

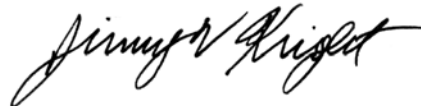
FIRST QUARTER 2009

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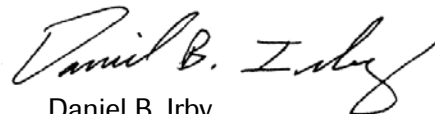
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CERTIFICATION

The undersigned certify that we have reviewed the March 31, 2009 quarterly report of Farm Credit of Southwest Florida, ACA, that the report has been prepared under the oversight of the Audit Committee of the Board of Directors and in accordance with all applicable statutory or regulatory requirements, and that the information contained herein is true, accurate, and complete to the best of our knowledge and belief.



Jimmy V. Knight
Chief Executive Officer



Daniel B. Irby
Chief Financial Officer



Walter S. Farr
Chairman of the Board

April 28, 2009

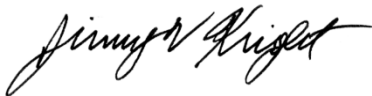
Farm Credit of Southwest Florida, ACA

Report on Internal Control Over Financial Reporting

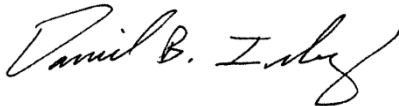
The Association's principal executives and principal financial officers, or persons performing similar functions, are responsible for establishing and maintaining adequate internal control over financial reporting for the Association's Consolidated Financial Statements. For purposes of this report, "internal control over financial reporting" is defined as a process designed by, or under the supervision of the Association's principal executives and principal financial officers, or persons performing similar functions, and effected by its Board of Directors, management and other personnel, to provide reasonable assurance regarding the reliability of financial reporting information and the preparation of the Consolidated Financial Statements for external purposes in accordance with accounting principles generally accepted in the United States of America and includes those policies and procedures that: (1) pertain to the maintenance of records that in reasonable detail accurately and fairly reflect the transactions and dispositions of the assets of the Association, (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial information in accordance with accounting principles generally accepted in the United States of America, and that receipts and expenditures are being made only in accordance with authorizations of management and directors of the Association, and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of the Association's assets that could have a material effect on its Consolidated Financial Statements.

The Association's management has completed an assessment of the effectiveness of internal control over financial reporting as of March 31, 2009. In making the assessment, management used the framework in *Internal Control — Integrated Framework*, promulgated by the Committee of Sponsoring Organizations of the Treadway Commission, commonly referred to as the "COSO" criteria.

Based on the assessment performed, the Association concluded that as of March 31, 2009 the internal control over financial reporting was effective based upon the COSO criteria. Additionally, based on this assessment, the Association determined that there were no material weaknesses in the internal control over financial reporting as of March 31, 2009.



Jimmy V. Knight
Chief Executive Officer



Daniel B. Irby
Chief Financial Officer

April 28, 2009

Management's Discussion and Analysis of Financial Condition and Results of Operations

(dollars in thousands)

The following commentary reviews the financial condition and results of operations of Farm Credit of Southwest Florida, ACA (the Association) for the period ended March 31, 2009. These comments should be read in conjunction with the accompanying consolidated financial statements, notes to the consolidated financial statements and the 2008 Annual Report of the Association.

LOAN PORTFOLIO

The Association provides funds to farmers, rural homeowners and farm-related businesses for financing of short and intermediate-term loans and long-term real estate mortgage loans. The Association's loan portfolio is diversified over a range of agricultural commodities including citrus, sugar and cattle. Farm size varies and many of the borrowers in the region have diversified farming operations. This factor, along with the numerous opportunities for non-farm income in the area, somewhat reduces the level of dependency on any single commodity.

The gross loan volume of the Association as of March 31, 2009, was \$189,088, a decrease of \$9,444 as compared to \$198,532 at December 31, 2008. Net loans outstanding at March 31, 2009, were \$186,872 as compared to \$194,239 at December 31, 2008. Net loans accounted for 73.85 percent of total assets at March 31, 2009, as compared to 73.78 percent of total assets at December 31, 2008. The decrease in gross and net loan volume during the reporting period is largely attributed to the deep recession of the Southwest Florida economy. This contracting economy yields very minimal to no opportunity for new loan growth. In addition, many agribusiness borrowers with seasonal operations typically pay down funded operating lines during the first several months of the year.

