Quarterly Report to Stockholders

Farm Credit of
Western Oklahoma, ACA
Woodward, Oklahoma

March 31, 2010

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 free of charge 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 toll-free at 1-800-299-3465, 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 discussion summarizes the financial position and results of operations of Farm Credit of Western Oklahoma, ACA for the three months ended March 31, 2010, with comparisons to prior periods. You should read these comments along with the accompanying financial statements and footnotes, along with other disclosures contained in this report and the 2009 Annual Report to Shareholders. The accompanying financial statements were prepared under the oversight of our Audit Committee.

LOAN PORTFOLIO

Loans outstanding at March 31, 2010 totaled $349,004, an increase of $6,224, or 1.82%, from loans of $342,780 at December 31, 2009. The increase was primarily due to demand for increased lending.

RESULTS OF OPERATIONS

Net income for the three months ended March 31, 2010 was $1,556, an increase of $1,443 from the same period ended one year ago. This is primarily due to an increase in net interest income of $451, a decrease in the provision for loan losses of $354, an increase in noninterest income of $695 and a decrease in Farm Credit Insurance Fund premium of $72.

Net interest income for the three months ended March 31, 2010 was $2,658, an increase of $451, or 20.43%, from the same period ended one year ago. Interest income increased as a result of increased loans.

Beginning in 2009, patronage from AgBank was paid annually after the end of the year. During the first quarter of 2010, AgBank paid us $527 in patronage based on AgBank's 2009 earnings. As a result, our patronage earnings from AgBank increased compared to the first quarter of 2009.

During the first quarter of 2010, we received our allocated portion of a rebate of $338 distributed by Farm Credit System Insurance Company (FCSIC). As a result, our noninterest income increased compared to the first quarter of 2009.

CAPITAL RESOURCES

Our shareholders' equity at March 31, 2010 was $69,591, an increase from $68,015 at December 31, 2009, primarily due to net income of $1,556 and stock issuances of $20.

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	Jamie Shirkey, VP-CFO	Steve Semmel, Chairman of the Board
May 5, 2010	May 5, 2010	May 5, 2010

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

	March 31 2010	December 31 2009
	UNAUDITED	AUDITED
ASSETS		
Loans	$ **349,004**	$ 342,780
Less allowance for loan losses	**2,033**	1,994
Net loans	**346,971**	340,786
Cash	**1,162**	2,844
Accrued interest receivable	**5,851**	4,697
Investment in U.S. AgBank, FCB	**10,016**	9,614
Premises and equipment, net	**1,926**	1,873
Prepaid benefit expense	**615**	708
Other assets	**517**	232
Total assets	$ **367,058**	$ 360,754
LIABILITIES		
Note payable to U.S. AgBank, FCB	$ **289,632**	$ 285,135
Advance conditional payments	**3,732**	2,358
Accrued interest payable	**2,620**	3,177
Patronage distributions payable	**1,000**	1,000
Accrued benefits liability	**158**	162
Other liabilities	**325**	907
Total liabilities	**297,467**	292,739
Commitments and contingencies		
SHAREHOLDERS' EQUITY		
Protected borrower stock	**9**	9
Capital stock	**1,348**	1,328
Unallocated retained earnings	**68,234**	66,678
Total shareholders' equity	**69,591**	68,015
Total liabilities and shareholders' equity	$ **367,058**	$ 360,754

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	**2010**	2009
INTEREST INCOME		
Loans	**$ 4,776**	$ 4,300
Total interest income	**4,776**	4,300
INTEREST EXPENSE		
Note payable to U.S. AgBank, FCB	**2,108**	2,075
Other	**10**	18
Total interest expense	**2,118**	2,093
Net interest income	**2,658**	2,207
Provision for loan losses	**343**	697
Net interest income after provision for loan losses	**2,315**	1,510
NONINTEREST INCOME		
Financially related services income	**17**	38
Loan fees	**1**	12
Patronage distribution from U.S. AgBank, FCB	**527**	134
Farm Credit Insurance Fund rebate	**338**	-
Other noninterest income	**45**	49
Total noninterest income	**928**	233
NONINTEREST EXPENSE		
Salaries and employee benefits	**942**	904
Occupancy and equipment	**85**	76
Purchased services from AgVantis, Inc.	**122**	108
Farm Credit Insurance Fund premium	**84**	156
Supervisory and examination costs	**30**	25
Other noninterest expense	**424**	361
Total noninterest expense	**1,687**	1,630
Net income	**$ 1,556**	$ 113

