Quarterly Report to Stockholders

Farm Credit of
Western Oklahoma, ACA
Woodward, Oklahoma

March 31, 2013

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 2012 CoBank Annual Report to Shareholders, and the CoBank quarterly shareholders' reports are available free of charge by accessing CoBank's website, www.cobank.com, or may be obtained at no charge by 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, 2013, with comparisons to prior periods. You should read these comments along with the accompanying financial statements and footnotes and the 2012 Annual Report to Shareholders. The accompanying financial statements were prepared under the oversight of our Audit Committee.

Commodity prices have remained relatively stable. Customers' financial condition remains strong due to the agricultural economy and overall economic conditions in the region. Weather conditions have improved with recent rains; however, long term drought conditions exist. Crop conditions are fair to good throughout the region.

LOAN PORTFOLIO

Loans outstanding at March 31, 2013 totaled $449,863, a decrease of $3,434, or 0.76%, from loans of $453,297 at December 31, 2012.

RESULTS OF OPERATIONS

Net income for the three months ended March 31, 2013 was $1,064, an increase of $191, or 21.88%, from the same period ended one year ago. This is primarily due to increase in loan volume of $52 million from same period one year ago, offset by an increase in non-interest expense.

Net interest income for the three months ended March 31, 2013 was $3,050, an increase of $360, or 13.38%, compared with March 31, 2012. Interest income increased as a result of increased loan volume and a lower cost of funds from CoBank.

The provision for loan losses for the three months ended March 31, 2013 was $76, a decrease of $16, or 17.39%, from the provision for loan losses for the same period ended one year ago. The provision for loan losses decreased as a result of improved risk profile of the portfolio and a recovery of $15 on a cattle loan.

Noninterest income increased $7 during the first three months of 2013 compared with the first three months in 2012 primarily due to increased patronage accrual from CoBank of $34 offset by a decrease in mineral income of $27. Mineral income of $111 was recognized during the first three months of 2013. Of this amount, quarterly payments totaling $109 were received from CoBank.

During the first three months of 2013, noninterest expense increased $192 to $2,432, primarily due to an increase in salaries and benefits, due to annual merit increases and bonuses; increase in Farm Credit Insurance Fund premium offset by a decrease of other noninterest expense.

CAPITAL RESOURCES

Our shareholders' equity at March 31, 2013 was $85,171, an increase from $84,118 at December 31, 2012. This increase is due to net income, offset by net stock reductions.

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.

Jimmie Purvine	John Grunewald	Jamie Shirkey
Jimmie Purvine, Chairman of the Board	John Grunewald, President/CEO	Jamie Shirkey, Sr. V.P. - CFO
May 6, 2013	May 6, 2013	May 6, 2013

Consolidated Statement of Condition

(Dollars in Thousands)

	March 31 2013 UNAUDITED	December 31 2012 AUDITED
ASSETS		
Loans	$ **449,863**	$ 453,297
Less allowance for loan losses	**2,237**	2,162
Net loans	**447,626**	451,135
Cash	**1,666**	6,247
Accrued interest receivable	**7,040**	5,707
Investment in CoBank	**13,999**	13,999
Premises and equipment, net	**1,772**	1,692
Prepaid benefit expense	**281**	510
Other assets	**782**	1,943
Total assets	$ **473,166**	$ 481,233
LIABILITIES		
Note payable to CoBank	$ **375,940**	$ 387,008
Advance conditional payments	**7,947**	5,248
Accrued interest payable	**2,357**	2,937
Patronage distributions payable	**1,250**	1,250
Accrued benefits liability	**107**	110
Other liabilities	**394**	562
Total liabilities	**387,995**	397,115
Commitments and Contingencies		
SHAREHOLDERS' EQUITY		
Capital stock	**1,366**	1,377
Unallocated retained earnings	**83,805**	82,741
Total shareholders' equity	**85,171**	84,118
Total liabilities and shareholders' equity	$ **473,166**	$ 481,233

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

Consolidated Statement of Comprehensive Income

(Dollars in Thousands)

	For the three months ended March 31	
UNAUDITED	**2013**	2012
INTEREST INCOME		
Loans	**$ 4,886**	$ 4,602
Total interest income	**4,886**	4,602
INTEREST EXPENSE		
Note payable to CoBank	**1,818**	1,894
Other	**18**	18
Total interest expense	**1,836**	1,912
Net interest income	**3,050**	2,690
Provision for loan losses	**76**	92
Net interest income after provision for loan losses	**2,974**	2,598
NONINTEREST INCOME		
Financially related services income	**7**	7
Loan fees	**-**	(2)
Patronage refund from Farm Credit Institutions	**401**	367
Mineral income	**111**	138
Other noninterest income	**3**	5
Total noninterest income	**522**	515
NONINTEREST EXPENSE		
Salaries and employee benefits	**1,591**	1,352
Occupancy and equipment	**79**	75
Purchased services from AgVantis, Inc.	**176**	173
Farm Credit Insurance Fund premium	**84**	37
Supervisory and examination costs	**38**	38
Other noninterest expense	**464**	565
Total noninterest expense	**2,432**	2,240
Net income/Comprehensive income	**$ 1,064**	$ 873