The Association maintains an allowance for loan losses at a level considered adequate to provide for probable and estimable credit losses within the loan portfolio. The Association increases the allowance by providing a provision for loan losses in the income statement. Loan losses are recorded against and serve to decrease the allowance when management determines that any portion of a loan is uncollectible. Any subsequent recoveries are added to the allowance. Managements' evaluations consider factors

which include, among many other things, loan loss experience, portfolio quality, loan portfolio composition, current agricultural production conditions, and general economic conditions. The allowance for loan losses at March 31, 2009 was \$2,216 compared to \$4,293 at December 31, 2008, and was considered by management to be adequate to cover probable losses. See Note 2, *Allowance for Loan Losses and Impaired Loans*, in the Notes to the Consolidated Financial Statements, for further information.

RESULTS OF OPERATIONS

For the three months ended March 31, 2009

Net income for the three months ended March 31, 2009, totaled \$962, as compared to \$1,551 for the same period in 2008. Net interest income decreased \$552 for the three months ended March 31, 2009, as compared to the same period in 2008. Net interest income after provision for loan losses increased \$120 or 18.75 percent as compared to the same period in 2008.

For the three month period, net interest income decreased. This is primarily due to higher nonaccrual loan volume where no interest income is accrued to recover the interest expense on these assets thereby compressing total net interest income. Net interest income after provision for loan losses increased for the three month period primarily due to the decrease in provision for loan losses of \$672 for specific loss reserves established for loans transferred to nonaccrual in 2008.

Non-interest income for the three months ended March 31, 2009, totaled \$1,994, as compared to \$2,605 for the same period of 2008, a decrease of \$611. Non-interest expense for the three months ended March 31, 2009, increased \$100 compared to the same period of 2008.

The decrease in non-interest income for the three month period is primarily due to large participation loans transferred to nonaccrual status that the Association typically earns patronage revenues from Farm Credit participating institutions. In addition, the sold loan assets are also contracting with the general weakening of the economy with little to no opportunity to generate new loan growth. The increase in non-interest expense for the three

month period is primarily due to increased pension expense from a decrease in the expected return on plan assets and an increase in the amount of actuarial losses amortized for 2009 for the districtwide plan in which the Association participates. See Note 3, *Employee Benefit Plans*, in the Notes to the Consolidated Financial Statements, for further information.

FUNDING SOURCES

The principal source of funds for the Association is the borrowing relationship established with AgFirst Farm Credit Bank (the Bank) through a General Financing Agreement. The General Financing Agreement utilizes the Association's credit and fiscal performance as criteria for establishing a line of credit on which the Association may draw funds. The Bank advances funds to the Association in the form of notes payable. The notes payable are segmented into variable rate and fixed rate sections. The variable rate note is utilized by the Association to fund variable rate loan advances and operating funds requirements. The fixed rate note is used specifically to fund fixed rate loan advances made by the Association. The total notes payable to the Bank at March 31, 2009, was \$201,045 as compared to \$211,647 at December 31, 2008. The decrease ties to the contraction of the Association's loan assets aforementioned with regards to the severe Southwest Florida economic recession.

CAPITAL RESOURCES

Total members' equity at March 31, 2009, increased to \$48,314 from the December 31, 2008 total of \$47,338. The increase is primarily due to first quarter's earnings.

Total capital stock and participation certificates were \$882 on March 31, 2009 and December 31, 2008. Decreases attributed to protected borrower's equity that has been retired in the normal course of business were offset by increases in capital stock and participation certificates attributed to new loan volume.

Farm Credit Administration (FCA) regulations require all Farm Credit institutions to maintain minimum permanent capital, total surplus and core surplus ratios. These ratios are calculated by dividing the Association's permanent capital, total surplus and core surplus as defined in FCA regulations, by a risk-adjusted asset base. As of March 31, 2009, the Association's total surplus ratio and core surplus ratio were 13.59 percent and 10.62 percent, respectively, and the permanent capital ratio was 13.85 percent. All three ratios were well above the minimum regulatory ratios of 7.00 percent for permanent capital and total surplus ratios and 3.50 percent for the core surplus ratio.

