat to slightly improved, although profit margins still remain marginal. The winter wheat crop was better than projected although, below average. Due to equities built up over the last few years, the Association's credit quality has remained relatively strong. Most of the region has received rain and fall crops are in good to excellent condition. Stress still exists due to the overall economy, however conditions appear to have stabilized.

LOAN PORTFOLIO

Loans outstanding at June 30, 2009 totaled \$327,599, an increase of \$4,803, or 1.49%, from loans of \$322,796 at December 31, 2008.

RESULTS OF OPERATIONS

Net interest income for the six months ended June 30, 2009 was \$4,474, an increase of \$517, or 13.07% from the same period ended one year ago. Interest income increased as a result of increased loan volume, the roll-off of the 1.9% machinery and equipment loans, and increased spreads.

Net income for the six months ended June 30, 2009 was \$1,149 a decrease of \$2,475, or 68.29%, from the same period ended one year ago. This is primarily due to a provision for loan losses of \$614 versus a loan loss reversal in 2008 of \$1,647, decrease in patronage payment from AgBank in the amount of \$529, and an increase in non interest expense of \$274, partially offset an increase in related services income of \$56 and an increase in net interest income of \$517, discussed above.

During the first quarter of 2009, we were notified by AgBank that they have changed their patronage program whereby patronage will be paid annually, after the end of the year, to its members. Previously, AgBank paid patronage quarterly. As a result, our patronage earnings compared to the previous period will be reduced during 2009.

CAPITAL RESOURCES

Our shareholders' equity at June 30, 2009 was \$67,258, an increase from \$66,074 at December 31, 2008. This increase is due to net income and the increase in borrower stock.

OTHER MATTERS

The undersigned certify they have reviewed this report, this report has been prepared in accordance with all applicable statutory or regulatory requirements and the information contained herein is true, accurate, and complete to the best of his or her knowledge and belief.

 John Grunewald, President/CEO July 28, 2009	 Jamie Shirkey, VP-CFO July 28, 2009	 Steve Semmel, Chairman of the Board July 28, 2009
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FARM CREDIT OF WESTERN OKLAHOMA, ACA
CONSOLIDATED STATEMENT OF CONDITION
(Dollars in Thousands)

	June 30 2009	December 31 2008
	UNAUDITED	AUDITED
ASSETS		
Loans	\$ 327,599	\$ 322,796
Less allowance for loan losses	2,677	2,069
Net loans	324,922	320,727
Cash	1,849	5,635
Accrued interest receivable	6,798	4,596
Investment in U.S. AgBank, FCB	9,329	7,805
Premises and equipment, net	1,964	1,963
Prepaid benefit expense	640	630
Deferred tax asset	54	54
Other assets	220	203
Total assets	\$ 345,776	\$ 341,613
LIABILITIES		
Note payable to U.S. AgBank, FCB	\$ 271,651	\$ 265,083
Advance conditional payments	2,683	2,797
Accrued interest payable	3,441	4,705
Patronage distributions payable	-	2,000
Accrued benefits liability	169	179
Other liabilities	574	775
Total liabilities	278,518	275,539
Commitments and contingencies		
SHAREHOLDERS' EQUITY		
Protected borrower stock	10	10
Capital stock	1,300	1,265
Unallocated retained earnings	65,948	64,799
Total shareholders' equity	67,258	66,074
Total liabilities and shareholders' equity	\$ 345,776	\$ 341,613

The accompanying notes are an integral part of these financial statements.

FARM CREDIT OF WESTERN OKLAHOMA, ACA
CONSOLIDATED STATEMENT OF INCOME
(Dollars in Thousands)