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, 2011	$ 3	$ 1,383	$ 77,722	$ 79,108
Comprehensive income			873	873
Stock issued	-	41		41
Stock retired		(47)		(47)
Balance at March 31, 2012	$ 3	$ 1,377	$ 78,595	$ 79,975
Balance at December 31, 2012	$ -	$ 1,377	$ 82,741	$ 84,118
Comprehensive income			1,064	1,064
Stock issued	-	29		29
Stock retired	-	(40)		(40)
Balance at March 31, 2013	**$ -**	**$ 1,366**	**$ 83,805**	**$ 85,171**

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, 2012, are contained in the 2012 Annual Report to Shareholders. These unaudited first quarter 2013 financial statements should be read in conjunction with the 2012 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 operation, but will result in additional disclosures.

In February 2013, the FASB issued guidance, "Reporting of Amounts Reclassified out of Accumulated Other Comprehensive Income." The guidance requires entities to present either parenthetically on the face of the financial statements or in the notes to the financial statements, significant amounts reclassified from each component of accumulated other comprehensive income and the income statement line items affected by the reclassification. The guidance is effective for public entities for annual periods beginning after December 15, 2012 and for non-public entities for annual periods beginning after December 15, 2013. The adoption of this guidance will not impact the financial condition or results of operations, but will result in additional disclosures.

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, 2013 are not necessarily indicative of the results to be expected for the year ended December 31, 2013.

NOTE 2 - LOANS AND ALLOWANCE FOR LOAN LOSSES

A summary of loans follows.

	March 31, 2013	December 31, 2012
Real estate mortgage	**$ 302,358**	$ 300,101
Production and intermediate-term	**135,427**	137,879
Agribusiness:		
Loans to cooperatives	**4,291**	8,345
Processing and marketing	**5,300**	4,356
Farm-related business	**749**	1,022
Rural residential real estate	**1,738**	1,594
Total loans	**$ 449,863**	$ 453,297

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 during the quarter ended March 31, 2013:

	Other Farm Credit Institutions		Non-Farm Credit Institutions		Total	
	Purchased	Sold	Purchased	Sold	Purchased	Sold
Real estate mortgage	$ 34,814	$ 13,468	$ 266	$ --	$ 35,080	$ 13,468
Production and intermediate-term	26,403	3,430	--	--	26,403	3,430
Agribusiness	5,300	--	--	132	5,300	132
Total	$ 66,517	$ 16,898	$ 266	$ 132	$ 66,783	$ 17,030

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, 2013	December 31, 2012
Real estate mortgage		
Acceptable	**98.48%**	98.50%
OAEM	**1.32%**	1.44%
Substandard	**0.20%**	0.06%
Total	**100.00%**	100.00%
Production and intermediate-term		
Acceptable	**97.39%**	97.94%
OAEM	**1.55%**	1.84%
Substandard	**1.06%**	0.22%
Total	**100.00%**	100.00%
Agribusiness		
Acceptable	**77.94%**	84.19%
OAEM	**10.33%**	8.29%
Substandard	**11.73%**	7.52%
Total	**100.00%**	100.00%
Rural residential real estate		
Acceptable	**100.00%**	100.00%
Total	**100.00%**	100.00%
Total Loans		
Acceptable	**97.69%**	97.90%
OAEM	**1.59%**	1.77%
Substandard	**0.72%**	0.33%
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, 2013**	December 31, 2012
Nonaccrual loans		
Real estate mortgage	**$ 171**	$ 171
Production and intermediate-term	**25**	37
Total high risk assets	**$ 196**	$ 208

The Association had no accruing restructured loans, accruing loans 90 days past due or other property owned at March 31, 2013 or December 31, 2012.

Additional impaired loan information is as follows:

	March 31, 2013			December 31, 2012		
	Recorded Investment	Unpaid Principal Balance	Related Allowance	Recorded Investment	Unpaid Principal Balance	Related Allowance
Total impaired loans:						
Real estate mortgage	**$ 171**	**$ 181**	**$ --**	$ 171	$ 181	$ --
Production and intermediate-term	**25**	**1,498**	**--**	37	1,498	--
Total	**$ 196**	**$ 1,679**	**$ --**	$ 208	$ 1,679	$ --

	For the Three Months Ended March 31, 2013		For the Three Months Ended March 31, 2012	
	Average Impaired Loans	Interest Income Recognized	Average Impaired Loans	Interest Income Recognized
Total impaired loans:				
Real estate mortgage	$ 171	$ --	$ 1,163	$ 12
Production and intermediate-term	36	--	306	3
Agribusiness:				
Loans to cooperatives	--	--	123	--
Rural residential real estate	--	--	1	2
Total	$ 207	$ --	$ 1,593	$ 17