NOTE: Shareholder investment in the Association could be affected by the financial condition and results of operations of AgFirst Farm Credit Bank (AgFirst). Copies of AgFirst's Annual and Quarterly reports are available upon request free of charge by calling 1-800-845-1745, ext. 378, or writing Stephen Gilbert, AgFirst Farm Credit Bank, P.O. Box 1499, Columbia, SC 29202. Information concerning AgFirst can also be obtained at their website, www.agfirst.com. Copies of the Association's Annual and Quarterly reports are also available upon request free of charge by calling 1-800-307-5677 ext. 141, or writing Jeremy Christian, Controller, Farm Credit of Southwest Florida, ACA 330 N. Brevard Ave 34266, or accessing the website, www.farmcreditswfl.com. The Association prepares a quarterly report within 40 days after the end of each fiscal quarter, except that no report need be prepared for the fiscal quarter that coincides with the end of the fiscal year of the institution.

Farm Credit of Southwest Florida, ACA

Consolidated Balance Sheets

<i>(dollars in thousands)</i>	March 31, 2009 <i>(unaudited)</i>	December 31, 2008 <i>(audited)</i>
Assets		
Investment securities:		
Held to maturity (fair value of \$38,323 and \$37,221 respectively)	\$ 39,828	\$ 38,517
Loans	189,088	198,532
Less: allowance for loan losses	2,216	4,293
Net loans	186,872	194,239
Accrued interest receivable	1,283	1,715
Investment in other Farm Credit institutions	16,816	17,174
Premises and equipment, net	1,029	1,070
Other property owned	594	178
Due from other Farm Credit institutions	2,674	6,404
Other assets	3,959	3,970
Total assets	<u>\$ 253,055</u>	<u>\$ 263,267</u>
Liabilities		
Notes payable to AgFirst Farm Credit Bank	\$ 201,045	\$ 211,647
Accrued interest payable	436	731
Patronage refund payable	383	737
Other liabilities	2,877	2,814
Total liabilities	<u>204,741</u>	<u>215,929</u>
Commitments and contingencies		
Members' Equity		
Protected borrower equity	324	329
Capital stock and participation certificates	558	553
Retained earnings		
Allocated	22,637	22,637
Unallocated	24,946	23,984
Accumulated other comprehensive income (loss)	(151)	(165)
Total members' equity	<u>48,314</u>	<u>47,338</u>
Total liabilities and members' equity	<u>\$ 253,055</u>	<u>\$ 263,267</u>

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

Farm Credit of Southwest Florida, ACA

Consolidated Statements of Income

(unaudited)

**For the three months
ended March 31,**

(dollars in thousands)

	2009	2008
Interest Income		
Investment securities	\$ 216	\$ 483
Loans	2,123	3,181
Total interest income	2,339	3,664
Interest Expense		
Notes payable to AgFirst Farm Credit Bank	1,368	2,141
Net interest income	971	1,523
Provision for (reversal of allowance for) loan losses	211	883
Net interest income after provision for (reversal of allowance for) loan losses	760	640
Noninterest Income		
Loan fees	147	245
Equity in earnings of other Farm Credit institutions	1,882	2,323
Gains (losses) on other property owned, net	(38)	2
Other noninterest income	3	35
Total noninterest income	1,994	2,605
Noninterest Expense		
Salaries and employee benefits	1,160	1,090
Occupancy and equipment	128	99
Insurance Fund premium	84	64
Other operating expenses	420	439
Total noninterest expense	1,792	1,692
Income before income taxes	962	1,553
Provision (benefit) for income taxes	—	2
Net income	\$ 962	\$ 1,551

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

Farm Credit of Southwest Florida, ACA
**Consolidated Statements of Changes in
Members' Equity**

(unaudited)

(dollars in thousands)

