Quarterly Report to Stockholders

Farm Credit of Western Oklahoma, ACA Woodward, Oklahoma

March 31, 2012

The shareholders' investment in the Farm Credit of Western Oklahoma, ACA (Association) is materially affected by the financial condition and results of operations of CoBank, ACB, (CoBank). The 2011 CoBank Annual Report to Shareholders, the 2011 U.S. AgBank Annual Report to Shareholders, the 2011 U.S. AgBank District Annual Report to Shareholders, the CoBank quarterly shareholders' reports are available free of charge on CoBank's web site, www.cobank.com, or may be obtained at no charge by visiting or contacting the Association at 3302 Williams Avenue, Woodward, Oklahoma 73801 or calling 580-256-3465 or toll-free 1-800-299-3465.

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

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

The following discussion summarizes the financial position and results of operations of Farm Credit of Western Oklahoma, ACA for the three months ended March 31, 2012, with comparisons to prior periods. You should read these comments along with the accompanying financial statements and footnotes and the 2011 Annual Report to Shareholders. The accompanying financial statements were prepared under the oversight of our Audit Committee.

Overall economic conditions in the area have improved with recent rainfall and strong agriculture commodity prices. Crop conditions are good to excellent. The oil, gas and wind energy remains strong and has a major positive impact on producers' income.

On January 1, 2012, U.S. AgBank, FCB (AgBank) merged with and into CoBank, FCB, a wholly-owned subsidiary of CoBank, ACB (CoBank). Beginning January 1, 2012, we receive our funding from CoBank. In the following disclosure, our funding bank both prior to and after the merger date will be referred to as "the Bank".

LOAN PORTFOLIO

Loans outstanding at March 31, 2012 totaled $396,909, an increase of $15,021, or 3.93%, from loans of $381,888 at December 31, 2011. The increase was due to overall strong agriculture economy, increased demand for loans, and relative low interest rates.

RESULTS OF OPERATIONS

Net income for the three months ended March 31, 2012 was $873, an decrease of $1,636, or 65.2%, from the same period ended one year ago, primarily due to patronage from the Bank.

Net interest income for the three months ended March 31, 2012 was $2,690, an increase of $9, or 0.34%, compared with March 31, 2011.

The provision for loan losses for the three months ended March 31, 2012 was $92, an increase of $49, or 114%, from the provision for loan losses for the same period ended one year ago. The provision for loan losses increased as a result of changes in the overall risk profile of the portfolio and increased loan volume.

Noninterest income decreased $1,477 during the first three months of 2012 compared with the first three months in 2011 primarily due to the timing of recording patronage income from the Bank. Patronage recorded in the first quarter of 2011 was received from the Bank based on 2010 annual earnings. In the first quarter of 2012, we accrued patronage of $367 related to 2012 quarterly earnings. This patronage will be paid in March 2013. Mineral income of $138 was received during the first quarter of 2012. In prior years, the majority of the mineral income was received from the Bank as a priority patronage.

During the first three months of 2012, noninterest expense increased $119 to $2,240, primarily due to increase in employee benefits, purchased services from AgVantis and others, and public and member relations offset by a decrease in salaries and Farm Credit System Insurance Fund premiums.

CAPITAL RESOURCES

Our shareholders' equity at March 31, 2012 was $79,975, an increase from $79,108 at December 31, 2011. This increase is due to net income offset by net stock reductions.

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.

Jimmie Purvine, Chairman of the Board	John Grunewald, President/CEO	Jamie Shirkey, Sr. V.P. - CFO
May 7, 2012	May 7, 2012	May 7, 2012

Consolidated Statement of Condition

(Dollars in Thousands)