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

March 31, 2013	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 Accruing Loans 90 Days or More Past Due
Real estate mortgage	$ --	$ --	$ --	$ 307,249	$ 307,249	$ --
Production and intermediate-term	133	25	158	137,341	137,499	--
Agribusiness	--	--	--	10,396	10,396	--
Rural residential real estate	--	--	--	1,759	1,759	--
Total	$ 133	$ 25	$ 158	$ 456,745	$ 456,903	$ --
December 31, 2012						
Real estate mortgage	$ 40	$ --	$ 40	$ 303,664	$ 303,704	$ --
Production and intermediate-term	162	37	199	139,730	139,929	--
Agribusiness	8	--	8	13,759	13,767	--
Rural residential real estate	--	--	--	1,604	1,604	--
Total	$ 210	$ 37	$ 247	$ 458,757	$ 459,004	$ --

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, 2012	Charge-offs	Recoveries	Provision for Loan Losses/ (Loan Loss Reversals)	Balance at March 31, 2013
Real estate mortgage	$ 182	$ --	$ --	$ (3)	$ 179
Production and intermediate-term	1,908	19	18	85	1,992
Agribusiness	70	--	--	(5)	65
Rural residential real estate	2	--	--	(1)	1
Total	$ 2,162	$ 19	$ 18	$ 76	$ 2,237

	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	(76)	1,930
Agribusiness	73	--	--	60	133
Rural residential real estate	4	--	--	1	5
Total	$ 2,149	$ 13	$ 1	$ 92	$ 2,229

	Allowance for Credit Losses Ending Balance at March 31, 2013		Recorded Investments in Loans Outstanding Ending Balance at March 31, 2013	
	Individually evaluated for impairment	Collectively evaluated for impairment	Individually evaluated for impairment	Collectively evaluated for impairment
Real estate mortgage	$ --	$ 179	$ 171	$ 307,078
Production and intermediate-term	--	1,992	25	137,474
Agribusiness	--	65	--	10,396
Rural residential real estate	--	1	--	1,759
Total	$ --	$ 2,237	$ 196	$ 456,707

	Allowance for Credit Losses Ending Balance at December 31, 2012		Recorded Investments in Loans Outstanding Ending Balance at December 31, 2012	
	Individually evaluated for impairment	Collectively evaluated for impairment	Individually evaluated for impairment	Collectively evaluated for impairment
Real estate mortgage	$ --	$ 182	$ 171	$ 303,533
Production and intermediate-term	--	1,908	37	139,892
Agribusiness	--	70	--	13,767
Rural residential real estate	--	2	--	1,604
Total	$ --	$ 2,162	$ 208	$ 458,796

A restructuring of a debt constitutes a troubled debt restructuring (TDR) if the creditor, for economic or legal reasons related to the debtor's financial difficulties, grants a concession to the debtor that it would not otherwise consider. The Association recorded no TDRs during the three months ended March 31, 2013.

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 the principal or most advantageous market for the asset or liability. See Note 2 to the 2012 Annual Report to Shareholders for a more complete description.

Assets measured at fair value on a recurring basis are summarized below:

	Fair Value Measurement Using			**Total Fair Value**
	Level 1	**Level 2**	**Level 3**	
Assets held in nonqualified benefits trusts				
March 31, 2013	**$ 11**	**$**	**$**	**$ 11**
December 31, 2012	$ 3	$	$	$ 3

During the first three months of 2013, the Association recorded no transfers in or out of Levels 1, 2, or 3.

The Association had no liabilities measured at fair value on a recurring basis at March 31, 2013 or December 31, 2012.

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 Level 1	Level 2	Level 3	Total Fair Value	Total Losses
March 31, 2013					
Loans	**$ —**	**$ —**	**$ 196**	**$ 196**	**$ 12**
December 31, 2012					
Loans	$ —	$ —	$ 212	$ 212	$ 99

With regard to impaired loans and other property owned, it is not practicable to provide specific information on inputs as each collateral property is unique. System institutions utilize appraisals to value these loans and other property owned and take into account unobservable inputs such as income and expense, comparable sales, replacement cost and comparability adjustments.

The Association had no liabilities measured at fair value on a non-recurring basis at March 31, 2013 or December 31,2012.

Valuation Techniques

As more fully discussed in Note 2 to the 2012 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.

Assets Held in Non-Qualified Benefits Trusts

Assets held in trust funds related to deferred compensation and supplemental retirement plans are classified within Level 1. The trust funds include investments that are actively traded and have quoted net asset values that are observable in the marketplace.

NOTE 4 - SUBSEQUENT EVENTS

The Association has evaluated subsequent events through May 6, 2013 which is the date the financial statements were issued, and no material subsequent events were identified.