	Protected Borrower Capital	Capital Stock and Participation Certificates	Retained Earnings		Accumulated Other Comprehensive Income	Total Members' Equity
			Allocated	Unallocated		
Balance at December 31, 2007	\$ 356	\$ 581	\$ 26,030	\$ 24,827	\$ (225)	\$ 51,569
Comprehensive income						
Net income				1,551		1,551
Employee benefit plans adjustments				(20)	15	(5)
Total comprehensive income						1,546
Protected borrower equity retired	(6)					(6)
Capital stock/participation certificates issued/(retired), net		11				11
Retained earnings retired			(5,508)			(5,508)
Patronage distribution adjustment			611	(940)		(329)
Balance at March 31, 2008	\$ 350	\$ 592	\$ 21,133	\$ 25,418	\$ (210)	\$ 47,283
Balance at December 31, 2008	\$ 329	\$ 553	\$ 22,637	\$ 23,984	\$ (165)	\$ 47,338
Comprehensive income						
Net income				962		962
Employee benefit plans adjustments					14	14
Total comprehensive income						976
Protected borrower equity retired	(5)					(5)
Capital stock/participation certificates issued/(retired), net		5				5
Balance at March 31, 2009	\$ 324	\$ 558	\$ 22,637	\$ 24,946	\$ (151)	\$ 48,314

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

Farm Credit of Southwest Florida, ACA

Notes to the Consolidated Financial Statements

*(dollars in thousands, except as noted)
(unaudited)*

NOTE 1 – ORGANIZATION, SIGNIFICANT ACCOUNTING POLICIES, AND RECENTLY ISSUED ACCOUNTING PRONOUNCEMENTS

The accompanying financial statements include the accounts of Farm Credit of Southwest Florida, ACA (the Association). A description of the organization and operations of 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 consolidated financial statements should be read in conjunction with the 2008 Annual Report to Shareholders.

The accompanying consolidated 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 (GAAP) 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 ending December 31, 2009.

Certain amounts in the prior period's consolidated financial statements may have been reclassified to conform to the current period's consolidated financial statement presentation. Such reclassifications had no effect on the prior period net income or total capital as previously reported.

The Association maintains an allowance for loan losses in accordance with GAAP. The loan portfolio is reviewed quarterly to determine the adequacy of the allowance for losses. As of March 31, 2009, the allowance for losses is adequate in management's opinion to provide for possible losses on existing loans.

In addition to the recently issued accounting pronouncements discussed in the 2008 Annual Report to Shareholders, effective January 1, 2009, the Association adopted Financial Accounting Standards Board (FASB) Statement of Position (FSP) No. 157-2, "Effective Date of FASB Statement No. 157." This FSP delayed the effective date of Statement No. 157 for nonfinancial assets and nonfinancial liabilities until fiscal years beginning after November 15, 2008. The impact of adoption requires additional fair value disclosures, if applicable, but does not have an impact on the Association's financial condition or results of operations.

NOTE 2 – ALLOWANCE FOR LOAN LOSSES AND IMPAIRED LOANS

An analysis of the allowance for loan losses follows:

	For the three months ended March 31,	
	2009	2008
Balance at beginning of period	\$ 4,293	\$ 232
Provision for (reversal of) loan losses	211	883
Charge-offs	(2,288)	-
Recoveries	-	-
Balance at end of period	\$ 2,216	\$ 1,115

The following table presents information concerning impaired loans as of March 31,

	2009	2008
Impaired loans with related allowance	\$ 8,706	\$ 5,000
Impaired loans with no related allowance	3,297	680
Total impaired loans	\$ 12,003	\$ 5,680
Allowance on impaired loans	\$ 1,247	\$ 970

The following table summarizes impaired loan information for the three months ended March 31,

	2009	2008
Average impaired loans	\$ 13,985	\$ 3,146
Interest income recognized on impaired loans	194	27

NOTE 3 – EMPLOYEE BENEFIT PLANS

The following is a table of retirement and other postretirement benefit expenses for the Association:

	For the three months ended March 31,	
	2009	2008
Pension	\$ 260	\$ 54
401(k)	20	21
Other postretirement benefits	20	18
Total	\$ 300	\$ 93

The following is a table of retirement and other postretirement benefit contributions for the Association:

	Actual YTD Through 3/31/09	Projected Contributions For Remainder of 2009	Projected Total Contributions 2009
Pension	\$ -	\$ -	\$ -
Other postretirement benefits	9	41	50
Total	\$ 9	\$ 41	\$ 50

Actuarial calculations as of the last plan measurement date (December 31, 2008) projected no contributions to the pension plan for 2009. However, market conditions could impact discount rates and return on plan assets which could make additional contributions necessary before the next plan measurement date of December 31, 2009.