	March 31 2012	December 31 2011
	UNAUDITED	AUDITED
ASSETS		
Loans	**$ 396,909**	$ 381,888
Less allowance for loan losses	**2,229**	2,149
Net loans	**394,680**	379,739
Cash	**3,749**	3,113
Accrued interest receivable	**6,496**	5,114
Investment in Funding Bank	**13,215**	13,215
Premises and equipment, net	**1,787**	1,749
Prepaid benefit expense	**336**	521
Other assets	**638**	1,989
Total assets	**$ 420,901**	$ 405,440
LIABILITIES		
Note payable to Funding Bank	**$ 328,296**	$ 312,833
Advance conditional payments	**8,158**	8,365
Accrued interest payable	**2,526**	2,958
Patronage distributions payable	**1,500**	1,500
Accrued benefits liability	**122**	126
Other liabilities	**324**	550
Total liabilities	**340,926**	326,332
Commitments and Contingencies		
SHAREHOLDERS' EQUITY		
Protected borrower stock	**3**	3
Capital stock	**1,377**	1,383
Unallocated retained earnings	**78,595**	77,722
Total shareholders' equity	**79,975**	79,108
Total liabilities and shareholders' equity	**$ 420,901**	$ 405,440

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

Consolidated Statement of Income

(Dollars in Thousands)

UNAUDITED	For the three months ended March 31 2012	2011
INTEREST INCOME		
Loans	**$ 4,602**	$ 4,675
Total interest income	**4,602**	4,675
INTEREST EXPENSE		
Note payable to Funding Bank	**1,894**	1,980
Other	**18**	14
Total interest expense	**1,912**	1,994
Net interest income	**2,690**	2,681
Provision for loan losses	**92**	43
Net interest income after provision for loan losses	**2,598**	2,638
NONINTEREST INCOME		
Financially related services income	**7**	8
Loan fees	**(2)**	7
Patronage refund from Farm Credit Institutions	**367**	1,945
Mineral income	**138**	2
Other noninterest income	**5**	30
Total noninterest income	**515**	1,992
NONINTEREST EXPENSE		
Salaries and employee benefits	**1,352**	1,329
Occupancy and equipment	**75**	73
Purchased services from AgVantis, Inc.	**173**	151
Farm Credit Insurance Fund premium	**37**	56
Supervisory and examination costs	**38**	35
Other noninterest expense	**565**	477
Total noninterest expense	**2,240**	2,121
Net income	**873**	2,509

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

Consolidated Statement of Changes in Shareholders' Equity

(Dollars in Thousands)

UNAUDITED	Protected Borrower Stock	Capital Stock	Unallocated Retained Earnings	Total Shareholders' Equity
Balance at December 31, 2010	$ 5	$ 1,396	$ 69,875	$ 71,276
Net income			2,509	2,509
Stock issued	-	37		37
Stock retired	(2)	(49)		(51)
Balance at March 31, 2011	$ 3	$ 1,384	$ 72,384	$ 73,771
Balance at December 31, 2011	$ 3	$ 1,383	$ 77,722	$ 79,108
Net income			873	873
Stock issued	-	41		41
Stock retired	-	(47)		(47)
Balance at March 31, 2012	**$ 3**	**$ 1,377**	**$ 78,595**	**$ 79,975**

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, 2011, are contained in the 2011 Annual Report to Shareholders. These unaudited first quarter 2012 financial statements should be read in conjunction with the 2011 Annual Report to Shareholders.

In December 2011, the Financial Accounting Standards Board (FASB) issued guidance entitled, "Balance Sheet – Disclosures about Offsetting Assets and Liabilities." The guidance requires an entity to disclose information about offsetting and related arrangements to enable users of its financial statements to understand the effect of those arrangements on its financial position. This includes the effect or potential effect of rights of setoff associated with an entity's recognized assets and recognized liabilities. The requirements apply to recognized financial instruments and derivative instruments that are offset in accordance with the rights of offset set forth in accounting guidance and for those recognized financial instruments and derivative instruments that are subject to an enforceable master netting arrangement or similar agreement, irrespective of whether they are offset or not. This guidance is to be applied retrospectively for all comparative periods and is effective for annual reporting periods beginning on or after January 1, 2013, and interim periods within those annual periods. The adoption of this guidance will not impact the financial condition or results of operations, but may result in additional disclosures.