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

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, 2008	$ 10	$ 1,265	$ 64,799	$ 66,074
Net income/(loss)			113	113
Stock issued	-	43		43
Stock retired	-	(32)		(32)
Balance at March 31, 2009	$ 10	$ 1,276	$ 64,912	$ 66,198
Balance at December 31, 2009	$ 9	$ 1,328	$ 66,678	$ 68,015
Net income/(loss)			1,556	1,556
Stock issued	-	51		51
Stock retired	-	(31)		(31)
Balance at March 31, 2010	**$ 9**	**$ 1,348**	**$ 68,234**	**$ 69,591**

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, 2009, are contained in the 2009 Annual Report to Shareholders. These unaudited first quarter 2010 financial statements should be read in conjunction with the 2009 Annual Report to Shareholders.

Effective January 1, 2010, the Association adopted Financial Accounting Standards Board (FASB) guidance on "Fair Value Measurements and Disclosures," which is to improve disclosures about fair value measurements by increasing transparency in financial reporting. The guidance will provide for a greater level of disaggregated information and more robust disclosures of valuation techniques and inputs to fair value measurements. The adoption of this guidance did not have a material impact on the Association's financial condition and results of operations but resulted in additional disclosures.

In June 2009, the FASB issued guidance on "Accounting for Transfers of Financial Assets," which amends previous guidance by improving the relevance, representational faithfulness, and comparability of the information that a reporting entity provides in its financial statements about a transfer of financial assets; the effects of a transfer on its financial position, financial performance, and cash flows; and a transferor's continuing involvement, if any, in transferred financial assets.

This guidance is effective as of the beginning of each reporting entity's first annual reporting period that begins after November 15, 2009, for interim periods within that first annual reporting period and for interim and annual reporting periods thereafter. Earlier application is prohibited. This Statement must be applied to transfers occurring on or after the effective date. Additionally, on and after the effective date, the concept of a qualifying special purpose entity is no longer relevant for accounting purposes. Therefore, formerly qualifying special-purpose entities (as defined under previous accounting standards) should be evaluated for consolidation by reporting entities on and after the effective date in accordance with the applicable consolidation guidance. If the evaluation on the effective date results in consolidation, the reporting entity should apply the transition guidance provided in the pronouncement that requires consolidation. The Association reviewed their loan participation agreements to ensure that participations would meet the requirements for sales treatment and not be required to be consolidated. The impact of adoption on January 1, 2010 was immaterial to the Association's financial condition and results of operations.

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, 2010, are not necessarily indicative of the results to be expected for the year ended December 31, 2010.

NOTE 2 - LOANS AND ALLOWANCE FOR LOAN LOSSES

A summary of the allowance for loan losses follows.

	March 31, 2010	March 31, 2009
Balance at beginning of year	**$ 1,994**	$ 2,069
Provision for loan losses	**343**	697
Charge-offs	**304**	6
Balance at end of period	**$ 2,033**	$ 2,760

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 $4,168 as of March 31, 2010 and $6,536 as of March 31, 2009. No impaired loans carried a specific allowance for loan losses at March 31, 2010 and 2009.

The average recorded investment in impaired loans including accrued interest during the three months ended March 31, 2010 was $3,551 and $5,940 for the same period in 2009. The Association recognized interest income on impaired loans of $4 for the three months ended March 31, 2010 and $5 for the same period in 2009.

NOTE 4 - FAIR VALUE MEASUREMENTS

FASB 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 2009 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, 2010.

Assets and liabilities measured at fair value on a non-recurring basis at March 31, 2010 for each of the fair value hierarchy values are summarized below:

	Fair Value Measurement Using			Total Fair	Total
March 31, 2010	**Level 1**	**Level 2**	**Level 3**	**Value**	**Losses**
Assets:					
Loans	$ —	$ —	$ 3,284	$ 3,284	$ 298
December 31, 2009					
Assets:					
Loans	$ —	$ —	$ 3,284	$ 3,284	$ 983

Valuation Techniques

As more fully discussed in Note 2 to the 2009 Annual Report to Shareholders, authoritative 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 for the Association's assets and liabilities.

Loans

For certain loans evaluated for impairment under FASB 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 that the principal balance of the loan, a specific reserve is established.

NOTE 4 - SUBSEQUENT EVENTS

The Association has evaluated subsequent events through May 5, 2010, which is the date the financial statements were available to be issued.