Further details regarding employee benefit plans are contained in the 2008 Annual Report to Shareholders.

NOTE 4 – FAIR VALUE MEASUREMENT

Effective January 1, 2008, the Association adopted Statement of Financial Accounting Standards No. 157, "Fair Value Measurements" (SFAS No. 157). This Statement defines fair value, establishes a framework for measuring fair value and expands disclosures about fair value measurements for certain assets and liabilities measured at fair value on a recurring and non-recurring basis. These assets and liabilities primarily consist of assets held in trust funds, standby letters of credit, impaired loans, and other property owned.

SFAS No. 157 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.

SFAS No. 157 establishes a fair value hierarchy for disclosure of fair value measurements to maximize the use of observable inputs, that is, inputs that reflect the assumptions market participants would use in pricing an asset or liability based on market data obtained from sources independent of the reporting entity. The valuation hierarchy is based upon the transparency of inputs to the valuation of an asset or liability as of the measurement date. A financial instrument's categorization within the valuation hierarchy is based upon the lowest level of input that is significant to the fair value measurement.

The three levels of inputs and the classification of the Association's financial instruments within the fair value hierarchy are as follows:

Level 1

Level 1 inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets. The Association's Level 1 assets at March 31, 2009 consist of assets held in trust funds related to deferred compensation and supplemental retirement plans. The trust funds include investments in securities that are actively traded and have quoted net asset value prices that are directly observable in the marketplace.

Level 2

Level 2 inputs to the valuation methodology include quoted prices for similar assets and liabilities in active markets; quoted prices in markets that are not active; and inputs that are observable, or can be corroborated, for substantially the full term of the asset or liability. The Association has no Level 2 assets or liabilities measured at fair value on a recurring basis at March 31, 2009.

Level 3

Level 3 inputs to the valuation methodology are unobservable and supported by little or no market activity. Valuation is determined using pricing models, discounted cash flow methodologies, or similar techniques, and could include significant management judgment or estimation. Level 3 assets and liabilities also could include instruments whose price has been adjusted based on dealer quoted pricing that is different than the third-party valuation or internal model pricing. Level 3 assets at March 31, 2009 include impaired loans which represent the fair value of certain loans that were evaluated for impairment under SFAS No. 114. The fair value was based upon the underlying collateral since these were collateral-dependent loans. 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 collateral, less estimated costs to sell, is less than the principal balance of the loan, a specific reserve is established. Other property owned is classified as a level 3 asset at March 31, 2009. The fair value for other property owned is based upon the collateral less estimated costs to sell. Level 3 liabilities at March 31, 2009 include standby letters of credit whose market value is internally calculated based on information that is not observable either directly or indirectly in the marketplace.

Assets and Liabilities Measured at Fair Value on a Recurring Basis

The following table presents the assets and liabilities that are measured at fair value on a recurring basis at March 31, 2009 for each of the fair value hierarchy levels:

	March 31, 2009			
	Level 1	Level 2	Level 3	Total Fair Value
Assets:				
Assets held in trust funds	\$ 257	\$ -	\$ -	\$ 257
Total Assets	\$ 257	\$ -	\$ -	\$ 257
Liabilities:				
Standby letters Of credit	\$ -	\$ -	\$ 75	\$ 75
Total Liabilities	\$ -	\$ -	\$ 75	\$ 75

The following table presents the changes in Level 3 assets and liabilities measured at fair value on a recurring basis:

	Standby Letters Of Credit
Balance at January 1, 2009	\$ 64
Total gains or (losses) realized/unrealized:	
Included in earnings	-
Included in other comprehensive loss	-
Purchases, sales, issuances and settlements, net	11
Transfers in and/or out of level 3	-
Balance at March 31, 2009	\$ 75

Assets and Liabilities Measured at Fair Value on a Non-recurring Basis

Assets and liabilities measured at fair value on a non-recurring basis at March 31, 2009 for each of the fair value hierarchy values are summarized below:

	March 31, 2009				YTD Total Gains (Losses)
	Level 1	Level 2	Level 3	Total Fair Value	
Assets:					
Impaired loans	\$ -	\$ -	\$ 7,459	\$ 7,459	\$ 124
Other property owned	\$ -	\$ -	\$ 594	\$ 594	\$ 1