	For the three months ended June 30		For the six months ended June 30	
UNAUDITED	2009	2008	2009	2008
INTEREST INCOME				
Loans	\$ 4,308	\$ 4,133	\$ 8,608	\$ 8,550
Total interest income	4,308	4,133	8,608	8,550
INTEREST EXPENSE				
Note payable to U.S. AgBank, FCB	2,027	2,183	4,102	4,550
Other	14	20	32	43
Total interest expense	2,041	2,203	4,134	4,593
Net interest income	2,267	1,930	4,474	3,957
(Loan loss reversal)/Provision for loan losses	(83)	114	614	(1,647)
Net interest income after (loan loss reversal)/provision for loan losses	2,350	1,816	3,860	5,604
NONINTEREST INCOME				
Financially related services income	80	22	118	62
Loan fees	17	28	29	28
Patronage distribution from U.S. AgBank, FCB	6	339	140	669
Other noninterest income	20	36	69	51
Total noninterest income	123	425	356	810
NONINTEREST EXPENSE				
Salaries and employee benefits	754	660	1,658	1,287
Occupancy and equipment	86	91	162	199
Purchased services from AgVantis, Inc.	105	94	213	187
Farm Credit Insurance Fund premium	137	96	293	191
Supervisory and examination costs	25	23	49	46
Other noninterest expense	330	547	692	883
Total noninterest expense	1,437	1,511	3,067	2,793
Income before income taxes	1,036	730	1,149	3,621
Benefit from income taxes	-	(3)	-	(3)
Net income	\$ 1,036	\$ 733	\$ 1,149	\$ 3,624

FARM CREDIT OF WESTERN OKLAHOMA, ACA
CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY
(Dollars in Thousands)

UNAUDITED

	Protected Stock	Capital Stock	Unallocated Retained Earnings	Total Shareholders' Equity
Balance at December 31, 2007	\$ 29	\$ 1,286	\$ 61,368	\$ 62,683
Net income/(loss)			3,624	3,624
Stock issued	-	81		81
Stock retired	(15)	(81)		(96)
Balance at June 30, 2008	\$ 14	\$ 1,286	\$ 64,992	\$ 66,292
 Balance at December 31, 2008	 \$ 10	 \$ 1,265	 \$ 64,799	 \$ 66,074
Net income/(loss)			1,149	1,149
Stock issued	-	96		96
Stock retired		(61)		(61)
Balance at June 30, 2009	\$ 10	\$ 1,300	\$ 65,948	\$ 67,258

The accompanying notes are an integral part of these financial statements.

NOTES TO FINANCIAL STATEMENTS

(Dollars in Thousands, Except as Noted)

(Unaudited)

NOTE 1 - ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES

A description of the organization and operations of Farm Credit of Western Oklahoma, ACA (the Association), the significant accounting policies followed, and the financial condition and results of operations as of and for the year ended December 31, 2008, are contained in the 2008 Annual Report to Shareholders. These unaudited second quarter 2009 financial statements should be read in conjunction with the 2008 Annual Report to Shareholders.

In May 2009, the FASB issued SFAS No. 165, "Subsequent Events," which sets forth general standards of accounting for and disclosure of events that occur after the balance sheet date but before financial statements are issued or are available to be issued. Recognized subsequent events should be recognized in the financial statements since the conditions existed at the date of the balance sheet. Nonrecognized subsequent events are not recognized in the financial statements since the conditions arose after the balance sheet date but before the financial statements are issued or are available to be issued. This Standard, which includes a required disclosure of the date through which an entity has evaluated subsequent events, is effective for interim or annual periods ending after June 15, 2009.

The accompanying financial statements contain all adjustments necessary for a fair presentation of the interim financial condition and results of operations, and conform to generally accepted accounting principles and prevailing practices within the banking industry. The results for the six months ended June 30, 2009, are not necessarily indicative of the results to be expected for the year ended December 31, 2009.

NOTE 2 - LOANS AND ALLOWANCE FOR LOAN LOSSES

A summary of the allowance for loan losses follows.

	June 30, 2009	June 30, 2008
Balance at beginning of year	\$ 2,069	\$ 1,523
Provision for loan losses/(Loan loss reversal)	614	(1,647)
Charge-offs	6	5
Recoveries	--	1,630
Balance at end of period	\$ 2,677	\$ 1,501

Impaired loans are loans for which it is probable that all principal and interest will not be collected according to the contractual terms. The following presents information relating to impaired loans including accrued interest.

	June 30, 2009	June 30, 2008
Impaired loans with related allowance	\$ 456	\$ --
Impaired loans with no related allowance	5,057	3,626
Total impaired loans	\$ 5,513	\$ 3,626

Allowance on impaired loans	\$ 125	\$ -0-
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The average recorded investment in impaired loans including accrued interest during the six months ended June 30, 2009 was \$5,941 and \$4,171 for the six months ended June 30, 2008. The Association recognized interest income on impaired loans of \$11 for the six months ended June 30, 2009 and \$248 for the six months ended June 30, 2008.

NOTE 3 - SUBSEQUENT EVENTS

The Association has evaluated subsequent events through July 28, 2009, which is the date the financial statements were available to be issued.