In September 2011, the FASB issued guidance entitled, "Compensation – Retirement Benefits – Multiemployer Plans." The guidance is intended to provide more information about an employer's financial obligations to a multiemployer pension plan and postretirement benefits other than pensions, which should help financial statement users better understand the financial health of significant plans in which the employer participates. The additional disclosures include: a) a description of the nature of plan benefits, b) a qualitative description of the extent to which the employer could be responsible for the obligations of the plan, including benefits earned by employees during employment with another employer, and c) other quantitative information to help users understand the financial information about the plan. The amendments are effective for annual periods for fiscal years ending after December 15, 2012 for non-public entities. The amendments should be applied retrospectively for all prior periods presented. The adoption will not impact the financial condition or results of operation.

In June 2011, the FASB issued guidance entitled, "Comprehensive Income – Presentation of Comprehensive Income." This guidance is intended to increase the prominence of other comprehensive income in financial statements. The current option that permits the presentation of other comprehensive income in the statement of changes in equity has been eliminated. The main provisions of the guidance provides that an entity that reports items of other comprehensive income has the option to present comprehensive income in either one or two consecutive financial statements:

- A single statement must present the components of net income and total net income, the components of other comprehensive income and total other comprehensive income, and a total for comprehensive income.

- In a two-statement approach, an entity must present the components of net income and total net income in the first statement. That statement must be immediately followed by a financial statement that presents the components of other comprehensive income, a total for other comprehensive income, and a total for comprehensive income.

This guidance is to be applied retrospectively and is effective for fiscal years and interim periods within those years, beginning after December 15, 2011. The adoption of this guidance did not impact financial condition or results of operations, but resulted in changes to the presentation of comprehensive income.

In December 2011, the FASB issued guidance to defer the new requirement to present components of reclassifications of other comprehensive income on the face of the statement. All other requirements in the guidance for comprehensive income are required to be adopted as set forth in the June 2011 guidance.

In May 2011, the FASB issued guidance entitled, "Fair Value Measurement – Amendments to Achieve Common Fair Value Measurements and Disclosure Requirements in U.S. GAAP and IFRSs." The amendments change the wording used to describe the requirements in U.S. GAAP for measuring fair value and for disclosing information about fair value measurements as more fully outlined in the 2011 Annual Report to Shareholders. The amendments are to be applied prospectively. The amendments were effective beginning with the first quarter of 2012 and are applied prospectively.

The accompanying financial statements contain all adjustments necessary for a fair presentation of the interim financial condition and results of operations, and conform with generally accepted accounting principles and prevailing practices within the banking industry. The results for the three months ended March 31, 2012, are not necessarily indicative of the results to be expected for the year ended December 31, 2012.

NOTE 2 - LOANS AND ALLOWANCE FOR LOAN LOSSES

A summary of loans follows.

	March 31, 2012	December 31, 2011
Real estate mortgage	**$ 249,680**	$ 242,137
Production and intermediate-term	**130,857**	126,506
Agribusiness:		
Loans to cooperatives	**3,798**	2,644
Processing and marketing	**7,831**	6,120
Farm related business	**492**	375
Rural residential real estate	**4,251**	4,106
Total loans	**$ 396,909**	$ 381,888

The Association purchases or sells participation interests with other parties in order to diversify risk, manage loan volume and comply with Farm Credit Administration regulations. The following table presents information regarding the balances of participations purchased and sold at March 31, 2012:

	Other Farm Credit Institutions		Non-Farm Credit Institutions		Total	
	Purchased	Sold	Purchased	Sold	Purchased	Sold
Real estate mortgage	$ 28,133	$ 10,299	$ 274	$ 209	$ 28,407	$ 10,508
Production and intermediate-term	22,400	1,216	32	---	22,432	1,216
Agribusiness	7,831	---	--	---	7,831	----
Total	$ 58,364	$ 11,515	$ 306	$ 209	$ 58,670	$ 11,724

The following table shows loans and related accrued interest classified under the Farm Credit Administration Uniform Loan Classification System as a percentage of total loans and related accrued interest receivable by loan type as of:

	March 31, 2012	December 31, 2011
Real estate mortgage		
Acceptable	**98.18%**	98.25%
OAEM	**1.34%**	1.35%
Substandard	**0.48%**	0.40%
Total	**100.00%**	100.00%
Production and intermediate-term		
Acceptable	**98.25%**	98.23%
OAEM	**1.23%**	1.43%
Substandard	**0.52%**	0.34%
Total	**100.00%**	100.00%
Agribusiness		
Acceptable	**76.50%**	98.57%
Substandard	**23.50%**	1.43%
Total	**100.00%**	100.00%
Rural residential real estate		
Acceptable	**98.81%**	98.75%
Substandard	**1.19%**	1.25%
Total	**100.00%**	100.00%
Total Loans		
Acceptable	**97.55%**	98.25%
OAEM	**1.25%**	1.33%
Substandard	**1.20%**	0.42%
Total	**100.00%**	100.00%

High risk assets consist of impaired loans and other property owned. These nonperforming assets (including related accrued interest) and related credit quality are as follows:

(dollars in thousands)	**March 31, 2012**	December 31, 2011
Nonaccrual loans		
Real estate mortgage	**$ 1,219**	$ ---
Production and intermediate-term	**207**	320
Agribusiness	**89**	128
Rural residential real estate	**--**	--
Total nonaccrual loans	**$ 1,515**	$ 449
Accruing loans 90 days past due		
Real estate mortgage	**200**	390
Total accruing loans 90 days past due	**$ 200**	$ 390
Total impaired loans	**$ 1,715**	$ 839

Additional impaired loan information is as follows:

	March 31, 2012			December 31, 2011		
	Recorded Investment	Unpaid Principal Balance	Related Allowance	Recorded Investment	Unpaid Principal Balance	Related Allowance
Total impaired loans:						
Real estate mortgage	**$ 1,419**	**$ 1,322**	**$ ---**	$ 390	$ 360	$ ---
Production and intermediate-term	**207**	**1,567**	**---**	320	1,866	---
Agribusiness:						
Loans to cooperatives	**89**	**93**	**---**	128	124	---
Rural residential real estate	**---**	**---**	**---**	1	3	---
Total	**$ 1,715**	**$ 2,982**	**$ ---**	$ 839	$ 2,353	$ ---

	For the Quarter Ended March 31, 2012		For the Year Ended December 31, 2011	
	Average Impaired Loans	Interest Income Recognized	Average Impaired Loans	Interest Income Recognized
Total impaired loans:				
Real estate mortgage	**$ 1,163**	**$ 12**	$ 99	$ 18
Production and intermediate-term	**306**	**3**	323	6
Agribusiness:				
Loans to cooperatives	**123**	**--**	33	--
Rural residential real estate	**1**	**2**	1	--
Total	**$ 1,593**	**$ 17**	$ 456	$ 24

The following tables provide an age analysis of past due loans (including accrued interest).

March 31, 2012	30-89 Days Past Due	90 Days or More Past Due	Total Past Due	Not Past Due or less than 30 Days Past Due	Total Loans	Recorded Investment > 90 Days and Accruing
Real estate mortgage	$ ---	$ 1,418	$ 1,418	$252,614	$254,032	$ 200
Production and intermediate-term	271	175	446	132,372	132,818	---
Agribusiness	---	---	---	12,259	12,259	---
Rural residential real estate	---	---	---	4,296	4,296	---
Total	$ 271	$ 1,593	$ 1,864	$401,541	$403,405	$ 200

December 31, 2011						
Real estate mortgage	$ 1,037	$ 390	$ 1,427	$243,947	$245,374	$ 390
Production and intermediate-term	22	287	309	127,927	128,236	---
Agribusiness	--	128	128	9,115	9,243	---
Rural residential real estate	--	--	--	4,149	4,149	---
Total	$ 1,059	$ 805	$ 1,864	$385,138	$387,002	$ 390

Note: The recorded investment in the receivable is the face amount increased or decreased by applicable accrued interest and unamortized premium, discount, finance charges, or acquisition costs and may also reflect a previous direct write-down of the investment.

