

Quarterly Report to Stockholders

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

March 31, 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 AgBank Annual Report to Shareholders, the 2008 AgBank District Annual Report to Shareholders, the AgBank quarterly shareholders' reports and the AgBank District, quarterly shareholders' reports are available on AgBank's web site, www.usagbank.com, or may be obtained at no charge by contacting the Association at 3302 Williams Avenue, Woodward, Oklahoma 73802 or 580-256-3465.

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 quarter ended March 31, 2009, with comparisons to the prior year and prior quarter. 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 continued to decline slightly over the first quarter; however, input cost also decreased which has reduced the decline in profit margin. Crops were stressed early in the growing season due to drought conditions, but recent rains have improved the outlook for spring crops. Overall market conditions continue to show signs of stress, however earnings over the past 5 years have created overall healthy financial statements for our customers allowing them to withstand some adversity.

LOAN PORTFOLIO

Loans outstanding at March 31, 2009 totaled \$325,550, an increase of \$2,754 or 0.85%, from loans of \$322,796 at December 31, 2008.

RESULTS OF OPERATIONS

Net interest income for the three months ended March 31, 2009 was \$2,207, an increase of \$181, or 8.93%, 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 three months ended March 31, 2009 was \$113, a decrease of \$2,777, or 96.09%, from the same period ended one year ago. This is primarily due to a provision for loan losses of \$697 versus a loan loss reversal in 2008 of \$1,761, along with an increase in expenses of \$348 and the decrease in patronage payments from AgBank in the amount of \$196, partially offset by the \$181 increase in interest income discussed above.

We have been 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 quarterly earnings compared to the previous period will be negatively impacted during 2009.

CAPITAL RESOURCES

Our shareholders' equity at March 31, 2009 was \$66,198, an increase from \$66,074 at December 31, 2008. This increase is due to net income and capital stock purchases.

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
April 30, 2009


Jamie Shirkey, VP-CFO
April 30, 2009


Ken Gore, Chairman of the Board
April 30, 2009

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

	March 31 2009	December 31 2008
	UNAUDITED	AUDITED
ASSETS		
Loans	\$ 325,550	\$ 322,796
Less allowance for loan losses	2,760	2,069
Net loans	322,790	320,727
Cash	855	5,635
Accrued interest receivable	5,866	4,596
Investment in U.S. AgBank, FCB	8,479	7,805
Premises and equipment, net	1,921	1,963
Prepaid benefit expense	577	630
Deferred tax asset	54	54
Other assets	241	203
Total assets	\$ 340,783	\$ 341,613
LIABILITIES		
Note payable to U.S. AgBank, FCB	\$ 265,815	\$ 265,083
Advance conditional payments	2,785	2,797
Accrued interest payable	3,402	4,705
Patronage distributions payable	2,000	2,000
Accrued benefits liability	174	179
Other liabilities	409	775
Total liabilities	274,585	275,539
Commitments and contingencies		
SHAREHOLDERS' EQUITY		
Protected borrower stock	10	10
Capital stock	1,276	1,265
Unallocated retained earnings	64,912	64,799
Total shareholders' equity	66,198	66,074
Total liabilities and shareholders' equity	\$ 340,783	\$ 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 March 31	
UNAUDITED	2009	2008
INTEREST INCOME		
Loans	\$ 4,300	\$ 4,417
Total interest income	4,300	4,417
INTEREST EXPENSE		
Note payable to U.S. AgBank, FCB	2,075	2,367
Other	18	24
Total interest expense	2,093	2,391
Net interest income	2,207	2,026
Provision for loan losses/(Loan loss reversal)	697	(1,761)
Net interest income after provision for loan losses/(loan loss reversal)	1,510	3,787
NONINTEREST INCOME		
Financially related services income	38	40
Loan fees	12	-
Patronage distribution from U.S. AgBank, FCB	134	330
Other noninterest income	49	15
Total noninterest income	233	385
NONINTEREST EXPENSE		
Salaries and employee benefits	904	627
Occupancy and equipment	76	108
Purchased services from AgVantis, Inc.	108	93
Farm Credit Insurance Fund premium	156	95
Supervisory and examination costs	25	23
Other noninterest expense	361	336
Total noninterest expense	1,630	1,282
Net income	\$ 113	\$ 2,890

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			2,890	2,890
Stock issued	-	41		41
Stock retired	(6)	(40)		(46)
Balance at March 31, 2008	\$ 23	\$ 1,287	\$ 64,258	\$ 65,568
Balance at December 31, 2008	\$ 10	\$ 1,265	\$ 64,799	\$ 66,074
Net income			113	113
Stock issued	-	43		43
Stock retired		(32)		(32)
Balance at March 31, 2009	\$ 10	\$ 1,276	\$ 64,912	\$ 66,198

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 first quarter 2009 financial statements should be read in conjunction with the 2008 Annual Report to Shareholders.

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 three months ended March 31, 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.

	March 31, 2009	March 31, 2008
Balance at beginning of year	\$ 2,069	\$ 1,523
Provision for loan losses/(Loan loss reversal)	697	(1,761)
Charge-offs	6	5
Recoveries	-	1,630
Balance at end of period	\$ 2,760	\$ 1,387

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.

Impaired loans including accrued interest totaled \$6,536 as of March 31, 2009 and \$3,918 March 31, 2008. No impaired loans carried a specific allowance for loan losses at March 31, 2009 and 2008.

The average recorded investment in impaired loans including accrued interest during the three months ended March 31, 2009 was \$5,940 and \$4,017 for the three months ended March 31, 2008. The Association recognized interest income on impaired loans of \$5 for the three months ended March 31, 2009 and \$196 for the three months ended March 31, 2008.