A summary of changes in the allowance for loan losses and period end recorded investment in loans is as follows:

	Balance at December 31, 2011	Charge-offs	Recoveries	Provision for Loan Losses/ (Loan Loss Reversals)	Balance at March 31, 2012
Real estate mortgage	$ 54	$ --	$ --	$ 107	$ 161
Production and intermediate-term	2,018	13	1	(88)	1,930
Agribusiness	73	--	--	60	133
Rural residential real estate	4	--	--	1	5
Total	$ 2,149	$ 13	$ 1	$ 80	$ 2,229

	Balance at December 31, 2010	Charge-offs	Recoveries	Provision for Loan Losses/ (Loan Loss Reversals)	Balance at March 31, 2011
Real estate mortgage	$ 188	$ --	$ --	$ 69	$ 257
Production and intermediate-term	1,828	14	1	(27)	1,788
Agribusiness	37	--	--	--	37
Rural residential real estate	3	--	--	1	4
Total	$ 2,056	$ 14	$ 1	$ 43	$ 2,086

	Allowance for Credit Losses Ending Balance at March 31, 2012		Recorded Investments in Loans Outstanding Ending Balance at March 31, 2012	
	Individually evaluated for impairment	Collectively evaluated for impairment	Individually evaluated for impairment	Collectively evaluated for impairment
Real estate mortgage	$ ---	$ 161	$ 1,418	$ 252,614
Production and intermediate-term	---	1,930	208	132,610
Agribusiness	---	133	89	12,170
Rural residential real estate	---	5	--	4,296
Total	$ ---	$ 2,229	$ 1,715	$ 401,690

	Allowance for Credit Losses Ending Balance at March 31, 2011		Recorded Investments in Loans Outstanding Ending Balance at March 31, 2011	
	Individually evaluated for impairment	Collectively evaluated for impairment	Individually evaluated for impairment	Collectively evaluated for impairment
Real estate mortgage	$ ---	$ 257	$ 107	$ 228,677
Production and intermediate-term	---	1,788	182	132,104
Agribusiness	---	37	--	9,945
Rural residential real estate	---	4	--	4,614
Total	$ ---	$ 2,086	$ 289	$ 375,340

NOTE 3 - FAIR VALUE MEASUREMENTS

Accounting guidance defines fair value as the exchange price that would be received for an asset or paid to transfer a liability in an orderly transaction between market participants in the principal or most advantageous market for the asset or liability. See Note 2 to the 2011 Annual Report to Shareholders for a more complete description.

The Association had no assets or liabilities measured at fair value on a recurring basis at March 31, 2012 or December 31, 2011.

Assets measured at fair value on a non-recurring basis for each of the fair value hierarchy values are summarized below:

	Fair Value Measurement Using			Total Fair	Total
	Level 1	**Level 2**	**Level 3**	**Value**	**Losses**
Loans					
March 31, 2012	**$ —**	**$ —**	**$ 958**	**$ 958**	**$ 7**
December 31, 2011	$ —	$ —	$ 32	$ 32	$ 39

Valuation Techniques

As more fully discussed in Note 2 to the 2011 Annual Report to Shareholders, accounting guidance establishes a fair value hierarchy, which requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. The following presents a brief summary of the valuation techniques used by the Association for assets and liabilities, subject to fair value measurement.

Loans

For certain loans evaluated for impairment under accounting guidance, the fair value is based upon the underlying collateral since the loans were collateral dependent loans for which real estate is the collateral. The fair value measurement process uses independent appraisals and other market-based information, but in many cases it also requires significant input based on management's knowledge of and judgment about current market conditions, specific issues relating to the collateral and other matters. As a result, these fair value measurements fall within Level 3 of the hierarchy. When the value of the real estate, less estimated costs to sell, is less than the principal balance of the loan, a specific reserve is established.

NOTE 4 - SUBSEQUENT EVENTS

The Association has evaluated subsequent events through May 7, 2012, which is the date the financial statements were issued, and no material subsequent events were identified.